

WEEKLY MARKET UPDATE AND MACRO

Week 06 - 10 September 2021

Hanoi, 06/09/2021

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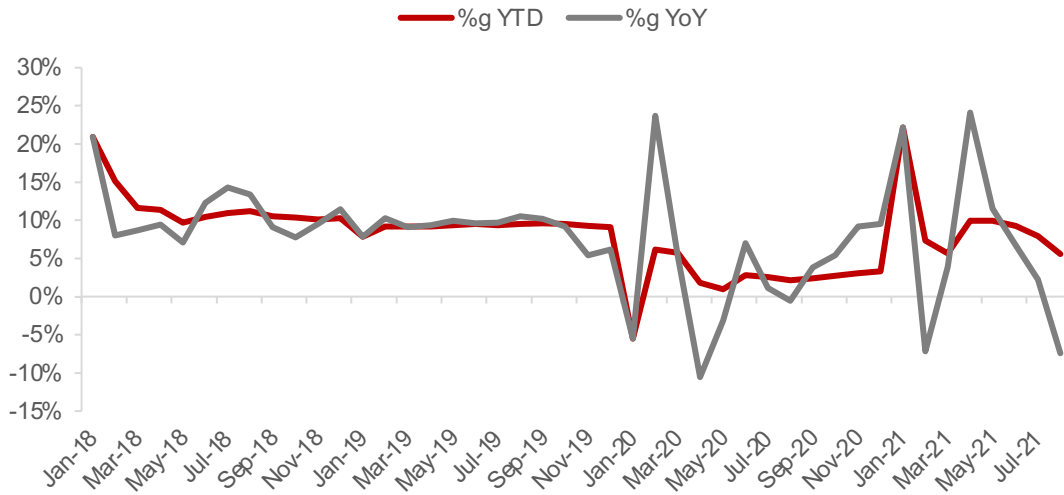




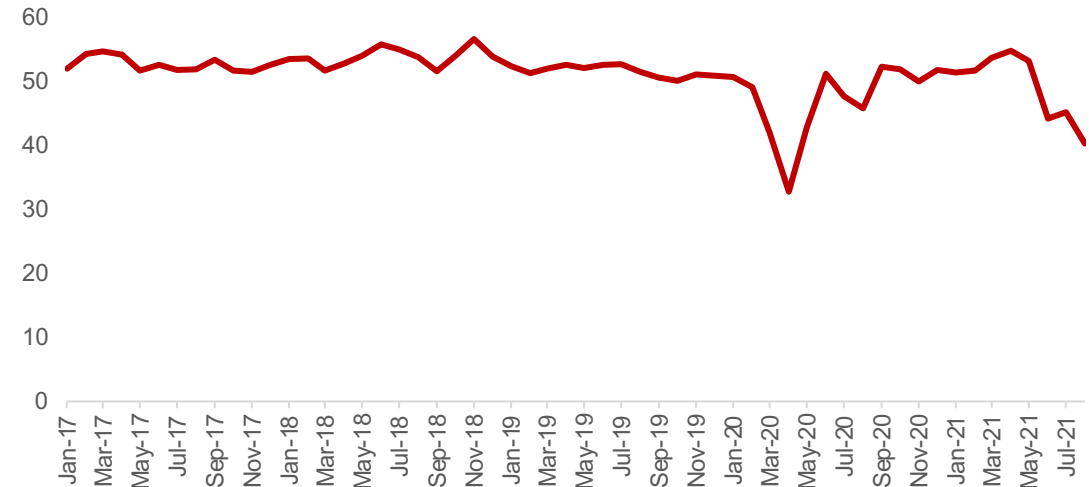
MACRO NEWS

Industrial production index in August 2021 decreased for the second consecutive month, negative 7.4%

Industrial production index August 2021 decreased by 7.4% YoY



PMI dropped to 40.2 from 45.1 last month

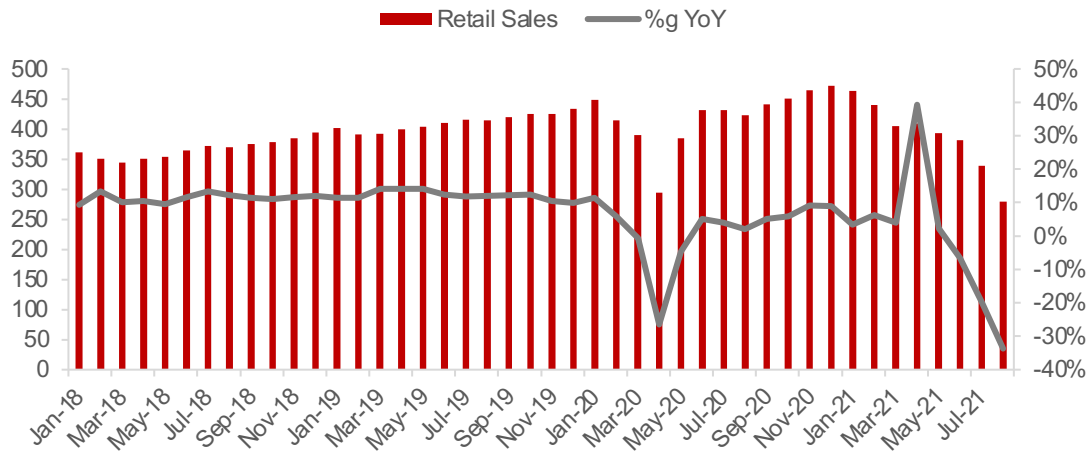


- ❖ Industrial production declined for the second consecutive month, August 2021 grew negative 7.4% YoY. Under the impact of social distancing, which halted production activities, the processing and manufacturing sector declined the most (9.2% YoY). The most affected sectors include (1) repair of machinery and equipment, (2) manufacturing of drugs, chemicals and pharmaceuticals, (3) leather products, with declines of 37.67%, 37.68%, respectively, 28.34%. Accumulated 8M2021 industrial production index increased 5.56% over the same period.
- ❖ PMI 8.2021 continued to decline to 40.2 from 45.1 of the previous month due to the suspension of production activities. In which, the output decline rate was the second highest after the bottom of PMI in April 2020, the number of new orders continued to decrease for the third consecutive month.

