

Correction is needed

Market performance

The downward correction has occurred on VNIndex, confirming the short-term downtrend. The medium-term uptrend has turned from active to dormant.

Chart: 1,200 pts zone is the long-term demand zone

The VNIndex has experienced the sharp downward swing and kept closing below MA20 and MA50, implying the short-term downtrend.

Besides, MA20 has started to slope downward, implying the increase of short-term bearish momentum.

1,400 pts zone sets the strong supply area for the upward resumption phase whilst 1,200 pts area is the significant demand zone.

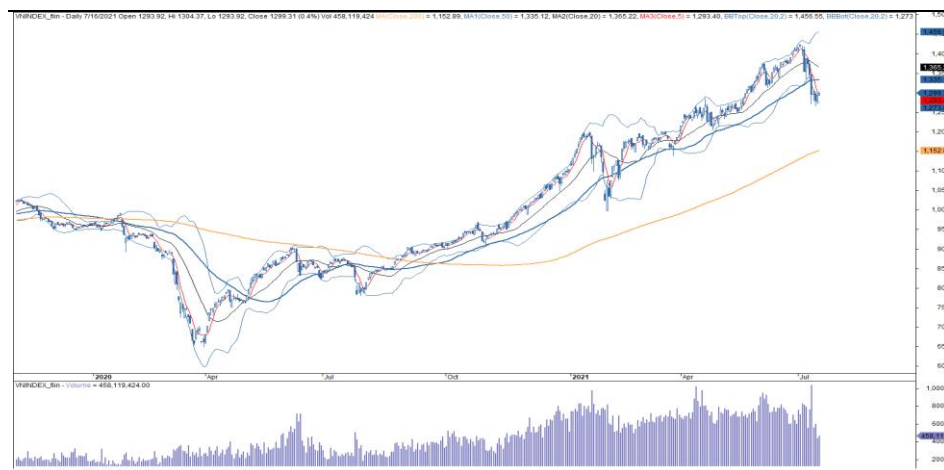
The long-term uptrend is not faded when MA50 and MA200 are upward sloping. Besides, the correction is always needed to sustain the major uptrend.

→ The VNIndex is expected to consolidate or slightly rebound this week.

Technical strategy: Increasing the positions at 1,200 pts zone

As mentioned above, the long-term uptrend is confirmed but it has turned to dormant due to the short-term downward swing. In this case, investors should continue to hold the current positions and buy more if the 1,200 pts zone is retested.

Figure 1. Daily candlestick chart - VNIndex



Source: Finpro, AmiBroker, KIS

Table 1. Index statistics

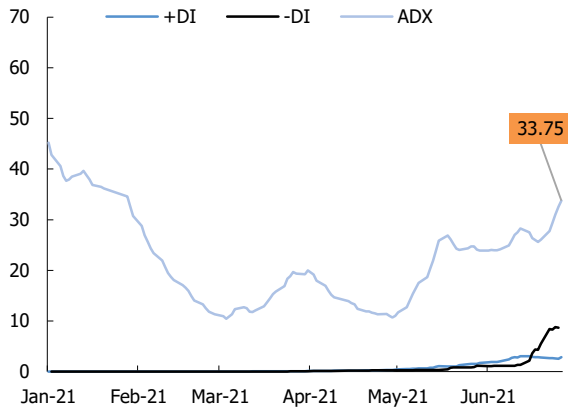
Close (pts)	1,299
1w change (%)	(3.5)
1w avg. daily vol.	607,146,060
52-week range (pts)	780-1424
Mkt cap (VND tn)	2,916
PER (x)	17.9
PBR (x)	2.6

