

## Market report

# October 2024: VN-Index may not break 1,300 resistance level in the short-term

VN-Index closed October at 1,265 (-2.1% MoM), continuing to move sideways from 1,240 to 1,300. The market resumed its decline from the 1,300 resistance level as liquidity remained weak, with trading volume often increasing during sharp declines.

In November, TVS Research expects Vietnam's stock market to be supported by the Fed's decision to lower interest rates by an additional 0.25%, with the possibility of another cut in December. This gives the SBV room to maintain an expansionary monetary policy in the short term. However, Donald Trump has just won the U.S. presidential election and is likely to ramp up American trade protectionism, strengthening the USD and putting pressure on the USD/VND exchange rate. Consequently, the SBV may continue intervening through OMO channels, which could lead to cautious sentiment in Vietnam's stock market.

**TVS Research forecasts that the VN-Index may fluctuate in November as there is no strong catalyst to help the index break through the 1,300-resistance level in the short-term.**

International indices	October	% MoM	%YTD
DJI**	42,142	-0.4%	11.8%
S&P500**	5,814	1.3%	21.6%
VIX**	22	27.6%	77.4%
FTSE100**	8,103	-2.6%	4.9%
Nikkei	39,081	3.1%	16.8%

VN indices	October	%MoM	%YTD
VNI	1,284	-1.9%	12.0%
VN30	1,332	-1.1%	18.4%
VN MID	1,922	-2.8%	9.6%
VN SMALL	1,433	-1.4%	2.7%
HNI	238	-3.8%	-2.2%

Market cap	October	%MoM	%YTD
HSX	5,198	-1.6%	15.1%
HNX	319	-3.6%	4.6%
UPCoM	1,465	2.2%	39.1%
<b>Total</b>	6,982	-1.0%	18.9%

Liquidity	October	%MoM	%YTD
HSX	407	21.5%	20.1%
HNX	38	81.0%	6.0%
UPCoM	16	33.3%	12.2%
<b>Total</b>	461	25.3%	18.6%

P/E ratio	October	%MoM	%YTD
Vietnam	15	-6.3%	8.8%
Thailand	18	2.3%	-8.2%
Indonesia	18	-9.5%	4.0%
Malaysia	15	-2.6%	-1.3%
Singapore	13	-4.6%	8.7%

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## Market Overview

**VN-Index continued to fluctuate after testing the 1,300-resistance level due to low market liquidity.**

VN-Index closed in October at 1,265 (-2.1% MoM), continuing to move sideways from 1,240 to 1,300. The market resumed its decline from the 1,300 resistance level as liquidity remained weak, with trading volume often increasing during sharp declines.

In November, TVS Research expects the Vietnamese stock market to be supported by the Fed's decision to lower interest rates by an additional 0.25%, with the possibility of another cut in December. This gives the SBV room to maintain an expansionary monetary policy in the short term. However, Donald Trump has just won the U.S. presidential election and is likely to ramp up American trade protectionism, strengthening the USD and putting pressure on the USD/VND exchange rate. Consequently, the SBV may continue intervening through OMO channels, which could lead to cautious sentiment in the Vietnamese stock market.

**TVS Research forecasts that the VN-Index may fluctuate in November as there is no strong catalyst to help the index break through the 1,300-resistance level in the short-term.**

**Figure 1: VN-Index declined after testing the 1,300 level in October**

VN-Index fluctuations [points] and market liquidity [VND bn]



Source: Fiinpro, TVS Research

**Market liquidity in October dropped to the lowest level since the beginning of the year, reflecting cautious investor sentiment.**

