

[Market Preview 15/07]

FORECAST AND TRADING STRATEGIES

THE REMAINING TRADING SESSIONS OF THIS JULY WILL PLAY IMPORTANT ROLE IN DETERMINING THE MEDIUM AND LONG-TERM TRENDS OF THE WHOLE MARKET.

| MARKET TREND | SUMMARY RECOMMENDATION STATUS |
|---|--|
| Short-term: Bearish <i>(Under a month)</i> | <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. |
| Medium-term: Bullish <i>(1 – 6 months)</i> | <ul style="list-style-type: none"> - 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. |
| Long-term: Bullish <i>(6 months beyond)</i> | <ul style="list-style-type: none"> - 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 | 1279,91 | 296,87 | 84,49 |
| Change (%) | -17,63 (-1,36%) | 0,17 (0,06%) | -0,8 (-0,94%) |
| % 1 week | -4,99% | -3,22% | -2,89% |
| Market value | | | |
| Today (bil.) | 19.324,81 | 1.969,64 | 938,64 |
| Foreign investor | | | |
| Buy (bil.) | 2.423,14 | 18,23 | 17,88 |
| Sell (bil.) | 2.096,60 | 19,55 | 17,91 |
| Net (bil.) | 326,54 | -1,32 | -0,03 |
| Market Summ. | | | |
| Advances | 138 | 97 | 144 |
| Declines | 234 | 90 | 111 |
| Unchanged | 44 | 66 | 63 |
| Futures | | | |
| | Last | Open Interest | Volume (bil. VND) |
| VN30F1M | 1409 | 32.282 | 45.585,08 |
| VN30F2M | 1412,9 | 4.024 | 1675,99 |
| VN30F1Q | 1418,9 | 237 | 18,65 |
| VN30F2Q | 1406 | 226 | 14,76 |

The markets turned to decline after yesterday's weak recovery, with liquidity and trading value improving slightly, while still below the last 20 session average. We are concerned and worried that if the trading volume in the remaining days of July is below 22-25 trillion dong/session (on HOSE), the market's mid- and long-term tier 1 uptrend will be difficult to be preserved.

The number of losers expanded to 234 stocks (HOSE), twice as high as the number of gainers, with market breadth widening and red as the dominant force in the entire session on July 14.

Foreign investors returned to a net buying of over 326 billion dong, focusing on buying mainly HPG, VHM and SSI. While selling strongly in VPB, VCB, NVL, KBC and VIC. Securities companies' self-trading in this session traded in moderate volume, with only a net selling of nearly 100 billion, focusing on buying a lot of IJC, E1VFN30, while net selling TCB and HPG.

The market in this July is extremely important for both the medium and long-term trend as VNINDEX's score is approaching very close to the level 1 uptrend line.

Up to now, VNINDEX has decreased by 9.13% in July. This decrease is almost equivalent to the decrease of 10.58% in April 2018. And also at the time of April 2018 marked the

end of a strong uptrend since January 2017. After that, the market trend changed to a downtrend that lasted from April 2018 to January 2019. The slippage at that time was -23% (down from 1180 points to 911 points of VNINDEX).

We are seeing if: (1) The market fails to hold the medium and long term support at 1260 points and 1240 points; (2) The liquidity in the remaining sessions of this July did not exceed the average of the

