

Market retreats on investor caution

The local market opened the week with a retreat in both the index and liquidity on Monday as buyers were cautious of the recent rally of the VN-Index and sellers turned more active towards the end of the day.

MSN, GAS and BVH were the main forces to pull the VN-Index into the winning territory. The big three's advance, especially GAS, in part explained why there were moments the VN-Index was positive while the VN30, basket of blue-chips, struggled in the red in the absence of the ticker.

However, in the afternoon session, MSN lost momentum and VNM surprisingly dragged the main index back into losing territory. The VN-Index settled at 482.38, losing 1.04 points, or 0.22% against the previous session.

The Hanoi market dipped slightly even as turnover expanded a little to VN427 billion. The HNX-Index lost 0.06 point, 0.1%, and ended the day at 62.93.

Foreigners ended their net buying streaks of 29 days on the southern bourse and nine days on the northern exchange. The net selling amount on Monday was not significant and mostly due to the slowdown in buying rather than an increase in selling.

In total, foreigners had net bought VND3.8 trillion and VND200 billion during their buying streaks on the two bourses respectively.

According to a quick survey by Viet Capital Securities Company, a good number of investors have decided to 'take vacation' early, leaving only short-term positions on a few penny stocks. Trading turnover retreated as much as 18% combined on the both bourses on Monday.

'We think the markets will likely move sideways in the remaining sessions before Tet,' the broker said.

HCMC Securities Corp. (HSC) said the market looks headed for semi hibernation with the upcoming long Tet holiday beginning from the end of the week.

'Volumes have dropped off a bit and we are seeing selective profit taking in some leading blue chips. However, with the exception of stocks such as PVD and DPM these pullbacks have been rather shallow and in some cases short-lived,' HSC commented.

'Meanwhile laggard stocks fail to get any traction where it seems that the growing absence of retail investors this week will make it harder for lagging stocks to play catch-up for now. So for the time being, the initiative remains with the leading group of blue chips. However, we don't see this continuing for that much longer as the gap between the market leaders and the rest of the market is becoming a yawning chasm,' it said.

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