

HANG SENG, HONG KONG

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As expected, the Hang Seng reacted away from resistance near 24500 and is currently retesting support near 22500. Failure of this support level has two downside support targets.

The first target is the value of the uptrend line currently near 21500. The second support target is long term support 21000.

The Hang Seng trades in well-defined trading bands. Using the trading band projection method the upside target above 22500 was near 24500 and this has been achieved. The same methods are applied to set the downside target near 21000.

The Hang Seng has volatile trend behavior so traders treat the rallies with caution.

