



# KGI

CHINA  
DEVELOPMENT  
FINANCIAL

# Investment Daily

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## Major Market Indicators

	8 Jul	5 Jul	4 Jul
Mkt. Turn.(mn)	75,700	56,200	69,000
Stock Advances	371	780	721
Stock Declines	840	840	918
HSI	28,774	28,774	28,810
Change	-20	-20	-44
HSI Turn.(\$bn)	25.13	15.49	18.85
HSCEI	10,895	10,895	10,919
Change	-18	-18	-2
HSCEI Turn.(\$bn)	19.23	12.58	16.95

## HSI Technical Indicators

10-days MA	28,572
50-days MA	28,192
250-days MA	27,609
14-days RSI	52.16
Primary resistance	28,625
Primary support	28,192

## HSCEI Technical Indicators

10-days MA	10,868
50-days MA	10,808
250-days MA	10,800
14-days RSI	47.57
Primary resistance	10,738
Primary support	10,600

## HSI Futures

	8 Jul	5 Jul	4 Jul
Jul	28,360	28,780	28,849
Volume	175,310	144,112	154,093
Open interests	122,041	128,056	114,828
Aug	28,347	28,758	28,822
Volume	477	668	418
Open interests	909	950	719

## HSCEI Futures

	8 Jul	5 Jul	4 Jul
Jul	10,758	10,893	10,922
Volume	82,187	48,289	49,906
Open interests	196,961	199,206	192,934
Aug	10,766	10,902	10,933
Volume	344	151	933
Open interests	3,295	3,211	3,188

## Market Overview

### The Hang Seng Index is expected to trade at 28,200-28,600 today

The US change in non-farm payrolls in June was significantly better than market expectations. The data cooled down investor expectation of US rate cut and US stocks closed down last Friday. The Asia-Pacific stock market fell in Monday, and Hong Kong stocks opened lower. Hong Kong stocks closed at 28,331 points, down 443 points. The H-Share Index fell 169 points to 10,725 points. The market turnover was HK\$75.7 billion. Sands China (1928) slightly up 0.4%, however, all of other blue-chips fell, Geely (175) fell 4.1%, was the worst blue chip. In addition, the short-selling agency, Muddy Waters, released a short-selling report on Anta (2020), and Anta fell 7.3% today.

Owing to investors scaled back expectations for interest-rate cuts following last Friday's strong June jobs report, US stock market continued its consolidation on Monday. Besides, some analysts also downgrade individual stocks and market after accumulating significant rebound recently. Of which, Apple and other technology stocks suffered the most pressure. The Dow and the Nasdaq fell 116 points (to 26,806) and 63 points (to 8,098) respectively. On the other hand, owing to US dollar rebounded, oil price and gold price fell 0.1% and 0.3% respectively.

Owing to cool down of US interest rate downward adjustment pace expectation, as well as the obvious retreat of A share market, Hong Kong stock market retreated obviously on Monday and is expected to consolidate at current level today. Investors focus will eye on upcoming released FOMC minutes and Chairman Powell testimony. Besides, A share market movement as well as upcoming China economy data will also be investors focus.

## Technical Analysis

The Hang Seng Index gapped open lower on Monday, below the support at 10 Day SMA (28,572) and 100 Day SMA (28,625), finally closing with a black candlestick but still able to stay above 50 Day SMA(28,192). Although MACD remained in the positive territory, its positive trend showed sign of deceleration. Hang Seng Index first support is at 50 Day SMA (28,192) while second support is 28,000. On the other hand, first resistance is 100 Day SMA (28,625) while second resistance is at 29,000.

## HSI Chart



Sources : Google