

Weekly Summary and Recommendation

Week 20/09-24/09/2021

Hanoi, 20/09/2021

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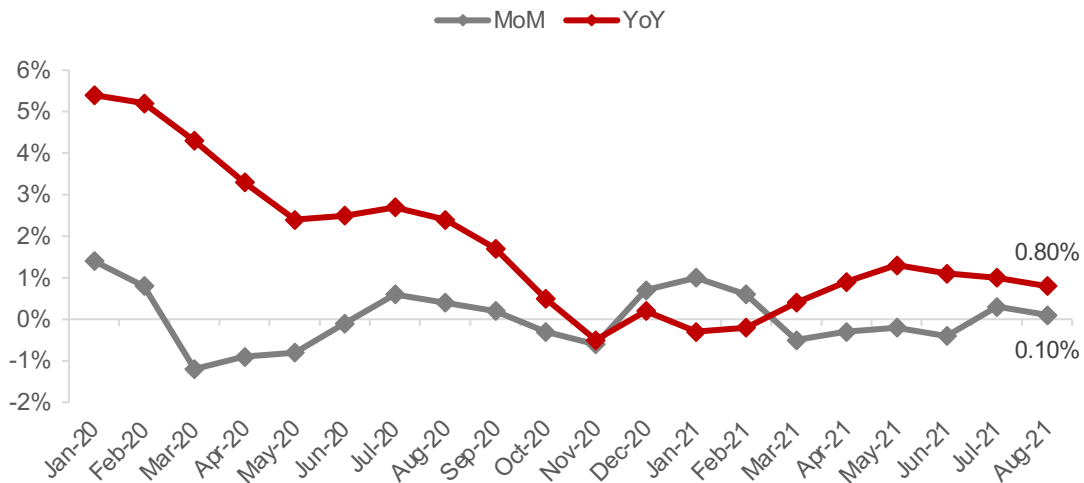
MACRO NEWS

China's inflation continued to be kept low, the trade balance had a surplus of 58 billion USD in M8.2021, exports rose by 5.3% YoY.

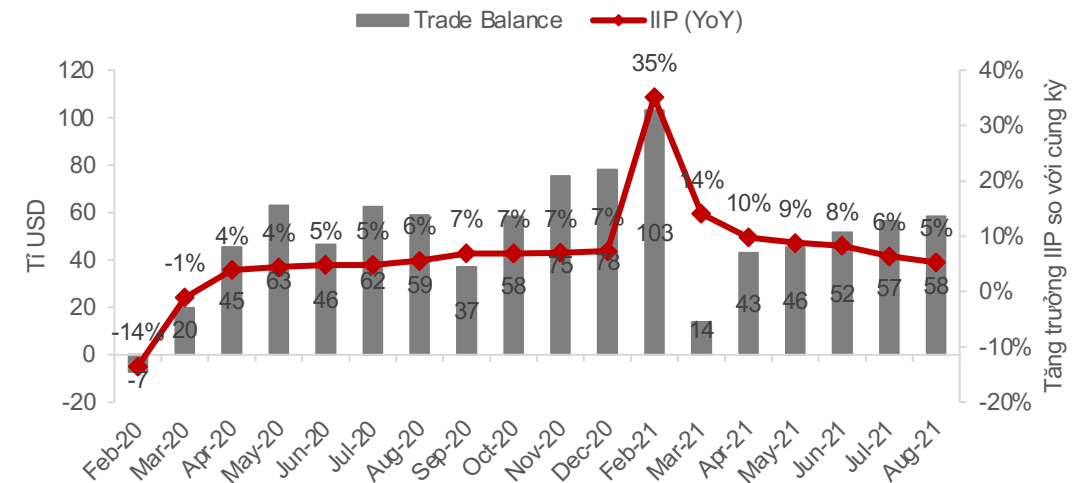
- ❖ China's inflation in M8.2021 recorded an increase of 0.8% over the same period, while the index of industrial production increased by 5.3% YoY (however, it tends to decrease month by month). In M8.2021, China recorded a trade surplus of 58 billion USD, slightly down compared to the level recorded in the same period in the same period of 2020.
- ❖ Next week, the FED will hold its M8.2021 meeting, we forecast that the interest rate will continue to be kept at a low level of 0-0.25%, with the long-term interest rate forecasted at 2.5%. However, under the pressure of inflation (estimated in M8.2021), the size of the FED's bond asset purchase program is likely to be reduced to \$100 billion/month instead of 120. billion/month as at present.

	Forecasts	Present figures
1Y interest rate	0.10%	0.10%
2Y interest rate	0.60%	0.60%
3Y+ interest reate	2.5%	2.5%
Base interest rate	0.25%	0.25%
Monthly bond asset purchase	100 bn USD	120 bn USD

China's inflation continues to be controlled at a low level



T8.2021 has a trade surplus of 58 bn USD, IIP rises by 5.3% YoY

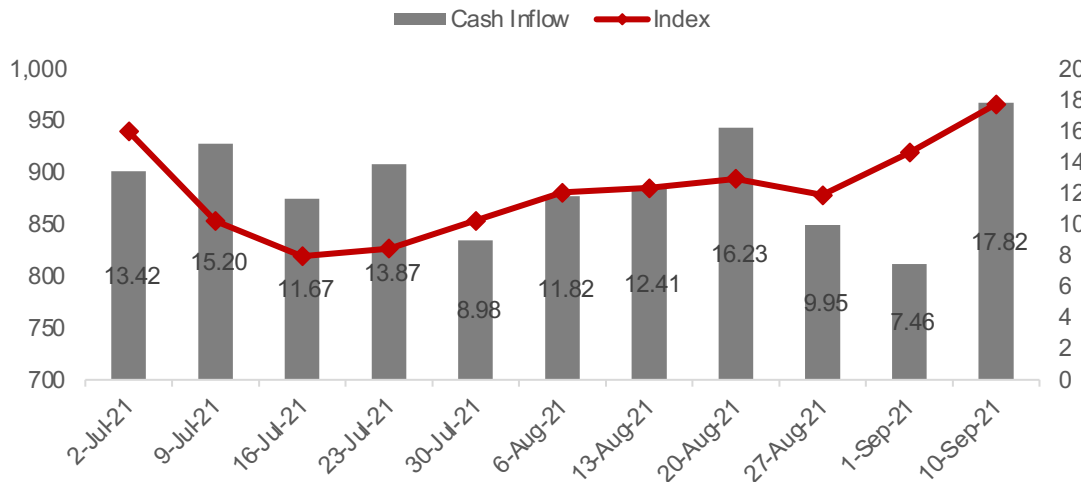


Cash inflow trend focuses on Basic Resources and Construction & Materials from the beginning of Q3 until now

