

WEEKLY MACRO NEWS AND MARKET UPDATES

Week 13 - 17 SEPTEMBER 2021

Hanoi, 13/09/2021

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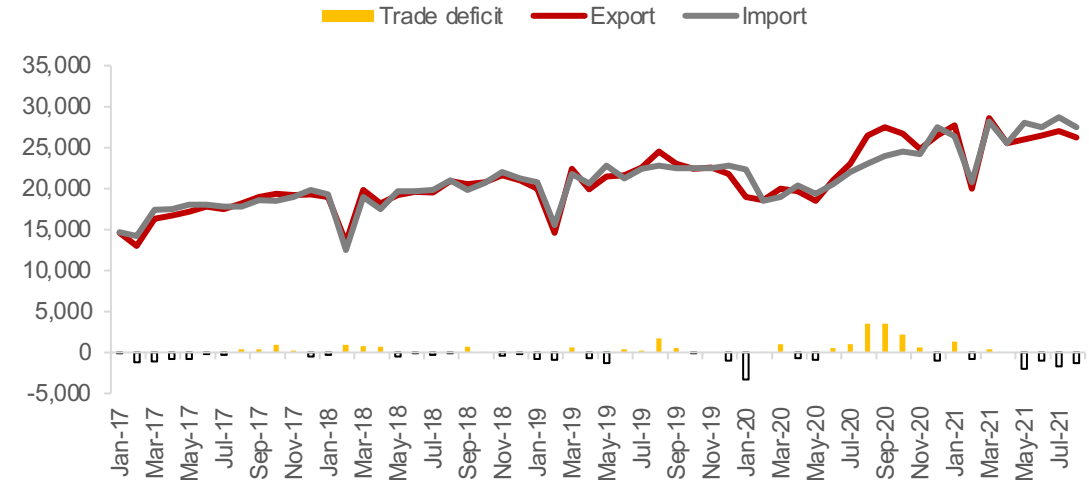


MACRO NEWS

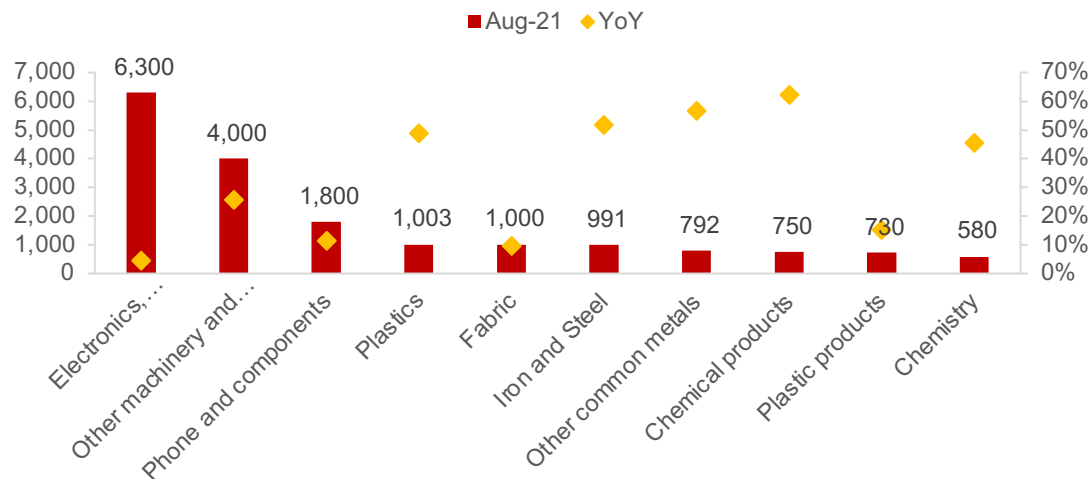
2021F has a deficit of 3 billion USD, worry that inflation will increase at the end of the year due to the continued increase in import demand

- ❖ Trade balance in 8M2021 had a trade deficit of 3.7 billion USD, also the first year of trade deficit in the past 6 years with 4 consecutive months of trade deficit.
- ❖ The strongest import groups include Electronics, computers and components with an import value of USD 6.3 billion, Machinery and equipment with an import value of USD 4 billion. The demand for Covid-19 prevention and control also pushed up the import of chemical products, recording an import value of 750 million USD, which is also the group with the strongest import growth with an increase of 63% YoY.
- ❖ We forecast that in 2021, Vietnam will have a trade deficit of 3 billion USD, this will also be the only big driver to increase inflation in the last months of the year when prices in foreign markets and sea freight costs continue to increase.

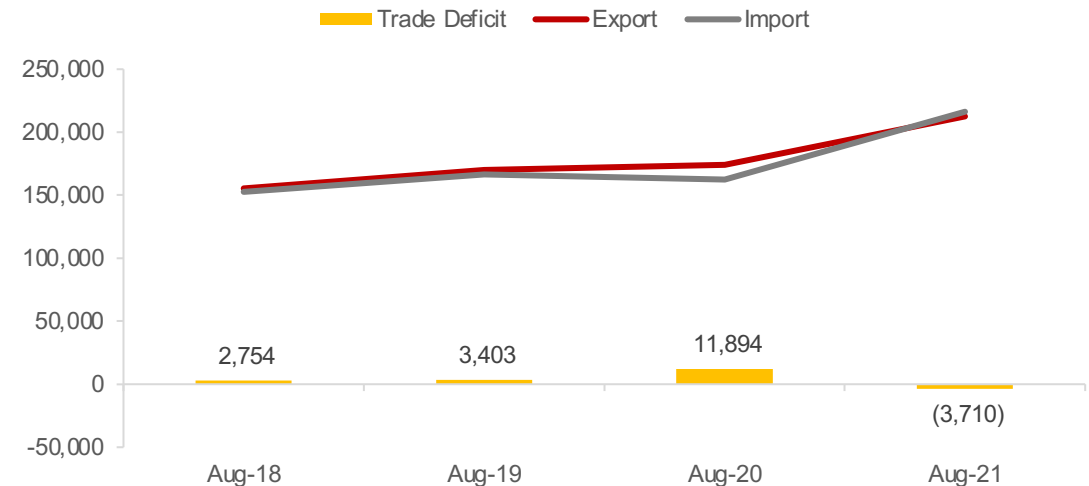
Negative trade balance for 4 consecutive months



