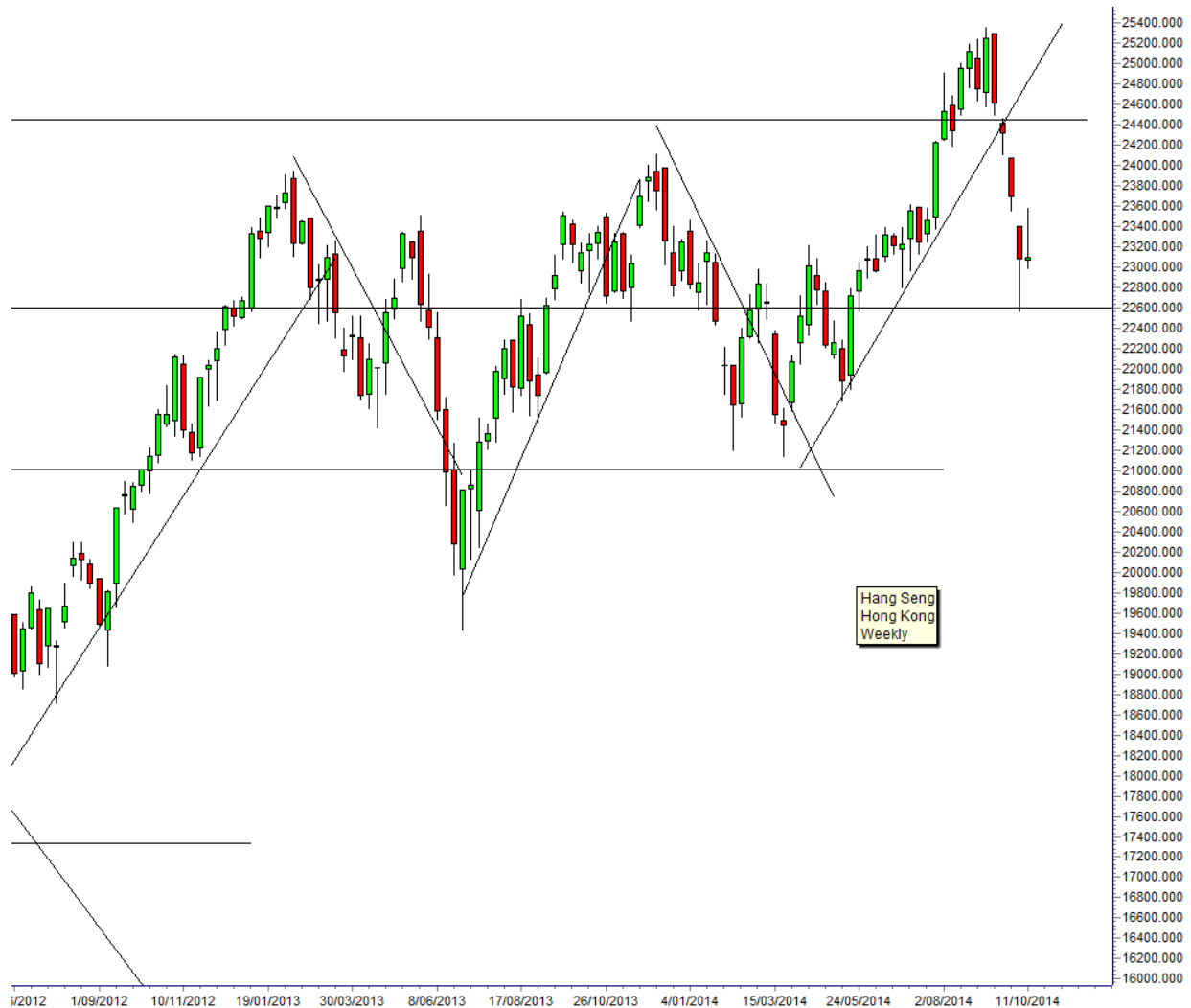


# **HANG SENG, HONG KONG**

*By Daryl Guppy*

The Occupy Central has wiped much of this year's gains off the Hang Seng. Penniless students are making the Hong Kong market penniless. This is a major assault on Hong Kong's position as a financial center. Shanghai must be laughing all the way to the bank. The danger that has been caused is substantial.



The Hang Seng moved above 24500 for the first time since November 2010. This was a major break above the long term resistance level and the upper edge of the trading band. The technical upside target is calculated by projecting the width of the trading band. Target level is 26300. This now looks unlikely to be achieved.

The key question is whether the index could stay above 24500 and use 24500 as a support level in any retreat. The 24500 level failed to hold so this will become a major resistance level. Support near 22,600 was successfully tested. Traders look for the Hang Seng to trade between 22600 and 24500 in a rally band retreat sideways trading pattern.