



KGI

CHINA
DEVELOPMENT
FINANCIAL

Investment Daily

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Major Market Indicators

	26 Jun	25 Jun	24 Jun
Mkt. Turn.(mn)	64,800	82,400	69,782
Stock Advances	839	544	855
Stock Declines	771	1,183	791
HSI	28,221	28,183	28,513
Change	+36	-327	+39
HSI Turn.(\$bn)	23.45	28.18	24.38
HSCEI	10,766	10,742	10,952
Change	+23	-210	+31
HSCEI Turn.(\$bn)	21.33	29.00	20.70

HSI Technical Indicators

10-days MA	27,929
50-days MA	28,371
250-days MA	27,618
14-days RSI	55.73
Primary resistance	28,371
Primary support	27,929

HSCEI Technical Indicators

10-days MA	10,690
50-days MA	10,925
250-days MA	10,808
14-days RSI	52.95
Primary resistance	10,808
Primary support	10,690

HSI Futures

	26 Jun	25 Jun	24 Jun
Jun	28,190	28,156	28,423
Volume	167,654	237,299	186,686
Open interests	57,192	99,074	111,774
Jul	28,148	28,113	28,372
Volume	93,979	74,186	43,142
Open interests	119,683	82,221	39,112

HSCEI Futures

	26 Jun	25 Jun	24 Jun
Jun	10,745	10,737	10,877
Volume	143,588	206,382	138,091
Open interests	122,023	196,968	193,644
Jul	10,701	10,689	10,826
Volume	124,072	129,315	75,833
Open interests	202,573	163,974	81,323

Market Overview

The Hang Seng Index is expected to trade at 28,000-28,400 today

The Chairman of U.S. Fed, Jerome Powell, delivered a speech, emphasizing a prudent attitude toward monetary policy, cooling down expectations for interest rate cuts. US stocks fell overnight. Hong Kong stocks opened lower on Wednesday, once lower than 28,000 points, but then rose to close. The Hang Seng Index rose 36 points to close at 28,221 points. The H-Share Index rose 23 points to 10,766 points. The market turnover was HK\$ 64.8 billion. Pharmaceutical stocks ran out, and CSPC Pharma (1093) rose 3.5%, making it the best blue chip. Hong Kong property stocks were under pressure, and SHK PPT (16) fell 1.7%, being the worst blue chip.

The U.S. Treasury Secretary Mnuchin said he was "hopeful" that a China US trade deal could be struck, provided an early lift to markets. Besides, Micron shares shot up after the chipmaker said it could lawfully resume shipments to Chinese telecom giant Huawei as well as a boost from better-than-expected quarterly results. The Dow once rose 110 points on early Wednesday. However, President Trump said he was happy to collect China tariffs if talks broke down. Investors turned skeptical on President Xi Jinping and President Trump meeting outcome, US stock erased most of its early gain. The Dow fell 11 points (to 26,537) while the Nasdaq rose 25 points (to 7,910).

Local blue chips rebounded in the US ADR market last night. Given the uncertain outlook of President Xi Jinping and President Trump meeting at G20 meeting later this week, investors are likely to stay sideline in the near term. However, window dress activities before the half year end might provide some support to the stock market. Hang Seng Index is expected to continue range trade above 28,000 today.

Technical Analysis

The Hang Seng Index opened lower on Wednesday, once fell below the support at 28,000, but rebounded with a candlestick afterward, while it still closed below the 50 Day SMA (28,371). On the other hand, MACD remained in the positive territory, its positive trend started to decelerate. Hang Seng Index first support is at 10 Day SMA(27,929) while second support is 250 Day SMA (27,618). On the other hand, first resistance is 50 Day SMA(28,371), while second resistance is at 100 Day SMA(28,558).

HSI Chart



Sources : Google