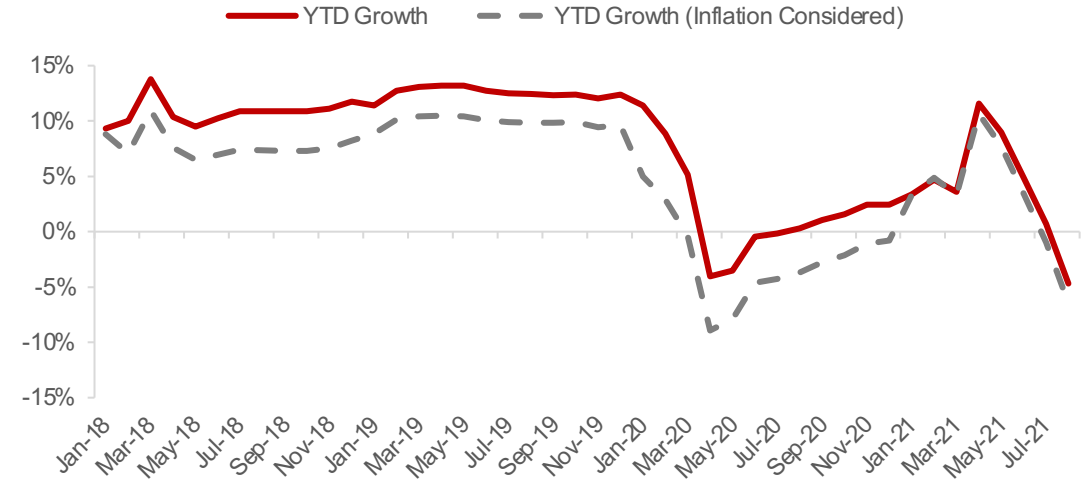


August 2021 retail sales fell for the fourth consecutive month, negative 33.7%

Aug 2021 retail sales fell for 4 consecutive months, negative 33.7% YoY



8M2021 retail sales growth negative 4.7%

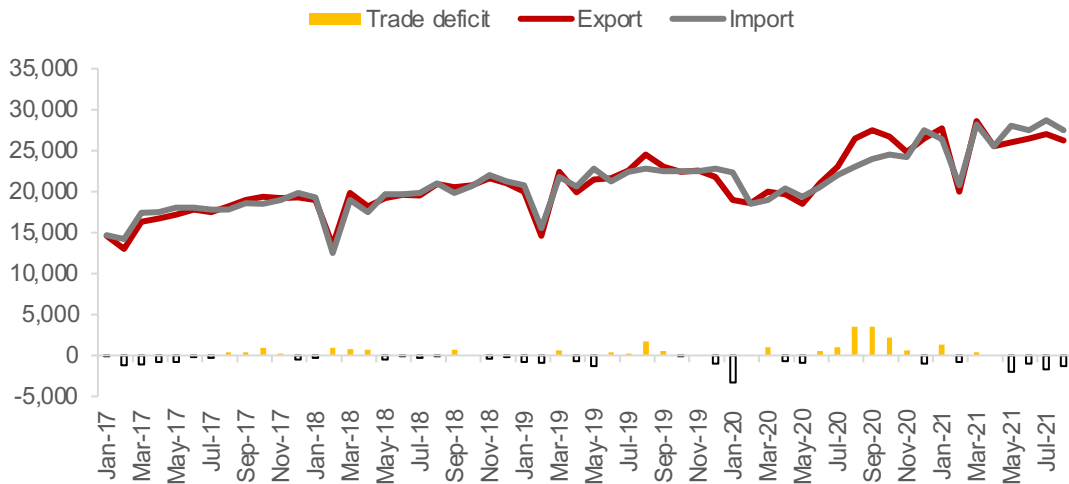


- ❖ Retail sales of goods and services in August 2021 were negative 33.7%, the fourth consecutive month of decline. August 2021 is also the month that retail sales have the strongest decline (-10.5% MoM) compared to the previous month, and this is also the 4th consecutive month that retail sales by month have a decline. The outbreak of the disease and social distancing also caused the income of households to decline, making spending more focused on essential food items, non-essential items such as electronics, Jewelry consumption tends to decrease in recent months.

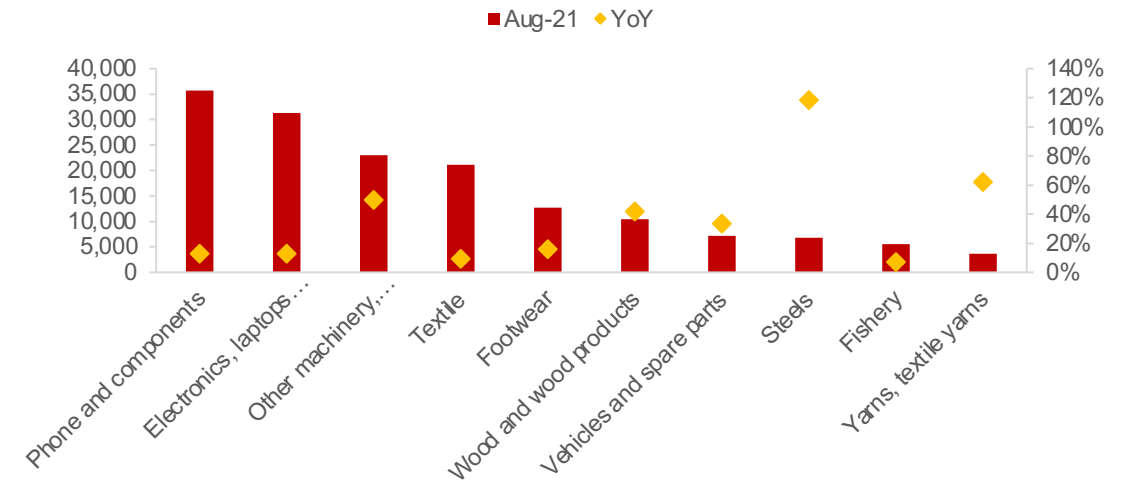


Trade deficit for the 4th month in a row, cumulative trade balance has a deficit of 3.7 billion USD

T8.2021 has a trade deficit of 1.3 billion USD



Top export industry groups with the highest cumulative value

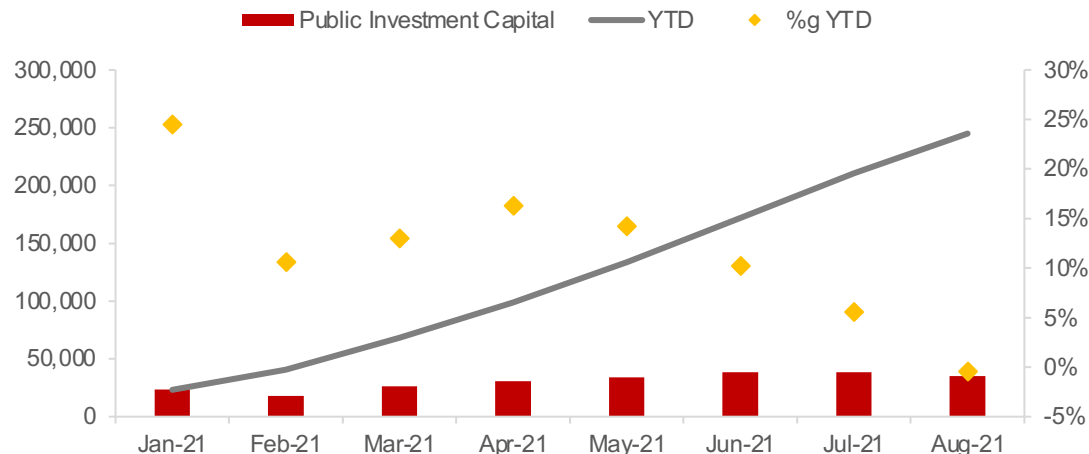


❖ Imports in August 2021 increased sharply by 21.2% over the same period, while exports decreased by 5.4%. August 2021 recorded a trade deficit of 1.3 billion USD, 8M2021 had a trade deficit of 3.71 billion USD. Especially, both domestic and foreign-invested sectors have reduced their export capacity, recording at -13.88% and -1.95% respectively. Sectors that still have good growth in August 2021 include (1) petroleum, (2) iron, (3) chemicals, with an increase of 172.88%, 107.04%, 47.54% YoY, respectively.