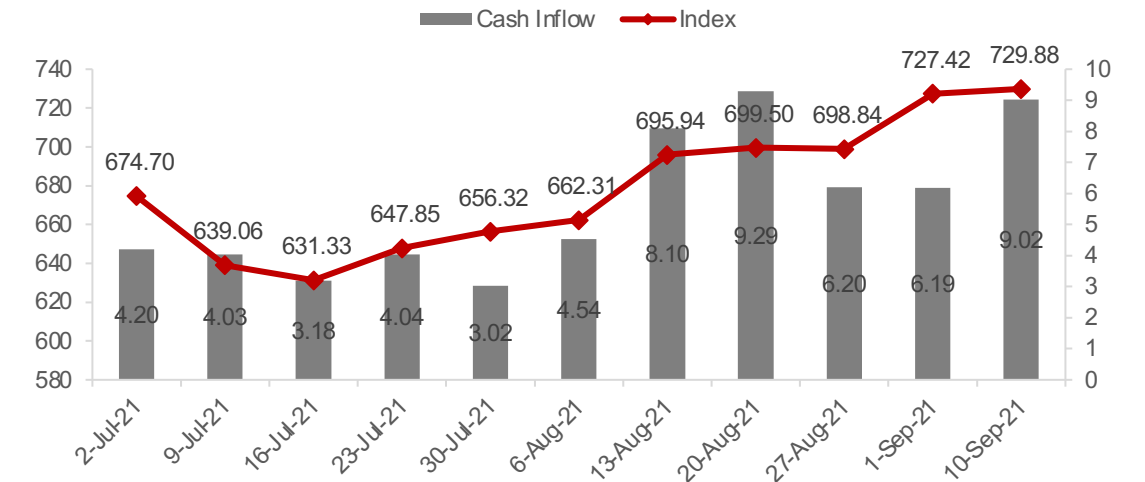
- ❖ Cumulative summary in 3Q2021, Construction & Materials and Basic Resources are the two groups in the Top 5 with growth, with an increase of 3.71% and 3.17% respectively. Notably, the money flow moving into these two groups also had a sudden increase (115% and 33% compared to the reference at the beginning of Q3).
- ❖ From the recorded cash flow trend, we believe that a wave of public investment capital has been formed and will continue to increase strongly in the last part of 2021 when the capital disbursement speed is improved. Some notable codes that have been recommended include HPG, HSG, NKG, etc.

Q3 - YTD	Increase (%)	Cash inflow (%g)	Cash Proportion Q2	Cash Proportion YTD
Industrial Goods & Services	4.34%	164%	3.1%	7.1%
Construction and Materials	3.71%	115%	4.6%	7.1%
Real estate	3.22%	21%	19.6%	21.4%
Basic Resources	3.17%	33%	8.8%	14.1%
Financial services	2.95%	30%	11.3%	14.1%

Cash inflow and index rises of Basic Resources



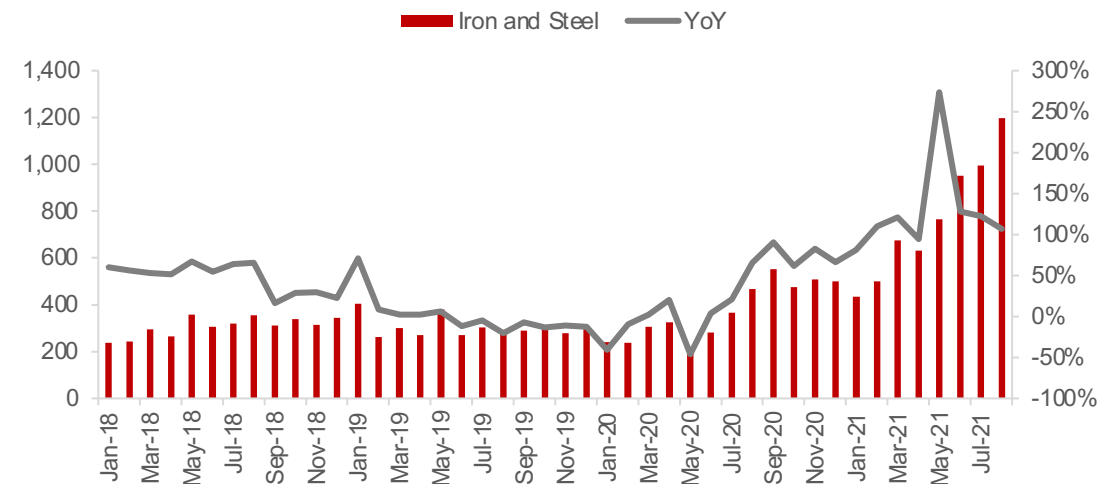
Cash inflow and index rises of Construction & Materials



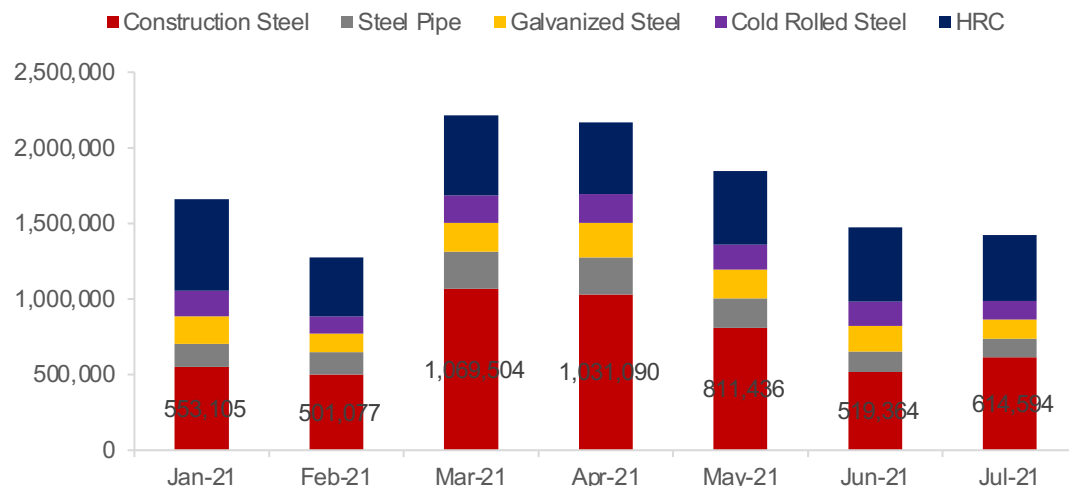
The domestic market had a slight decrease in consumption but the export market continued to grow strongly, 8M exports rose by 119% YoY.

- ❖ Along with that, iron and steel demand is forecast to improve in the last part of the year, especially from export demand.
- ❖ In 7M2021, galvanized sheet is the strongest export item (reaching 1.8 million tons), followed by Construction Steel and HRC with export sales of 984,372 tons and 816,900 tons, respectively.
- ❖ Iron and steel export turnover in M8.2021 reached 1.2 billion USD, up 107% over the same period. Accumulated from the beginning of the year until now, iron and steel exports reached 6.8 billion USD, up 119% YoY.

