

[Market Preview 29/6] FORECAST AND TRADING STRATEGIES

POSITIVE BUYING DEMAND HAS BROUGHT THE MARKET INDEX TO NEW ALL-TIME HIGH.

MARKET TREND	SUMMARY RECOMMENDATION STATUS
Short-term: Bullish <i>(Under a month)</i> Medium-term: Bullish <i>(1 – 6 months)</i> Long-term: Bullish <i>(6 months beyond)</i>	<ul style="list-style-type: none"> - NVL (Observation); VHM (BUY, target price: 130); PDR (Stop New Buy); HDC (Stop New Buy); KBC (BUY, target price: 55); NLG (BUY, target price: 45); NTL (BUY, target price: 40) are stocks in the Real Estate industry that we are interested and preferred for the next investment period. - Petro P-line and Rubber-related stocks are still our favorite for long-term portfolio and current prices are still worth to acquire more. - Banks' prices are still in overbought state in terms of value. There is a need for further correction for the price to be attractive again. - Securities Industry will increase in price, but it is only suitable for short-term speculative activities

	VnIndex	HNX Index	Upcom Index
Last	1405,81	323,1	89,8
Change (%)	15,69 (1,13%)	4,88 (1,53%)	0,32 (0,36%)
% 1 week	1,13%	1,53%	0,36%
Market value			
Today (bil.)	23.192,24	3.045,81	1.476,78
Foreign investor			
Buy (bil.)	1.172,39	54,27	20,31
Sell (bil.)	1.389,84	45,16	16,48
Net (bil.)	-217,45	9,11	3,83
Market Summ.			
Advances	228	122	165
Declines	157	113	121
Unchanged	54	52	92
Futures			
	Last	Open Interest	Volume (bil. VND)
VN30F1M	1523,8	29.792	22.043,72
VN30F2M	1517	199	49,95
VN30F1Q	1513	304	5,28
VN30F2Q	1514	204	6,48

Opening the first session of the week, the markets increased sharply in terms of points, liquidity and trading value. VNINDEX continues to rise to new highs; VN30 and F1M derivatives also surpassed the peak of 1510 set in early June 2021 to close above the threshold of 1521 points. Market liquidity also improved with nearly 700 million shares (HOSE) being traded, equivalent to over 23 trillion trading value.

The liquidity of this session is higher than the previous session, but still lower than the average level of the last 20 sessions. In the coming trading sessions, the liquidity needs to be improved above the threshold of 720 million shares (HOSE), for this market's uptrend to be sustainable.

Market breadth improved with 228 gainers, 157 losers and 54 unchanged. Strong gains in this session belonged to steel stocks, some banking stocks, and real estate stocks; Shipping and rubber stocks also increased significantly.

MSB (Positive, BUY) this session almost reached the ceiling with a sudden increase in trading volume, now MSB has started a short-term uptrend again after the whole month of June accumulating with little volatility. MSB shares have also been granted margin by the State

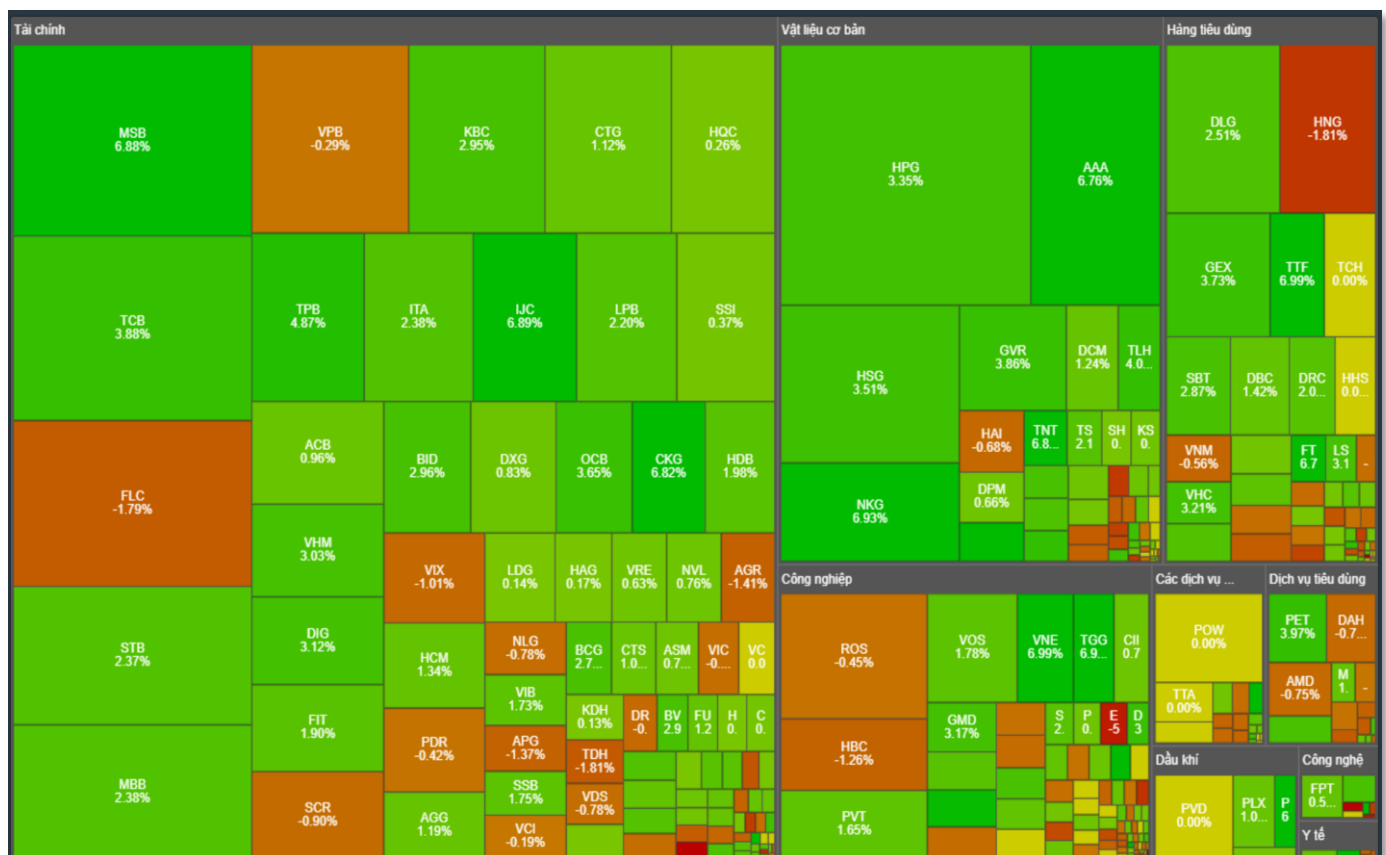
Securities Commission since June 24. Our recommendation for this stock is: Positive, short-term speculative buying can be done around the price range 29 – 31 with the target price above 35.

