

Vietnam Weekly Review

Waiting for update from the Fed to exceed 1,000 pointse

BSC RESEARCH

Head of Research

Trần Thăng Long

longtt@bsc.com.vn

Macro & Market members

Bùi Nguyên Khoa

khoabn@bsc.com.vn

Lê Quốc Trung

trunglq@bsc.com.vn

Tô Quang Vinh

vinhtq@bsc.com.vn

Đặng Hà My

mydh@bsc.com.vn

VN-INDEX 993.4 1.12%

Volume (mil shares) 651.7 -4.0%

Foreign trading (bil) 496.0

HNX-INDEX 106.4 -0.63%

Volume (mil shares) 126.1 -16.6%

Foreign trading (bil) -63.7

Derivatives	Points	OI
VN30F1908	886.2	21,003
VN30F1909	888.3	454
VN30F1912	891.9	345
VN30F2003	891.6	46

Important levels

	Resistance	Average	Support
VN-INDEX	1000.0	990.0	985.0
HNX-INDEX	108.0	104.0	100.0

Nguồn: BSC Research

Table of content

Weekend highlights	1
Market statistics	2
VN-Index Technical analysis	3
Macro news	4
Technical Analysis	5,6,7
Disclaimer	8

This report is considered a reference source. Please read the Disclaimer section carefully on the last page.

Next week strategy

VN-Index approached the psychological threshold of 1,000 points, the duo VIC and VHM contributed 9/11 points in the week. VN-Index maintained the 4th week of gaining in a row, all points gained from VIC-VHM and HPG's contribution thanks to information of Q2 business result exceeding forecast while banking stocks slightly corrected. Following the uptrend thanks to the buying activity of ETF Premia fund, the price movement of major stocks last week is also expected to come from another open ETFs fund. Nearly 70% of companies have announced earnings results creating a clear differentiation in the market. Activities to announce basic business results are completed next week. The effect from the second quarter business results faded, VN-Index needed a new momentum to maintain the current uptrend. Foreign cash flow supported the market recently and this shift is related to FED's decision next week.

European Central Bank keeps interest rates unchanged. FED decision at the policy meeting at the end of July significantly affected markets. Contrary to market expectations, ECB has not lowered interest rates and launched a monetary stimulus package. EUR went up in the US CK market. Investors are worried that the decision of the ECB will affect the ability as well as the scale of interest rate lowering from the FED in the next session. The GDP growth rate of the US in the second quarter was only 2.1%, down 1% compared to the same period but higher than the previous forecast that is putting the Fed in front of the possibility of interest rate reduction, however, the dose will have to be adjusted again. World markets continue to wait for news and there is no strong fluctuation last week. Domestically, exchange rates and interest rates are also quite stable. The noticeable point was that the SBV still kept the 7-day bills interest rate at 2.75% and reduced the issuance scale by 9,998 billion VND compared to the previous week. This move still showed that the SBV actively adjusted interest rates and increased market liquidity.

Q2 business result increased by 6.8% with 66% of companies on 2 exchanges announced, VCB contributed mainly. As of July 26, 497 companies, accounting for 66% of the companies listed on the 2 exchanges HSX and HNX, announced Q2 business results with a total of VND 21,226 billion, up 6.8% over the same period. VCB increased by 1,434 billion, contributing largely to absolute profit growth, following MBB (+353 billion), TPB (+306 billion), ACB (+215 billion), and DGC (+148 billion) while companies There was a decline in NPAT including CTD (-305 billion), DPM (-186 billion), PPC (-184 billion), YEG (-183 billion) and DNY (-121 billion). The market differentiated when 35% of businesses grew positively and 9% of enterprises lost quarter II. Banking stocks closed mainly in the second quarter profit growth. The announcement of Q2 business results will focus on the week, the business result will soon be saturated.

Liquidity decreased, open interest increased while future contracts closed closely to VN30 even when the index broke out of the accumulation area of 873-880 points. VN30 broke out of the accumulation area with average liquidity, the future contracts followed closely the movement of the index and kept the price difference of -0.2%, 0.04%, 0.5% and 0.4% at the term. Transaction value fell sharply in the last session of the week, bringing the average session value to 7,699 billion/session, down 2% from the previous week. Open contracts increased by 19% to 21,848 contracts. VN30 has surpassed SMA100 and moved between SMA100 and SMA200. The fluctuations continued to support fast-trading activities in the short term.