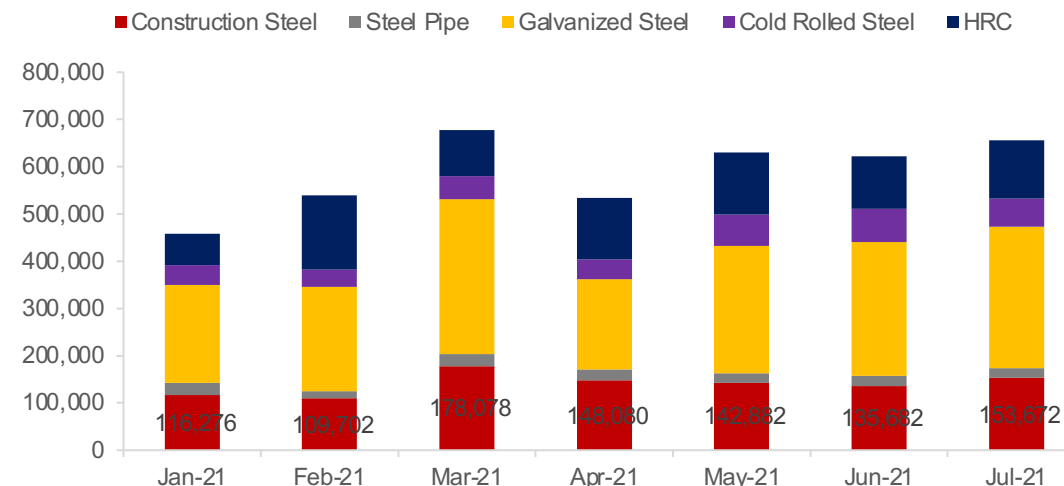
8M iron and steel exports reached 6.8 bn. USD, up 119% YoY



Steel consumption in the domestic market



Steel consumption in the export market



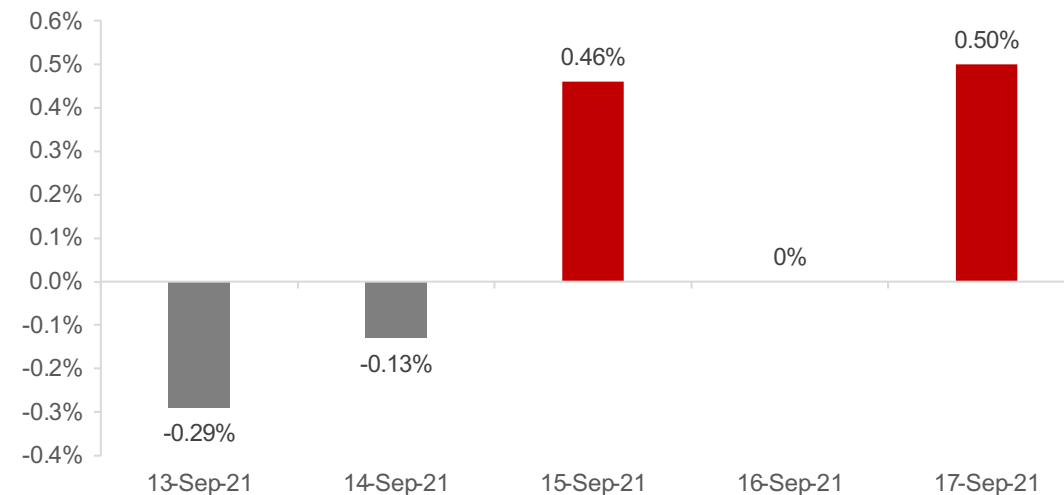
MARKET UPDATES



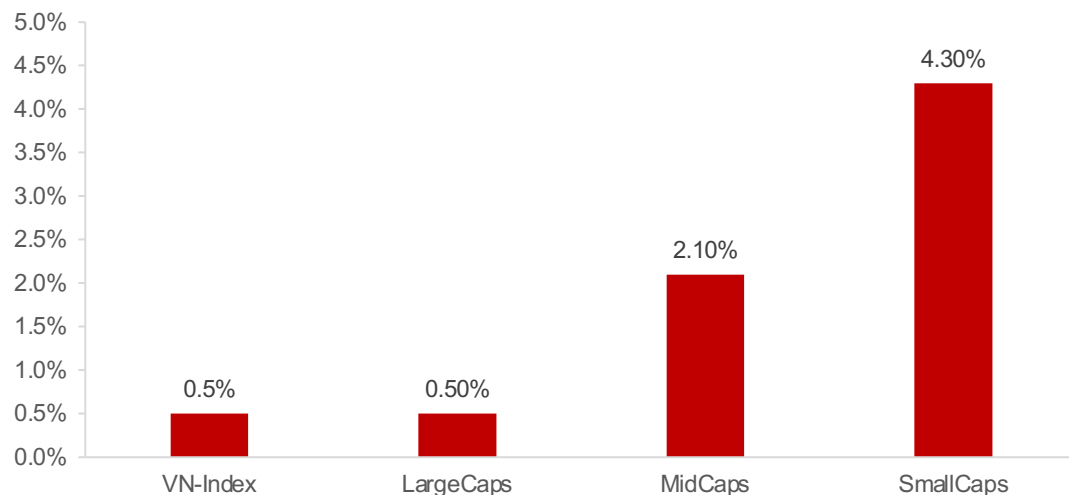
VN-Index increased by 0.5%, P/E recorded at 16.4x

- ❖ The market gained 0.5% last week, with gains occurring across the industry group. Specifically, the group of LargeCaps increased by 0.5%, the group of MidCaps increased by 2.1% and the group of SmallCaps increased by 4.3%.
- ❖ The current market P/E in the past weeks has fluctuated in the range of 16x - 17x, currently recorded at an attractive level of 16.4x. Investors may consider adding stocks when the valuation is quite attractive.