Top 10 highest value imported items



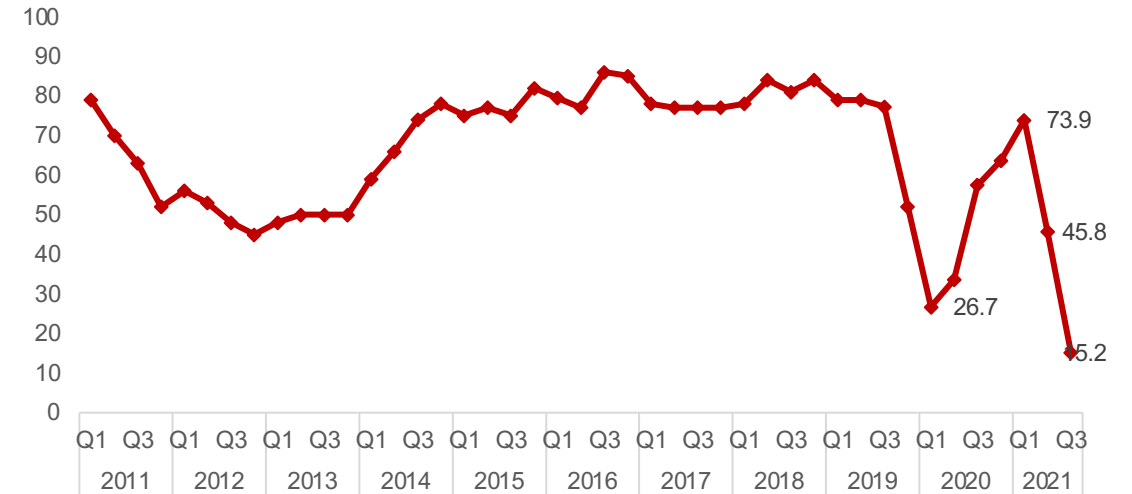
Cumulative trade balance negative 3.71 billion USD



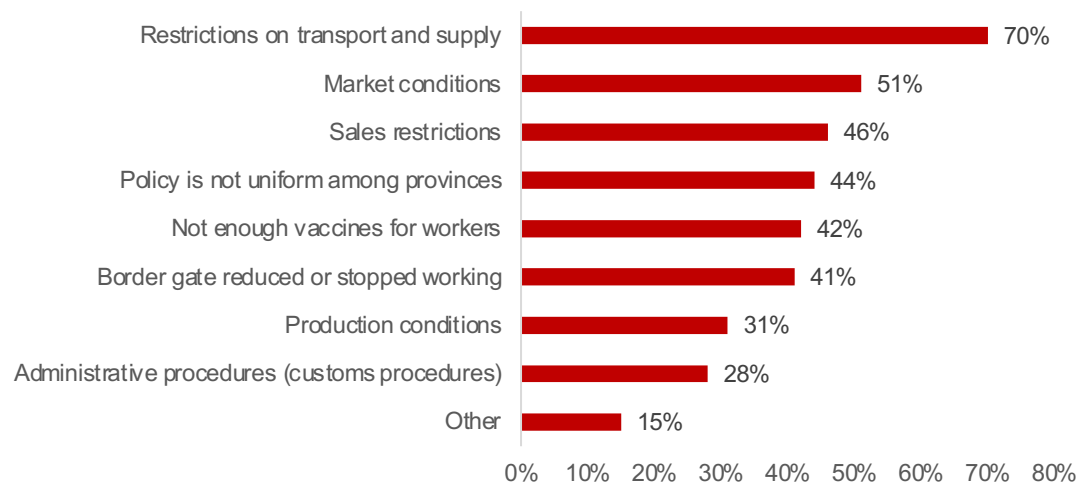
Difficult business environment for FDI enterprises, it is forecasted that registered FDI will continue to decline in Q4.2021

- ❖ EuroCham recorded the Business Environment Index in Vietnam fell to 15.2, the lowest level in 10 years since 2010 until now.
- ❖ The survey of EU businesses doing business in Vietnam also shows that the two biggest concerns of European businesses about the current Vietnamese business environment are (1) logistics barriers (70% reflected) and (2) general difficulties from the market (51% reflected). That has led to EuroCham recording 2% of businesses moving most of their production activities to other countries, along with 16% having moved part of their production activities out of Vietnam.
- ❖ This may be the general trend of foreign enterprises participating in production and business in Vietnam at the present time. We believe that FDI inflows in Q4 will record a decline when Vietnam does not maintain its ability to fight Covid as effectively as in 2020.

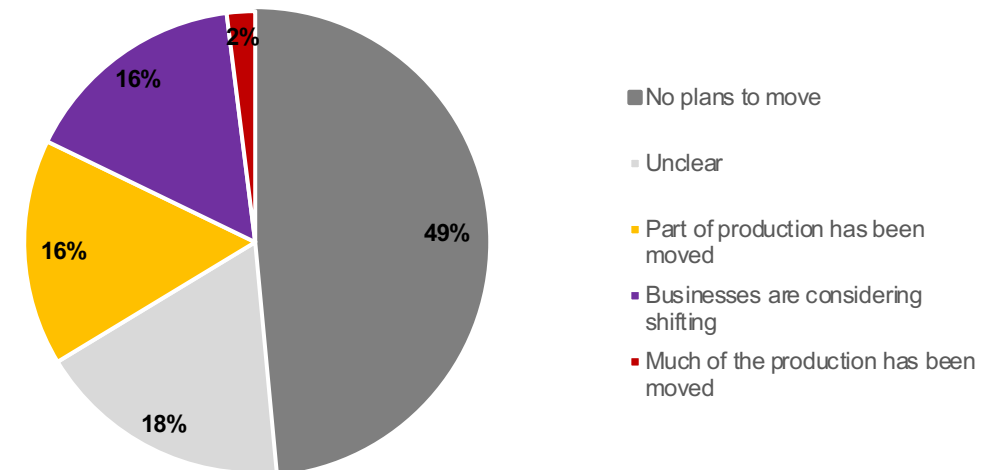
Business environment index in Vietnam is the lowest in 10 years



