true friend KIS Viet Nam Securities Corporation

24 Oct 2023

Xin Chao Vietnam

Market movements

	23 Oct	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,093.53	(1.3)	(8.3)	(8.2)	8.6
Turnover (VND bn)	12,083				
VN30 (pt, % chg.)	1,106.85	(1.5)	(7.6)	(7.2)	10.1

Major indicators

	23 Oct	1D	1W	1M	YTD
1-yr gov't bonds (%, bp chg.)	1.90	0.1	0.1	(0.1)	(2.7)
3-yr gov't bonds (%, bp chg.)	2.15	0.1	0.1	0.0	(2.5)
VND/USD (% chg.)	24,573	0.1	(0.7)	(3.7)	(3.8)
VND/JPY (% chg.)	16,417	(0.1)	(0.0)	2.2	9.0
VND/EUR (% chg.)	26,200	(0.6)	(1.0)	0.2	(3.7)
VND/CNY (% chg.)	3,359	0.1	(0.7)	(2.0)	2.0
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (%, bp chg.)	4.86	0.0	0.4	1.0	1.0
WTI (USD/bbl, % chg.)	86.14	0.8	(4.3)	9.4	7.3
Gold (USD/oz, % chg.)	90.49	0.7	(3.0)	9.4	5.3

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
DGC	48.9	VPB	(83.9)
HHV	32.7	EIB	(65.8)
HAG	28.4	FPT	(62.4)
SZC	15.1	STB	(56.4)
DXG	13.5	VHM	(42.3)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	1,019.2	MWG	(160.6)
KBC	26.4	VNM	(71.2)
FPT	21.8	MSN	(69.4)
FRT	9.8	SSI	(58.9)
DGC	8.7	VND	(52.3)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Others	6.9	Consumer Durables	(3.3)
Insurance	0.2	Technology	(3.1)
Diversified Financials	0.0	Health Care	(2.7)
Household Products	(0.1)	Telecommunication	(2.5)
Commercial Services	(0.2)	Real Estate	(2.4)

WHAT'S NEW TODAY

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KIS market view

	OP (VND bn)	NP (VND bn)	EPS growth (% yoy)	PE (x)	PB (x)	EV/EBITDA (x)	ROE (%)
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	11.0	1.8	9.2	16.3
2021	304,264	177,159	18.4	9.3	1.5	8.2	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

Red Bear comes back the market

The downward trend of the stock market was still maintained as the VNIndex decreased strongly by more than 1% with low liquidity. In which, Consumer Staples and Retail were the most divested sectors during the session.

Besides, the Ministry of Industry and Trade adjusted domestic retail gasoline prices during the adjustment period. Notably, the RON95 gasoline price increased again by VND469/liter while the E5RON92 gasoline price also rose by VND458/liter. Moreover, other oil products were also more expensive from VND79/liter to VND375/liter than in the previous period.

At the close, the VNIndex lost 1.31% to 1,093 pts while the VN30Index also decreased by 1.50% to close at 1,106 pts. Meanwhile, trading volume reached 517 million shares/ VND12,083bn, down 24%/ 23% respectively, from the average of the last five sessions.

Foreign investors were still net buyers, with more than VND57bn, focusing on VHM, KBC, and FPT with net values of VND1,019bn, VND26bn, and VND21bn, respectively. In contrast, net selling concentrated on MWG, VNM, and MSN with VND160bn, VND71bn, and VND69bn, respectively.

Banking was the worst sector due to VPB (-2.55%), VIB (-1.63%), SHB (-1.44%), HDB (-1.41%) STB (-1.33%), MBB (-0.84%), TCB (-0.64%), BID (-0.49%), ACB (-0.46%), VCB (-0.35%), CTG (-0.34%), and TPB (-0.30%).

Selling pressure pushed Consumer Staples and Retail tickers down strongly, such as MSN (-4.35%), MWG (-3.80%), VHC (-3.48%), SAB (-3.14%), DGW (-3.12%), VNM (-2.90%), FRT (-1.90%), PNJ (-1.46%), DBC (-1.43%), and MCH (-0.13%).

Brokerage shares were down across the board, typically VIX (-4.00%), VCI (-3.49%), FTS (-3.15%), VDS (-3.02%), VND (-2.76%), MBS (-2.42%), SHS (-2.40%), SSI (-2.24%), BSI (-2.23%), and DSC (-1.13%).

Oil & Gas was also divested in a deep loss day because of GAS (-3.13%), PVS (-1.80%), PVC (-1.69%), PVD (-1.41%), POW (-1.34%), BSR (-0.49%), and PLX (-0.14%). In addition, the market also recorded DHG (-5.09%), DGC (-3.74%), GVR (-3.66%), DPM (-2.89%), DCM (-2.09%), FPT (-2.05%), VJC (-1.62%), HPG (-1.44%), and BVH (-1.22%) close in the red territory.