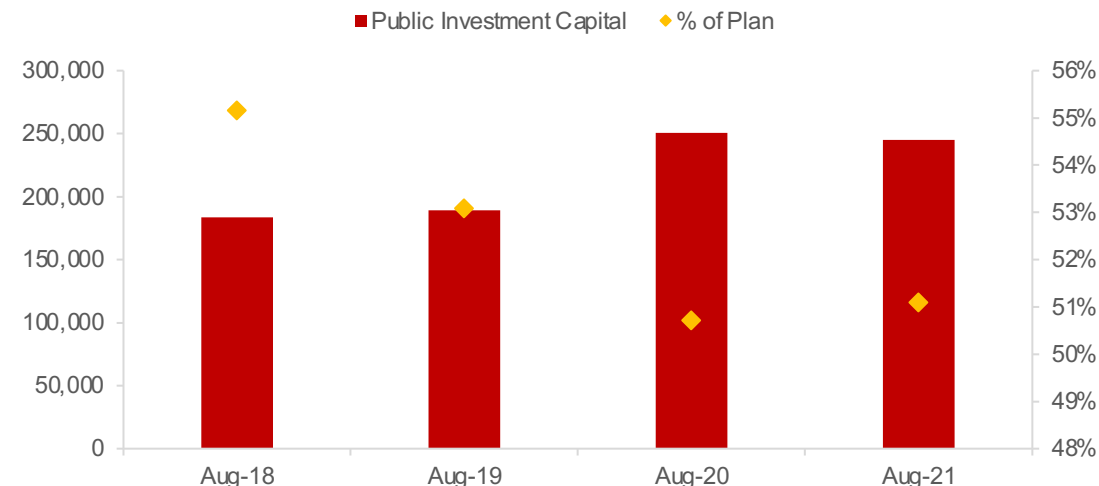


Disbursement of public investment capital at a slow pace, 8M2021 reached 51% of the plan

Aug 2021 disbursed public investment capital reached 34.874 billion VND



Public investment capital 8M2021 completed 51% of the year plan



- ❖ Public investment capital in 7M2021 reached VND 244.9 trillion, down 0.4% and reaching 51% of the year plan: We assess that the current disbursement rate of public investment capital is very slow and it is difficult to fulfill the target set out in Q3 .2021 is a 60% successful disbursement when (1) disbursement of funds in ministries and localities is slow, in addition (2) remedial measures are still not drastic.
- ❖ RS still expects an improvement in disbursement of public investment capital in Q4.2021 (especially when the epidemic is under control) to stimulate economic growth, at which time the Iron and Steel, Construction, Real Estate-Industrial Zones industries. will benefit directly.



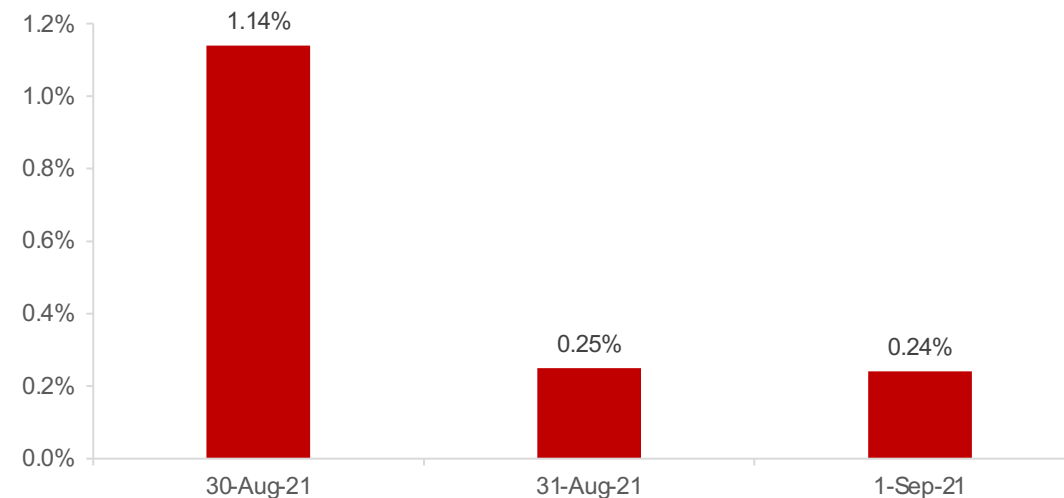
MARKET UPDATES



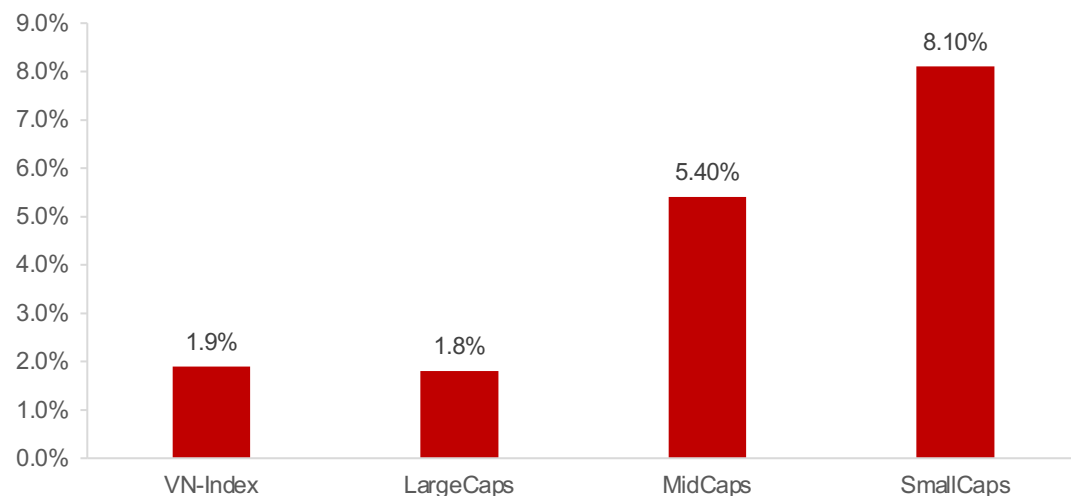
VN-Index increased by 1.9%, SmallCaps increased strongly by 8.1%, P/E was recorded at 16.1x

- ❖ The market fell 1.9% during all 3 gaining sessions of the week, gaining momentum in all 3 capitalization groups with LargeCaps up 1.8%, MidCaps up 5.4%, SmallCaps up 8.1%
- ❖ The current P/E VN-Index is recorded at 16.1x, an attractive level for investors to supplement their portfolio with medium and long-term vision.

