

## Vietnam Weekly Review

High volatility due to restructuring VN30 and future contract expire

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<b>VN-INDEX</b>	<b>975.4</b>	<b>0.01%</b>
Volume (mil shares)	623.5	8.2%
Foreign trading (bil)	959.6	

<b>HNX-INDEX</b>	<b>105.9</b>	<b>1.42%</b>
Volume (mil shares)	116.6	15.7%
Foreign trading (bil)	59.3	

Derivatives	Points	OI
VN30F1907	873.6	25,361
VN30F1908	880.0	817
VN30F1909	885.0	319
VN30F1912	890.1	307

## Important levels

	Resistance	Average	Support
VN-INDEX	990.0	965.0	950.0
HNX-INDEX	108.0	104.0	100.0

Nguồn: BSC Research

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## Next week strategy

**VN-Index struggled before the resistance of 985 points. This situation may continue as VN30 restructuring and the 1907 future contract expire.** VN-Index returned to a struggling state in the resistance zone when large stocks lacked consensus and declined liquidity. Banking stocks maintained positive growth but large stocks VHM, VIC, VNM, and MSN reduced, delaying the index's gain. The market was strongly differentiated with 10/18 Sectors increased, stocks with positive second quarter's business result had a positive price movements. The world stock market gained positively and foreign net cash flow has not yet created a strong effect on cash flow attraction. Q2 business results are still the main motivation for the market next week, however, the indexes may be interfered with the new VN30's structure as well as the trading strategy when the 1907 future contract matures.

**Stock markets rose after FED Chairman's Congressional hearing. USD price dropped while goods increased.** The opinion of the FED Chairman in Congressional hearing was said by the market that the interest rate cut was coming near. This information supported US markets to set a record peak while USD Index declined compared to most currencies with a decrease of -0.4%. VND also increased by 0.2% last week to the beginning of 2019. Bcomp commodity index increased by 2.1%, mainly from the 5.5% increase of oil price. Metal and Agricultural products are also recovering, however, Café and Rubber plummeted over 6%. The markets are swinging between psychological concerns about the prospects of the world economy and expectations of lowering FED interest rates. Any sensitive information at this time has a significant impact on markets in the short term.

**Exchange rates and interest rates continued to fall, the SBV increased the size of issuing bills after two consecutive weeks of decline.** Central exchange rate dropped 5 dong to 23,059 in 12/7 session. The exchange rate of USD/VND in some banks is around 23,140 VND/USD and 23,260 VND/USD in 2 directions, nearly equal to the exchange rate recorded at the beginning of the year. The interest rate level continued to decrease slightly in the 2, 8, 9 percentage points in the overnight, 1 week, and 1 month terms respectively. SBV issued 49,998 billion dong of 7-day bills with 3% interest rate, 14 trillion dong higher than last week and there was no transaction on the open market. It means that market liquidity has been much better than the end of June due to seasonal factors.

**Liquidity remained at a high level, future contracts's price movements closely following VN30.** The future contracts will widen the volatility band when the VN30 changes its composition and the 1907 future contract expires next week. Except for the 1907 Contract, the future contracts followed VN30 closely with the differentiation was -0.2%, 0.6%, 1.1% and 1.1% at all terms. The average trading value per session reached VND 9,677 billion, down 8% compared to the previous week. Open interest dropped 7% to 26,804 dong. VN30 is forming a consolidation zone above the new support level at 873 points as well as the movement in the bottom 2 model which was mentioned last week. The HOSE will update the new VN30 portfolio at the beginning of next week while the 1907 future contract will expire on Thursday, which will create more fluctuations in the coming week. Long position continues to maintain, however investors may choose a fast trading solution to take advantage of unexpected fluctuations of the index next week.

**Short-term trading recommendation:** Cautious against the resistance of 985 - 1,000 points, reduce the proportion when stocks increase strongly in the movement of rotation.

**Mid and long-term trading recommendation:** Increase the proportion of basic stocks thanks to the second quarter business results.

