

[Market Preview 14/07] FORECAST AND TRADING STRATEGIES

THE MARKET RECOVERED SLIGHTLY IN SCORES, AND SOON IT IS NECESSARY TO OVERCOME THE IMPORTANT RESISTANCE LEVELS OF 1330 AND 1370 TO BE GOOD FOR THE SHORT TERM. OTHERWISE, BEARISH REMAINS TO BE THE MAIN TREND IN THE SHORT TERM.

MARKET TREND	SUMMARY RECOMMENDATION STATUS
Short-term: Bearish (Under a month) Medium-term: Bullish (1 – 6 months) Long-term: Bullish (6 months beyond)	<ul style="list-style-type: none"> - Overall, the price of the bank line is still over-bought in terms of value and market value. Further adjustment (about 10%) is needed to make the price attractive again for medium and long-term investment strategies. - 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. - Securities stocks: There is a prospect of price increase when benefiting from the Earning season in Q2/2021; order congestion will be completely resolved at the beginning of July; margin volume remained at record levels. However only suitable for short-term speculative activities with SSI, HCM, VND.

	VnIndex	HNX Index	Upcom Index
Last	1297,54	296,69	85,36
Change (%)	1,24 (0,10%)	3,71 (1,27%)	1,47 (1,75%)
% 1 week	-3,68%	-3,27%	-1,98%
Market value			
Today (bil.)	15.915,32	2.482,73	870,20
Foreign investor			
Buy (bil.)	1.543,18	23,94	15,44
Sell (bil.)	1.758,74	33,25	3,57
Net (bil.)	-215,56	-9,31	11,87
Market Summ.			
Advances	265	154	197
Declines	112	55	73
Unchanged	44	49	54
Futures			
	Last	Open Interest	Volume (bil. VND)
VN30F1M	1446,9	32.188	51.105,44
VN30F2M	1445	1.666	912,98
VN30F1Q	1441,4	244	26,17
VN30F2Q	1442,3	220	16,82

Markets recovered slightly on points in today's trading session (July 13) after yesterday's panic and sell-off. With reduced liquidity across both markets, however, the market width was expanded with 265 gainers, 2.3 times higher than the number of losers. These show signs of a return of the money flow to exploration and spread, although this is a light green session.

Foreign investors turned back to net selling with a value of over 215 billion dong, they sold a lot of VNM, VIC, VCB, CTG, HPG and E1VFN30 Open Fund certificates. Meanwhile, securities companies' self-trading net bought nearly 553 billion dong, focusing on buying many TCB, VPB, STB and VNM.