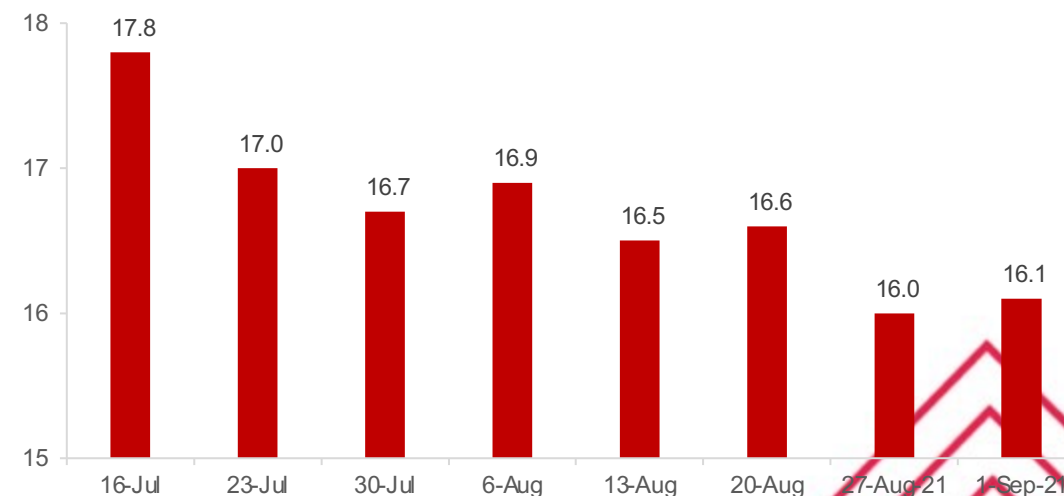
VN-Index increased by 1.9% in the past week



SmallCaps group increased strongly by 8.1% in the week

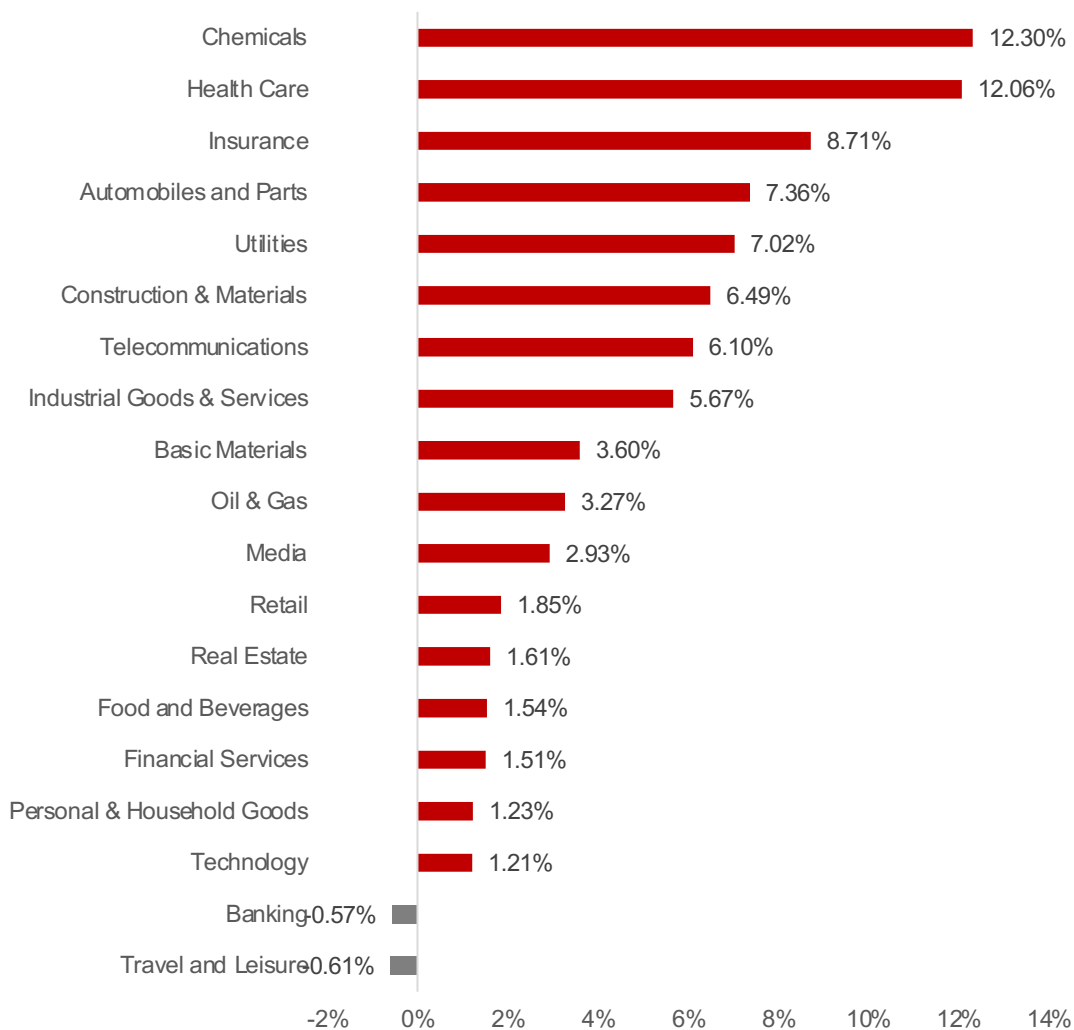


P/E ghi nhận ở mức 16.1x

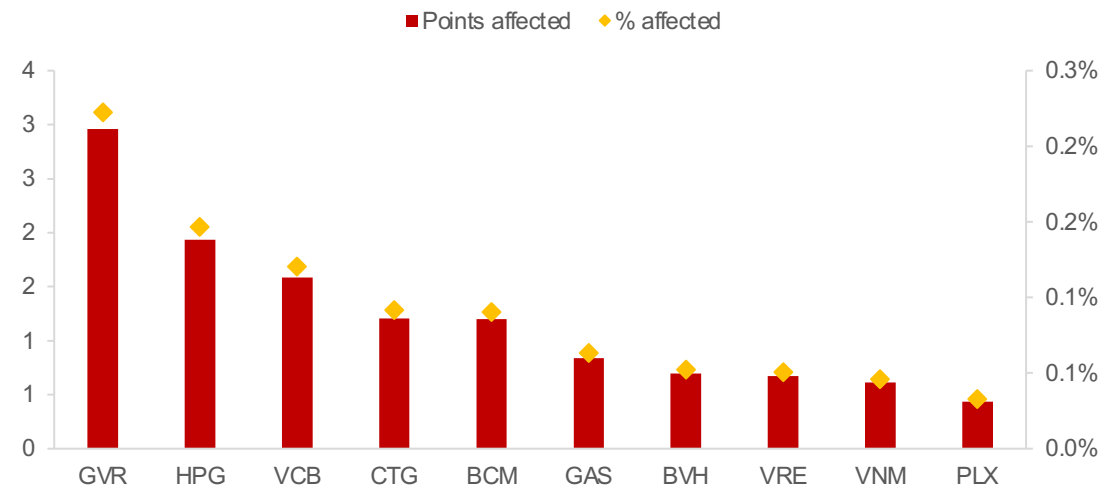


Many industry groups simultaneously increased, led by Chemical group with 12.3% increase.

