

[Market Preview 17/08]

FORECAST AND TRADING STRATEGIES

ARE STOCKS IN THE SECURITIES INDUSTRY STILL ATTRACTIVE AND HAVE ROOM FOR FURTHER PRICE INCREASE?

MARKET TREND SUMMARY RECOMMENDATION STATUS (New Updates)

Short-term: Recovery <i>(Under a month)</i>	1) The market may still have a few more slight corrections, the 1325-point level of VNINDEX will be an important support level for the market in the current period;
Medium-term: Bullish <i>(1 – 6 months)</i>	2) After that, the market will soon regain its further upward momentum, as the general trend is still RECOVERY and BULLISH . 1400 points and 1425 points will be the still targets of VNINDEX.
Long-term: Bullish <i>(6 months beyond)</i>	3) New, riskier and/or cost-averaging activities CAN BE CONSIDERED FOR EACH SPECIFIC TICKER , in moderation, but not in its entirety.;
	4) We believe that the line of Bank stocks has started to be ATTRACTIVE AGAIN . Stocks like TCB, ACB, MSB, VPB, STB and MBB are still our favorites and we recommend BUY ;
	5) The line of real estate stocks has still gained quite well, and some stocks have shown a short-term PROFIT-TAKING signal such as HDC, NLG... ; Two stocks: DIG and NTL we are looking for the OPTIMIZE PROFIT-TAKING point, when the Buy/Sell Signal Alert and Pricing System gives a specific signal;

	VnIndex	HNX Index	Upcom Index
Last	1370.96	343.28	93.96
Change (%)	13.91 (1.03%)	6.32 (1.88%)	1.79 (1.94%)
% 1 week	1.03%	1.88%	1.94%
Market value			
Today (bil.)	27,504.335	4,769.861	1,970.143
Foreign investor			
Buy (bil.)	1,126.04	37.26	49.81
Sell (bil.)	2,081.56	76.83	16.35
Net (bil.)	-955.52	-39.57	33.46
Market Summ.			
Advances	266	155	213
Declines	117	65	95
Unchanged	32	65	67
Futures			
	Last	Open Interest	Volume (bil. VND)
VN30F1M	1503	35,512	25,558.47
VN30F2M	1498	789	200.22
VN30F1Q	1499	209	6.85
VN30F2Q	1495	95	9.07

The markets opened the first session of the week recorded a good price increase in both points and liquidity.

Most of the stock groups increased in price, but the most notable ones were Securities and Banking - which was the group of stocks that accounted for a large proportion of the trading value. While Real Estate and Real Estate Services group this session is divided and red in points.

At the end of the session, the market indexes all gained over 1% with VNINDEX surpassing 1370 points, VN30 and F1M derivatives surpassing 1500 points.

Liquidity on the Ho Chi Minh Stock Exchange was over 27.5 trillion dong, with 827 million shares traded, continuing to be higher than the average of the last 20 trading sessions.

Foreign investors were more open to selling, with over 955 billion dong of net selling value. This is the 5th session in a row that this block has boosted selling. Stocks VHM, VIC, HPG, SSI, KBC, VNM, and NVL had an average net selling value of 50-140 billion dong in this session. While buying volume was relatively small in HSG, HDB, BWE.

Comment & Analysis: The group of securities stocks has increased by an average of 27% in the past 1 month. Is this

group attractive and has room for further price increases?

Leading gainers in this session belonged to the group of securities codes, with an increase in the industry index of over 6.3%.

SSI, VND, HCM, VCI, SHS all increased by 3-8% during the session. The group of small and medium sized securities such as ART, SBS, MBS, VIX, AGR, TVB, APS... all hit the ceiling or close to the ceiling price with a strong improvement in trading volume.

The amount of margin on the whole market is still maintained at a high level, about 125.5 trillion dong (\$5.5 billion), accounting for about 2% of the total market capitalization.

There are about 76 securities companies on the market with a total equity (equity) of 112.7 trillion dong.

