

Xin Chao Vietnam

Market performance

| | 10 Sep | 1D | 1M | 3M | YTD |
|----------------------|--------|-------|-----|-------|-------|
| VNIndex (pt, % chg.) | 888.82 | (0.1) | 5.4 | (1.2) | (7.5) |
| Turnover (VND bn) | 11,429 | | | | |
| VN30 (pt, % chg.) | 825.85 | 0.2 | 5.3 | (1.6) | (6.1) |

Major indicators

| | 10 Sep | 1D | 1W | 1M | YTD |
|-------------------------------|-------------|-------|--------|-------|--------|
| 1-yr gov't bonds (% bp chg.) | 0.54 | (0.0) | (0.2) | (0.5) | (0.9) |
| 3-yr gov't bonds (% bp chg.) | 1.00 | (0.2) | (0.3) | (0.6) | (0.7) |
| VND/USD (% chg.) | 23,178 | (0.0) | (0.0) | 0.1 | (0.0) |
| VND/JPY (% chg.) | 21,853 | (0.1) | 0.0 | (1.0) | (2.4) |
| VND/EUR (% chg.) | 27,409 | (0.3) | (0.5) | (4.0) | (5.2) |
| VND/CNY (% chg.) | 3,389 | 0.1 | (1.8) | (3.1) | (1.8) |
| | Prev. close | 1D | 1W | 1M | YTD |
| 10-yr US Treasury (% bp chg.) | 0.69 | (0.0) | 0.1 | (0.0) | (1.2) |
| WTI (USD/bbl, % chg.) | 37.52 | (1.4) | (10.5) | (5.3) | (38.6) |
| Gold (USD/oz, % chg.) | 40.35 | (1.1) | (10.3) | (3.3) | (38.9) |

Domestic institutions net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|----------|----------|----------|-----------|
| HPG | 119.5 | VHM | (2,100.8) |
| VJC | 21.2 | VGC | (125.5) |
| FUESSVFL | 19.3 | HNG | (55.7) |
| BCM | 17.3 | HDG | (19.0) |
| VIC | 10.6 | MWG | (13.4) |

Foreign net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|----------|----------|----------|----------|
| VHM | 5,213.8 | HPG | (246.9) |
| FUEFVND | 14.8 | VNM | (27.2) |
| E1VFVN30 | 11.9 | NBB | (22.0) |
| VRE | 8.7 | GEX | (21.0) |
| GVR | 5.7 | FUESSVFL | (18.8) |

Daily performance by sector

| Top five sectors | % chg. | Bottom five sectors | % chg. |
|---------------------|--------|-----------------------|--------|
| Consumer Services | 1.3 | Media & Entertainment | (1.6) |
| Capital Goods | 1.0 | Insurance | (1.5) |
| Commercial Services | 0.8 | Energy | (1.3) |
| Retailing | 0.5 | Others | (1.2) |
| Utilities | 0.5 | Household Products | (1.1) |

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Intraday divergence
- **World:** Global PMI improves further as economic activities continue to reopen

Sector & company report

- **Mobile World (MWG):** Brief

New listing & Public offerings

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 | 29.6 | 14.8 | 2.6 | 13.6 | 17.8 |
| 2019 | 238,659 | 144,922 | 24.3 | 13.4 | 2.3 | 11.0 | 17.4 |
| 2020F | 261,642 | 146,123 | 0.7 | 12.9 | 2.0 | 9.1 | 15.3 |
| 2021F | 293,650 | 165,232 | 14.3 | 11.3 | 1.7 | 8.0 | 15.3 |

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) | 3.8 |
| China GDP (% yoy) | (6.8) | 3.2 | 5.2 | 6.0 | 6.1 | 2.1 | 8.0 |

Source: KIS, Bloomberg

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Market commentary & News

Market commentary

Intraday divergence

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Despite rebound of the U.S. financial market, Vietnam stock markets recorded a contraction session as the stocks diverged yesterday.