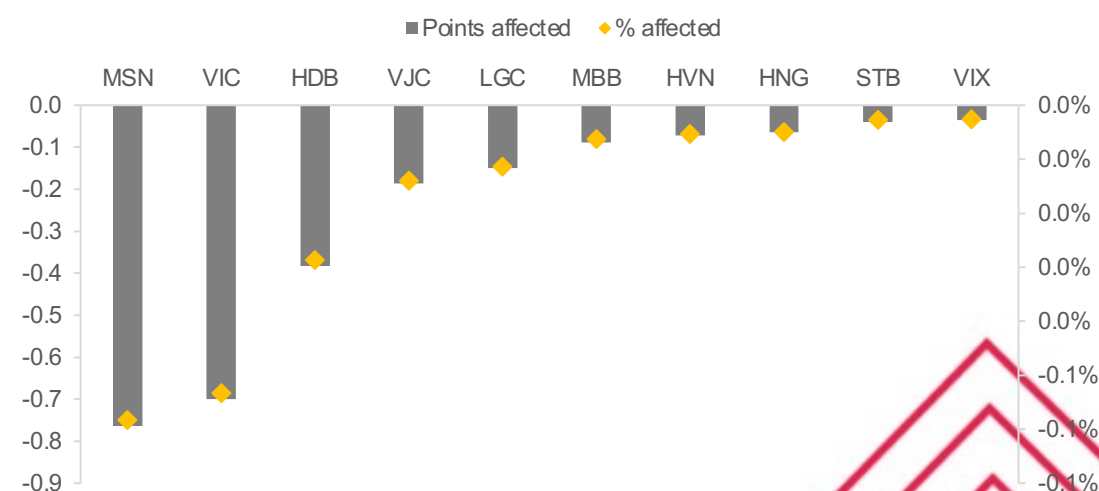
17/19 industry groups simultaneously increased, led by Chemical group



Top 10 strong increase has positive impact on the market

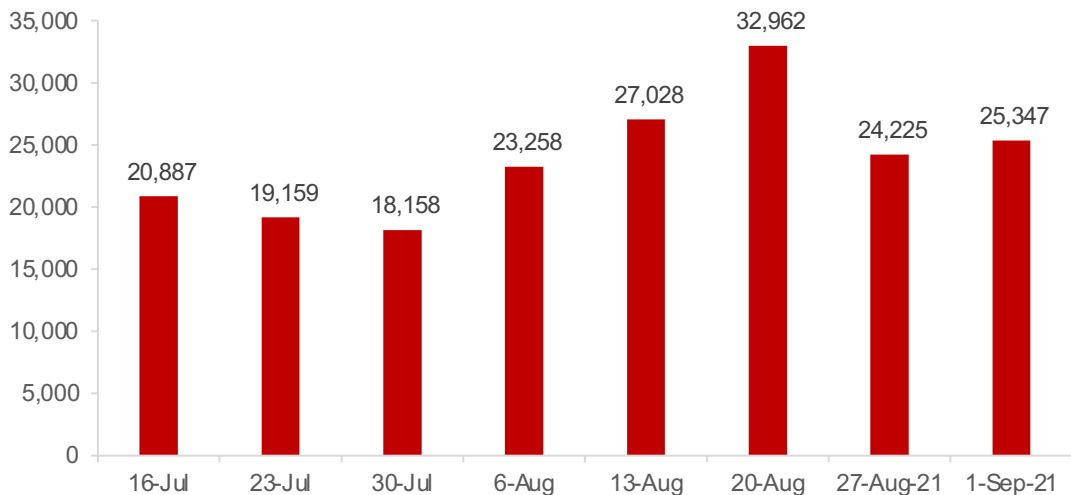


Top 10 plummeted, bad impact on the market

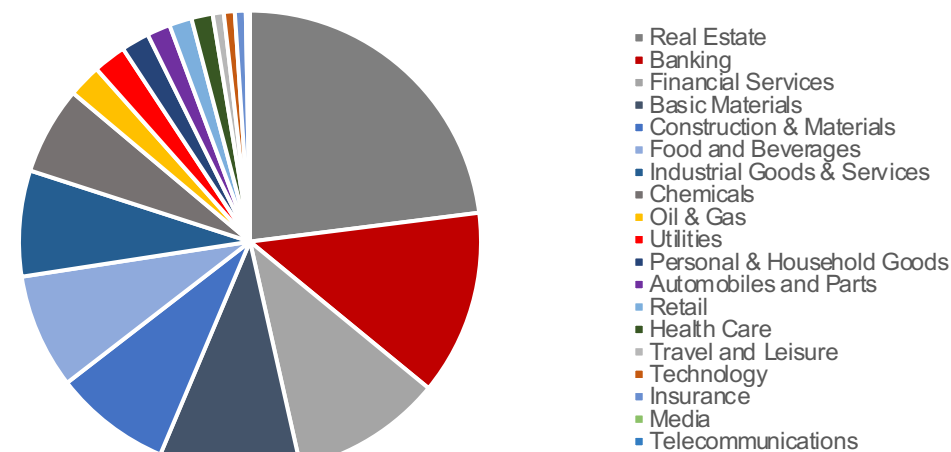


Cash flow strongly withdrew from Banking group, liquidity increased by 4.6%

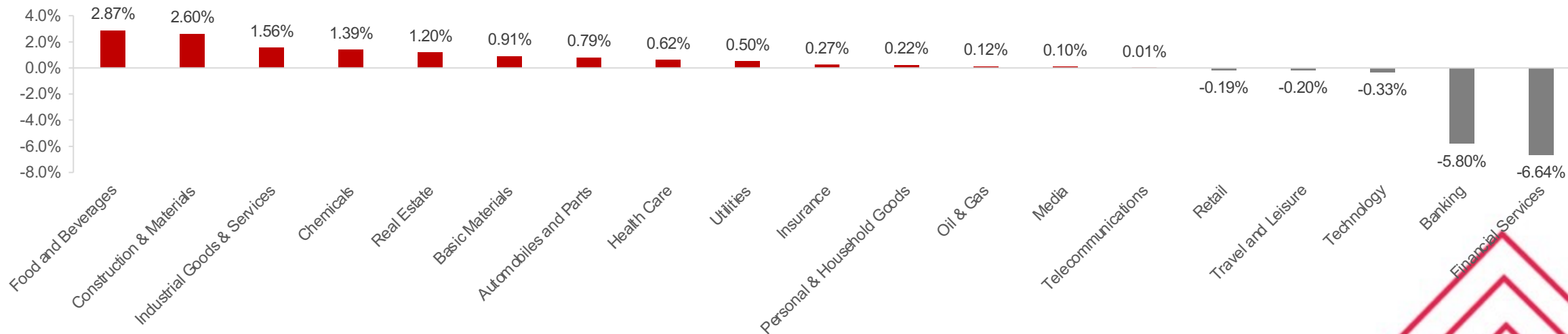
Thanh khoản tăng 4.6% so với tuần trước đó



