truefriend KIS Viet Nam Securities Corporation

Chart of the day

21 Dec 2020

High level of trading activities

Market performance

The VNIndex kept following the bullish path thanks to the optimistic sentiment as well as the long-term bull confirmation.

Chart: High level of trading activities

The bullish leg is active with stable bullish momentum thanks to the expansion of Bollinger bands and upward sloping major MAs. Besides, the bullish leg also validated by the above average volume.

With congestion zone, the broken 1,030-1,050 pts area turns around to act as the short-term support. On the upside, 1,200 pts area (the all-time high) is the short-term resistance for VNIndex.

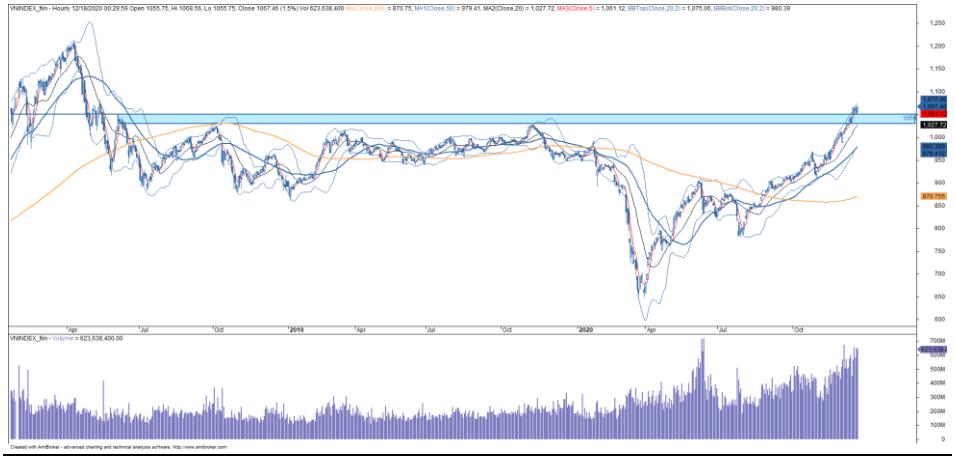
MA200 and MA50 are still widely separated as well as upward crossover between these MAs is confirmed, the medium and long-term bullish market is active. However, the medium-term MAs (MA20 and MA50) has traveled too far from MA200, signaling the high level of trading activities.

→ Trading activities is at the high level and the collapse could happen.

Technical strategy: Hold the positions

As mentioned above, trading activities reach the high level and the strong collapse has high probability to occur. However, the long-term bull is active. Thus, investors should hold the current positions and increase the proportion on leading stocks when the correction phase steps in.

Figure 1. Daily candlestick chart - VNIndex



Source: Fiinpro, AmiBroker , KIS

Table 1. Index statistics

Close (pts)	1,067
1w change (%)	2.0
1w avg. daily vol.	541,116,958
52-week range (pts)	649-1069
Mkt cap (VND tn)	2,916
PER (x)	17.2
PBR (x)	2.2

Source: Bloomberg

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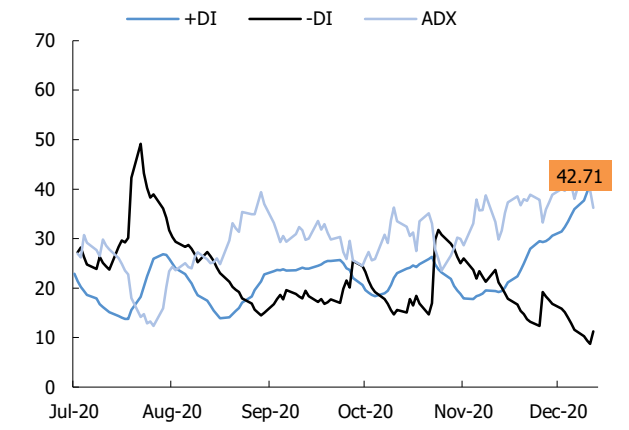
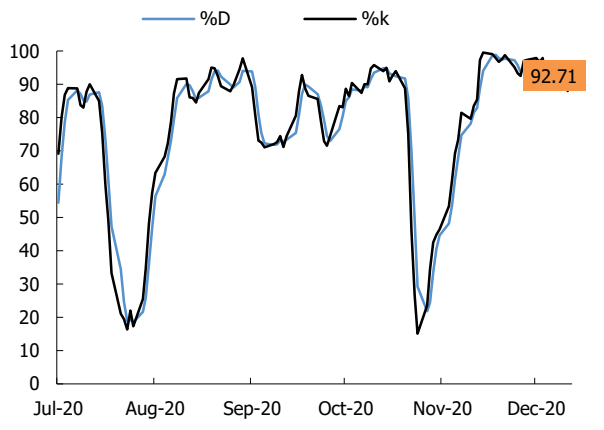
Figure 2. Directional movement indicator - VNIndex