## Stocks technical analysis

## Next week highlights

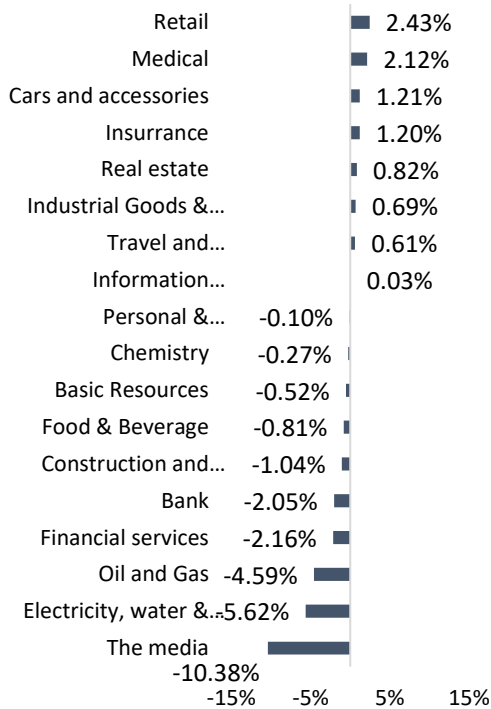
Q2 business result reports of listed companies.

HOSE publishes the adjusted VN30 on 15/7.

Chairman and members of FOMC will have a speech, strengthen the possibility of lowering interest rate in policy meeting on 30 - 31/7.

On 16/7, US Retail Revenue Index, FED Chairman and a member of FOMC have a speech. 17/7, EU, England and Canada publish CPI Index; Australia's Unemployment and labour change index. 18/7, England's Revenue Retail; USS Unemployment benefits and Production index. 19/7, Revenue Retail in Canada, Speech of FOMC's 2 members.

**Chart 1: Weekly sectors development**



## Last week highlights

The VN-Index had a quite volatile trading week above 975 points due to a signal to cut interest rates from the Fed's Chairman after his Congressional hearing. However, information about the restructuring of Deutsche Bank as well as signs of decline of key economies made the index unable to break through 980 points. Market liquidity increased slightly, indicating that cash flow is gradually back to the market. Expectations on the possibility of Fed's rate cut will be an attentive factor in next week. Key elements of the week:

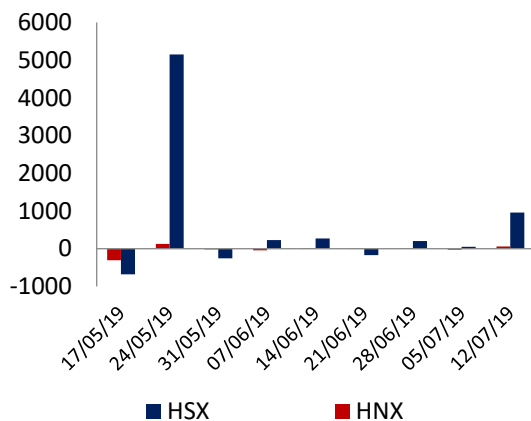
- Largecap and Smallcap increased, Midcap declined.
- Market liquidity increased slightly, reaching an average of VND 2,754 billion, up +2.70% compared to the previous week.
- Foreign investors were net buyers on the HSX and HNX.

## Sector developments

**The VN-Index decreased when only 10/18 Sectors increased.**

- Gained Sectors: Media gained +2.75% (YEG +5.19%, SVT -9.70%), Automobile and Parts increased 2.28% (HAX +21.90%, DRC +1.85%), Retail increased 2.07% (MWG +2.38%, DGW +2.92%).
- Top 2 of declined Sectors: Personal and Household Goods decreased -1.98% (PNJ -1.21%, TCM -5.13%), Basic Resources reduced -1.92% (HPG -1.79%, HSG -3.44%).
- Smallcap gained +0.66%, Midcap declined -0.68%, Largecap increased +0.01% và VN30 decreased -0.59%.

**Chart 2: Foreign trading activities**

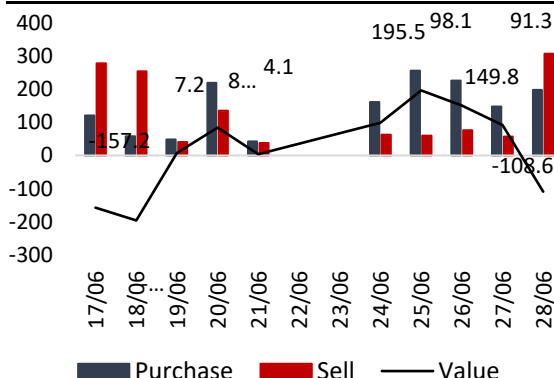


## Foreign trading

Foreign investors were net buyers on both exchanges. They net bought VND 959.62 billion on the HSX and VND 59.28 billion on the HNX. Foreign investors saw a net buying of 408.8 billion dong PLX, 85.3 billion dong VRE and 75.4 billion dong VCB while net selling of -39.8 billion dong HPG, -32.5 billion dong MSN and -27.9 billion dong PVT. On all exchanges, the top 10 most net buying stocks brought in VND 928.4 billion and foreign investors withdrew VND -218 billion from top 10 net selling stocks.

