

The collapse will not last long

Market performance

The VNIndex rebounded last week after testing MA50, giving signal for the upcoming consolidation phase.

Chart: Consolidation will take place

Despite the short-term collapse, MA200 and MA50 are still widely separated as well as upward crossover between these MAs is confirmed, the medium and long-term bullish market is active.

Narrow spread candles occurred subsequently with below average volume, implying the short-term uncertain market with unclear market leg.

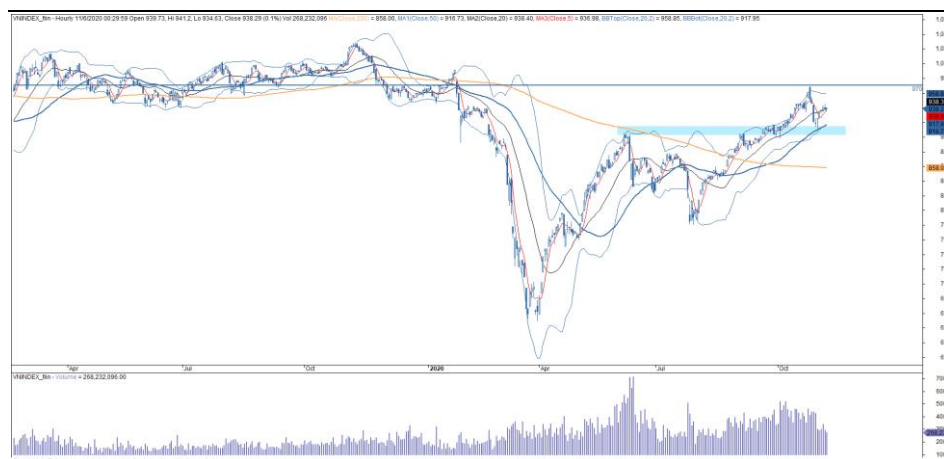
The 900-920 pts area which overlaps with the MA50 acts the significant support, followed by 900 pts. On the upside, 960-970 pts is the short-term resistance for the index.

→ Downward correction phase is active but consolidation phase is expected to take place this week due to the maintenance of the long-term bullish market.

Technical strategy: Bargain hunting strategy

As mentioned above, the collapse will not last long due to the maintenance of the long-term bullish market. Thus, investors should use bargain hunting strategy on leading stocks, buy more when price collapse.

Figure 1. Daily candlestick chart - VNIndex



Source: Fiipro, AmiBroker, KIS

Table 1. Index statistics

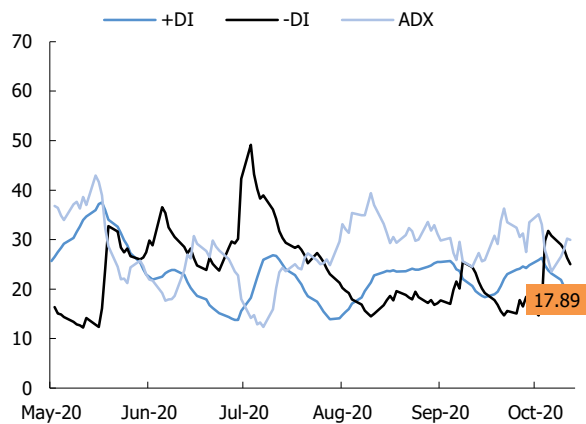
Close (pts)	938
1w change (%)	1.4
1w avg. daily vol.	280,755,884
52-week range (pts)	649-1029
Mkt cap (VND tn)	2,916
PER (x)	15.8
PBR (x)	2.0

