

## [Market Preview 21/07]

### FORECAST AND TRADING STRATEGIES

**IN SHORT-TERM, THE MARKET WILL HAVE SOME REBOUND SESSIONS TO APPROACH THE RESISTANCE OF 1300 POINTS.**

MARKET TREND	SUMMARY RECOMMENDATION STATUS
<b>Short-term: Bearish</b> <i>(Under a month)</i>	1) In the short term, the market will continue to have <b>recovery</b> sessions next week to approach the level of 1310 - 1320 points again;
<b>Medium-term: Bullish</b> <i>(1 – 6 months)</i>	2) This rebound needs the <b>"support and reinforcement" of liquidity and trading value. The trading value of 22-25 trillion dong/session of HOSE</b> are important milestones to observe
<b>Long-term: Bullish</b> <i>(6 months beyond)</i>	3) If Vnindex cannot keep new important supports at 1240 points and 1200 points, <b>THE WORST-CASE SCENARIO WILL OCCUR</b> for the medium and long-term trend of the market.
	4) <b>Short-term and/or cost-average new buying activities</b> are not encouraged as the rebound is not expected to be too strong;
	5) <b>Buying activities for the long term:</b> It is necessary to wait a little longer when the prices of stocks adjust to the appropriate price range to buy and collect for the long term.

	VnIndex	HNX Index	Upcom Index
Last	1273.29	301.03	83.69
Change (%)	29.78 (2.39%)	8.97 (3.07%)	1.10 (1.33%)
% 1 week	-2.00%	-2.16%	-1.92%
<b>Market value</b>			
Today (bil.)	17,879.684	2,460.433	864.051
<b>Foreign investor</b>			
Buy (bil.)	1,749.82	359.9	15.5
Sell (bil.)	2,074.99	16.64	16.7
Net (bil.)	-325.17	343.26	-1.20
<b>Market Summ.</b>			
Advances	281	134	170
Declines	94	59	81
Unchanged	40	63	60
<b>Futures</b>			
	Last	Open Interest	Volume (bil. VND)
VN30F1M	1405	31,186	49,448.89
VN30F2M	1406.8	466	107.81
VN30F1Q	1405.1	256	28.01
VN30F2Q	1401.4	42	8.83

The markets recovered after the strong declines since the beginning of July. During the morning, the market was very irritating when the scores almost dropped and fluctuated in a narrow range, before bouncing up to the highest level at the end of the session. VNINDEX this session increased by 2.39% to 1,273.29 points; HNXINDEX rose 3.1% to 301.11 points; VN30 increased by 2.68% and F1M Derivatives also increased by 2.7%.

Market liquidity decreased slightly when nearly 570 million shares and fund certificates were traded on Ho Chi Minh City floor with a trading value of nearly 18 trillion. Foreign investors net sold 325 billion when focusing on selling MSB, VIC, NVL, VRE and KDH; while net buying STB, HPG and HSG. The self-trading sector strongly bought in this session when strongly buying FUEVFNVD, VPB and ACB with a total net buying of over 360 billion.

Securities stocks, Industrial metals (steel) led in this recovery session when gaining over 5%. Bank stocks were also not out of the trend with TCB, CTG, MBB, SHB and VCB all gaining again.

**Securities companies, banks started to report high profits in 2Qs/2021**

VND and SHS just reported high profit in 2Qs/2021 with EBT of 1135 billion and 722 billion respectively, increasing by 5 and 3 times compared to the same period last year. This session both stocks increased strongly.

Being in the Earning season in Q2/2021, it is forecasted that securities companies will announce both high revenue and profit. Along with that, the problem of order congestion has been completely resolved. Although the margin of the whole market decreased, it was still maintained at a high level; and speculative cash flows will pour into this group of stocks at any time when the market is positive again. Although these factors have been more or less reflected in the price, investment needs to be carefully selected when investing in this group of stocks.

Techcombank (TCB) also just had preliminary business results 2Qs/2021 when EBT reached 11.5 trillion, up 71% over the same period. All business segments have positive growth. Net interest income (NII) reached VND 12.7 trillion, up 56%. Net fee income (NFI) grew by 31.6% y/y to VND2.8 trillion with contributions from all key fees.

Securities-related fee income, the largest component of NFI, grew by 18.4%, including VND420 billion in bond underwriting fees and VND865 billion in fees from other services – including fees from fiduciary, advisory and agency activities, brokerage fees and fund management fees.