Short-term trading recommendation: Continue to consider reducing the proportion when stocks increase strongly at the movement of circulating around 1,000 points.

Medium and long-term investment recommendation: Maintain the current portfolio.

Stocks technical analysis:

Positive stocks: HPG, VIC, PNJ, IJC

Consolidate stock: HBC

ilinvest: Last week the MSCI Frontier 100 Vietnam and Building Materials categories saw impressive performance of 2.04% and 1.36% respectively, outperforming the 1.12% growth of VNINDEX. The List of Insurance & Securities and Trade Wars decreased by 1.73% and 1.84%, respectively.

Next week highlights

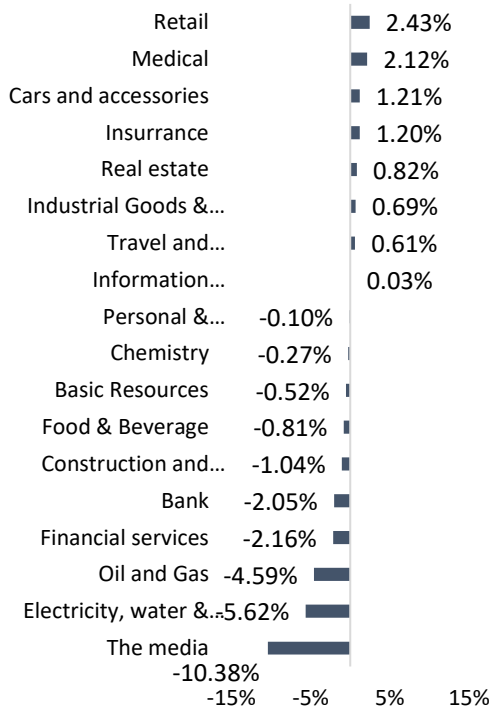
'Second quarter business results of listed companies.

Macroeconomic indicators of import, export, CPI, FDI, PMI, ... July.

US-China trade talks take place on July 30 in Shanghai. FED meeting monetary policy in July.

On July 29, the Bank of Japan announced its economic prospect report, monetary policy minutes and interest rate policy. July 30, the consumer confidence index of the US and China published PMI index. July 31, the Fed announced the FOMC minutes, federal interest rates and press conferences. August 1, British Central Bank announced the report of inflation, monetary policy and official interest rate. August 2, the US announced the unemployment index, changing non-agricultural labor.

Chart 1: Weekly sectors development



Last week highlights

Continuing the uptrend momentum, VN-Index is moving to test the resistance of 1000 points. The delay of ECB decision to raise interest rates will cause short-term negative effects on stocks worldwide due to expectations of FED's interest rate cut also weakened This also made the market correcting with a strong drop in liquidity at the end of the week; however, foreign investors maintained net buying activities will continue to be the pillar of the market. Major factors of the week:

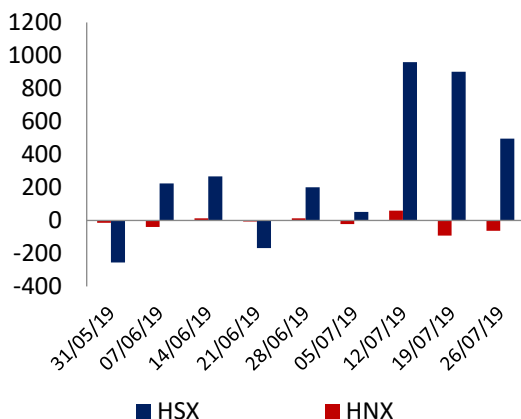
- The main gaining motivation was in VN30, the rest of all capitalization groups dropped.
- Market liquidity decreased slightly, reaching an average of VND 2,997 billion, down -4.8% compared to the previous week.
- Foreign investors were net buyers on the HSX and net sellers on the HNX.

Sector developments

The market recovered but only 12/18 sectors gained.

- Top 3 sector increased: Basic resources +6.12% (HPG +8.4%, DLG +5.3%), Real estate +3.37% (VHM +4.4%, VIC +7.1%), Personal and household goods increased +2.29% (PNJ +7.8%, RAL +2.5%).
- Top 3 sectors declined: Communication -3.65% (YEG -7.2%, VNB -13%), Financial services -2.44% (VND -3.9%, HCM -6.8%) and Automotive and spare parts decreased by -1.52% (DRC -0.5%, HNG -0.6%).
- Smallcap decreased -0.87%, Midcap decreased -0.62%, Largecap decreased -0.54% and VN30 increased +0.8%.

