

Xin Chao Vietnam

Market performance

	18 Sep	1D	1M	3M	YTD
VNIndex (pt, % chg.)	900.95	0.8	6.4	5.3	(6.2)
Turnover (VND bn)	6,550.80				
VN30 (pt, % chg.)	841.26	1.1	6.9	5.5	(4.3)

Major indicators

	18 Sep	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.56	(0.0)	(0.2)	(0.2)	(0.9)
3-yr gov't bonds (% bp chg.)	1.08	(0.0)	(0.2)	(0.3)	(0.6)
VND/USD (% chg.)	23,178	0.0	(0.0)	0.1	(0.0)
VND/JPY (% chg.)	22,206	(0.3)	(1.0)	(2.3)	(4.0)
VND/EUR (% chg.)	27,490	(0.6)	0.4	(5.1)	(5.5)
VND/CNY (% chg.)	3,430	(0.1)	(2.4)	(4.6)	(3.0)
	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.)	41.09	0.3	(4.2)	5.8	(32.7)
Gold (USD/oz, % chg.)	43.49	0.4	(4.3)	4.8	(34.1)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
SAB	30.0	VGC	(67.0)
CTG	17.2	PLX	(64.8)
VHM	15.3	FPT	(12.1)
TCB	14.8	HNG	(7.7)
BID	14.0	EIB	(7.5)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	76.2	VHM	(67.4)
PLX	75.9	POW	(38.1)
VRE	26.6	BID	(28.4)
E1VFVN30	17.6	SAB	(28.1)
HCM	14.0	MSN	(24.9)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	2.3	Telecommunication	(3.2)
Diversified Financials	1.5	Media & Entertainment	(0.4)
Banks	1.3	Software & Services	(0.4)
Utilities	1.0	Health Care	(0.4)
Materials	0.9	Consumer Services	(0.2)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Confirmation signal?
- **Vietnam:** Economy is set to return a fast-growing pace from 2021

Macro & strategy

- **Chart of the day:** Reach the 900-pts threshold

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	13.1	2.0	9.1	15.3
2021F	293,650	165,232	14.3	11.5	1.8	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)	24.9	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

Analysts who prepared this report are registered as research analysts in Vietnam but not in any other jurisdiction, including the U.S. PLEASE SEE ANALYST CERTIFICATIONS AND GLOBAL DISCLAIMER AT THE END OF THIS REPORT.

Market commentary & News

Market commentary

Confirmation signal?

Hieu Tran
hieu.ttm@kisvn.vn

Vietnam stock markets reversed to go up last Friday amid the recovery of the Asian financial market.

At the close, the VNIndex gained 0.77% to close at 900.9 pts. Meanwhile, trading volume is recorded to 349 million shares or VN6,550Dbn.

Foreign investors resumed selling with a net value of VND68bn on HSX. They sold VHM, POW, and BID the most with net values of VND67bn, VND38bn, and VND28bn, respectively.

Banking was the market leaders, namely CTG (+2.0%), BID (+1.2%), TCB (+2.3%), ACB (+0.9%), MBB (+3.6%), STB (+1.7%), and VPB (+1.8%) due to high demand.

Because oil price sharply increase above the USD43 per barrel, that pushed Energy up such as GAS (+1.1%), PVT (+0.4%), PVD (+0.4%), PVS (+0.8%), BSR (+1.5%), and PLX (+0.8%).

Besides, some constituents of the VN30Index, such as FPT (+2.4%), HPG (+1.1%), PNJ (+1.0%), REE (+1.0%), SSI (+1.8%), TCH (+1.2%), and VNM (+1.5%), jumped more than 1%. Among which, FPT's revenue and net income in the first eight months of the year reached VND18,321bn and VND2,785bn (+7.6% YoY and 11.6%YoY).

In contrast, ROS (-0.4%), DHG (-0.4%), HBC (-0.4%), and NT2 (-1.5%), closed in red territory.

The VNIndex closes above the 900-pts threshold. However, the signal has not high confidence, so we need the second confirmation session. Until then, traders should be careful and stay on the sidelines.

