

## [Market Preview 13/08]

FORECAST AND TRADING STRATEGIES

**THE MARKET WILL HAVE A FEW MORE CORRECTION SESSIONS AND RED PRICE TO GAIN MOMENTUM FOR THIS RECOVERY.**

### MARKET TREND SUMMARY RECOMMENDATION STATUS (New Updates)

**Short-term:**  
**Recovery**  
(Under a month)

**Medium-term:**  
**Bullish**  
(1 – 6 months)

**Long-term: Bullish**  
(6 months beyond)

- 1) It is likely that there will be a few more **corrections and red prices in the coming sessions**. VNINDEX's **1325 points** will be an important support level for the market in the current period;
- 2) After the correction is completed, the market will soon regain its upward momentum, as the general trend is still **RECOVERY and BULLISH**. **1400 points and 1425 points** will be the still targets of VNINDEX.
- 3) **New, riskier and/or cost-averaging activities CAN BE CONSIDERED FOR EACH SPECIFIC TICKER**, in moderation, but not in its entirety.;
- 4) 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;
- 5) **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, SCR, DIG** is still making short-term profits and still have room to increase prices further.

*Particularly, **NLG and HDC stocks are showing profit** and we recommend to **TAKE PROFIT** on these stocks.*

	VnIndex	HNX Index	Upcom Index
Last	1353.05	334.31	91.98
Change (%)	-4.74 (-0.35%)	-0.13 (-0.04%)	-0.03 (-0.03%)
% 1 week	0.86%	2.73%	4.19%
<b>Market value</b>			
Today (bil.)	22,684.169	3,367.844	1,725.408
<b>Foreign investor</b>			
Buy (bil.)	1,043.76	23.31	47.11
Sell (bil.)	1,187.22	48.89	22.57
Net (bil.)	-143.46	-25.58	24.54
<b>Market Summ.</b>			
Advances	185	110	147
Declines	183	103	123
Unchanged	43	68	59
<b>Futures</b>			
	Last	Open Interest	Volume (bil. VND)
VN30F1M	1477.1	36,818	40,638.71
VN30F2M	1476	981	84.90
VN30F1Q	1476.5	410	6.81
VN30F2Q	1471.1	49	10.94

The trading session on August 12, continued like the recent sessions, as the market's score decreased towards the end of the session. Closing VNINDEX down 4.74 points to 1353.05 points; VN30 dropped 10.85 points to 1477.06 points; HNX INDEX dropped 0.11 points to 334.33 points and derivatives F1M was not out of the downtrend as it continued to decrease by 8.9 points to 1477.1 points.

Liquidity on the Ho Chi Minh Stock Exchange decreased slightly to 741.5 million shares traded and the trading value was over 22.7 trillion dong. This level of liquidity is still higher than the average of the last 20 trading sessions.

Foreign investors continued to be net sellers with a lower value than yesterday, 143.5 billion was the net selling value of this group. Stocks such as VNM, VRE, SSI, PC1, VIC, NLG and NVL have average net selling value of 36-55 billion dong. On the net buying side, PLX and GMD were bought with a moderate amount of 55 and 45 billion dong, respectively. VHM this session was no longer net bought by foreign investors.

Almost stocks in many different industry groups this session dropped or clearly differentiated. Only stocks in the Construction and building materials sectors gained quite well this session and attracted cash flow. Typical stocks for this

industry group such as HBC, FCN, BCC, DPG all hit the ceiling price.

**Comment:** Construction and building materials stocks are gaining well with business profit expected to improve in Q3 and Q4/2021

**HBC stock (Recommended Status: Exploratory BUY)** has corrected about 22% from its peak of 19.5 in mid-April 2021. The medium-term downtrend that has been formed since April until now is showing many signs of change when the price of this stock rebounds and rises again along with the general market. Liquidity also improved slightly. It is likely that in the next few sessions, there will be slight price adjustments in this stock. It is possible to consider buying probing around the price range from 14 to 14.5 with the target price to retest the old peak of 16.5

**The short-term trend of FCN stock is still gaining quite well**, the mid-term downtrend has ended. Liquidity and buying demand are also improving in recent sessions. It is likely that this stock will continue to rise back to the 15th peak and as long as the support level of 11.5 is not lost, the price of FCN will still maintain an uptrend.

BCC stock still maintained a strong uptrend in recent sessions. However, the price has increased 35% in the past 1 week and is putting this stock in the OVER BUY zone in the short term. Do not rush to buy at the price zone of 15.7 with BCC stock at this time, should observe more in the coming sessions if the price corrects to the 13 zone where there may be a new and more effective buying point.

**DPG stock of Dat Phuong Joint Stock Company is our preferred stock** in the construction and building materials sectors. The trend is still bullish in the short and medium term. It is possible to consider BUY with this stock, the target price is 50. The buy should choose the red sessions around the price range of 35 to have more cost advantage.

Businesses in the construction and building materials industries are forecasted to have good improvements in revenue and profit in the third and fourth quarters of 2021 due to the macroeconomic situation and the real estate market. Property is forecasted to be positive and vibrant again after Vietnam controls the Covid-19 pandemic. And currently the valuation of companies in this industry group is at a low level compared to previous years and will be attractive again in the medium and long term.