Structure of cash flow in industry groups



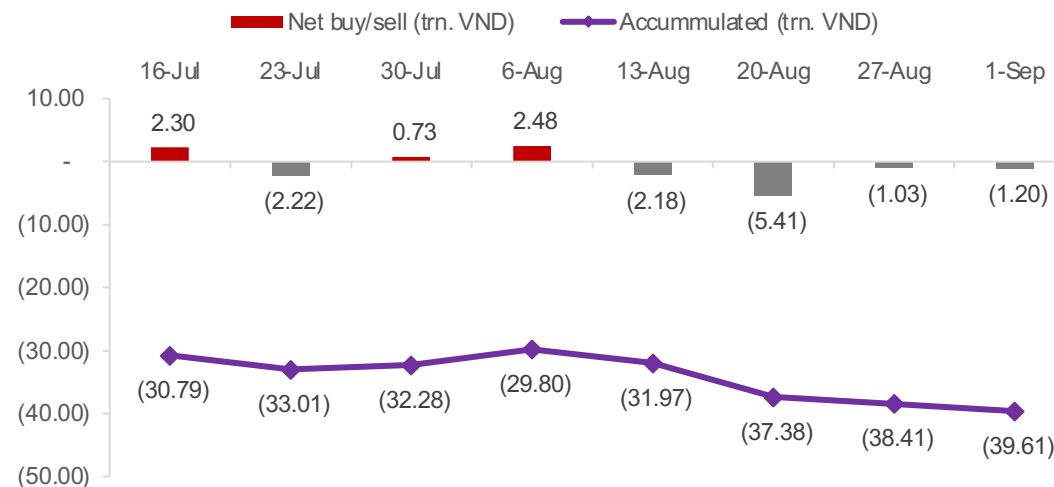
Strong cash flow withdrawn from Banking and Finance group



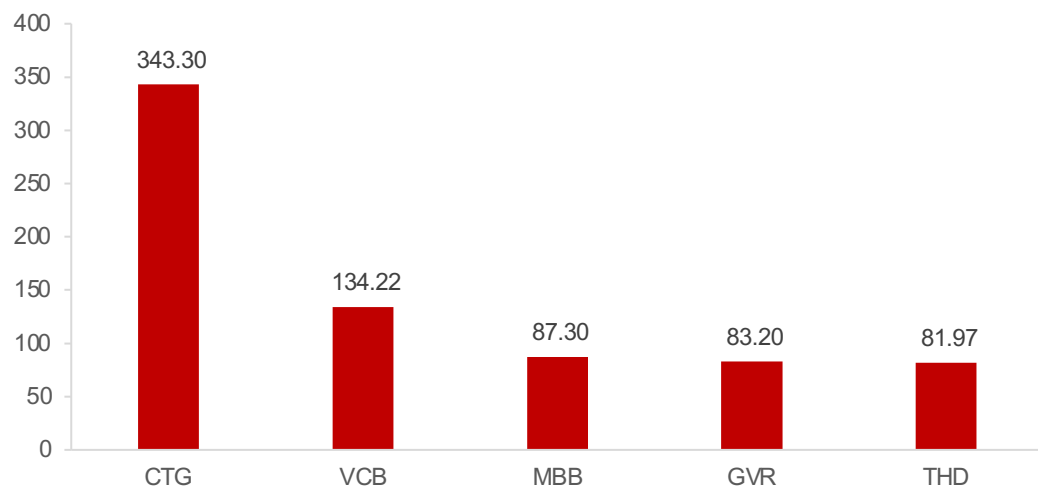
Foreign investors net sold 1200 billion VND in the week, accumulated net selling 39.61 trillion VND

- ❖ During the week, foreign investors net sold 1200 billion, accumulated from the beginning of the year until now, foreign investors have net sold 39,610 billion.
- ❖ CTG was the favorite stock of foreign investors last week with a net buying volume of 343 billion dong.
- ❖ MSN is a strongly sold stock with a net selling value of up to 740 billion in the past week.

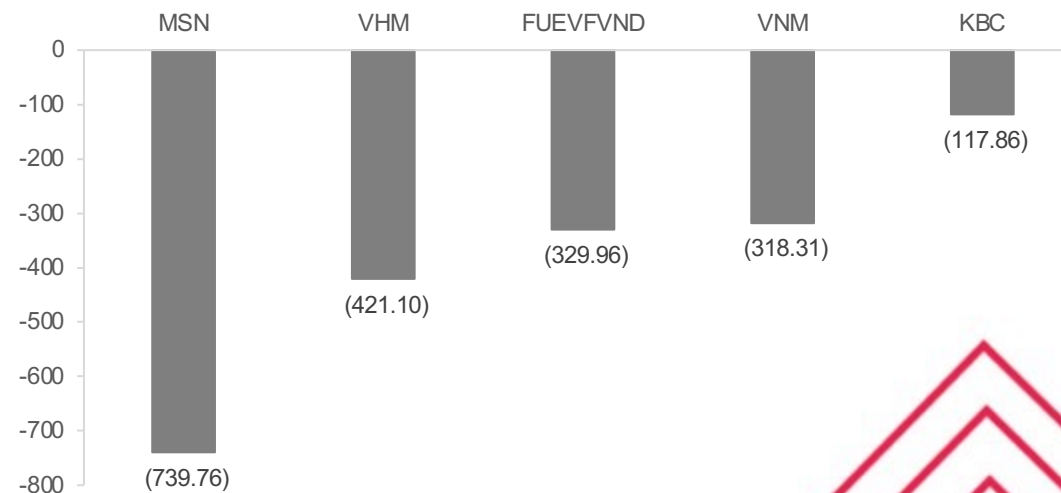
Foreign investors net sold 1,200 billion VND in the week