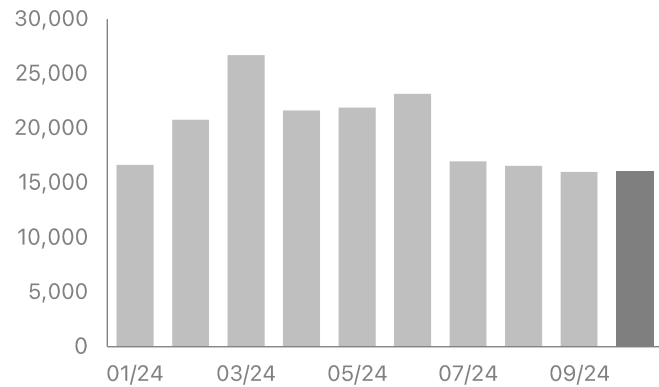
Market liquidity in October averaged only VND 16,047 billion per session, similar to the levels of August and September. Trading value has not improved, indicating that investors remained cautious as the VN-Index continued to move sideways within the 1,240 - 1,300 range.

November also lacks news following the end of Q3 2024 earnings season. Meanwhile, offsetting international macro factors - including the Fed's rate cut, the U.S. presidential election results, and the strong rebound in the USD/VND exchange rate - leave the market without a

clear catalyst for upward momentum. Therefore, we expect market liquidity to remain at current levels in the near term.

**Figure 2: Average trading value remained sideways in October, primarily concentrated during heavy sell-off sessions**

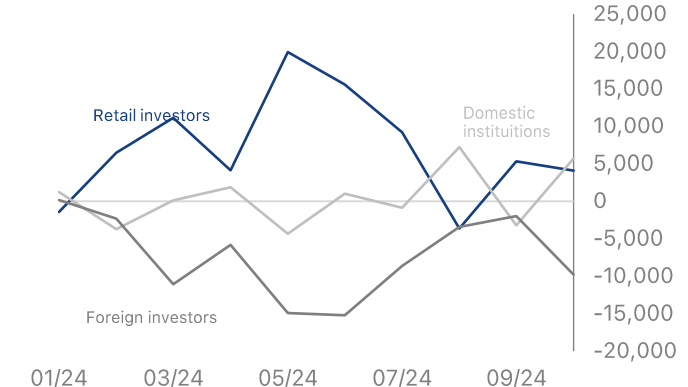
VN-Index monthly average trading volume [VND bn]



Source: FiinproX, TVS Research

**Figure 3: VN-Index declined alongside a strong return of selling pressure by foreign investors in October.**

Net trading by group of investors [VND bn]



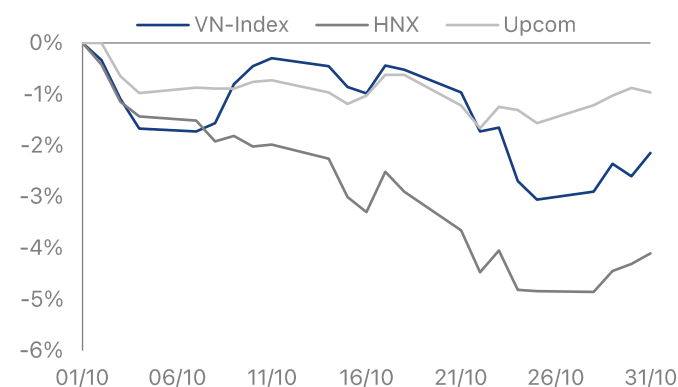
Source: FiinproX, TVS Research

## VN30 dropped by 1.5% during October.

In October 2024, among the main indices, the UpCom Index saw a slighter decline compared to the others (-1% MoM), while the HNX Index dropped the most at -4.1% MoM. The VN-Index fell by 2.1%, primarily driven by the decline in the VN30 group (-1.5% MoM), impacted by a 3% MoM drop in Real estate and a slight slowdown in the Banking sector (-0.7% MoM).

