

Vietnam Weekly Review

What motivates the market

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VN-INDEX	991.1	-0.23%
Volume (mil shares)	648.4	-0.6%
Foreign trading (bil)	-460.9	

HNX-INDEX	103.7	-2.54%
Volume (mil shares)	151.9	20.5%
Foreign trading (bil)	-49.4	

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

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Next week strategy

VN-Index struggled at the psychological level of 1,000 points, foreign investors net sold as the end of second quarter earning season is approaching. VN-Index stood still before the psychological threshold of 1,000 points. Disadvantages of the world market, the earnings announcement season was in the final stage and foreign investors turned to net selling, preventing the index's gaining momentum. Bluechip stocks were divided and only 6/18 gained. Some groups of stocks have abnormal business results and are supported by trade war information such as industrial, retail and textile real estate which have positive movements but many stocks are under pressure of short-term profit-taking. VN-Index is in need of new growth momentum and this is not easy to determine when the information low is approaching.

The world market dropped after FED announced the rate cut as well as the US President announced to apply 10% tax to 300 billion USD of Chinese goods from September 1. FED cut the interest rate by 0.25% at the August meeting with the view of it as a midcycle adjustment. Then one day, the US president announced that a 10% tax on 300 billion Chinese goods was imposed on September 1, which led to a decline in international markets. Stock and commodity markets witnessed a decline but the monetary market did not have any significant changes. The next information of the US president's judgment will still significantly affect the market in the coming time

Some banks lowered their interest rates by 0.5% in priority areas after the interest rate of the State Bank of Vietnam reduced 0.25% of the interest rate on bonds even though it is not easy to create new low interest rates. The SBV issued 49,999 billion worth of 7-day T-bills, down 2,000 billion from the previous week. The interest rate continued to maintain 2.75% in the second week in a row. Even so, the interest rate level, however, rose for the second week to 27, 29, and 18 percentage points for overnight, 1 week, and 1 month terms. The abundant liquidity allows the SBV to increase the size of the treasury bill market, yet the signal of lowering the interest rate is not easy to establish a lower interest rate level although some state-owned commercial banks have lowered their interest rates.

93% of enterprises announced 6M earning results with net profit growth of 3.7%, Q2's NPAT improved better than the first quarter without growth. As of August 2, 693 companies, accounting for 93% of the companies listed on the 2 HSX and HNX, announced Q2 business results, bringing the 6M total of net income to VND 108,030 billion, up 3.4% over the same period. After almost no growth in the first quarter, the business result in the second quarter has improved significantly, contributing to the 6-month growth. The market differentiated when 51% of businesses grew positively and 12% of enterprises suffered losses in 6M. The VN30 group contributed 66% to the market profit, up 7.7%. Banking stocks accounted for 35% of total EAT and increased by 15.6% in 6M and were also the main contributors to the overall market growth.

The futures contracts closely follow VN30 when VN30 fluctuates and the maturity is long. The price difference between the future contracts and VN30 was -0.5%, -0.3%, 0.3% and 0.3% at all terms, slightly expanded compared to the previous week. Transaction value increased sharply on August 1, bringing the average value of the session to VND 8,574 billion/session, up 11% compared to the previous week. Open interest dropped by 2% to 21,332 contracts. VN30 is moving around the SMA100 and being supported by SMA20 and Ichimoku cloud band. The index continued to fluctuate in a range of 873 to 890 points, while the 1908 contract had 9 session to maturity. This continued to support fast trading during the session, trend investment only occurred when VN30 moved above 890 or below 873 points.

Recommend short-term trading: Monitor market movements after reducing the proportion in the last 2 weeks.

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

The stocks noted on technical analysis:

Positive changes in stocks: **PHR, TNG, HAH, VGT, GVR**

Invest: Last week, Real estate & Industrial parks and Consumer goods portfolios saw impressive performance of +1.24% and +1.18% respectively, outperforming the fall of -0.23% of VNINDEX. Construction and Insurance & Securities portfolio decreased by -2.19% and -2.86%, respectively.

