

Xin Chao Vietnam

Market performance

	28 Aug	1D	1M	3M	YTD
VNIndex (pt, % chg.)	878.98	0.5	8.1	2.0	(8.5)
Turnover (VND bn)	7,512				
VN30 (pt, % chg.)	821.93	0.9	8.7	2.2	(6.5)

Major indicators

	28 Aug	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.62	0.0	(0.1)	(0.6)	(0.8)
3-yr govt bonds (% bp chg.)	1.23	0.0	(0.0)	(0.5)	(0.4)
VND/USD (% chg.)	23,175	0.0	0.0	0.7	(0.0)
VND/JPY (% chg.)	21,942	(0.9)	0.5	(1.3)	(2.8)
VND/EUR (% chg.)	27,419	0.2	(0.4)	(6.3)	(5.3)
VND/CNY (% chg.)	3,376	(0.5)	(2.0)	(3.4)	(1.4)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.75	(0.0)	0.2	0.1	(1.2)
WTI (USD/bbl, % chg.)	42.99	(0.1)	4.8	27.5	(29.6)
Gold (USD/oz, % chg.)	45.05	(0.1)	4.2	27.7	(31.7)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
CTG	647.5	HNG	(49.5)
VCB	86.9	PLX	(37.8)
VIC	41.8	E1VFN30	(32.6)
TCB	41.1	GMD	(11.2)
HDG	41.0	VGC	(6.9)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
PLX	88.9	CTG	(681.7)
E1VFN30	22.0	VCB	(147.9)
VSC	20.1	HPG	(106.6)
VNM	13.5	VHM	(99.9)
NLG	11.5	VRE	(45.9)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Health Care	6.8	Telecommunication	(6.7)
Retailing	4.2	Others	(2.3)
Media & Entertainment	3.7	Software & Services	(1.5)
Consumer Durables	2.4	Automobiles	(1.1)
Commercial Services	2.0	Energy	(0.8)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Resume short-term uptrend
- **Vietnam:** FDI recovery weakens amid uncertainties
- **Japan:** Japan's Prime Minister Shinzō Abe announced to step down due to his health reasons

Macro & strategy

- **Chart of the day:** Take the shot

New listing & Public offerings

KIS market view

	OP (VND bn)	NP (VND bn)	EPS growth (% yoy)	PE (x)	PB (x)	EV/EBITDA (x)	ROE (%)
2018	186,396	115,391	35.2	14.7	2.7	14.0	18.2
2019	231,781	139,038	23.9	13.3	2.3	11.0	17.7
2020F	238,766	129,763	(6.4)	13.8	2.0	10.4	14.4
2021F	275,785	142,326	11.2	12.5	1.8	9.0	14.1

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

	1Q20	2Q20	3Q20F	4Q20F	2019	2020F	2021F
GDP (% yoy)	3.8	0.4	4.1	5.0	7.0	4.3	5.9
Trade balance (USD bn)	1.7	0.6	5.7	5.1	10.4	7.9	1.8
CPI (% yoy, avg.)	5.6	2.8	1.3	0.7	2.8	2.5	2.6
Discount rate (% EoP)	3.5	3.0	3.0	3.0	4.0	3.0	3.0
VND/USD (avg.)	23,264	23,335	23,300	23,317	23,231	23,304	23,296
US GDP (% qoq)	(4.8)	(32.3)	20.1	6.1	2.2	(5.0)	3.7
China GDP (% yoy)	(6.8)	3.2	5.2	6.1	6.1	2.0	8.0

Source: KIS, Bloomberg

Analysts who prepared this report are registered as research analysts in Vietnam but not in any other jurisdiction, including the U.S. PLEASE SEE ANALYST CERTIFICATIONS AND GLOBAL DISCLAIMER AT THE END OF THIS REPORT.

Market commentary & News

Market commentary

Resume short-term uptrend

Hieu Tran
hieu.tm@kisvn.vn

Vietnam stock markets resumed its uptrend amid the rebound of the U.S. financial market. Besides, CTBC Vietnam Equity Fund from Taiwan was established with an initial commitment size of USD160mn. The fund will invest in companies listed on HSX and HNX (including VFMVN Diamond ETF).

At the close, the VNIndex gained 0.49% to close at 878.9 pts. Meanwhile, trading volume increased to 385 million shares or VND7,512bn.

