

Xin Chao Vietnam

Market performance

	14 Sep	1D	1M	3M	YTD
VNIndex (pt, % chg.)	894.57	0.6	5.2	3.6	(6.9)
Turnover (VND bn)	6,229				
VN30 (pt, % chg.)	832.24	0.8	5.1	3.0	(5.3)

Major indicators

	14 Sep	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.57	0.0	(0.1)	(0.4)	(0.9)
3-yr govt bonds (% bp chg.)	1.13	0.1	(0.1)	(0.5)	(0.5)
VND/USD (% chg.)	23,176	(0.0)	0.0	0.2	(0.0)
VND/JPY (% chg.)	21,860	(0.2)	(0.5)	(1.0)	(2.5)
VND/EUR (% chg.)	27,466	(0.0)	(0.2)	(4.9)	(5.4)
VND/CNY (% chg.)	3,397	(0.2)	(1.8)	(3.6)	(2.0)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.66	(0.0)	(0.0)	(0.0)	(1.3)
WTI (USD/bbl, % chg.)	36.98	(0.9)	(12.0)	2.0	(39.4)
Gold (USD/oz, % chg.)	39.50	(0.8)	(11.8)	2.0	(40.2)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
THI	86.4	VGC	(203.4)
GEG	31.8	PLX	(17.7)
VIC	18.0	GEX	(16.3)
HPG	17.9	NT2	(10.0)
VCB	17.1	FUEVFVND	(10.0)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
DPM	25.8	HPG	(158.3)
VRE	25.7	VHM	(82.2)
VIC	18.0	GEX	(63.0)
HSG	16.9	VNM	(38.3)
FUEVFVND	11.2	PC1	(31.8)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Transportation	1.9	Telecommunication	(5.5)
Media & Entertainment	1.8	Others	(2.3)
Insurance	1.8	Health Care	(1.4)
Materials	1.3	Pharmaceuticals	(1.2)
Capital Goods	1.1	Retailing	(0.3)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** High demand pushes the market up
- **Vietnam:** Credit growth remains subdued amid uncertainties about business conditions

Macro & strategy

- **Fundflow 07 - 11 Sep:** The first week of outflow since May 2020

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	13.0	2.0	9.1	15.3
2021F	293,650	165,232	14.3	11.4	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)	(31.7)	23.3	5.1	2.2	(4.6)	3.7
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

High demand pushes the market up

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Vietnam stock markets recorded the gaining session yesterday amid the recovery of the global financial market.

At the close, the VNIndex gained 0.63% to close at 894.5 pts. Meanwhile, trading volume increased to 354 million shares or VND6,228bn.

Foreign investors resumed selling with a net value of VND428bn on HSX. They sold HPG, VHM, and GEX the most with net values of VND158bn, VND82bn, and VND62bn, respectively.

Cash flowed into Banking and Real Estate stocks such as VCB (+0.9%), TCB (+0.9%), ACB (+1.9%), MBB (+1.7%), STB (+1.3%), VPB (+1.5%), EIB (+2.4%), VIC (+2.2%), VRE (+0.7%), and NVL (+1.3%).

Material and Aviation outperformed the benchmark index, namely HSG (+6.7%), HPG (+0.6%), NKG (+3.3%), HVN (+4.0%), and VJC (+1.5%). The Airline industry has been expected a rebound in revenue as the government planned to reopen some international routes.

In contrast, some constituents of the VN30Index such as GAS (-0.5%), POW (0.0%), HDB (-0.3%), MWG (-0.4%), SBT (-0.3%), TCH (-1.1%), and VHM (-0.2%), underperformed benchmark index. Among which, POW's revenue in August dropped to VND1,852bn, down by 31%, because EVN reduced mobilization from thermal power plants in the rainy season.

The 900-pts threshold is a significant resistance in the short term. The VNIndex needs to break out this resistance to confirm the uptrend. Therefore, investors should be careful and wait for the next signal to define the trend.

Breaking news

- ▶ Vietnam: Credit growth remains subdued amid uncertainties about business conditions

According to the latest data from the Vietnam State bank, credit growth just reached 4.05% year-to-date by the end of July, higher than its previously 3.45% from an SBV's source. This growth was significantly slower than in the previous years as the credit growth reached 7.48% YTD in 7M19, 5.11% YTD in 7M18, and 9.58% YTD in 7M17. Most notably, credit for the construction sector was growing at the fastest pace of 5.82% YTD compared to other sectors, followed by the export-import sector with 4.22% YTD. (State Bank of Vietnam)

Macro & strategy

Fundflow 07 - 11 Sep

The first week of outflow since May 2020

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- ▶ Vietnam foreign flow

Last week, buying activities overwhelmed. Net buy value recorded at USD169.3mn, a 3-month high.

Real Estate and Energy were accumulated the most, net buy value recorded at USD200mn and USD9mn, respectively. Especially, VHM attracted large buy orders via put-through transaction, net buy value recorded at USD212mn. Besides, VRE, NLG, VPI, and PLX also attracted the most foreign demand across the market, fading the strong selling activities on KDH, VIC, and NBB. Foreign demand across IT ticked up, thanks to DGW. On the contrary, Materials continued to be sold the most, focusing on HPG despite KSB ended up to be net bought. Consumer Staples and Financials also experienced high selling pressure, driven by the high divestment away from VNM, MSN, VCB, and BID.

- ▶ South East Asia ETF flow

The flow of money across SEA turned around to be positive with the net inflow recorded at USD35mn. To be specific, major countries such as Malaysia, Thailand, and Philippines recorded no money outflow whilst money inflow across Singapore and

Indonesia increased dramatically, especially Indonesia where money inflow reached a 3-month high.

Vietnam experienced the first week of outflow (USD2mn) since May 2020. Of which, X FTSE Vietnam ETF and SSIAM VNFIN Lead were the main drivers which recorded the total outflow of USD2.4mn despite the inflow of VFMVN Diamond ETF (USD0.6mn) last week.

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

- **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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