

## MACROECONOMIC AND MONETARY FORECASTS ADJUSTED BEFORE THE 4TH COVID-19 PANDEMIC IN VIETNAM.

MARKET TREND	SUMMARY RECOMMENDATION STATUS
<b>Short-term: Bearish</b> (Under a month)	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> (1 – 6 months)	2) This rebound needs the <b>"support and reinforcement"</b> of liquidity and trading value. The trading value of 22-25 trillion dong/session on HOSE are important milestones to observe
<b>Long-term: Bullish</b> (6 months beyond)	3) If Vnindex cannot keep new important supports at <b>1240 points and 1200 points</b> , <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	1270.79	300.8	84.3
Change (%)	-2.5 (-0.20%)	-0.31 (-0.10%)	0.61 (0.73%)
% 1 week	-2.20%	-2.26%	-1.21%
<b>Market value</b>			
Today (bil.)	16,003.385	1,408.543	761.187
<b>Foreign investor</b>			
Buy (bil.)	1,429.29	19.46	42.52
Sell (bil.)	2,820.82	9.81	52.23
Net (bil.)	-1,391.53	9.65	-9.71
<b>Market Summ.</b>			
Advances	188	94	188
Declines	171	103	80
Unchanged	64	60	75
<b>Futures</b>			
	Last	Open Interest	Volume (bil. VND)
VN30F1M	1403.2	32,361	37,488.22
VN30F2M	1403	290	67.61
VN30F1Q	1400.3	349	6.05
VN30F2Q	1401.4	53	7.18

Markets fluctuated in a narrow range with a narrow market breadth as only 188 stocks on the Ho Chi Minh Stock Exchange gained and 171 stocks declined. Closing VNINDEX down slightly by 2.5 points (-0.2%); VN30 dropped 4.48 points (-0.32%); HNXINDEX down 0.3 points and F1M Derivatives down 3 points.

Foreign investors were quite strong net sellers this session with nearly 1,392 billion dong, they focused on put-through selling at VIC with over 1,191 billion dong, while buying a moderate amount of VHM, VRE, HPG and HSG.

Liquidity this session dropped to more than 395 million shares and Fund Certificates were traded, equivalent to 16 trillion dong on Ho Chi Minh Stock Exchange – still lower than our observation target of 22-25 thousand billion/session.

Total market demand in general is still weak as the general sentiment is still waiting for the recovery sessions to need more clarity before buying confidently.

In the coming sessions, if VNINDEX does not recover soon to the range of 1300-1310 points and trades at this new level, but continues to decline and fails to hold the important support levels of 1240 points and 1200 points, then The worst scenario will happen for the medium and long term

trend of the whole market.

### ANALYSIS & COMMENTS ON THE TOPIC OF MACRO, MONETARY

ADB adjusts Vietnam's GDP growth forecast in 2021 in light of spread of the Covid-19 epidemic.

The Asian Development Bank (ADB) has just released its Macro report, lowering its forecast for Vietnam's GDP growth to 5.8% in 2021, 0.9 percentage points lower than the forecast in April. The reason is that the implementation of vaccination is relatively slow, the application of prolonged distancing measures in the main growth poles are Ho Chi Minh City and Hanoi, greatly affecting the circulation of trade and limiting economy activities.

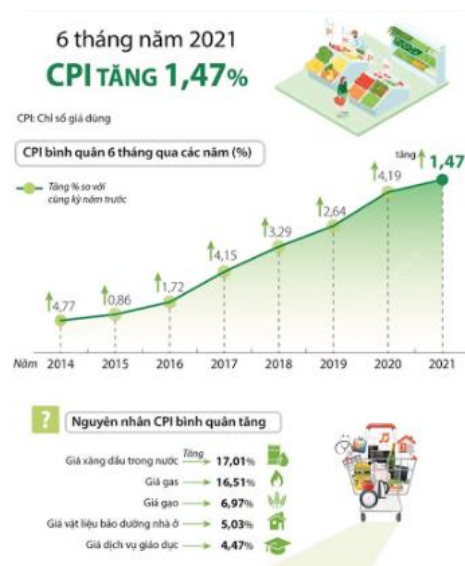
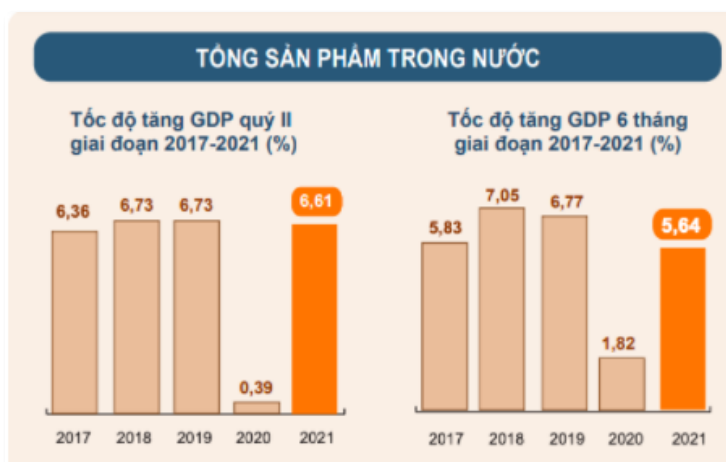
Not only Vietnam, this year's economic outlook for South Asia, Southeast Asia and the Pacific is also revised downward, as new outbreaks are being responded to by distancing and travel restrictions. , causing damage to economic activity.