**Figure 4: Upcom was the index with the smallest decline during October**

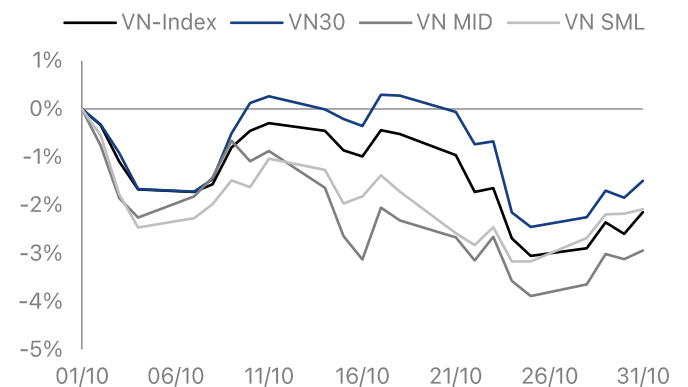
Performance of VN-Index, HNX, and UpCom in October [%]



Source: FiinproX, TVS Research

**Figure 5: VN30 remained the best-performed sub-index in October**

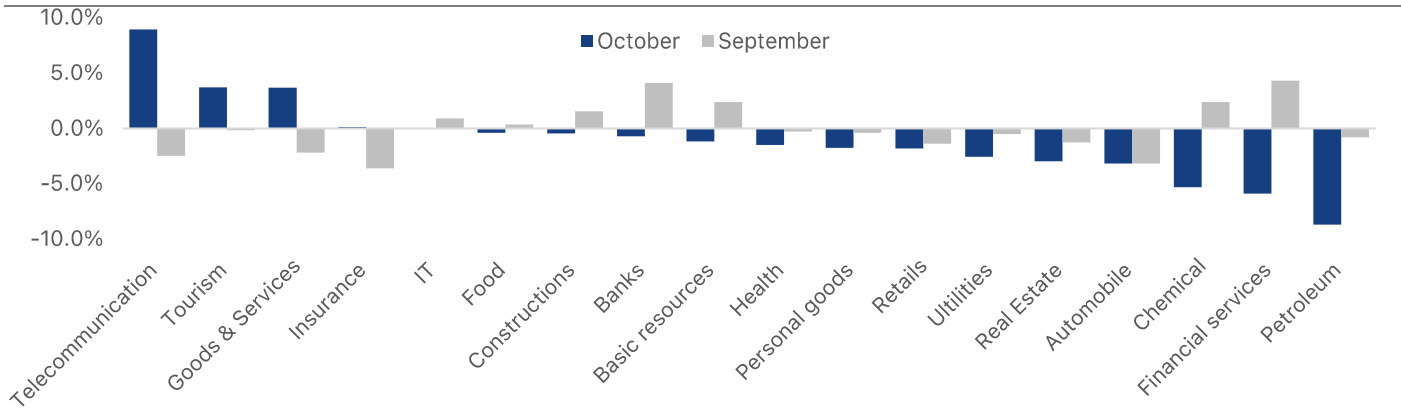
Performance of VN-Index's sub-indices [%]



Source: FiinproX, TVS Research

Figure 6: Telecommunications achieved the best performance among the sectors

Performance by sectors in September and October 2024 [%]



Source: FiinproX, TVS Research

## Market Valuation

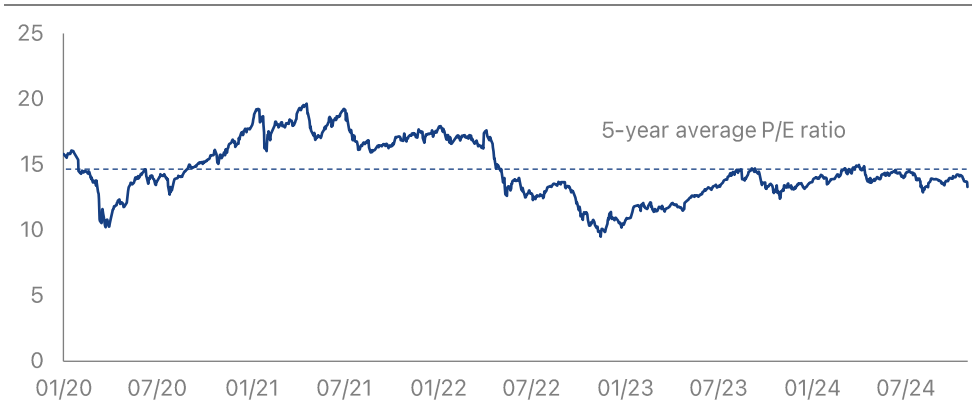
### The P/E ratio of the VN-Index remained sideways in October.