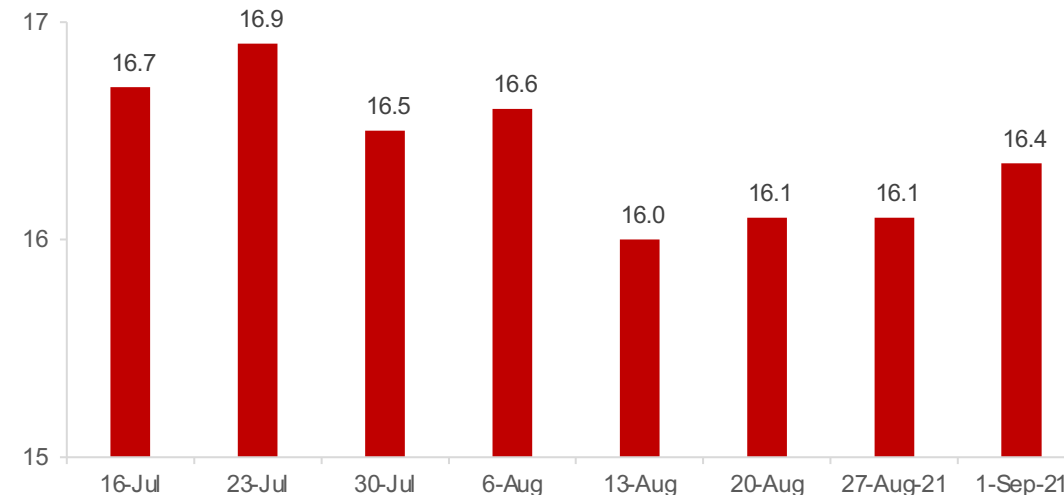
VN-Index increased by 0.5% in the week



SmallCaps continued to increase strongly 4.3%

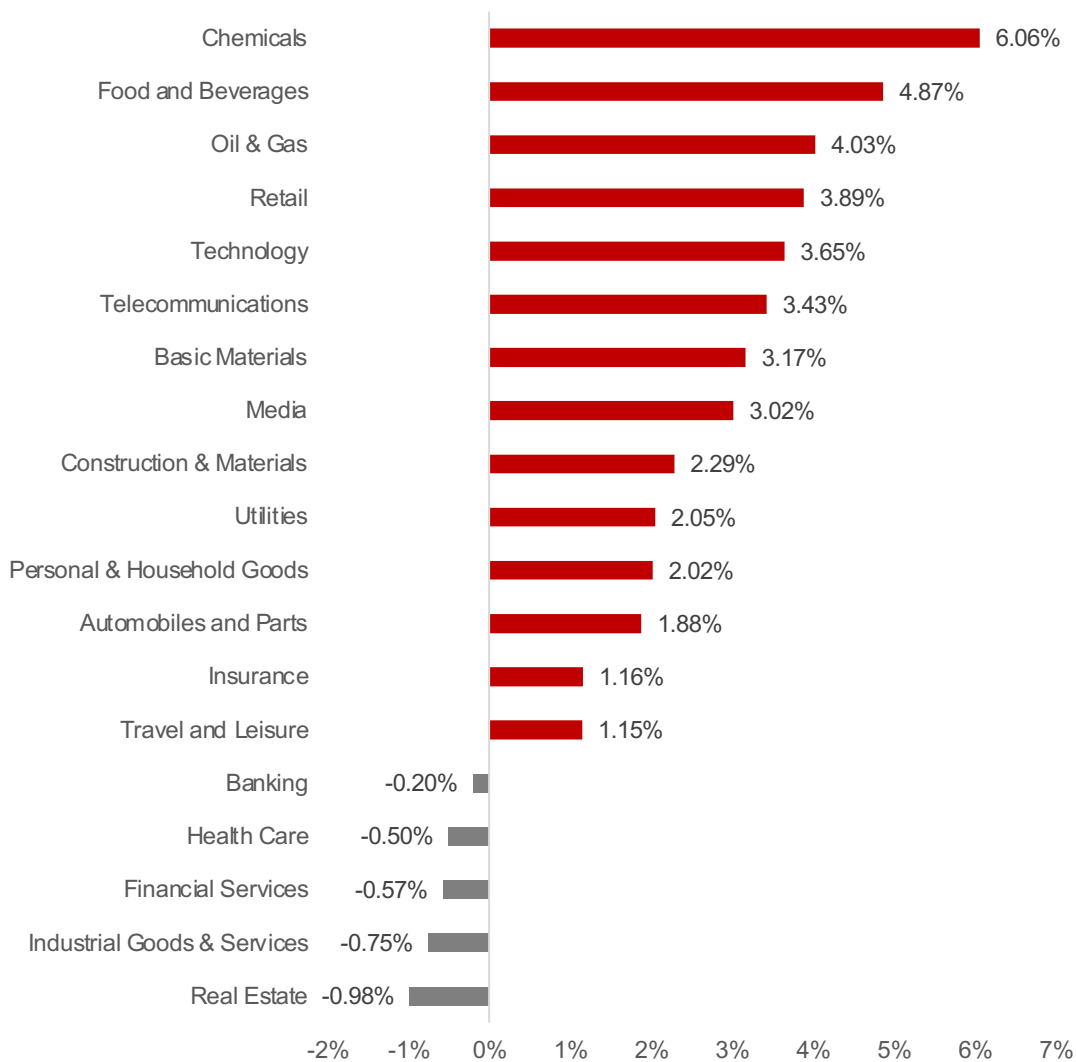


P/E recorded at 16.35x

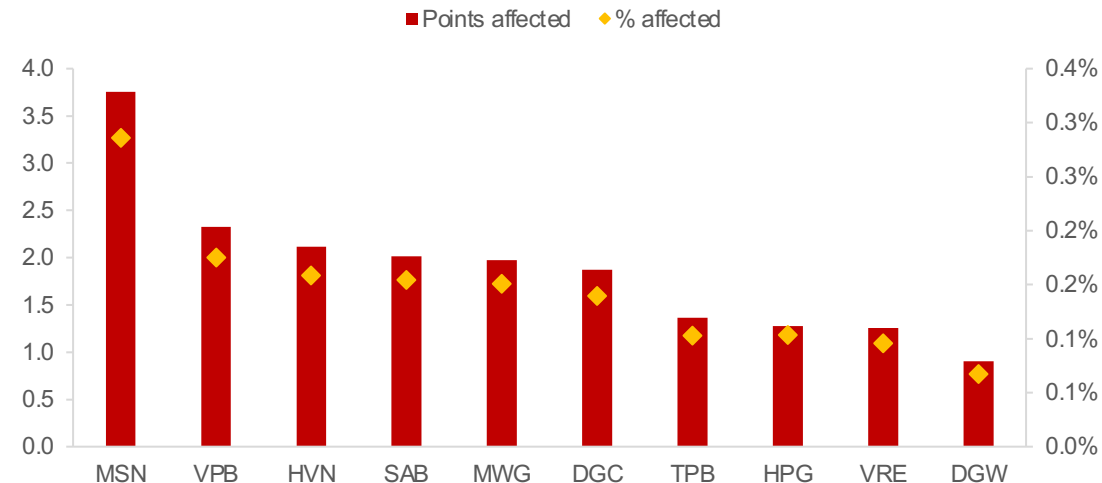


Chemical group continued to increase strongly by more than 6%

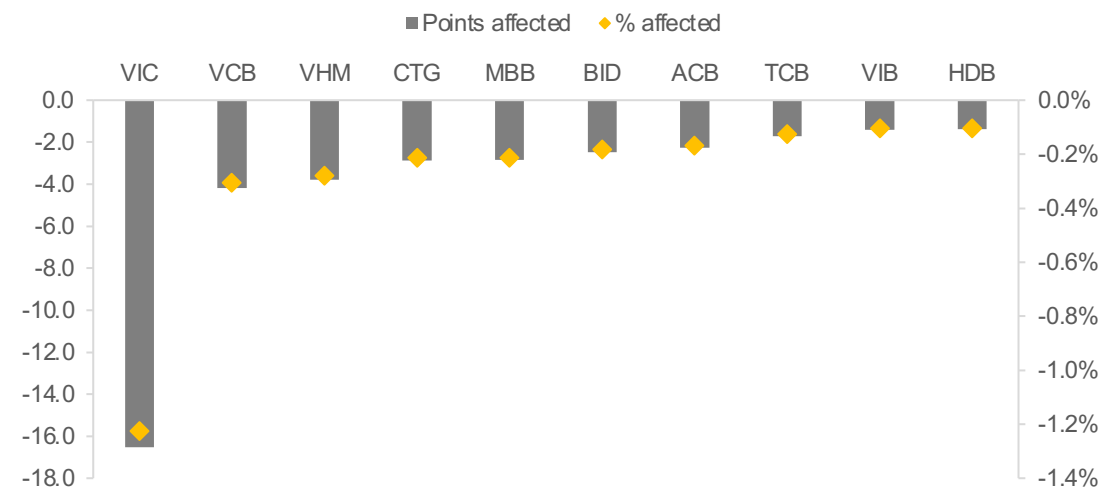
Chemical group continued to increase strongly by more than 6%



