

[Market Preview 12/08]

FORECAST AND TRADING STRATEGIES

SHORT-TERM PROFIT-TAKING ACTIVITIES IN GROUP OF REAL ESTATE STOCKS WILL CONTINUE. SO, IS THIS GROUP OF STOCKS STILL INTERESTING IN THE MEDIUM TERM?

MARKET TREND	SUMMARY RECOMMENDATION STATUS <small>(New Updates)</small>
Short-term: Recovery <i>(Under a month)</i> Medium-term: Bullish <i>(1 – 6 months)</i> Long-term: Bullish <i>(6 months beyond)</i>	<ol style="list-style-type: none"> 1) It is likely that there will be a few more correction sessions and red prices in the remaining sessions of this week. After all, the general trend is still RECOVERY and BULLISH. 1400 points and 1425 points will be the still targets of VNINDEX and as long as the 1300 mark is not broken, this rally is still preserved. 2) New, riskier and/or cost-averaging activities CAN BE CONSIDERED FOR EACH SPECIFIC TICKER, in moderation, but not in its entirety.; 3) The line of Bank stocks has adjusted from 15-20% in the past 1 month. We believe that the line of Bank stocks has started to be ATTRACTIVE AGAIN and will probably be the main driver for the coming rally of the general market. Stocks like TCB, ACB, MSB, VPB and MBB are still our favorites and we recommend BUY at a moderate volume to explore this bottoming zone of the general market; 4) With a few selected strategic stocks in the group of real estate stocks, we still recommend that you can BUY GRADUALLY such as VHM, NTL, HDG, NLG, HDC, SCR are still making short-term profits and still have room to increase prices further.

	VnIndex	HNX Index	Upcom Index
Last	1357.79	334.46	92.01
Change (%)	-4.64 (-0.34%)	-0.62 (-0.19%)	1.48 (1.63%)
% 1 week	1.22%	2.76%	4.23%
Market value			
Today (bil.)	26,344.816	3,441.039	2,069.063
Foreign investor			
Buy (bil.)	1,200.31	37.51	24.49
Sell (bil.)	1,942.12	60.46	10.32
Net (bil.)	-741.81	-22.95	14.17
Market Summ.			
Advances	182	137	201
Declines	205	77	92
Unchanged	36	71	64
Futures			
	Last	Open Interest	Volume (bil. VND)
VN30F1M	1486	36,176	36,636.68
VN30F2M	1485	980	99.30
VN30F1Q	1485.7	201	5.54
VN30F2Q	1485	261	4.94

In the trading session on August 11, the markets continued the green scenario in the morning, and the price gradually weakened in the afternoon, before closing the session in red. Closing VNINDEX down slightly by 4.64 points to 1357.79 points; VN30 dropped 6.5 points to 1487.91 points; HNXINDEX fell 0.64 points to 334.44 points and derivatives F1M fell 8.1 points to 1486 points.

Liquidity on the Ho Chi Minh Stock Exchange continued to improve when there were 806 million shares traded and the trading value was over 26.3 trillion dong. This level is still higher than the average of the last 20 sessions, showing that the demand was relatively good buying in recent sessions.

Although the upward process of the market score will still have shaking sessions due to the supply and sales, we see that the total demand in the market is still improving with each trading session. The fact that there are red session, slight decrease in price this week is expected and this is relatively healthy for this recovery phase of the market.

Foreign investors had the second session to expand their net selling when they sold over 737 billion dong. SSI and open-ended fund certificates FUEVFVND had a large net selling volume of 327 billion dong and 263 billion dong, respectively.

Some other stocks such as MBB, NVL, GAS, CTG, GMD were also sold from 37 to 56 billion dong. On the net buying side, VHM continued to be bought by this group with over 202 billion dong in this session, STB and PLX were also bought in moderate amounts from 97 to 104 billion dong, respectively.

The group of stocks in the transportation and warehousing industry continued to be green with DL1, HAH, SGP, VOS, MHC, PHP, DXP... all hitting the ceiling price. Banking stocks were diversified with only MSB and TPB gaining well; VCB, VPB, MBB increased slightly, the rest almost decreased slightly. Banking stocks are still in the process of "finding themselves" after falling from 15-20% in July. Stocks like VIB, VPB, CTG, VCB, TCB were still the biggest losers in July.

We still maintain our forecast that this group of stocks will soon be ATTRACTIVE again and will probably be the main driving force for the market's next rally. Stocks like **TCB, ACB, MSB, VPB, STB and MBB** are still our favorite stocks and we recommend **BUY** at a moderate volume to explore this bottoming zone of the general market.

