



KGI

CHINA
DEVELOPMENT
FINANCIAL

Investment Daily

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Major Market Indicators

	2 Jul	28 Jun	27 Jun
Mkt. Turn.(mn)	112,380	71,800	78,400
Stock Advances	1,150	773	1,101
Stock Declines	661	821	608
HSI	28,876	28,542	28,621
Change	+334	-78	+399
HSI Turn.(\$bn)	44.77	26.72	29.63
HSCEI	10,981	10,881	10,897
Change	+100	-15	+131
HSCEI Turn.(\$bn)	36.05	22.37	24.59

HSI Technical Indicators

10-days MA	28,369
50-days MA	28,301
250-days MA	27,609
14-days RSI	63.93
Primary resistance	29,000
Primary support	28,592

HSCEI Technical Indicators

10-days MA	10,834
50-days MA	10,882
250-days MA	10,803
14-days RSI	60.92
Primary resistance	11,140
Primary support	10,882

HSI Futures

	2 Jul	28 Jun	27 Jun
Jul	28,932	28,505	28,558
Volume	165,791	127,902	142,879
Open interests	125,813	119,104	130,265
Aug	28,903	28,478	28,535
Volume	419	277	
Open interests	486	281	

HSCEI Futures

	2 Jul	28 Jun	27 Jun
Jul	10,991	10,835	10,844
Volume	91,426	58,123	96,888
Open interests	197,890	192,098	198,351
Aug	10,998	10,845	10,857
Volume	472	1,684	
Open interests	1,857	1,608	

Market Overview

The Hang Seng Index is expected to trade at 28,600-28,900 today

US-China ceased fire and resumed trade talk, which boosted global market sentiment. Hang Seng Index rose 332 points to 28,875 on the first trading day of July. It climbed above 100-SMA(28,592) but failed to reach 29,000. H-share Index increased 99 points to 10,981. Market turnover was HK\$112.4 billion. Heavyweight stocks rose. AIA(1299) and Ping An(2318) refreshed new high. US President Trump eased Huawei exports control. Smartphone makers benefitted. AAC Tech(2018) and Sunny Optical(2382) surged 7.1-9.3%.

The U.S. government threatened to impose tariffs on US\$4 billion of additional European Union goods in a long-running dispute over aircraft subsidies. Together with oil price fell more than 3% with concerns over the weak economic growth of developed world, US stock fell on early Tuesday. However, buying interest emerged in late session, the Dow and the Nasdaq finally closed 69 points (to 26,787) and 18 points (to 8,109) respectively. On the other hand, fund flow into bond market, 10 Year US treasury yield fell 5 basis points to 1.98%.

Although China US trade talk prospect is still uncertain, but both parties truce will still be positive to HK stock market sentiment. Hong Kong stock is expected to remain stable in the near term, short term support will be at 100 Day SMA (28,592). Looking ahead, investors focus will switch from trade war to US economic especially non-farm payroll on Friday, to have more hints on future US rate trend.

Technical Analysis

The Hang Seng Index gapped opened higher on Tuesday, but failed to break through the resistance at 29,000, narrow range trade for the whole day and finally closed with a cross star pattern. On the other hand, MACD remained in the positive territory. The Hang Seng Index is pending for change. Hang Seng Index first support is at 100 Day SMA (28,592) while second support is 10 Day SMA(28,369). On the other hand, first resistance is 29,000 while second resistance is at 29,252.

HSI Chart



Sources : Google