TPB (Positive, BUY) also saw a sudden surge in trading volume when more than 11 million shares were traded, 4.6 million shares higher than the average of the last 20 sessions. TPB has also recently been approved by the State Bank to increase its capital by 1,000 billion, to more than 11,700 billion by private placement for strategic investors. It is expected that this capital increase plan will be

implemented soon in Q3/2021. Tien Phong bank has the 3rd highest Return on Equity ratio in the industry (ROE is 24.13%) and the 8th highest Return on Asset ratio in the whole industry (ROA is ~2%). The bank's capital efficiency is also more clearly reflected in its efforts to optimize capital flows, with its cost-to-income ratio (CIR) falling from 39.69% at the end of 2020 to 35, 2%. In the short term, the price of TPB is forecasted to continue to rise above the peak area of 40.5 set in early June to reach the target price above 42.5.

This session, more than 1 billion dividend shares of **HPG (Observation)** were allowed to be traded, however HPG's price this session still increased by over 3.4%, closing at 52.4. HPG's Q2 business results are forecasted to grow positively, with estimated revenue of VND 34,500 billion (up 68% over the same period) and NPAT estimated at VND 8,100 billion (up 195% over the same period). . Currently, from the beginning of June until now, the price of HPG has dropped from 56 and the short-term price trend is still bearish. We keep our recommendation with HPG in Observed status for medium and long term investment. For short-term speculative activities, it is possible to BUY with a moderate proportion around the price level of 50 – 52, with the target price for this short-term rally at 55.

Real estate stocks also increased this session, in which we still prefer **VHM (BUY, target price: 130); KBC (BUY, target price: 55); NTL (BUY, target price: 40)**. Real estate stocks are still rated **POSITIVE** by us after Vietnam has well controlled the Covid-19 epidemic, social distancing has been removed and the credit growth plan for the banking industry has been adjusted by the SBV for the last 6 months of 2021... The real estate industry and stocks of this group will benefit greatly from the movements of the macro-economy and currency, from which the business outlook will be positive.



(Source: HOSE, FireAnt)

Futures Market:

VN30F2107	1,523.8	18.80/1.25	145,369
VN30F2108	1,517.0	17.90/1.19	331
VN30F2109	1,513.7	17.70/1.18	35
VN30F2112	1,514.0	18/1.20	43
06/28/2021			

(Source: Vietstock)

Opening the first session of the week, VN30 and its derivative contracts had a positive bullish session when the cash flow returned to lead the market to a new high. Right from the beginning of the ATO session, derivative contracts simultaneously created a gap and increased by 5 points. After many times the resistance at 1510 were tested, today VN30 and F1M contract have surpassed this level convincingly.

During the session, buyers dominated the sellers, pushing the price of the F1M contract to new highs before closing near this threshold. The liquidity of F1M contracts was still much lower than the average of the previous 20 sessions when there were only less than 150,000 contracts matched today. In which, foreign investors were net buyers with the value of 184.56 billion.

After breaking through the resistance area of 1505 -1510, F1M reached a new peak of 1525 during the session. At this point, the resistance level of 1505-1510 becomes the nearest support in case F1M declines. Currently, the short-term uptrend to set new tops is still preserved.