Chart 2: Foreign trading activities

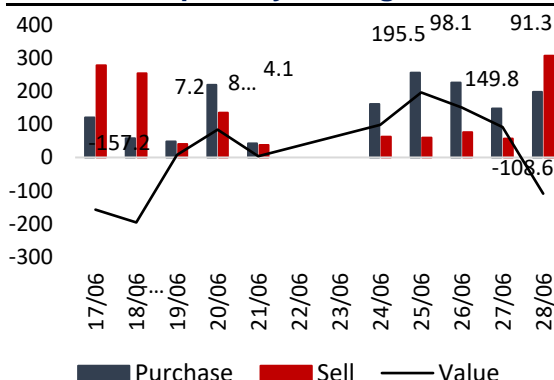


Foreign trading

Foreign investors were net buyers on the HSX and net sellers on the HNX. They net bought 496.03 billion on the HSX and sold -63.65 billion on the HNX. Foreigners bought PLX 123.3 billion, 88.5 billion VHM and 85.3 billion VCB while net selling -78.3 billion VNM, -60.7 billion STB and -36.9 billion HBC. On all 3 exchanges, top 10 net buying codes brought in 675.9 billion and foreign investors -320.2 billion from top 10 net selling codes.

ETF VNM increased the scale to 29.2 million certificates, premium status 0.04%. ETF FTSE downsized to 9.51 million fund certificates, a discount status of -0.5%. E1VFN30 ETF scale down to 464 million certificates, 0.1% premium status. ETF KIM keeps the scale of 16.5 million certificates, the state of discount -1.1%.

Chart 3: Proprietary trading activities



Proprietary trading

Proprietary traders net bought 126.93 billion dong. The net buying activity took place almost everyday of the week except Tuesday and Friday sessions. Proprietary trading sector net bought 111.64 billion MSN; 35.07 billion GEX, 27.94 billion E1VFN30 and net sale of -25.21 billion MBB, -7.64 billion FPT and -5.42 billion BMI.

Top VN-Index contributor

#	Stock	%	Points
1	VIC	+5.26%	6.04
2	VHM	+3.55%	2.97
3	HPG	+9.47%	1.59
4	GAS	+1.89%	1.13
5	MSN	+4.12%	1.11
6	BID	+2.58%	0.91
7	PLX	+2.65%	0.65
8	VJC	+2.15%	0.45
9	SAB	+0.65%	0.34
10	PNJ	+6.79%	0.33

Total 15.2
VN-Index 11.01

Top VN-Index dragger

#	Ticket	%	Points
1	VNM	-1.89%	-1.24
2	CTG	-2.97%	-0.72
3	VPB	-3.35%	-0.47
4	TCB	-1.89%	-0.41
5	STB	-4.70%	-0.31
6	EIB	-3.55%	-0.24
7	SSI	-4.69%	-0.18
8	HCM	-7.64%	-0.16
9	PPC	-3.68%	-0.10
10	HDB	-1.33%	-0.10

Total -3.83
VN-Index 11.01

Top foreign net purchase/sell

#	Ticket	Purchase	% FO
1	PLX	123.29	13.02
2	VHM	88.53	15.10
3	VCB	85.32	23.91
4	VJC	80.13	20.30
5	EIB	72.39	29.99
6	MSN	59.96	40.35
7	CTD	54.88	48.70
8	VRE	51.99	32.46
9	KBC	32.08	24.26
10	GAS	27.31	3.73

Total 676

#	Ticket	Sell	% FO
1	VNM	-78.30	59.03
2	STB	-60.69	13.86
3	HBC	-36.88	22.23
4	PVS	-31.65	24.17
5	KDH	-23.90	46.25
6	POW	-20.39	15.05
7	E1VFV	-18.28	#N/A
8	HPG	-17.06	38.58
9	VEA	-16.96	5.55
10	CEO	-16.05	22.77

Total -320.2

VN-Index

Weekly chart: VN-Index maintained the gaining trend for the 4th week in a row, approaching the psychological threshold of 1,000 points with a long white candle. The index stayed above SMA20 with slightly improved volume. VN-Index is still in Ichimoku cloud and bollinger band widens slightly. MACD maintained above signal line and other technical indicators improved. ADX kept 11 while +DI has not widened the gap -DI, indicating that the index has not had a clear trend. However, in the short term, VNIndex has positive movements to test 1,000 points with slight increase in trading volume.

