true friend KIS Viet Nam Securities Corporation

Chart of the day

14 Jun 2021

Selling signal?

Market performance

The VNIndex recorded contraction last week as the profit-taking on large-cap stocks such as Banking stocks.

Chart: Selling signal?

In the long-term, the uptrend is still intact as the VNIndex closes above medium- and long-term moving averages such as MA50 and MA100. Moreover, trend lines (red lines in Figure 1) are upward, implying the big trend.

However, in the short term, the VNIndex may form the contraction as the index crosses down the MA10 with decreasing volume. Besides, the MACD and Stochastic show the warning signals about the downtrend.

The index reaches the first target price of the triangle pattern at 1,380-pts thresholds. Therefore, the selling pressure appears.

The broken 1,300 pts area has turned around to act as the important short-term support. On the upside, the 1,380pts area is expected to be the weekly resistance.

→ The VNIndex may form the contraction in the short term as warning signals of Momentum indicators.

Technical strategy: The correction will provide the buy zone

Despite the contraction, the long-term uptrend is in place. Hence, the short-term downtrend is opportunities to increase long position. Investors should hold the current positions on leading stocks and add more or re-enter the market at the short-term support (1,300 pts area).

Figure 1. Daily candlestick chart - VNIndex

Source: Fiinpro, AmiBroker , KIS

Table 1. Index statistics

Close (pts)	1,351
1w change (%)	(0.4)
1w avg. daily vol.	794,533,400
52-week range (pts)	780-1376
Mkt cap (VND tn)	2,916
PER (x)	18.5
PBR (x)	2.7

Source: Bloomberg

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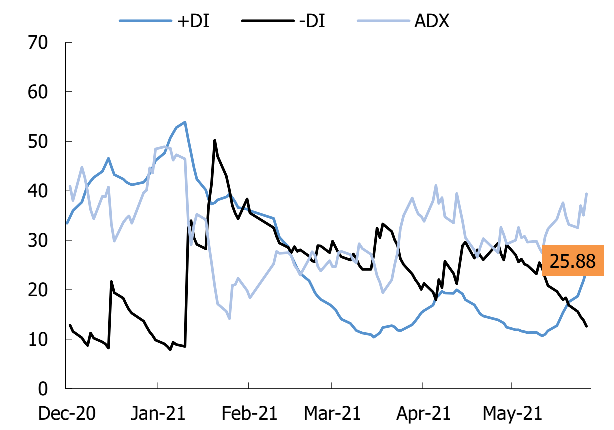
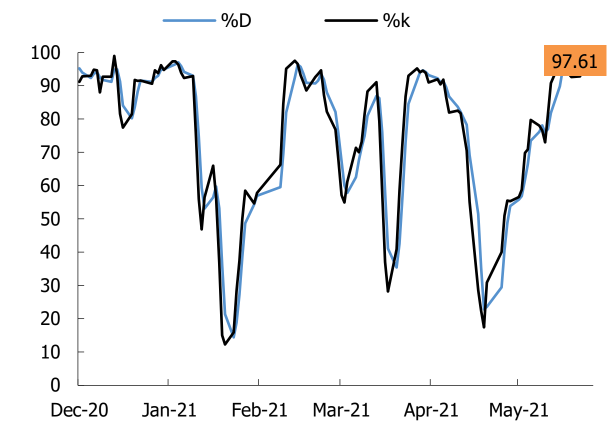
Figure 2. Directional movement indicator - VNIndex



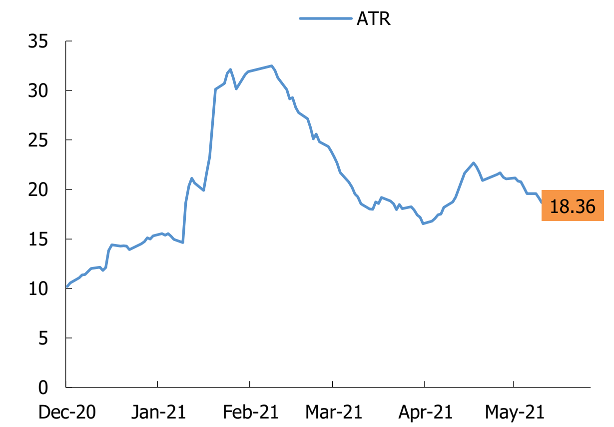
Source: Fiinpro, AmiBroker, KIS

Figure 3. Momentum indicators (Stochastic) - VNIndex



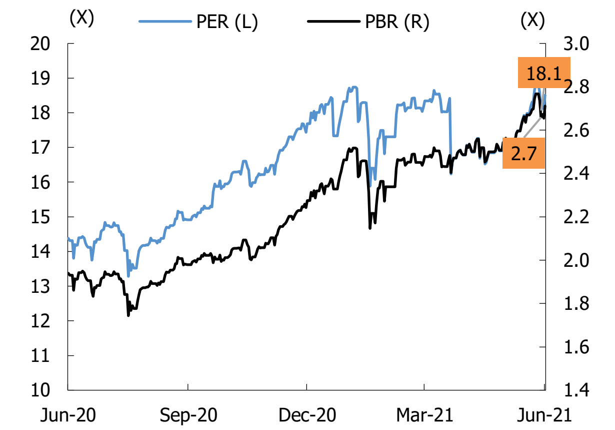
Source: Fiinpro, AmiBroker, KIS

Figure 4. Volatility indicators (ART) - VNIndex



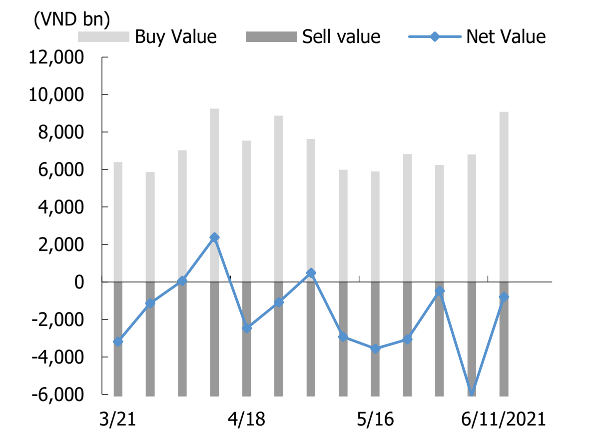
Source: Fiinpro, AmiBroker, KIS

Figure 5. PE and PB - VNIndex



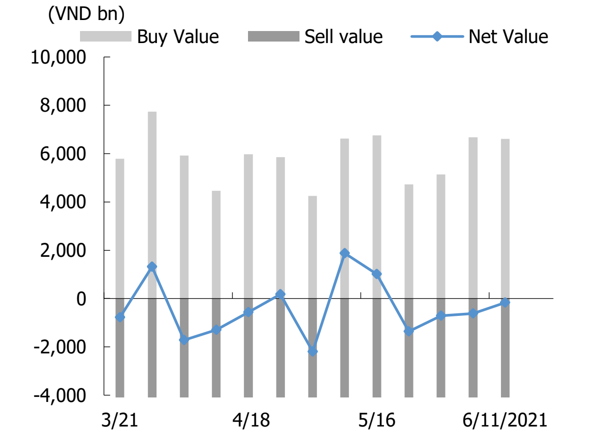
Source: KIS, Bloomberg

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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