VN30F1M, hourly

Trading strategy:

Currently, the long positions we recommended in last week's report are still profitable. We recommend investors to hold and not to buy new when the F1M contract is still setting new highs and may change direction unexpectedly. With previously held positions, investors can trail the Stop-loss to 1515 in case F1M suddenly drops to ensure profits.

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%	3.611	13,95	20	43%	3,6%	BUY	7,84	0,63	6,0
AST	Support Activities for Air Transportation	6,2%	2.282	50,7	45	-11%	0,0%	Negative	n/a	4,64	n/a
CNG	Natural Gas Distribution	44,0%	645	23,9	22	-8%	6,3%	Negative	12,48	1,31	10,8
CTG	Depository Credit Intermediation	4,9%	202.553	54,4	56	3%	0,0%	Positive	11,28	2,19	13,5
DCM	Chemical - Pharmaceutical	46,8%	10.826	20,45	18	-12%	4,9%	Negative	14,50	1,65	15,5
DPR	Chemical - Pharmaceutical	38,2%	2.488	62	58	-6%	8,1%	Negative	11,61	1,03	10,0
FPT	Software Publishers	0,0%	77.770	85,7	80	-7%	2,3%	Negative	17,96	3,56	19,9
GAS	Natural Gas Distribution	46,9%	181.825	95	101	6%	4,2%	Positive	24,39	3,58	15,2
GDT	Manufacturing	33,4%	990	57,8	50	-13%	6,9%	Negative	11,15	4,02	11,7
GMD	Support Activities for Water Transportation	7,9%	13.261	44	50	14%	3,4%	Positive	29,22	1,99	22,1
HND	Electric Power Generation	49,0%	9.000	18	21	17%	8,3%	Positive	6,36	21,42	13,8
HPG	Primary Metal Manufacturing	22,6%	234.385	52,4	60	15%	1,0%	Positive	9,25	2,54	8,4
MCH	Food Manufacturing	46,9%	83.218	114,5	150	31%	3,9%	BUY	17,35	5,66	16,0
MSN	Manufacturing	67,1%	128.560	108,9	98	-10%	0,9%	Negative	83,20	11,82	42,9
MWG	Electronics and Appliance Stores	0,0%	69.175	145,5	160	10%	1,0%	Positive	16,28	3,97	15,7
NT2	Electric Power Generation	34,2%	5.930	20,6	19	-8%	7,3%	Negative	10,72	1,47	11,9
PLX	Merchant Wholesalers, Nondurable Goods	2,8%	73.880	57,1	65	14%	5,3%	Positive	19,76	2,87	14,8
POW	Electric Power Generation	46,0%	28.454	12,15	12	-1%	4,1%	Negative	12,65	0,91	13,5
PPC	Electric Power Generation	34,3%	8.156	25	25	0%	10,0%	Negative	7,99	1,30	10,9
QTP	Electric Power Transmission, Control, and Distribution	48,9%	6.300	14	17	21%	7,1%	BUY	7,24	1,16	11,5
REE	Building Equipment Contractors	0,0%	17.709	57,3	58	1%	0,0%	Positive	9,82	1,40	9,3
SCS	Support Activities for Air Transportation	26,7%	7.272	143,3	160	12%	5,6%	Positive	15,05	6,28	13,2
SGN	Support Activities for Air Transportation	27,9%	2.327	69,3	80	15%	2,9%	Positive	44,74	2,57	46,5
TCB	Depository Credit Intermediation	100,0%	187.863	53,6	57	6%	0,0%	Positive	12,58	2,29	12,5
TCW	Freight Transportation Arrangement	45,0%	636	31,8	38	19%	8,2%	Positive	8,17	1,73	7,9
TCH	Real Estate Development	37,2%	8.802	22,05	24	9%	4,5%	Positive	9,14	0,94	11,0
TDM	Water Supply and Irrigation Systems	43,7%	2.810	28,1	35	25%	4,3%	BUY	10,65	1,63	11,2
TYA	Manufacturing	59,5%	473	15,4	18	17%	11,4%	Positive	7,04	0,96	6,3
VEA	Manufacturing	43,3%	62.852	47,3	45	-5%	9,5%	Negative	11,34	2,58	9,0
VHM*	Real Estate Development	26,2%	386.869	115,5	145	26%	0,9%	BUY	14,01	3,92	12,9
VIC	Manufacturing	22,6%	394.730	116,7	114	-2%	0,0%	Negative	58,35	3,37	78,9
VJC	Air Transportation	11,8%	62.556	115,5	80	-31%	0,0%	SELL	51,20	4,14	625,6
VND	Securities/ Finance	30,5%	19.521	45,5	43	-5%	2,2%	Negative	16,12	2,05	15,0
VNM	Food Manufacturing	45,2%	186.424	89,2	80	-10%	4,5%	Negative	17,03	5,66	16,9
VNR	Insurance Carriers	21,1%	3.657	27,9	35	25%	4,3%	BUY	9,45	1,16	10,4
WSB	Beverage Manufacturing	32,5%	696	48	65	35%	10,4%	BUY	6,39	1,09	4,6

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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