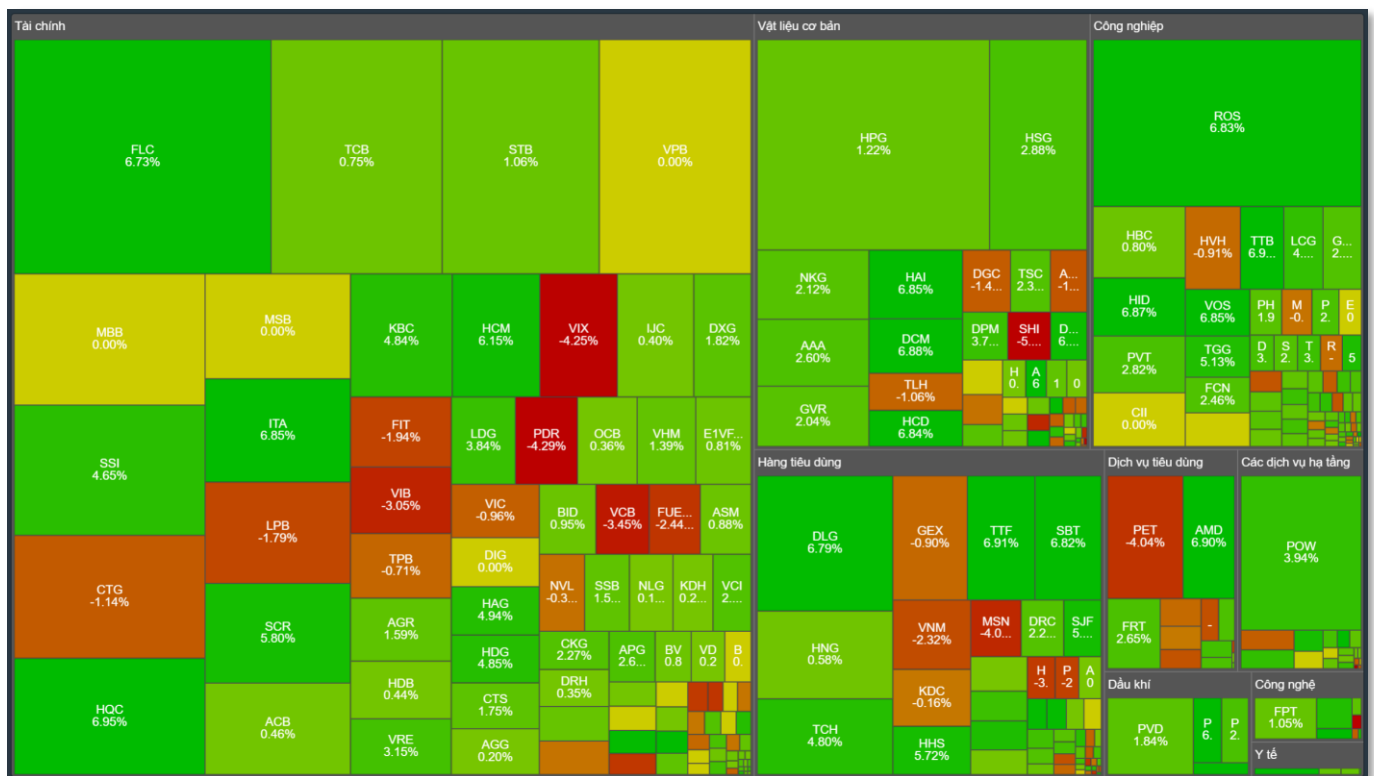
Securities stocks rebounded strongly in this session, gaining nearly 4% of the index. In which, SSI increased by 4.65%; VND increased by 5.03%; HCM, SHS increased by 6.15% and 2.85%, respectively. Strong increase in price belonged to the group of small and medium sized securities such as SBS, AAS, BVC, ART, BSI when increasing from 7 to 11%.

Bank group continued to decline when the leading loser was VCB down 3.45%, VIB (-3.5%), LPB (-1.79%), CTG (-1.14%). While gaining well, only SHB (+2.53%), TCB, and STB also only increased slightly. The strong gain came from small-sized bank stocks such as VBB, SGB, BVB, ABB, and

SSB when they increased by 1.6 - 7% in this session.

Real estate stocks and real estate services this session also saw the cash flow again after the previous strong declines. At the top were FLC, HQC, ITA, and BII, which hit the ceiling; HAR, SCR, KBC, VRE, LDG also increased well above 3%. The down direction saw PDR, VIC, and NVL when it decreased from 0.3 to 4.3%.

In the Mid- and Long-term: Uptrend channel Level 1 has not been broken (important support levels are 1260 points and 1240 points with VNINDEX), the general Bullish trend of the whole market is still preserved.



Futures Market:

(Source: Vietstock)

The recovery near the end of yesterday's session of the derivatives market was one of the reasons for the recovery of the underlying market. At the beginning of the session, VN30 and derivatives

contracts both started with positive signals when they both increased slightly. The F1M contract was cautiously traded and recovered quite well. However, in general, during the morning session, the F1M contract only fluctuated up and down in the price range 1440-1455. At the end of the morning session, the F1M contract was strongly sold and fell off the 1438 support area. Then during the afternoon session, F1M continued to reverse in a narrow price range and sometimes sold to the 1420 zone. But soon after touching this threshold, F1M recovered to 26 points in the remaining half hour of the afternoon session. At the end of the session, the F1M contract closed at 1446.9, up 3 points compared to the reference.