Are Real Estate stocks still attractive to invest in the medium term?

Real estate stocks this session saw a lot of short-term profit taking. Stocks like KDH, NLG, DXG, KBC, IJC, HDG, NTL, HDC were all sold out strongly at the end of the session. In the short term, these stocks have been recommended by us to buy and are still showing good profit.

Maybe in the next few sessions, profit-taking activities in this group of stocks will still take place. However, in the medium-term outlook, this group of stocks is still **POSITIVE** because the overall valuation of the industry is still low compared to the growth potential.

The P/E valuation of the real estate industry in 2021 is forecasted at 21.2 times, lower than the 3-year average (25.1 times), as well as the current valuation (21.1 times). The industry P/B is at 2.8 times, lower than the 3-year average (5.5 times).

The real estate industry and this group of stocks will benefit greatly from the macroeconomic and monetary movements that are expected to get better in the fourth quarter of 2021 after Vietnam is forecast to control the covid-19 epidemic. Since then, the real estate market will be active again, the business prospect of this industry is **POSITIVE** in the medium and long term.

Stocks like VHM, NTL, HDG, NLG, HDC, SCR, DIG are still showing short-term profit and still have room for further price increase that are still our recommended stocks to **BUY IN** for medium-term investment strategies.

Stocks with sudden trading volume this session

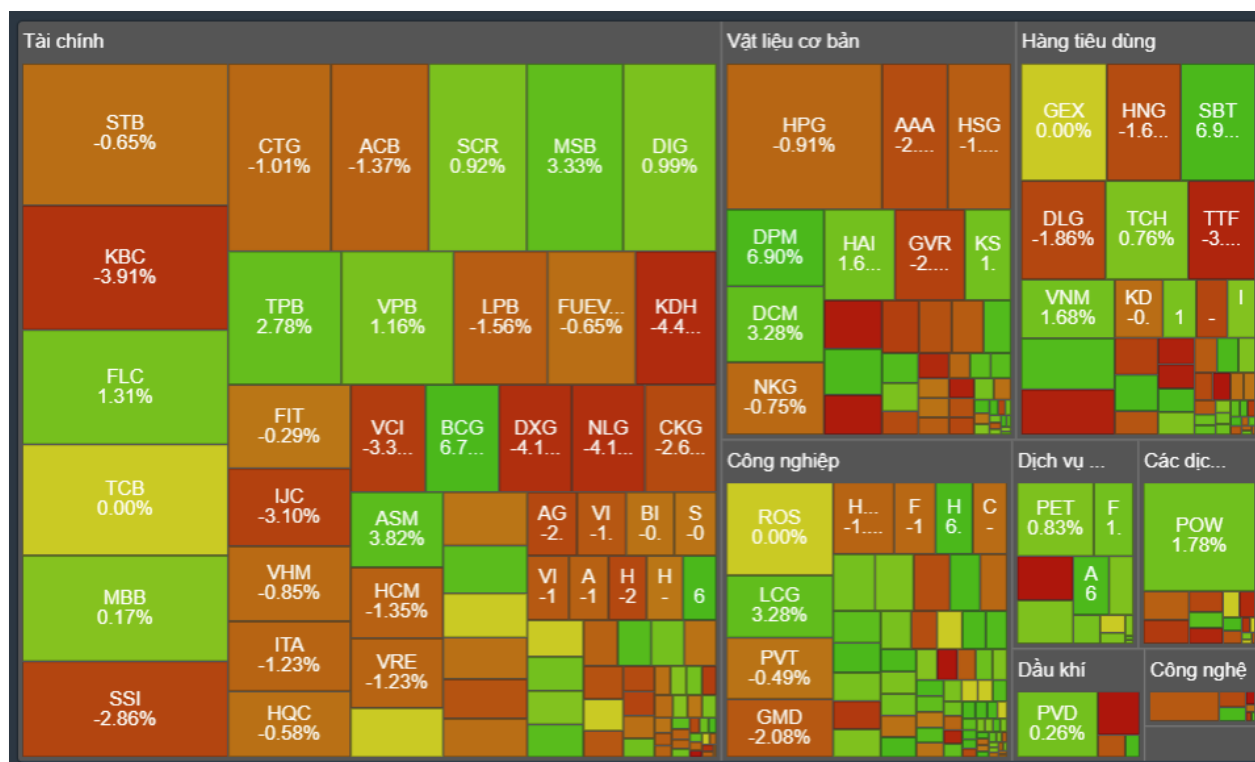
This session, stocks with sudden trading volume with short-term speculative cash flow participated strongly in buying such as: DL1, BCG, SBT, TVC, SJF all gained quite well during the session. In particular, we like DL1 and BCG stocks, in the last 2 consecutive sessions, the volume has surged and the price is also positive again. This could be a pretty good short-term speculative deal at the moment.