Survey of business barriers in Vietnam from EU enterprises



2% of EU enterprises move production out of Vietnam



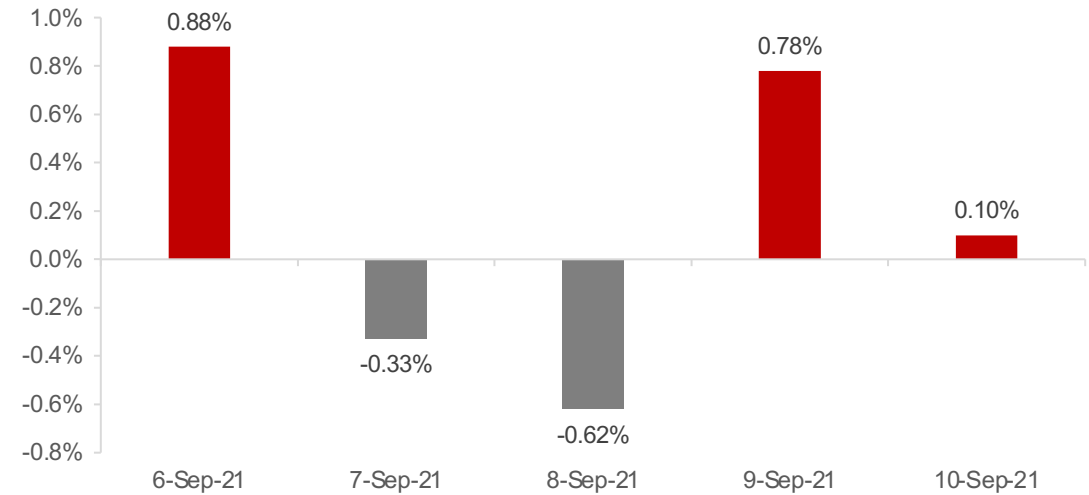
MARKET UPDATES



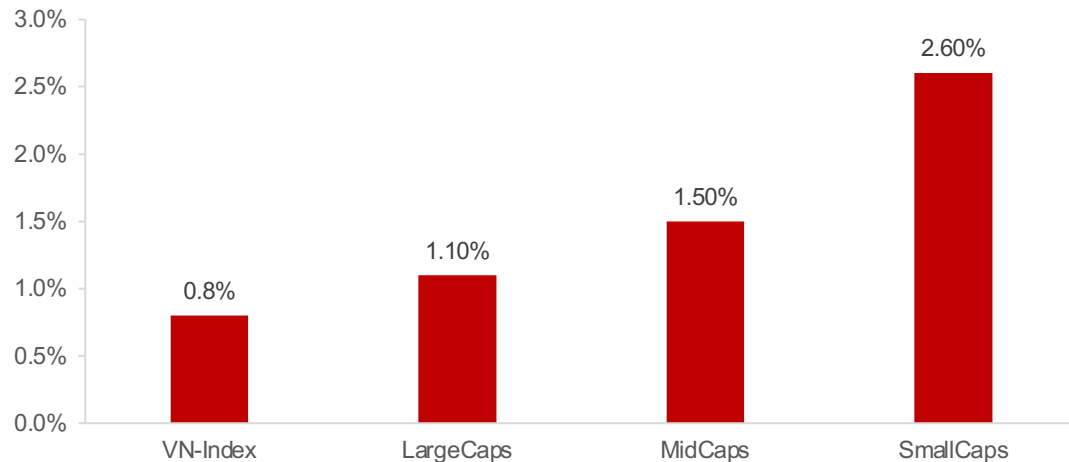
VN-Index increased by 0.8%, P/E recorded at 16.1x

- ❖ The market increased 0.8% last week, with gains occurring across all sectors. Specifically, LargeCaps increased by 1.1%, MidCaps increased by 1.5% and SmallCaps increased by 2.6%.
- ❖ The current market P/E is recorded at an attractive 16.1x, investors may consider adding stocks when the valuation is quite attractive.

