



KGI

CHINA
DEVELOPMENT
FINANCIAL

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Major Market Indicators

	4 Jul	3 Jul	2 Jul
Mkt. Turn.(mn)	69,000	80,400	112,380
Stock Advances	721	714	1,150
Stock Declines	918	1,004	661
HSI	28,810	28,855	28,876
Change	-44	-20	+334
HSI Turn.(\$bn)	18.85	24.46	44.77
HSCEI	10,919	10,922	10,981
Change	-2	-58	+100
HSCEI Turn.(\$bn)	16.95	20.74	36.05

HSI Technical Indicators

10-days MA	28,564
50-days MA	28,249
250-days MA	27,608
14-days RSI	62.15
Primary resistance	29,000
Primary support	28,613

HSCEI Technical Indicators

10-days MA	10,890
50-days MA	10,846
250-days MA	10,801
14-days RSI	57.28
Primary resistance	11,139
Primary support	10,890

HSI Futures

	4 Jul	3 Jul	2 Jul
Jul	28,849	28,926	28,932
Volume	154,093	149,724	165,791
Open interests	114,828	121,205	125,813
Aug	28,822	28,899	28,903
Volume	418	467	419
Open interests	719	539	486

HSCEI Futures

	4 Jul	3 Jul	2 Jul
Jul	10,922	10,930	10,991
Volume	49,906	57,772	91,426
Open interests	192,934	196,553	197,890
Aug	10,933	10,941	10,998
Volume	933	812	472
Open interests	3,188	2,465	1,857

Market Overview

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

U.S. three major benchmarks setting record closes as investors cheered signs that monetary policy of U.S and Euro will become more simulative. However Hang Seng Index hover at current level and drop 59 points to 28,796points, while H-Share Index down 9 points to 10,913 points. The market turnover was 72.4 billion. NDRC issues guidelines on urban gas project, with installation fee must not exceed 10% of the cost in regions, however the leading's companies net profit margin were below 10%, therefore the negative impact was limited, gas related company performed well. Besides, FUTURE LAND (01030) further plunged 10.6% as the Chairman was being held in criminal custody and removed immediately. Sino Biopharm(1177) up 2.84% and was the best performing blue chip.

US stock market closed on Thursday due to Independent Day Holiday. U.S. President Trump accused Europe and China of playing a big currency manipulation game. The threat of trade war escalation was offset by continued optimism over Lagarde's nomination to replace Draghi as president of the European Central Bank. Besides, Eurozone retail sales slid 0.3% month-on-month in May, which was disappointed. Europe stock market did not change much on Thursday. UK FTSE index fell 0.1% while the German Dax index rose 0.1%.

The sizable initial public offer of Budwiser will draw significant amount of funds from the market. Together with the lack of fresh incentives, Hong Kong stock market is likely to remain range trading today. Hang Seng Index short term support is at 100 Day SMA(28,613).

Technical Analysis

The Hang Seng Index was capped by the resistance level at 29,000 on Thursday, and finally closed with a black candlestick. Although MACD remained in the positive territory, its positive trend showed sign of deceleration. Together with market daily turnover further fell to HK\$72bn again, the Hang Seng Index is pending for change. Hang Seng Index first support is at 100 Day SMA (28,613) while second support is 50 Day SMA(28,249). On the other hand, first resistance is 29,000 while second resistance is at 29,252.

HSI Chart



Sources : Google