STOCK MARKET UPDATE 10/2019

The market continued fluctuating on short-term support level of 980 points.

- The market started the first week of the month with the high selling pressure when VN-Index approached the level of 1000 points, causing the VNIndex breakout and fell back to the 980 area. The980 area became a strong support for the current market when VNIndex continuously recovered during the middle of September until now. The second and third trading week of the month show the struggling period of the market, VN-Index continues to accumulate between the area of 980 to 995. The last trading week of the month witnessed a positive sign when the VNIndex rebounded sharply to 998.82 points, sometimes the market index surpasses the threshold of 1000 points. In general, the market recovery in October was mainly contributed by banking and logistic stocks such as VCB, BID, CTG, HDB, CTB, VJC, HVN. In contrast, Real Estate and Food & Beverage stocks dropped in the month. The main points of the market in the past month: i) Low liquidity which is not positive compared to the previous month; ii) Net selling force by foreign investors continues to be much stronger than the previous month; iii) The market continued to accumulate, creating a firm foundation around the area of 980-995.

- The HSX in October had 12 days of losing points, which took down 3.29%, and 11 days of gaining points, helping the VNIndex recover 3.52%.

- By the end of October, the VNIndex closed at 998.82, up 2.26 points, equivalent to an increase of 0.23% compared to the end of September. Trading volume reached 4.27 billion shares, an increase of 24.49%. Trading value reached VND88.69 trillion, up 12.12% compared to September. The average trading volume on the HSX was 185.6 million shares, up 7.9% and the average trading value reached VND3,856 billion, down 2.5% compared to the previous month. The HNXIndex closed at the end of the month at 105.19 points, equivalent to an increase of 0.13% compared to the end of September, with a trading volume of 667 million shares, an increase of 28.68%. , trading value reached VND9.3 trillion, equivalent to an increase of 24% compared to September. The average trading volume on the HNX reached 29 million shares, an increase of 3.2% and value, the average trading value was VND404 billion, up by 7.73% MoM.

- Stocks that helped the market gain the most: VCB (helped VNIndex increase 0.62%), BID and VJC (helped VNIndex increase 0.12%), CTG (helped VNIndex increased 0.09%) and HVN (helped VNIndex increase 0.06%). On the other side, the stocks that made VN-Index decline the most were GAS (making VN-Index decrease 0.16%), MSN (making VN-Index decrease 0.15%), NVL (making VN-Index decrease 0.12%), and VIC (making VN-Index decrease 0.12%), and BVH (made VNIndex decreased by 0.06%).

In October, the foreigners continued to be net sellers with a much stronger level than the previous month.

- Regarding foreign exchange transactions: In October ended with struggling sessions following the uptrend from the 980 area. At the end of the month, VNIndex exceeded the 1,000 point level. Investors still showed the prudence which prevented the market from breaking out of this important level. Foreign investors were also part of the reason that made the market differentiated as they continued to net sell. On HSX, foreign investors net sold over VND1,661 billion of stock and fund certificates, corresponding to a net selling of over 71 million shares of stocks and fund certificates. During the month, foreign investors focused on buying the most stocks such as: VCB net bought VND226 billion, BID net bought VND102 billion, ROS net bought VND92 billion and PTB net bought VND88 billion. On the other side, VIC was sold the most with a net selling value of VND397 billion, VHM with a net selling of VND272 billion, MSN with a net selling of 222 billion dong, HPG with a net selling of VND213 billion. On fund certificate, E1VFVN30 returned to be net buyers of VND74 billion. On HNX, foreign investors also returned to a net buying position with about VND18 billion, equivalent to 1.2 million shares. Foreign investors on UPCoM had the 8th net buying month in a row with nearly VND60 billion (down by 78% compared to September).