Daily chart: VN-Index surpassed 985 points with breakout session on July 23. The uptrend was blocked when the index approached 1,000 points in the last session of the week and created gravestone doji candles. VN-Index is still maintaining the short-term uptrend and approaching the upper channel of the medium-term downtrend channel. Indicators have not yet shown that the index has signs of overbought. Tendency, creating momentum to test psychological threshold of 1,000 points.

Highlights:

- VN-Index is maintaining the widen uptrend, testing the psychological threshold at 1,000 points.
- The index is approaching the upper edge of the downward price channel within 1 year.
- Positive technical indicators supporting the short-term recovery trend.

Evaluation: VN-Index is maintaining the uptrend and approaching the upper line of the 1-year downward price channel with average liquidity. VN-Index is accumulating momentum to exceed psychological threshold of 1,000 points. Large-cap stocks are circulating to support the index's increasing momentum. Banking stocks are expected to lift the index above 1,000 points while the liquidity remains at the average level and the period of business result announcement is in the final stage.

VN-Index chart



Source: BSC Research

Domestic macroeconomic news

#	Market indexes	± Week
1	US (SP500)	0.1%
2	France (CAC)	0.8%
3	Germany (DAX)	1.2%
4	UK (FTSE)	2.1%
5	Japan (Nikkei)	0.9%
6	Philippine (PCOMP)	-0.7%
7	Malaysia (KLCI)	-0.8%
8	Thailand (SET)	-1.0%
9	Indonexia (JCI)	-2.1%
10	Singapore (STI)	-0.3%
11	VietNam (VN-Index)	1.6%

- In the first 6 months of this year, the total value of announced M&A deals in Vietnam reached USD 1.9 billion (equal to 53% of the same period in 2018, USD 3.55 billion). The value of foreign investors acquiring domestic shares reached USD 2.64 billion.
- The Government has just approved the Ministry of Finance's proposal to apply a 15% tax rate to micro enterprises, 17% applies to small businesses, and exemption of corporate income tax in 2 consecutive years if the above cases are newly established from business households.
- The trade balance in the first period of July was USD 678 million, bringing the accumulated from the beginning of the year to a surplus of USD 910 million.
- Binh Son refining and petrochemical JSC. will import another 2-3 million barrels of WTI crude oil in an effort to reduce trade surplus between the US and Vietnam after President Trump mentioned taxing commodities from Southeast Asia, in the US-China trade war context.

Major currency exchange r Unit

VND/USD exchange	23,213 VND
VND/EUR exchange	25,842 VND
VND/CNY exchange	3,367 VND
VND/JPY exchange	21,367 VND

Future contracts	Value
WTI (USD)	56.2
Brent (USD)	63.3
Natural gas (USD/MMBtu)	2.1
Spot gold price (USD/oz)	1420.3
Silver (USD/t oz)	16.3
Copper (USD/lb.)	267.7
Rubber (JPY/kg)	227.8
Cotton (USD/lb.)	77.2

Interbank interest rate

Period	Rate	± Week
Overnight	2.74	0.19
1 week	2.86	0.19
2 week	3.06	0.20
1 month	3.31	0.20
2 month	3.74	0.28
3 month	3.99	0.30
6 month	4.39	0.31
1 year	4.74	0.39