At the end of July, the General Statistics Office of Vietnam also reported that GDP in the second quarter of 2021 increased by 6.61% over the same period last year (0.39%), higher than the increase in the first quarter of 2021 when that's 4.48%. GDP growth in the first 6 months of 2021 is estimated to increase by 5.64%, higher than the growth rate of the same period in 2020, when it was 1.82%, but lower than the growth rate of 7.05% and 6.77 % of the same period in 2018 and 2019.

GDP growth target this year is 6.5%, so growth in the last 6 months of 2021 must be above 7%. **This is quite a pressure number** in the context of the complicated development of the Covid-19 epidemic and the limited supply of vaccines, the number of people vaccinated in Vietnam is still quite low.

On average, in the first 6 months of 2021, CPI increased by 1.47% over the same period last year, the lowest increase since 2016. Our target is that this year's CPI is below 4%.

CPI growth in the first 6 months of 2021 is still lower than the overall target and is relatively low. **Therefore, there is still room for Vietnam to maintain and possibly expand its monetary easing policy in the late 2021 period.**



Source: TCTK Việt Nam, Vneconomy; AIS Research

We believe that the 4th outbreak of covid-19 is taking place on a large scale and in localities with economic growth and goods circulation, which are Ho Chi Minh City, Hanoi and the provinces in the southern region. Then the State Bank of Vietnam (SBV) will still have calculations to continue maintaining the looser monetary policy more open than the current level with tools such as: (1) Expanding credit growth limit for the whole industry and for each bank (have been and are doing); (2) SBV may also consider adjusting the basic interest rate to stimulate the economy.

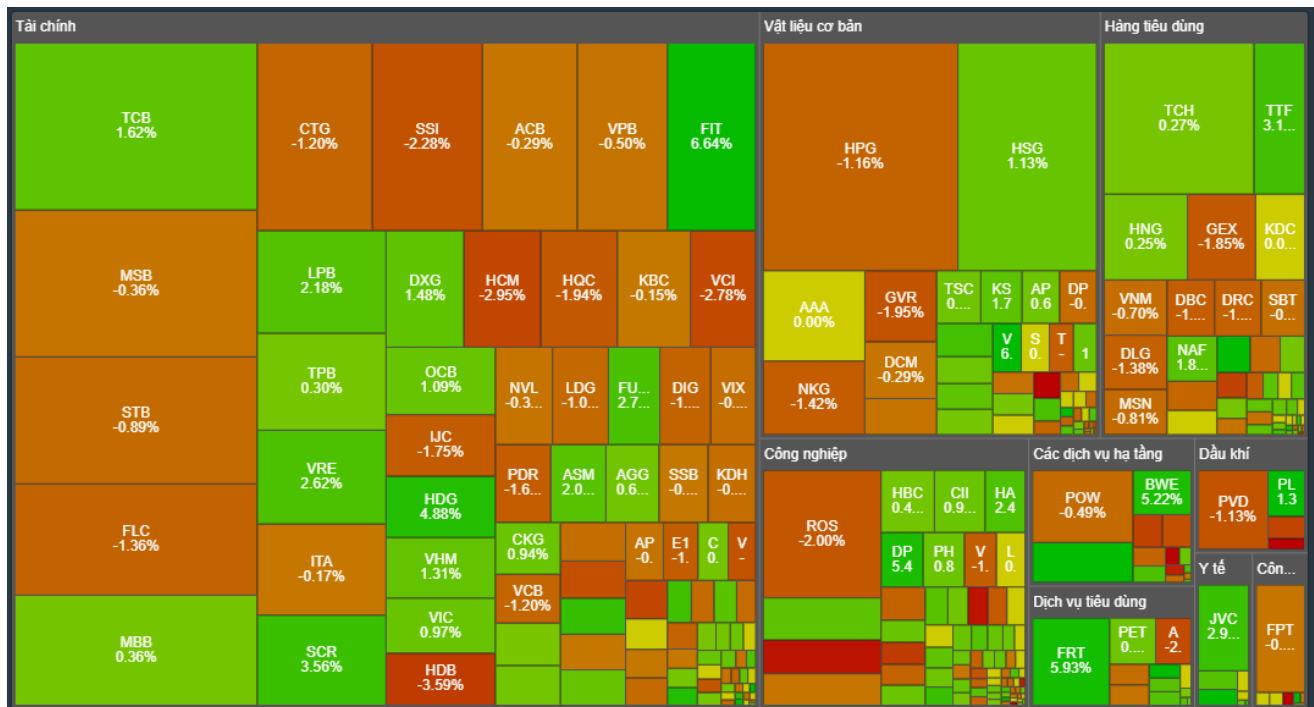
These assumptions are evaluated by us on the basis of the following causes and assumptions:

(1) Stimulating GDP growth for the remainder of 2021 will be a priority goal, in addition to the top priority of disease control by the following measures:

- Thoroughly prevent the Covid-19 epidemic and the new variant strain that negatively affects social life in all localities, especially in the main growth poles of Hanoi and Ho Chi Minh City;
- Promote vaccination to increase the number of people vaccinated to over 30% in 2021 and 70% in Q1/2022 to move towards herd immunity in Q2/2022;
- Promoting growth and stabilizing the macro-economy to maintain a GDP growth rate of 6-6.5% (with a target of 6.5% growth in 2021), we have increased by 5.64 in the first 6 months of the year. %.

(2) CPI in the first 6 months of 2021, although the lowest in the past 6 years, is still below the target level for the whole year of 2021 of 4%. Therefore, the room for SBV to maintain the loosening monetary policy that has been implemented since March 2020 is still wide enough;

SBV will have calculations to continue maintaining the looser monetary policy more widely than the current level using the following tool: Credit growth limit (already implemented) and may also consider adjusting The base interest rate ranges from 0.5 to 0.75%.



(Source: HOSE, FireAnt)

## Futures Market:

VN30F2108	1,402.0	-3/-0.21	266,094
VN30F2109	1,402.5	-4.30/-0.31	480
VN30F2112	1,395.0	-10.10/-0.72	43
VN30F2203	1,400.0	-1.40/-0.10	51
21/07/2021			

(Source: Vietstock)

The general market had another gloomy and quiet session when most of the major indexes dropped slightly in the context that the trading liquidity was still quite low compared to the exciting period of the previous months. The lowering of growth forecasts of the Asian Development Bank (ADB) and Standard Chartered due to the outbreak of the Covid in the southern key economic regions partly made investors more cautious. At the beginning of the morning session, VN30 and F1M contracts both created a gap of 4-6 points after the ATO session. During the morning session, VN30 and F1M contract gained slightly but only struggled to reverse within a narrow range around the opening price. The market only reversed to decline in the middle of the afternoon session. However, the VN30 and the F1M contract then recovered a bit before closing down 3-5 points from reference. At the end of the session, F1M is currently at 1403, down 3 points compared to the reference.

Although F1M's liquidity today decreased by about 25% compared to yesterday when more than 266 thousand contracts were matched in the session, it still remained at a high level, equivalent to the average liquidity of the previous 20 sessions. In which, foreign investors continued to be net sellers today with a value of more than 51 billion dong.

Currently, in the short term, the trend of F1M contracts is bearish. This trend can continue as long as the base 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.

## STOCKS NEWS

### ENTERPRISE

1. **VPG: Revenue from coal ore and coke increased sharply, Viet Phat Group reported a profit of 261 billion dong in 6 months, 34 times higher than the same period**
  - Accumulated in the first 6 months of 2021, net revenue reached VND 2,084 billion, 2.4 times higher than the same period and completed over 69% of the year plan. Profit after tax reached nearly 261 billion dong, nearly 34 times higher than the profit achieved in the first half of last

year and exceeded 74% of the profit target assigned for the whole year. EPS reached 6,654 dong.

- In the revenue structure of the company, sales of coke reached VND 712 billion, 3.7 times higher than the same period last year and contributed over 64% of total revenue. Iron ore segment also brought in more than VND 305 billion in revenue, 5.5 times higher than the same period last year.