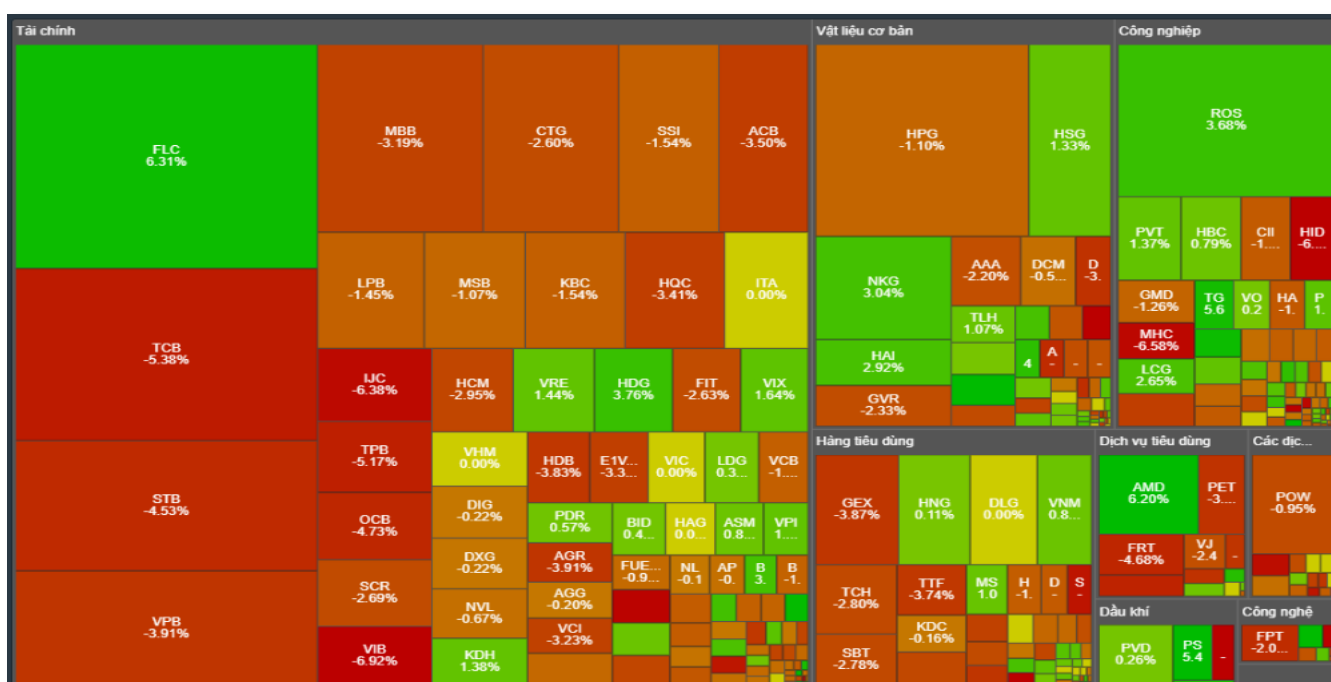
last 20 sessions, equivalent to 22-25 trillion VND/session on HOSE exchange. Then the Level 1 uptrend channel in the medium and long term will be broken.

At that time, the market will officially switch to a downtrend in a long-term cycle, possibly with a drop of 1100 points, equivalent to a decrease of about 14% compared to the current score of 1279 points of VNINDEX.

Therefore, the coming trading sessions of July are very important for both the medium and long-term trend of the whole market.

In the short term, the market will soon have recovery sessions to approach the 1300 point level again, and need the "support and reinforcement" of liquidity and trading value. The trading value of 22-25 trillion dong/session of HOSE are important milestones to observe.

Previously purchased short-term investments (trapped at high prices) have no cost advantage. It is prudent to consider closing the position, selling does not need to be too hasty in the coming rebounds, to prevent the prospect that the volatility and market breadth will be large in the coming sessions of July.



(Source: HOSE, FireAnt)

Futures Market:

| | | | |
|------------|---------|--------------|---------|
| VN30F2107 | 1,409.0 | -37.90/-2.62 | 320,253 |
| VN30F2108 | 1,412.9 | -32.10/-2.22 | 11,776 |
| VN30F2109 | 1,418.9 | -10.30/-0.72 | 131 |
| VN30F2112 | 1,406.0 | -36.30/-2.52 | 104 |
| 14/07/2021 | | | |

(Source: Vietstock)

In today's session, the bad impact from the bank and real estate sectors made VN30 continue to have a 5th consecutive decline session. With the cautious and hesitant sentiment of both sellers and buyers, VN30 mainly fluctuated around reference at the beginning of the session, making it difficult for the F1M contract to gain points, surpassing resistance at 1450. With stocks Banks in the VN30 group simultaneously turned negative after that, the VN30 index and derivatives contracts also immediately dropped. Only in the morning session, VN30 and F1M contracts fell by 30 and 36 points, respectively. At the beginning of the afternoon session, VN30 and F1M continued to decline and lost the 1400 mark a couple of times. Only from 2pm onwards, VN30 and F1M contracts recovered a little thanks to the bottom-fishing demand and partly from the cover orders of the short position when it meets the psychological support at 1400. At the end of the session, the F1M contract closed at 1409, 37.90 points lower than the reference.