International macroeconomic news

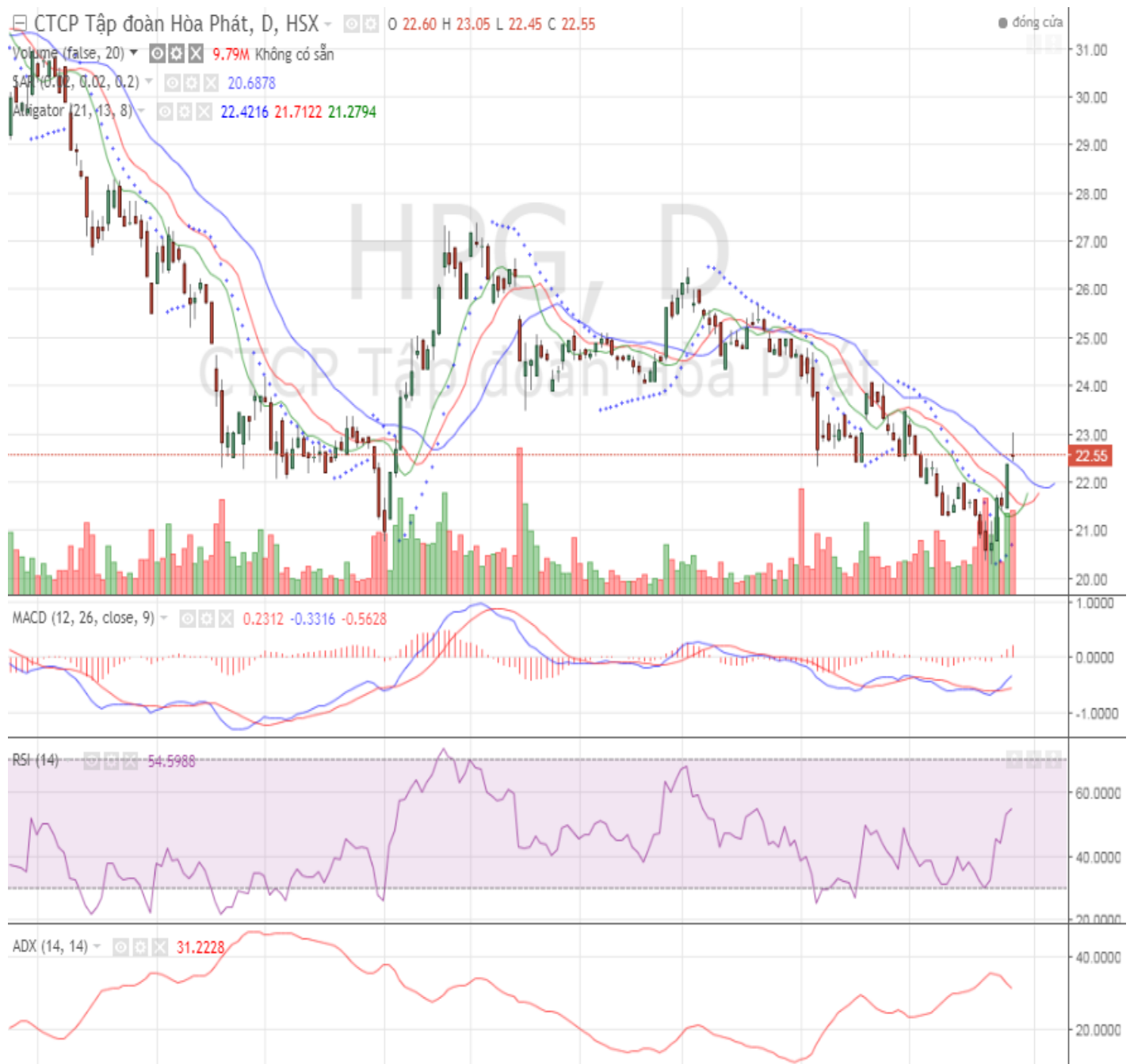
- White House economic advisor Larry Kudlow said the Trade Representative and Minister of Finance will fly to Beijing next Monday as a good signal for an agreement between the United States and China.
- Former Foreign Minister Boris Johnson, who has a tough opinion about leaving the EU was elected to succeed Theresa May as Britain's Prime Minister.
- The ECB signaled its intention to loosen monetary policy but did not cut interest rates, and the economic statement of its leaders was more optimistic than expected.
- The US House of Representatives has passed a law introduced by President Trump to increase the federal budget deficit as well as suspend the government's borrowing limits over the next two years.

