

Xin Chao Vietnam

Market performance

	12 Oct	1D	1M	3M	YTD
VNIndex (pt, % chg.)	925.83	0.2	4.1	6.3	(3.7)
Turnover (VND bn)	9,004				
VN30 (pt, % chg.)	874.90	0.0	6.0	8.1	(0.5)

Major indicators

	12 Oct	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.49	(0.0)	(0.1)	(0.2)	(0.9)
3-yr gov't bonds (% bp chg.)	0.91	(0.0)	(0.1)	(0.4)	(0.8)
VND/USD (% chg.)	23,179	(0.0)	(0.0)	0.0	(0.0)
VND/JPY (% chg.)	21,964	(0.1)	(0.2)	(1.7)	(2.9)
VND/EUR (% chg.)	27,401	(0.4)	0.2	(4.1)	(5.2)
VND/CNY (% chg.)	3,434	0.8	(1.0)	(3.6)	(3.1)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.77	0.0	0.1	0.1	(1.1)
WTI (USD/bbl, % chg.)	40.00	(1.5)	7.2	(1.4)	(34.5)
Gold (USD/oz, % chg.)	42.31	(1.3)	6.2	(2.2)	(35.9)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
CTG	108.3	VHC	(188.4)
VRE	30.5	HPG	(27.0)
FLC	28.4	DCM	(17.8)
VHM	23.0	PVT	(8.6)
MWG	22.4	MSN	(8.5)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	31.6	CTG	(183.8)
SSI	13.8	MSN	(88.6)
VCB	12.2	VRE	(25.0)
DCM	11.7	DIG	(21.3)
GAS	9.4	VNM	(17.8)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Insurance	5.3	Media & Entertainment	(6.0)
Telecommunication	1.6	Software & Services	(2.3)
Health Care	1.3	Household Products	(1.9)
Banks	1.3	Automobiles	(1.8)
Utilities	0.3	Retailing	(1.5)

WHAT'S NEW TODAY

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- **Vietnam:** Domestic petroleum prices increase slightly in the mid-October adjustment

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- **Fundflow 05 - 09 Oct:** Inflow slows down

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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	3.0	13.3	2.1	9.4	15.4
2021F	293,650	165,232	14.1	11.7	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)	29.3	4.0	2.2	(4.0)	3.7
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

Selling pressure at the afternoon session

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Vietnam stock markets maintained its uptrend, but the selling pressure pushed gains narrow.

At the close, the VNIndex gained 0.20% to close at 925.8 pts. Meanwhile, trading volume increased to 457 million shares or VND9,004bn.

Foreign investors continued to sell with a net value of VND375bn on HSX. They sold CTG, MSN, and VRE the most with net values of VND183bn, VND88bn, and VND24bn, respectively.

Banking was the market leader, thanks to VCB (+1.3%), BID (+1.5%), and CTG (+5.2%). Investors expected their business results in 3Q20 would improve as the deposit rate reached a low level in the previous period.

Moreover, some constituents of VN30 surged, namely GAS (+0.9%), VHM (+0.6%), VIC (+0.3%), MSN (+3.0%), ROS (+1.3%), and VJC (+0.5%).

In contrast, profit-taking pushed some key tickers down more than 1% such as VRE (-1.9%), TCH (-1.8%), STB (-1.8%), MWG (-1.3%), PNJ (-1.9%), POW (-1.9%), SAB (-2.5%), and SBT (-2.1%).

Despite the high selling pressure at the afternoon session, the short-term uptrend is confirmed as the rectangle pattern formed. The target price of this pattern is 940-950 pts. Therefore, investors may hold their long position and focus on leading tickers.

Breaking news

- ▶ Vietnam: Domestic petroleum prices increase slightly in the mid-October adjustment

Following the global crude prices remaining high recently, the Ministry of Industry and Trade announced the latest adjustment for the domestic gasoline prices. Accordingly, the E5RON92 and RON95-III prices were adjusted higher to VND14,268 and VND15,122 per liter, up by about 0.4% and 0.9% compared to their levels in the late-September adjustment. As a result, it will put upward pressure but modestly on the traffic price in the month. (Ministry of Industry and Trade)

Macro & strategy

Fundflow 05 - 09 Oct

Inflow slows down

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- ▶ Vietnam foreign flow

Last week, selling activities kept overwhelming. Net sell value recorded at USD31mn.

Breaking down by sectors, selling pressure mainly focused on Consumer Staples, Financials, and Industrials. Net sell value recorded at USD15mn, USD6mn, and USD5.3mn. Particularly, foreign selling activities mainly focused on VNM, SBT, CTG, BID, DIG, and BMP, fading the sharp buying activities on MSN, VCB, and STB. Besides, Real Estate continued to experience the outflow thanks to NBB. On the contrary, Materials attracted the most foreign demand across the market due to large buy orders on HPG and DCM. Besides, Consumer Discretionary also ended up to be net bought thanks to GIL.

- ▶ South East Asia ETF flow

Money inflow ticked up across SEA with net inflow recorded at USD4mn. To be specific, Malaysia recorded the first week of inflow after experiencing 6 consecutive weeks of outflow as well as Singapore and Thailand also recorded the positive flow of money. However, Philippines and Indonesia kept recording the negative flow of money last week.

Inflow across Vietnam maintained (USD1mn), four times lower than the previous week. Of which, SSIAM VNFIN Lead and VFMVN Diamond ETF continued to be the main contributors which attracted the total of USD3.3mn whilst FTSE Vietnam and VFMVN30 ETF recorded the total outflow of 2.8mn.

New listing & Public offerings

► New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
10/15/2020	SGB	Sai Gon Bank for Industry and Trade	UPCoM	3,080.0	308,000,000	25,800
10/15/2020	HGT	Huong Giang Tourist JSC	UPCoM	200.0	20,000,000	10,000

► 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

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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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