trueFriend KIS Viet Nam Securities Corporation

Chart of the day

12 Apr 2021

Small rectangle pattern

Market performance

The VNIndex continued to go up last week, but the profit-taking made the market move in a tight range.

Chart: Small Rectangle pattern

In the long term, the uptrend is confirmed again as the index breaks out the highest peak in Apr 2018. Besides, the index closes above the MA50 and MA100, which are sloping upward.

In the short term, the index has almost reached the target price of the rectangle pattern, which formed in Mar 2021. Therefore, the market sentiment has become cautious in last week.

However, a short-term rectangle pattern appears last week. That is the continuation pattern with a range of 1,230 pts to 1,250 pts. If the index breaks out the upper line (1,250 pts), the next target price will be 1,350 pts.

1,200 pts level will be the strong weekly support. On the upside, 1,250 pts level keeps acting as the supply zone, followed by 1,300 pts (if a valid breakout occurs).

→ The bullish market is dominant in the short term. If the VNIndex closes above the 1,250-pts threshold, the continuation pattern will form.

Technical strategy: Hold long position

As mentioned above, the uptrend maintains in the short and long term. Moreover, the next target may be 1,350 pts. In this case, investors should hold the current positions and focus on leading stocks such as Banking and Real Estate.

Figure 1. Daily candlestick chart - VNIndex

Source: Fiinpro, AmiBroker , KIS

Table 1. Index statistics

Close (pts)	1,231
1w change (%)	(0.4)
1w avg. daily vol.	622,488,680
52-week range (pts)	750-1,246
Mkt cap (VND tn)	2,916
PER (x)	19.1
PBR (x)	2.6

Source: Bloomberg

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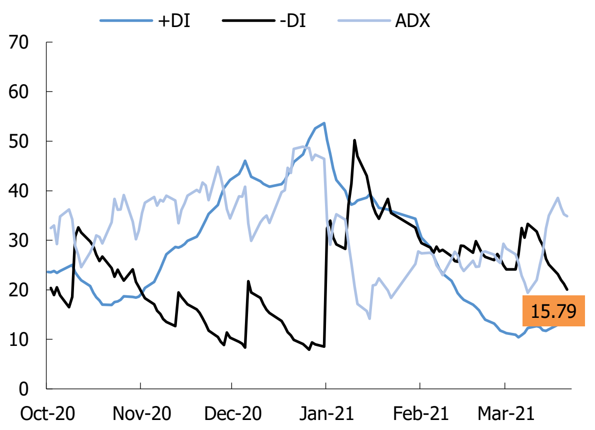
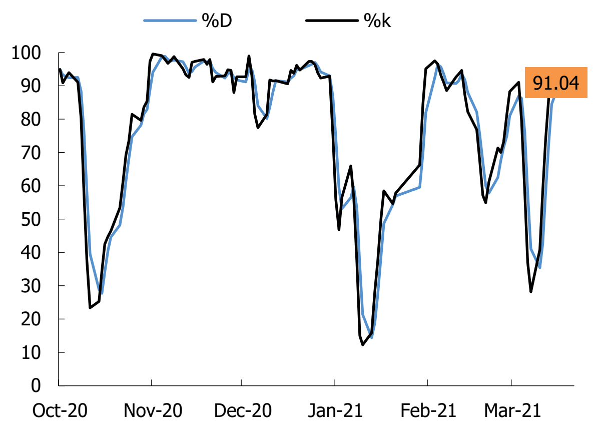
Figure 2. Directional movement indicator - VNIndex



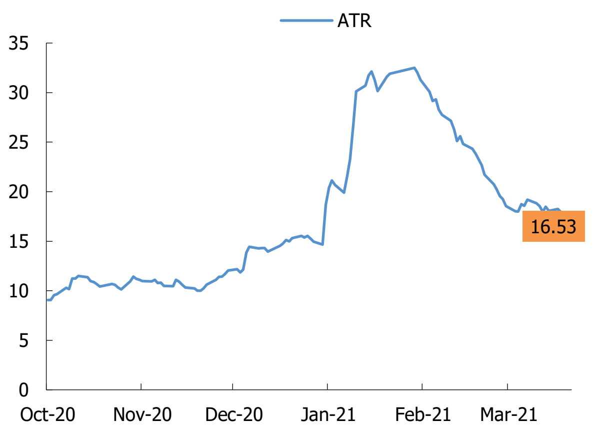
Source: Fiinpro, AmiBroker, KIS

Figure 3. Momentum indicators (Stochastic) - VNIndex



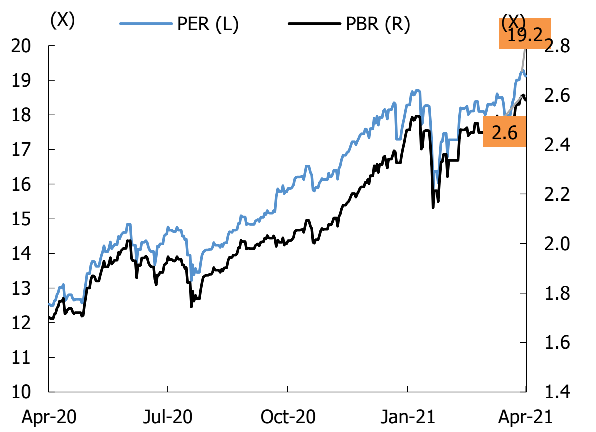
Source: Fiinpro, AmiBroker, KIS

Figure 4. Volatility indicators (ART) - VNIndex



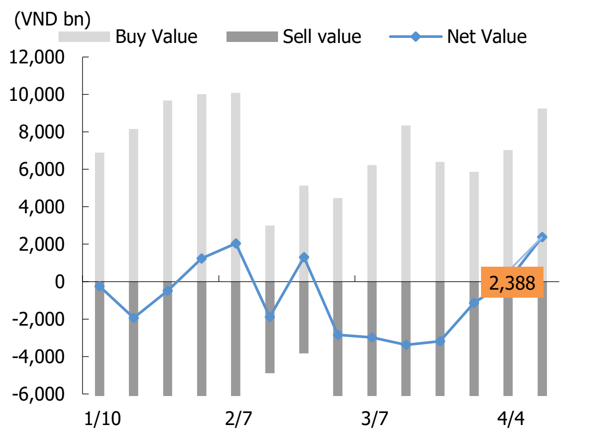
Source: Fiinpro, AmiBroker, KIS

Figure 5. PE and PB - VNIndex



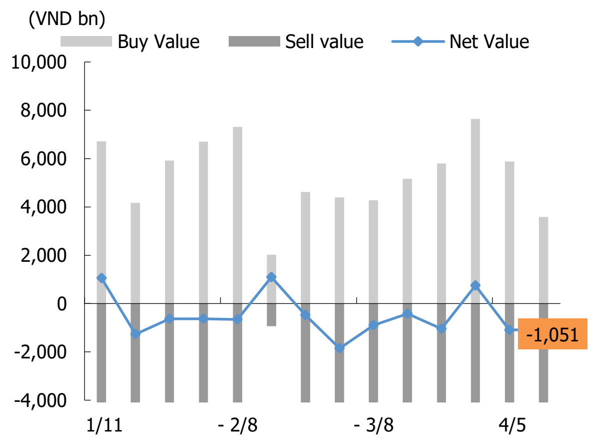
Source: KIS, Bloomberg

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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