

Xin Chao Vietnam

Market performance

	22 Sep	1D	1M	3M	YTD
VNIndex (pt, % chg.)	906.19	(0.2)	6.0	4.0	(5.7)
Turnover (VND bn)	6,664				
VN30 (pt, % chg.)	852.72	0.1	7.4	5.3	(3.0)

Major indicators

	22 Sep	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.57	0.0	(0.2)	(0.3)	(0.9)
3-yr gov't bonds (% bp chg.)	1.05	(0.0)	(0.2)	(0.5)	(0.6)
VND/USD (% chg.)	23,185	(0.1)	(0.0)	0.1	(0.1)
VND/JPY (% chg.)	22,176	(0.2)	(1.4)	(2.1)	(3.8)
VND/EUR (% chg.)	27,302	0.7	0.5	(4.9)	(4.9)
VND/CNY (% chg.)	3,417	(0.4)	(2.0)	(4.0)	(2.6)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.67	0.0	0.0	(0.0)	(1.2)
WTI (USD/bbl, % chg.)	39.63	0.8	(6.4)	(2.1)	(35.1)
Gold (USD/oz, % chg.)	41.99	1.3	(5.3)	(2.5)	(36.4)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNG	46.5	VPI	(40.2)
STB	16.0	VGC	(26.7)
CTG	9.4	HAG	(22.7)
TCB	8.1	FUEVFNVD	(22.3)
PNJ	7.6	MWG	(20.6)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
SSI	32.3	GAS	(32.1)
VNM	29.8	HPG	(18.1)
FUEVFNVD	27.7	VHM	(16.1)
VJC	26.2	VND	(12.9)
FUESSVFL	18.1	NLG	(11.1)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Retailing	1.1	Others	(2.0)
Banks	0.7	Telecommunication	(1.9)
Insurance	0.6	Health Care	(1.6)
Pharmaceuticals	0.6	Utilities	(0.9)
Automobiles	0.4	Real Estate	(0.7)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Banking in the spotlight
- **Vietnam:** Credit growth continues to slow down by the 3rd quarter of 2020

Sector & company report

- **ASG (ASG Corp):** Pre-listing report

New listing & Public offerings

KIS market view

	OP	NP	EPS growth	PE	PB	EV/EBITDA	ROE
	(VND bn)	(VND bn)	(% yoy)	(x)	(x)	(x)	(%)
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

Banking in the spotlight

Hieu Tran
hieu.ttm@kisvn.vn

Vietnam stock markets went down yesterday amid a reduction of the U.S financial market. In particular, the Dow Jones Industrial Average Index and the S&P 500 Index slid more than 1% due to new concerns regarding Covid-19 and the world economy.

At the close, the VNIndex lost 0.19% to close at 906.1 pts. Meanwhile, trading volume recorded to 388 million shares or VND6,664bn.

Foreign investors continued to buy with a net value of VND82bn on HSX. They purchased SSI, VNM and FUEVFNDD the most with net values of VND33bn, VND29bn, and VND27bn, respectively.

Selling pressure pushed Real Estate down because of VIC (-1.5%), VHM (-0.4%), VRE (-0.9%), NVL (-0.6%), DXG (-0.5%), ROS (-1.9%), FLC (-0.7%), and SCR (-0.8%).

In addition, some constituents of the VN30Index underperformed the benchmark index, such as GAS (-1.2%), HPG (-0.5%), NVL (-0.6%), PLX (-0.5%), POW (-0.9%), SAB (-0.5%), and SBT (-1.0%). Notably, PNJ fell by 0.1% as it reported revenue of VND1,238bn (-8.1% YoY) and net income of VND52bn (-12% YoY) in Aug.

In contrast, cash flowed into Banking, namely CTG (+0.2%), VCB (+1.2%), HDB (+0.7%), TCB (+0.2%), ACB (+1.4%), MBB (+0.8%), STB (+6.8%), and VPB (+0.2%).

Despite the contraction, the uptrend is still intact in the short term thanks to the breakout. Resistance is around the 930-pts threshold. Therefore, investors should increase their long position and focus on leading tickers.

Breaking news

- ▶ Vietnam: Credit growth continues to slow down by the 3rd quarter of 2020

At a conference of the bank performance in the third quarter of 2020, the Credit Department of the State Bank of Vietnam unveiled a poor result of credit growth as being affected by the COVID-19 pandemic. As of 16th September 2020, the total credit increased by just 4.81% year-to-date, while the means of payment M2 was growing faster by 7.58% year-to-date. Besides, the Director of the Credit Department Nguyen Tuan Anh also disclosed that about 25% of the total credit on the economy has been being impacted by the health crisis. (SBV)

Sector & company

ASG Corporation (ASG)

Pre-listing report

Nam Nguyen
nam.nt@kisvn.vn

- ▶ Company overview

ASG Corporation is a Vietnamese firm specializing in Aviation industry. Charter capital was VND630.4bn. The company will be listed on Ho Chi Minh Stock Exchange (HSX) on 24 Sep 2020, with the initial price of VND30,000.

- ▶ Business description

Focus on: (1) Aviation logistic (transportation, warehousing, distribution); (2) Aviation services (aviation meal, business class living room, souvenir); (3) Support of airlines (push-pull aircraft, provide fuel oil)

Subsidiaries: ASG Logistics, Saigon Airfield Services, Cam Ranh International Airport Services (listed on HNX, CIA), Aviation Ground Services, ALS HCM, ASGU Services, A Plus Freight, ASG Transport, ASG Aviation Services and ASG Infrastructure and Industrial Zone Development.

Currently, ASG is operating air cargo services at cargo terminal with total capacity is 360-540 thousand tonnes per year. The

company owned warehouse system at Noi Bai International Airport, Yen Phong Industrial Park (Bac Ninh), VSIP Industrial Park Bac Ninh, Yen Binh Industrial Park (Thai Nguyen), ICD My Dinh and near Gia Lam Airport (Hanoi). It has 110 trucks and 30 chiller lorries with weight from 1.25 to 14 tones for transportation.

► Financial

In 2019, revenue reached VND887bn (+37.3% YoY) but NPAT recorded VND156bn (-5.5% YoY) due to consolidate with CIA (ASG holding a controlling stake in CIA with 48.8%). In 1H20, revenue reached VND343bn (-17.3% YoY) and NPAT recorded VND33bn (-61.6% YoY) due to impact of the pandemic. EPS 2019 reported VND2,914, it was lower when compared to peer.

Please click on the underlined companies and sectors to see the full reports.

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

- **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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