Foreign investors continued to sell with a net value of VND1,227bn on HSX. They sold CTG, VCB, and HPG the most with a net value of VND681bn, VND147bn, and VND106bn, respectively.

Banking was the market leader because of CTG (+1.4%), BID (+3.7%), HDB (+0.2%), TCB (+2.1%), STB (+0.4%), VPB (+2.2%), and EIB (+2.9%).

Moreover, cash flowed into some constituents of the VN30 such as GAS (+1.6%), MSN (+1.6%), MWG (+4.3%), PNJ (+3.4%), VJC (+1.0%), and VNM (+1.7%).

In contrast, KDH (-0.4%), PLX (-0.9%), ROS (-0.4%), SAB (-0.5%), SBT (-0.3%), and VIC (-1.2%) closed in red territory.

The market sentiment has become optimistic in the short term because the uptrend of VNIndex is confirmed. The target is a zone 910-930 pts due to the breakout of the downward channel. Therefore, traders should increase their long position and focus on leading stocks.

Breaking news

► Vietnam: FDI recovery weakens amid uncertainties

The new outbreak in Vietnam at July's end, combined with the pandemic situation getting increasingly complicated globally, has dragged down global investors' confidence, which in turn erased almost FDI recovery since the pandemic started in March. Data in August showed clear evidence of the severe impact of uncertainties caused by the ongoing outbreak on the FDI inflows. Most notably, the registered FDI reached a nearly 4-year low of just USD0.72bn in the month, plunging by 68.19% YoY, in which the amount of the new registration hit an all-time low of USD0.27bn. Besides, the disbursed FDI also slowed down markedly when posting USD1.23bn or contracting 12.77% YoY. (Ministry of Planning and Investment, KIS)

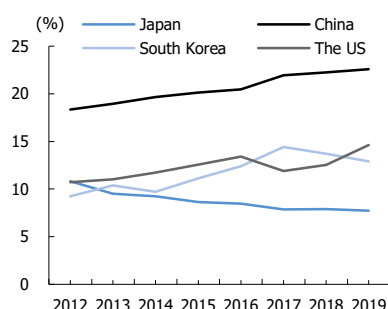
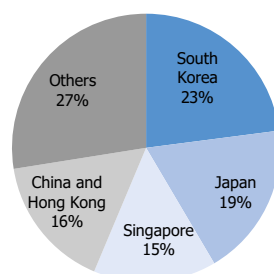
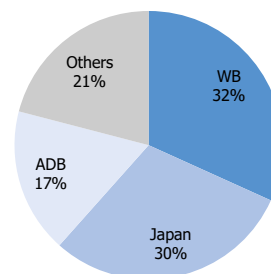
► Japan: Japan's Prime Minister Shinzō Abe announced to step down due to his health reasons

Japan's Prime Minister Shinzō Abe announced to step down due to his health reasons, similar to his previous resignation in his first term in 2006-2007. Until then, he is the longest-serving PM of Japan with 3,167 days behind the wheel. In his first overseas trip after returning the post for the second term 2012-2014, he visited Vietnam, Thailand and Indonesia, in which Hanoi was the first one, which implied his supportive foreign policies for ASEAN countries in the following 8 years to maintain the regional security.

Regarding to Vietnam, during 3 terms as PM of Shinzō Abe since 2012, Japan trade share has been decreasing from 10.8% to 7.7% because of the strong growth of China, the U.S. and South Korea. However, economic ties with Japan are more deep-rooted than trade. Japan is the second largest FDI in Vietnam with 18% share (USD41bn out of total USD225bn FDI in the past 8 years) and is the largest bilateral foreign lender (USD14bn out of USD47 foreign-currency debt of Vietnam in 2018). Japanese banks are also strategic partners of two of the largest banks in Vietnam (The Bank of Tokyo-Mitsubishi UFJ with 19.73% stake at Vietinbank CTG and Mizuho Bank with 15% stake at Vietcombank VCB).

The sudden announcement shocked investors and pulled Nikkei 225 down 3.1% before closing with 1.4% loss on Friday. The reaction was mixed in other markets with China SHSZ300 index up, South Korea Kospi index flat. In ASEAN, Indonesia JCI index was flat, Thailand SET index and Malaysia FBMKLCI index down, and Vietnam VNINDEX index pared most of its early gain at the end.

What next? We do not know yet, at least until the new Prime Minister. However, we recommend a wait-and-see approach because policy changes, if any, will not make impacts overnight.

