

## Island reversal pattern

### Market performance

The VNIndex rebounded last week after the previous six consecutive losing sessions thanks to bottom fishing on Banking sector.

### Chart: Island reversal pattern

The medium-term downtrend is confirmed as the VNIndex closed below the significant moving average such as MA50 and MA100. Besides, the Index shows a new low. That implies a bearish market.

In the short term, the index rebounded last week and showed the Island reversal pattern, which is a reversal pattern. That implies confirming the short-term bottom and uptrend. However, the volume is low level, showing a cautious market sentiment. In addition, other indicators do not show buying signals. That means the uptrend may not be possible for a long time.

The 1,100-pts area is strong resistance. In addition, the 1,000 zone shows significant support.

→ The VNIndex shows the rebound in the short term thanks to Island reversal pattern. However, we expect that is pullback more than a short-term uptrend because of low liquidity and bearish signals of other indicators.

### Technical strategy: Stay on the sidelines

In this case, investors should stay on the sidelines and wait for the next signals.

**Figure 1. Daily candlestick chart – VNIndex**



Source: Fiipro, AmiBroker, KIS

**Table 1. Index statistics**

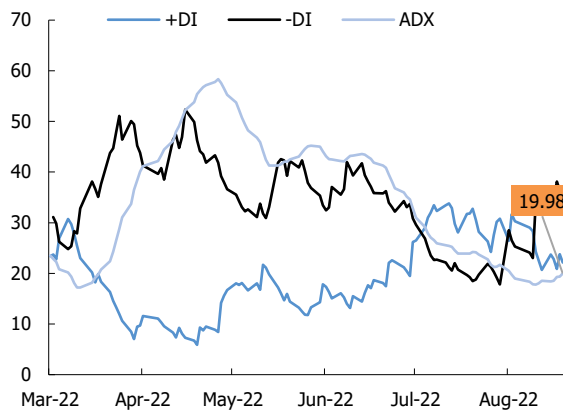
Close (pts)	1,061
1w change (%)	2.4
1w avg. daily vol.	471,027,220
52-week range (pts)	999-1536
Mkt cap (VND tn)	4,179
PER (x)	11.5
PBR (x)	1.8

Source: Bloomberg

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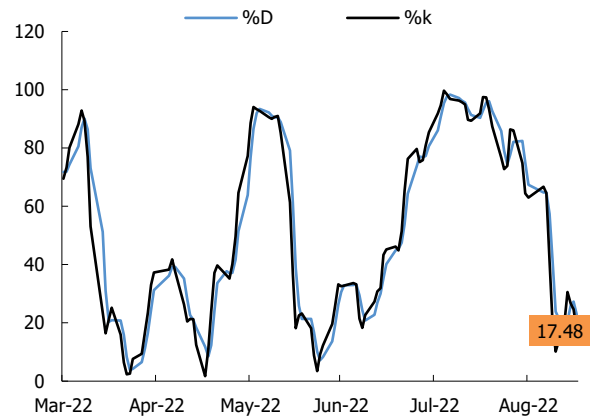
Hieu.ttm@kisvn.vn

**Figure 2. Directional movement indicator - VNIndex**



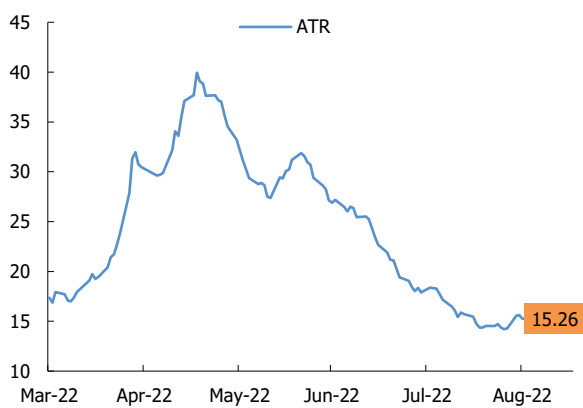
Source: Fiinpro, AmiBroker, KIS

**Figure 3. Momentum indicators (Stochastic) - VNIndex**



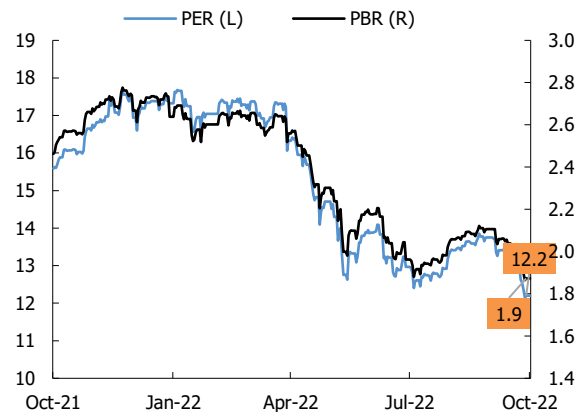
Source: Fiinpro, AmiBroker, KIS

**Figure 4. Volatility indicators (ART) - VNIndex**



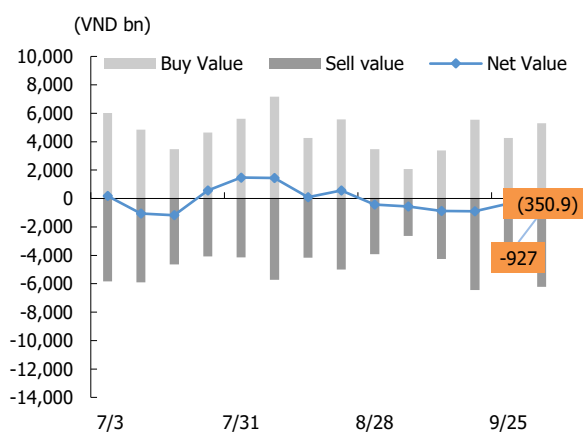
Source: Fiinpro, AmiBroker, KIS

**Figure 5. PE and PB - VNIndex**



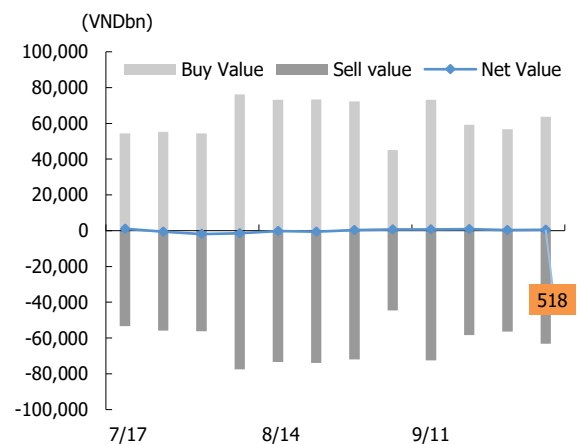
Source: KIS, Bloomberg

**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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