



KGI

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DEVELOPMENT
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Major Market Indicators

	10 Jul	9 Jul	8 Jul
Mkt. Turn.(mn)	64,300	70,300	75,700
Stock Advances	902	600	371
Stock Declines	722	1,000	840
HSI	28,204	28,116	28,774
Change	+88	-215	-20
HSI Turn.(\$bn)	21.66	23.90	25.13
HSCEI	10,701	10,650	10,895
Change	+51	-74	-18
HSCEI Turn.(\$bn)	18.21	18.87	19.23

HSI Technical Indicators

10-days MA	28,534
50-days MA	28,131
250-days MA	27,605
14-days RSI	49.92
Primary resistance	28,627
Primary support	28,000

HSCEI Technical Indicators

10-days MA	10,833
50-days MA	10,772
250-days MA	10,798
14-days RSI	47.01
Primary resistance	10,748
Primary support	10,600

HSI Futures

	10 Jul	9 Jul	8 Jul
Jul	28,202	28,103	28,360
Volume	144,002	170,001	175,310
Open interests	127,171	118,521	122,041
Aug	28,180	28,080	28,347
Volume	518	420	477
Open interests	1,472	1,068	909

HSCEI Futures

	10 Jul	9 Jul	8 Jul
Jul	10,695	10,642	10,758
Volume	40,873	65,429	82,187
Open interests	198,389	194,923	196,961
Aug	10,705	10,654	10,766
Volume	1,330	719	344
Open interests	4,325	3,779	3,295

Market Overview

The Hang Seng Index is expected to trade at 28,100-28,500 today

Overnight, the US market waited for Fed Chairman Powell's opinion for interest rate cut. There was no obvious downside pressure for US stocks. Hong Kong stocks opened higher on Wednesday after falling for five trading days. Hong Kong stocks closed at 28,204 points, up 88 points. The H-Share Index rose 51 points to 10,701 points. The market turnover was HK\$64.3 billion. The pharmaceutical sector was up, and CSPC Pharma(1093) rose 4.1%, making it the best blue chip. Rating agency Fitch announced the withdrawal of its rating on CK Asset (1113), which fell 0.6%.

Fed Chairman Powell said that uncertainties around trade tensions and concerns about the strength of the global economy continue to weigh on the U.S. economic outlook. Powell said that the Fed will act as appropriate to sustain expansion, implying that the Fed will likely to cut rate in July meeting. US stock performed well on Wednesday, the Dow once rose 200 points while S&P once broke above 3,000. The Dow and the Nasdaq rose 77 points (to 26,860) and 61 points (to 8,203). Besides, thanks to sharp decline of inventories, oil price rose 4% to 60.4 US dollar per barrel.

Fed Chairman Powell signaled that the Fed is likely to cut rate in July meeting. Together with Hong Kong interbank rate retreated from recent peak, it is positive to Hong Kong stock. However, Hong Kong blue chips does not rise much in the US ADR market last night, together with the correction of A share market, HK stock market upside might be limited in the near term. Hang Seng Index resistance is at 100 Day SMA (28,627).

Technical Analysis

The Hang Seng Index opened slightly higher on Wednesday, traded within narrow range for the whole day, closing with a cross star pattern, but still able to rebound to close above 50 Day SMA(28,131). On the other hand, its MACD dipped into the negative territory. Overall technical trend is not strong. Hang Seng Index first support is at 28,000 while second support is 250 Day SMA (27,605). On the other hand, first resistance is 100 Day SMA (28,627).while second resistance is at 29,000.

HSI Chart



Sources : Google