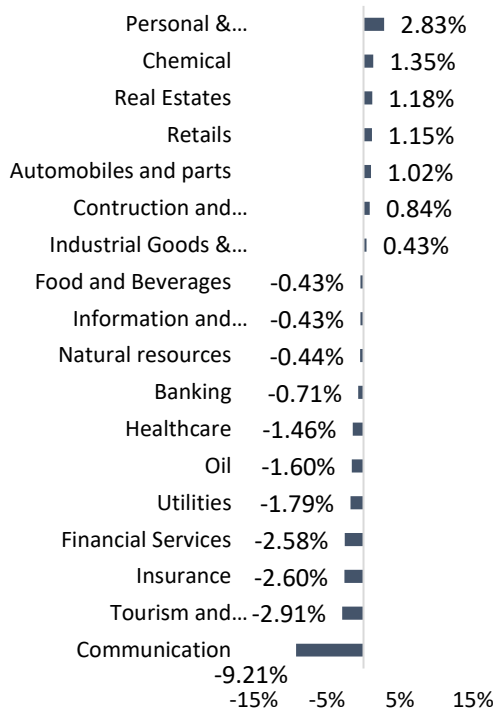
Next week highlights

'The second quarter business result report of listed companies is basically complete, the market is facing the empty information area in August.

The trade war continued to escalate when US president announced that he would impose a 10% tax on 300 billion USD of Chinese goods from September 1 while Japan also approved the plan to remove Korea from the list of eligible countries for minimum export control measures.

On August 5, the UK and the US announced their PMI. August 6, FOMC member Bullard spoke, New Zealand announced its monetary and interest rate policies. August 7, China's trade balance index, US crude oil reserves. 8/8, Australia central bank announced monetary policy, M2 money supply data and new loans of China. August 9, British GDP and industrial production index; Canada's unemployment index.

Chart 1: Weekly sectors development



Last week highlights

VN-Index dropped and returned to the support level of 990 points in the last session of the week because the US-China trade negotiation returned to a state of stress. Dissatisfied with the results of the negotiations, President Trump threatened to continue imposing a 10% tax on 300 billion dollars of Chinese goods. This event has caused the stock markets around the world to decline sharply. Key elements of the week:

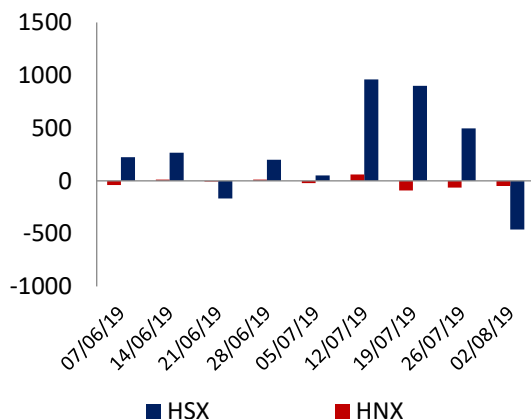
- The main gaining motivation was in VN30, the rest of all capitalization groups dropped.
- Market liquidity decreased slightly, reaching an average of VND 2,997 billion, down -4.8% compared to the previous week. Market cash flow flows into industries that benefit from trade war (Textile, Seaport and Industrial Park Real Estate)
- Foreign investors turned net sellers on both HSX and HNX.

Sector developments

The market corrected when there were only 7/18 sectors gaining.

- Sector increased: Personal and household goods + 2.83% (PNJ + 2.8%, HTG + 0.5%), Chemicals increased 1.35% (DCN + 2.3%, DPR + 6.2%), Real estate increased 1.18% (VHM + 3.1 %, NLG + 2.7%).
- Top 3 sectors declined: Media decreased -9.21% (YEG -18.2%, PNC -1.6%), Tourism and entertainment decreased -2.91% (HVN -6.5%, VJC -0.5%) and Insurance decreased -2.6% (BVH -2.1%, PVI -2.7%).
- Smallcap decreased -0.87%, Midcap decreased -0.62%, Largecap decreased -0.54% and VN30 increased + 0.8%.