Breaking news

- ▶ Vietnam: Economy is set to returns a fast-growing pace from 2021

With unprecedented measures being taken to mitigate the COVID-19 spread, data in the 1st and 2nd quarters of 2020 showed an unprecedented slowdown in the Vietnam economic growth. But recent readings of several economic indicators indicate a strong rebound in key areas, especially export activity and industrial production, while inflation and foreign exchange are well controlled. In the regular government meeting recently, the Ministry of Planning and Investment projected the economy would grow at 6.0%-6.5% YoY in 2021. (Ministry of Planning and Investment)

Macro & strategy

Chart of the day

Reach the 900-pts threshold

Hieu Tran
hieu.ttm@kisvn.vn

- ▶ Market performance

The VNIndex moved in the tight range last week as the stock market lacked supportive news.

- ▶ Chart: Need the second confirmation signal

In the medium- and long-term, the uptrend is still intact thanks to the upward moving average, such as the 50-period and 100-period moving average.

The VNIndex closed above 900 pts last Friday, but the gain was negligible. Moreover, the volume does not increase, and the index still does not break out the June and September peaks. Therefore, to confirm an uptrend is forming, more confirmation signals are needed.

We are also looking at the pennant pattern on the daily chart, which is a continuation pattern. If the breakout signal occurs (close

above the 905-910 pts), the target price may be 1,000-1,100 pts.

Besides, 900-910 pts zone is defined at the significant resistance. If the index closed above this threshold for the second consecutive session, the short-term uptrend is confirmed again. On the opposite, the 880-890 is the support.

→ The breakout has not high confidence, so traders need the second confirmation session to define the uptrend.

- ▶ Technical strategy: Wait for the confirmation

As mentioned above, the short-term uptrend has not yet form. Therefore, traders should wait for the second confirmation session. Until then, traders should be careful and stay on the sidelines.

New listing & Public offerings

▶ New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
9/24/2020	ASG	ASG Corporation	HSX	630.4	63,044,964	30,000
9/21/2020	PAS	Phuong Anh International JSC	UPCoM	255.0	25,500,000	12,000

▶ 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.

- **Analyst Certification**

I/We, as the research analyst/analysts who prepared this report, do hereby certify that the views expressed in this research report accurately reflect my/our personal views about the subject securities and issuers discussed in this report. I/We do hereby also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

Global Disclaimer

- **General**

This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of KIS Vietnam Securities Corp., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of KIS Vietnam Securities Corp..

This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. KIS Vietnam Securities Corp. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. KIS Vietnam Securities Corp., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or KIS Vietnam Securities Corp. The final investment decision is based on the client's judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.

- **Country-specific disclaimer**

United States: This report is distributed in the U.S. by Korea Investment & Securities America, Inc., a member of FINRA/SIPC, and is only intended for major U.S. institutional investors as defined in Rule 15a-6(a)(2) under the U.S. Securities Exchange Act of 1934. All U.S. persons that receive this document by their acceptance thereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Korea Investment & Securities, Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Korea Investment & Securities America, Inc., which accepts responsibility for the contents of this report in the U.S. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. person absent registration or an applicable exemption from the registration requirement.

United Kingdom: This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

Hong Kong: This research report and marketing materials may be distributed in Hong Kong to institutional clients by Korea Investment & Securities Asia Limited (KISA), a Hong Kong representative subsidiary of Korea Investment & Securities Co., Ltd., and may not otherwise be distributed to any other party. KISA provides equity sales service to institutional clients in Hong Kong for Korean securities under its sole discretion, and is thus solely responsible for provision of the aforementioned equity selling activities in Hong Kong. All requests by and correspondence with Hong Kong investors involving securities discussed in this report and marketing materials must be effected through KISA, which is registered with The Securities & Futures Commission (SFC) of Hong Kong. Korea Investment & Securities Co., Ltd. is not a registered financial institution under Hong Kong's SFC.

Singapore: This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Korea Investment & Securities Co., Ltd. has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person. Please contact Korea Investment & Securities Singapore Pte Ltd in respect of any matters arising from, or in connection with, the analysis or report (Contact Number: 65 6501 5600).

Copyright © 2020 KIS Vietnam Securities Corp.. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of KIS Vietnam Securities Corp..