

HANG SENG, HONG KONG

By Daryl Guppy

The Hang Seng has moved above 24500 for the first time since November 2010. This is a major break above the long term resistance level and the upper edge of the trading band.

The key question is whether the index can stay above 24500 and use 24500 as a support level in any retreat. The breakout above 24500 in 2010 was temporary and the subsequent retreat quickly moved below 24500 and tested support near 22500. Traders will tighten stops to protect profits.



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.