Chart 2: Foreign trading activities

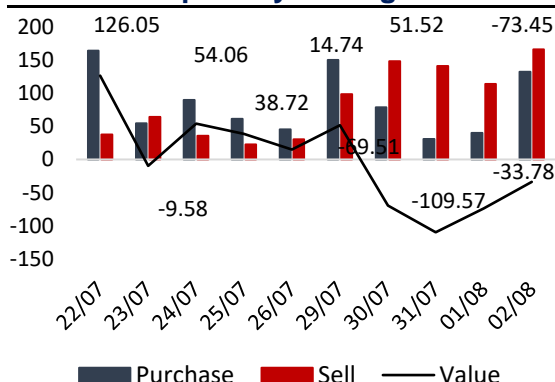


Foreign trading

Foreign investors were net sellers on both HSX and HNX. They net sold -460.89 billion on the HSX and -49.40 billion on the HNX. Foreign investors net bought 78.5 billion VHM, 70.3 billion PLX and 40.8 billion QNS while net selling of -282.3 billion VJC, -187.1 billion VNM and -55.6 billion STB. On all 3 exchanges, top 10 net buying codes brought in 359.8 billion and foreign investors pulled -733.1 billion from top 10 net selling codes.

VNM ETF scale up to 29.2 million certificates, 1% discount status. The FTSE ETF reduced the scale to 9.49 million fund certificates, a discount status of -0.9%. E1VFN30 ETF scale up to 464.1 million certificates, 0.4% premium status. ETF KIM keeps the scale of 16.5 million certificates, a status of -0.9%. ETF Hongkong holds 2.22 million certificates, status of discount -0.1%.

Chart 3: Proprietary trading activities



Proprietary trading

Proprietary trading saw a net selling of -234.38 billion dong. The net buying activity took place almost all week except for the Monday session. Proprietary trading net bought 38.26 billion E1VFN30; 25.13 billion HNG, 13.19 billion EIB and net sold -218.5 billion TPB, -37.8 billion TDM and -30.76 billion MBB.

Top VN-Index contributor

#	Stock	%	Points
1	VHM	+3.09%	2.67
2	VCB	+0.76%	0.66
3	NVL	+3.09%	0.50
4	VIC	+0.33%	0.40
5	TLG	+22.33%	0.24
6	VPB	+1.60%	0.22
7	SAB	+0.39%	0.21
8	PHR	+7.25%	0.20
9	KDH	+5.05%	0.18
10	MWG	+1.22%	0.17

Total 5.3
VN-Index -2.25

Top VN-Index dragger

#	Ticket	%	Points
1	HVN	-6.43%	-1.15
2	GAS	-1.85%	-1.13
3	CTG	-4.01%	-0.94
4	VRE	-3.07%	-0.79
5	MSN	-2.35%	-0.66
6	BVH	-2.81%	-0.50
7	STB	-4.93%	-0.31
8	PLX	-1.22%	-0.31
9	TCB	-1.20%	-0.26
10	VNM	-0.40%	-0.26

Total -6.03
VN-Index -2.25

Top foreign net purchase/sell

#	Ticket	Purchase	% FO
1	VHM	78.48	15.13
2	PLX	70.32	13.07
3	QNS	40.78	13.10
4	MSN	39.77	40.40
5	VRE	35.02	32.50
6	GVR	24.09	0.61
7	VEA	23.81	5.55
8	VCB	17.12	23.93
9	HBC	16.31	22.26
10	KBC	14.14	24.42

