

## [Market Preview 06/08]

FORECAST AND TRADING STRATEGIES

**THIS SHORT-TERM RECOVERY, VNINDEX HAS APPROACHED CLOSER TO THE RESISTANCE OF 1355 POINTS. IN THE NEAR FUTURE, THE 1400 AND 1425 POINTS WILL BE NEW TARGETS.**

MARKET TREND	SUMMARY RECOMMENDATION STATUS
<b>Short-term: Bearish</b> <i>(Under a month)</i>  <b>Medium-term: Bullish</b> <i>(1 – 6 months)</i>  <b>Long-term: Bullish</b> <i>(6 months beyond)</i>	<ol style="list-style-type: none"> <li>1) In the short term, the market will still have <b>recovery</b> sessions, alternating with slight red doubts. <b>This short-term rally may bring VNINDEX closer to the resistance of 1355 points.</b> In the near future, 1400 points and 1422 points will be new targets. <b>The level of 1300 points has not been broken, the rally this time is still preserved;</b></li> <li>2) More factors are needed in terms of liquidity and scores such as the liquidity remaining from <b>18-20 trillion dong/session (on HOSE)</b> and the increasing score to <b>pull the MA20 Signal up again.</b> Then, the short-term trend will change from <b>BEARISH</b> to <b>BULLISH</b>.</li> <li>3) <b>New, riskier and/or cost-averaging activities CAN BE CONSIDERED FOR EACH SPECIFIC TICKER,</b> in moderation, but not in its entirety.;</li> <li>4) We believe that <b>the line of Bank stocks has started to be ATTRACTIVE AGAIN</b> and will probably be the main driver for the coming rally of the general market. Stocks like <b>TCB, ACB, MSB, VPB and MBB</b> are still our favorites and we recommend <b>BUYING</b>;</li> <li>5) <b>With a few selected strategic stocks in the group of real estate stocks,</b> we still recommend that you can <b>BUY GRADUALLY</b> such as <b>VHM, NTL, HDG, NLG, HDC, SCR</b> are still making short-term profits and still have room to increase prices further.</li> </ol>

	VnIndex	HNX Index	Upcom Index
Last	1345.55	325.42	87.93
Change (%)	10.81 (0.81%)	5.40 (1.69%)	0.41 (0.47%)
% 1 week	2.71%	3.37%	1.15%
<b>Market value</b>			
Today (bil.)	19,324.232	3,432.163	1,168.064
<b>Foreign investor</b>			
Buy (bil.)	2,265.18	59.43	33.78
Sell (bil.)	1,160.98	40.11	23.55
Net (bil.)	1,104.20	19.32	10.23
<b>Market Summ.</b>			
Advances	262	149	175
Declines	116	57	90
Unchanged	49	60	64
<b>Futures</b>			
	Last	Open Interest	Volume (bil. VND)
VN30F1M	1487.1	39,333	36,771.17
VN30F2M	1488	676	66.10
VN30F1Q	1486	218	2.51
VN30F2Q	1484.7	547	3.39

Stocks of steel, banks and securities groups continued to gain momentum and helped the general market gain well in this session.

Liquidity was also maintained at a relatively good level when there were 636 million shares traded, the trading value was approximately 19.4 trillion VND – higher than the average of the last 20 sessions and still in the target range of 18-20 thousand billion/session (HOSE) that we observe. Demand was more active in buying, especially when the market was red.