Therefore, the margin loan balance is currently 1.1 times the industry equity. According to the regulations of the State Securities Commission, securities companies are not allowed to lend more than 200% of the equity capital and below this level is still a safe level.

Currently, almost all securities companies meet the capital adequacy criteria with margin operations. However, there are still some companies such as Mirae Asset, HSC Securities (HCM), VnDirect Securities (VND), KIS Securities, MB Securities (MBS), Yuanta Securities, Tan Viet Securities and Phu Hung Securities (PHS) currently has a margin debt/equity ratio exceeding 135% - 190%.

The pressure to raise capital in these companies is relatively large, partly due to the above safety criteria, partly also from the need for capital size and transaction size of the stock market. is expected to continue to increase and improve in the near future.

We currently see VnDirect securities (VND); HSC Securities (HCM), Viet Capital Securities (VCI) have implemented quite early and completed the plan to increase equity capital in Q2 and Q3/2021.

Small and medium sized securities companies are also starting to accelerate this capital increase in the third and fourth quarters to increase the capital scale by 35-65%.

The fact that Securities companies take advantage of the favorable period of the stock market in 2021 to implement capital increase plans is happening quite quickly and relatively smoothly in the context of the good growth of the stock market this year.

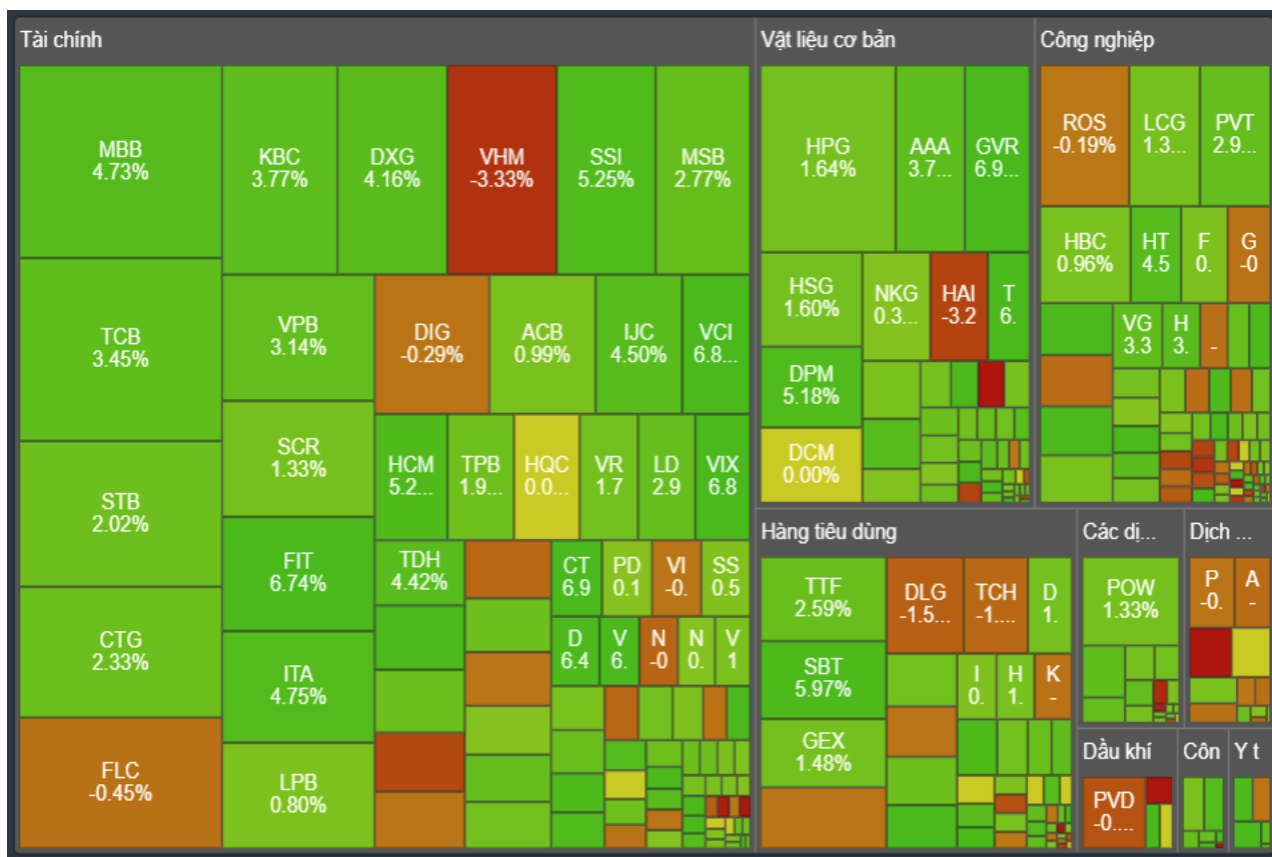
We assess that:

- 1) It is expected that the stock market is in the process of recovering and increasing again as at the present time, the prices of stocks in the securities industry group will still increase in price;
- 2) However, the upside potential of this group is, in our opinion, not much, since the prices of most stocks have increased a lot in 2021;
- 3) Along with that, companies like VND, HCM, and VCI have completed raising capital in various forms such as paying dividends in shares, in cash and issuing new shares to existing shareholders. The supply of this product will increase significantly in the near future. Therefore, profit-taking activities will take place stronger and clearer in the coming time when these shares are returned to shareholders' accounts;
- 4) Securities companies that have not had time to raise capital such as SHS, SSI and some small and medium sized securities companies such as FTS, TVB, AAS... will be "delayed" in this capital increase if they do not implement it. Soon. This scenario is more or less likely to happen;
- 5) The price increase in securities stocks in this year 2021 is due to the story of increasing Equity at each company. Therefore, after successfully raising capital, the story of the stock's price increase in times or higher like what happened in our opinion will no longer happen or be less likely in the near future. ;
- 6) The current P/B valuation of securities stocks is currently at 3.8x, much higher than 3-year average P/B (1.2x) and P/B forward 2021 (1.5x)); P/E is also currently at a high level of 18.7x, higher than the 3-year average P/E (15.2x).

Although the short-term price increase in stocks in the securities industry is forecasted to still be there as long as this time the market's RECOVERY and BULLISH phase has not ended. There will not be much room for a good price increase in the medium and long term of this group of stocks as the story of capital raising in securities companies is gradually completed and the valuation of this group is quite high.

STT	CTCK	Vốn Chủ sở hữu (tỷ đồng)	Dư nợ cho vay margin (tỷ đồng)	Dư nợ/VCSH
1	Mirae Asset	6.805	11.973	176%
2	SSI	11.168	10.878	97%
3	HSC	4.762	8.876	186%
4	VND	4.460	6.009	135%
5	VPS	5.177	5.865	113%
6	TCBS	6.855	5.664	83%
7	KIS	3.095	4.922	159%
8	VCSC	4.911	4.576	93%
9	MBS	2.160	4.073	189%
10	KB Securities	2.227	3.355	151%
11	FPTS	2.348	3.063	130%
12	Yuanta	1.647	3.082	187%
13	TVSI	1.650	3.008	182%
14	SHS	3.721	2.377	64%
15	ACBS	2.136	2.842	133%
16	BVSC	1.943	2.229	115%
17	MBKE	1.463	2.298	157%
18	VCBS	1.966	2.339	119%
19	BSC	1.545	2.101	136%
20	VDSC	1.264	1.946	154%
21	PHS	1.016	1.915	188%
22	IBSC	2.068	1.097	53%
23	VietinbankSC	1.477	1.222	83%
24	Agriseco	2.064	875	42%
25	NHSV	1.235	762	62%

(Source: From Securities Companies)



(Source: HOSE, FireAnt)

Futures Market:

VN30F2108	1,503.0	18/1.21	171,116
VN30F2109	1,498.0	17/1.15	1,344
VN30F2112	1,499.0	18.90/1.28	46
VN30F2203	1,495.0	15.60/1.05	61
16/08/2021			

(Source: Vietstock)

Opening the first session of the week, the VN30 continued to maintain the excitement of the impressive rally in the last session of last week. The VN30 index opened, creating a gap of more than 6 points after the ATO session. Stocks in the VN30 group continued to trade positively in most of the morning session when gainers dominated in quantity and quality compared to losers. The VN30 index sometimes increased more than 13 points compared to the reference. The uptrend was slightly narrowed in the second half of the morning and early afternoon, but with strong buying, the VN30 index remained in green during the day. With the large demand continuing until the end of the afternoon session, 18 stocks in the VN30 group increased while only 10 stocks decreased. At the end of the session, the VN30 index increased 1.11% to 1500.77.

