

# Xin Chao Vietnam

## Market performance

	17 Sep	1D	1M	3M	YTD
VNIndex (pt, % chg.)	894.04	(0.4)	5.2	4.6	(7.0)
Turnover (VND bn)	6,402				
VN30 (pt, % chg.)	831.84	(0.3)	5.1	4.4	(5.4)

## Major indicators

	17 Sep	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.57	(0.0)	(0.1)	(0.3)	(0.9)
3-yr govt bonds (% bp chg.)	1.10	(0.0)	(0.2)	(0.4)	(0.6)
VND/USD (% chg.)	23,179	(0.0)	(0.1)	0.1	(0.0)
VND/JPY (% chg.)	22,128	(0.2)	(1.2)	(2.0)	(3.6)
VND/EUR (% chg.)	27,312	0.5	0.7	(4.3)	(4.9)
VND/CNY (% chg.)	3,423	0.2	(2.4)	(4.3)	(2.8)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.69	(0.0)	(0.0)	(0.1)	(1.2)
WTI (USD/bbl, % chg.)	39.91	(0.6)	(6.9)	5.1	(34.6)
Gold (USD/oz, % chg.)	41.97	(0.6)	(7.5)	3.1	(36.4)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VPI	40.6	VNM	(64.9)
GEX	14.8	VIC	(53.6)
BID	13.8	HPG	(50.3)
THI	12.8	TCB	(44.7)
CTG	8.6	GEG	(42.6)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VIC	48.9	VHM	(56.7)
E1VFVN30	30.8	BID	(46.6)
SSI	25.5	VNM	(24.4)
VCB	24.0	NBB	(19.6)
NT2	11.9	VRE	(14.7)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Materials	1.4	Energy	(1.5)
Insurance	0.8	Software & Services	(1.4)
Pharmaceuticals	0.5	Real Estate	(1.1)
Automobiles	0.4	Consumer Services	(1.0)
Health Care	0.4	Technology	(0.9)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** High volatility
- **U.S.:** Economic growth is set to be more positive

### Macro & strategy

- **ETF Review:** ETFs buy POW, VCB, SBT and GEX

### 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)	24.8	5.0	2.2	(4.5)	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 volatility

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Vietnam stock markets reversed to go down yesterday amid the reduction of the Asian financial market. Two-way investment between the U.S. and China fell to the lowest level in nine years as the trade relationship between the two countries deteriorated.

At the close, the VNIndex lost 0.38% to close at 894.0 pts. Meanwhile, trading volume increased to 383 million shares or VND6,402bn.

Foreign investors resumed selling with a net value of VND110bn on HSX. They sold VHM, BID, and VNM the most with net values of VND56bn, VND46bn, and VND24bn, respectively.

Real Estate was the worst sector due to VIC (-1.6%), VHM (-0.6%), VRE (-2.1%), NVL (-0.6%), NLG (-0.7%), ROS (-0.9%), and KDH (-1.2%).

Despite uptrend of global oil price, profit taking pushed Energy down namely GAS (-0.4%), PVT (-1.2%), PVD (-1.3%), PVS (-0.8%), and PLX (-1.6%).

Besides, some constituents of the VN30Index, such as MSN (-1.6%), PNJ (-1.4%), and POW (-1.4%), slid more than 1%.

In contrast, cash flowed into Brokerages thanks to SSI (+0.6%) and HCM (+0.2%).

The 900-pts threshold is a significant resistance in the short term. The high selling pressure appears when VNIndex reaches this threshold. Until VNIndex confirms its trend, traders should be careful and wait for the next signal.

### Breaking news

- ▶ U.S.: economic growth is set to be more positive

The health crisis has posed unprecedented challenges to the largest economy with social-distancing measures taken to control the spread. However, with massive fiscal aid and an expectedly long-lasting monetary easing, the outlook for the U.S. economy turns more positively than before. In the latest meeting of the Federal Reserve Board, the monetary policymakers released economic projections for years ahead, in which the economic growth for this year is set to shrink 3.7% YoY, much better than its previous projection of -6.5% YoY in June. Furthermore, the impact of the pandemic on the economy is expected to fade out from 2021 as the economy is expected to grow at 4.0% YoY and continue to expand at 3.0% in 2022 and 2.5% in 2023. (U.S. Federal Reserve)

## Macro & strategy

### ETF Review

#### ETFs buy POW, VCB, SBT and GEX

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- ▶ FTSE Vietnam ETF (Xtrackers FTSE Vietnam Swap UCITS ETF)

The FTSE Vietnam ETF is an open-end fund that focuses on stocks listed on HSX in Vietnam. The fund is managed by Deutsche Asset Management / Deutsche Bank Group.

A benchmark index of the FTSE Vietnam ETF is the FTSE Vietnam index. This index is developed by FTSE Russell.

The fund reviews the stock list four times a year in March, June, September, and December.

The new weight will be effective on 21 Sep 2020.

► VanEck Vectors Vietnam ETF (VNM)

VanEck Vectors Vietnam ETF invests in listed companies operating in Vietnam (Vietnamese companies or foreign companies operating in Vietnam).

This is an open-ended fund, established and managed by Van Eck Global.

The minimum number of shares in the portfolio is 25 shares.

The fund reviews the stock list four times a year in March, June, September, and December.

The new weight will be effective on 21 Sep 2020.

► Comments for ETFs' review in 4Q20

Prices of POW, VCB, SBT and GEX are expected to increase with the most buying by ETFs. In the other sides, VRE, NVL, STB and PLX will face high selling pressure.

## 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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