

Xin Chao Vietnam

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Faces the strong resistance zone

Macro & Strategy

- **Fundflow:** Vietnam is divested again
- **Covered warrant:** The CWs market is still less vibrancy

Event Calendar

	16 Oct	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,141.42	(1.2)	(7.0)	(2.3)	13.3
Turnover (VND bn)	15,198				
VN30 (pt, % chg.)	1,153.21	(1.2)	(6.9)	(0.6)	14.7

Major indicators

	16 Oct	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	1.82	(0.0)	(0.0)	(0.2)	(2.8)
3-yr gov't bonds (% bp chg.)	2.07	(0.0)	0.1	(0.1)	(2.6)
VND/USD (% chg.)	24,475	(0.1)	(0.4)	(3.4)	(3.4)
VND/JPY (% chg.)	16,371	(0.1)	0.9	4.5	9.3
VND/EUR (% chg.)	25,755	(0.1)	0.7	3.1	(2.0)
VND/CNY (% chg.)	3,347	0.0	(0.1)	(1.4)	2.4
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	4.69	0.1	0.4	0.9	0.8
WTI (USD/bbl, % chg.)	87.84	0.2	(3.2)	16.5	9.4
Gold (USD/oz, % chg.)	90.86	(0.0)	(3.3)	13.8	5.8

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUEVFNVD	82.6	HPG	(64.2)
STB	46.5	FPT	(54.5)
GVR	15.7	DGC	(24.2)
SZC	13.5	TV2	(22.8)
FRT	12.1	PNJ	(22.6)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNM	14.9	MWG	(141.3)
DGW	14.1	FPT	(94.0)
VCB	14.0	FUEVFNVD	(87.4)
SGN	11.5	VPB	(66.9)
STB	6.6	SSI	(62.0)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Others	1.6	Technology	(4.1)
Transportation	1.3	Pharmaceuticals	(3.9)
Energy	1.2	F&B	(3.8)
Household Products	1.1	Retailing	(2.3)
Telecommunication	0.7	Materials	(2.1)

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	60.8	11.4	1.9	9.6	16.3
2021	304,264	177,159	18.4	9.6	1.6	8.6	16.5

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

Vietnam indicators

	3Q22	4Q22	1Q23	2Q23	2020	2021	2022
Real GDP Growth (% yoy)	13.7	5.9	3.2	4.1	2.9	2.6	8.0
Trade balance (USD bn)	5.8	4.4	4.1	7.4	19.9	4.0	11.2
CPI (% yoy, avg.)	3.3	4.4	4.2	2.4	3.2	1.8	3.2
Credit growth (%)	10.5	12.9	1.6	3.4	12.2	13.0	12.9
VND/USD (avg.)	23,712	23,633	23,471	23,583	23,126	22,790	23,650
US GDP (% qoq)	3.2	2.9	2.0	2.4	(3.4)	5.6	2.1
China GDP (% yoy)	3.9	2.9	4.5	6.3	2.2	8.0	3.0

Source: KIS, Bloomberg

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Market commentary & News

Market commentary

Faces the strong resistance zone

Selling pressure appeared again and dominated during the session, causing the stock market to experience a loss day after 6 consecutive gaining sessions. Although the liquidity improved during the session, but still at a low level, showing investors' cautious sentiment toward the market.

At the close, the VNIndex lost 1.15% to 1,141 pts while the VN30Index also decreased by 1.15% to close at 1,153 pts. Meanwhile, trading volume reached 632 million shares/ VND15,198 bn, up 10%/ 9% respectively, from the average of the last five sessions.

Foreign investors were still net sellers, with more than VND828bn, focusing on MWG, FPT, and FUEVFNVD with net values of VND141bn, VND94bn, and VND87bn, respectively. In contrast, net buying concentrated on VNM, DGW, and VCB with VND14bn, VND14bn, and VND13bn, respectively.

Real Estate was the worst sector due to DXG (-4.90%), PDR (-4.03%), VHM (-2.88%), NVL (-2.68%), IDC (-2.67%), VIC (-2.39%), VRE (-2.38%), BCM (-1.50%), NLG (-1.15%), DIG (-1.05%), KDH (-0.94%), and KBC (-0.90%).

Banking had a bad situation among STB (-4.13%), TPB (-2.61%), VIB (-2.58%), BID (-2.00%), SHB (-1.85%), CTG (-1.71%), MBB (-1.36%), HDB (-1.14%), VCB (-0.58%), and ACB (-0.22%).

Selling pressure pushed Consumer Staples and Retail shares down, such as DGW (-2.51%), MWG (-1.82%), MSN (-1.51%), VHC (-1.46%), VNM (-0.79%), QNS (-0.41%), and FRT (-0.41%). Besides, Steel tickers underperformed the benchmark index, with HSG (-4.33%), NKG (-3.16%), and HPG (-2.91%).

Brokerage was down across the board, typically VND (-4.77%), SSI (-4.32%), FTS (-4.23%), HCM (-3.98%), MBS (-3.93%), BSI (-3.61%), VCI (-3.54%), SHS (-2.75%), VIX (-2.55%), and CTS (-2.55%).

