TECHCOMSECURITIES

Cash — Equity Allocation Recommendation

Updated weekly
July 10, 2026

ALLOCATION RECOMMENDATION

GRADUALLY REDUCE EQUITY

Keep a balanced weighting tilted slightly toward equities; add gradually once the trend is clearly confirmed, favor groups still in trend, and avoid chasing.

50-60%	40-50%
EQUITY	CASH

VN-Index	1,828.34
Past week	-1.81%
RSI (14)	43.5

Why 50–60% Equity / 40–50% Cash?

VN-Index **1,828.34** (July 10 session) fell for a second straight day, down **-1.81%** over five sessions and **slipped below both its 20- and 50-session moving averages (1,847 / 1,859)** as breadth narrowed quickly. **Fundamentals remain solid** — the market trades at a P/E of about 13.9x (near the 10-year average of 15.6x, reasonable) and has cheapened further after the pullback, Q2 earnings season is getting under way, Q2 GDP rose 8.39% and interbank liquidity has eased — **but the short-term technical picture is deteriorating** (leaders breaking trend, distribution volume, continued foreign net selling). **Hold 50–60% equity / 40–50% cash** (a slight trim), keeping only the few pillars still in trend and not bottom-fishing while money flow stays weak. *Supportive and cautionary factors are detailed below.*

+ FACTORS SUPPORTING EQUITY

- **Market valuation still cheap, cheaper after the pullback.** The aggregate market trades at about 13.9x earnings, below the 10-year average (15.6x); excluding the Vingroup cluster it is only around 11x. The past two down sessions pulled valuations lower while corporate earnings improve — widening the margin of safety for long-term capital.
- **Cheap pillar stocks with high profitability.** Private banks trade at about 1.1–1.3x book value with ROE of 17–24% and low bad debt; brokers sit below their long-run average valuation — an attractive fundamental base just as the Q2 earnings season opens.
- **Booming growth, easing liquidity.** Q2 GDP rose 8.39% year on year (H1 +8.18%, a multi-year high), manufacturing keeps expanding and retail sales grew nearly 15%. The interbank overnight rate has eased to around 5.3% after the quarter-end squeeze — monetary conditions have stabilized again.
- **US dollar and yields flat.** The US 10-year Treasury yield is around 4.35% and the US Dollar Index hovers near 100 — not yet pressuring capital out of emerging markets; US equities remain near highs, keeping global sentiment relatively steady.

– FACTORS FAVORING CASH

- **Index down a second day, breadth narrowing.** VN-Index (1,828 on July 10) fell for two straight days, dropping below both the 20-session (1,847) and 50-session (1,859) moving averages; the MACD histogram turned more negative and widened, breadth shrank to about a quarter of stocks above their moving averages, volume ticked up on the down day (a distribution signal) and many leaders have broken trend — a short-term warning that needs demand to confirm before deploying.
- **Inflation still above target, foreign net selling.** June CPI rose 4.69% year on year — easing from 5.6% in May but still above the 4.5% target, narrowing the State Bank's room to ease; foreigners keep net selling, though at a smaller scale, still a drag on money flow in the near term.
- **Oil rebounds, the Fed stays cautious.** Brent bounced back to around US$74.5/barrel from its early-month low, less favorable for imported inflation; US Federal Reserve Chair Kevin Warsh prioritizes price stability and US core inflation remains sticky, with the next meeting on July 28–29 — not yet opening the door to easing.

THREE MARKET SCENARIOS – NEXT 1–3 WEEKS

OPPORTUNITY — 25%

BULL CASE

VN-Index targets 1,860 → 1,900

VN-Index reclaims its 50-session average (1,859) with improving liquidity and reopening breadth; Q2 earnings confirm growth and foreign selling eases.

ACTION
Raise equity to 60–70%, focusing on pillar stocks still in trend.

MOST LIKELY — 45%

BASE CASE

VN-Index ranges 1,800 → 1,860

VN-Index probes a short-term bottom below its 50-session average, ranging 1,800–1,860 awaiting demand and the Q2 reporting season.

ACTION
Hold 52/48. Deploy selectively as prices reach support, only names still in trend.

RISK — 30%

BEAR CASE

VN-Index falls to 1,760 → 1,800

VN-Index breaks 1,800 support on heavier foreign selling or rising external risks (oil, the Fed), retesting its 200-session average (1,768).

ACTION
Cut equity to 30–40%, hold cash for lower levels; avoid overheated names below trend.

SECTORS TO HOLD / TO AVOID

▲ TO HOLD — UPWARD MOMENTUM

Vingroup & private banks still in uptrend — **VIC, ACB, HDB**

After two down sessions, the set of pillar stocks still above their 50-session average has narrowed; VIC still leads defensively (bucking the trend on July 10), while ACB and HDB hold their uptrend on solid asset quality and high ROE. This is the group to hold, avoiding chasing.

Select brokers — low valuation base — **VND, MBS, SHS**

Brokers diverged sharply in the pullback; only some names hold above their 50-session average. The September market upgrade and record new account openings are medium-term supports, and most trade below their long-run valuation — but pick names that keep their trend and avoid buying across the board.

▼ TO AVOID — SELLING PRESSURE

Chemicals & rubber with idiosyncratic risks — **DGC, GVR**

This group has broken its medium-term trend and fallen sharply from its peak. DGC was placed on the warning list over a qualified audit opinion plus legal issues; rubber remains richly valued while its full-year profit plan steps back — stay out until the risks clear.

Mid-cap real estate — no sign of stabilizing — **DXG, PDR**

Mid-cap real estate has corrected 15–25% from its peak, sitting well below both its 20- and 50-session averages as money flow exits and selling spread on July 10. Land-bank and divestment stories need more time to prove cash flow; stay out and avoid broad bottom-fishing.

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