It should also be noted that short-term speculation that needs to be entered quickly, exited quickly when there is enough profit, and accepts high risks are basic principles that must be included in speculative activities.

Back to the latest stock market forecasts

It is likely that there will still be a few more correction sessions and red prices in the remaining sessions of this week. After all, the general trend is still **RECOVERY and BULLISH**.

The **1400 points and 1425 points** will be the next targets of VNINDEX and as long as the 1300 point is not broken, this rally is still preserved.



(Source: HOSE, FireAnt)

Futures Market:

VN30F2108	1,486.0	-8.10/-0.54	244,596
VN30F2109	1,485.0	-7.10/-0.48	664
VN30F2112	1,485.7	-5.80/-0.39	37
VN30F2203	1,485.0	-9/-0.60	33
11/08/2021			

(Source: Vietstock)

At the opening, the VN30 made a gain gap after the ATO session. With the number of gainers in the VN30 group dominated in the morning session, the index gained more than 8 points before the lunch break. In the afternoon session, many gainers in turn narrowed the range and gradually turned to decrease. The number of gainers and losers at this time was quite balanced in the VN30 group. In the afternoon session, the VN30 index dropped slowly to reference before dropping sharply near the end of the session. The number of losers after the ATC session was twice as many as the number of gainers, so the VN30 index continued to have a red day. At the end of the session, the VN30 index dropped 0.43% to 1487.91.

The F1M contract, after opening with gains and continued to increase slightly in the morning, was also under strong selling pressure in the afternoon and fell below reference near the end of the session. At the end of the session, the F1M contract closed at 1486, 8.1 points lower than the reference.

F1M's liquidity declined again today as less than 245,000 contracts were matched in the session, 20,000 contracts less than the average liquidity of the previous 20 sessions. In which, foreign investors were net sellers today with the value of 87.60 billion.

At the end of the session, the basis of F1M contract with VN30 reached -1.91 points. This shows that investors are quite pessimistic with the prospect of VN30 in the short term.

The F1M contract is gradually returning to an uptrend in the medium term. Need a few more sessions above the 1460-1470 zone for this trend to be secured. The next resistance zone of the uptrend is 1530-1540.



VN30F1M intraday. (Source: FireAnt)

STOCKS NEWS

ENTERPRISE

1. HNG: In the first half of the year, a net loss of VND 123 billion, outstanding loans at Thaco accounted for 47% of total assets with VND 7,359 billion.

- HAGL Agrico (HNG) has just announced the consolidated financial statements for the second quarter of 2021 with net revenue of more than VND 252 billion, halving compared to the same period in 2020. Deducting cost of goods, the Company only has a profit of about VND 18 billion, sharply decreased compared to the level of 132 billion in the second quarter of 2022.
- In terms of financial activities, revenue increased significantly. Interest expense also increased from 109 billion VND (Q2 2020) to nearly 121 billion VND. In particular, because there was no longer a reversal as in the same period in 2020, the recorded cost increased sharply.
- Deducting expenses, HNG's net loss is more than 129 billion dong, the same period's profit is more than 9 billion.
- Outstanding debt with Thaco is at VND 7,359 billion – equivalent to 47% of HNG's total assets.

2. DVP: Dinh Vu Port aims to reduce third-quarter profit

- The Board of Investment and Development of Dinh Vu Port (HoSE: DVP) approved the third quarter output plan of 150,000 teu, down 8% compared to the second quarter.
- Accordingly, the target revenue is 150 billion dong, down 15.6% and pre-tax profit is 60 billion dong, down 41% compared to the previous quarter. Compared to the same period last year, revenue increased by 5.6% and profit decreased by 8.2%.
- In the first half of the year, seaport enterprises reported a 26% increase in revenue to VND 299 billion. Gross profit margin improved from 56.9% to 59%. However, financial revenue dropped sharply from 53 billion VND to 15.6 billion VND, so profit after tax decreased by 4.3% to 133 billion VND. The reason is that the company does not have a dividend of nearly 30 billion dong from SITC - Dinh Vu Logistics Co., Ltd.

