

# Xin Chao Vietnam

## Market performance

|                      | 6 Feb    | 1D  | 1M  | 3M   | YTD |
|----------------------|----------|-----|-----|------|-----|
| VNIndex (pt, % chg.) | 1,089.29 | 1.1 | 3.6 | 11.7 | 8.2 |
| Turnover (VND bn)    | 9,601    |     |     |      |     |
| VN30 (pt, % chg.)    | 1,094.37 | 0.8 | 3.5 | 12.5 | 8.9 |

## Major indicators

|                               | 6 Feb       | 1D    | 1W    | 1M     | YTD   |
|-------------------------------|-------------|-------|-------|--------|-------|
| 1-yr gov't bonds (% bp chg.)  | 4.04        | (0.1) | (0.5) | (0.6)  | (0.6) |
| 3-yr gov't bonds (% bp chg.)  | 4.00        | (0.1) | (0.5) | (0.7)  | (0.6) |
| VND/USD (% chg.)              | 23,473      | (0.0) | (0.1) | 5.8    | 0.7   |
| VND/JPY (% chg.)              | 17,696      | 0.3   | (0.0) | (4.3)  | 1.1   |
| VND/EUR (% chg.)              | 25,208      | 0.3   | (0.5) | (1.6)  | 0.1   |
| VND/CNY (% chg.)              | 3,454       | 0.7   | 0.1   | (0.5)  | (0.8) |
|                               | Prev. close | 1D    | 1W    | 1M     | YTD   |
| 10-yr US Treasury (% bp chg.) | 3.62        | (0.0) | 0.1   | (0.6)  | (0.3) |
| WTI (USD/bbl, % chg.)         | 74.44       | 0.4   | 0.9   | (18.9) | (7.3) |
| Gold (USD/oz, % chg.)         | 80.99       | 1.3   | 3.1   | (17.8) | (5.7) |

## Domestic institutions net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|---------|----------|----------|----------|
| VIB     | 29.7     | SSI      | (57.5)   |
| EIB     | 28.0     | HDC      | (27.1)   |
| GMD     | 21.9     | VHM      | (26.8)   |
| CTG     | 20.2     | MBB      | (14.7)   |
| PLX     | 17.8     | POW      | (13.5)   |

## Foreign net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|---------|----------|----------|----------|
| STB     | 126.7    | DPM      | (48.3)   |
| SSI     | 42.3     | DXG      | (16.9)   |
| VCB     | 31.1     | BID      | (16.9)   |
| VND     | 29.6     | PVT      | (13.6)   |
| KBC     | 28.5     | KDH      | (11.3)   |

## Daily performance by sector

| Top five sectors | % chg. | Bottom five sectors   | % chg. |
|------------------|--------|-----------------------|--------|
| Energy           | 2.8    | Media & Entertainment | (3.9)  |
| Banks            | 2.1    | Household Products    | (1.5)  |
| Insurance        | 1.6    | Retailing             | (0.9)  |
| Capital Goods    | 1.3    | Telecommunication     | (0.8)  |
| F&B              | 0.9    | Others                | (0.6)  |

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Close at a high price

### Macro & Strategy

- **Covered warrant:** Trading interest focuses on Financials sector
- **Fundflow:** Stable inflow still remains in Vietnam

## KIS market view

|      | OP       | NP       | EPS growth | PE   | PB  | EV/EBITDA | ROE  |
|------|----------|----------|------------|------|-----|-----------|------|
|      | (VND bn) | (VND bn) | (% yoy)    | (x)  | (x) | (x)       | (%)  |
| 2018 | 191,785  | 119,519  | 29.7       | 15.2 | 2.7 | 13.6      | 17.7 |
| 2019 | 238,659  | 144,922  | 24.2       | 13.8 | 2.4 | 11.0      | 17.4 |
| 2020 | 270,014  | 151,973  | 49.7       | 12.0 | 1.9 | 9.8       | 16.2 |
| 2021 | 304,264  | 177,159  | 18.7       | 10.1 | 1.7 | 8.8       | 16.4 |

Note: KIS Universe coverage of 35 companies that account for 58% of all listed (VNIndex) firms' earnings based on the past three-year average