**2. MML: Gaining 10 consecutive sessions, Masan Meatlife stock peaked at VND 79,500/share, officially joining the "billion dollar" club with market capitalization.**

- In only 10 trading sessions since July 7, MML's sudden spike helped the stock market price continue to increase by 30%, ending July 20 at the price of VND 79,500/share.
- Currently, Masan Meatlife has more than 326.7 million MML shares outstanding. The move up to the historical price range has helped MML's market capitalization reach more than VND 25.97 billion, equivalent to more than \$ 1.1 billion, officially registering in the top billion-dollar stocks of Vietnamese securities.

**3. MBB: MB reported an increase in profit in 6 months and a half over the same period, debt that is likely to lose capital sharply decreased by nearly 60%**

- Profit before tax of MB (HoSE: MBB) reached nearly VND 8,000 billion, up 56% over the same period, equivalent to 60% of the year plan. The parent bank's profit alone reached 7,038 billion, up 55% over the same period.
- The bank had a total of VND2,530 billion of bad debt at the end of June 2021, accounting for 0.76% of total outstanding loans, down 22% over the same period. In which, group 3 debt increased by 30%, but group 4 and group 5 debt decreased, especially group 5 debt - that is, debt with the possibility of losing capital decreased by 56% over the same period.

**4. HSG: Q3 profit after tax is 1,701 billion dong, accumulated in 9 months is 3,371 billion dong, up 381% over the same period**

- Accordingly, sales volume is estimated at 615,425 tons, revenue is estimated at 12,986 billion VND, profit after tax is estimated at 1,701 billion VND, up 56%, 90%, 435% respectively over the same period in the fiscal year 2019- 2020 and 13%, 20% and 64% compared to the last 2nd quarter. In June 2021 alone, sales volume is estimated at 175,763 tons, revenue is estimated at 3,870 billion VND, profit after tax is estimated at 562 billion VND.

**5. ANV: Transportation rates increased, Navico's second quarter net profit decreased by more than 26%**

- Nam Viet Company announced the consolidated financial statements for the second quarter of 2021 with net revenue of VND 1,074 billion, up 21.5% over the same period.
- Besides revenue from seafood business, the company recorded a revenue of nearly 30 billion dong from selling solar power. In 6 months, Navico's electricity sales reached 57 billion dong.
- Navico's selling expenses in the period recorded more than 86 billion dong, 2.37 times higher than the same period last year. According to Nam Viet's explanation, this increase in cost is mainly due to the increase in freight and transportation costs. In the notes to the report, most of the increase was in transportation costs with VND60 billion, 4.2 times higher than at the beginning of the period.
- Although revenue increased, selling expenses and financial expenses increased sharply, causing the company's profit after tax to decrease by 26.2% over the same period, reaching 23.7 billion VND.

**6. VCI: Reduce position in many bank stocks, 6 months profit before tax is 868 billion dong**

- Viet Capital Securities Joint Stock Company (VCSC) has just announced its financial statements for the second quarter of 2021 and the first six months of the year with all targets far exceeding the plan. Specifically, net revenue in the second quarter of 2021 reached VND 879 billion, a sharp increase of 116% compared to the same period last year. Accumulated in the first 6 months, VCSC recorded revenue of 1,662 billion dong, up 110% over the same



period (the same period in 2020 reached 790 billion dong) and completed 81% of the whole year 2021 plan (2,050 billion dong).

- Profit before tax in Q2 reached VND 504 billion, up 62% over the same period (VND 311 billion). In the first half of the year, the company reached VND 868 billion, up 117%, equivalent to 69% of the 2021 plan (1,250 billion VND). In the first 6 months, VCSC recorded a pre-tax profit of VND 868 billion, an increase of 117% compared to the same period in 2020 (VND 400 billion) and completed 69% of the whole year 2021 plan (VND 1,250 billion plan).

## BUY AND SALE DIVIDEND ISSUANCE

### 1. PLX: Petrolimex plans to sell another 8 million treasury shares

- The PLX Board of Directors approved the plan to further sell 8 million PLX treasury shares (out of the remaining 25 million treasury shares of the Group), in order to supplement capital for business and development investment.
- Transactions in the form of order matching on HOSE and the selling time is right after the SSC and the Group make announcement in accordance with the law.

