ONE 2 TEN CAPITAL SERVICES

MR. BHAVYA SHARMA
B.com, M. com, CFP, Investment Coach
+91 98920 56858 | +91 90299 88661
bhavyamfd@gmail.com

HANG SEN Index (5 July 2026)

Index	Level	Trend	Approx. Forward P/E
S&P 500	7,483	Record highs	~22x
Dow Jones	52,900	Record highs	~20x+
Nasdaq	25,832	Near highs, AI-led volatility	~26x+
FTSE 100	10,679	Record highs	~13-14x
DAX	25,779	Near highs	~14-15x
Nikkei 225	69,744	+75% YoY, ATH 72,832 (22 Jun 2026)	~20x+
Hang Seng	**23,350**	**-17% off 52-wk high, worst June in years**	**~11.8-13.8x**

Global equities broadly trade above long-term average multiples (world index ~19x forward), with the US, Japan, and Germany at or near record highs. Two markets stand out as statistically cheap: the UK and Hong Kong. But the UK (FTSE 100) is cheap *and* at all-time highs — a "cheap on paper, no discount to buy" situation. Hong Kong's Hang Seng is cheap *and* has just corrected sharply (-17% from its 2025 high), which is the more interesting combination for a long-term entry.

Pick: Hang Seng Index (HSI) — the most undervalued major global index right now, on both a relative (cheapest large market) and absolute (fresh pullback into support) basis.

Hang Seng — Elliott Wave Read

Referencing the chart above:

- **2018 top (33,484)** → multi-year bear market (trade war, COVID, Beijing's tech/property crackdown, Evergrande) → **Oct 2022 low (14,687)**, a -56% decline that most Elliotticians treat as a completed large-degree corrective structure
- **2022 low → 2025 high (28,056)**: a +91% impulsive recovery (2024 +17.7%, 2025 +27.8%) — this looks like **Wave 1 (or Wave A)** of a new bull cycle emerging from the multi-year bottom
- **Current pullback (28,056 → 23,350, -17%)**: sits just above the **38.2% Fibonacci retracement (~22,949)** of that entire rally — a textbook, shallow **Wave 2/Wave B** pullback depth, not a trend-reversal-sized retracement

As long as price holds above roughly 21,400-22,950 (38.2%-50% retracement band), the primary uptrend from the 2022 low remains structurally intact, and the current correction reads as consolidation before Wave 3 (or Wave C) rather than a fresh bear leg.

MR. BHAVYA SHARMA
B.com, M. com, CFP, Investment Coach
+91 98920 56858 | +91 90299 88661
bhavyamfd@gmail.com

Hang Seng — Gann Theory Read

- **Price**: The 50% retracement of the *entire* 2018-2022 bear cycle (33,484 → 14,687) sits at **~24,085** — just above where price trades today. Gann treated this halfway-recovery level of a full prior cycle as a major pivot; reclaiming and holding above it would be a strong confirming signal that the multi-year down-cycle is fully behind the market.
- **Time**: The 2022 low to the 2025 high spans roughly 3 years — close to one of Gann's favored multi-year cycle counts. Counting forward ~270 days (a 90-day Gann increment ×3) from the assumed autumn-2025 high lands almost exactly on the current July 2026 window, making this a plausible time-cycle low.
- **Combined read**: price (Gann 50%, Fib 38.2%) and time cycles are converging in the same 22,900-24,100 zone right now — a genuine decision area, similar in character to the confluence we found on Nifty IT.

EPS Growth Outlook — Next 2-4 Years

Year	HSI / China Corporate Earnings Growth	Source
2025	~4%	IG International
2026E	6-8%	Morgan Stanley (6%), IG International (8%)
2027E	~10-12%	Morgan Stanley (10% China profit growth), Citi (11.9% HSI EPS growth)

MR. BHAVYA SHARMA
B.com, M. com, CFP, Investment Coach
+91 98920 56858 | +91 90299 88661
bhavyamfd@gmail.com

The clear pattern across houses is **acceleration** — mid-single-digit growth in 2025 stepping up to low-double-digit growth by 2027, driven by AI-capex monetisation in tech, reflation supporting materials margins, and insurance/financials benefiting from firmer rates and rising premium inflows.

Brokerage Roundup — Long-Term Hang Seng / Hong Kong View

Broker	2026 Target	Beyond 2026	Stance
Citi	29,600 (~+27% from current)	H1 2027: 30,500 (~+31%)	Overweight tech, upgraded insurance to Overweight; but prefers China A-shares (CSI 300) over H-shares given far higher tech weighting onshore
Morgan Stanley	27,500 (~+18%)	2027 profit growth +10%	More measured — "mild gains as blistering rally cools"; favors bottom-up stock picking over index bets
UBS	Hang Seng TECH: 7,100 (~+27% on the tech sub-index)	MSCI China: 100	Constructive specifically on tech-heavy China/HK names
iFAST/FSMOne	—	2027: HK$29,690 (~+16% from assumed base)	Upgraded Hong Kong to "Attractive" (3.5 stars)
IG International	28,300 base case	—	Favors tech and consumer names riding AI and domestic consumption recovery

Reading across houses: every major target sits meaningfully above the current 23,350 level (roughly +18% to +31%), and none has turned bearish on Hong Kong — even Morgan Stanley's more cautious call still implies high-teens upside. The one nuance: several houses (Citi in particular) now prefer onshore China (CSI 300) over Hang Seng specifically because the HSI is light on tech (3.7% weight vs. CSI 300's 15.7%) — so the more precise long-term trade some brokerages favor is Hang Seng broadly, tilted toward its tech and insurance constituents, or supplemented with onshore exposure.

Takeaway

Hang Seng combines the cheapest valuation among major global indices, a technically healthy (not broken) pullback sitting on a genuine Gann/Fibonacci confluence, and a brokerage consensus that's uniformly constructive with accelerating EPS growth into 2027 — a rare combination of "cheap, correcting, but not broken" among today's global indices, most of which are instead expensive and at record highs. This is analysis, not a recommendation — geopolitical risk (US-China tensions, Taiwan, tariffs) is a real and known variable brokerages flag repeatedly for this specific market, so size any position accordingly.