

# STOCK MARKET UPDATE 12/2018

**VNIndex failed to conquer 960 points, selling pressure caused the market to drop to the bottom of 880 points.**

- In December, VNIndex approached the psychological milestone of 960 points but failed. The first two weeks of the month saw a strong recovery of the market, breaking the important resistant level of 940 points and favorable to approach 960 points. After a struggling week in this psychological zone, strong selling pressure appeared, causing the market to lose the milestone of 960 points. In the second half of the year, the market was trading negatively when both index and liquidity declined. Investor sentiment weaken as selling pressure on Large cap stocks continuously takes place along with unfavorable news such as Fed raising interest rates and sharp drop of oil prices. A positive signal is that foreign investors continue to be net buyers in the fourth consecutive month. Thus, VNIndex ended a volatile year. After rising well and breaking the historic peak in the first quarter, the VNIndex has continued to decline and had 3 bottoms at 880 points. Main points of the market in the past month: i) Liquidity was better, but selling pressure continued to take place causing the market to plunge; ii) Foreign investors continued to be net buyers; iii) Investors' hesitance before the instability of the world stock market; iv) The market continued to create a solid bottom at 880 points.
- The HSX in December had 15 trading days of losing points, taking away 9.26% of the VNIndex, and the 5-day gain of the VNIndex helped recover 5.59%. At the end of December, the VNIndex closed at 892.54 points, down 34 points or 3.67% compared to the end of November. Trading volume reached 3.76 billion shares, up 15.34%; trading value reached ~ VND 82.49 trillion, 13.2% higher compared to November. The average daily trading volume on the HSX reached 188 million shares, increased by 26.87%; the average trading value reached VND 4,124 billion, up nearly 24.51% over the previous month. The HNX closed at the end of the month at 104.23 points, 0.56% lower than the end of November, with trading volume reached 876 million shares, increased by 12.31% over the previous month; The trading value reached VND 12.65 trillion, an increase of 19.34% compared to November. On average, the average trading volume per day on the HNX reached 43.8 million shares, up 23, 55% and the average daily transaction value reached VND 632.5 billion, up 31.5% over the previous month.
- Stocks that helped the market gain the most: SAB (helping VNIndex up 0.38%), BID (helping VNIndex up 0.34%), ROS (helping VNIndex up 0.05%), KDH (helping VN-Index rise 0.04%) and EIB (helping VNIndex up 0.02%). On the other side, stocks that made VNIndex decline the most were VIC (making VNIndex down 0.07%), VHM (making VNIndex down 0.49%), CTG (making VNIndex down 0.45%), VNM (making VNIndex down 0.41%) and GAS (made VNIndex down 0.27%).

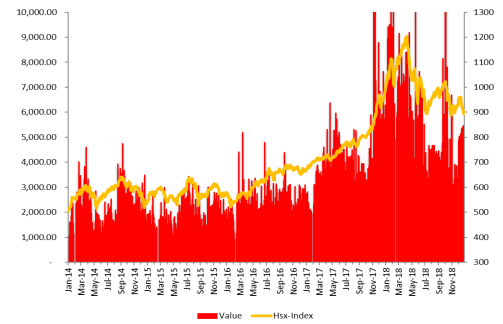
**In December, Foreign investors maintained net buying status on HSX while VNIndex continued to decline.**

- Regarding foreign currency trading: The stock market ended in December witnessing a decline of VNIndex, the VNIndex only maintained a positive trend in the first 2 weeks of the month, then the index had a chain of pulling down. The cause is partly due to psychological effects from the US and Chinese markets combined with the cautiousness before the last ETF portfolio structure in 2018 created a psychological burden for Vietnamese investors. However, the bright spot in the month is Foreign trade. While VNIndex declined, foreign investors continued to have some net buying part, creating a motivation for investors' psychology. On HOSE, foreign investors saw the fourth consecutive month of net buying of 373 billion dong, equivalent to a net buying volume of 14.5 million shares, especially when top net buying is VFMVN30 – ETF VN30 stock basket. The net buying value in December for this fund certificate is 356.9 billion dong. Next is the event that PNJ attracted foreign cash flow when enterprises completed the ESOP program through the issuance of 4.86 million shares to employees. The move made PNJ shares "open room" 2.38 million shares and Foreign investors bought all the shares. The stocks that were bought the most by foreign investors were: BID net buy 324 billion dong, VNM net buy 282 billion dong, CTD net buy 272 billion dong, and PNJ net buy 254 billion dong. On the other side, CTG was sold the most with a net sell of 371 billion dong, VJC a net sell 219 billion dong, HPG net sell 209 billion dong and NVL net sell 187 billion dong. HNX saw a net selling of nearly 861 billion dong, this is the fourth consecutive month of net selling of foreign investors, mainly due to the local selling activities at VCG (856.1 billion dong) when Vinaconex reduced the foreign ownership rate to 0%.
- Regarding the two foreign ETF funds: In December, there was a foreign ETF Market Vector Vietnam ETF traded with a return to net buying of more than 791 thousand dollars, DB X-Tracker Fund FTSE Vietnam Index ETF has no transactions. this month.