### 2. TTA: Truong Thanh Group plans to receive the transfer of Suoi Sap 2 Hydropower Project with a total value of VND 250 billion

- Truong Thanh Investment Construction and Development Joint Stock Company (Truong Thanh Group, stock code TTA - HOSE) approved the transfer of Suoi Sap 2 Hydropower project, the expected transfer price is VND 250 billion. .
- Suoi Sap 2 Hydropower Project has an expected capacity of 14.4 MW, started operating in 2007 with a total investment of more than 300 billion VND. With the purchase of an operating project, this means that the business will be able to add revenue and profit from the Suoi Sap 2 Hydropower project to the company's total profit from the time of successful purchase.

## MACROECONOMICS OF VIETNAM AND THE WORLD

### 1. Cashew industry has a large trade deficit after 31 years of exporting

Vietnam imported raw cashew nuts in June 2021, reaching 300,524 tons, worth US\$405,346, up 10.6% in volume and 4.9% in value compared to June 2020. In the first 6 months of 2021, Vietnam imported 1,710,517 tons of raw cashews, worth \$2.609 billion, up 168% in volume and 227.3% in value over the same period in 2020.

### 2. Vietnam spends more than 1.4 billion USD importing iron and steel scrap

According to the data of the General Department of Customs, imports of iron and steel scrap of all kinds in June 2021 reached nearly 708 thousand tons, worth more than 325 million USD, down slightly in volume, but up 13% in value compared to the previous month May 2021.

In the first 6 months of 2021, imports of iron and steel scrap reached nearly 3.5 million tons, worth more than 1.4 billion USD, up 32% in volume and nearly 2.2 times in turnover over the same period last year.

### 3. ADB adjusts Vietnam's growth forecast in 2021

In a new addition to the Asian Development Bank (ADB) 2021 Asian Development Outlook (ADO), ADB has revised down its growth forecast for Vietnam to 5.8% for the year now on.

## 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%	3,197	12.35	20	62%	4.0%	BUY	7.84	0.63	5.3
CNG	Natural Gas Distribution	44.0%	635	23.5	29	23%	6.4%	BUY	12.48	1.31	10.6
CTG	Depository Credit Intermediation	4.9%	122,314	32.85	56	70%	0.0%	BUY	11.28	2.19	8.2
DCM	Chemical - Pharmaceutical	46.8%	9,212	17.4	18	3%	5.7%	Positive	14.50	1.65	13.2
FPT	Software Publishers	0.0%	78,587	86.6	80	-8%	2.3%	Negative	17.96	3.56	20.2
FRT	Electronics and Appliance Stores	34.8%	2,539	32.15	39.0	21%	3.1%	BUY	130.00	1.99	12.7
GAS	Natural Gas Distribution	46.9%	167,279	87.4	101	16%	4.6%	Positive	24.39	3.58	13.9
GMD	Support Activities for Water Transportation	7.9%	12,989	43.1	50	16%	3.5%	Positive	29.22	1.99	21.6
HPG	Primary Metal Manufacturing	22.6%	209,113	46.75	60	28%	1.1%	BUY	9.25	2.54	7.5
MSN	Manufacturing	67.1%	144,025	122	98	-20%	0.8%	Negative	83.20	11.82	48.0
MWG	Electronics and Appliance Stores	0.0%	77,685	163.4	160	-2%	0.9%	Negative	16.28	3.97	17.7
NT2	Electric Power Generation	34.2%	5,283	18.35	19	4%	8.2%	Positive	10.72	1.47	10.6
PLX	Merchant Wholesalers, Nondurable Goods	2.8%	64,694	50	65	30%	6.0%	BUY	19.76	2.87	12.9
POW	Electric Power Generation	46.0%	24,004	10.25	12	17%	4.9%	Positive	12.65	0.91	11.4
REE	Building Equipment Contractors	0.0%	16,132	52.2	58	11%	0.0%	Positive	9.82	1.40	8.5
TCB	Depository Credit Intermediation	100.0%	176,297	50.3	57	13%	0.0%	Positive	12.58	2.29	11.8
TCH	Real Estate Development	37.2%	7,544	18.9	24	27%	5.3%	BUY	9.14	0.94	9.4
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%	51,823	39	45	15%	11.5%	Positive	11.34	2.58	7.4
VHM*	Real Estate Development	26.2%	361,747	108	145	34%	0.9%	BUY	14.01	3.92	12.1
VIC	Manufacturing	22.6%	351,773	104	114	10%	0.0%	Positive	58.35	3.37	70.4
VJC	Air Transportation	11.8%	61,744	114	80	-30%	0.0%	SELL	51.20	4.14	617.4
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%	178,273	85.3	80	-6%	4.7%	Negative	17.03	5.66	16.2
VNR	Insurance Carriers	21.1%	2,753	21	35	67%	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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