

# Xin Chao Vietnam

## Market performance

	5 Oct	1D	1M	3M	YTD
VNIndex (pt, % chg.)	914.68	0.5	1.5	7.9	(4.8)
Turnover (VND bn)	7,302				
VN30 (pt, % chg.)	867.70	0.7	3.2	9.9	(1.3)

## Major indicators

	5 Oct	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.55	(0.0)	0.0	(0.2)	(0.9)
3-yr govt bonds (% bp chg.)	0.99	(0.1)	(0.1)	(0.3)	(0.7)
VND/USD (% chg.)	23,197	(0.1)	(0.1)	0.0	(0.1)
VND/JPY (% chg.)	21,961	0.2	(0.7)	(1.7)	(2.9)
VND/EUR (% chg.)	27,218	(0.2)	0.9	(4.0)	(4.6)
VND/CNY (% chg.)	3,416	(0.1)	(0.7)	(3.3)	(2.6)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.71	0.0	(0.0)	0.0	(1.2)
WTI (USD/bbl, % chg.)	38.28	3.3	(3.7)	(5.8)	(37.3)
Gold (USD/oz, % chg.)	40.44	3.0	(5.2)	(5.5)	(38.7)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
BWE	94.5	FUEVFNVD	(45.6)
FLC	50.4	MBB	(19.3)
SBT	39.0	HSG	(18.7)
CTG	23.8	BVH	(16.4)
EIB	17.6	CII	(11.8)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUEVFNVD	45.6	VNM	(81.8)
HPG	36.0	SBT	(41.5)
HSG	17.7	DIG	(41.4)
DCM	14.6	CTG	(31.6)
STB	14.2	BID	(26.3)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Others	4.7	Pharmaceuticals	(0.6)
Diversified Financials	3.0	Insurance	(0.6)
Materials	1.9	Software & Services	(0.6)
Capital Goods	1.6	Health Care	(0.3)
Commercial Services	1.5	Real Estate	(0.0)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Rigid movement
- **Vietnam:** Export-import activities soar by the end of 3Q20

### Macro & strategy

- **Fundflow 28 Sep - 02 Oct:** Inflow is maintained across Vietnam
- **4Q20 Macro view:** GDP bounces back into growth

### 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	3.0	13.1	2.0	9.2	15.4
2021F	293,650	165,232	14.1	11.5	1.8	8.1	15.4

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)	25.3	5.0	2.2	(4.3)	3.8
China GDP (% yoy)	(6.8)	3.2	5.1	6.0	6.1	2.1	8.0

Source: KIS, Bloomberg

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## Market commentary & News

### Market commentary

#### Rigid movement

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Vietnam stock market rebounded slightly yesterday. However, investors' sentiment is not optimism due to the tight movement of the Index.

At the close, the VNIndex was added 0.5% to close at 915 pts with trading volume above average.

Foreign's selling activities kept overwhelming across HSX with net sell value recorded at VND180bn. This group focused on VNM, SBT, and DIG with net sell value recorded at VND82bn, VND42bn, and VND41bn, respectively.

Regarding to VN30 members, there were 18 leaders and 12 laggards. Particularly, REE (+4.5%), MSN (+3.5%), POW (+2.8%), SSI (+2.8%), and HPG (+2.4%) were top 5 Index leaders whilst TCH (2.3%), PLX (-0.8%), VIC (-0.7%), VNM (-0.6%), and VCB (-0.6%) faded the benchmark and became top 5 Index laggards.

Despite the current consolidation/correction phase, the uptrend is still active as the Index closes above 900 pts level. Therefore, investors should hold the current positions and focus on leading stocks.