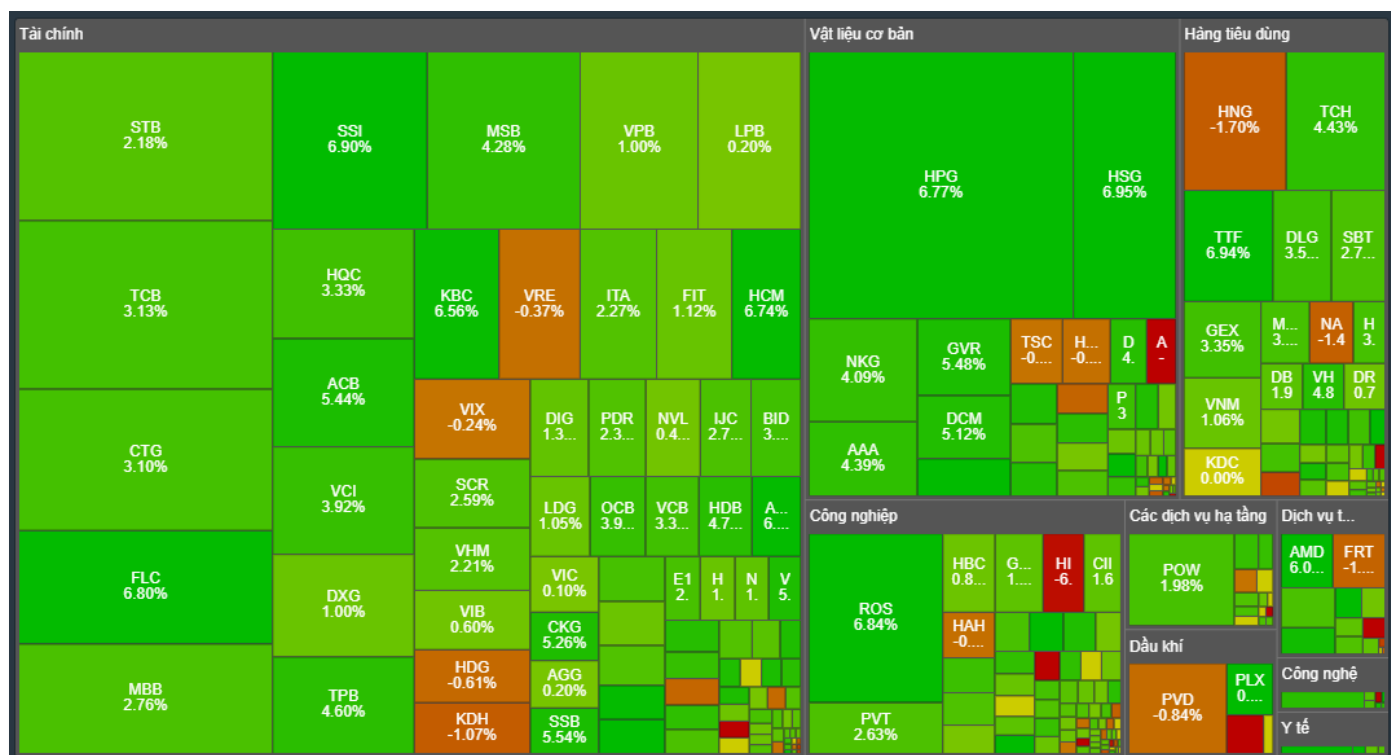
TCB's asset quality continues to lead the way in the banking system with a bad debt ratio of only 0.4%, lower than the 0.9% level in the second quarter of 2020 and maintaining the announced 0.4% level. announced at the end of the first quarter of 2021.

Returning to the stock market, in the short term, the market will still have rebound sessions to approach the 1300 point mark - this is really necessary and meaningful after the "free fall" sessions from the beginning of July until now. Short-term and/or cost-average new buying activities are not encouraged as the rebound is not expected to be too strong.

This rebound needs 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. Important support levels: 1240 points and 1200 points if not held, THE WORST-CASE SCENARIO WILL OCCUR for the medium and long-term trend of the market.

Buying activities for the long term is necessary to wait a little longer when the prices of stocks adjust to the appropriate price range to buy and collect for the long term.





(Source: HOSE, FireAnt)

## Futures Market:

VN30F2108	1,405.0	37/2.70	358,081
VN30F2109	1,406.8	36.90/2.69	781
VN30F2112	1,405.1	37.50/2.74	204
VN30F2203	1,401.4	3.20/0.23	64
20/07/2021			

(Source: Vietstock)

After yesterday's strong correction, VN30 showed some signs of recovery. Entering today's session, VN30 and F1M contracts created a gap of 5-10 points right after the ATO session. However, because the short-term trend is still bearish, investors in the underlying market only want to exit when there is a recovery. This made VN30 and F1M contracts just hovering around the reference for most of the morning session. In the middle of the morning session, many stocks in the VN30 group were sold strongly again, followed by the shaking in the derivatives market, causing the F1M contract shrink, from up 17 points to down 8 points compared to reference (down 25 points). In the afternoon session, the F1M contract suddenly increased to 40 points, creating a bullish RSI divergence signal in the 1-hour frame before closing at 1405, near the highest level of the day (1409.4), up 37 points compared to the reference.