Top 10 stocks with positive impact on VN-Index

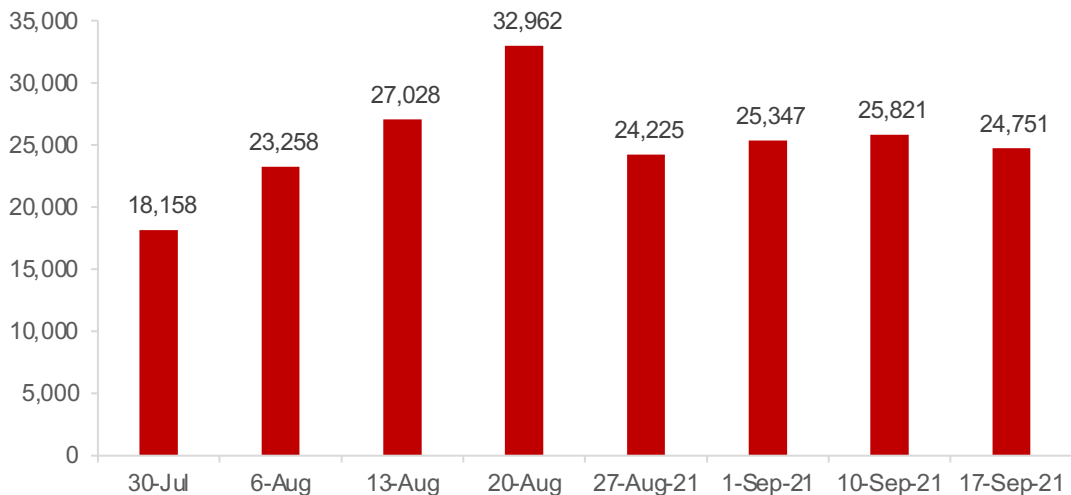


Top 10 stocks negatively impacting VN-Index

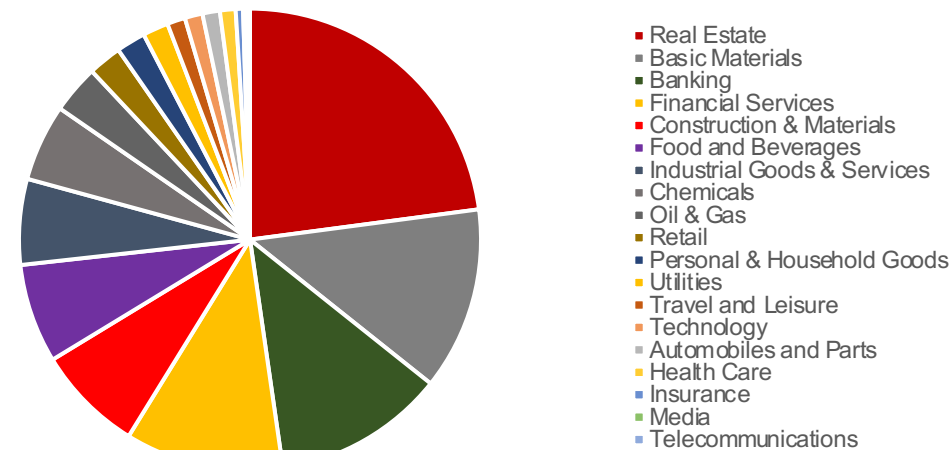


Liquidity decreased slightly by 4% in the week of ETF structure

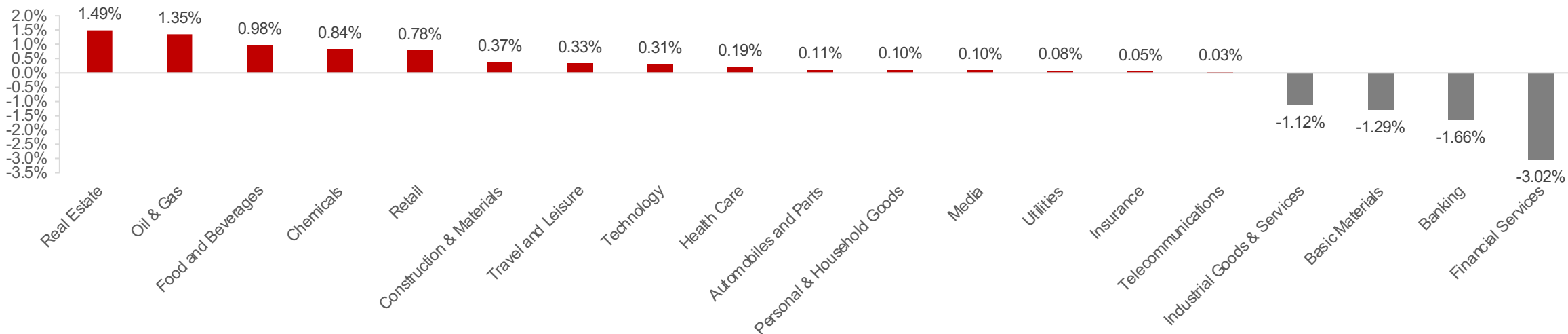
Liquidity decreased by 4%



Structure of cash flow by industry groups



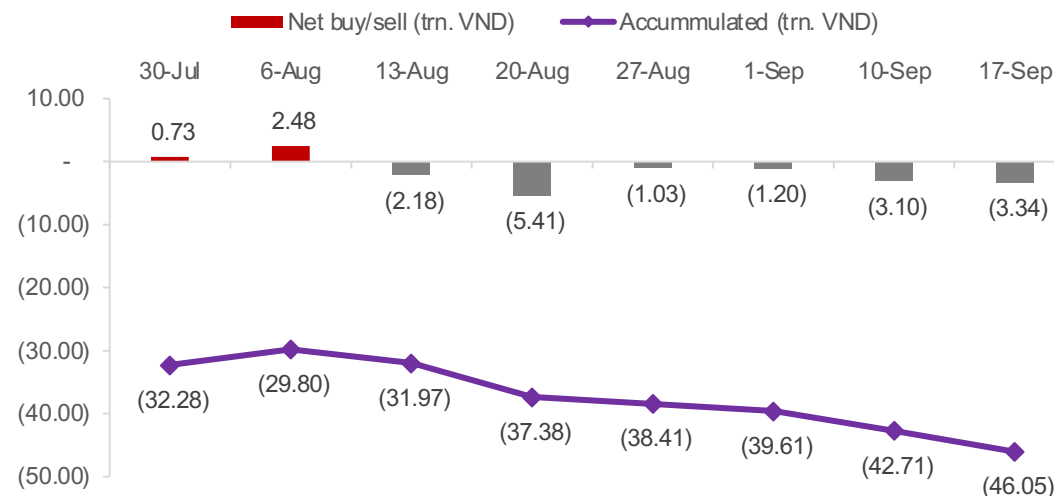
Cash flow focused on Real Estate and Petroleum during the week, withdrawing from Financial Services