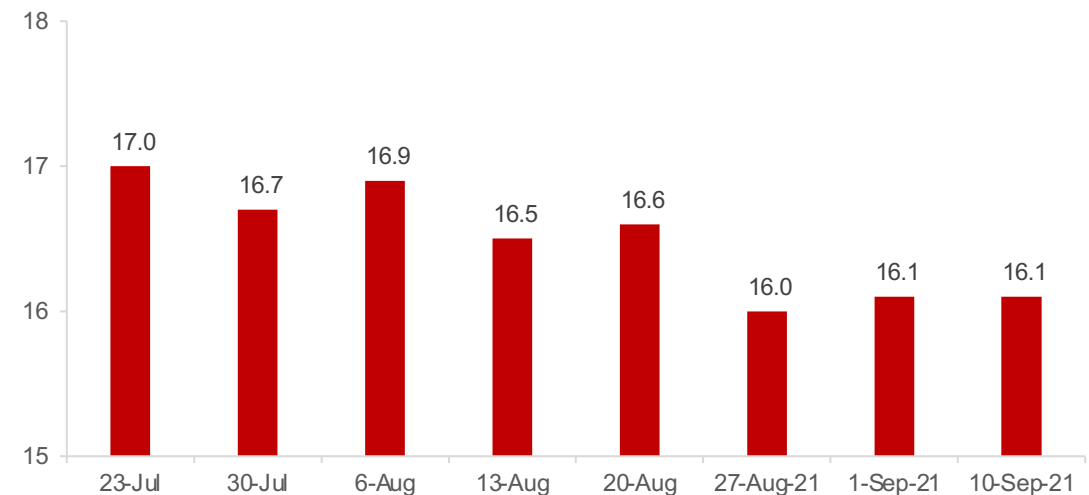
VN-Index gained 0.8% for the week



Market capitalization groups simultaneously increased, SmallCaps increased 2.6%

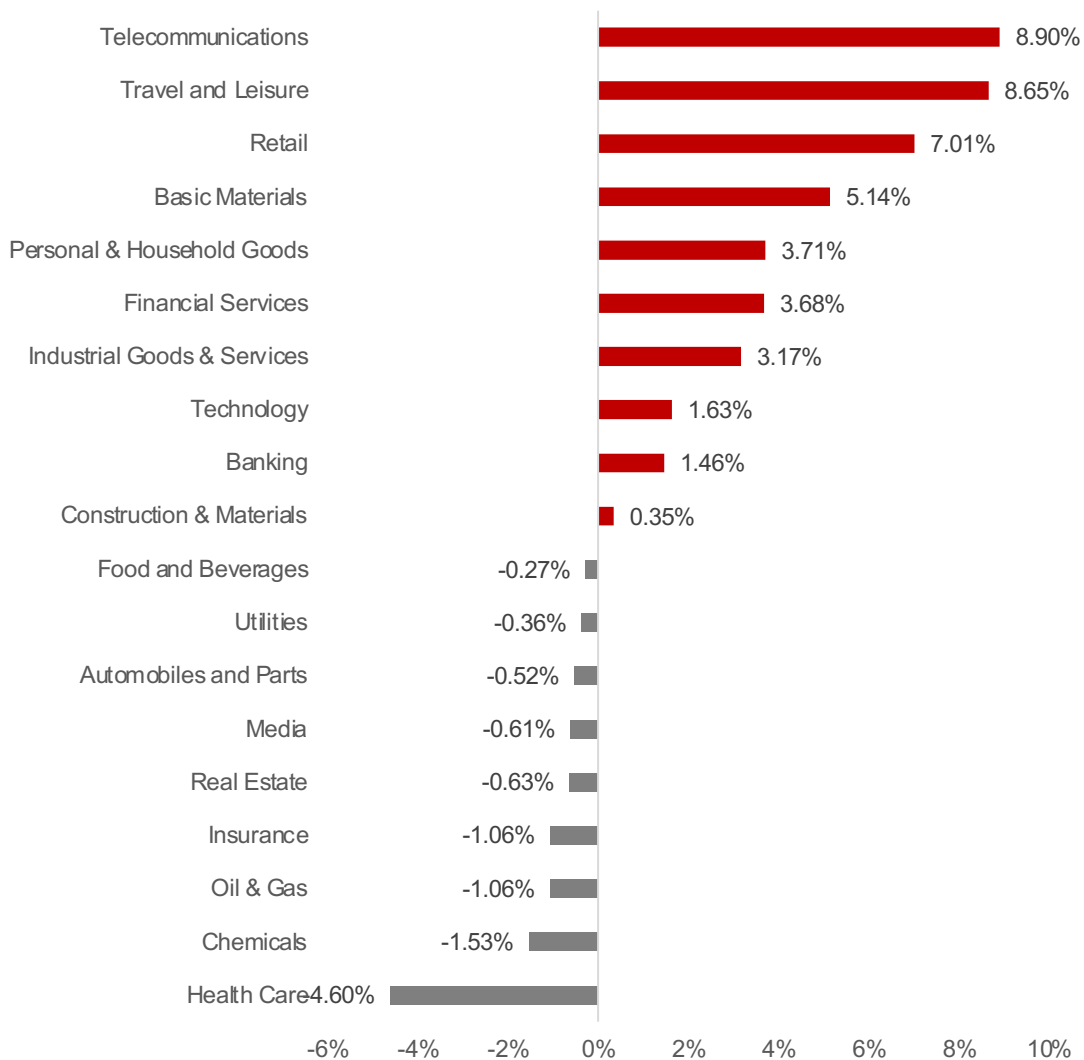


Market P/E recorded at an attractive level of 16.1x

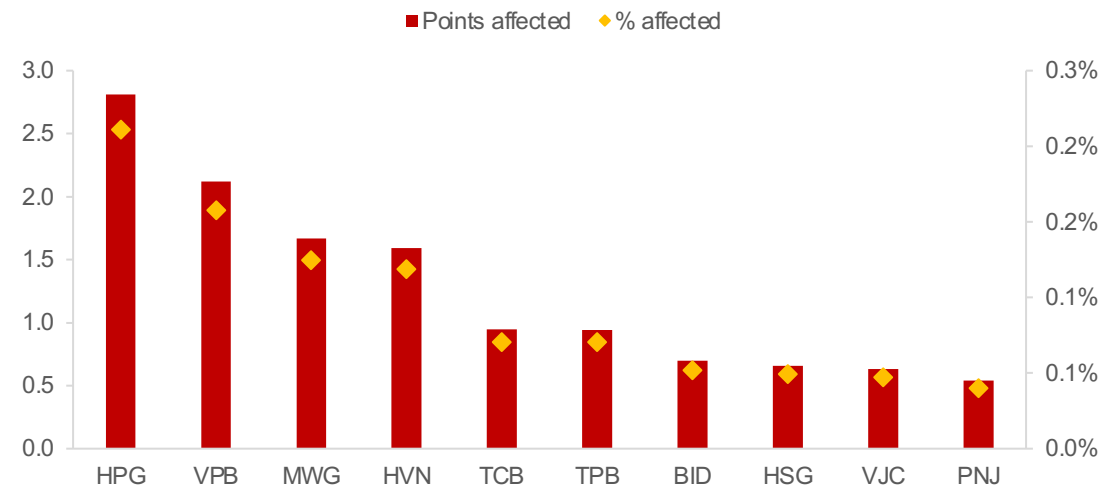


Telecommunications group increased sharply by 8.9% in the past week

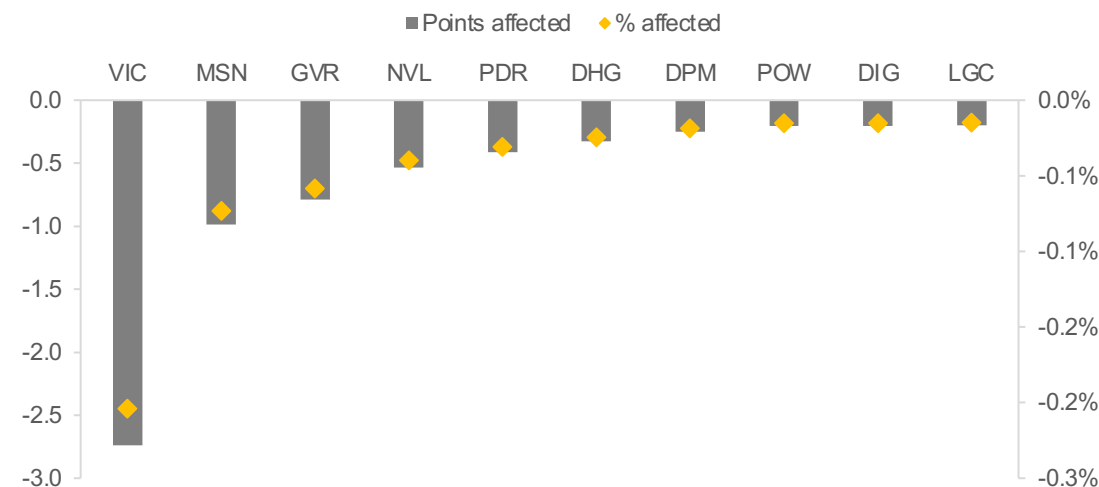
Telecommunications increased strongly by 8.9% in the week



