

4 May 2020

The tightening phase

Market performance

The VN-Index recorded a bearish candlestick in the weekly chart, thanks to the profit-taking of investors.

Chart: A uptrend is dormant

MA20 and MA50 are converging as well as Bollinger bands are narrowing, implying the balance state between supply and demand in the market.

Besides, the Stochastic crossed its signal going down, signalling the tightening phase next week.

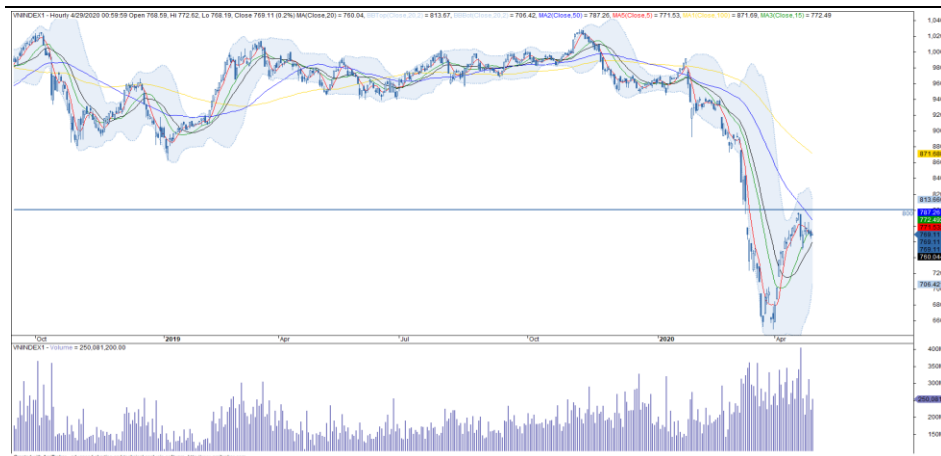
On the upside, Doji candle (20 April) sets the line in the sand for the uptrend resumption at 800 pts zone. If the index closes above this level, it will form the medium-term uptrend.

→ The short-term tightening phase takes place.

Technical strategy: Hold the position

In the short term, the uptrend is dormant and temporarily replaced by the consolidation period. Therefore, traders can hold their long positions and focus on leading stocks.

Figure 1. Daily candlestick chart - VNIndex



Source: Fiiopro, AmiBroker, KIS

Table 1. Index statistics

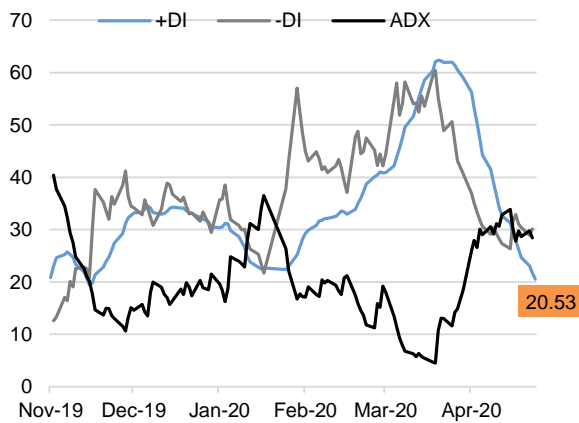
| | |
|---------------------|-------------|
| Close (pts) | 769 |
| 1w change (%) | 0.0 |
| 1w avg. daily vol. | 213,111,662 |
| 52-week range (pts) | 649-1,029 |
| Mkt cap (VND Tri.) | 2,687.2 |
| PER (x) | 12.1 |
| PBR (x) | 1.7 |

