

25 May 2020

Buy on throwback

Market performance

The VNIndex kept following the bullish path last week, increasing the tendency to retest 900 pts zone.

Chart: Consolidation or correction phase will occur

The medium-term bullish is still active due to the valid upward crossover between MA20 and MA50 as well as maintaining the upward sloping.

Besides, Stochastic went into upward alignment on weekly and monthly time frame, signalling the massive bullish momentum across the market.

However, on daily time frame, Stochastic's slope stayed on the fence as well as the index has travelled to far from its major short-term MA (MA20), implying the potential correction/consolidation phase.

On the upside, 900 pts zone plays as a strong resistance which overlaps with the benchmark for trend direction – MA200. On the other side, 800 pts level is the key support zone.

→ The medium-term upward trend is dominant, but the consolidation/correction phase is likely to occur.

Technical strategy: Hold the position and buy on throwback

In this scenario, the tightening phase or correction period this week will provide the opportunities for investors to earn price advantages or re-enter the market. Therefore, investors can hold their long positions and focus on leading stocks.

Figure 1. Daily candlestick chart - VNIndex



Source: Fiiopro, AmiBroker, KIS

Table 1. Index statistics

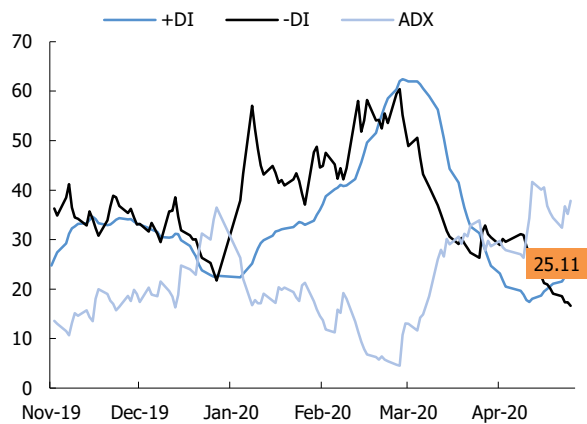
Close (pts)	852
1w change (%)	3.0
1w avg. daily vol.	255,697,508
52-week range (pts)	649-1029
Mkt cap (VND Tri.)	2,916
PER (x)	13.9
PBR (x)	1.9

Source: Bloomberg

Dang Le

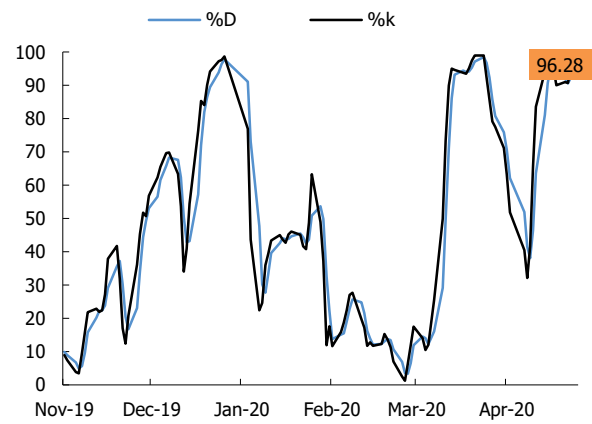
Dang.lh@kisvn.vn

Figure 2. Directional movement indicator - VNIndex



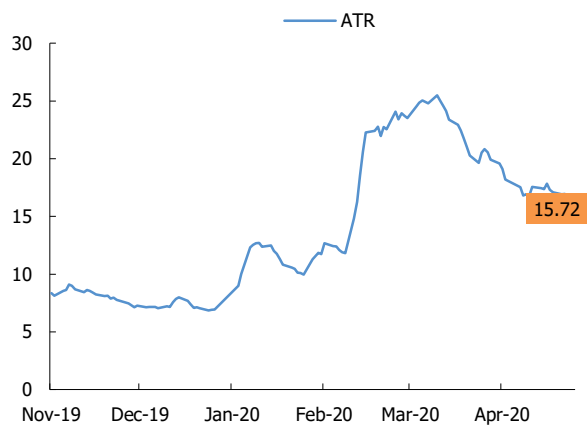
Source: Fiinpro, AmiBroker, KIS

Figure 3. Momentum indicators (Stochastic) - VNIndex



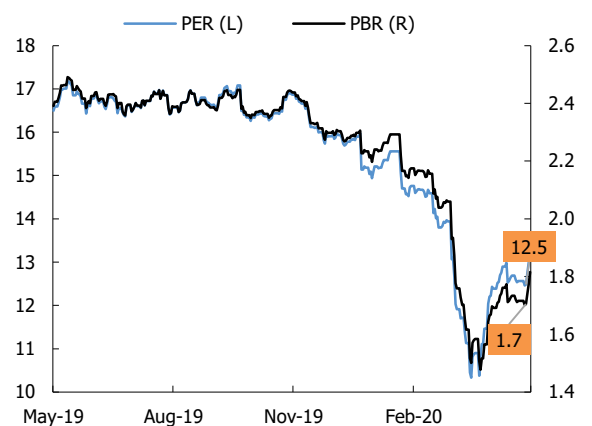
Source: Fiinpro, AmiBroker, KIS

Figure 4. Volatility indicators (ART) - VNIndex



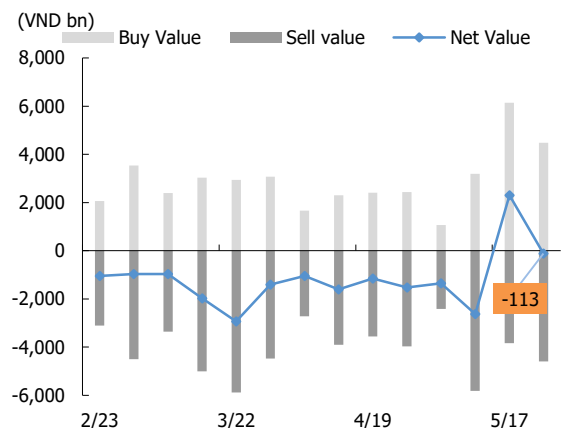
Source: Fiinpro, AmiBroker, KIS

Figure 5. PE and PB - VNIndex



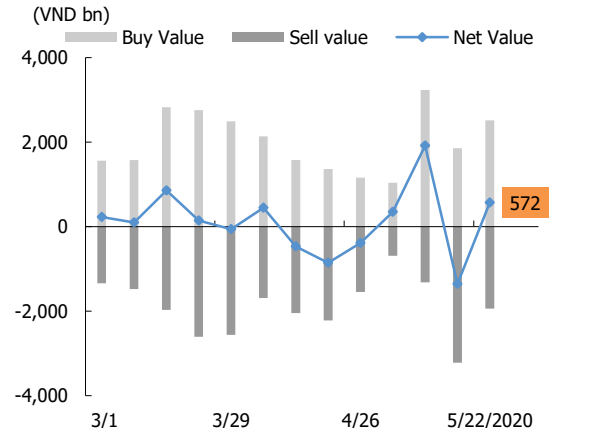
Source: KIS, Bloomberg

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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