Real Estate tickers moved in opposite movements with NVL (-3.26%), VRE (-2.26%), HDG (-1.70%), IDC (-1.61%), BCM (-1.55%), DIG (-1.47%), PDR (-0.64%), and KDH (-0.17%) loss while SNZ (+1.50%), DXG (+0.90%), NLG (+0.44%), SSH (+0.16%), and VIC (+0.12%) gain at the end.

On the other side, SSB (+1.43%), OIL (+0.95%), QNS (+0.65%), and HCM (+0.17%) were the rare bright spots in the session.

Selling pressure comes back again and intensifies strongly during the session, causing the stock market to have a deep loss day with low liquidity. The downside risk is still intact as the VNIndex closes below the 200-period moving average. However, the important support zone of the 1,080-1,100 points is still not breakout. Therefore, investors should stay on the sidelines and wait for the next signals.

Macro & Strategy

Fundflow

Flat net flow

- Vietnam foreign flow

Demand ticked up with net buy value was USD37mn.

Specifically, foreign selling activities were concentrated in Cons Discretionary, and Utilities sectors due to large sell orders on MWG. In contrast, demand focused on Real Estate and Industrials thanks to the strong investment in VHM, DXG, PDR, and IDC.

- South East Asia ETF flow

The flow of money across SEA was not significant. Accordingly, Indonesia's major ETFs were still divested strongly but the outflow was completely faded by the inflow across Singapore, Thailand, and Vietnam.

The flow of money across Vietnam was flat. In particular, selling pressure focused mainly on VFMVN DIAMOND ETF (USD7.1mn) and SSIAM VNFIN LEAD ETF (USD1.0mn). Notably, SSIAM VNFIN LEAD ETF had experienced 13 consecutive weeks of net outflows, with a total value of over USD26mn. Besides, outflow has started to increase on VanEck Vietnam ETF (USD6.5mn). In contrast, inflow kept focusing on FUBON FTSE VIETNAM ETF (USD14.4mn) and X FTSE VIETNAM SWAP (USD2.6mn), completely faded the outflow on previous mentioned ETFs. In general, outflow pressure has slowed down but demand was still weak. In this case, we expect that Vietnam would experience the flat net flow in upcoming weeks due to the slowdown of outflow.

Covered warrant

Trading activities is improved

- Market overview

Trading activities of the domestic CWs market were vibrant again as the liquidity improved significantly in the previous week. Accordingly, the trading volume was 237 million warrants, up 26% WoW. With trading value by an underlying asset, covered warrants that HPG and STB as the underlying asset attracted the most trading interest, recording nearly 37% of total trading volume. Trading interest also spreads to other CWs with different underlying assets such as VPB, MWG, VRE, and VHM, signaling the active market environment where trading opportunities are rich. By tickers, CMWG2305, CVPB2307, and CSTB2321 attracted the most trading interest.

- Foreign trading activity

Although foreign selling pressure declined, still kept at a high level, recording the net sell value at VND5.0bn. By underlying asset, covered warrants which have PDR as the underlying asset absorbed the highest trading value from foreigners, accounting for 33% of foreign trading volume, followed by HPG, STB, and VRE.

The trading interest has started to spread to all cover warrants which have different underlying assets as well as trading activity also surged across groups. This is a sign of the active market. However, the adjustment from the underlying market has negatively impacted the CWs market.

Event Calendar

- **Event calendar**

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value (VND bn)
24/10/2023	25/11/2023	LBE	HNX	Extraordinary General Meeting		
24/10/2023	24/11/2023	BAL	UPCOM	Extraordinary General Meeting		
24/10/2023	15/11/2023	PDN	HOSE	Cash Dividend (VND1200/share)	12.00%	1,200
24/10/2023	06/11/2023	SMB	HOSE	Cash Dividend (VND1000/share)	10.00%	1,000
24/10/2023	30/10/2023	HLO		Record date for ballot		
24/10/2023	24/10/2023	TCM	HOSE	Share Issue	13.00%	
25/10/2023	28/10/2023	PTX	UPCOM	Record date for ballot		
25/10/2023		CFV	UPCOM	Record date for ballot		
25/10/2023		UIC	HOSE	Extraordinary General Meeting		
26/10/2023	29/11/2023	HAT	HNX	Cash Dividend (VND4000/share)	40.00%	4,000

26/10/2023	13/11/2023	BMV	UPCOM	Cash Dividend (VND27/share)	0.27%	27
26/10/2023	13/11/2023	ATB	UPCOM	Annual General Meeting		
26/10/2023		VDN	UPCOM	Record date for ballot		
26/10/2023		ICN	UPCOM	Record date for ballot		
27/10/2023	10/11/2023	SZL	HOSE	Cash Dividend (VND1200/share)	12.00%	1,200
27/10/2023		CDC	HOSE	Record date for ballot		
27/10/2023		NAF	HOSE	Record date for ballot		

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  - 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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