

1 Jun 2020

Cautious Rebound

Market performance

The VNIndex recorded four consecutive gaining weeks, but the rate of increase is lower due to profit-taking.

Chart: Need bullish confirmation signals again

The uptrend was confirmed thanks to short-term moving averages, such as 20-period and 50-period moving average have gone up.

The +DI closes above the -DI, while ADX increases at 30 level. Hence, the upward trend has still been intact.

However, the 125-period moving average around 880 pts becomes the significant resistance as the VNIndex fell when reaching it.

Moreover, the volume decreases, implying the cautious market sentiment.

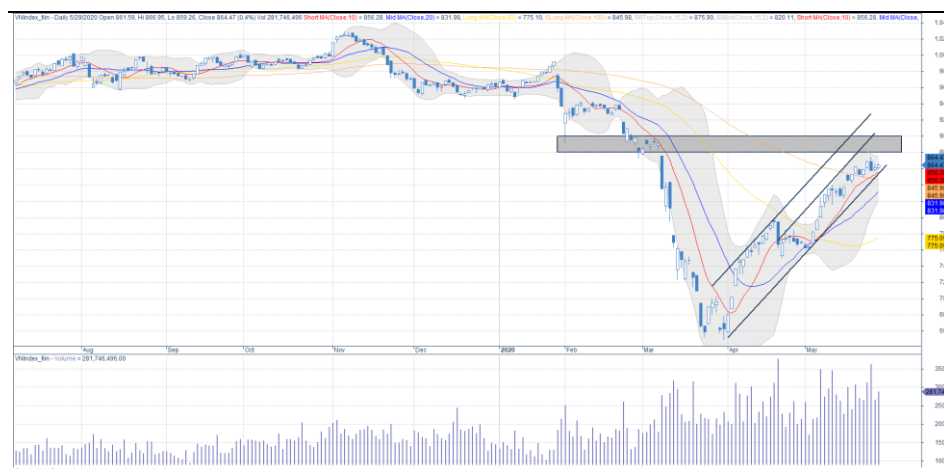
On the upside, 880-900 pts zone plays as a strong resistance, which overlaps with the benchmark for trend direction – MA125. On the other side, the 800 pts level is the key support zone.

→ The bullish trend is dominant in the short term. However, the contraction can form next week.

Technical strategy: Hold the position, force on leading stocks

In this scenario, the consolidation period pushes selling pressure on the market. However, the uptrend is still intact. Hence, investors can hold their long positions and focus on leading stocks.

Figure 1. Daily candlestick chart - VNIndex



Source: Fiinpro, AmiBroker, KIS

Table 1. Index statistics

Close (pts)	864
1w change (%)	1.3
1w avg. daily vol.	281,054,892
52-week range (pts)	649-1029
Mkt cap (VND Tri.)	2,916
PER (x)	14.3
PBR (x)	1.9

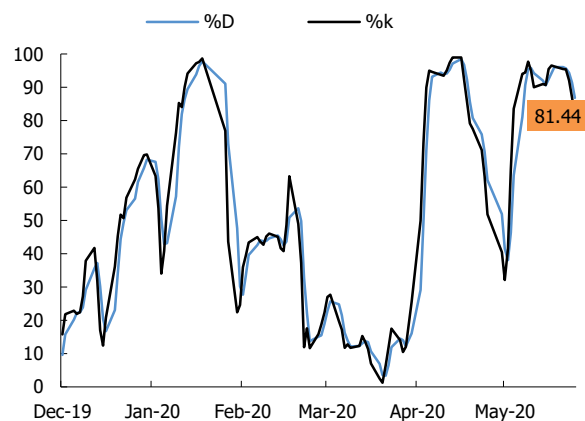
Source: Bloomberg

Hieu Tran

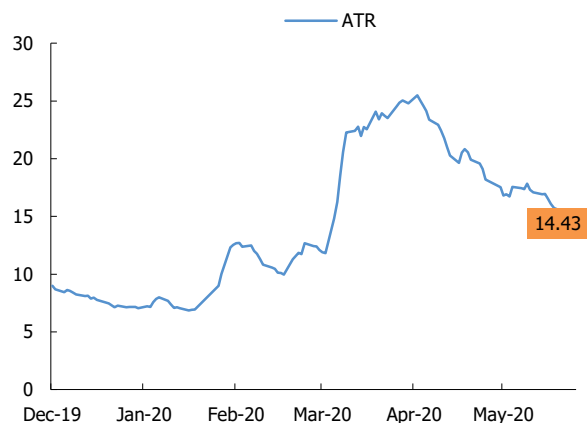
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Figure 2. Directional movement indicator - VNIndex

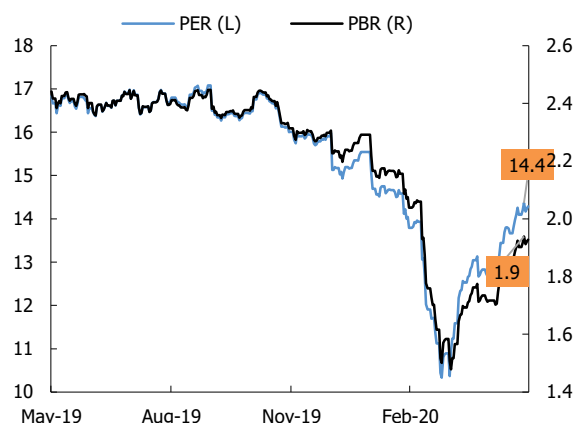
Source: Fiinpro, AmiBroker, KIS

Figure 3. Momentum indicators (Stochastic) - VNIndex

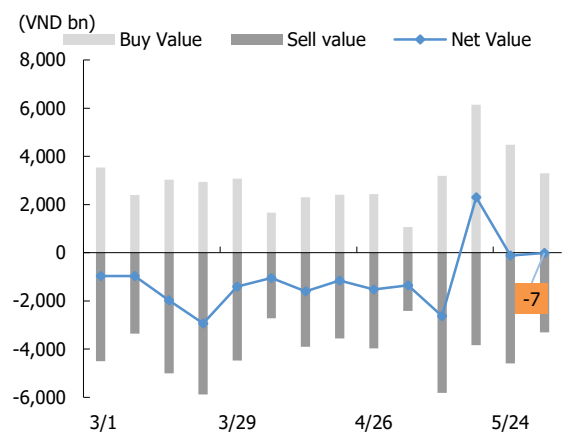
Source: Fiinpro, AmiBroker, KIS

Figure 4. Volatility indicators (ART) - VNIndex

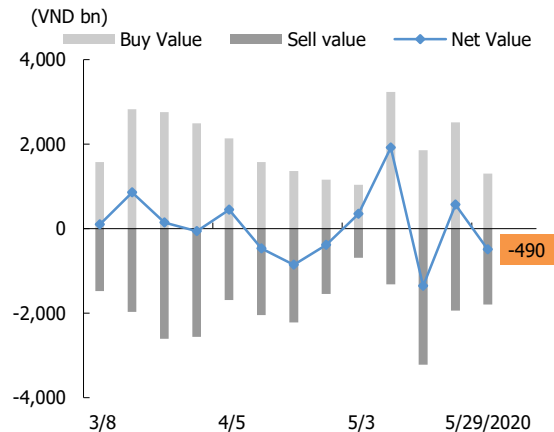
Source: Fiinpro, AmiBroker, KIS

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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