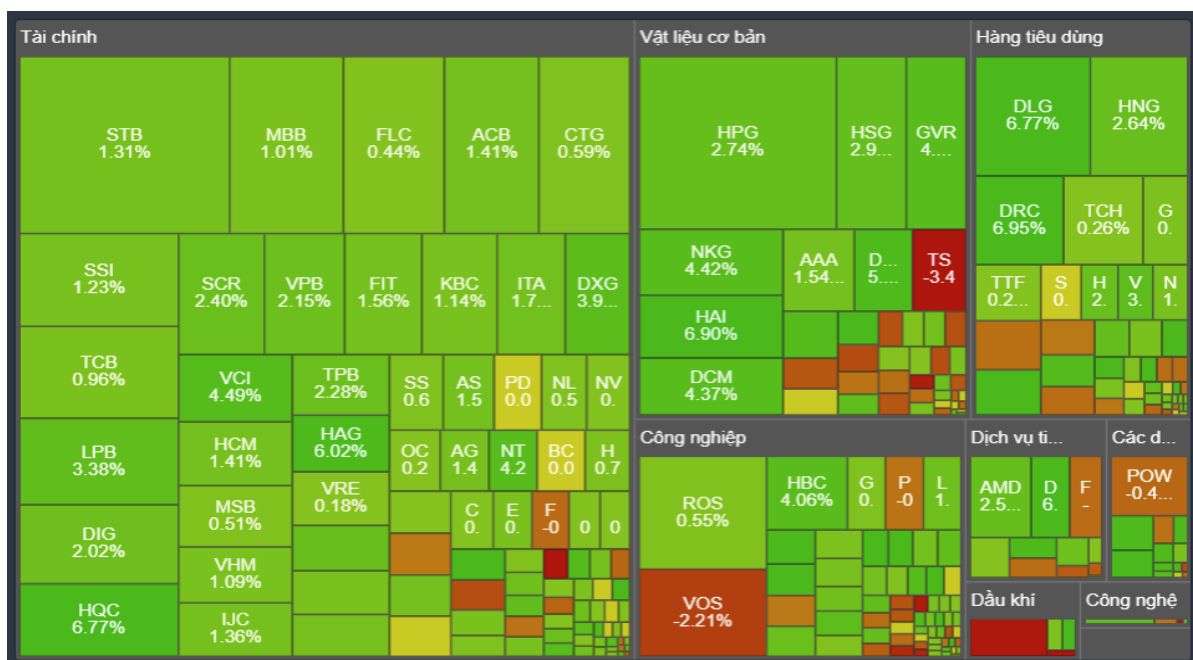
Foreign investors actively bought in this session, with over 1,117 billion net buying – the highest level in more than a month. VHM, STB, SSI and MBB are still the most bought stocks. Net selling only VNM, FUESSVFL, NVL.

The main gainers in this session were steel, banking and securities. The steel index increased by 2.65% after being quite sluggish in the early sessions of August. HPG, HSG, TLH started to increase again, while NKG, SMC continued to increase well.

Bank stocks, after many diverging sessions and not yet starting, this session also started to increase. Strong gain in this session, there were SHB, LPB, most of the rest gained slightly.

## GENERAL FORECAST & RECOMMENDATION

**With a few selected strategic stocks in the group of real estate stocks that we recommend that can be BOUGHT GRADUALLY such as VHM, NTL, HDG, NLG, HDC, SCR are still having short-term profits and there is still room for further price increases;**



## Futures Market:

VN30F2108	1,487.1	16.20/1.10	249,064
VN30F2109	1,488.0	19/1.29	448
VN30F2112	1,486.0	16.30/1.11	17
VN30F2203	1,484.7	20.60/1.41	23
05/08/2021			

*(Source: Vietstock)*

With short-term profit-taking pressure after the market had recent recovering sessions, the indexes opened slightly lower. In the VN30 group, the number of losers at the beginning of the session was overwhelming, causing the VN30 to open more than 3 points lower than the reference. Then, in the morning session, the VN30 group became more active with a fairly balanced number of gainers and losers and the margin of gainers was also larger than losers, pulling the VN30 up 8.8 points from the opening price. In the afternoon session, the gaining momentum was widened, with 20 gainers while only 8 losers, VN30 broke out, approached 1488 and only decreased slightly after the end of ATC session. At the end of the session, the VN30 index gained 0.97% to 1486.46 points. The F1M contract in the afternoon session was also actively traded, reaching the highest level of the day at 1491.4 points near the end of the session and only cooled down a bit in the ATC session. At the end of the session, the F1M contract closed at 1487.1, up 16.2 points compared to the reference.

F1M's liquidity continued to decrease today with just over 249 thousand contracts matched in the session, 42 thousand contracts lower than the average liquidity of the previous 20 sessions. In which, foreign investors continued to be net buyers today with a value of 26.44 billion.

