

Xin Chao Vietnam

Market performance

| | 21 Sep | 1D | 1M | 3M | YTD |
|----------------------|--------|-----|-----|-----|-------|
| VNIndex (pt, % chg.) | 907.94 | 0.8 | 6.2 | 4.5 | (5.5) |
| Turnover (VND bn) | 7,717 | | | | |
| VN30 (pt, % chg.) | 851.54 | 1.2 | 7.3 | 5.4 | (3.1) |

Major indicators

| | 21 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) | 0.2 | (0.0) |
| VND/JPY (% chg.) | 22,267 | (0.5) | (1.6) | (2.5) | (4.2) |
| VND/EUR (% chg.) | 27,505 | (0.1) | 0.2 | (5.6) | (5.6) |
| VND/CNY (% chg.) | 3,420 | 0.1 | (2.1) | (4.0) | (2.7) |
| | 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.) | 40.26 | (2.1) | (4.9) | 1.3 | (34.1) |
| Gold (USD/oz, % chg.) | 42.40 | (1.7) | (4.4) | 0.5 | (35.8) |

Domestic institutions net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|---------|----------|----------|----------|
| PME | 85.7 | PLX | (87.7) |
| VNM | 68.6 | TTA | (57.8) |
| TCB | 45.6 | MWG | (46.5) |
| HPG | 43.8 | DPM | (29.3) |
| CTG | 30.7 | SBT | (23.5) |

Foreign net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|---------|----------|----------|----------|
| PLX | 100.7 | MBB | (51.1) |
| VNM | 60.7 | VHM | (50.4) |
| VRE | 59.4 | GAS | (27.9) |
| SSI | 36.5 | BID | (21.9) |
| VCB | 18.9 | HSG | (18.0) |

Daily performance by sector

| Top five sectors | % chg. | Bottom five sectors | % chg. |
|---------------------|--------|---------------------|--------|
| Retailing | 3.8 | Telecommunication | (6.8) |
| F&B | 1.6 | Health Care | (1.2) |
| Software & Services | 1.4 | Pharmaceuticals | (0.8) |
| Insurance | 1.3 | Household Products | (0.8) |
| Real Estate | 1.2 | Automobiles | (0.5) |

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Members of Vin group lead market gains
- **World:** Money laundering scandals put international banks on risk

Macro & strategy

- **Fundflow 14 - 18 Sep:** Divergence

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 | 13.2 | 2.0 | 9.2 | 15.3 |
| 2021F | 293,650 | 165,232 | 14.3 | 11.6 | 1.8 | 8.1 | 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) | 25.0 | 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

Members of Vin group lead market gains

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Vietnam stock markets maintained its uptrend thanks to high demand on members of the Vingroup, namely VIC (+2.1%) and VRE (+1.6%).

At the close, the VNIndex gained 0.78% to close at 907.9 pts. Meanwhile, trading volume recorded to 403 million shares or VND7,716bn.

Foreign investors reversed to buy with a net value of VND99bn on HSX. They purchased PLX, VNM, and VRE the most with net values of VND100bn, VND60bn, and VND59bn, respectively.

Banking was the market leaders, namely HDB (+3.2%), TCB (+2.3%), ACB (+1.4%), MBB (+1.6%), and STB (+0.9%).

Moreover, some constituents of the VN30Index, such as MWG (+4.1%), POW (+1.0%), SBT (+1.7%), SSI (+1.2%), and VNM (+2.9%), surged more than 1%. Among which, MWG recorded revenue of more than VND8,660bn (+9% YoY) in Aug. While net income reached VND325bn (+14% YoY).

In contrast, BID (-0.4%), CTG (-0.1%), ROS (-0.4%), DHG (-1.2%), PVT (-0.4%), and NLG (-1.8%) closed in red territory.

Based on the second gaining session, the VNIndex confirms the short-term uptrend. Therefore, investors should increase their long position and focus on leading tickers.

Breaking news

- ▶ World: Money laundering scandals put international banks on risk

From the latest document from the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCen), several international banks have been received allegations about money laundering in a period from 1999 to 2017. Also, the International Consortium of Investigative Journalists (ICIJ) reported in the documents that five global banks appeared most often in the allegations including HSBC, JPMorgan Chase & Co, Deutsche Bank AG, Standard Chartered Plc, and Bank of New York Mellon Corp. (Reuters, CNBC)

Macro & strategy

Fundflow 14 - 18 Sep

Divergence

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- ▶ Vietnam foreign flow

Last week, selling activities ticked up. Net sell value recorded at USD53.3mn.

Breaking down by sectors, Real Estate, Consumer Staples, and Industrials were sold the most. Net sell value recorded at USD18mn, USD12mn, and USD11mn, respectively. Particularly, selling pressure focused on VHM, NBB, VNM, SAB, and GEX, fading the sharp demand on VIC and VRE. Financials continued to experience high selling pressure, mainly driven by the high divestment away from BID and HDB. On the contrary, Energy kept attracting the most foreign demand across the market thanks to PLX. Cons Discretionary also ended up to be net bought due to large buy orders on PHR.

- ▶ South East Asia ETF flow

The flow of money across SEA stayed positive but there was the divergence across the major countries. To be specific, the inflow was mainly driven by Singapore whilst other countries such as Indonesia, Malaysia, and Thailand experienced the outflow

of money. Besides, Philippines recorded no money inflow last week.

Vietnam kept experiencing the outflow (USD1mn). Of which, SSIAM VNFIN Lead continued to be the main driver which recorded the total outflow of USD1.9mn despite the inflow of VFMVN30 ETF (USD1.4mn) last week.

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 |

► 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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