The P/E ratio of the VN-Index in October stood at 13.5x, unchanged from previous months as the VN-Index moved sideways within the 1,240–1,300 range. The P/E ratio is widening the discount compared to the 5-year average P/E of 15x.

TVS Research forecasts the end-of-year P/E of VN-Index to be around 13.4x after adjusting the 2024 earnings growth estimate for companies on the market to 16.7% YoY, alongside risks arising from the new U.S. president's policies.

**Figure 7: P/E of the market remained unchanged at 13.5x**

VN-Index's P/E [points]



Source: Fiinpro, TVS Research

## Activities of ETF funds, derivatives, and covered warrants

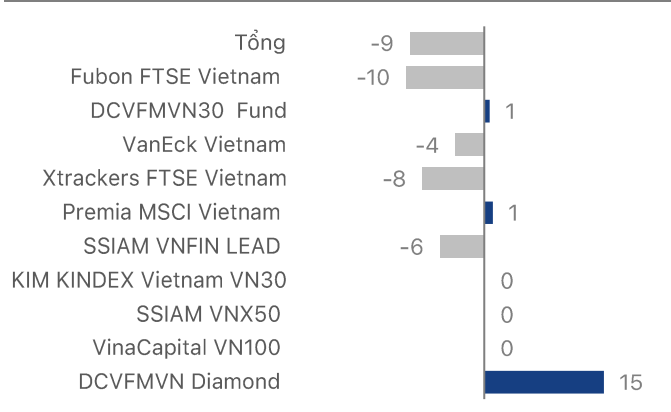
### ETFs reduced net selling to the lowest level since the beginning of the year.

In October, ETFs sold a net 9 million USD, the lowest level since the beginning of 2024. During the month, the Fubon FTSE fund recorded the largest net selling, while the DCVFMVN Diamond fund returned to net buying for the first time in 2024.

TVS Research observes that from late Q3 through October 2024, ETF selling pressure has gradually decreased. This can be attributed to the faster-than-expected Fed funds rate cuts, alongside the narrowing interest rate differential between the USD and VND.

Figure 8: The DCVFMVN Diamond fund returned to net buying for the first time in 2024

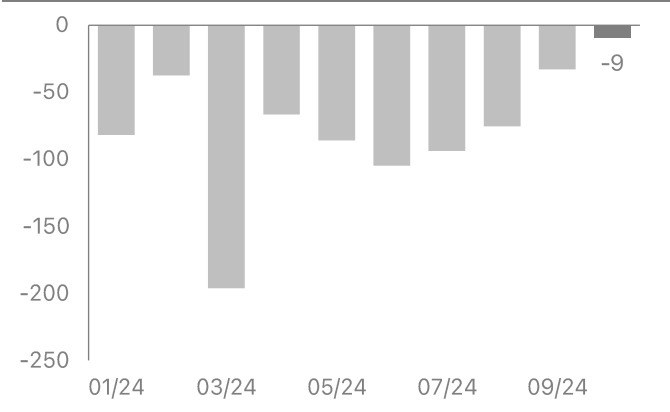
Trading activities of ETFs in June 2024 [USD mn]



