

EIB – Catch big attention

The VN-Index dropped 8.73 points today, closing at 1,055.3 points. The EIB stock was the main focus of attention today when it suddenly dropped to the floor in the afternoon session, contributing 0.52 points drop to the VN-Index. The reason for the sudden swing although EIB's business results had many positive signals was attributed to rumors related the stock's investigation of transactions.

EIB's business result snapshot

Eximbank's profit before tax in 2022 tripled compared to 2021, reaching VND3,709bn. Outstanding loans grew by 13.8% to VND130,500bn, customer deposits increased by 8.2% to VND148,614bn. Eximbank's core businesses such as credit activities, service fees and forex trading all enjoyed positive growth in 2022.

For 2023, Eximbank targeted a profit before tax of VND5,000bn, an increase by 34.8% compared to 2022, credit growth of 14%, mobilization growth of 11.8% and NPL ratio to be controlled below 1.6%, an improvement from the 1.8% of NPL at the end of 2022.

In the next days, Eximbank will pay stock dividends at the ratio of 20%, the last registration date is February 20th. This is the first time Eximbank has paid dividends since 2014. Eximbank's charter capital after paying stock dividends will increase from VND12,355bn to VND14,814bn.

Technical analysis of EIB stock: Long-term downtrend continues, aiming for the nearest support of VND 22,000/share

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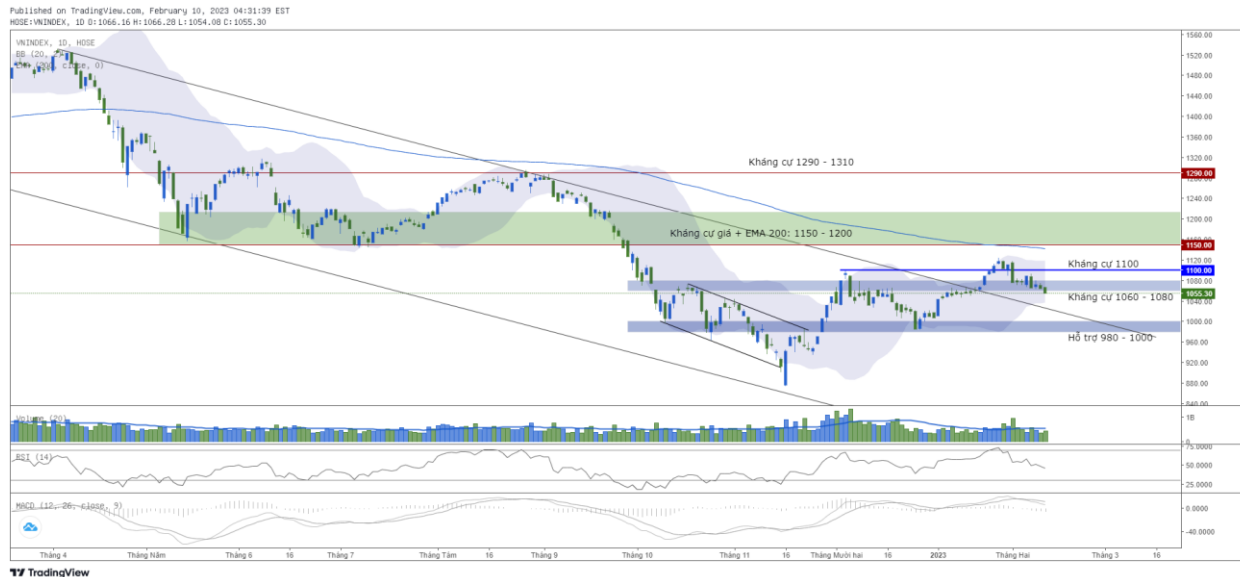
EIB is dominated by a long downtrend lasting from October 2022 until now. The selling pressure during the strong decline of EIB showed that the price moves in a strong downward momentum, which made EIB to drop by nearly 60% in nearly 20 trading sessions, breaking many important support levels. EIB only recovered in the recent correcting wave in the last 3 months.

In the short term from November 2022 to January 2023, EIB recovered in a short-term rally with the swing high created in January 2023 coinciding with the 50% Fibonacci showing that the short-term bullish correction structure is completed.

In the coming sessions, it is likely that EIB will continue to return to the nearest support area at 22,000 VND/share. This is a potential support area for EIB in the last 2 years, which was only penetrated once and quickly recovered above again in the recent rally.

However, with the downward momentum getting stronger, as shown by the decisive selling pressure today, the support area at 17,100 is considered a stronger probable support for EIB as this is the consolidated price zone before the start of the uptrend of the period 2019-2020.

Technical analysis of the VN-Index: Consolidate for a new stage



After a sharp decline in the second half of 2022, the VN-Index has recovered strongly and decisively with continuous liquidity from foreign investors. The large-scale recovery of many equity sectors helped the index to recover well, and gradually conquered some important support levels such as 980-1,000 and 1,060-1,080 points.

However, The recovery from November 2022 to the present time has showed signs of a downward correction pressure when the VN-index approached the important resistance level at 1,150-1,200 points. With recent price movement, selling pressure has been gradually increasing when the VN-Index declined below the 1,100 points level. Therefore, in the current period, the VN-Index is likely to continue to retreat to the price range of 980-1,000 points, which is the support zone of the previous uptrend rally in November 2022.

Although the downward pressure is getting stronger, the bright spot of the VN-Index is the previous uptrend rally was supported by outstanding liquidity. Therefore, the VN-Index is expected to continue the accumulation phase with 980-1,000 points as the potential support price zone. With long-term risks still remaining, the accumulation phase of the VN-Index in the upcoming trading period is supposed be quite volatile and unpredictable.

ACBS Research Department

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