Top 5 stocks that foreign investors bought net



Top 5 foreign net selling stocks



TECHNICAL ANALYSIS



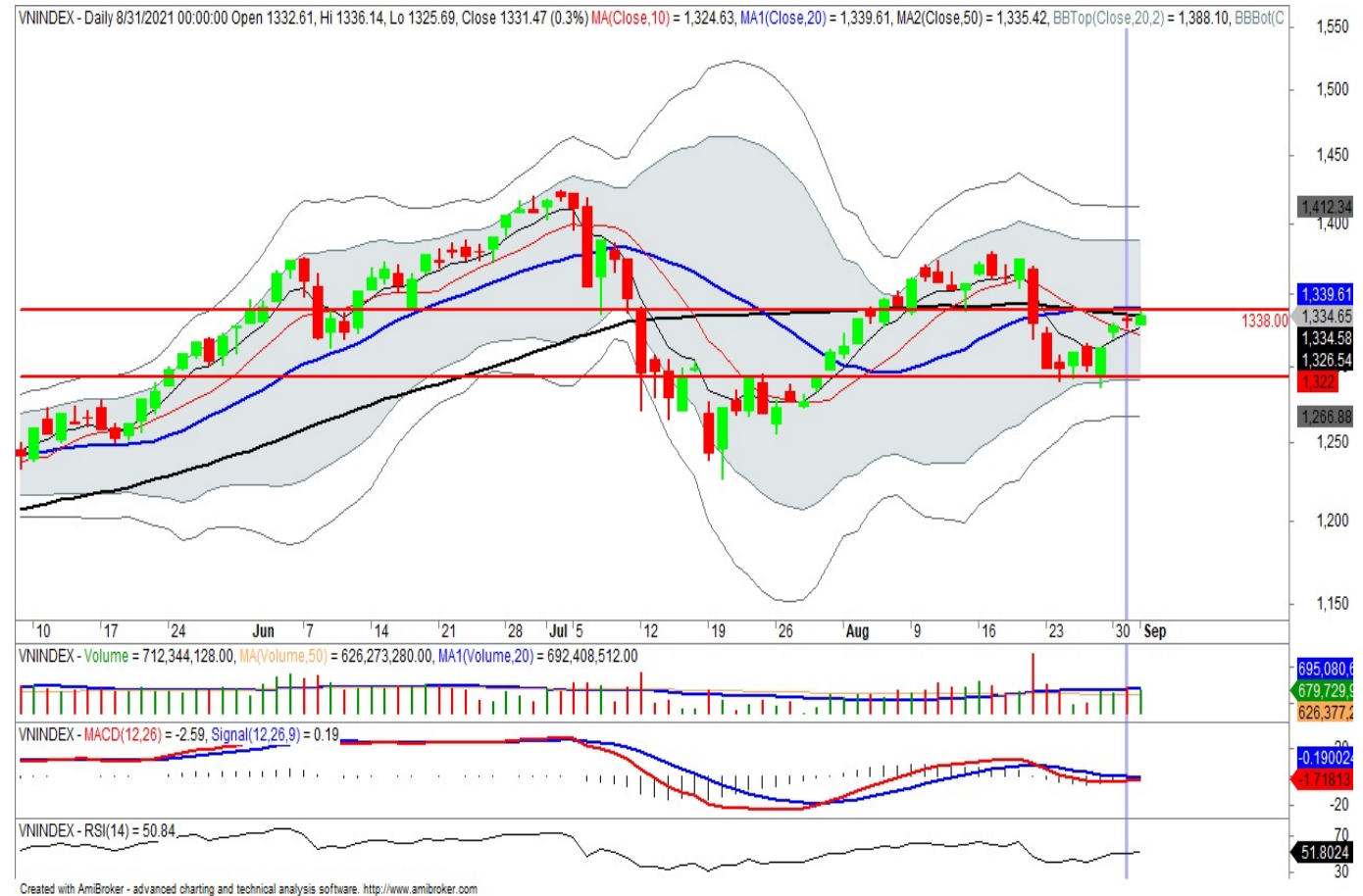
VN-Index confirmed bottom formation and rebounded

✓ **Technical Analysis:**

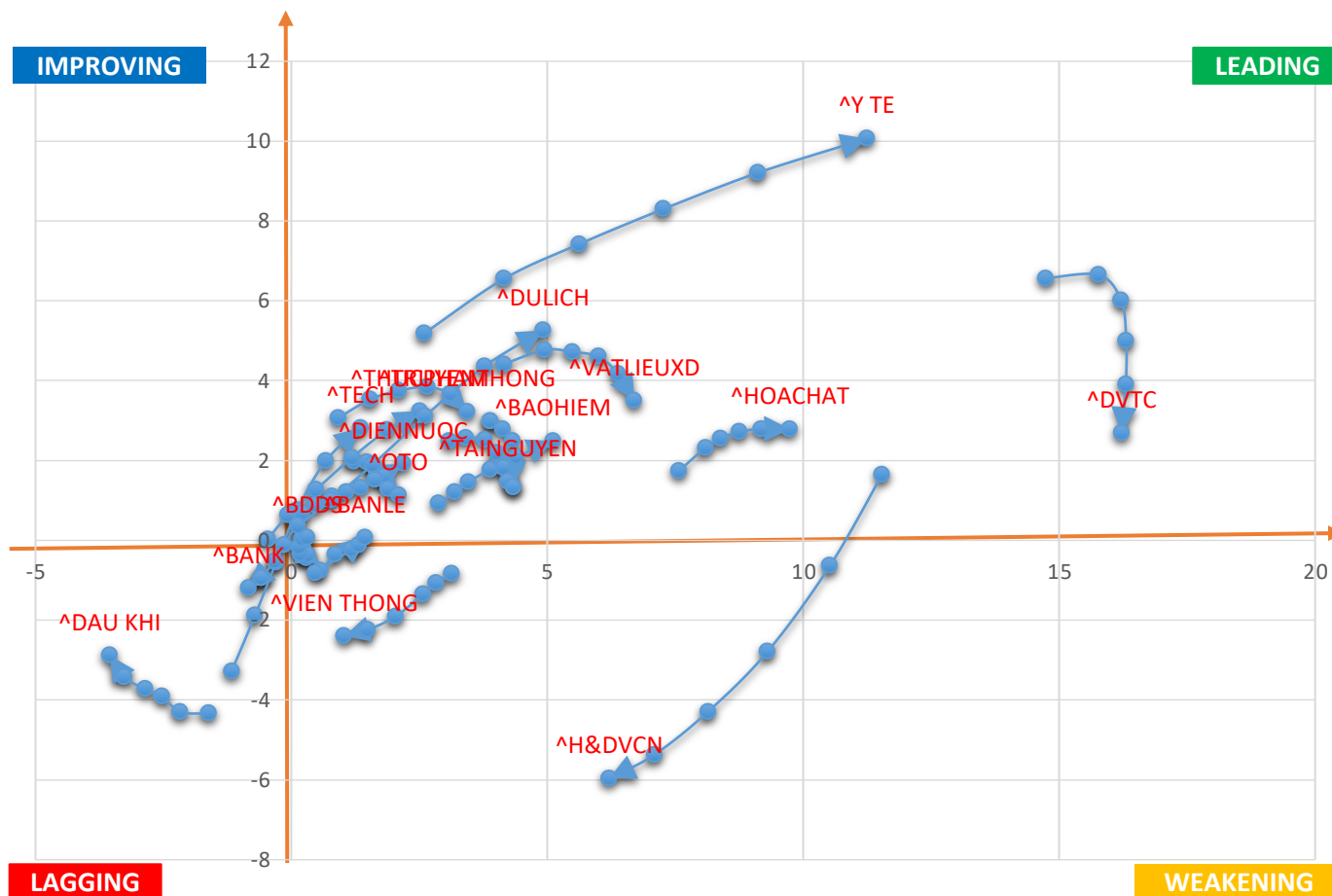
VN-Index created a doji candle with a short real body and continued to close below the resistance level. The selling pressure in the last session of the week decreased slightly compared to the previous sessions and the market still remained in positive green. The index is still stopping at resistance level which is the convergence of MA (20) and MA (50). On the weekly chart, there was a positive when VN-Index ended the week with a short green candle compared to the red candle that closed the previous week, showing that the bullish momentum is gradually getting positive again and the bullish momentum is expected to turn around. return. However, in order for the uptrend to continue to improve, VN-Index needs to soon break out of the resistance zone of 1340 - 1350 points with large trading volume..