Total 360

#	Ticket	Sell	% FO
1	VJC	-282.28	20.31
2	VNM	-187.13	58.98
3	STB	-55.61	13.52
4	CEO	-47.05	22.38
5	BVH	-45.28	25.71
6	E1VFVI	-36.73	#N/A
7	HPG	-20.83	38.60
8	BID	-20.33	3.22
9	POW	-19.14	15.03
10	KDH	-18.72	46.15

Total -733.1

VN-Index

Weekly chart: The VN-Index formed a doji candle that declined, ending the 4 increasing weeks when approaching the psychological threshold of 1,000 points. The index remained above the moving averages and in the Ichimoku cloud band. Corrected week occurs when the price escapes the upper bollinger band and corrects again. MACD maintained above signal line and other technical indicators improved. ADX index remained at 11 while +DI has not widened the gap -DI, not an early warning of short-term reversal yet. However, the psychological threshold of 1,000 points is not easy to overcome in the short term.

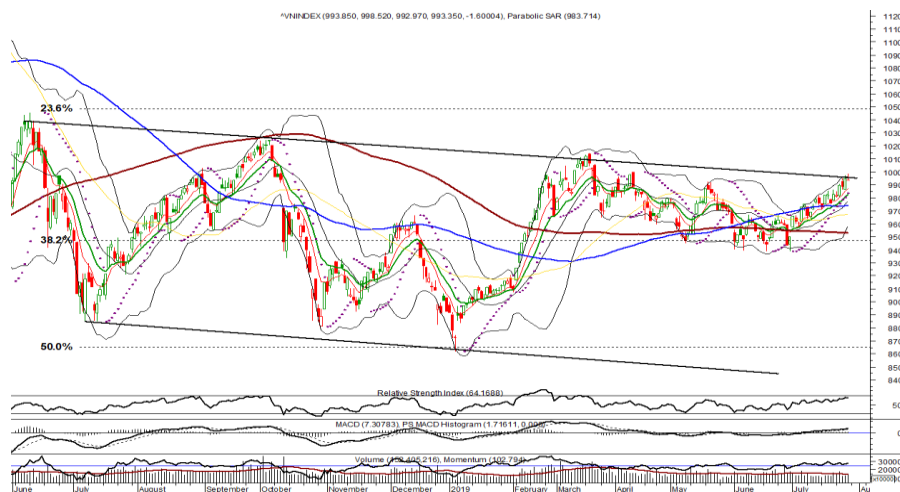
Daily chart: VN-Index has some consolidation sessions after it cannot surpass the psychological threshold of 1,000 points. The bollinger band is pointing up while the SMA20 is supporting the index. VN-Index is showing signs of light divergence with Momentum while technical indicators have not shown signs of weakening. The trend of pulling, creating a test of psychological threshold of 1,000 points will also occur before establishing a clearer trend. 983 and 1,000 points are playing the support and resistance role of the index.

Highlights:

- VN-Index has not changed the trend yet and will test the psychological threshold at 1,000 points.
- The index is approaching the upper edge of the bearish price channel within 1 year.
- Technical indicators have not warned the possibility of reversal although there are signs of divergence between prices and momentum.

Evaluation: VN-Index is still checking the upper threshold of the price channel for 1 year. The index continuously had volatile sessions with a wide range and increased liquidity. The reversal signals are not clear, VN-Index is consolidating and testing 1,000 points in the short term. However, even if VN-Index surpasses the psychological threshold of 1,000 points thanks to the technical gain of blue-chips, it does not imply a medium-term gaining trend when there are not many supportive factors for a sustainable gaining trend. 983 and 1,000 points are playing the support and resistance role of the index in the short term.