**Come back with the latest updates and forecasts about the stock market in the coming trading sessions**

It is possible that there will still be a few more corrections and red prices in the coming sessions. VNINDEX's 1325 points will be an important support level for the market in the current period.

After the correction is completed, the market will soon regain its further upward momentum because the general trend is still **RECOVERY and BULLISH**.

The **1400 points and 1425 points** will be the next targets of VNINDEX.



VN30F2108	1,477.1	-8.90/-0.60	273,749
VN30F2109	1,476.0	-9/-0.61	573
VN30F2112	1,476.5	-9.20/-0.62	46
VN30F2203	1,471.1	-13.90/-0.94	74
			12/08/2021

At the opening, the VN30 made a slight drop gap after the ATO session. With the number of gainers and losers in the VN30 group was quite balanced, the VN30 index in most of the morning session only wavered, increased and decreased around reference. In the afternoon session, yesterday's scenario was repeated when many gainers turned to decline, causing the number of losers in the VN30 group to dominate. After returning to 1492, the highest level of the day in the morning session, VN30 index was sold strongly and dropped throughout the afternoon session. After the ATC session, there were 20 losers, while only 7 gainers made VN30 have the 3rd consecutive day of decline. At the end of the session, the VN30 index fell 0.73% to 1477.06.

The liquidity of F1M today was kept at a high level when there were nearly 274 thousand contracts matched in the session, equivalent to the average liquidity of the previous 20 sessions. In which, foreign investors were net sellers today with the value of 247.19 billion.

At the end of the session, the basis of F1M contract with VN30 reached 0.06 points. This shows that investors are not too optimistic about VN30's prospects 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. FPT: The data center market grows hundreds of millions of dollars/year.

- Mr. Matthew Powell, Director of Savills Hanoi, commented: "Data center real estate in Vietnam is developing quite fast. The explosion of e-commerce, online shopping habits as well as the increase in the use of online entertainment during the Covid-19 epidemic have led to an increase in the demand for storage, leading to the clear growth in data center demand."
- Moreover, Mr. Matthew Powell said that the demand for data center was significantly recognized by well-known retail brands and information technology companies. Savills recognized the demand stemming from a number of technology corporations that wanted to expand in the Vietnamese market recently.
- It is known that FPT Telecom is about to open a data center that this business thinks is the largest in Vietnam and Southeast Asia. This center is located in the high-tech park (Thu Duc city, Ho Chi Minh City) with a total investment of about 200 billion VND, on an area of 10,000 m2 and provides 3,600 cabinets containing network equipment.

#### 2. Hoa Phat Dung Quat steel pipe applies to invest in a super project of VND 21,215 billion in Binh Son

- Hoa Phat Dung Quat Steel Pipe Joint Stock Company proposes to invest in the project of Hoa Phat Dung Quat steel factory in Binh Son district, Quang Ngai province with a total investment of VND 21,215 billion (of which capital is VND 21,215 billion). own capital contribution of the investor is 6,000 billion dong, mobilized capital is 15,215 billion dong).
- Regarding the environment, the project of the factory producing the following products Hoa Phat Dung Quat steel has a stage of rust removal and cleaning of the surface with chemicals, on the list of types of industrial production that have the risk of causing pollution. environmental contamination.

- Therefore, Binh Son District People's Committee recommends investors to commit to selecting and using the most advanced and modern technology and equipment today to avoid polluting the environment...

### **3. BSR: Reducing factory capacity, facing the risk of no longer having capacity because of sudden decrease in demand**

- BSR had to reduce the plant capacity to the minimum technical level of 90%.
- Traders reduced or stopped receiving goods, causing the Dung Quat factory's inventory to increase and face the risk of running out of capacity.
- In the context of the complicated development of the Covid-19 epidemic, the People's Committee of Quang Ngai Province has written to the Prime Minister to pay attention and consider the policy of prioritizing the use of petroleum sources from oil refineries in the region. to ensure the balance of supply and demand in the domestic market, minimize the source of petroleum imports in order to stabilize the production and consumption of petroleum products by domestic refineries.

## **MACRO, FINANCIAL AND CURRENCY**

### **1. Extension of more than VND 67,000 billion in tax and land rental to support businesses facing difficulties due to Covid-19**

- According to statistics from the Ministry of Finance, as of August 6, 2021, the total amount of tax and land rent extended under Decree No. 52/2021/ND-CP of the Government is VND 67,194 billion. According to the Ministry of Finance's assessment, it is expected that the total amount of tax and land rent to be extended under the policy of extending and delaying tax payment in Decree 52 is VND 115,000 billion.
- Decree 52/2021/ND-CP extending the deadline for payment of value added tax, corporate income tax, personal income tax and land rent in 2021 is considered a "support medicine" to help businesses Businesses and business households reduce difficulties in the context of being heavily affected by the Covid-19 pandemic, the deadline for applying for an extension is July 31, 2021.