At the end of the session, the basis of the F1M contract with VN30 reached 0.64 points. This shows that investors are quite optimistic about the prospect of VN30 in the short term.

The short-term trend of F1M is accumulation and recovery. The 1440-1455 zone is the support zone for this rally. And the F1M contract needs to break through 1480-1495 to return to the medium-term uptrend.



VN30F1M intraday. (Source: FireAnt)

## STOCKS NEWS

### ENTERPRISE

#### 1. FPT: Invest in Intertec, big ambition in the global market.

- At the end of July 2021, FPT announced its investment in Intertec International, taking another step in its expansion strategy and affirming its position in the US market, ensuring the ability to maintain double-digit growth in the long term.
- The US technology market directly benefits from the recovery of the economy, as digitalization of operations becomes more important than ever. CompTIA's report said that there is no way to return to the old way of production and business. Businesses are forced to digitally transform to survive and emerge in the post-pandemic world.

- Increased demand for digital transformation prompts Forrester to revise down its forecast for US technology market growth from 1.1% to 6% in 2021 and 6.5% in 2022, as both businesses and governments spend more on technology products and services.
- The recovering economy and increasing market demand have become a favorable environment for technology enterprises operating in the US market, including FPT. Accordingly, in the first half of 2021, FPT's revenue in the US reached VND 1,894 billion, up 41% over the same period last year.

## **2. Kienlongbank's profit is 8 times higher than the same period, only 6 months has completed nearly 81% of the year plan**

- The financial statement of the second quarter of Kien Long Bank (Kienlongbank, KLB) recorded total income of VND 453 billion and profit after tax of VND 103 billion, 2.3 times higher than the same period last year.
- KLB's business activities in the last 3 months have grown positively. Specifically, net interest income reached VND 311 billion, up 22% over the same period. Profit from service activities reached VND 93 billion, nearly 6 times higher than the same period last year. Foreign exchange activities and investment securities saw a decrease in profit but not significantly.
- Accumulated in the first 6 months, the bank's net interest income increased sharply by 122%, reaching VND 1,226 billion.

## **MACRO, FINANCIAL AND CURRENCY**

### **1. Indian refineries invest heavily to increase capacity**

- India, the world's third-largest crude oil importer, hopes to increase refining capacity by 20% by 2025 from its current refining capacity of around 5 million bpd.
- India is also investing in nearly doubling its petrochemical production capacity by 2025 from 3.2 million tons/year at present.
- Bloomberg quoted Indian Oil Corporation (IOC) President Shrikant Madhav Vaidya recently as saying that the largest refiner in the country will increase capacity by a third in the next half decade because of receiving sees gasoline and diesel demand continue to grow in India.
- "I firmly believe that all fuels will have their place and fossil fuels will stay there. Consumer demand is growing by leaps and bounds and energy security is a top concern for us." This may not be a concern for developed countries," Mr. Vaidya said.

## **BUY, SELL, ISSUED DIVIDENDS**

### **1. HSG: About to issue 4.4 million ESOP shares at 10,000 VND/share**

- Hoa Sen Group (HSG) has just approved the policy of issuing ESOP shares in 2021. In detail, the Company will issue 4.4 million shares, equivalent to 0.9% of total outstanding shares.
- The issue price is 10,000 VND/share, nearly 4 times lower than the current market price of 37,500 VND/share.
- The expected offering time is in August 2021 until the completion of the procedures according to the State's regulations and after being approved by the State Securities Commission.

### **2. VPB: VPBank has been approved by SSC to offer 15 million ESOP treasury shares**

- VPBank will offer 15 million treasury shares out of a total of more than 75 million holding shares. These shares will be offered to employees under the ESOP program at the price of 10,000 VND/share in this August.

- From the issuance date, 30% of the shares will be released after 1 year, 35% of the shares will be released after 2 years and the remaining 35% after 3 years. The interests arising from the purchased ESOP shares will not be subject to transfer restrictions.
- The total amount collected after the issuance, VPBank expects to be 150 billion VND, which will be used to supplement capital for the Bank's lending activities.