VN-Index chart



Source: BSC Research

Domestic macroeconomic news

#	Market indexes	± Week
1	US (SP500)	-2.6%
2	France (CAC)	-4.5%
3	Germany (DAX)	-4.4%
4	UK (FTSE)	-1.9%
5	Japan (Nikkei)	-4.1%
6	Phillippine (PCOMP)	-2.9%
7	Malaysia (KLCI)	-2.1%
8	ThaiLan (SET)	-2.6%
9	Indonexia (JCI)	-1.1%
10	Singapore (STI)	-4.4%
11	VietNam (VN-Index)	-1.8%

- In July, Vietnam's Purchasing Managers' Index (PMI) increased slightly from 52.5 points in June to 52.6 points, the fastest growing production output since November 2018.
- Average CPI in the first 7 months of this year increased by 2.61% compared to the same period last year. Inflation in the first seven months of this year rose by 1.89% over the same period. Basic inflation in July increased by 2.04% over the same period.
- In the first 7 months of the year, there were 79.3 thousand newly registered enterprises with a total registered capital of 999.4 trillion VND, up 4.6% in number of enterprises and 29.6% in registered capital compared to the same period last year. Including newly registered and additional registered capital, the economy was supplemented with VND 2.47 quadrillion.
- Total corporate bond issuance of public companies since the beginning of the year has been VND 31,000 billion, of which finance - banking enterprises accounted for 42%, real estate enterprises accounted for 22% with interest rates over 10%.

Major currency exchange r Unit

VND/USD exchange	23,272 VND
VND/EUR exchange	25,864 VND
VND/CNY exchange	3,309 VND
VND/JPY exchange	21,954 VND

Future contracts	Value
WTI (USD)	55.0
Brent (USD)	61.0
Natural gas (USD/MMBtu)	2.1
Spot gold price (USD/oz)	1457.6
Silver (USD/t oz)	16.5
Copper (USD/lb.)	255.1
Rubber (JPY/kg)	192.8
Cotton (USD/lb.)	77.2

Interbank interest rate

Period	Rate	± Week
Overnight	2.89	0.29
1 week	3.01	0.30
2 week	3.12	0.21
1 month	3.36	0.22
2 month	3.78	0.21
3 month	4.04	0.23
6 month	4.45	0.22
1 year	4.82	0.29

International macroeconomic news

- US President Donald Trump said he would impose a 10% tax on USD 300 billion of Chinese imports from September 1 and may raise taxes even further if Chinese President Xi Jinping does not quickly conduct a trade agreement.
- The Federal Reserve has cut interest rates by 0.25%, but FED President Jerome Powell, despite leaving the possibility of another rate cut this year, said the move is not the beginning of a chain of interest rate cuts as expected by many investors.
- Japan's total industrial product fell 3.6% in June, and is forecasted to increase 2.7% in July and 0.6% in August.
- Representatives of the United States and China ended a round of trade talks this time with small sign of progress and agreed to meet again in September, extending the US-China trade war.