ETF VNM kept the scale at 29.05 million fund certificates on July 11, the status of discount -0.61%, liquidity decreased -22.2%. The ETF FTSE kept the scale at 9.685 million fund certificates on July 10, the premium status was 0.9%, liquidity was 7.9 times higher than the previous session. E1VFN30 ETF has no new data. ETF KIM kept the scale at 16.5 million fund certificates on July 10, the status of discount -0.72%, liquidity increased 76.08%.

**Chart 3: Proprietary trading activities**



## Proprietary trading

**Self-trading sector bought a net of VND 64.75 billion.** Strong net buying took place at the end of the week and net selling on the first day of the week. Self-trading sector net bought MSN 288.98 billion dong; KBC 46.82 billion dong, NKG 26.67 billion dong and net selling -37.17 billion dong VNM, -33.72 billion dong MWG and -29.01 billion dong TCB.

## Top VN-Index contributor

#	Stock	%	Points
1	SAB	+3.21%	1.71
2	GAS	+2.12%	1.25
3	VCB	+1.52%	1.21
4	HVN	+4.03%	0.71
5	BID	+1.83%	0.61
6	BVH	+2.41%	0.42
7	MWG	+2.83%	0.35
8	CTG	+1.42%	0.33
9	HNG	+5.03%	0.24
10	NVL	+1.16%	0.19

**Total** **6.8**  
**VN-Index** **0.06**

## Top VN-Index dragger

#	Ticket	%	Points
1	VHM	-3.37%	-2.88
2	MSN	-4.12%	-1.21
3	VNM	-1.74%	-1.14
4	VIC	-0.60%	-0.69
5	TCB	-3.04%	-0.67
6	HPG	-1.79%	-0.33
7	LGC	-7.85%	-0.15
8	ROS	-2.90%	-0.14
9	VIS	-17.06%	-0.10
10	TLG	-6.85%	-0.08

**Total** **-7.31**  
**VN-Index** **0.06**

## Top foreign net purchase/sell

#	Ticket	Purchase	% FO
1	PLX	408.85	12.18
2	VRE	85.31	32.31
3	VCB	75.36	23.79
4	CTD	56.37	46.85
5	CTG	54.12	29.95
6	GAS	53.79	3.69
7	PVS	52.52	25.40
8	HVN	51.51	9.97
9	DGW	46.22	14.57
10	NVL	44.36	7.09

**Total** **928**

#	Ticket	Sell	% FO
1	HPG	-39.84	38.93
2	MSN	-32.49	40.70
3	PVT	-27.94	31.33
4	VNM	-24.05	59.05
5	HDB	-19.23	24.29
6	VHM	-17.76	15.07
7	HBC	-15.13	24.68
8	VEA	-14.41	5.57
9	VPI	-13.72	8.30
10	KDH	-13.47	47.28

**Total** **-218.0**

## VN-Index

**Weekly chart:** VN-Index returned to struggling and created a doji candle before the resistance of 985 points. The index corrects SMA50 and still maintains above SMA20. The index is still in Ichimoku cloud and compact bollinger band. Technical signals remain neutral and low liquidity is not a clear signal for breaking out of the current trend. Short-term resistance 985 points equivalent to Fibonacci retracement 23.6% of the short cycle of the moving cycle from the beginning of the year. The index is likely to move around 965-985 points next week.

**Daily chart:** After 3 green candles in the middle of the week with low liquidity, VN-Index corrected after approaching the resistance to create a reversal pattern of engulfing bear with increasing volume. This implies short-term profit-taking activities before the resistance. However, when VN-Index has not escaped the medium-term price channel, the adjustment is expected only if it happens quickly. VN-Index still expects to move in the 3-bottom pattern with the target price range of the model at 985 points. Except for negative MFI signal, cash flow is still weak but other technical signals still supporting short-term gaining possibility.

### Highlights:

- VN-Index surpassed the neckline at 965 points of the 3-bottom model with expected target price at 985 points.
- Considering the trend from March, VN-Index is still in the downward price channel with a range of 940-980 points.

**Evaluation:** VN-Index still has strong volatility sessions, accordingly, low liquidity sessions is green while high liquidity sessions is red. This also reflects trading status when the index is still moving in the price channel. VN-Index is moving in a 3-bottom pattern with a target price of 985 points. However, in order to establish an uptrend, VN-Index needs to surpass the psychological threshold at 1,000 points along with a clearer improvement in liquidity.