At the close, the VNIndex closed almost unchanged at 888.8 pts. Meanwhile, trading volume increased to 387 million shares or VND11,429bn.

Foreign investors reversed to buy with a net value of VND4,748bn on HSX. They purchased VHM the most with a net value of VND5,213bn.

Cash flowed into Energy tickers, namely GAS (+0.4%), PVT (+0.9%), POW (+0.5%), and BSR (+1.5%).

Moreover, some constituents of the VN30 surged more than 1%, such as REE (+4.9%), TCB (+1.1%), and TCH (+1.6%).

In contrast, BID (-0.7%), KDH (-1.0%), PLX (-1.5%), STB (-0.8%), VHM (-0.6%), BVH (-2.0%), and VHC (-1.2%) closed in red territory.

In the short term, market sentiment has become cautious. Besides, the 900-pts threshold is a significant resistance. Thus, investors should be careful and wait for the next signal to define the trend.

Breaking news

- ▶ World: Global PMI improves further as economic activities continue to reopen

As many countries are continuing to lift up lockdowns and restrictions in response to the COVID-19 pandemic, the global economic expansion accelerated at the fastest pace since March 2019. According to the latest report from IHS Markit, the J.P. Morgan Global Composite Output Index, jumped to 52.4 index point in August, increasing for the third consecutive month. Especially, output growth in the manufacturing sector globally hit a 28-month high, while that in the service sector reached a 7-month high. (IHS Markit)

Sector & company

Mobile World (MWG)

BUY (Maintain), TP VND134,000

Brief: Promoting scale for Dien May Xanh Super-mini

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- ▶ Dien May Xanh super-mini to reach 300 stores at 2020-end

On 09 Sep, Mobile World held a site visit tour to their new store format Dien May Xanh super-mini.

Beside the large format (800-1,200 sqm/store) and mini format (300-350 sqm/store), super-mini one has size of 120-150 sqm/store. In spite of the smallest size, this new store format still has various product lines of mobile phones, consumer electronics, white goods and home appliances, arranged fitly in standardized layouts. Per our observation, Dien May Xanh super-mini provides lower-end products, which fits customer expenditure in small communities better.

Dien May Xanh has opened 17 super-mini stores since Jun 2020 and this new format has reached the average monthly revenue per store of VND1.1bn. The company targets to scale its super-mini up to 300 this year-end and record VND500bn.

Dien May Xanh super-mini has reached gross margin of 23% and net margin of 4.6%, higher than those of Mobile World's existing system, thanks to lower operating expenses compared to its larger siblings. Per management, rental expense of super-mini format is approximately 25% of mini one, while store size is around 50%. Super-mini format has only 4 staffs instead of 12-15 staffs of mini format and each store manager takes responsibility for 2-3 super-mini stores. Moreover, suppliers will support

a part of points of sales material expenses for Dien May Xanh super-mini.

- ▶ Dien May Xanh targets at 60% domestic market share in 2022

With super-mini format, Dien May Xanh targets to reach 55% and 60% domestic market share in 2021 and 2022. After 2022, Dien May Xanh will expand its business oversea with Cambodia as the first step.

Please click on the underlined companies and sectors to see the full reports.

New listing & Public offerings

▶ Public offerings

(VND bn, share, VND)

| Date of auction | Ticker | Company | Charter | Offered Shares | Min Bid | Note |
|-----------------|--------|---|---------|----------------|---------|----------------------|
| 9/28/2020 | TBD | Dong Anh Electrical Equipment Corporation - JSC | 282.6 | 13,131,632 | 153,100 | Whole lot sale |
| 9/17/2020 | | Phat Tai JSC | 18.1 | 50,000 | 27,210 | Whole lot sale |
| 9/16/2020 | VICOSA | Vinacomin Shipping Agency JSC | 25.0 | 52,255 | 182,200 | - |
| 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 |

- **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.

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