

Xin Chao Vietnam

Market performance

	9 Oct	1D	1M	3M	YTD
VNIndex (pt, % chg.)	924.00	0.6	3.9	5.4	(3.8)
Turnover (VND bn)	6,567				
VN30 (pt, % chg.)	874.53	0.5	6.1	7.0	(0.5)

Major indicators

	9 Oct	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.50	0.0	(0.1)	(0.3)	(0.9)
3-yr gov't bonds (% bp chg.)	0.92	0.2	(0.2)	(0.6)	(0.7)
VND/USD (% chg.)	23,189	0.0	(0.1)	(0.0)	(0.1)
VND/JPY (% chg.)	21,895	(0.1)	(0.3)	(1.2)	(2.6)
VND/EUR (% chg.)	27,286	0.1	0.1	(4.2)	(4.8)
VND/CNY (% chg.)	3,458	(1.3)	(2.0)	(4.1)	(3.8)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.76	(0.0)	0.1	0.2	(1.2)
WTI (USD/bbl, % chg.)	40.82	(0.9)	7.3	3.0	(33.1)
Gold (USD/oz, % chg.)	42.99	(0.8)	5.4	1.5	(34.9)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VRE	27.8	GEX	(47.7)
VHM	25.6	MSN	(35.7)
EIB	23.0	CTD	(26.9)
MWG	20.2	CTG	(25.9)
NBB	15.2	BMP	(21.3)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	34.4	CTG	(32.5)
MSN	20.9	VNM	(27.9)
VCB	14.1	NBB	(20.5)
STB	9.7	VCI	(15.9)
VHM	8.8	GEX	(11.7)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	5.3	Automobiles	(1.5)
Health Care	3.0	Technology	(0.6)
Others	2.8	Consumer Services	(0.5)
Diversified Financials	1.9	Retailing	(0.5)
F&B	1.7	Utilities	(0.2)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Confirm the rectangle pattern
- **China:** Service sector keeps improving further in September

Macro & strategy

- **Chart of the day:** Heading to 940 pts area

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	13.3	2.1	9.4	15.4
2021F	293,650	165,232	14.1	11.6	1.8	8.3	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

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

Confirm the rectangle pattern

Hieu Tran
hieu.tm@kisvn.vn

Vietnam stock markets resumed its uptrend as the global financial market went up.

At the close, the VNIndex gained 0.56% to close at 924.0 pts. Meanwhile, trading volume decreased to 371 million shares or VND6,566bn.

Foreign investors continued to sell with a net value of VND35bn on HSX. They sold CTG, VNM, and NBB the most with net values of VND32bn, VND27bn, and VND20bn, respectively.

Brokerages and Construction were the market leaders thanks to HBC (+2.7%), CTD (+0.5%), SSI (+0.8%), HCM (+2.3%), and VND (+3.9%). Investors expected that Brokerages' business results in 3Q20 would increase thanks to the high liquidity of the stock market.

Besides, some constituents of VN30 jumped more than 1% such as CTG (+1.8%), HPG (+1.4%), MSN (+6.5%), REE (+1.3%), SAB (+2.6%), SBT (+1.2%), TCH (+1.9%), and VIC (+1.4%).

In contrast, ROS (-4.5%), HAG (-2.5%), CSM (-4.2%), and VHC (-2.8%) closed in the red territory.

In the short term, the VNIndex forms the rectangle pattern as the index closes above the 920-pts threshold. The target price of this pattern is 940-950 pts. Therefore, investors may hold their long position and focus on leading tickers.

Breaking news

- ▶ China: Service sector keeps improving further in September

Although the pandemic shows no signs of slowing down globally, the second-largest economy sees a strong recovery in several months. One of the pillars of China's economy, the service sector, continues growing in the fifth straight month at a faster pace by end of 3Q20. According to the latest update from IHS Markit, the headline seasonally adjusted Business Activity Index recorded 54.8, up from an increase of 54 in August. Most notably, the growing pace of the service output reached a 3-month high and among the fastest in about a decade. This impressive expansion was mainly driven by strong domestic demand, while new business and employment also improved markedly. Business confidence about the outlook for business activity in a year ahead remained significantly positive. (IHS Markit)

Macro & strategy

Chart of the day

Heading to 940 pts area

Hieu Tran
hieu.tm@kisvn.vn

- ▶ Market performance

The VNIndex increased slightly last week, confirming the valid breakout at June peak. Notably, there is the tendency for the Index to retest 940 pts area.

- ▶ Chart: Uptrend is still active

Upward crossover between MA20 and MA50 is confirmed and these MAs have sloped up as well as compression between MA50 and MA200 is confirmed, the medium- and long-term uptrend is still active.

As the major short-term MAs (MA5, MA15, and MA20) show the stable degree of separation, short-term upward momentum is stable.

With congestion area, June's peak which overlaps with MA20 (905 pts area) will act as weekly support, followed by 880 pts

area. On the upside, 940 pts is the short-term resistance for the Index.

→ Valid breakout at June's peak is confirmed and VNIndex is expected to keep its upward leg in this week.

▶ Technical strategy: Hold long position

As mentioned above, upward resumption phase is confirmed as well as 940 pts area is the next target. Therefore, investors should continue to hold the current positions and buy more in correction phase.

New listing & Public offerings

▶ New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
10/12/2020	TDP	Thuan Duc JSC	HSX	480.0	47,999,999	21,200

▶ 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

- **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..