Source: Bloomberg

Dang Le

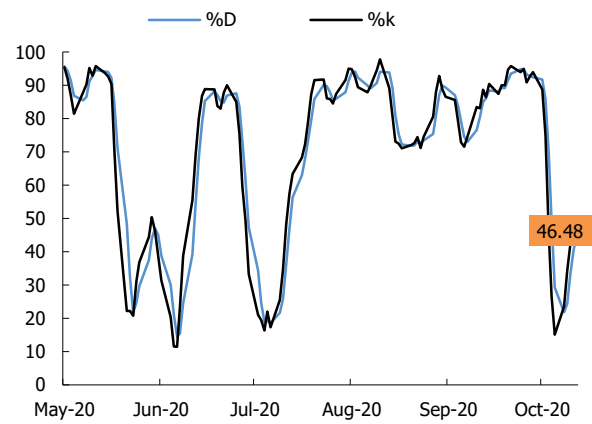
Dang.lh@kisvn.vn

Figure 2. Directional movement indicator - VNIndex



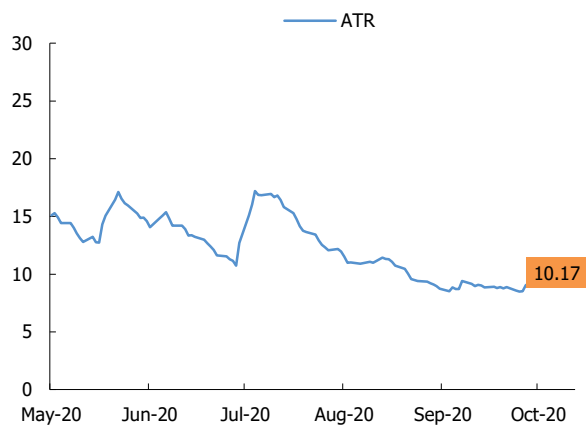
Source: Fiinpro, AmiBroker, KIS

Figure 3. Momentum indicators (Stochastic) - VNIndex



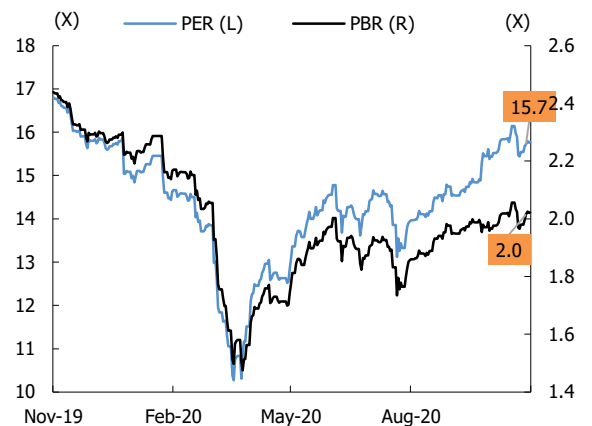
Source: Fiinpro, AmiBroker, KIS

Figure 4. Volatility indicators (ART) - VNIndex



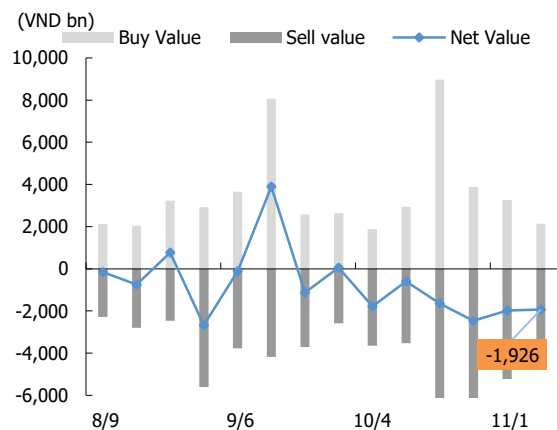
Source: Fiinpro, AmiBroker, KIS

Figure 5. PE and PB - VNIndex



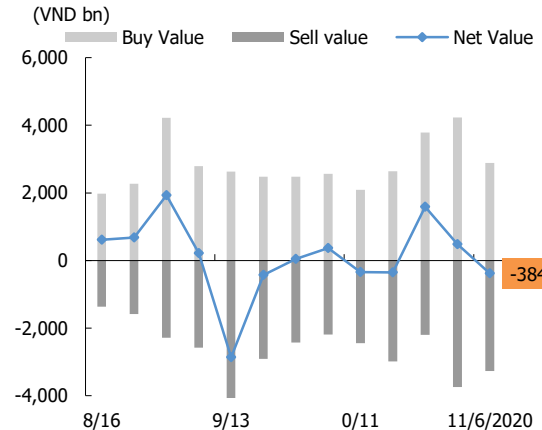
Source: KIS, Bloomberg

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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