In addition, the market also recorded DGC (-2.42%), BVH (-1.54%), VJC (-1.25%), POW (-0.44%), and DHG (-0.25%) loss at the end.

On the other side, Oil & Gas tickers were the rare bright spot during the loss day thanks to the strong recoveries by more than 5% of world oil prices, including OIL (+2.83%), PVC (+2.72%), BSR (+2.38%), PVS (+2.01%), GAS (+1.28%), PVD (+0.88%), and PLX (+0.27%).

Additionally, VDS (+3.53%), VPB (+2.51%), SAB (+1.14%), GVR (+0.23%), and PNJ (+0.13%) also closed in the red territory.

The stock market encounters difficulties when the VNIndex approaches the strong resistance zone of 1,150-1,160 points, indicating selling pressure is still present and quite significant. The downside risk is intact due to this index maintaining to end below the 50-period moving average. Therefore, investors should stand aside and wait for the next signal. The next time, if the VNIndex surpasses the above resistance zone, investors can open again exploratory long positions and focus on leading stocks.

Macro & Strategy

Fundflow

Vietnam is divested again

- ▶ Vietnam foreign flow

Selling pressure suddenly intensified in the previous week, with net sell value recorded at USD74mn.

Specifically, foreign selling activities were concentrated in Cons Discretionary, Financials, and Cons Staples sectors due to large sell orders on MWG, VPB, and MSN. In contrast, demand focused on Industrials and Energy thanks to the strong investment in IDC, HHV, and PVS.

- ▶ South East Asia ETF flow

Outflow remained across SEA, with net value recorded at USD22mn. Accordingly, Indonesia's major ETFs were still divested strongly while selling pressure in Vietnam came back and rose in the previous week. In contrast, outflow across other SEA countries had almost disappeared.

After Indonesia, Vietnam experienced the most substantial fund outflows in the past week, with net outflow was USD22mn. In particular, selling pressure focused mainly on VFMVN DIAMOND ETF (USD10.7mn) and SSIAM VNFIN LEAD ETF (USD3.1mn). Notably, SSIAM VNFIN LEAD ETF had experienced 12 consecutive weeks of net outflows, with a total value of over USD25mn. In contrast, inflow had a good situation among FUBON FTSE VIETNAM ETF (USD3.1mn) and X FTSE VIETNAM SWAP (USD2.1mn). Which, inflow from FUBON FTSE VIETNAM ETF decreased heavily by more than USD5.5mn, compared to the past week. In general, demand declined significantly, while selling pressure intensified strongly again in domestic ETFs. In this case, outflow across Vietnam may persist in the next time. However, it is likely that this situation will not be prolonged, in the context of the stock market's ongoing recovery trend.

Covered warrant

The CWs market is still less vibrancy

► Market overview

Trading activities of the CW domestic market were still less active as the liquidity kept to go down in the previous week. Accordingly, the trading volume was 188 million warrants, down 15% WoW. With trading value by an underlying asset, covered warrants that HPG and VPB as the underlying asset attracted the most trading interest, recording nearly 36% of total trading volume. Besides, trading interest also remained on other CWs with different underlying assets such as STB, MWG, and VHM. Due to the active correction phase, the CW market is likely to keep slowing down in the upcoming week.

► Foreign trading activity

Foreign selling pressure intensified strongly during the week, recording the net sell value at VND6.1bn. By underlying asset, covered warrants which have PDR as the underlying asset absorbed the highest trading value from foreigners, accounting for 38% of foreign trading volume, followed by HPG and STB.

The covered warrant market has slowed down in trading volume from both domestic and foreign investors. Besides, the underlying market is currently in a correction phase, which is likely to have an impact on both domestic and foreign trading activity in the upcoming period.

Event Calendar

► Event calendar

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value (VND bn)
17/10/2023	31/10/2023	VHF	UPCOM	Cash Dividend (VND297/share)	2.97%	297
17/10/2023	27/10/2023	PPC	HOSE	Cash Dividend (VND400/share)	4.00%	400
17/10/2023	27/10/2023	LAW	UPCOM	Cash Dividend (VND607/share)	6.07%	607
17/10/2023		LAW	UPCOM	Extraordinary General Meeting		
18/10/2023	31/10/2023	AVC	UPCOM	Cash Dividend (VND2470/share)	24.70%	2,470
18/10/2023	30/10/2023	BWS	UPCOM	Cash Dividend (VND900/share)	9.00%	900
19/10/2023	30/10/2023	PNT	UPCOM	Cash Dividend (VND300/share)	3.00%	300
19/10/2023		PCH		Extraordinary General Meeting		
20/10/2023	16/11/2023	ECI	HNX	Extraordinary General Meeting		
20/10/2023	27/10/2023	PNJ	HOSE	Cash Dividend (VND800/share)	8.00%	800
20/10/2023	25/10/2023	UNI	HNX	Record date for ballot		
20/10/2023		TCI	UPCOM	Record date for ballot		

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- BUY: Expected total return will be 15% or more
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- 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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