MACRO, FINANCIAL AND CURRENCY

1. Dragon Capital lowers economic growth forecast for 2021, thinks all bad news will be reflected in Q3

- In the newly published report, Dragon Capital estimates that the margin balance in the market today has decreased by about 10% - 12% from the record level of more than 117,000 billion dong in early July.
- Dragon Capital said that corporate profits in the second quarter continued to grow positively, over 60% over the same period, although decelerating from the figure of 80% in the first quarter. In the context of the 4th Covid wave, the impact negative impact on the economy in the third quarter, Dragon Capital lowered its profit growth forecast for DC Top-60 businesses from 53% to 45%.
- PE 2021 valuation at 13 times is still low compared to regional markets. For 2022, Dragon Capital estimates profit growth of 22% and PE at 10.5x respectively. Dragon Capital assesses that market sentiment is likely to be more positive when vaccination rates continue to improve in the near future..

2. Iron ore price drops to 4-month low, the downward trend has not stopped

- Asian iron ore prices fell for 5 consecutive sessions to the lowest level in more than 4 months due to concerns about weakening Chinese demand.
- The price of iron ore is increasingly moving away from the record high of May 2021 (then reaching 237.57 USD/ton) mainly due to the move to cut steel production in China to reduce emissions.
- Steel production is limited, so steel prices in China increased, despite falling iron ore prices. Accordingly, the price of rebar - used in construction - on the Shanghai floor ended August 10, up 2%, while hot-rolled coil increased by 2.2%, especially stainless steel decreased by 0.9%.

3. Stocks surged, how did cement enterprises do business in the second quarter?

- According to information from the Ministry of Industry and Trade, despite the development of the Covid-19 epidemic, cement industry exports recorded the highest ever. In the first 7 months of the year, the cement industry exported 24.35 million tons of cement and clinker, worth \$945 million, up 23.7% and 28.7% over the same period last year. In July alone, exports reached 3.35 million tons, up 6.4%; value of USD 133 million, up 11.7%.
- The reason for the strong increase in cement exports is thanks to China changing investment policies for this industry, limiting and gradually reducing cement factories (mainly for environmental purposes), increasing the import of clinker from abroad. , especially from Vietnam.
- Export continues to be the growth engine for the cement industry when domestic consumption slows down due to the domestic construction sector being stalled by the Covid-19 outbreak since the end of April.

4. Farmers buckling because shrimp prices plummeted, feed prices rose again?

- The price of 100 shrimp/kg in Ben Tre is now only 55,000 VND with the price of 90,000 VND/kg before the 4th Covid-19 outbreak.
- According to Vietnam Agriculture Newspaper, the price of this aquatic product is also low in other key farming areas such as Bac Lieu. The popular price reduction is 15-20%, which erodes the profits of farmers in these provinces.

5. Construction steel continues to cool down?

- Thus, after enterprises simultaneously reduced construction steel prices at the end of July and the beginning of August 2021, to August 11, 2021, some major steel brands continued to reduce more from 70 dong. /kg - 300 VND/kg for rolled steel, and from 20 VND/kg - 210 VND/kg for rebar (depending on brand).
- Specifically, the price of CB240 coil steel of Hoa Phat Group in all three regions of the North, Central and South decreased by 300 VND/kg, currently at 16,090 VND/kg; D10 CB300 rebar decreased by 210 VND/kg, down to 16,290 VND/kg (excluding VAT and freight).

BUY, SELL, ISSUED DIVIDENDS

1. HAH: Hai An Transportation and Unloading - Stocks rose hot, related organizations registered to sell 503,200 shares

- Green Field Joint Stock Company, related organization Mr. Tran Quang Tien, member of the Board of Directors at HAH registered to sell 503,200 shares to reduce ownership from 3.08% to 2.05% of charter capital, the transaction is expected to be implemented. Available from August 16 to September 14.

2. QNS: General Director of Quang Ngai Street registered to buy 1 million shares

- Mr. Vo Thanh Dang, member of the Board of Directors cum General Director, registered to buy 1 million shares to increase his ownership from 6.57% to 6.85% of charter capital, the transaction is expected to be carried out from August 12 to October 10. /9.
- Previously, in the period from July 8 to August 6, Mr. Dang registered to buy 1 million shares but only bought 91,000 shares, accounting for 9.1% of the total registered volume.

