

HANG SENG, HONG KONG

By Daryl Guppy

The Hang Seng is a steady well behaved market. In our last notes in November we said the index would fall to the trend line and then develop a rebound. This rebound has developed and the index has again moved above the long term support/ resistance level near 22,400.

The Hang Seng trades in well-defined trading bands. Using the trading band projection method the upside target above 22,400 is near 24,400. The index failed to reach the upside target in the last strong rally in September 2016 so traders will tighten stops as the index moves towards this level again.

Support features for any fall are historical support near 22400 and the value of the uptrend line, currently near 22,000.

The Hang Seng has strong trending behavior but traders follow the rallies with caution as retreat reactions are often rapid. .



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.