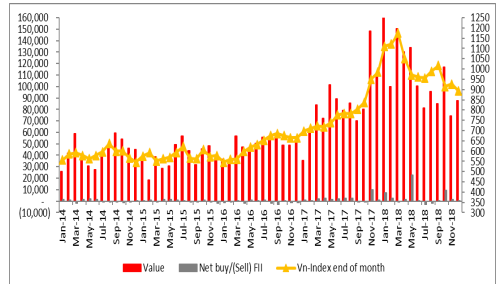
**Market commentary in 1/2019: The market will fluctuate with increasing accumulation trend.**

- The market movements in December were inconsistent when the first half of the month the market increased strongly to reach the psychological level of 960 points. But half a month later, the continuous selling pressure took place causing the market to drop deeply to the bottom of 880 points. One more time the market created a solid bottom and returned to close at the end of the year at 892.54 points. Market in January according to the trend? The domestic stock market often increases in the month, moreover the beginning of the year is the time when companies announce target earnings and business plans for the new year and the targets are often high over the same period last year to fuel market sentiment. Factors affecting the market will be: i) Stable macroeconomic with GDP growth rate for 2018 of 7.08%, the highest increase in the last 8 years ii) reporting season previous business and production activities of enterprises, when the business results are good, stock prices have reached attractive levels, medium and long-term cash flows will enter. This may be one of the key factors to help the market stabilize and expect recovery; iii) It is expected that the stock market will soon stabilize and foreign investors have returned to net buying; iv) The market once again created a solid bottom at 880 points, created a stable sentiment for investors, helped the market have a chance to rise, and approached the 900 zone.
- Technical analysis: The market once again created a solid bottom at 880 points and rebounded, currently VN-Index is in the recovery phase. We assess the market after rebounding from the middle and long-term bottom, in this period will continue to accumulate fluctuations to create momentum for approaching 900 points. The market indicators have returned to the upward trend, positively supporting recovery. The index is strongly supported at 860 and 880 points. Resistance will be 900-920 and the next resistance will be 940 points.

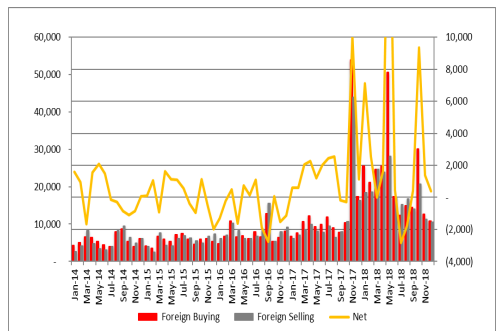
**Vn-Index (RHS) & Daily trading value (bVND-LHS)**



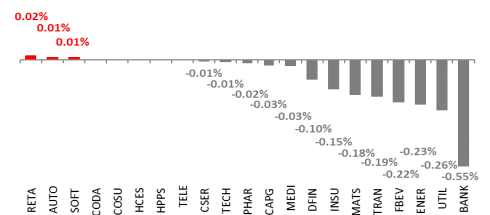
**Monthly Trading value (bVND-LHS) & Foreigners activities (bVND-RHS)**



**FOREIGN TRADING VALUE AND THEIR NET POSITION (bVND)**



**INDUSTRIAL CONTRIBUTION TO VN-INDEX 12-2018**



**INDUSTRIAL PERFORMANCE**