The liquidity of F1M today continued to be maintained at a high level when more than 320 thousand contracts were matched in the session, and still much higher than the average liquidity of the previous 20 sessions. Foreign investors today had the 6th consecutive net selling session with the value of only nearly 25 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 F1M contract is accumulation and fluctuation in a narrow range. With the F2107 contract expiring tomorrow, we recommend that investors consider to only Observe the market on expiration session and if you trade, only small position should be opened.

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% | 3.003 | 11,6 | 20 | 72% | 4,3% | BUY | 7,84 | 0,63 | 5,0 |
| CNG | Natural Gas Distribution | 44,0% | 651 | 24,1 | 29 | 20% | 6,2% | BUY | 12,48 | 1,31 | 10,8 |
| CTG | Depository Credit Intermediation | 4,9% | 125.479 | 33,7 | 56 | 66% | 0,0% | BUY | 11,28 | 2,19 | 8,4 |
| DCM | Chemical - Pharmaceutical | 46,8% | 9.000 | 17 | 18 | 6% | 5,9% | Positive | 14,50 | 1,65 | 12,9 |
| FPT | Software Publishers | 0,0% | 77.316 | 85,2 | 80 | -6% | 2,3% | Negative | 17,96 | 3,56 | 19,8 |
| FRT | Electronics and Appliance Stores | 34,8% | 2.330 | 29,5 | 39,0 | 32% | 3,4% | BUY | 130,00 | 1,99 | 11,6 |
| GAS | Natural Gas Distribution | 46,9% | 174.744 | 91,3 | 101 | 11% | 4,4% | Positive | 24,39 | 3,58 | 14,6 |
| GMD | Support Activities for Water Transportation | 7,9% | 11.814 | 39,2 | 50 | 28% | 3,8% | BUY | 29,22 | 1,99 | 19,7 |
| HPG | Primary Metal Manufacturing | 22,6% | 201.285 | 45 | 60 | 33% | 1,1% | BUY | 9,25 | 2,54 | 7,2 |
| MSN | Manufacturing | 67,1% | 137.178 | 116,2 | 98 | -16% | 0,9% | Negative | 83,20 | 11,82 | 45,7 |
| MWG | Electronics and Appliance Stores | 0,0% | 79.159 | 166,5 | 160 | -4% | 0,9% | Negative | 16,28 | 3,97 | 18,0 |
| NT2 | Electric Power Generation | 34,2% | 5.412 | 18,8 | 19 | 1% | 8,0% | Positive | 10,72 | 1,47 | 10,8 |
| PLX | Merchant Wholesalers, Nondurable Goods | 2,8% | 65.858 | 50,9 | 65 | 28% | 5,9% | BUY | 19,76 | 2,87 | 13,2 |
| POW | Electric Power Generation | 46,0% | 24.473 | 10,45 | 12 | 15% | 4,8% | Positive | 12,65 | 0,91 | 11,7 |
| REE | Building Equipment Contractors | 0,0% | 15.792 | 51,1 | 58 | 14% | 0,0% | Positive | 9,82 | 1,40 | 8,3 |
| TCB | Depository Credit Intermediation | 100,0% | 178.750 | 51 | 57 | 12% | 0,0% | Positive | 12,58 | 2,29 | 11,9 |
| TCH | Real Estate Development | 37,2% | 7.624 | 19,1 | 24 | 26% | 5,2% | BUY | 9,14 | 0,94 | 9,5 |
| TDM | Water Supply and Irrigation Systems | 43,7% | 2.715 | 27,15 | 35 | 29% | 4,4% | BUY | 10,65 | 1,63 | 10,9 |
| VEA | Manufacturing | 43,3% | 60.195 | 45,3 | 45 | -1% | 9,9% | Negative | 11,34 | 2,58 | 8,6 |
| 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% | 63.368 | 117 | 80 | -32% | 0,0% | SELL | 51,20 | 4,14 | 633,7 |
| VND | Securities/ Finance | 30,5% | 16.689 | 38,9 | 43 | 11% | 2,6% | Positive | 16,12 | 2,05 | 12,8 |
| VNM | Food Manufacturing | 45,2% | 177.646 | 85 | 80 | -6% | 4,7% | Negative | 17,03 | 5,66 | 16,1 |
| VNR | Insurance Carriers | 21,1% | 2.831 | 21,6 | 35 | 62% | 5,6% | BUY | 9,45 | 1,16 | 8,1 |

Source: AIS'sResearch, 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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