Source: Bloomberg, TVS Research

Figure 9: ETFs' selling pressure had decreased during October

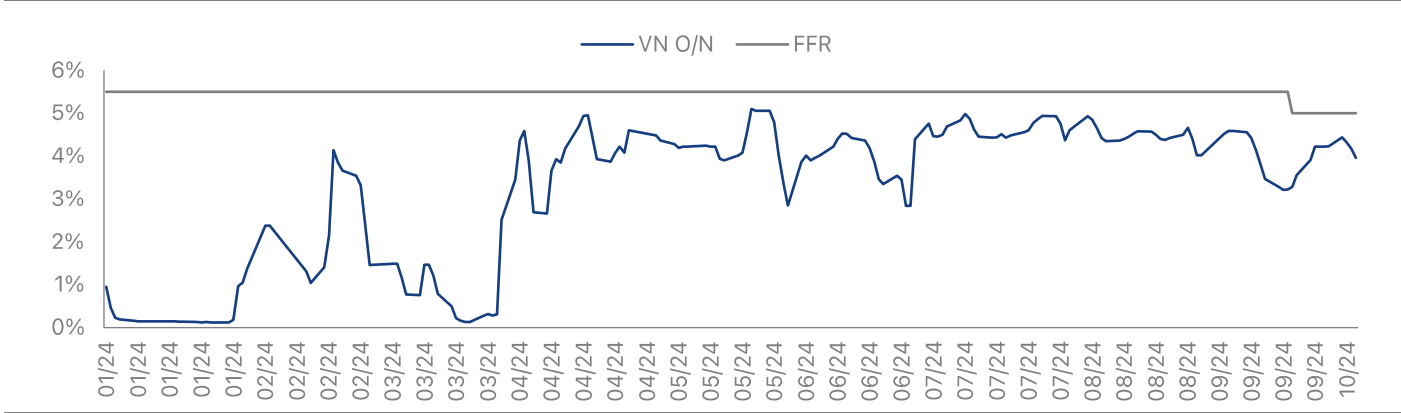
Trading activities of ETFs in 2024 [USD mn]



Source: Bloomberg, TVS Research

Figure 10: Exchange rate difference between USD & VND will be tightened when the Fed continues its rate cuts

Overnight interbank rate of SBV & Fed funds rate [%]

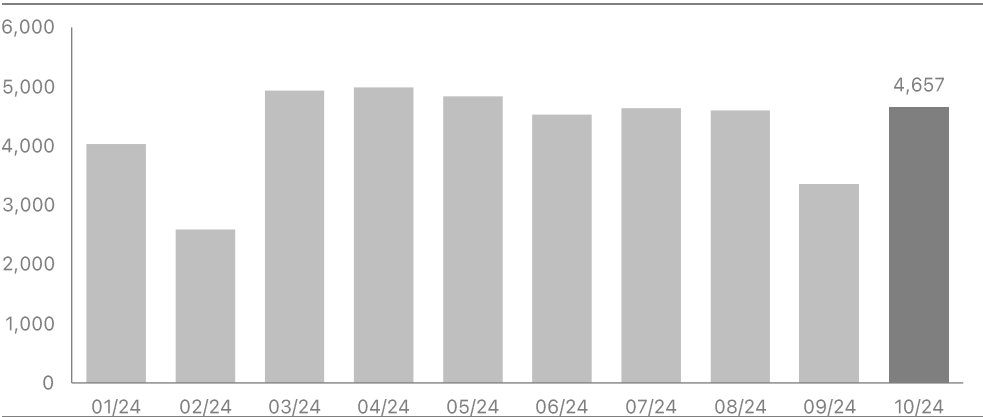


Source: Fiinpro, FRED, TVS Research

Liquidity in the derivatives market recovered in October.

Derivatives trading in October increased to 4.6 million contracts (+39.2% MoM), higher than the 10-month average of 4.3 million contracts. The significant improvement in liquidity in October indicates a shift of cashflows from the underlying market, seeking short-term profit opportunities, especially in short positions.