## KIS macro forecast

|                        | 1Q22   | 2Q22   | 3Q22   | 4Q22   | 2020   | 2021   | 2022   |
|------------------------|--------|--------|--------|--------|--------|--------|--------|
| GDP (% yoy)            | 5.0    | 7.7    | 13.7   | 5.9    | 2.9    | 2.6    | 8.0    |
| Trade balance (USD bn) | 1.4    | 0.8    | (5.8)  | (4.4)  | (19.7) | (4.6)  | (11.2) |
| CPI (% yoy, avg.)      | 1.9    | 3.0    | 3.3    | 4.4    | 3.2    | 1.8    | 3.2    |
| Credit growth (%)      | 4.1    | 8.5    | 10.5   | 12.9   | 12.2   | 13.0   | 12.9   |
| VND/USD (avg.)         | 22,837 | 23,139 | 23,712 | 23,658 | 23,126 | 22,790 | 23,650 |
| US GDP (% qoq)         | 1.1    | (0.9)  | 2.6    | 1.1    | 2.1    | 5.7    | 2.0    |
| China GDP (% yoy)      | 4.3    | 0.3    | 3.9    | 4.3    | 3.0    | 8.1    | 3.0    |

Source: KIS, Bloomberg

## Market commentary & News

### Market commentary

#### Close at a high price

The stock market resumed its uptrend thanks to bottom fishing after the Vietnam government decided to increase the retail electricity price from February 2023.

At the close, the VN-Index rose sharply by 1.13% to close at 1,089 pts. Meanwhile, trading volume was 503 million shares/VND9,600bn, down 30%/ 28% respectively, from the average of the last five sessions.

Foreign investors continued to net buy with a net value of VND393bn on HSX. They purchased STB, SSI, and VCB the most, with net values of VND126bn, VND42bn, and VND31bn, respectively.

Banking was the market leader driven by ACB (+1.63%), BID (+3.81%), CTG (+2.93%), EIB (+1.98%), MSB (+5.76%), TCB (+3.14%), VCB (+3.23%), and VPB (+1.37%).

Real Estate outperformed the benchmark index, namely CEO (+1.77%), DIG (+1.60%), HDG (+1.86%), KBC (+1.25%), KDH (+1.48%), NVL (+3.01%), SCR (+5.00%).

Some constituents of the VN30Index jumped more than 1% such as PLX (+4.02%), POW (+3.29%), VNM (+1.84%), BVH (+1.81%), SAB (+1.35%), GVR (+1.30%), and SSI (+1.27%).

In contrast, VIB (-2.67%), MWG (-1.36%), STB (-1.34%), and VHM (-0.31%) closed in red territory.

In the short term, the VNIndex increases to retest the 1,100-pts threshold. However, the downside risk is intact due to high selling pressure at a high level. Therefore, traders should stay on the sidelines and wait for the next signals.

## Macro & strategy

### Covered warrant

#### Trading interest focuses on Financials sector

##### ► Market overview

Last week, trading volume ticked up across the covered warrant market. Besides, trading value also increased, recording at VND58bn, hitting the monthly high. With trading value by underlying asset, covered warrants which have HPG as the underlying asset attracted the most of trading interest, followed by STB and VPB. By tickers, CHPG2225 (3%), CSTB2218 (-13%), and CMBB2213 (-18%) attracted the most trading interest.

##### ► Foreign trading activity

With foreign trading activity, demand has overwhelmed supply and the market ended up to be net bought for 4 consecutive weeks. By underlying asset, covered warrants which have STB as the underlying asset absorbed the highest trading value from foreigners, accounting for 41% of foreign trading value, followed by VRE and HPG.

By tickers, CSTB2215 (-3.3%), CVJC2206 (-50%), and CPOW2204 (-5.3%) attracted most of foreign demand whilst large sell orders were placed on CVRE2218 (-29%), CMSN2209 (-56.8%), and CSTB2222 (-2.9%).

**Fundflow****Stable inflow still remains in Vietnam**

## ▶ Vietnam foreign flow

Though foreign supply tended to increase in last week, the market ended up to be net bought with net buy value recorded at USD78mn (-28.9% wow).

Particularly, market demand concentrated the most on Materials due to large buy orders on HPG. Besides, foreign demand also turned to Financials, driven by STB, SSI, HDB and HCM.

## ▶ South East Asia ETF flow

Last week, the flow of money across SEA turned negative due to a strong outflow across Indonesia's major ETFs. Net outflow was USD4mn. Otherwise, the stable flow of money was mainly bolstered by strong demand across Philippine and Vietnam's major ETFs as well as insignificant change of ETF flow across other countries.