Today's F1M contract was also actively traded for most of the trading time. F1M contract, after creating a slight increase gap and accumulating in the range of 1490-1493 in the morning session, also broke out and increased strongly in the second half of the afternoon session and closed near the highest level of the day. At the end of the session, the F1M contract closed at 1503, up 18 points compared to the reference.

F1M's liquidity dropped sharply today when only over 171,000 contracts were matched in the session, 94 thousand contracts lower than the average liquidity of the previous 20 sessions. In which, foreign investors were net buyers with the value of 77.57 billion.

At the end of the session, the basis of F1M contract with VN30 reached 2.23 points. This shows that investors are quite optimistic with the prospect of VN30 in the short term.

We assess that VN30 is returning to an uptrend in the medium term. And with liquidity and trading value still maintained at a high level, we believe that VN30 will continue to increase in the coming sessions to approach the next resistance around 1525.

The F1M contract is returning to a short-term uptrend. It takes a few more sessions above 1475-1485 for the F1M contract to maintain this short-term uptrend. The next resistance zone will be 1530-1540.



VN30F1M intraday. (Source: FireAnt)

STOCKS NEWS

ENTERPRISE

1. HHV: An American financial company offers to buy 5-10% shares, wants to invest in Vietnam's transport infrastructure.

- Currently, there is a financial company from California (USA) after researching and learning about the investment activities of Deo Ca, they have sent an official offer to buy 5-10% shares of HHV to become a major shareholder. Their purpose is to participate in the construction of the transport infrastructure system in Vietnam.
- It is known that the capital mobilization solution is a big problem for businesses implementing key projects. In particular, investors in road traffic works in Vietnam are proposing to the State to set up infrastructure investment funds. Or there can be an institution for businesses to issue construction bonds to attract and mobilize resources from society and people, not just rely on capital from commercial banks.

2. HPG: Iron ore mines in Australia can contribute trillions of dong to Hoa Phat's profit

- Hoa Phat's management expects iron ore from RVIM to be exploited by the end of 2021. VNDirect estimates that RVIM can help Hoa Phat's pre-tax profit (PBT) increase by about VND1,530 billion, equivalent to 5% of public PBT. company in 2022. The above estimate is based on the following key assumptions: the mine's operating efficiency will reach 75% in 2022 (equivalent to 3 million tons); total production cost of RVIM is 100 USD/ton (including natural resources & environment costs, transportation costs, depreciation and interest expenses); average iron ore price in 2022 is 120 USD/ton.
- In the positive scenario, the average iron ore price in 2022 is 160 USD/ton, RVIM can contribute about 4,635 billion VND, equivalent to 22.1% of Hoa Phat's profit before tax next year, according to VNDirect's estimate.

3. VPB: It is expected that the sale of 49% of FE Credit's capital will be completed in September 2021

- Mr. Nguyen Duc Vinh, CEO of VPBank, expects the deal to be approved by the regulator in August, and then VPBank can receive the first payment in September.
- With a value of nearly 1.4 billion USD, equivalent to about 30,000 billion VND, parent bank VPBank is expected to receive 90% in this round, the rest will be received in the following year.
- According to the bank's leaders, this amount will be accounted as extraordinary income this year, significantly increasing the owner's equity, helping the bank increase its charter capital in the coming time.