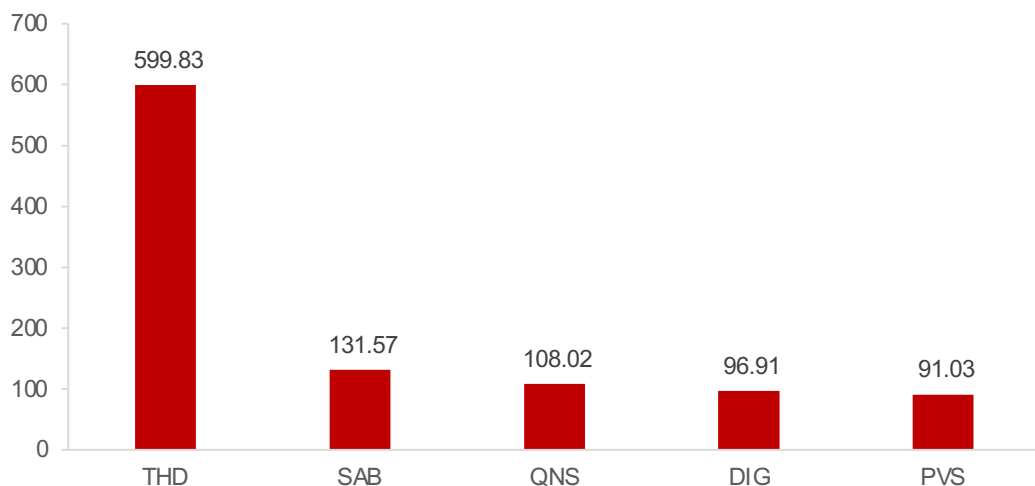
Foreign investors net sold 3.336 billion in the week of ETF structure

- ❖ During the week, foreign investors continued to be net sellers of 3.336 billion, focusing on selling large-cap stocks with HOSE recording a net selling of 4,400 billion. Accumulated from the beginning of the year until now, the group of foreign investors has net sold more than 46 trillion.
- ❖ During the week, foreign investors net bought THD with a value of 600 billion when this stock entered the additional list of FTSE ETF.
- ❖ HPG and SSI and 2 stocks were sold the most with a value of 294 bn. VND and 249 bn. VND respectively.

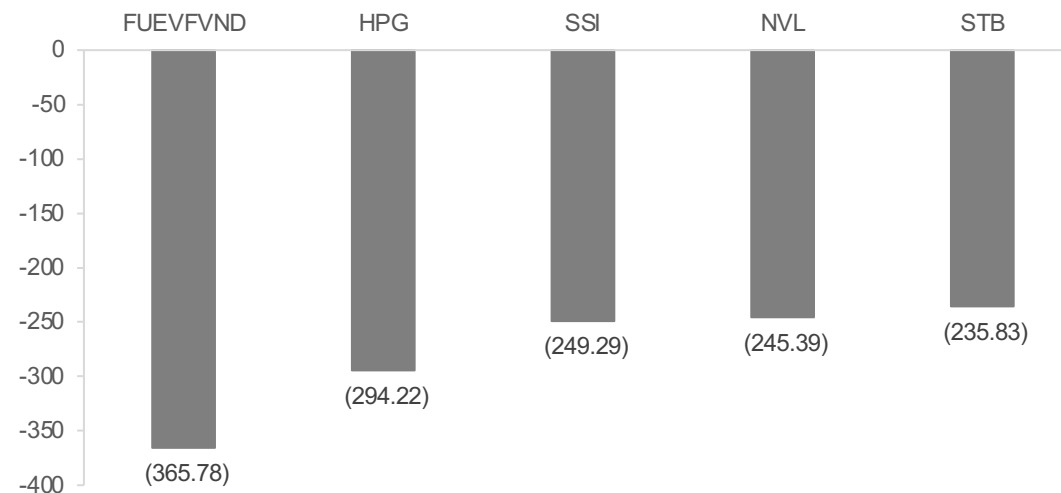
Foreign investors net sold 3.336 billion in the week



Top 5 stocks that foreign investors bought net in the week



Top 5 foreign stocks net selling in the week



TECHNICAL ANALYSIS



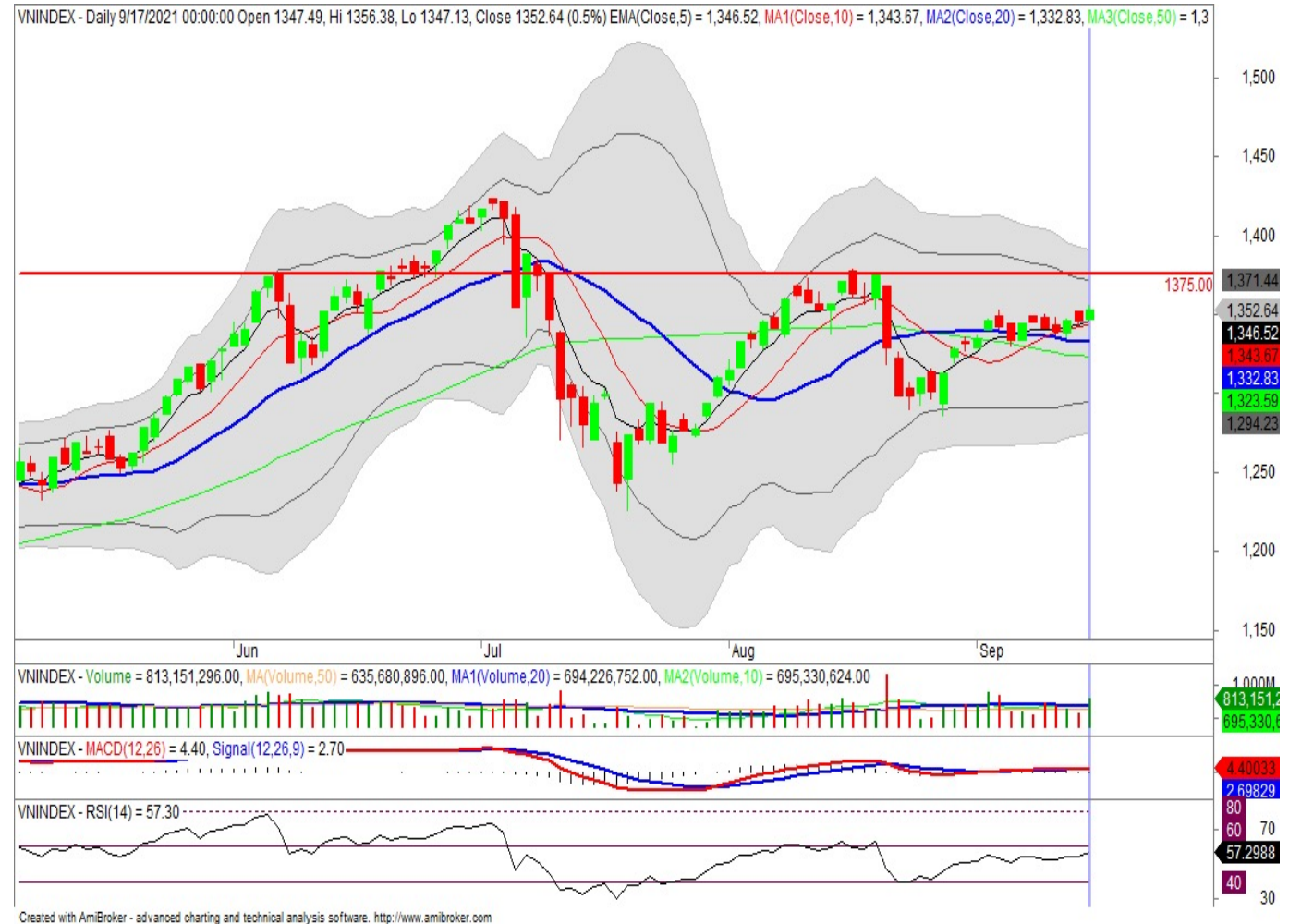
The market's uptrend is back after many sideways sessions

