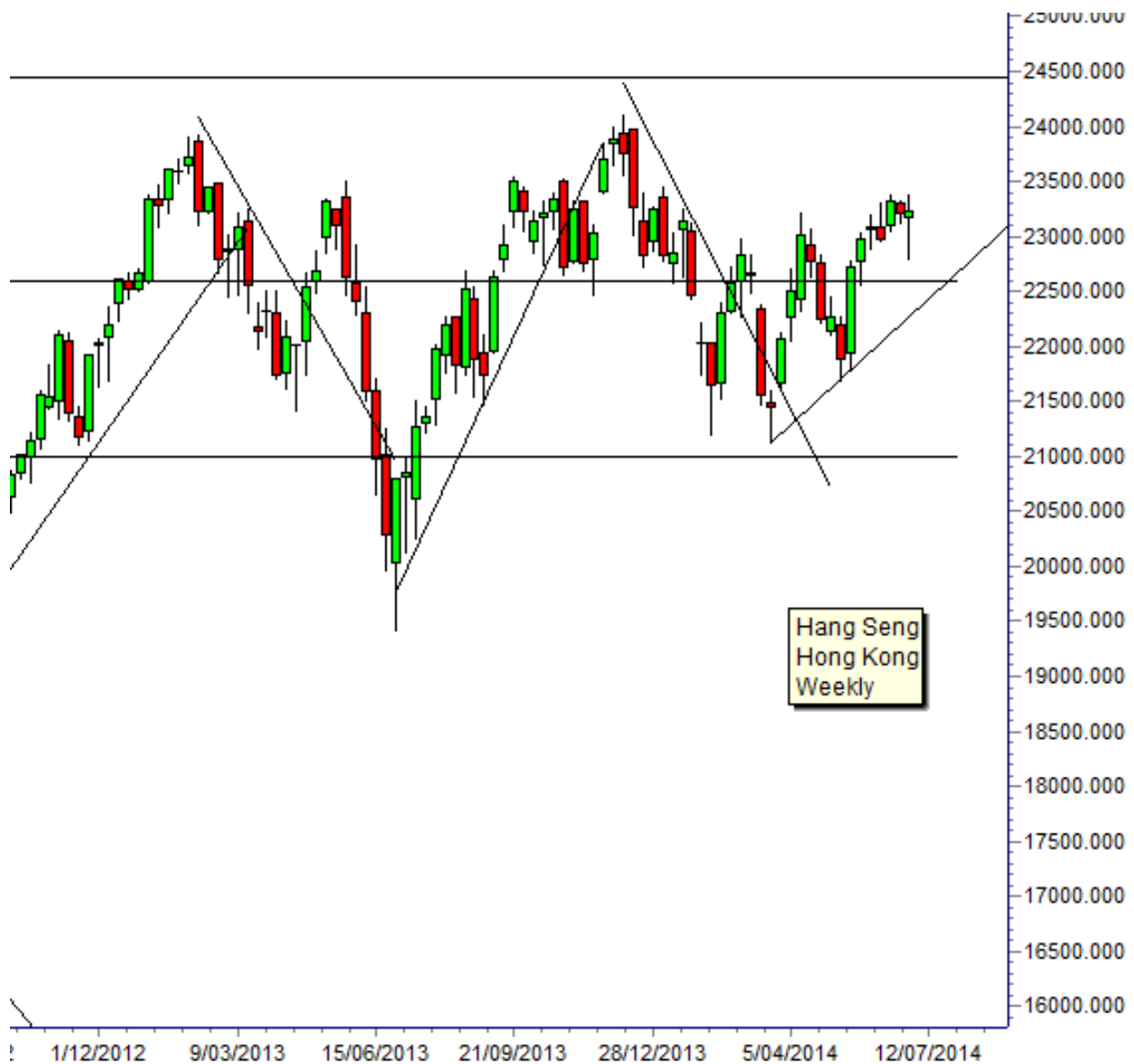


# **HANG SENG, HONG KONG**

*By Daryl Guppy*

The Hang Seng has developed a new uptrend. Trend line support is a little below horizontal support near 22500. Trend line support is near 22400. The upside target is near 24500. The breakout from the downtrend line failed to move above 22500 and developed a new retreat. A strong rally developed from 22000. This has created a consolidation pattern round 22500 and laid the foundation for the new uptrend line.

The key feature of the Hang Seng has been the behaviour around trend lines. Once the trend line is broken then the trend usually ends quickly. The move above the down trend line signals a change to an uptrend. This breakout is combined with a move above the support resistance level near 22600.



Any move above 22600 confirms a change in the trend and traders will watch for signs of trend continuation towards support near 24500. The trend is well defined with the trend line. The Hang Seng was very compatible with trend line and support resistance analysis. A move above the trend line and the resistance level signals a new uptrend but this has failed to develop.

## **SUBJECT SUMMARY**

### **INDEX NOTES**

Each week we carry index analysis notes for regional markets. These are the markets in Singapore, Malaysia, Hong Kong, Shanghai, Thailand, Taiwan and Korea. Each market is covered once every six weeks or more often if there are significant market developments. The objective of the notes is to provide an analytical, technical background to assist readers in making better trading and investment decisions.