### **2. Fitch Solutions: Iron ore price could drop to \$75/ton by 2025**

- The US credit rating agency Fitch Solutions said that the upward momentum in iron ore prices has begun to show signs of weakening and this trend will continue in the coming months.
- Fitch Solutions explained that the demand from Chinese steel producers was stable in the first half of the year as construction projects related to the government's stimulus policy were completed and the number of new projects gradually decreased, causing prices to fall. iron ore tends to decrease.
- In early August, the price of iron ore on international exchanges was about \$175/ton from a record high of \$239/ton in May. The agency said the ore price could drop to \$170/ton. tonne by the end of this year, 130 USD/ton by 2022, 100 USD/ton by 2023 and may be as low as 75 USD/ton by 2025.

## **BUY, SELL, ISSUED DIVIDENDS**

### **1. MVC: Price increased sharply, Board member wants to sell nearly 24 million shares**

- Mr. Nguyen Thanh Nhan, Member of the Board of Directors of Binh Duong Construction and Materials Joint Stock Company (MVC - UPCoM) registered to sell nearly 23.95 million MVC shares to restructure the investment portfolio.

- The transaction is done by the method of agreement and order matching, expected from August 13 to September 10, 2021. If the transaction is successful, Mr. Nhan will reduce his ownership in MVC from 23.95% to 0% and no longer be a major shareholder of the Company.
- Recently, the stock price of MVC has continuously increased sharply. After 4 consecutive gaining sessions from the beginning of the week, with the session on August 11 reaching the ceiling price, temporarily closing the trading session on the morning of August 12, MVC stock stood at 10,900 VND/share, a total increase of nearly 33%..

**2. SZC: Shares increased by 33% within 1 month, Sonadezi Chau Duc closed the right to pay cash dividend**

- The last registration date to close the list of shareholders is September 20 and the payment date is October 11.
- The enterprise plans to spend 100 billion VND to pay dividends in 2020.
- SZC share price increased by 33% to 43,400 VND/share within the past 1 month.
- In the first half of this year, Sonadezi Chau Duc continued to report positive business results with net revenue increasing 47% to 403 billion dong; profit after tax of VND 189 billion, up 51% over the same period last year and surpassing the figure achieved in 2020.

## 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%	4,012	15.5	20	29%	3.2%	BUY	7.84	0.63	6.7
CNG	Natural Gas Distribution	44.0%	757	28.05	29	3%	5.3%	Positive	12.48	1.31	12.6
CTG	Depository Credit Intermediation	4.9%	128,085	34.4	56	63%	0.0%	BUY	11.28	2.19	8.5
DCM	Chemical - Pharmaceutical	46.8%	11,647	22	18	-18%	4.5%	Negative	14.50	1.65	16.6
FPT	Software Publishers	0.0%	85,121	93.8	110	17%	2.1%	Positive	17.96	3.56	21.8
FRT	Electronics and Appliance Stores	34.8%	3,222	40.8	39.0	-4%	2.5%	Negative	130.00	1.99	16.1
GAS	Natural Gas Distribution	46.9%	180,868	94.5	101	7%	4.2%	Positive	24.39	3.58	15.1
GMD	Support Activities for Water Transportation	7.9%	14,557	48.3	50	4%	3.1%	Positive	29.22	1.99	24.3
HPG	Primary Metal Manufacturing	22.6%	216,493	48.4	60	24%	1.0%	BUY	9.25	2.54	7.8
MSN	Manufacturing	67.1%	158,192	134	150	12%	0.7%	Positive	83.20	11.82	52.7
MWG	Electronics and Appliance Stores	0.0%	80,823	170	160	-6%	0.9%	Negative	16.28	3.97	18.4
NT2	Electric Power Generation	34.2%	5,527	19.2	19	-1%	7.8%	Negative	10.72	1.47	11.1
PLX	Merchant Wholesalers, Nondurable Goods	2.8%	68,576	53	65	23%	5.7%	BUY	19.76	2.87	13.7
POW	Electric Power Generation	46.0%	26,580	11.35	12	6%	4.4%	Positive	12.65	0.91	12.7
REE	Building Equipment Contractors	0.0%	17,214	55.7	58	4%	0.0%	Positive	9.82	1.40	9.1
TCB	Depository Credit Intermediation	100.0%	182,255	52	57	10%	0.0%	Positive	12.58	2.29	12.2
TCH	Real Estate Development	37.2%	7,784	19.5	24	23%	5.1%	BUY	9.14	0.94	9.7
TDM	Water Supply and Irrigation Systems	43.7%	2,960	29.6	35	18%	4.1%	Positive	10.65	1.63	11.8
VEA	Manufacturing	43.3%	58,467	44	45	2%	10.2%	Positive	11.34	2.58	8.4
VHM	Real Estate Development	26.2%	391,893	117	145	24%	0.9%	BUY	14.01	3.92	13.1
VIC	Manufacturing	22.6%	375,788	111.1	114	3%	0.0%	Positive	58.35	3.37	75.2
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%	21,280	49.6	43	-13%	2.0%	Negative	16.12	2.05	16.4
VNM	Food Manufacturing	45.2%	189,141	90.5	80	-12%	4.4%	Negative	17.03	5.66	17.2
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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