MACRO, FINANCIAL AND CURRENCY

1. Livestock industry spends more than 2.9 billion USD importing animal feed

- According to the Vietnam Poultry Breeding Association (VIPA), the production and consumption of industrial animal feed is still heavily dependent on imported raw materials from abroad (70-85% of raw materials are imported). . This is the main reason that pushes up domestic animal feed prices every time the world feed prices fluctuate strongly.
- Domestic production is still weak, the livestock industry is too dependent on imported sources, in the first 7 months of 2021, import expenditure has reached 2.93 billion USD, up 37.1% over the same period in 2020.

2. Global chip shortage could extend into 2023

- In an interview with the Frankfurter Allgemeine Zeitung, Infineon CEO Reinhard Ploss said that the end of the chip shortage depends not only on demand, but also on the rate of capacity growth. manufacturing.
- Mr. Ploss said the process of building new factories and chip production facilities can take up to two and a half years, and even upgrading existing plants can take up to a year.
- "In places where we have to wait for new semiconductor production facilities, chip shortages could persist into 2023," he predicted.
- The CEO of Infineon estimates current production capacity is still 20% below the chip demand of the mobile phone sector, and about 10% lower in other sectors.

3. 34 Indonesian coal companies banned from exporting

- According to the Vietnam Trade Office in Indonesia, the export ban on 34 coal mining and trading enterprises issued by the Indonesian Ministry of Natural Resources and Minerals takes effect from August 7 until the businesses are completed. obligation to supply coal to the domestic market.
- According to customs statistics, in the first 7 months of the year, Vietnam's coal imports from Indonesia reached 9.66 million tons with a turnover of 732.84 million USD, up 42.6%. The value of coal import turnover from Indonesia in the first 7 months of 2021 increased sharply due to the high international coal price due to the strong increase in coal demand from China and some North Asian countries, leading to the export coal price of Indonesia. corresponding increase.

4. VinaCapital Chief Economist: 'The order of investment priorities between real estate, gold and securities in Vietnam will change dramatically!'

- Currently, Vietnam is following the economic model of "East Asian Development - East Asian Development (EAD)", that is, focusing on manufacturing and exporting goods to other countries in the world. Countries known as "Asian tigers" such as Japan, Korea, China and others have successfully applied this model in economic development.
- In fact, most of the world's middle-class people tend to invest their money outside of bank deposits in the stock market, real estate and/or gold – in order of preference.
- In Vietnam, people still prefer to invest in real estate and gold than in the stock market. Even so, I think in the next few years, the "taste" of domestic investors will change significantly, as the fund management industry in Vietnam develops more and more.
- Currently, about 3% of the population of Vietnam has a securities trading account, equivalent to the figure of the Taiwan (China) market around 1988. The percentage of the population of Taiwan (China) has an account. Stocks rose about threefold between 1988 and 1998, and Vietnam is expected to experience similar growth over the next decade..

BUY, SELL, ISSUED DIVIDENDS

1. Vingroup registered to sell more than 100 hundred million VHM shares, estimated to earn nearly VND 12,000 billion

- Vingroup Corporation (Stock code: VIC) has just registered to sell nearly 100.5 million VHM shares of Vinhomes Joint Stock Company, equivalent to 3% of charter capital. It is expected that the transaction will be executed by order matching and/or agreement method.
- If successfully completing this deal, Vingroup will reduce the amount of shares held by VHM to 2.23 billion units, equivalent to holding 66.66% of Vinhomes' charter capital.
- It is estimated that at the current market price, Vingroup will earn about VND 12,000 billion from the above transaction.

2. SSI: Daiwa Securities registered to sell 15.3 million shares of SSI

- Recently, Daiwa Securities Group Inc. registered to sell 15.3 million SSI shares of SSI Securities JSC during the expected trading period from August 18 to September 16.
- Transactions will be made through agreement or order matching. The performance goal is the financial one.
- Currently, Daiwa Securities Group Inc. is the largest shareholder in SSI with a holding rate of 17.99%, equivalent to more than 118 million shares. If the transaction is completed, Daiwa Securities will reduce its ownership rate to 15.67%.
- It is estimated that at the current price, Daiwa Securities will collect nearly 950 billion dong if completing the above transaction.