- Regarding the operation of 2 foreign ETFs: In October, two foreign ETFs continued to net sell with a total value of nearly $5.3 million. In which, Market Vector Vietnam ETF Fund net sold more than $8.1 million. In contrast, the DB X-Tracker FTSE Vietnam Index ETF net bought more than $2.8 million. This is the third consecutive month of net sales with a total value of more than $36 million.

Market comment in November 2019

- The VNIndex maintains the price range from 980 to 995 points. The market moved in a rising trend but the liquidity has not improved while foreign investors continued to net sell strongly, creating a cautious sentiment among investors, which is the reason why the market has not breakout. Comments for November: Vietnam stock market expects: i) positive Q3 business results from leading corporations; ii) Macroeconomic data show that the economy still retains the driving forces for growth, fulfilling the economic targets this year; iii) Increased level of margin on stocks, in which, notably, Korean securities companies offer cheap margin cost for market; iv) Besides, there are also points that do not support the market are the net selling force from foreign investors.

- The market at the end of October closed at the sensitive area 995-1,000. The early sessions of November saw a breakout sharply above 1020 points, this is a positive signal to help the market surpass the peak of 1,000 after a long time of failure. We believe that in the positive case, with the liquidity supports, and the pillars stocks (especially the banking sector) confirm the upward trend, the VNIdex will move up to the area of 1,020 – 1,040 point. In the negative case, the VNIndex will return to create the area of 1,000 points to 1,015 points. The support zone below will be 980 points and the lower support zone will be 960 points.
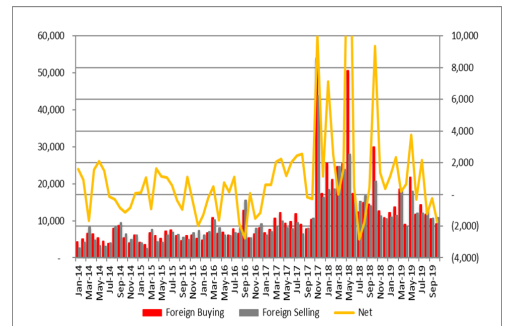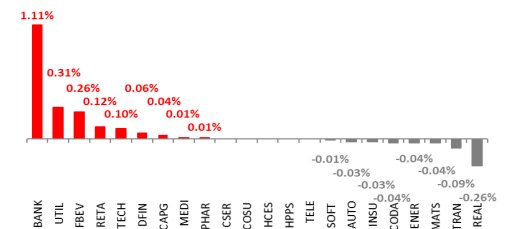
Vn-Index (RHS) & Daily trading value (bVND-LHS)
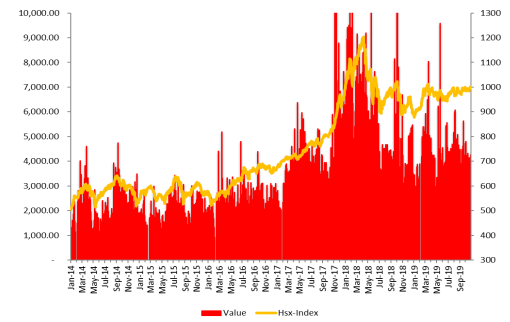
Monthly Trading value (bVND-LHS) & Foreigners activities (bVND-RHS)
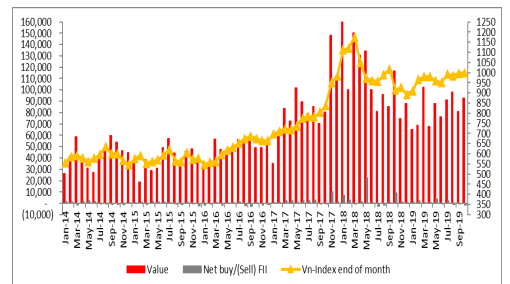
FOREIGN TRADING VALUE AND THEIR NET POSITION (bVND)

INDUSTRIAL CONTRIBUTION TO VN-INDEX 10-2019

INDUSTRIAL PERFORMANCE