Notable goods Information

Goods	Units	26/07 Morning	% D	% W	% M*	Output related	Input related
WTI	USD/barrel	55.9	0.3%	1.2%	-5.8%	GAS, BSR,	PVD, PVT
Brent	USD/barrel	63.3	0.1%	2.2%	-4.8%	GAS, BSR,	PVD, PVT
Gasoline	USD/gallon	1.9	1.4%	2.6%	-4.5%	PLX, OIL	HVN, VJC
Gold	USD/ounce	1415.0	-0.8%	-2.1%	0.5%	PNJ	PNJ
Silver	USD/ounce	16.4	-0.2%	0.7%	7.9%	PNJ	PNJ
Bách kim	USD/ounce	865.0	-1.2%	1.9%	6.3%	PNJ	PNJ
Paladi	USD/ounce	1529.0	-0.7%	0.2%	0.5%	PNJ	PNJ
Soybean	UScent/bu	882.5	-0.8%	-0.1%	-1.5%	HKB	DBC, QNS
Wheat	UScent/bu	499.8	0.4%	1.3%	-8.1%		AFX
Milk	USD /cwt	17.5	0.3%	0.2%	7.0%	VNM, GTN	KDC
Rubber	JPY/kg	230.0	0.0%	1.7%	-1.7%	DPR, PHR, HAG, HNG	SRC, CSM, DRC
Sugar	US cent/lb	12.0	-0.5%	3.9%	-0.3%	SBT, LSS, SLS, QNS,	VNM, GTN, QNS
Tea	USD/kg	2.5	0.0%	20.0%	2.9%	GTN, DLG	DLG
Coffee	UScent/lb	100.7	-0.4%	-6.1%	-4.1%	CTP, DLG	VCF, CTP
Copper	USD/lb	2.7	-0.2%	-0.2%	-0.4%	MSN, ACM, BGM	CAV. SAM, TGP, VTH
Aluminium	USD/ton	1826.0	0.6%	-1.1%	0.7%		CAV. SAM, TGP, VTH
Steel	CNY/ton	4060.0	0.6%	-0.3%	6.4%	HSG, HPG, NKG	PC1. CTD, HBC
Coal	USD/ton	74.9	-0.1%	0.0%	7.7%	HLC, NBC, TNT, THT	HT1, BCC, PPC, POW
Iron Ore	USD/ton	116.0	-2.5%	-5.3%	-0.9%	HSG, HPG,	HSG, HPG,

HPG - Hoa Phat Group JSC – Positive

HPG is one of the largecap stocks which is forming a positive recovery trend. HPG has established a strong support level after hitting the bottom at the price level of 20.3. Technical indicators and liquidity showed that the stock is in the uptrend. RSI and MACD all showed positive signs when there are signs of a recovery trend. Strong support level of HPG is 20.3. Resistance levels at the price range of 24.1 and 26.48. Investors can open positions to buy stocks at the price of 22.33 and take profit at the price level of 24.09. Stop loss if the stock loses the support level of 20.57.



HBC - Hoa Binh Construction Group JSC – Consolidate

HBC is one of the midcap stocks in the short-term correcting trend. Stock liquidity slightly increased after hitting the lower band of Bollinger channel. There have been divergence signals of stock prices and RSI indicators. Strong support level at the price of 14.06. Strong resistance level is at the price of 18. However, investors should only watch and buy back at the price level of 13.92. Stop loss if it falls below the price level of 12.77 and take profit at the price level of 15.07.