### Breaking news

#### ▶ Vietnam: Export-import activities soar by the end of 3Q20

From the latest update, trade value soared in September 2020 as export and import rose significantly by 18.02% YoY and 11.63% YoY, posting USD27.50bn and USD24.00bn respectively. As a result, the trade balance continued recording a high surplus at USD3.5bn. Several points worth noticing are as follows: (1) Firstly, the consumer buying tendency among our essential trading partners is improving. Specifically, we see more optimistic signals from the US, EU, and Japan when consumers became more confident about the business and labor market conditions; (2) Secondly, the dong kept stable against a globally weakening greenback. The phenomenon enhances somewhat the competitiveness of goods and services, originating from Vietnam compared to other areas. The combination of these factors helps explain the modest growth of trade activity this month. (MPI, GSO, KIS)

## Macro & strategy

### Fundflow 28 Sep - 02 Oct

#### Inflow is maintained across Vietnam

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#### ▶ Vietnam foreign flow

Last week, selling activities ticked up. Net sell value recorded at USD80mn.

Breaking down by sectors, selling pressure mainly focused on Consumer Staples, Real Estate, and Materials. Net sell value recorded at USD22mn, USD20mn, and USD14mn, respectively. Particularly, foreign selling activities focused on VNM, VHM, VRE, VIC, and HPG, fading the sharp buying activities on KDC, SBT, KDH, and DCM. On the contrary, Health Care sector was accumulated the most thanks to large buy orders on DMC.

#### ▶ South East Asia ETF flow

SEA recorded USD7mn outflow as well as divergence still maintained across the major countries. To be specific, Singapore recorded the first week of outflow since July 2020 whilst other countries such as Indonesia and Malaysia recorded no money outflow. However, money inflow across Thailand ticked up after 5 consecutive weeks of outflow.

Notably, inflow across Vietnam maintained (USD4mn). Of which, SSIAM VNFIN Lead and VFMVN Diamond ETF continued to be the main contributors which attracted the total of USD3.2mn last week.

**4Q20 Macro view****GDP bounces back into growth****Y Nguyen**  
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- ▶ GDP rebounds markedly from the worst slump

According to GSO, GDP growth rebounded to 2.62% YoY after sliding to the record-low level since the global financial crisis. The growth rate in this period did not surprise the market as it is quite near to most current expectations and was in line with the authority's expected range at 2%-2.5%. We predict the domestic output to accelerate at 3.46% YoY in the next period in association with the recent economic condition development.

- ▶ Trade grows at a double-digit pace

GSO's estimates show considerable growth in trade value in September 2020 as export and import rose by 18.02% YoY and 11.63% YoY, posting USD27.50bn and USD24.00bn. We predict exports and imports to grow significantly at 18.07% YoY and 11.17% YoY in October due to improving major consumer confidence indices.

- ▶ Investment plans are on hold amid uncertainties

In September, an acceleration in FDI disbursement is signalling that foreign investors still see Vietnam market an attractive destination. Looking forward 4Q20, as the government allows to re-open international flights for top strategic investment partners, it is expected a key to unlock both the FDI registration and disbursement in the next quarter.

- ▶ Industrial growth keeps steady pace

From our viewpoint, there is still space for further growth in the industrial sector in 4Q20. Productions in main sectors, including textile and electronics industries, remain steady, while growth in consumer goods, garment & footwear, iron & steel industries are gaining pace. From our viewpoint, we expect the IIP would continue to grow at about 2% - 4% MoM in October.

**New listing & Public offerings****▶ New listing**

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
10/6/2020	QNC	Quang Ninh Construction And Cement JSC	UPCoM	387.2	38,721,909	5,300

**▶ Public offerings**

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
10/26/2020	EVF	EVN Finance JSC	2,649.8	2,650,000	17,411	-
10/26/2020	XLAG	An Giang Construction One Member Co., Ltd	287.2	7,722,638	45,400	IPO
10/21/2020		Vinh Son JSC	1,150.0	4,588,500	201,042	Whole lot sale
10/16/2020		Mua Xuan Agriculture Center	29.8	700,938	10,000	IPO
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	-

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- BUY: Expected total return will be 15% or more
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