✓ **Technical Analysis:**

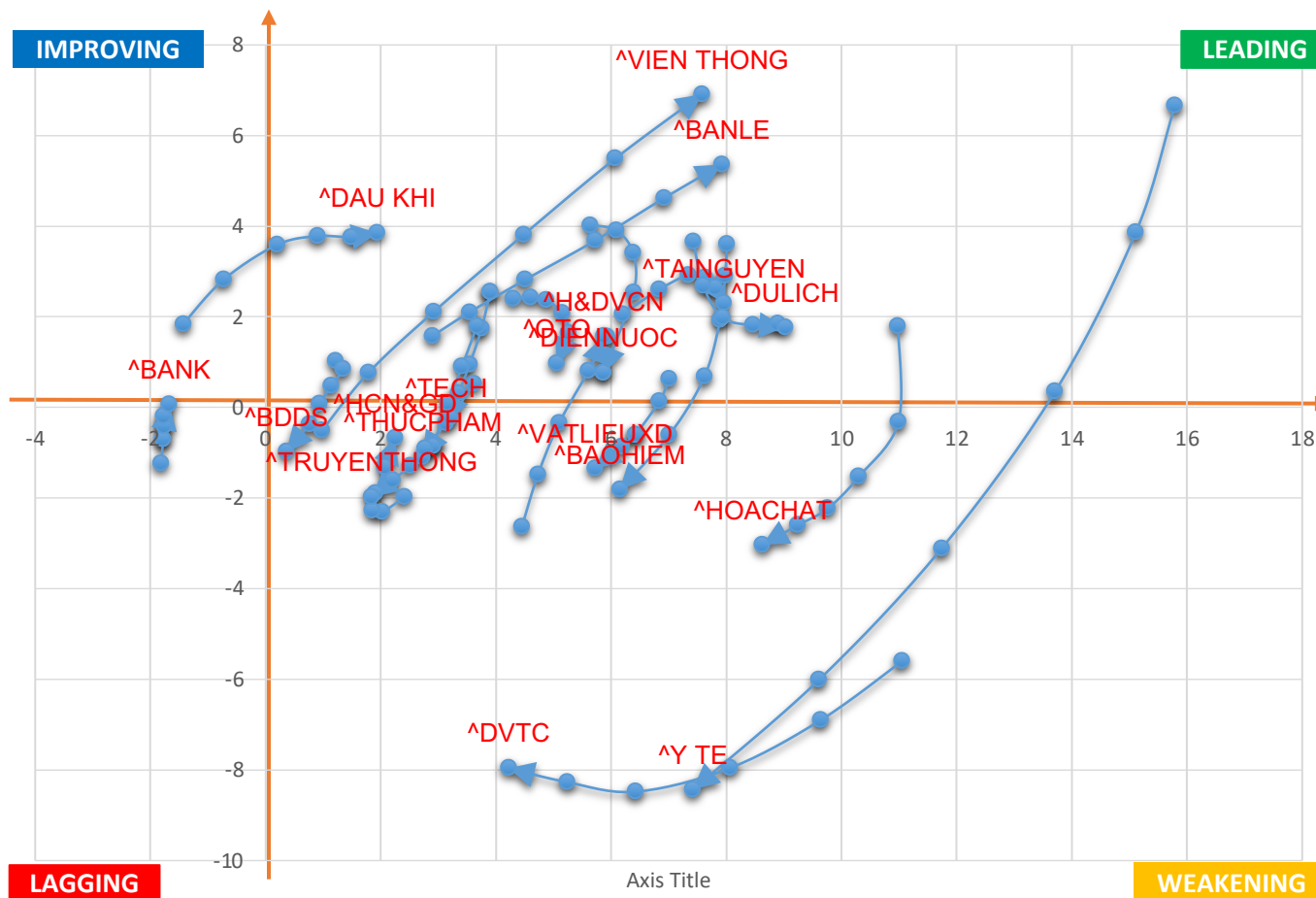
VN-Index created a Bullish Engulfing bullish candle with the closing price surpassing the resistance of 1350 points. Market liquidity increased strongly today thanks to the impact of ETFs. Vnindex ends the sideways sideways zone around 1330 – 1350 points and is forecasted to move to a higher resistance area around 1375 points. Regarding the weekly chart, Vnindex still maintains a slightly increasing green doji candle and confirms to bounce back when it hits the support level of the previous week. The trend of the market will temporarily turn to the upside when it breaks out of the short resistance area. Although the uptrend has returned, it is still very difficult for the market to gain strongly next week as the banking group still does not have many stocks that confirm an immediate increase in price.

✓ **Forecast:**

Next week, VN-Index is forecasted to test the resistance around 1375 points. The market is still increasing slowly and the highlight is the sprinting increase in some MidCaps stocks.