Top 10 stocks with impact on VN-Index this week

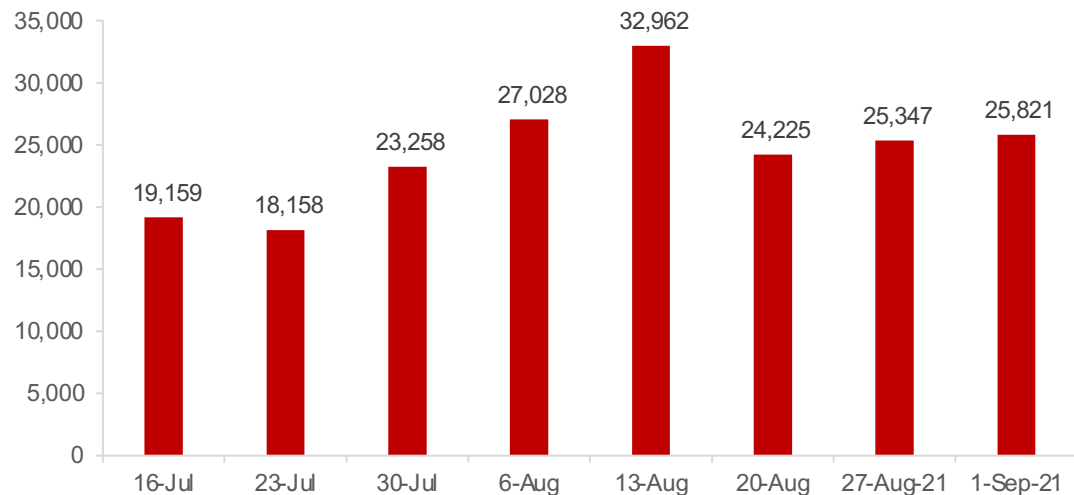


Top 10 stocks with negative impact on VN-Index this week

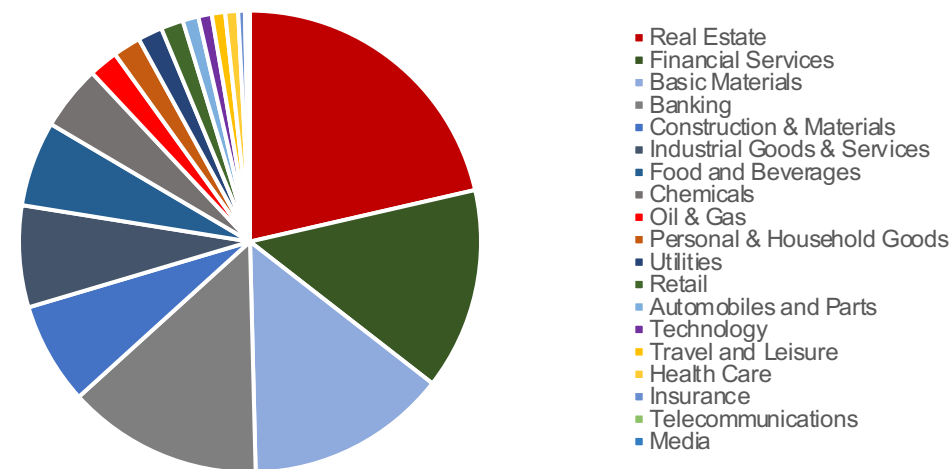


Cash flow spiked into Basic Resources and Financial Services

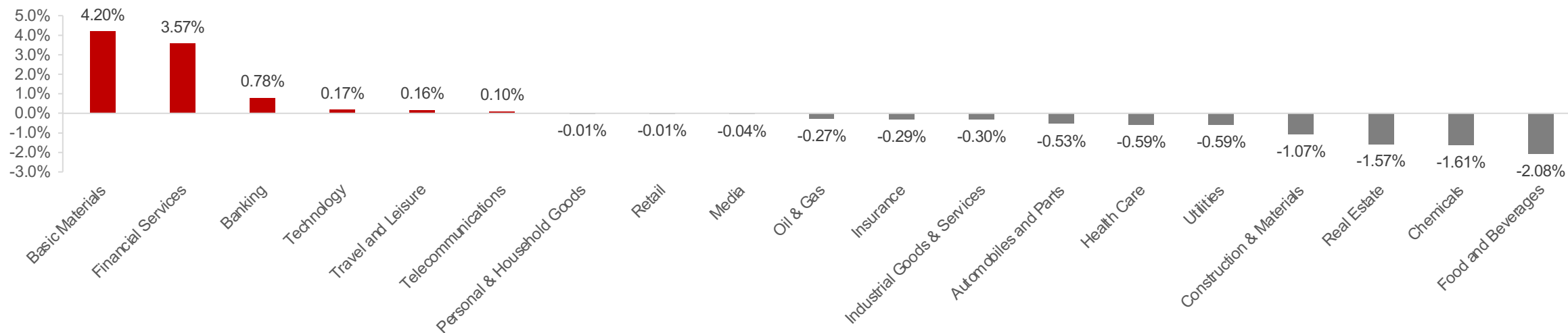
Liquidity increased slightly by 2% during the week



Structure of cash flow for the week



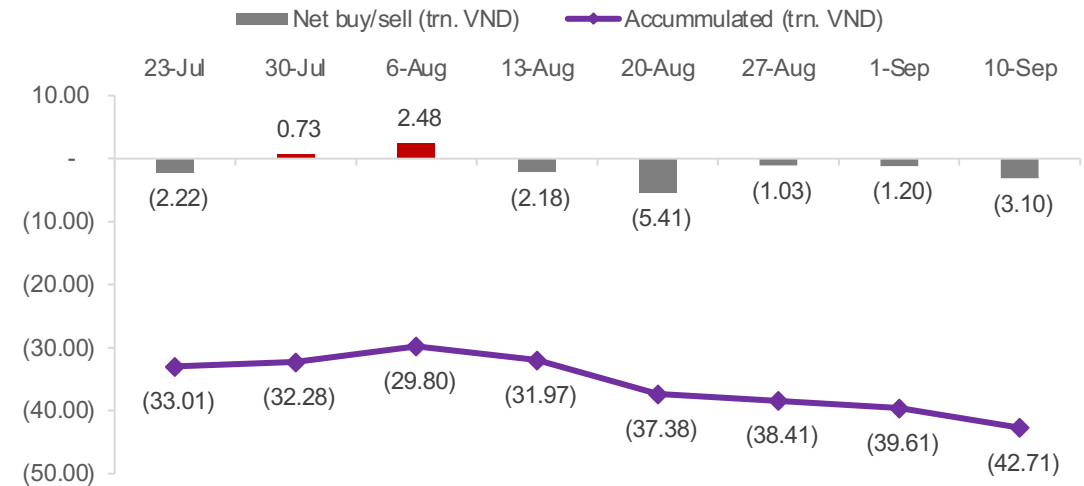
Cash flow spiked into Basic Resources and Financial Services



