ASEAN SECURITIES

MARKET UPDATE

VN-Index rises amid low liquidity

October 17th, 2018

MARKET SUMMARY

	VN-INDEX	HNX-INDEX
Change (points)	+8.23/+0.85%	+0.79/+0.73%
Index (points)	971.6	109.39
Trading volume (shares)	152,274,133	43,512,664
Trading value (billion VND)	3,808.13	555.05
Advances	196	93
Declines	92	65
Unchanged	84	216

FOREIGNER TRADING STATISTICS

VOLUME (SHARES)	HOSE	HNX
BUY	11,694,370	714,200
SELL	10,483,380	393,782
NET VOLUME (SHARES)	1,210,990	320,418
NET VALUE (BILLION VND)	-80	4,92

ASEANSC'S VIEWPOINTS

On Wednesday (October 17th), after the exciting opening minutes, the profit-taking pressure increased significantly, losing some steam of the index. The highlight of the market was the market-sensitive stocks such as securities, real estate, construction, oil & gas, actively traded, improving the market sentiment.

By the closing bell, the VN-Index rose 8.23 points (+0.85%) to close at 971.60. The HSX's trading volume remained low at 150 million shares, worth over 3,800 billion. Foreign investors net sold VND80 billion on the HSX.

In view of technical analysis, the VN-Index's chart shows a common gap at 963 - 969 range, and fails to test the resistance level of 937.7, or MA(100), are quite negative. Therefore, we believe that, in a negative scenario, the VN-Index will return to fill the common gap of 963 - 969, the next support range is forecast at 940 – 960. In a positive scenario, if the VN-Index breaks out the resistance level of 973.7, the next resistance range will be forecast at 980 – 1,000, at which investors can sell a part of the existing short-term portfolio. Based on Kelly formula, the recommended proportion of the portfolio is 90% cash/ 10% stocks.

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