Figure 01. Vietnam trade share**Figure 02. FDI into Vietnam, 2012-2020****Figure 03. Vietnam government foreign-currency debt by lender**

Macro & strategy

Chart of the day

Take the shot

Dang Le
dang.lh@kisvn.vn

► Market performance

The VNIindex broke the downward trend line, shifting the short-term bullish market to the medium-term upward trending phase.

► Chart: Major MAs start to compress

MA20 and MA50 are having the tendency to compress with MA200, signaling the increasing of buying activities.

Besides, the Index has crossed above the medium-term MAs, implying the uptrend. The broken 860 pts level set the weekly support for the Index whilst 900 pts zone will act as the short-term resistance for this trading week.

However, MA5 has expanded from the major MAs, implying the high level of trading activities which means consolidation phase or intraday correction will occur.

→ The market is expected to enter the short-term downward correction/consolidation this week.

► Technical strategy: Take the shot

As mentioned above, the medium-term trend is confirmed and there is the tendency for the Index to head to 900 pts zone. Thus, investors should increase the proportion of leading stocks when there is a correction/consolidation phase.

New listing & Public offerings

► New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
9/4/2020	HUX	Thua Thien Hue Minerals JSC	UPCoM	113.4	11,338,648	10,000

► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
9/16/2020	VICOSA	Vinacomin Shipping Agency JSC	25.0	52,255	182,200	-
9/14/2020		Vinh Son JSC	1,150.0	4,588,500	201,042	Whole lot sale
9/11/2020	IBD	Binh Duong General Printing JSC	90.0	4,514,300	12,600	Local investors only
9/11/2020	TQMC	Tuyen Quang Minerals JSC	25.0	1,275,000	33,000	Whole lot sale
9/10/2020	AFX	An Giang Agriculture and Foods Import-Export JSC	350.0	17,850,000	18,900	Whole lot sale; Local investors only

9/9/2020		Vinh Long Real Estate JSC	26.5	1,937,770	30,600	Whole lot sale
9/4/2020	TEL	Telecommunication Project Construction Development JSC	50.0	2,450,000	21,801	-
9/1/2020	CC4	Investment and Construction JSC nO.4	160.0	4,137,500	16,100	Local investors only

- **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.

- **Analyst Certification**

I/We, as the research analyst/analysts who prepared this report, do hereby certify that the views expressed in this research report accurately reflect my/our personal views about the subject securities and issuers discussed in this report. I/We do hereby also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

Global Disclaimer

- **General**

This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of KIS Vietnam Securities Corp., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of KIS Vietnam Securities Corp..

This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. KIS Vietnam Securities Corp. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. KIS Vietnam Securities Corp., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or KIS Vietnam Securities Corp. The final investment decision is based on the client's judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.

- **Country-specific disclaimer**

United States: This report is distributed in the U.S. by Korea Investment & Securities America, Inc., a member of FINRA/SIPC, and is only intended for major U.S. institutional investors as defined in Rule 15a-6(a)(2) under the U.S. Securities Exchange Act of 1934. All U.S. persons that receive this document by their acceptance thereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Korea Investment & Securities, Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Korea Investment & Securities America, Inc., which accepts responsibility for the contents of this report in the U.S. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. person absent registration or an applicable exemption from the registration requirement.

United Kingdom: This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

Hong Kong: This research report and marketing materials may be distributed in Hong Kong to institutional clients by Korea Investment & Securities Asia Limited (KISA), a Hong Kong representative subsidiary of Korea Investment & Securities Co., Ltd., and may not otherwise be distributed to any other party. KISA provides equity sales service to institutional clients in Hong Kong for Korean securities under its sole discretion, and is thus solely responsible for provision of the aforementioned equity selling activities in Hong Kong. All requests by and correspondence with Hong Kong investors involving securities discussed in this report and marketing materials must be effected through KISA, which is registered with The Securities & Futures Commission (SFC) of Hong Kong. Korea Investment & Securities Co., Ltd. is not a registered financial institution under Hong Kong's SFC.

Singapore: This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Korea Investment & Securities Co., Ltd. has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person. Please contact Korea Investment & Securities Singapore Pte Ltd in respect of any matters arising from, or in connection with, the analysis or report (Contact Number: 65 6501 5600).

Copyright © 2020 KIS Vietnam Securities Corp.. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of KIS Vietnam Securities Corp..