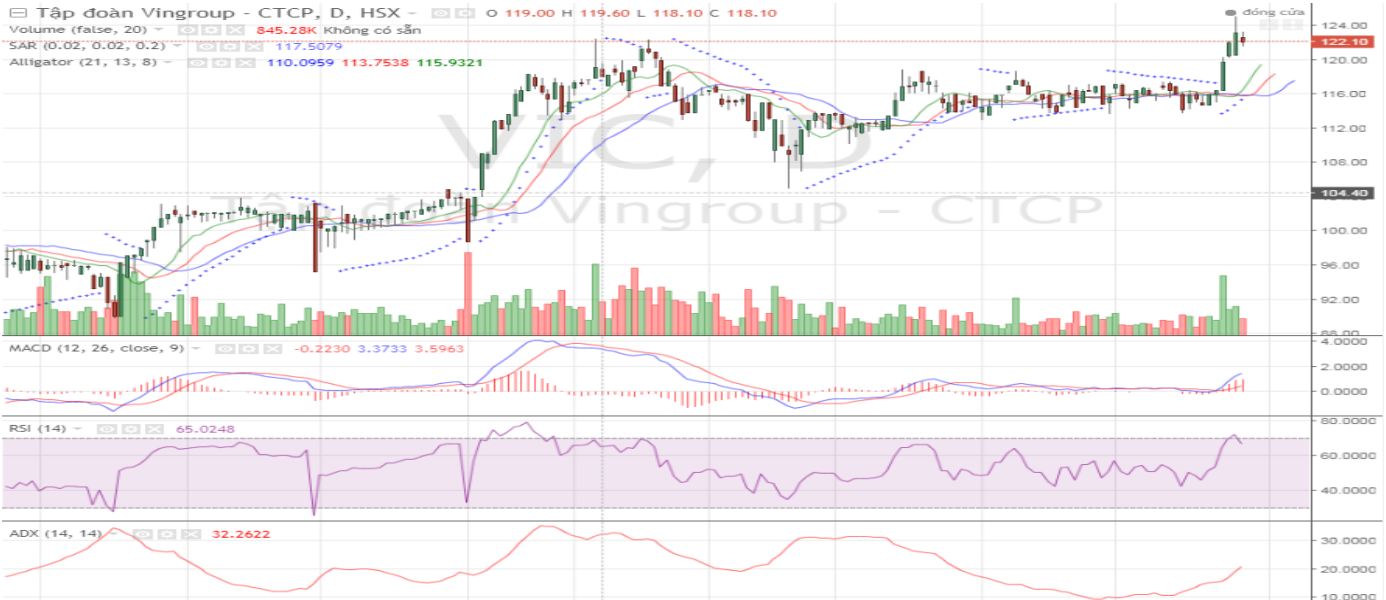
PNJ - Phu Nhuan Jewelry JSC – Positive

PNJ is one of the largecap stocks which is in a positive upward trend after accumulating at 72-74 price range. The stock has established a quite strong support threshold at the price level of 71. Liquidity in recent gaining sessions has also increased sharply and surpassed the average trading volume of 20 sessions. This phenomenon shows that the uptrend of the stock is still quite strong. Technical indicators are showing positive signs, reinforcing the uptrend. Support price level of stocks at the price level of 71. Strong resistance level at the price level of 81.75. Investors can buy stocks at the price of 76.15. Cut loss if it loses 71.96 threshold and take profit at 80.34.



VIC - VINGROUP JSC – Positive

VIC is one of the largecap stocks which is in a strong uptrend when setting a historical peak at 123.2. The stock has established a quite strong support at the price level of 113.5. Liquidity in recent gaining sessions also surged and far surpassed the average trading volume of 20 sessions. This phenomenon shows a strong rise of stocks. Although RSI reached the oversold level, other technical indicators showed positive signs, reinforcing the uptrend. Support level of stocks at the price threshold of 109. Investors can buy stocks at the price level of 119.11. Stop loss if losing the threshold of 113.66 and take profit at the price threshold 124.56.



IJC - Technical Infrastructure Development JSC - Positive.

IJC is one of the midcap stocks that is in a long-term uptrend. The stock established a quite strong support at 10. The technical indicators are positive. However, the liquidity was still quite weak, below the 20-day average. IJC currently has support at the 10 and 10.6 price levels. The nearest resistance level is at the threshold of 11.45. Investors can open long positions at the price of 10.62 and take profit at the threshold of 11.44. Cut loss if the stock trades below the price threshold 9.8.



Disclosure

The information, statements, forecasts and projections contained herein, including any expression of opinion, are based upon sources believed to be reliable but their accuracy completeness or correctness are not guaranteed. Expressions of opinion herein were arrived at after due and careful consideration and they were based upon the best information then known to us, and in our opinion are fair and reasonable in the circumstances prevailing at the time. Expressions of opinion contained herein are subject to change without notice. This document is not, and should not be construed as, an offer or the solicitation of an offer to buy or sell any securities. BSC and other companies in the BSC and/or their officers, directors and employees may have positions and may affect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for these companies. This document is for private circulation only and is not for publication in the press or elsewhere. BSC accepts no liability whatsoever for any direct or consequential loss arising from any use of this or its content. The use of any information, statements forecasts and projections contained herein shall be at the sole discretion and risk of the user. No part of this material may be (i) copied, photocopied or duplicated in any form by any mean or (ii) redistributed without the prior written consent of BIDV Securities Company (BSC).

BSC Headquarters

BIDV Tower, 10th & 11th Floor
35 Hang Voi, Hoan Kiem, Hanoi
Tel: +84 4 3935 2722
Fax: +84 4 2220 0669

Ho Chi Minh City Office

146 Nguyen Cong Tru St, 9th Floor
District 1, HCMC
Tel: +84 8 3821 8885
Fax: +84 8 3821 8510

<http://www.bsc.com.vn>

Bloomberg: BSCV <GO>