3. GSP: Gas Shipping plans to offer 20 million shares to raise VND200 billion to invest in more ships

- Gas Shipping plans to issue 20 million shares to existing shareholders to increase charter capital and mobilize capital to buy oil tankers as planned. The offering price is determined at VND 10,000/share, equivalent to the total amount of VND 200 billion expected to be mobilized. The issuance rate is 55.6%, corresponding to the right exercise ratio 9:5. On the stock market, GSP is currently trading around 12,150 VND/share.

Watchlist

Ticker	Sector	Foreign Investor Room	Market Cap (bil.)	Current Price	Target Price	Est Profit Target (%)	Forward dividend yield	Forecast & Recomm.	P/E	P/B	P/E 2021 (forward)
ASM	Aquaculture	47.8%	3,870	14.95	20	34%	3.3%	BUY	7.84	0.63	6.5
CNG	Natural Gas Distribution	44.0%	770	28.5	29	2%	5.3%	Positive	12.48	1.31	12.8
CTG	Depository Credit Intermediation	4.9%	127,713	34.3	56	63%	0.0%	BUY	11.28	2.19	8.5
DCM	Chemical - Pharmaceutical	46.8%	12,494	23.6	18	-24%	4.2%	SELL	14.50	1.65	17.8
FPT	Software Publishers	0.0%	87,208	96.1	110	14%	2.1%	Positive	17.96	3.56	22.4
FRT	Electronics and Appliance Stores	34.8%	3,278	41.5	39.0	-6%	2.4%	Negative	130.00	1.99	16.4
GAS	Natural Gas Distribution	46.9%	182,782	95.5	101	6%	4.2%	Positive	24.39	3.58	15.2
GMD	Support Activities for Water Transportation	7.9%	14,903	49.45	50	1%	3.0%	Positive	29.22	1.99	24.8
HPG	Primary Metal Manufacturing	22.6%	218,953	48.95	60	23%	1.0%	BUY	9.25	2.54	7.9
MSN	Manufacturing	67.1%	161,261	136.6	150	10%	0.7%	Positive	83.20	11.82	53.8
MWG	Electronics and Appliance Stores	0.0%	83,200	175	160	-9%	0.9%	Negative	16.28	3.97	18.9
NT2	Electric Power Generation	34.2%	5,513	19.15	19	-1%	7.8%	Negative	10.72	1.47	11.0
PLX	Merchant Wholesalers, Nondurable Goods	2.8%	69,093	53.4	65	22%	5.6%	BUY	19.76	2.87	13.8
POW	Electric Power Generation	46.0%	26,814	11.45	12	5%	4.4%	Positive	12.65	0.91	12.8
REE	Building Equipment Contractors	0.0%	17,430	56.4	58	3%	0.0%	Positive	9.82	1.40	9.2
TCB	Depository Credit Intermediation	100.0%	183,307	52.3	57	9%	0.0%	Positive	12.58	2.29	12.2
TCH	Real Estate Development	37.2%	7,904	19.8	24	21%	5.1%	BUY	9.14	0.94	9.9
TDM	Water Supply and Irrigation Systems	43.7%	3,050	30.5	35	15%	3.9%	Positive	10.65	1.63	12.2
VEA	Manufacturing	43.3%	58,467	44	45	2%	10.2%	Positive	11.34	2.58	8.4
VHM	Real Estate Development	26.2%	388,544	116	145	25%	0.9%	BUY	14.01	3.92	13.0
VIC	Manufacturing	22.6%	382,215	113	114	1%	0.0%	Positive	58.35	3.37	76.4
VJC	Air Transportation	11.8%	64,289	118.7	80	-33%	0.0%	SELL	51.20	4.14	642.9
VND	Securities/ Finance	30.5%	21,451	50	43	-13%	2.0%	Negative	16.12	2.05	16.5
VNM	Food Manufacturing	45.2%	189,977	90.9	80	-12%	4.4%	Negative	17.03	5.66	17.3
VNR	Insurance Carriers	21.1%	3,015	23	35	52%	5.2%	BUY	9.45	1.16	8.6

Source: AIS's Research, Corporate Auditing Financial Statements, FireAnt, Bloomberg, FiinPro

FORECAST & RECOMMENDATION:

- We recommend BUY when the expected return is above 20%;
- We rate the stock's price outlook as POSITIVE when the expected return is from 0% - 20%;
- We rate the stock's price outlook as NEGATIVE when the expected return is from 0% to -20%;
- We recommend SELL when the expected return is below -20%;

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