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 ¹)
ASM	Aquaculture	47.8%	3,948	15.25	20	31%	3.3%	BUY	7.84	0.63	6.6
CNG	Natural Gas Distribution	44.0%	765	28.35	29	2%	5.3%	Positive	12.48	1.31	12.8
CTG	Depository Credit Intermediation	4.9%	130,691	35.1	56	60%	0.0%	BUY	11.28	2.19	8.7
DCM	Chemical - Pharmaceutical	46.8%	12,414	23.45	18	-23%	4.3%	SELL	14.50	1.65	17.7
FPT	Software Publishers	0.0%	85,847	94.6	110	16%	2.1%	Positive	17.96	3.56	22.0
FRT	Electronics and Appliance Stores	34.8%	3,317	42	39.0	-7%	2.4%	Negative	130.00	1.99	16.6
GAS	Natural Gas Distribution	46.9%	180,294	94.2	101	7%	4.2%	Positive	24.39	3.58	15.0
GMD	Support Activities for Water Transportation	7.9%	14,692	48.75	50	3%	3.1%	Positive	29.22	1.99	24.5
HPG	Primary Metal Manufacturing	22.6%	221,190	49.45	60	21%	1.0%	BUY	9.25	2.54	8.0
MSN	Manufacturing	67.1%	157,601	133.5	150	12%	0.7%	Positive	83.20	11.82	52.5
MWG	Electronics and Appliance Stores	0.0%	80,871	170.1	160	-6%	0.9%	Negative	16.28	3.97	18.4
NT2	Electric Power Generation	34.2%	5,542	19.25	19	-1%	7.8%	Negative	10.72	1.47	11.1
PLX	Merchant Wholesalers, Nondurable Goods	2.8%	67,411	52.1	65	25%	5.8%	BUY	19.76	2.87	13.5
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%	17,461	56.5	58	3%	0.0%	Positive	9.82	1.40	9.2
TCB	Depository Credit Intermediation	100.0%	189,265	54	57	6%	0.0%	Positive	12.58	2.29	12.6
TCH	Real Estate Development	37.2%	7,664	19.2	24	25%	5.2%	BUY	9.14	0.94	9.6
TDM	Water Supply and Irrigation Systems	43.7%	2,980	29.8	35	17%	4.0%	Positive	10.65	1.63	11.9
VEA	Manufacturing	43.3%	58,600	44.1	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%	374,097	110.6	114	3%	0.0%	Positive	58.35	3.37	74.8
VJC	Air Transportation	11.8%	63,531	117.3	80	-32%	0.0%	SELL	51.20	4.14	635.3
VND*	Securities/ Finance	30.5%	22,781	53.1	60	13%	1.9%	Positive	16.12	2.05	17.5
VNM	Food Manufacturing	45.2%	187,051	89.5	80	-11%	4.5%	Negative	17.03	5.66	17.0
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%;

TARGET PRICE ADJUSTMENT:

- Accumulated in the first 6 months of 2021, the total operating revenue of VNDIRECT reached over VND 2,154 billion, up 148% over the same period. Total pre-tax accounting profit reached VND 1,135 billion, nearly 5 times higher than the same period in 2020
 - The business segment that brings the highest revenue for VNDIRECT is securities brokerage business, reaching VND 371.3 billion, up 242% over the same period last year.
 - Maintaining the growth rate of new accounts is also an important factor to help VNDIRECT achieve positive business performance. VNDIRECT welcomed over 76,000 new accounts in the second quarter of 2021, up 120% over the same period last year. Accumulated in the first 6 months of the year, VNDIRECT opened over 141,000 new accounts, an increase of 144% over the same period, bringing the total number of accounts VNDIRECT is managing to over 550,000 accounts => **VND are very good at attracting new investors (This will make the long-term outlook of VND much better)**
 - **Positive market liquidity exceeded expectations in August, with consecutive trading sessions of billion USD.**
- => Therefore, we decided to increase the valuation of VND from 43.3 to 60 (corresponding to an increase of 38.6%);**

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