## VN-Index chart



nguồn: BSC Research

## Domestic macroeconomic news

#	Market indexes	± Week
1	US (SP500)	1.5%
2	France (CAC)	-0.4%
3	Germany (DAX)	-2.0%
4	UK (FTSE)	-0.6%
5	Japan (Nikkei)	-0.3%
6	Philippine (PCOMP)	3.1%
7	Malaysia (KLCI)	-0.6%
8	Thailand (SET)	0.1%
9	Indonesia (JCI)	1.3%
10	Singapore (STI)	0.7%
11	Vietnam (VN-Index)	0.8%

- On July 12, the Ministry of Finance listed the total budget revenue in the first 6 months of 2019 to over 745 trillion dong, equaling 52.8% of the yearly estimate and up 13.2% over the same period last year.
- The General Director of the General Department of Customs said that the total customs revenues in the first 6 months of the year reached over VND 170,000 billion, equivalent to 60% compared to the previous year and increased dramatically over the same period.
- According to preliminary results, the Population and Housing Census of 2019, published by the GSO on July 11 morning, the population of Vietnam is at 96.2 million people as of 1/4.
- The Korean government will support Vietnam about \$ 4.5 million in the overall agricultural development plan for the Red River Delta; construction and operation of the pilot cultivation area and the Agricultural Training Center in Thai Binh province."

### Major currency exchange r Đơn vị

VND/USD exchange	23,199 VND
VND/EUR exchange	26,147 VND
VND/CNY exchange	3,375 VND
VND/JPY exchange	21,486 VND

Future contracts	Value
Dầu WTI (USD)	60.2
Dầu Brent (USD)	66.8
Khí gas (USD/MMBtu)	2.4
Vàng giao ngay (USD/oz)	1413.5
Bạc (USD/t oz)	#N/A N/A
Đồng (USD/lb.)	#N/A N/A
Cao su (JPY/kg)	#N/A N/A
Bông (USD/lb.)	77.2

### Tỷ giá OMO của ngân hàng nhà nước

Interest Period	Rate	± Week
Overnight	3.06	0.09
1 week	3.16	0.06
2 week	3.27	0.09
1 month	3.49	0.20
2 month	3.69	0.12
3 month	3.99	0.18
6 month	4.31	0.13
1 year	4.64	0.16

## International macroeconomic news

- The Senate of France on July 11 approved a plan to apply revenue tax to major technology firms such as Google, Amazon and Facebook, despite warnings from the administration of President Donald Trump that this tax law "targets businesses American companies in an unequal way".
- Singapore's Ministry of Commerce and Industry today said Singapore's second-quarter GDP growth decline 3.4% compare to the first quarter, the strongest decline since 2012.
- China faces the risk of a record high default rate when the first 6 months of this year, a total in China has more than 55 billion yuan (equivalent to 8 billion USD) of corporate bonds are not paid on time in which 20 companies defaulted their bonds for the first time.
- Fed Chairman continues to stress that interest rates will be cut when

## Industry information

**Oil sector:** Inventory in the US decreased, storms reach the Gulf of Mexico, oil prices rose 4.5% [Link](#)

**Wood chip sector:** Export of wood chips: Top of the world but not "hold" [Link](#)

**Steel sector:** Actively source of raw materials, Vietnamese steel enterprises minimize market risks [Link](#)

**Fruit sector:** Binh Thuan: The main dragon fruit has good price [Link](#)

**Leather and footwear sector:** Leather and footwear exports in 2019 could reach 21.5 billion USD [Link](#)

**Fishery sector:** Prices of raw pangasius in the Mekong Delta fell the lowest in 10 years [Link](#)

## HVN – Vietnam Airlines Joint Stock Company – Pillar stock – Positive recovery

HVN is one of the largecap which is forming positive recovery. The stock establishes support at 41.8 with strong recovery. Liquidity in recent sessions also increases substantially and exceeded the average trading volume of 20 sessions, which signals strong uptrend for the stock. Technical indicators are also positive, reinforcing the uptrend. Support levels of the stock are at 37.6 and 41.2. The nearest resistance is at the price level of 46.6. Investors can open positions to buy stocks at 43 and take profit at the price level of 45.75. Cut loss if the stock loses the support level of 41.8.





## GVR - Vietnam Rubber Group Joint Stock Company - Consolidate

GVR is a midcap that has had recovery momentum with positive increase. The technical indicators are also positive. The liquidity is also quite positive, above the 20-day average. Uptrend is thus quite solid. GVR has support at price level of 12. The nearest resistance is at price level of 14. However, investors should watch and buy back around 12.59, take profit at 14.79, and cut loss if the stock loses support level of 11.5.