Figure 11: Liquidity significantly improved during October 2024  
Derivative contracts traded monthly [thousand contracts]

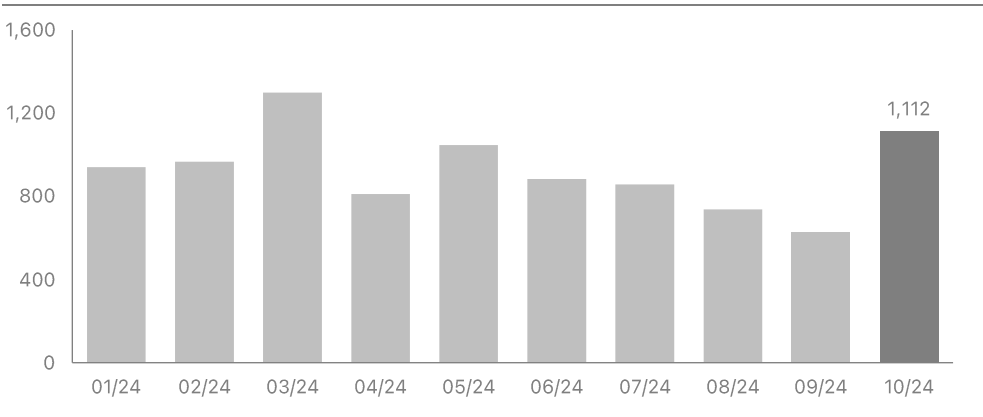


Source: Fiinpro, TVS Research

Trading value in warrants market reached its peak from March 2024.

Trading value on the warrant market surged in October to 1,112 billion VND (+77.6% MoM). The sharp increase in liquidity on the warrant market reflects a short-term shift of some cash flow from the underlying market. This period witnessed many investors opting for low-weight positions (relative to total assets) and compensating with high expected returns (a characteristic of warrants).

Figure 12: Trading value in covered warrants surged in October 2024  
Monthly warrants trading value [VND bn]