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,

PHR - Phuoc Hoa Rubber JSC – Positive

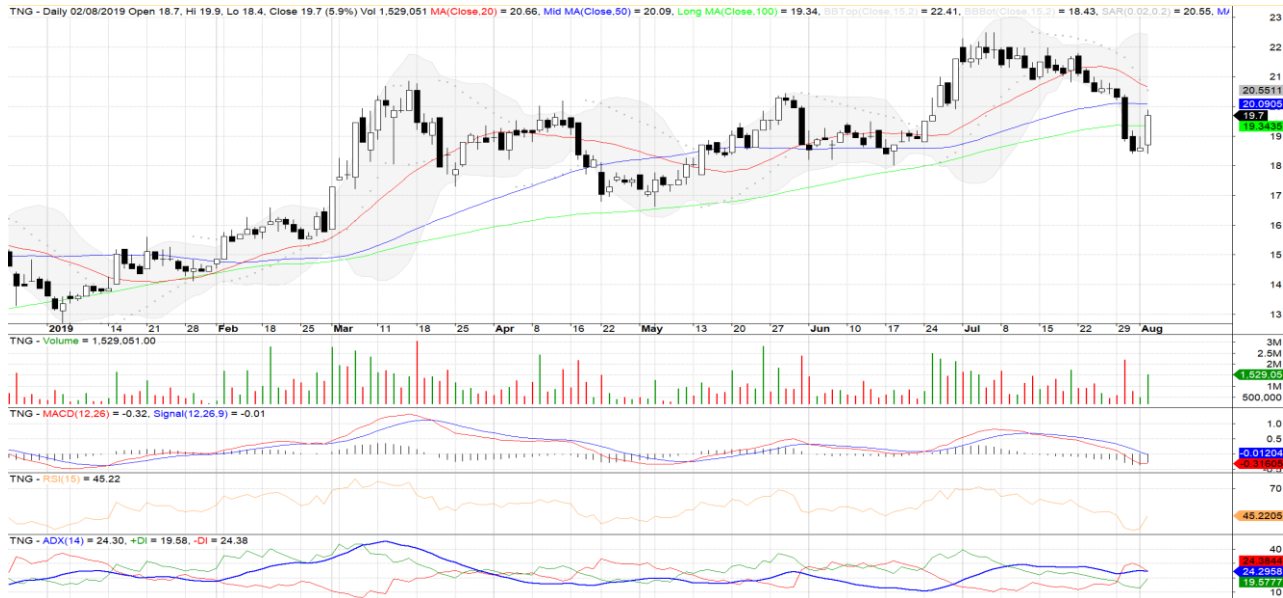
PHR is one of the largecap stocks which is in the long-term upward trend, stocks continuously set new peaks in many consecutive sessions and expect to maintain the short-term uptrend. PHR established a strong support level at the price range of 55-60. Technical indicators are mostly in positive status. PHR has a 10-day average liquidity value of VND 51.74 billion, the value is relatively high and currently tends to increase. The nearest resistance level is at 77. Investors can open buying position at the price level of 70. Stop loss if the stock loses 55 mark, take profit at target price 82.

PHR - Daily 02/08/2019 Open 72, Hi 74.1, Lo 72, Close 74 (2.5%) Vol 794,670 MA(Close,20) = 65.43, Mid MA(Close,50) = 60.98, Long MA(Close,100) = 56.69, BBTop(Close,15.2) = 75.00, BBBot(Close,15.2) = 59.81, SAR(0.02,0.2) = 66.80, MA1(Clos



TNG - TNG Investment and Trading JSC – Accumulated

TNG is one of the midcap stocks in the short-term correcting trend. Stock liquidity increased slightly after hitting the lower band of Bollinger channel. Stock prices rose slightly after hitting the oversold level of the RSI. The support level of the stock is 18. The nearest resistance of the stock is 22.5. Technical indicators are showing positive signs in the medium term. Investors can open positions to buy stocks at the price of 19.05 and take profit at the price of 21.99. Stop loss if the stock loses the price level of 16.11.



HAH - Hai An Transport and Loading JSC – Positive

HAH is one of the smallcap stocks which is in a positive recovery trend. HAH has established a fairly strong support around 11.5. Technical and liquidity indicators showed that the stock is in the uptrend in the medium term. The support level of stock is 11.5 and 11.7. The nearest resistance of the stock is 13.8. Investors can open positions to buy stocks at the price of 13.09 and take profit at the price level of 15.09. Stop loss if trying to lose the price threshold 11.09.