Source: Bloomberg

Dang Le

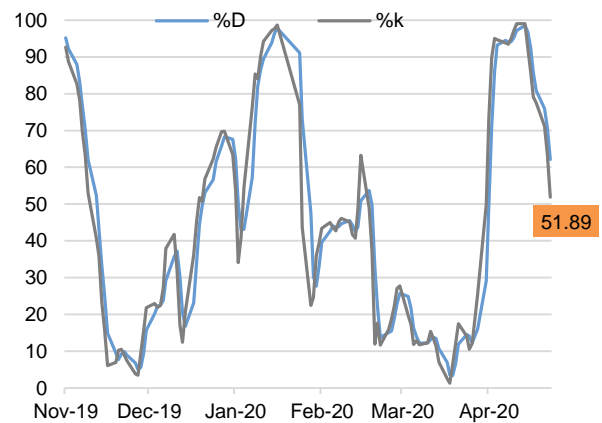
Dang.lh@kisvn.vn

Figure 2. Directional movement indicator - VNIndex



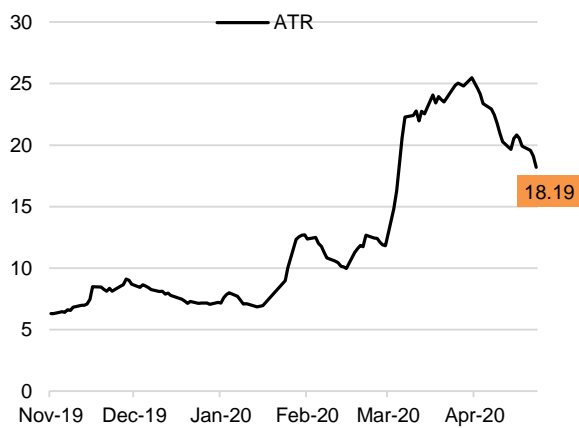
Source: Fiinpro, AmiBroker, KIS

Figure 3. Momentum indicators (Stochastic) - VNIndex



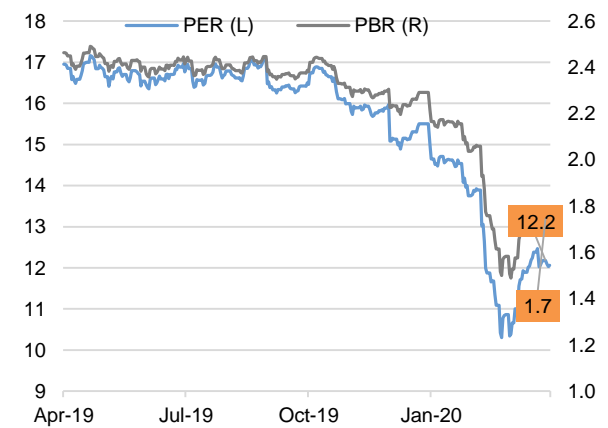
Source: Fiinpro, AmiBroker, KIS

Figure 4. Volatility indicators (ART) - VNIndex



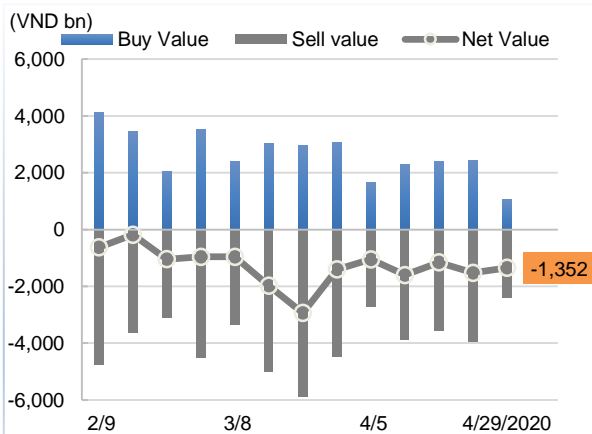
Source: Fiinpro, AmiBroker, KIS

Figure 5. PE and PB - VNIndex



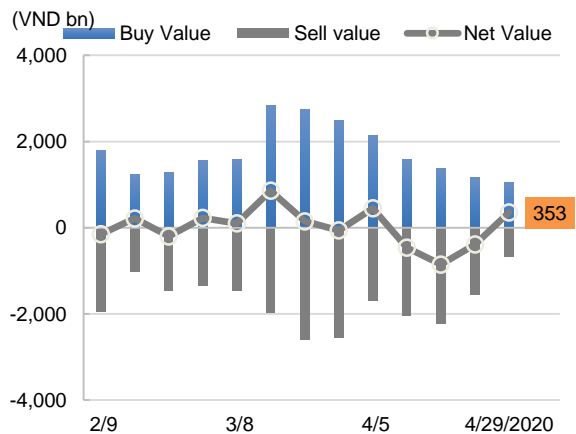
Source: KIS, Bloomberg

Figure 6. Weekly foreign net buy / sell



Source: Fiinpro, KIS

Figure 7. Weekly domestic institution net buy / sell



Source: Fiinpro, KIS

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