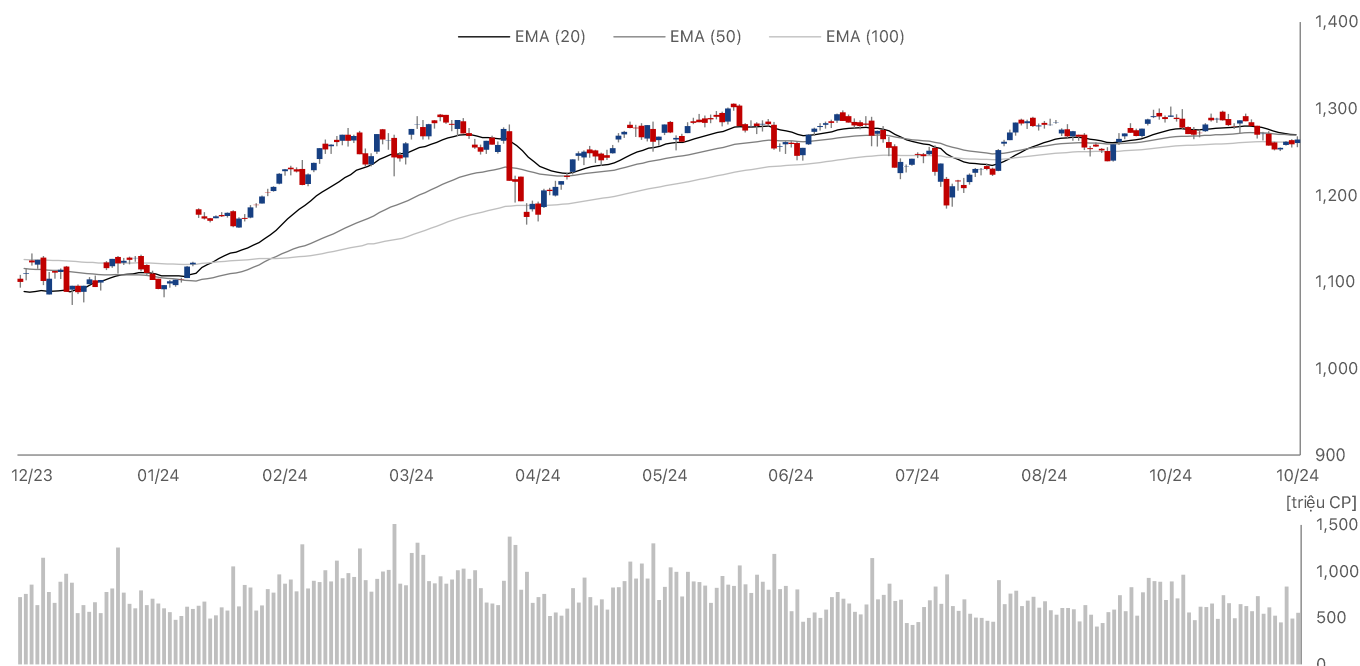


Source: Fiinpro, TVS Research

## Technical Overview

**Figure 13: VN-Index remained flat during the past months**

VN-Index technical chart – Time frame: daily



Source: Fiinpro, TVS Research

## Technical Analysis

In October, the VN-Index corrected from the strong resistance range of 1,290 – 1,300 points. Market liquidity was at its lowest level for the month, with trading value tending to increase during declines. This indicates that investor sentiment remains cautious. For November, we forecast that the VN-Index is likely to experience fluctuations and consolidation, as the market lacks additional supportive catalysts. In the medium term, the 1,300 level remains a strong resistance that the index needs to break through.

## Action

According to TVS Research, investors holding a high proportion of stocks should consider reducing their positions in the upcoming bullish days. Investors with a high cash proportion may consider lowering their capital allocation and placing orders at support levels of 1,240 and, further down, 1,210. Priority should be given to buying stocks that maintain an upward trend on technical charts or those that have entered oversold territory according to the RSI.

## Notable economics events in November

Date	Events	Impact
01/11/2024	Vietnam Manufacturing PMI Data	Moderate
6/11/2024	US Presidential election results	High
	US Unemployment Data for August 2024	High
	Vietnam Economic Indicators for September 2024	High
7/11/2024	FED's Interest Rate Decision Announcement	High
9/11/2024	China CPI Data for October 2024	Moderate
13/11/2024	US CPI Data for October 2024	Moderate
21/11/2024	Expiration of VN30 Index futures contracts	High
29/11/2024	EU CPI Data for October 2024	Moderate

## Market trading activities in October

### 10 most bought stocks by investor classification [VND bn]

Ticker	Exchange	Foreign int	Ticker	Exchange	Domestic int	Ticker	Exchange	Retail
MSN	HOSE	6,297	VPB	HOSE	1,671	VHM	HOSE	11,433
FPT	HOSE	2,691	STB	HOSE	1,388	STB	HOSE	10,502
TCB	HOSE	2,343	MWG	HOSE	1,274	MSN	HOSE	10,445
MWG	HOSE	2,146	HPG	HOSE	1,218	VIB	HOSE	10,169
VPB	HOSE	2,135	FPT	HOSE	1,122	MWG	HOSE	10,088
VHM	HOSE	1,707	MBB	HOSE	1,079	HPG	HOSE	9,464
STB	HOSE	1,609	VIB	HOSE	1,009	VPB	HOSE	8,428
VNM	HOSE	1,162	VHM	HOSE	917	TPB	HOSE	7,902
HPG	HOSE	1,107	VNM	HOSE	823	EIB	HOSE	7,041
VCB	HOSE	1,029	TCB	HOSE	794	VCI	HOSE	6,399

### 10 most sold stocks by investor classification [VND bn]

Ticker	Exchange	Foreign int	Ticker	Exchange	Domestic int	Ticker	Exchange	Retail
MSN	HOSE	-7,472	VPB	HOSE	-1,257	VHM	HOSE	-14,186
VIB	HOSE	-5,401	STB	HOSE	-1,159	STB	HOSE	-10,474
FPT	HOSE	-2,333	FPT	HOSE	-1,052	MWG	HOSE	-10,388
VHM	HOSE	-2,246	MWG	HOSE	-1,005	HPG	HOSE	-10,159
VPB	HOSE	-2,002	FUEVFNVD	HOSE	-981	VPB	HOSE	-9,552
MWG	HOSE	-1,873	TCB	HOSE	-901	MSN	HOSE	-9,542
STB	HOSE	-1,698	HPG	HOSE	-863	EIB	HOSE	-8,277
HPG	HOSE	-1,306	VIB	HOSE	-799	TPB	HOSE	-8,059
VNM	HOSE	-1,221	VHM	HOSE	-771	TCB	HOSE	-7,394
VCB	HOSE	-1,214	ACB	HOSE	-742	MBB	HOSE	-6,707