The liquidity of F1M today continued to be maintained at a high level when more than 358 thousand contracts were matched in the session, much higher than the average liquidity of the previous 20 sessions. In which, foreign investors continued to be net sellers today with a value of more than 119 billion dong.

Currently, in the short term, the trend of F1M contracts is bearish. Today's rally may just be a recovery in a downtrend when the underlying market, the buying cash flow factor is still quite weak and the VN-Index's resistance area of 1300 is still quite difficult to conquer in the short-term.



VN30F1M intraday. Source: FireAnt

### Trading strategy:

The short-term trend is currently down and may continue in the coming sessions. Traders can open a small number of short contracts around  $1427 \pm 2$  points with stop loss at 1435 and can take profit around 1415 area.

## 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%	3,132	12.1	20	65%	4.1%	BUY	7.84	0.63	5.2
CNG	Natural Gas Distribution	44.0%	660	24.45	29	19%	6.1%	Positive	12.48	1.31	11.0
CTG	Depository Credit Intermediation	4.9%	123,803	33.25	56	68%	0.0%	BUY	11.28	2.19	8.3
DCM	Chemical - Pharmaceutical	46.8%	9,238	17.45	18	3%	5.7%	Positive	14.50	1.65	13.2
FPT	Software Publishers	0.0%	78,768	86.8	80	-8%	2.3%	Negative	17.96	3.56	20.2
FRT	Electronics and Appliance Stores	34.8%	2,397	30.35	39.0	29%	3.3%	BUY	130.00	1.99	12.0
GAS	Natural Gas Distribution	46.9%	170,342	89	101	13%	4.5%	Positive	24.39	3.58	14.2
GMD	Support Activities for Water Transportation	7.9%	12,778	42.4	50	18%	3.5%	Positive	29.22	1.99	21.3
HPG	Primary Metal Manufacturing	22.6%	211,573	47.3	60	27%	1.1%	BUY	9.25	2.54	7.6
MSN	Manufacturing	67.1%	145,206	123	98	-20%	0.8%	SELL	83.20	11.82	48.4
MWG	Electronics and Appliance Stores	0.0%	78,256	164.6	160	-3%	0.9%	Negative	16.28	3.97	17.8
NT2	Electric Power Generation	34.2%	5,354	18.6	19	2%	8.1%	Positive	10.72	1.47	10.7
PLX	Merchant Wholesalers, Nondurable Goods	2.8%	63,853	49.35	65	32%	6.1%	BUY	19.76	2.87	12.8
POW	Electric Power Generation	46.0%	24,121	10.3	12	17%	4.9%	Positive	12.65	0.91	11.5
REE	Building Equipment Contractors	0.0%	15,978	51.7	58	12%	0.0%	Positive	9.82	1.40	8.4
TCB	Depository Credit Intermediation	100.0%	173,493	49.5	57	15%	0.0%	Positive	12.58	2.29	11.6
TCH	Real Estate Development	37.2%	7,524	18.85	24	27%	5.3%	BUY	9.14	0.94	9.4
TDM	Water Supply and Irrigation Systems	43.7%	2,790	27.9	35	25%	4.3%	BUY	10.65	1.63	11.2
VEA	Manufacturing	43.3%	51,292	38.6	45	17%	11.7%	Positive	11.34	2.58	7.3
VHM*	Real Estate Development	26.2%	357,058	106.6	145	36%	0.9%	BUY	14.01	3.92	11.9
VIC	Manufacturing	22.6%	348,390	103	114	11%	0.0%	Positive	58.35	3.37	69.7
VJC	Air Transportation	11.8%	62,014	114.5	80	-30%	0.0%	SELL	51.20	4.14	620.1
VND	Securities/ Finance	30.5%	17,762	41.4	43	5%	2.4%	Positive	16.12	2.05	13.7
VNM	Food Manufacturing	45.2%	179,527	85.9	80	-7%	4.7%	Negative	17.03	5.66	16.3
VNR	Insurance Carriers	21.1%	2,766	21.1	35	66%	5.7%	BUY	9.45	1.16	7.9

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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