Source: Bloomberg

Dang Le

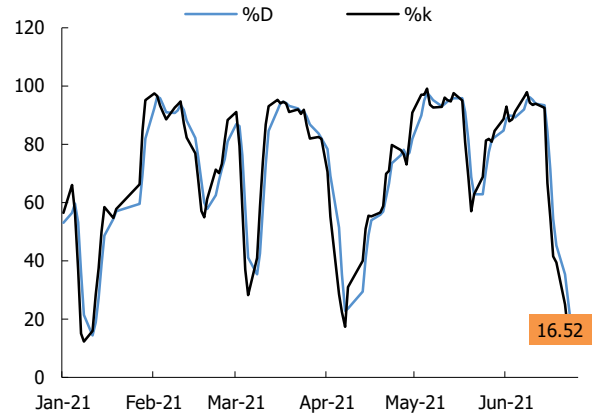
Dang.lh@kisvn.vn

Figure 2. Directional movement indicator - VNIndex



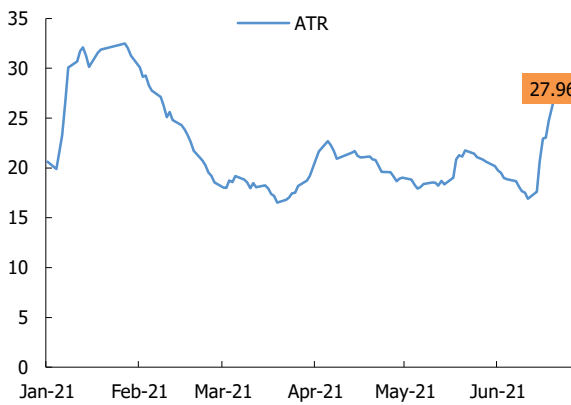
Source: Fiinpro, AmiBroker, KIS

Figure 3. Momentum indicators (Stochastic) - VNIndex



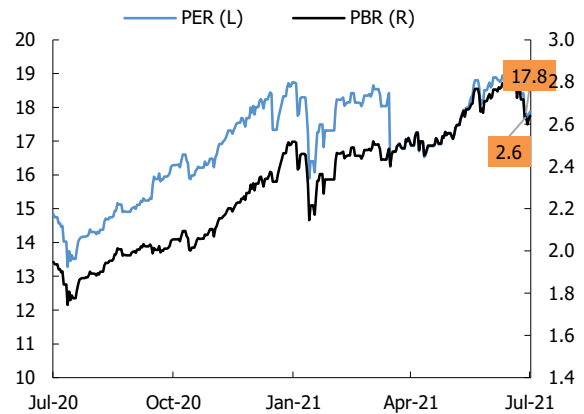
Source: Fiinpro, AmiBroker, KIS

Figure 4. Volatility indicators (ART) - VNIndex



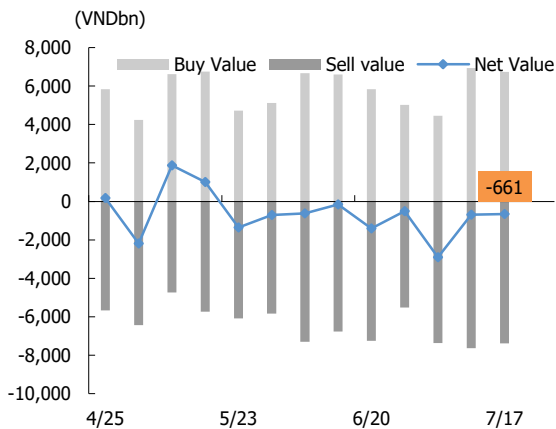
Source: Fiinpro, AmiBroker, KIS

Figure 5. PE and PB - VNIndex



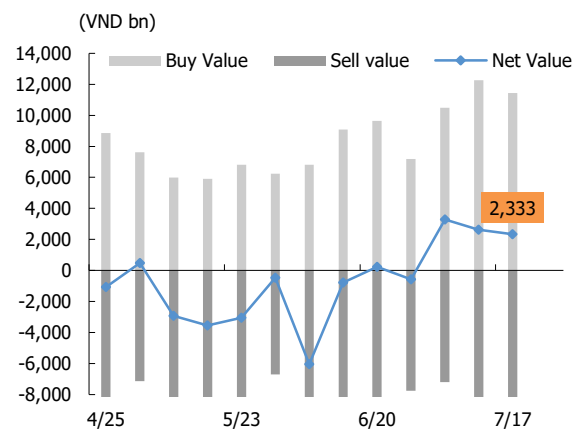
Source: KIS, Bloomberg

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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