

Xin Chao Vietnam

Market performance

| | 11 Sep | 1D | 1M | 3M | YTD |
|----------------------|--------|-------|-----|-----|-------|
| VNIndex (pt, % chg.) | 888.97 | 0.0 | 5.4 | 2.5 | (7.5) |
| Turnover (VND bn) | 5,441 | | | | |
| VN30 (pt, % chg.) | 825.56 | (0.0) | 5.2 | 2.3 | (6.1) |

Major indicators

| | 11 Sep | 1D | 1W | 1M | YTD |
|-------------------------------|-------------|-------|--------|-------|--------|
| 1-yr govt bonds (% bp chg.) | 0.54 | (0.0) | (0.2) | (0.5) | (0.9) |
| 3-yr govt bonds (% bp chg.) | 1.00 | (0.2) | (0.3) | (0.6) | (0.7) |
| VND/USD (% chg.) | 23,176 | 0.0 | (0.0) | 0.1 | (0.0) |
| VND/JPY (% chg.) | 21,819 | 0.0 | (0.3) | (0.5) | (2.3) |
| VND/EUR (% chg.) | 27,459 | (0.2) | (0.9) | (3.8) | (5.4) |
| VND/CNY (% chg.) | 3,391 | (0.0) | (1.7) | (3.2) | (1.9) |
| | Prev. close | 1D | 1W | 1M | YTD |
| 10-yr US Treasury (% bp chg.) | 0.68 | 0.0 | 0.0 | 0.0 | (1.2) |
| WTI (USD/bbl, % chg.) | 37.27 | (0.1) | (10.4) | 2.6 | (39.0) |
| Gold (USD/oz, % chg.) | 39.92 | (0.3) | (10.3) | 3.6 | (39.5) |

Domestic institutions net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|---------|----------|----------|----------|
| VHM | 68.2 | VGC | (173.5) |
| CTG | 20.7 | PLX | (157.8) |
| HPG | 12.2 | GEX | (65.4) |
| AAA | 5.1 | E1VFN30 | (34.4) |
| SAB | 4.7 | HDG | (26.0) |

Foreign net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|----------|----------|----------|----------|
| PLX | 158.9 | VHM | (162.3) |
| NLG | 26.0 | HPG | (141.0) |
| VRE | 25.4 | KDH | (131.4) |
| E1VFN30 | 21.5 | VNM | (50.9) |
| FUEVFVND | 17.0 | BID | (17.1) |

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:** Large-cap stocks diverge
- **Oil price:** Global oil prices plunge due to concerns about global oil demand

Macro & strategy

- **Chart of the day:** Staying above the major MAs

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 | 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 | 9.0 | 15.3 |
| 2021F | 293,650 | 165,232 | 14.3 | 11.3 | 1.7 | 7.9 | 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

Large-cap stocks diverge

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Vietnam stock markets continued to move in the tight range last Friday as large-cap stocks diverged. Besides, the market also lacked positive news.

At the close, the VNIndex closed almost unchanged at 888.9 pts. Meanwhile, trading volume decreased to 301 million shares or VND5,440bn.

Foreign investors resumed selling with a net value of VND308bn on HSX. They sold VHM, HPG, and KDH the most with net values of VND162bn, VND141bn, and VND131bn, respectively.

Real Estate was the market leader due to VIC (+0.7%), NVL (+0.2%), NLG (+1.8%), DXG (+0.5%), ROS (+0.5%), FLC (+0.3%), KDH (+0.6%), and SCR (+0.9%).

Moreover, cash flowed into some constituents of the VN30 such as CTG (+1.1%), HDB (+3.5%), MSN (+0.3%), VCB (+0.2%), and VPB (+0.2%). Among which, HDB will limit the foreign ownership ratio from 30% to 21.5% to issue to strategic investors in the future.

In contrast, Energy tickers, namely GAS (-0.3%), PVS (-0.8%), POW (-0.5%), PLX (-0.8%), and OIL (-1.3%), underperformed benchmark index because of the reduction of the oil price.

Market sentiment has become cautious as the VNIndex moves in the tight range. Also, 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

- ▶ Oil price: Global oil prices plunge due to concerns about global oil demand

Recently, the global oil prices saw sharp drops due to fears of a second wave of the COVID-19 pandemic dampening oil demand. According to the latest data from the U.S. Energy Information Administration (EIA), the weekly U.S. oil crude inventories increased by up to 2mn barrels in the week ended September 3rd, far above the analyst's forecast of minus 1.3mn barrels from Reuters survey. Besides, the global largest oil producer Saudi Aramco cut its benchmark price of Arab Light crude for ASIA buyers for the first time since June, signaling weak oil demand. (EIA, Reuters)

Macro & strategy

Chart of the day

Staying above the major MAs

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- ▶ Market performance

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

- ▶ Chart: MA200 is pierced

MA50 is having the tendency to compress with MA200, signaling the increase of buying activities among investors.

Besides, the Index has crossed above the medium-term MAs and 900 pts threshold, implying the uptrend. Besides, 860-870 pts zone is defined at the bullish zone which provides the re-entry period for investors.

However, MA5 has turned flat as well as Stochastic stayed on the fence, implying the short-term profit taking from trader and signaling the upcoming tightening phase.

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

- Technical strategy: Buy at the bullish zone

As mentioned above, the medium-term trend is confirmed, but there is the tendency for the Index to enter the short-term tightening phase. Thus, investors should increase the proportion of leading stocks when the index revisits the aforementioned buying zone.

New listing & Public offerings

► New listing

(VND bn, share, VND)

| Date of listing | Ticker | Company | Exchange | Charter | Listed Shares | Reference price |
|-----------------|--------|----------------------------|----------|---------|---------------|-----------------|
| 9/18/2020 | TTA | Truong Thanh Deconin., JSC | HSX | 1,350.0 | 135,000,000 | 18,000 |

► Public offerings

(VND bn, share, VND)

| Date of auction | Ticker | Company | Charter | Offered Shares | Min Bid | Note |
|-----------------|---------|---|---------|----------------|---------|----------------|
| 10/9/2020 | AGFERRY | An Giang Ferry One Member Company Limited | 167.5 | 5,291,520 | 16,720 | IPO |
| 10/6/2020 | BWE | Binh Duong Water Environment JSC | 1,500.0 | 37,500,000 | 25,500 | - |
| 9/28/2020 | TBD | Dong Anh Electrical Equipment Corporation - JSC | 282.6 | 13,131,632 | 153,100 | Whole lot sale |
| 9/25/2020 | | Saigon Machinery Spare Parts JSC | 190.2 | 482,856 | 16,700 | Whole lot sale |

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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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