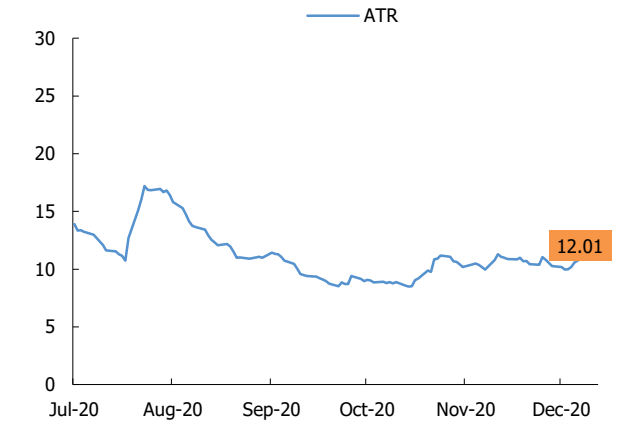
Source: Fiinpro, AmiBroker, KIS

Figure 3. Momentum indicators (Stochastic) - VNIndex



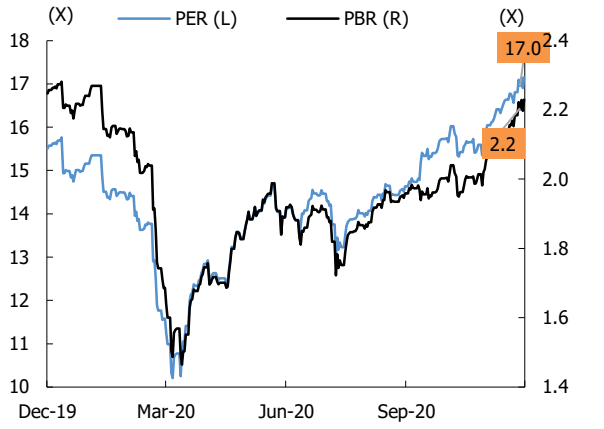
Source: Fiinpro, AmiBroker, KIS

Figure 4. Volatility indicators (ART) - VNIndex



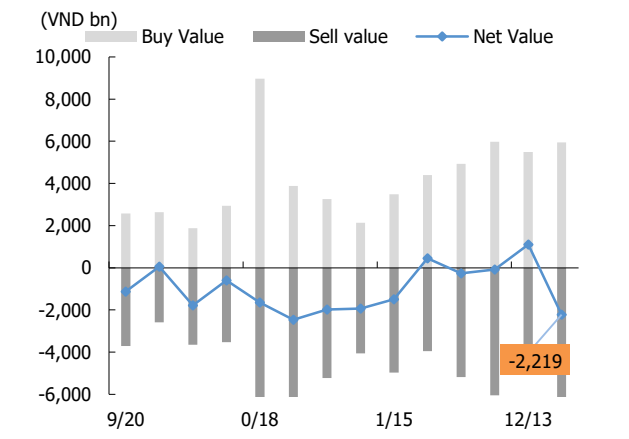
Source: Fiinpro, AmiBroker, KIS

Figure 5. PE and PB - VNIndex



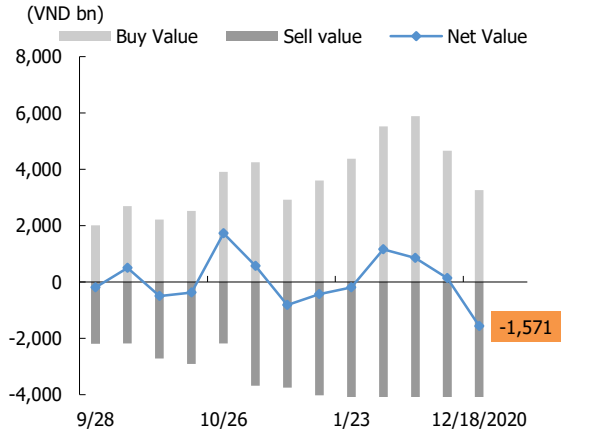
Source: KIS, Bloomberg

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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