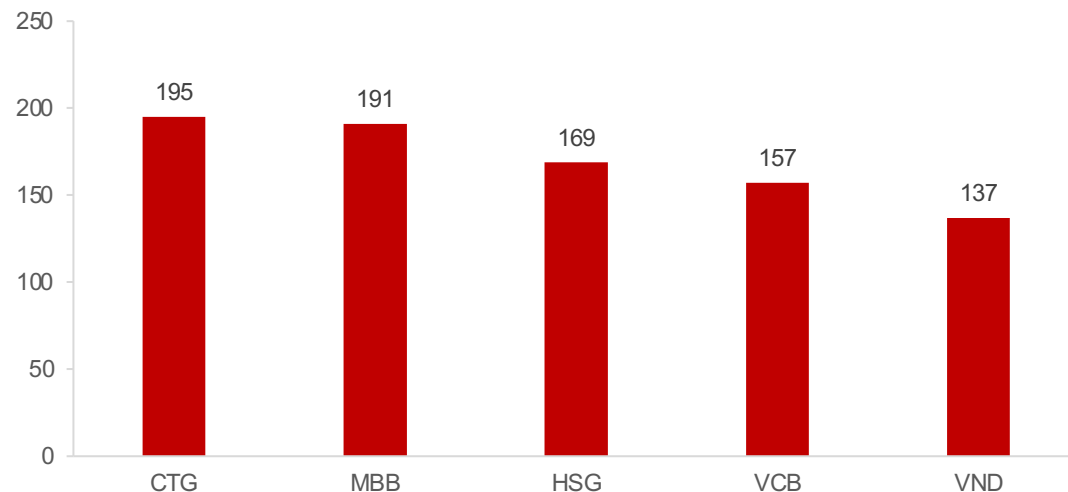
Foreign investors net sold 550 billion VND, accumulated net selling more than 40,000 billion VND

- ❖ Foreign investors continued to have the 5th consecutive week of net selling with a net selling value of 550 billion. Since the beginning of the year, foreign investors have sold more than 40 trillion VND.
- ❖ The two favorite stocks of foreign investors in the past week belonged to the banking group, respectively CTG and MBB with a net buying value of 195 billion and 190 billion.
- ❖ SSI continued to be net sold by foreign investors in the past week with a net selling value of up to 460 billion.

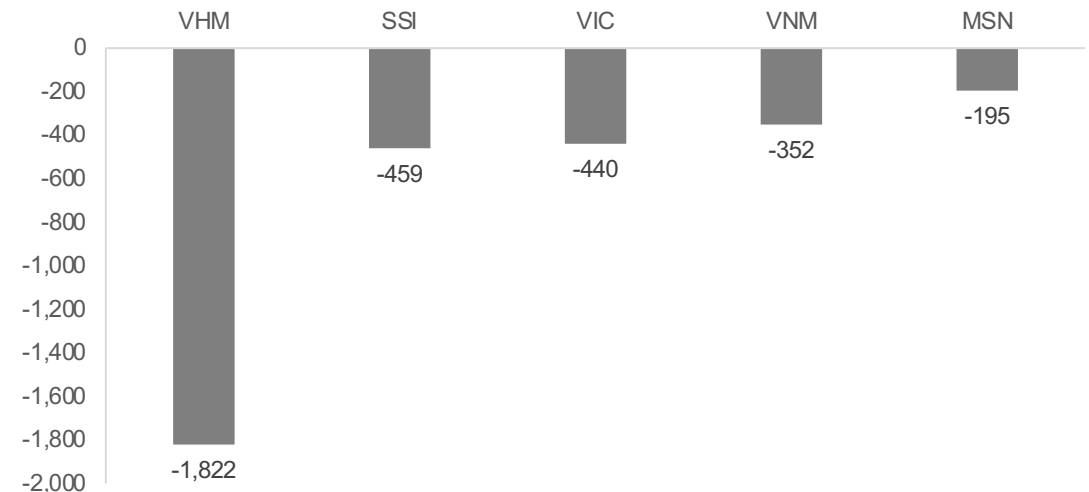
Foreign investors net sold 550 billion in the week