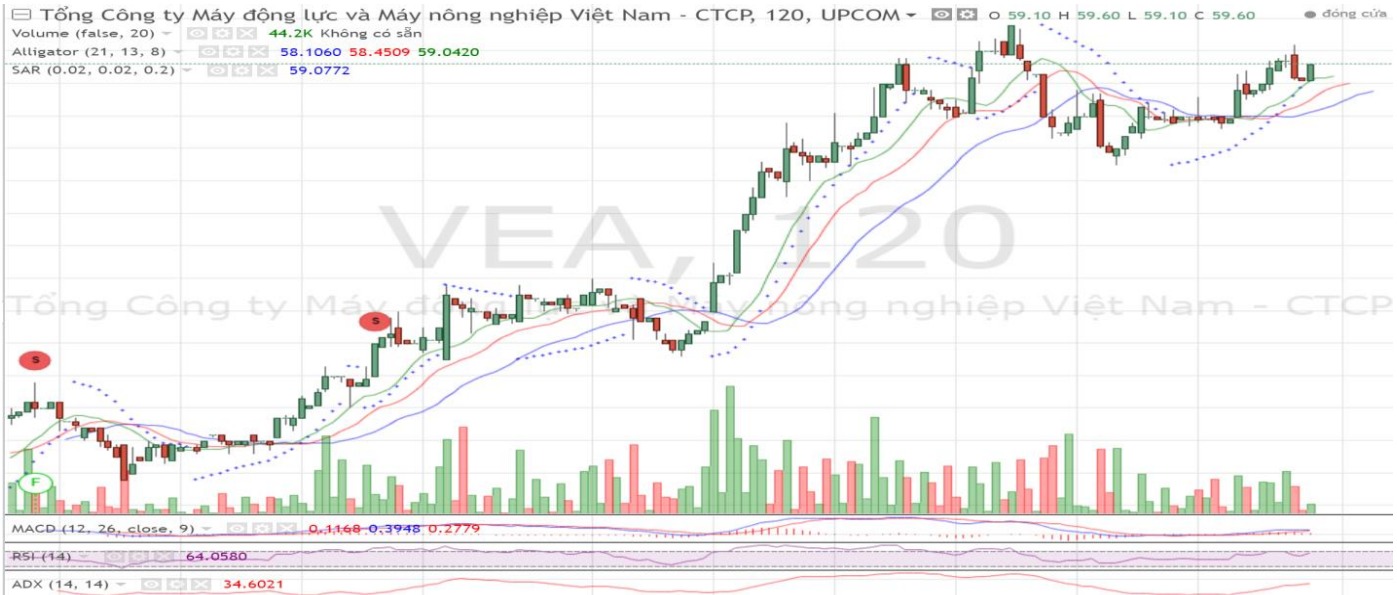
## HDG – Ha Do Group Joint Stock Company – Negative

HDG is a midcap which is in a short-term correction after peaking at 35. Liquidity of the stock increases strongly with downward pressure on price after touching the overbought section of RSI. Other technical indicators also signal a downward correction. HDG has support at price level of 30. Resistance is strong at price level of 36. Selling position is recommended, liquidity is still high but the rise has been limited when it failed to keep the price at 35. Investors can consider selling and buying back at 32.87, taking profit at 34.97, and cutting loss if the stock loses the support level of 30.



## VEA – Viet Nam Engine And Agricultural Machinery Corporation - Negative

VEA is a largecap which is forming a recovery momentum with positive increase. The technical indicators are positive. Liquidity is also quite positive, above the 20-day average. Uptrend is thus quite solid. Other technical indicators also signal strong uptrend. VEA has support at price level of 56. The nearest resistance is at price level of 60. Investor can buy at the price range of 58.5-60.3, taking profit around 63.45, and cutting loss if the stock falls to 57.1.



## DGW – DIGIWORLD CORPORATION – Consolidate

DGW is a smallcap which is in the short-term correction after peaking at 23. Liquidity increases after approaching Bollinger lower band at price of 20.6. Technical indicators signal an uptrend momentum. The support level of DGW is at 20.6. Strong resistance is at 24.5. The buying position can be opened even though upside for increase is limited according to RSI. Liquidity remained high but the rally was limited, failing to keep the price at 23. Investors should track and buy back at price level of 21.87, taking profit around 24.11, and cutting loss if the stock loses the support level of 20.74.



### Disclosure

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