

Xin Chao Vietnam

Market performance

	3 Sep	1D	1M	3M	YTD
VNIndex (pt, % chg.)	903.97	1.4	13.2	3.3	(5.9)
Turnover (VND bn)	7,232				
VN30 (pt, % chg.)	843.64	1.4	13.9	3.0	(4.0)

Major indicators

	3 Sep	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.65	0.1	0.1	(0.3)	(0.8)
3-yr gov't bonds (% bp chg.)	1.24	0.2	0.1	(0.4)	(0.4)
VND/USD (% chg.)	23,175	0.0	0.0	0.4	(0.0)
VND/JPY (% chg.)	21,799	0.1	0.3	(2.0)	(2.2)
VND/EUR (% chg.)	27,458	0.9	(0.6)	(5.2)	(5.4)
VND/CNY (% chg.)	3,391	(0.1)	(2.1)	(3.6)	(1.8)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.66	0.0	0.1	(0.1)	(1.3)
WTI (USD/bbl, % chg.)	40.80	(1.7)	(0.5)	9.4	(33.2)
Gold (USD/oz, % chg.)	43.64	(1.8)	(1.2)	9.7	(33.9)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VCB	39.1	CTG	(602.3)
VHM	38.3	PLX	(41.2)
BID	36.9	FUEVFVND	(14.7)
FPT	36.3	E1VFN30	(10.8)
TCB	36.2	TCM	(7.0)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
CTG	651.8	VHM	(142.8)
PLX	62.5	VCB	(48.9)
VRE	26.9	BID	(30.7)
FUEVFVND	23.4	NVL	(29.8)
VNM	21.7	KBC	(22.7)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Others	3.0	Media & Entertainment	(1.6)
Banks	2.2	Energy	(1.4)
Household Products	1.9	Pharmaceuticals	(0.7)
Health Care	1.7	Consumer Services	(0.4)
Automobiles	1.7	Commercial Services	(0.2)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Breakout the 900-pts threshold
- **Vietnam:** Export demand drives industrial growth

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)	14.2	2.0	10.6	14.4
2021F	275,785	142,326	11.2	12.8	1.8	9.2	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)	21.2	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

Breakout the 900-pts threshold

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Vietnam stock markets maintained to go up yesterday thanks to high demand for members of the Vin group, namely VIC (+1.9%), VHM (+1.1%), and VRE (+3.1%).

At the close, the VNIndex jumped by 1.37% to close at 903.9 pts. Meanwhile, trading volume increased to 354 million shares or VND7,231bn.

Foreign investors reversed to buy with a net value of VND390bn on HSX. They purchased CTG the most with a net value of VND651bn.

Moreover, Banking tickers outperformed the benchmark index due to VCB (+3.9%), BID (+1.9%), HDB (+4.6%), TCB (+1.4%), and VPB (+1.3%). Investors expected that the business results of this sector would improve as the deposit costs in Vietnam have been low.

Some constituents of the VN30 surged more than 2% such as KDH (+2.2%), POW (+4.4%), SAB (+2.0%), and VJC (+2.0%). Among which, VJC business results in 2H20 would increase against when the government has considered allowing six international routes to be reopened to Japan and Korea.

In contrast, CTG (-0.7%), DHG (-2.2%), PVT (-0.4%), and SBT (-0.6%) closed in red territory.

The short-term uptrend is still intact because of the optimistic market sentiment. 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: Export demand drives industrial growth

In August, production levels in most industries were slowing down but at a slight pace, primarily due to the impact of the COVID-19 resurgence in late July. As a result, data showed that production in some domestic demand-driven industries contracted at a modest pace under the current circumstances. On the other hand, export-driven industries remained push factors for industrial growth. Overall, in the month, the IIP dropped by 0.57% YoY after increasing in June and July, mostly attributed to a slowdown in the manufacturing sector (-0.08% YoY) and a contraction in the mining sector (-5.11% YoY). Besides, the electricity production & distribution sector was down by 0.69% YoY, while water supply & other related activities increased by 2.23% YoY.

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	-

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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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