Top 5 stocks that foreign investors bought net in the week



Top 5 foreign net selling stocks during the week



TECHNICAL ANALYSIS

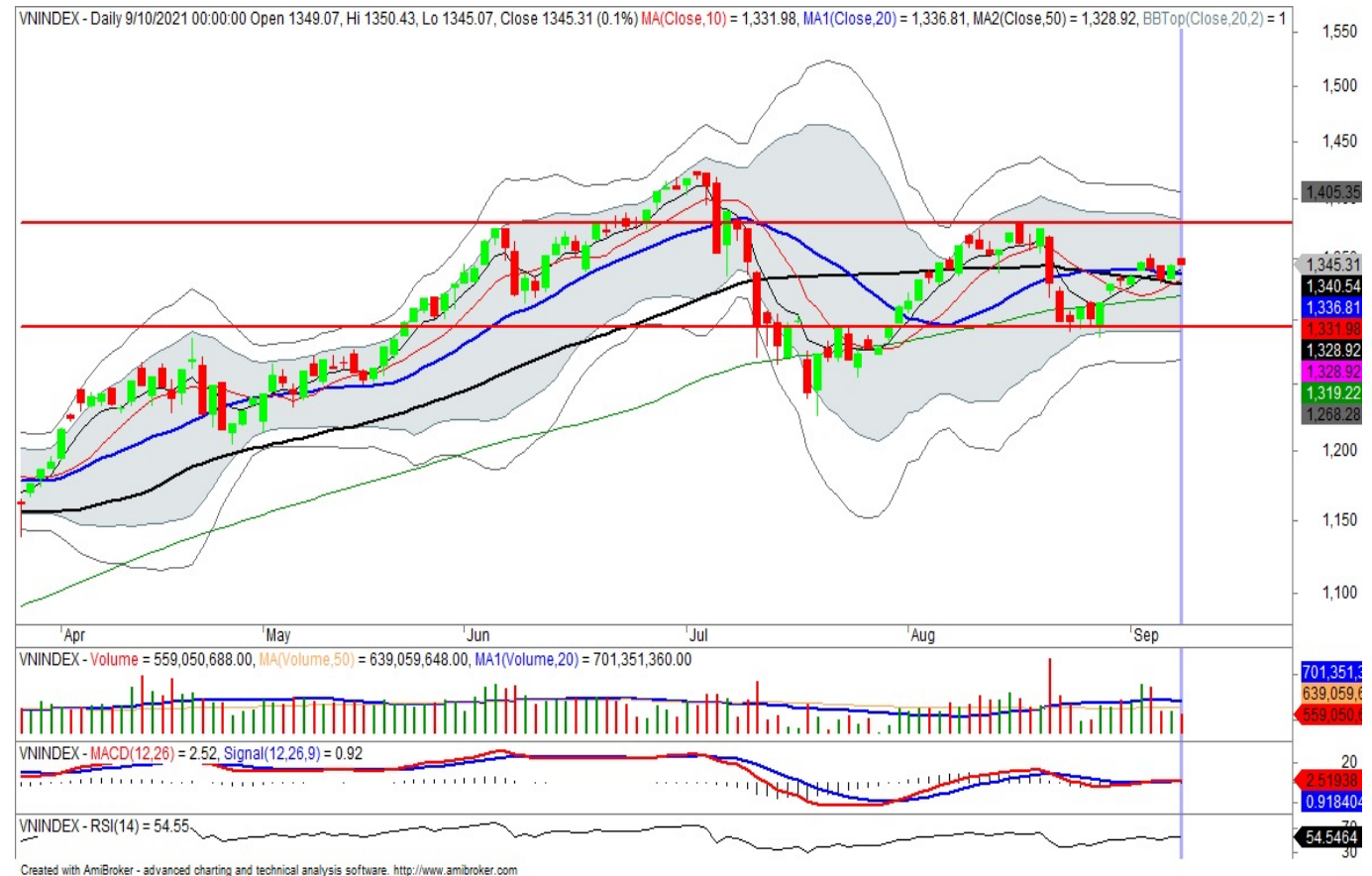


✓ **Technical Analysis:**

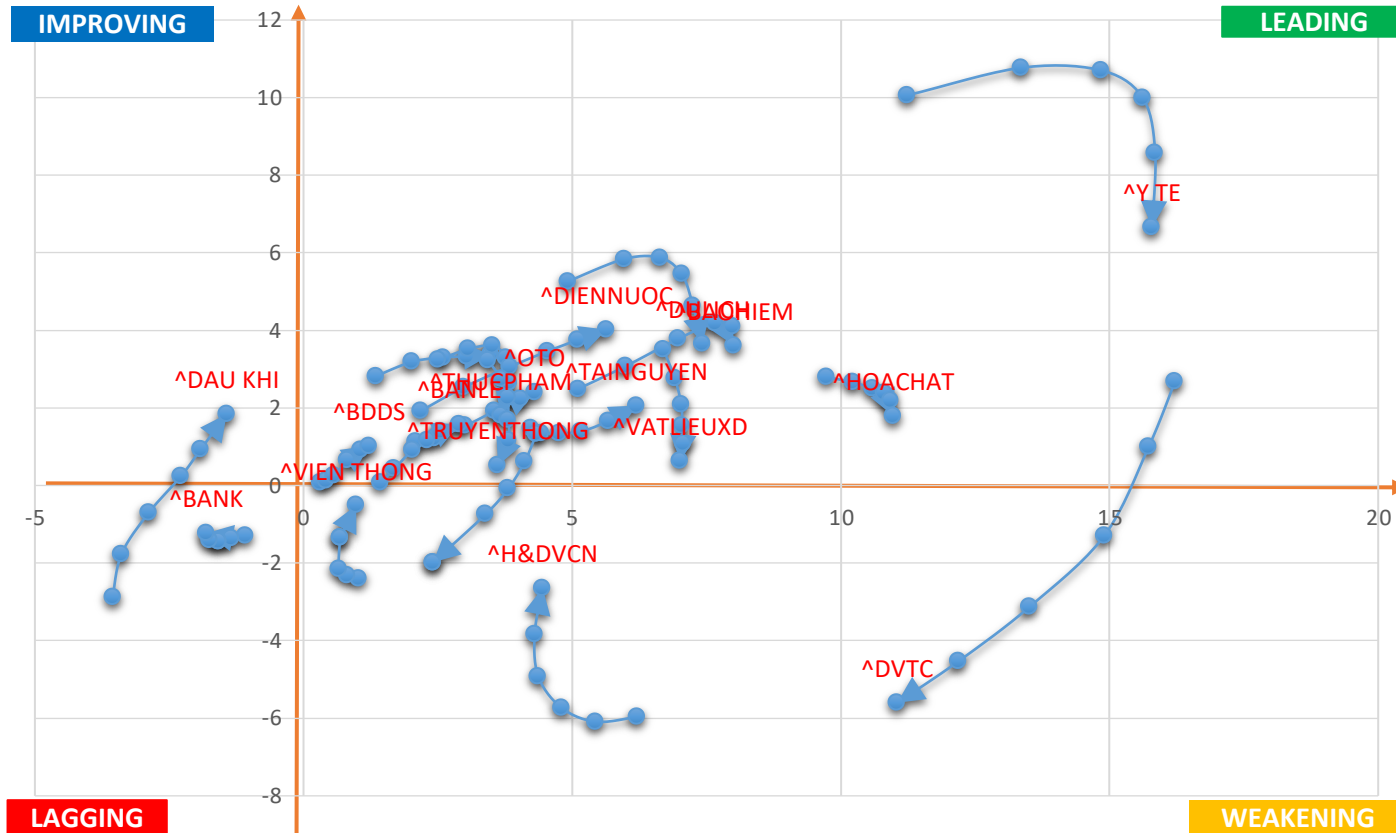
VN-Index created a Bearish Engulfing bearish candle with a short real body and closing price near the session low, showing that the market's strong uptrend is still struggling. According to the weekly chart, VN-Index still created a Bullish Engulfing candle and increased compared to the previous week, showing that the index's retest of MA (20) week support was successful. The market is still bullish with declining liquidity, partly because the banking sector has not been able to recover but the market's uptrend is still there. In the short term, the trend of Vnindex is moving sideways in a narrow range of 1330 – 1350 points and has not completely broken through this value range for 3 weeks. Further, VN-Index is gradually forming an uptrend again after retesting the previous MA(20) on the weekly chart.