### 10 best-performing stocks in HSX and HNX

Ticker (HSX)	Closing price	1M price change	Market Cap	Ticker (HNX)	Closing price	1M price change	Market Cap
QCG	11,900	76.8%	3,274	BKC	11,500	79.7%	135
PNC	18,100	50.4%	195	PGT	5,300	71.0%	49
CIG	7,690	41.1%	243	NRC	4,200	44.8%	389
NO1	10,300	29.6%	247	TFC	32,600	41.7%	549
HTL	29,400	28.1%	353	TPH	16,000	41.6%	34
KHP	12,400	27.6%	749	PPE	14,500	31.8%	29
TTE	25,800	22.9%	735	DNC	76,000	28.8%	610
VFG	87,600	22.5%	3,654	PHN	90,000	28.6%	653
FDC	16,000	19.0%	618	VC2	10,100	26.3%	695
ITD	13,750	14.6%	336	VMS	22,800	21.9%	205

### 10 worst-performing stocks in HSX and HN

Ticker	Closing price	1M price change	Market Cap	Ticker	Closing price	1M price change	Market Cap
KPF	1,710	-26.0%	104	GKM	7,100	-46.2%	223
RDP	1,850	-22.3%	91	AMV	1,800	-35.7%	236
PSH	3,600	-20.0%	454	SPI	3,000	-31.8%	50
D2D	32,000	-19.8%	968	HEV	21,900	-27.0%	22
HRC	39,650	-19.6%	1,198	SRA	2,800	-26.3%	121
SKG	10,600	-17.5%	705	PCG	5,500	-22.5%	104
HTN	7,700	-15.5%	686	DNP	19,200	-21.6%	2,707
HHS	7,310	-14.9%	2,690	PIC	19,300	-19.6%	643
PAC	38,850	-14.6%	1,805	EVS	5,400	-18.2%	890
HCD	8,700	-14.3%	322	THS	11,700	-18.2%	32

Note: Market cap (VND bn)

## List of issued reports

Categories	Title	Company/Industry	Release date
Earning report	Earning report Q3 2024	Market	<a href="#">05/11/2024</a>
Company report	Company earning report Q3 2024	TCB	<a href="#">31/10/2024</a>
Macroeconomic report	Macroeconomic report September 2024	Macroeconomics	<a href="#">10/10/2024</a>
Market update	Equity market report September 2024	Market	<a href="#">10/10/2024</a>
Company report	Update report	DXG	<a href="#">07/10/2024</a>
Macroeconomic update	Macroeconomic report August 2024	Macroeconomics	<a href="#">12/09/2024</a>
Market update	Equity market report August 2024	Market	<a href="#">12/09/2024</a>
Company report	Initial report	DGC	<a href="#">10/9/2024</a>
Company report	Earning report H1 2024	VIB	<a href="#">07/8/2024</a>
Macroeconomic report	Macroeconomic report August 2024	Macroeconomics	<a href="#">06/8/2024</a>
Market update	Equity market report August 2024	Market	<a href="#">06/8/2024</a>
Macroeconomic update	Macroeconomic report June 2024	Macroeconomics	<a href="#">08/7/2024</a>
Market update	Equity market report June 2024	Market	<a href="#">08/7/2024</a>
Company report	Update report	KBC	<a href="#">19/6/2024</a>

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Recommendation ratings	Definition
BUY	Expected stock total return over 1 year > 20%
HOLD	Expected stock total return over 1 year is between -10% to 20%
SELL	Expected stock total return over 1 year < -10%

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