The flow of money across Vietnam has remained positive but plummeted compared to the previous trading week with net inflow was USD26mn (-63% wow). The inflow was mainly driven by the strong demand on Diamond, VFMVN30 ETF, and X FTSE Vietnam. Vietnam has attracted the high level of positive flow of money for more than 4 consecutive months as well as the flow of money was mainly driven by the demand across major ETFs which are the signals of stable flow of money. Besides, there is no strong divestment across major ETFs. Thus, we expect that the flow of money across Vietnam would remain positive in upcoming weeks.

**Event Calendar**▶ **Public offerings**

(VND bn, share, VND)

| Date of auction | Ticker | Company   | Charter | Offered Shares | Min Bid           | Note                                 |
|-----------------|--------|---|---------|----------------|-------------------|--------------------------------------|
| 08/02/2023      | VEC    | Vietnam Electronics and Informatics Joint Stock Corporation | 438.0   | 38,529,750     | 1,066,469,000,000 | Whole lot sale; Local investors only |

▶ **Event calendar**

| Ex-right date | Exercise day | Ticker | Exchange | Right                          | Rate   | Value (VND bn) |
|---------------|--------------|--------|----------|--------------------------------|--------|----------------|
| 07/02/2023    |              | BSD    | UPCOM    | Annual General Meeting         |        |                |
| 07/02/2023    | 06/03/2023   | DAN    | UPCOM    | Annual General Meeting         |        |                |
| 07/02/2023    |              | HBS    | HNX      | Record date for ballot         |        |                |
| 07/02/2023    | 28/02/2023   | MH3    | UPCOM    | Cash Dividend (VND2,000/share) | 20.00% | 2,000          |
| 07/02/2023    | 07/02/2023   | SBD    | UPCOM    | Stock dividend                 | 5.90%  |                |
| 07/02/2023    |              | SJE    | HNX      | Annual General Meeting         |        |                |
| 07/02/2023    |              | TNM    | UPCOM    | Record date for ballot         |        |                |
| 07/02/2023    |              | TSB    | HNX      | Extraordinary General Meeting  |        |                |
| 07/02/2023    | 22/02/2023   | VFG    | HOSE     | Cash Dividend (VND1,000/share) | 10.00% | 1,000          |
| 08/02/2023    |              | HAH    | HOSE     | Annual General Meeting         |        |                |
| 08/02/2023    |              | IVS    | HNX      | Record date for ballot         |        |                |
| 08/02/2023    | 17/03/2023   | PRT    | UPCOM    | Annual General Meeting         |        |                |

|            |            |     |       |                                   |        |       |
|------------|------------|-----|-------|-----------------------------------|--------|-------|
| 08/02/2023 | 08/03/2023 | SFI | HOSE  | Cash Dividend<br>(VND2,000/share) | 20.00% | 2,000 |
| 09/02/2023 | 01/03/2023 | DNT | UPCOM | Cash Dividend<br>(VND500/share)   | 5.00%  | 500   |
| 09/02/2023 | 17/03/2023 | DTG | UPCOM | Annual General<br>Meeting         |        |       |
| 09/02/2023 | 01/04/2023 | QNS | UPCOM | Annual General<br>Meeting         |        |       |
| 09/02/2023 |            | SB1 | UPCOM | Extraordinary<br>General Meeting  |        |       |
| 09/02/2023 |            | VIB | HOSE  | Annual General<br>Meeting         |        |       |
| 09/02/2023 |            | VIM | UPCOM | Annual General<br>Meeting         |        |       |



- **Guide to KIS Vietnam Securities Corp. stock ratings based on 12-month forward performance**

- BUY: Expected total return will be 15% or more
- Hold: Expected total return will be between -5% and 15%
- Sell: Expected total return will be -5% or less
- KIS Vietnam Securities Corp. does not offer target prices for stocks with Hold or Sell ratings.

- **Guide to KIS Vietnam Securities Corp. sector ratings for the next 12 months**

- Overweight: Recommend increasing the sector's weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.
- Neutral: Recommend maintaining the sector's weighting in the portfolio in line with its respective weighting in the VNIndex based on market capitalization.
- Underweight: Recommend reducing the sector's weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.

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