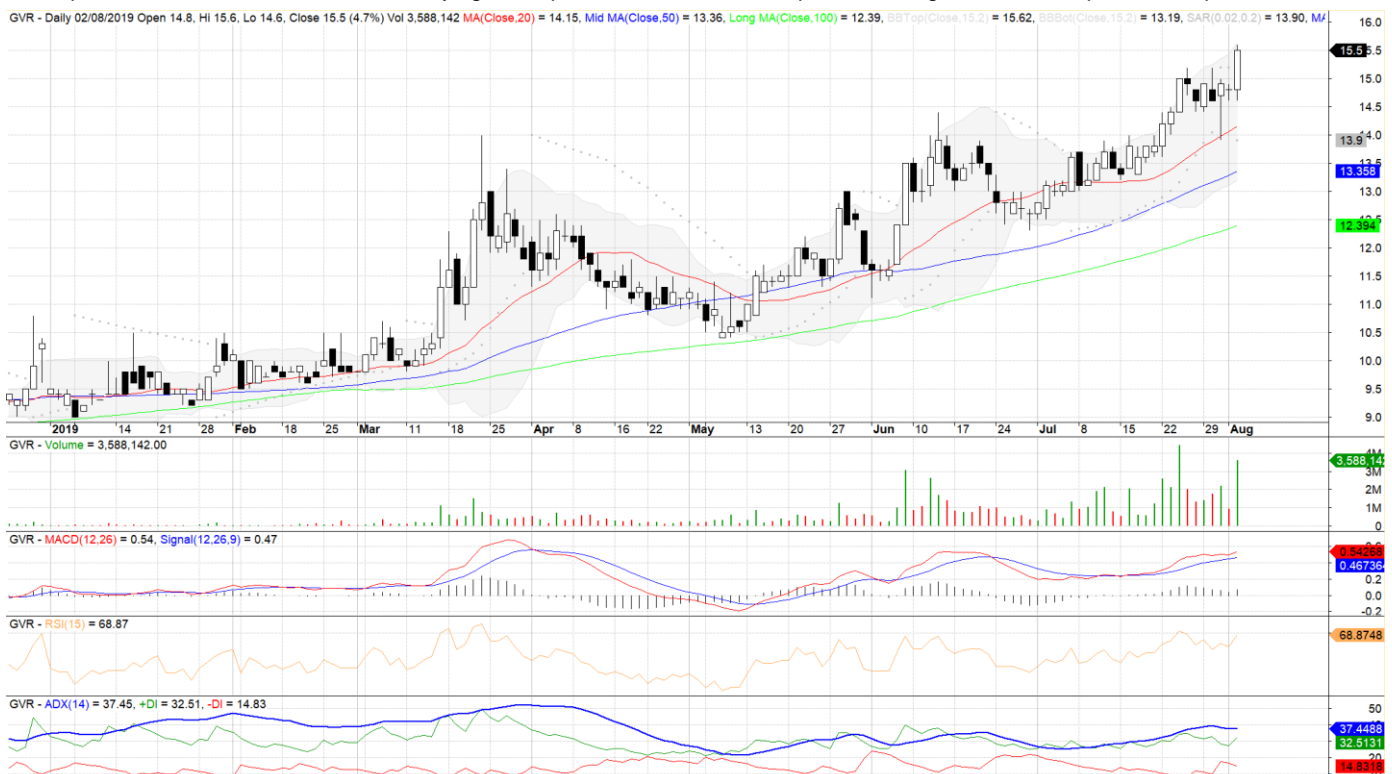
VGT - Vietnam Textile and Garment Group – Negative

VGT is one of the midcap stocks currently in the long-term downtrend. Stock liquidity increased sharply when the stock moved in the oversold area of the RSI. Other technical indicators are still showing strong downward trend and may continue. The support level of stocks is 9.14 and 9.49. The resistance of stocks is 11.40 and 11.47. Investors can follow and buy stocks at the price of 10.23 and take profit at 12.23, stop loss if the stock loses the price level of 8.08.



GVR - Vietnam Rubber Industry Group – Positive

GVR is one of the largecap stocks which is in the trend of prolonged price increase when setting historical peak at the price level of 15.6. However, we think that investors should be wary of a possible short-term correction. GVR has a 10-day average liquidity value of VND 28.99 billion, quite good and stable and generally increasing. Technical indicators showed positive signs. The support level of the stock is at the price of 13. Investors can consider buying at the price level of 14 - 15. Stop loss if losing 12.5 and take profit at the price level of 17.



Disclosure

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