The liquidity of F1M today continued to be maintained at a high level with more than 354 thousand contracts matched in the session, and still much higher than the average liquidity of the previous 20 sessions. Foreign investors continued to be net sellers today with a value of more than 199 billion dong in this session.

The medium and long-term trend of F1M contracts remains bullish. However, in the short term, with the F1M contract expiring within the week, it is likely that the trend for the next sessions is still accumulation and fluctuations in a narrow price range.



VN30F1M intraday. Source: FireAnt

Trading strategy:

Currently, the short-term trend of the F1M contract is still not clearly defined and will likely continue to fluctuate in a narrow range. We recommend that investors can open a small amount of Long contract at the price range of 1433 ± 2 points and stop loss at 1426.

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%	2.977	11,5	20	74%	4,3%	BUY	7,84	0,63	5,0
CNG	Natural Gas Distribution	44,0%	664	24,6	29	18%	6,1%	Positive	12,48	1,31	11,1
CTG	Depository Credit Intermediation	4,9%	128.830	34,6	56	62%	0,0%	BUY	11,28	2,19	8,6
DCM	Chemical - Pharmaceutical	46,8%	9.053	17,1	18	5%	5,8%	Positive	14,50	1,65	12,9
FPT	Software Publishers	0,0%	78.950	87	80	-8%	2,3%	Negative	17,96	3,56	20,2
FRT	Electronics and Appliance Stores	34,8%	2.444	30,95	39	26%	3,2%	BUY	130,00	1,99	12,2
GAS	Natural Gas Distribution	46,9%	175.126	91,5	101	10%	4,4%	Positive	24,39	3,58	14,6
GMD	Support Activities for Water Transportation	7,9%	11.965	39,7	50	26%	3,8%	BUY	29,22	1,99	19,9
HPG	Primary Metal Manufacturing	22,6%	203.522	45,5	60	32%	1,1%	BUY	9,25	2,54	7,3
MSN	Manufacturing	67,1%	135.761	115	98	-15%	0,9%	Negative	83,20	11,82	45,3
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%	5.441	18,9	19	1%	7,9%	Positive	10,72	1,47	10,9
PLX	Merchant Wholesalers, Nondurable Goods	2,8%	65.988	51	65	27%	5,9%	BUY	19,76	2,87	13,2
POW	Electric Power Generation	46,0%	24.707	10,55	12	14%	4,7%	Positive	12,65	0,91	11,8
REE	Building Equipment Contractors	0,0%	16.040	51,9	58	12%	0,0%	Positive	9,82	1,40	8,4
TCB	Depository Credit Intermediation	100,0%	188.914	53,9	57	6%	0,0%	Positive	12,58	2,29	12,6
TCH	Real Estate Development	37,2%	7.844	19,65	24	22%	5,1%	BUY	9,14	0,94	9,8
TDM	Water Supply and Irrigation Systems	43,7%	2.740	27,4	35	28%	4,4%	BUY	10,65	1,63	11,0
VEA	Manufacturing	43,3%	61.523	46,3	45	-3%	9,7%	Negative	11,34	2,58	8,8
VHM	Real Estate Development	26,2%	366.772	109,5	145	32%	0,9%	BUY	14,01	3,92	12,2
VIC	Manufacturing	22,6%	348.390	103	114	11%	0,0%	Positive	58,35	3,37	69,7
VJC	Air Transportation	11,8%	64.939	119,9	80	-33%	0,0%	SELL	51,20	4,14	649,4
VND	Securities/ Finance	30,5%	17.032	39,7	43	9%	2,5%	Positive	16,12	2,05	13,1
VNM	Food Manufacturing	45,2%	176.183	84,3	80	-5%	4,7%	Negative	17,03	5,66	16,0
VNR	Insurance Carriers	21,1%	3.277	25	35	40%	4,8%	BUY	9,45	1,16	9,4

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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