✓ **Next week forecast:**

In the next week, we forecast that Vnindex will successfully overcome the short-term resistance zone around 1340 - 1350 points and move towards the short-term peak around 1375 - 1380 points. Midcaps and some separate industry groups are forecast to outperform large-cap stocks



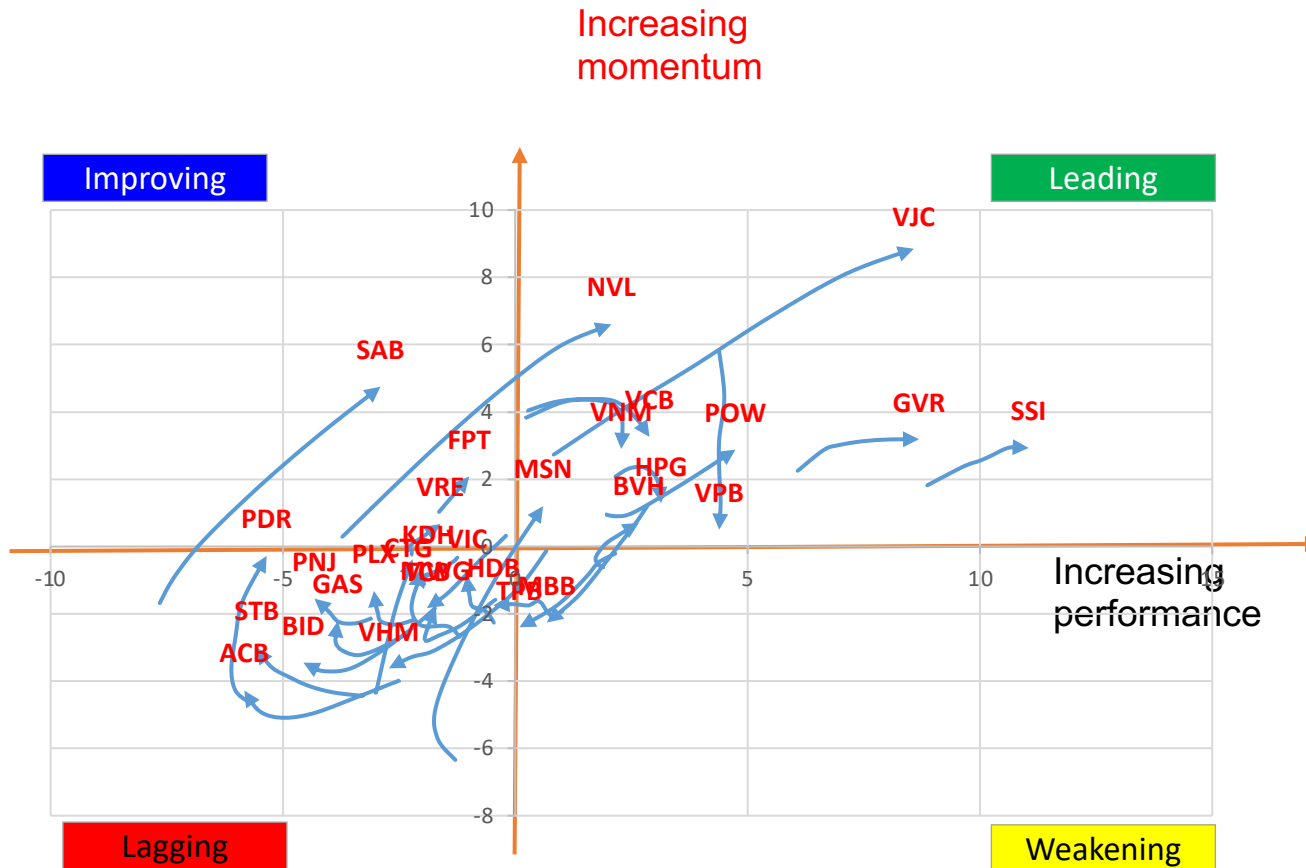
Industry performance pivot chart – Banking and securities sectors weakened



- ✓ **In terms of leading industry groups:** During the week, the majority of industry groups continued the positive recovery trend, the most typical group was Real Estate and Real Estate - Industrial Parks.
- ✓ **Strong industry group:** Except for the banking and securities sectors, the rest of the industries had a positive growth rate. The divergence is forecasted during the holiday trading week.
- ✓ **Notable industry groups:** Industry groups to focus on are real estate - industrial zones, seaports, chemicals, construction and real estate.



Performance chart of VN30 basket stocks – POW and GVR outperformed completely



- ✓ **In terms of leading stocks:** Last week, in the VN30 basket, there was a recovery rhythm, but POW and GVR were the two best gainers.
- ✓ **Strong stocks:** In the past week, the stocks that recovered strongly compared to the average in the VN30 basket were POW, BVH and GVR.
- ✓ **Recommended stocks:** In the coming week, the stocks that RS appreciates are the ones that maintain the best momentum and have recommended POW and GVR.



SUMMARY



Next week's commentary – The short-term trend is unclear. Investors should prioritize risk management for the portfolio

- ❑ **Market last week:** VN-Index recovered well from the support zone of 1,290 – 1,300 points. Cash flow is concentrated in Public Investment, Cement, Port & Shipping. Market liquidity improved to 25.3 trillion, this is a high level of liquidity showing that the current market is still very active. Foreign investors still maintained a strong net selling of nearly 1,200 billion in the past week.
- ❑ **The macro in August was negatively affected by the epidemic.** The indexes of industrial production, PMI, and total retail sales all dropped sharply compared to the previous month. Export activities also recorded a strong divergence. Labor-intensive enterprises and concentrated production activities in the South such as Fisheries, Timber, and Textile grew negatively in August, signaling a less positive business season in Q3.21 This factor will put pressure on the stock price of the above group in the near future.
- ❑ **Forecast next week.** The index's recovery is expected to maintain, but the short-term trend of the index is still unclear. In the scenario, it breaks above the strong resistance area of 1,360 – 1,380 points. The index might return to short-term uptrend and retest the historic peak around 1,425 points. However, if the level of 1,290 - 1,300 points is broken, a rapid decline to the strong support zone of 1,200 points is forecasted to appear. We believe that risk management activities for the portfolio should be prioritized at the moment.
- ❑ **Recommendations.** Maintain holdings for stocks that are attracting cash flow. However, profit taking should be considered for a portfolio with a high proportion of stocks or using margin at the moment.





CHỨNG KHOÁN TÂN VIỆT

THANK YOU