

15 Jun 2020

First bearish signal

Market performance

The VNIndex recorded a large loss last Thursday due to high profit-taking on large-cap stocks.

Chart: The short-term bearish market?

The medium-term uptrend is still active because of the VNIndex closes above the medium-term moving average (50-period moving average).

However, bearish trend can be confirmed in the short term as the VNIndex fell sharply last Thursday.

In addition, the index had broken down the 20-period moving average, showing a warning signal about the bearish market in the short term.

The -DI is going down and crosses +DI with the decrease ADX (above 30 level) as well as the RSI drops. Hence, the upward trend is not stable.

On the upside, 900 pts zone plays as a strong resistance, which overlaps with MA200. On the downside, 800 pts level acts as the key support zone.

→ The short-term downtrend may be formed next week due to warning signals of leading indicators.

Technical strategy: Consider reducing long position

Despite the intraday rebound last Friday, the short-term uptrend is not stable due to cautious market sentiment. Moreover, downside risk starts to increase. Therefore, investors should consider reducing the long positions and wait for the next signals.

Figure 1. Daily candlestick chart - VNIndex



Source: Fiipro, AmiBroker, KIS

Table 1. Index statistics

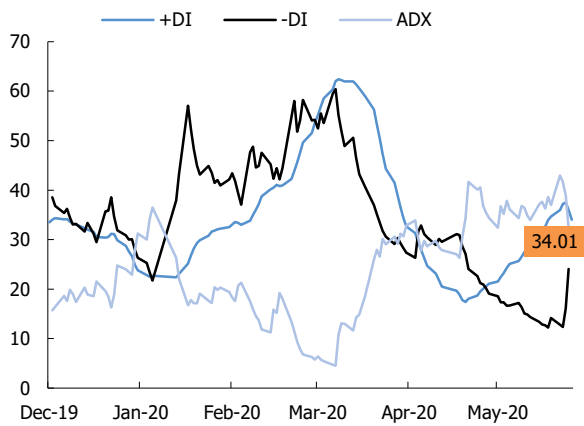
Close (pts)	863
1w change (%)	-2.6
1w avg. daily vol.	508,019,342
52-week range (pts)	649-1029
Mkt cap (VND Tri.)	2,916
PER (x)	14.3
PBR (x)	1.9

Source: Bloomberg

Hieu Tran

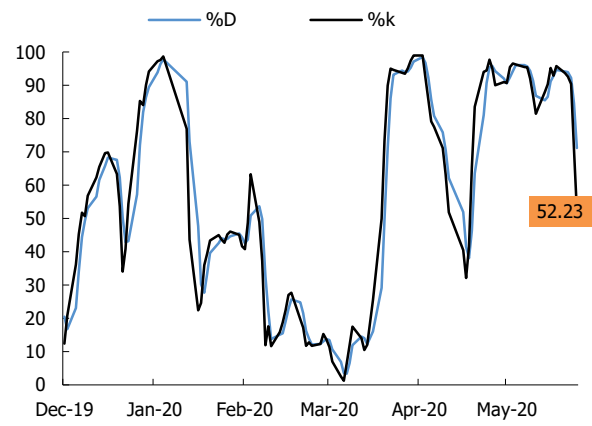
hieu.ttm@kisvn.vn

Figure 2. Directional movement indicator - VNIndex



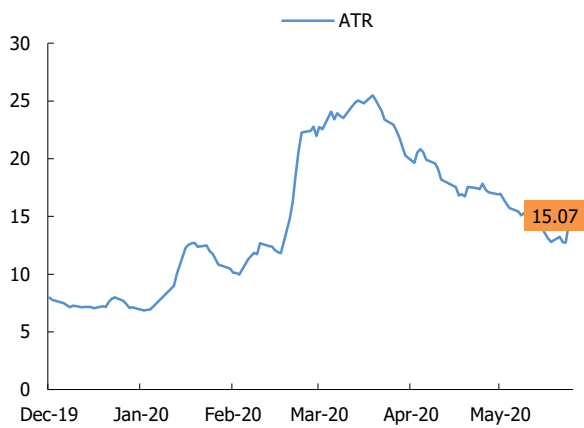
Source: Fiinpro, AmiBroker, KIS

Figure 3. Momentum indicators (Stochastic) - VNIndex



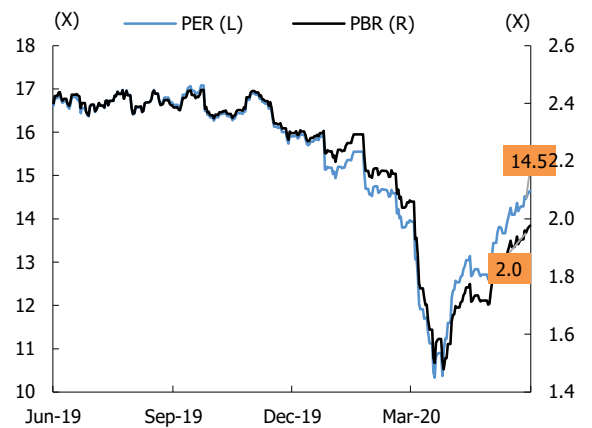
Source: Fiinpro, AmiBroker, KIS

Figure 4. Volatility indicators (ART) - VNIndex



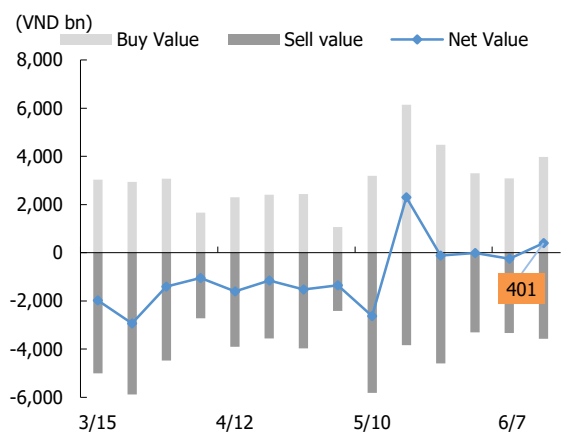
Source: Fiinpro, AmiBroker, KIS

Figure 5. PE and PB - VNIndex



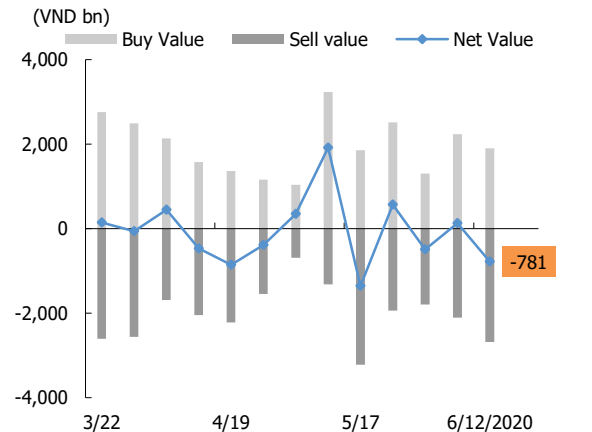
Source: KIS, Bloomberg

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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