# **Investment Daily**

10 July 2019

#### **Major Market Indicators**

|                   | 9 Jul  | 8 Jul  | 5 Jul  |
|-------------------|--------|--------|--------|
| Mkt. Turn.(mn)    | 70,300 | 75,700 | 56,200 |
| Stock Advances    | 600    | 371    | 780    |
| Stock Declines    | 1,000  | 840    | 840    |
| HSI               | 28,116 | 28,774 | 28,774 |
| Change            | -215   | -20    | -20    |
| HSI Turn.(\$bn)   | 23.90  | 25.13  | 15.49  |
| HSCEI             | 10,650 | 10,895 | 10,895 |
| Change            | -74    | -18    | -18    |
| HSCEI Turn.(\$bn) | 18.87  | 19.23  | 12.58  |

#### **HSI Technical Indicators**

| 10-days MA         | 28,532 |
|--------------------|--------|
| 50-days MA         | 28,158 |
| 250-days MA        | 27,606 |
| 14-days RSI        | 48.27  |
| Primary resistance | 28,626 |
| Primary support    | 28,000 |

### **HSCEI Technical Indicators**

| 10-days MA         | 10,838 |
|--------------------|--------|
| 50-days MA         | 10,788 |
| 250-days MA        | 10,798 |
| 14-days RSI        | 44.35  |
| Primary resistance | 10,744 |
| Primary support    | 11,600 |

#### **HSI Futures**

|                | 9 Jul   | 8 Jul   | 5 Jul   |
|----------------|---------|---------|---------|
| Jul            | 28,103  | 28,360  | 28,780  |
| Volume         | 170,001 | 175,310 | 144,112 |
| Open interests | 118,521 | 122,041 | 128,056 |
| Aug            | 28,080  | 28,347  | 28,758  |
| Volume         | 420     | 477     | 668     |
| Open interests | 1,068   | 909     | 950     |

#### **HSCEI Futures**

|                | 9 Jul   | 8 Jul   | 5 Jul   |
|----------------|---------|---------|---------|
| Jul            | 10,642  | 10,758  | 10,893  |
| Volume         | 65,429  | 82,187  | 48,289  |
| Open interests | 194,923 | 196,961 | 199,206 |
| Aug            | 10,654  | 10,766  | 10,902  |
| Volume         | 719     | 344     | 151     |
| Open interests | 3,779   | 3,295   | 3,211   |

## **Market Overview**

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

Market expectation on US rate cut cooled down. Hong Kong stock market continued to be under pressure. Hang Seng Index dropped 215 points to 28,116. H-share Index fell 74 points to 10,650. Market turnover was HK\$70.3 billion. Geely(175) issued negative profit alert and lowered its full year sales volume target. Share price declined 3.8%. A US company is said to have progress on research regarding African Swine Fever vaccine. Pork price may have downside risk. COFCO Meat(1610) dropped 4.3%. WH Group(288) fell 3.2%.

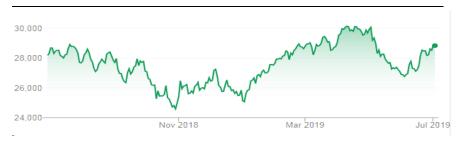
US stock continued its recent correction on Tuesday, the Dow once fell more than 140 points. However, Fed Chair Jerome Powell is scheduled to testify in front of the House Financial Services Committee on Wednesday, which is expected to provide clues on whether and how much the Fed will cut rates later this month, investors prefer to stay sideline. Thanks to the rise of large cap technology stocks, US stock narrowed most early loss, the Dow fell 23 points only (at 26,783) while the Nasdaq rose 43 points (to 8,142).

Investors closely monitored the Fed Chairman Powell testifying in Congress tonight, especially the remarks about the pace of interest rate cuts. It is expected that investors will wait and see at the moment. The Hang Seng Index is expected to range trade above 28,000 today. In addition, some small and medium-sized stocks have fluctuated sharply in recent trading days. Investors should be alert of the risk of short-term stock price fluctuations of such stocks.

### **Technical Analysis**

The Hang Seng Index opened lower on Tuesday, fell below the support at 50 Day SMA (28,158), finally closing with a black candlestick but still able to stay above 28,000. Although MACD remained in the positive territory, its positive trend showed sign of deceleration. Besides, 14 Day RSI fell below 50. Hang Seng Index first support is at 28,000 while second support is 250 Day SMA (27,606). On the other hand, first resistance is 100 Day SMA (28,626).while second resistance is at 29,000.

#### **HSI Chart**



Sources: Google