✓ **Next week forecast:**

In the next week, VN-Index is forecasted to end its long-lasting sideways trend in a narrow range at the value range of 1330 - 1350 points. Vnindex is forecasted to touch the resistance area of 1375 – 1380 points in the new trading week



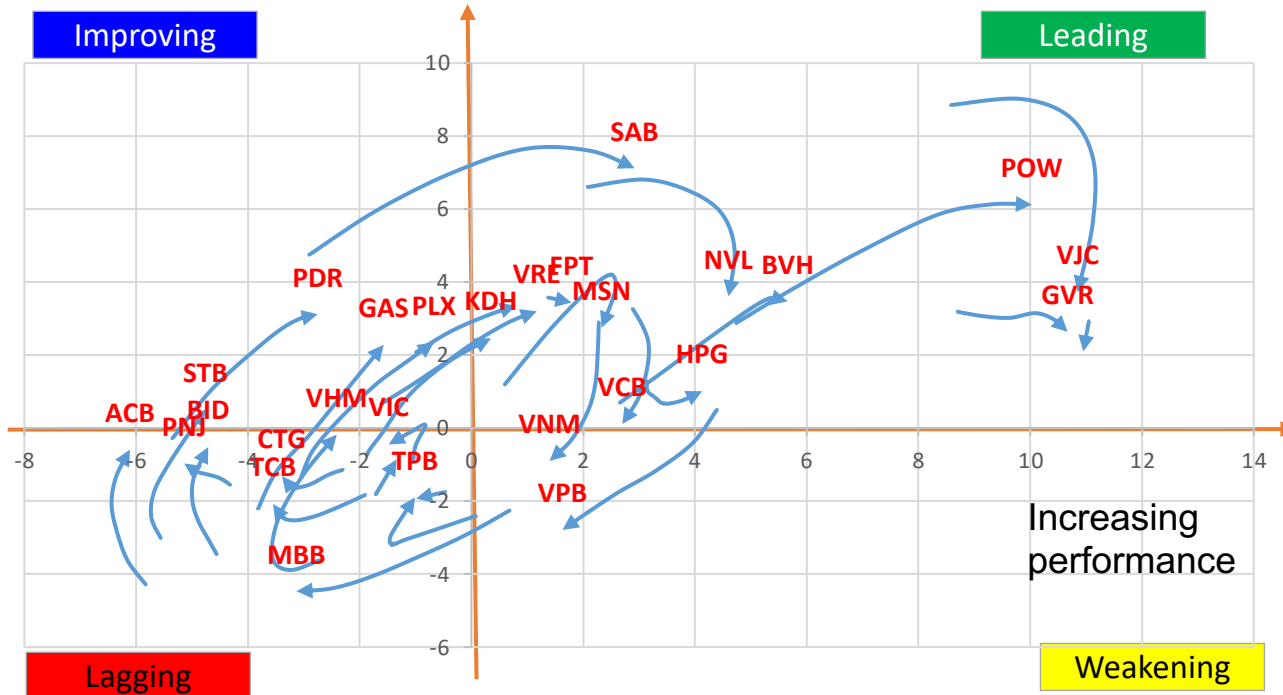
Industry Performance Pivot Chart – Resource sector group strongly recovers



- ✓ **In terms of leading large groups of industries:** During the week, besides real estate and real estate - industrial zones, there was another positive steel industry group again.
- ✓ **Strong industry group:** Current strong industry groups include real estate, real estate - industrial zones, steel group, seaport group and seafood group.
- ✓ **Notable industry groups:** Industry groups to focus on are real estate - industrial zones, steel and real estate industries

The performance chart of VN30 basket stocks – The recovery was widespread, except for key stocks

Increasing momentum



- ✓ **In terms of leading stocks:** Last week, in the VN30 basket, there was a positive recovery of many stocks. Notably, the retail industry group.
- ✓ **Strong stocks:** During the past week, strong recovery stocks included TPB, MWG, PNJ and HPG.
- ✓ **Recommended stocks:** In the coming week, the stocks that RS appreciates are the ones showing signs of rebounding from the accumulation zone such as TPB, BVH and SAB. Because the cash flow is not too concentrated in the large-cap group, it is still not a priority.

SUMMARY



Next week's commentary – ETF portfolio structure and derivatives maturity. The index may appear volatile

- ❖ **Market last week:** VN-Index fluctuated sideways with strong divergence. Cash flow concentrated in Aviation and Retail after the news of gradually reopening the economy from the second half of September. Market liquidity improved to 25.8 trillion, this is a high level of liquidity showing the market. It's still very active right now. Foreign investors boosted their net selling of more than 3,100 billion dong, while self-trading saw a net buying of 165 billion dong.
- ❖ **The government plans to reopen Ho Chi Minh City from the second half of September:** Currently, Ho Chi Minh City is planning to reopen the economy with 3 phases, specifically phase 1 (expected 16.9 - 31.10). deployed in highly secure areas. Phase 2 (expected October 31 - January 15, 2022) adds a number of fields such as: on-site dining, outdoor sports, entertainment with the number of less than 20 people, participants must have a Covid green card. . Phase 3 (expected after January 15, 2022), if the epidemic develops according to the control plan, TP will open all activities of the economy, especially for karaoke, dance halls, bars, etc. massage, requiring attendees to have a Covid green card. The reopening of the area currently at the center of the epidemic shows that the Government is turning to a strategy of living with Covid-19. This is a positive factor for businesses that are heavily affected by Directive 16 such as Fisheries, Textiles, and Wood, etc. However, the possibility of a re-epidemic outbreak is a risk that should be noted. Besides, the resumption of the economy may also cause a part of cash flow from the stock market to shift to other activities such as business, real estate, etc. Along with the poor forecast Q3.21 reporting season. positive before the impact of the epidemic, the above factors will put pressure on the market in the coming time.
- ❖ **Next week forecast:** Weeks 13.9 - 17.9 is the maturity week for derivatives as well as ETFs with portfolio structure, so there may be strong fluctuations in the index. Currently, the resistance zone of 1,365 – 1,380 points and the support of 1,290 – 1,300 points are important price zones that decide the next trend of the market. Therefore, investors should limit buying and selling and wait for clearer signals from the market to take appropriate action.



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THANK YOU