### **3. VIC: Vingroup closes the right to pay a stock dividend of 12.5%**

- Vingroup Corporation (HoSE: VIC) announced that August 18 is the last registration date to exercise the right to pay 2020 dividends in shares with the rate of nearly 12.5%. The number of additional shares to be issued is 422.8 million units. Post-issuance charter capital is expected to increase from 34,448 billion VND to 38,676 billion VND.
- Last year, Vingroup recorded net revenue of VND 110,490 billion and profit after tax of VND 4,546 billion, down 15% and 41% respectively compared to 2019. As of December 31, 2020, Vingroup recorded the following profit undistributed tax is 4,360 billion VND. Thus, the business will use almost all of its accumulated profits to pay dividends in 2020.

## 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 <sup>1</sup> )
ASM	Aquaculture	47.8%	3,469	13.4	20	49%	3.7%	BUY	7.84	0.63	5.8
CNG	Natural Gas Distribution	44.0%	675	25	29	16%	6.0%	Positive	12.48	1.31	11.3
CTG	Depository Credit Intermediation	4.9%	127,340	34.2	56	64%	0.0%	BUY	11.28	2.19	8.5
DCM	Chemical - Pharmaceutical	46.8%	11,382	21.5	18	-16%	4.7%	Negative	14.50	1.65	16.3
FPT	Software Publishers	0.0%	87,662	96.6	110	14%	2.1%	Positive	17.96	3.56	22.5
FRT	Electronics and Appliance Stores	34.8%	2,950	37.35	39.0	4%	2.7%	Positive	130.00	1.99	14.7
GAS	Natural Gas Distribution	46.9%	179,529	93.8	101	8%	4.3%	Positive	24.39	3.58	15.0
GMD	Support Activities for Water Transportation	7.9%	14,270	47.35	50	6%	3.2%	Positive	29.22	1.99	23.8
HPG	Primary Metal Manufacturing	22.6%	218,282	48.8	60	23%	1.0%	BUY	9.25	2.54	7.8
MSN	Manufacturing	67.1%	159,372	135	150	11%	0.7%	Positive	83.20	11.82	53.1
MWG	Electronics and Appliance Stores	0.0%	82,250	173	160	-8%	0.9%	Negative	16.28	3.97	18.7
NT2	Electric Power Generation	34.2%	5,498	19.1	19	-1%	7.9%	Negative	10.72	1.47	11.0
PLX	Merchant Wholesalers, Nondurable Goods	2.8%	67,799	52.4	65	24%	5.7%	BUY	19.76	2.87	13.6
POW	Electric Power Generation	46.0%	25,292	10.8	12	11%	4.6%	Positive	12.65	0.91	12.0
REE	Building Equipment Contractors	0.0%	16,689	54	58	7%	0.0%	Positive	9.82	1.40	8.8
TCB	Depository Credit Intermediation	100.0%	184,008	52.5	57	9%	0.0%	Positive	12.58	2.29	12.3
TCH	Real Estate Development	37.2%	7,564	18.95	24	27%	5.3%	BUY	9.14	0.94	9.5
TDM	Water Supply and Irrigation Systems	43.7%	3,140	31.4	35	11%	3.8%	Positive	10.65	1.63	12.6
VEA	Manufacturing	43.3%	57,803	43.5	45	3%	10.3%	Positive	11.34	2.58	8.3
VHM	Real Estate Development	26.2%	374,141	111.7	145	30%	0.9%	BUY	14.01	3.92	12.5
VIC	Manufacturing	22.6%	385,597	114	114	0%	0.0%	Negative	58.35	3.37	77.1
VJC	Air Transportation	11.8%	63,098	116.5	80	-31%	0.0%	SELL	51.20	4.14	631.0
VND	Securities/ Finance	30.5%	21,966	51.2	43	-15%	2.0%	Negative	16.12	2.05	16.9
VNM	Food Manufacturing	45.2%	180,990	86.6	80	-8%	4.6%	Negative	17.03	5.66	16.5
VNR	Insurance Carriers	21.1%	2,897	22.1	35	58%	5.4%	BUY	9.45	1.16	8.3

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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