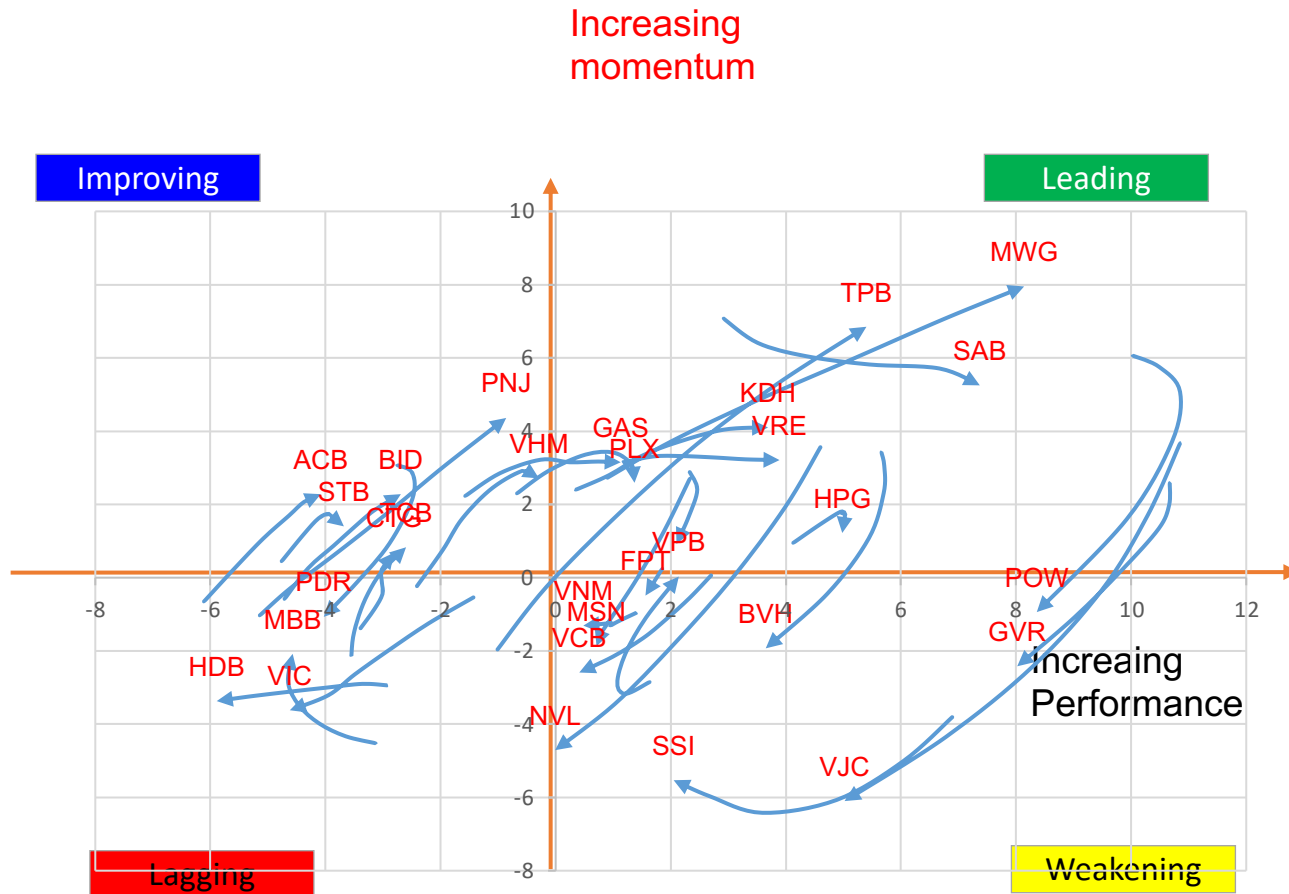


Industry performance pivot chart – Most industries recovered positively last week



- ✓ **In terms of leading industry groups:** In the past week, except for Health stocks, most of the industry groups have had a positive recovery rhythm.
- ✓ **Strong industry group:** The strong groups in the past week, notably steel, chemical, food, oil and gas, and real estate, showed strong signals in the last session of the week.
- ✓ **Notable industry groups:** The industry groups to focus on next week are real estate, oil and gas, steel and securities.

Performance chart of VN30 basket stocks – VIC stocks fell sharply



- ✓ **In terms of leading stocks:** Last week, VN30 continued to recover in the VN30 basket, VIC was the one that exerted the biggest downward pressure on the index.
- ✓ **Strong stocks:** In the past week, the stocks that surged to the top were MSN and TPB. In addition, GAS, SAB, VRE and VPB also gained well
- ✓ **Recommended stocks:** In the coming week, the stocks that RS appreciates are the ones showing signs of rebounding from the accumulation zone such as FPT, GAS, MWG and VPB.

SUMMARY



Next week's commentary – Aiming at 1.365 – 1,380 points. Expected cash flow back to Banking group

- ❖ **Market last week.** VN-Index broke out of 1,350 points. Cash Flow Focused on Basic Chemicals and Resources. Market liquidity decreased slightly to 24.8 trillion, but this is still a high level. Foreign investors continued to be net sellers of more than 3,322 billion, while self-trading increased their buying of 1,020 billion last week.
- ❖ **Many banks are allowed to expand credit room.** In which, TCB and TPB were granted the highest credit growth rates, at 17.1% and 17.4% respectively due to the high capital adequacy ratio (CAR) Basel 2, the wide investment portfolio and the lack of investment capital. focus too much on risky industries and have commitments to support interest rates in the near future. Next is MSB with room expansion from 10.5% at the beginning of the year to 16%, MB from 8.5% to 15%; VIB from 8.5% to 14.1%; LienVietPostBank and ACB increased from 8.5% and 9.5% together to 13.1%... With the above positive information, cash flow is expected to return to the banking group after a long period of sideways movement.
- ❖ **August steel consumption declined sharply.** According to VSA, due to the impact of the epidemic, the total steel consumption in August reached 1.9 million tons, down 8.1%YoY, of which construction steel 559 thousand tons (-39.6%YoY), steel pipe 121.7 thousand tons (-50.9%YoY), galvanized steel 432 thousand tons (+18.6%YoY). Exports are the supporting factor for steel consumption in August, construction steel exports increased by 44.7%YoY and galvanized steel sheet increased by 84.5%YoY. For enterprises, HPG consumed 690 thousand tons (+38%YoY). Construction steel consumption fell 17% to 268 thousand tons but was offset by HRC output of 273,591 tons, the highest level since Hoa Phat supplied HRC to the market. HSG sold 150.8 thousand tons of galvanized steel in August, down 4.5% compared to July; export alone is 123,080 tons, steel pipe consumption is 15,864 tons. NKG's August sales reached 86,299 tons of galvanized steel, up 14.3% over the previous month; exported 80,610 tons, up 30% and the contribution ratio increased to 93%. Steel pipe output reached 4,580 tons. We think steel consumption will recover gradually from September and increase towards the end of the year when social distancing measures recover and steel demand for public investment increases. We still keep our target price for HPG (VND58,800/share), HSG (VND47,200/share)
- ❖ **Forecast next week.** VN-Index forecasts that it will continue to increase to the target range of 1,365 - 1,380 points. The bank is expected to return to lead the market after a sideways period. However, we believe that the market will continue to diversify strongly based on the expectation of 3.21 business results of each industry group. Currently, we highly appreciate Steel, Seaports, Chemicals and export enterprises with factories in the North and Central regions.



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THANK YOU