

Xin Chao Vietnam

Market performance

	31 Aug	1D	1M	3M	YTD
VNIndex (pt, % chg.)	881.65	0.3	10.4	2.0	(8.3)
Turnover (VND bn)	6,214				
VN30 (pt, % chg.)	823.93	0.2	11.2	2.2	(6.3)

Major indicators

	31 Aug	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.58	(0.0)	(0.1)	(0.6)	(0.9)
3-yr gov't bonds (% bp chg.)	1.22	(0.0)	(0.0)	(0.5)	(0.4)
VND/USD (% chg.)	23,175	(0.0)	(0.0)	0.4	(0.0)
VND/JPY (% chg.)	21,889	0.4	(0.0)	(1.3)	(2.6)
VND/EUR (% chg.)	27,629	(0.8)	(0.3)	(6.3)	(6.0)
VND/CNY (% chg.)	3,384	(0.3)	(1.8)	(3.6)	(1.7)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.72	(0.0)	0.2	0.1	(1.2)
WTI (USD/bbl, % chg.)	43.46	1.1	7.9	22.5	(28.8)
Gold (USD/oz, % chg.)	46.49	1.5	7.4	31.6	(29.6)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	49.2	PLX	(39.6)
NHH	46.2	GMD	(24.1)
VIC	16.7	VNM	(12.9)
CTD	16.0	HNG	(7.0)
SAB	15.6	TCB	(5.9)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
PLX	84.7	VHM	(101.2)
CTG	14.5	VIC	(49.0)
VNM	7.5	VRE	(47.0)
HDB	5.4	VCB	(28.6)
NLG	3.8	HCM	(23.2)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Health Care	6.8	Automobiles	(2.5)
Telecommunication	6.8	Media & Entertainment	(1.7)
Insurance	3.3	Household Products	(1.1)
Transportation	2.2	Capital Goods	(1.0)
F&B	1.9	Technology	(1.0)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** SAB jumps 5.2%
- **Vietnam:** Trade balance surplus at USD3.5bn

Macro & strategy

- **Fundflow 24 - 28 Aug:** Vietnam – The exception

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)	13.9	2.0	10.5	14.4
2021F	275,785	142,326	11.2	12.5	1.8	9.1	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)	21.0	6.1	2.2	(5.0)	3.7
China GDP (% yoy)	(6.8)	3.2	5.0	6.1	6.1	2.0	8.0

Source: KIS, Bloomberg

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Market commentary & News

Market commentary

SAB jumps 5.2%

Hieu Tran
hieu.tm@kisvn.vn

Vietnam stock markets maintained its uptrend thanks to high demand on SAB (+5.2%). The Ministry of Industry and Trade transferred the management of the state capital contribution at SAB to the State Capital Investment Corporation (SCIC). Accordingly, SCIC received a 36% stake in SAB to divest.

At the close, the VNIndex gained 0.3% to close at 881.6 pts. Meanwhile, trading volume decreased to 341 million shares or VND6,213bn.

Foreign investors continued to sell with a net value of VND287bn on HSX. They sold VHM, VIC, and VRE the most with net values of VND101bn, VND49bn, and VND47bn, respectively.

Cash flowed into some constituents of the VN30 such as CTG (+2.3%), HPG (+1.0%), NVL (+1.2%), VJC (+2.3%), and VNM (+1.4%). Among which, VJC's business result was expected to rebound when the government has considered allowing some international routes to be reopened to Japan and Korea.

In contrast, EIB (-1.1%), PNJ (-1.3%), SBT (-1.7%), SSI (-1.3%), STB (-1.3%), TCB (-1.3%), TCH (-2.5%), and VPB (-1.0%) closed in red territory.

In the short term, the uptrend is still intact due to confirmation of the VNIndex. 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: Trade balance surplus at USD3.5bn

GSO's estimates show modest growth in trade value in August 2020 as export and import rose by 2.49% YoY and 2.85% YoY, posting USD26.50bn and USD23.00bn. Consequently, the trade balance recorded a one-year-high surplus at USD3.5bn.

In the export structure, major export items (accounting for around 53.00% of items) decreased compared to the same period last year in association with the shortage in the willingness to spend from our U.S market. Notably, telephones, mobile phones and parts (TMPP), textiles and garments (Textiles), footwear, and yarn declined by 10.23% YoY, 10.89% YoY, 10.98% YoY, and 14.92% YoY, dragging the overall growth down by 234 basis points (bps), 142bps, 67bps, and 21bps, respectively. On the contrary, the computer, electrical products, spare parts, and components (CEPP), machine equipment tools and instruments (METI), and wood and wooden products (W&Wprod) rose by 15.05% YoY, 43.59% YoY, and 21.69% YoY, respectively. This group adds the overall growth up by 563bps and determines the expansion in this period.

Most of the import items also witnessed a reduction in a similar manner as export items. The METI, TMPP, plastic, and petroleum products continue to decline at 4.38% YoY, 7.34% YoY, 14.61% YoY, and 41.71% YoY subtracting 62bps, 57bps, 52bps, and 96 bps, respectively. CEPP increased by 19.13% YoY, adding 424bps to the overall import growth and drove total import up. (GSO, KIS Vietnam)

Macro & strategy

Fundflow 14 – 28 Aug

Vietnam – The exception

Dang Le
Dang.lh@kisvn.vn

▶ Vietnam foreign flow

Last week, selling activities ticked up, net sell value recorded at USD118mn, a 4-month high.

Breaking down by sectors, Financials, Real Estate, and Materials were sold the most due to large sell orders on CTG, VHM, and HPG. Besides, this group also focused on selling VCB, VRE, and NVL whilst STB, NLG, KSB, and VIC ended up to be net

bought. Consumer Staples also experienced the outflow, mainly driven by sharp selling pressure on VNM and MSN, fading the strong demand on KDC, DGC, and GTN. On the contrary, Energy attracted the most foreign demand across the market, thanks to PLX.

► South East Asia ETF flow

Money inflow across SEA has slowed down, recorded at USD1mn, the lowest level since July 2020. To be specific, major countries such as Indonesia, Thailand and Malaysia recorded the outflow of money as well as money inflow across Singapore recorded at the lowest level since the beginning of Jul 2020.

Vietnam, one of the main driver for the maintenance of positive flow across SEA, net inflow recorded at USD8mn, the highest level among SEA. Of which, VFMVN30 ETF and VFMVN Diamond ETF were the main drivers which attracted the total of USD10mn despite the outflow of Premia MSCI Vietnam (USD2.3mn) last week.

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

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- 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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