

# Xin Chao Vietnam

## Market performance

	14 Oct	1D	1M	3M	YTD
VNIndex (pt, % chg.)	940.18	1.1	5.1	8.3	(2.2)
Turnover (VND bn)	14,399				
VN30 (pt, % chg.)	892.15	1.6	7.2	10.8	1.5

## Major indicators

	14 Oct	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.57	0.0	0.0	(0.0)	(0.9)
3-yr govt bonds (% bp chg.)	1.04	0.0	(0.1)	(0.1)	(0.6)
VND/USD (% chg.)	23,177	0.0	(0.0)	0.0	(0.0)
VND/JPY (% chg.)	21,980	(0.1)	(0.3)	(1.7)	(3.0)
VND/EUR (% chg.)	27,251	0.4	0.8	(3.3)	(4.7)
VND/CNY (% chg.)	3,443	(0.3)	(1.2)	(3.9)	(3.3)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.71	(0.0)	0.0	0.1	(1.2)
WTI (USD/bbl, % chg.)	39.96	(0.6)	7.2	(0.8)	(34.6)
Gold (USD/oz, % chg.)	42.24	(0.5)	6.6	(1.5)	(36.0)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
TCB	77.4	HPG	(50.8)
E1VFN30	20.2	GVR	(32.0)
MWG	19.5	VNG	(21.5)
KBC	16.6	MSN	(15.7)
VCB	7.7	VJC	(10.6)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
GVR	21.7	MSN	(200.7)
VHM	20.6	TCB	(134.2)
HPG	19.1	CTG	(79.3)
BVH	17.9	AGG	(44.3)
FUEVFVND	7.5	PVT	(29.9)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Retailing	2.5	Health Care	(4.3)
Diversified Financials	2.5	Others	(1.6)
F&B	2.2	Software & Services	(0.8)
Banks	2.2	Automobiles	(0.8)
Insurance	1.5	Capital Goods	(0.8)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** MSN and TCB limit up
- **Singapore:** Economy recovers from its worst slump

### Macro & strategy

- **ETF Review:** VN DIAMOND Index will remove DXG and KDH

### Sector & company report

- **Mobile World (MWG):** In-depth

### 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	13.7	2.1	9.6	15.4
2021F	293,650	165,232	14.1	12.0	1.8	8.4	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)	29.2	4.0	2.2	(4.0)	3.7
China GDP (% yoy)	(6.8)	3.2	5.0	6.0	6.1	2.1	8.0

Source: KIS, Bloomberg

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## Market commentary & News

### Market commentary

#### MSN and TCB limit up

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Vietnam stock markets kept going up thanks to the high demand on MSN (+7.0%) and TCB (+6.8%). MSR, a subsidiary of MSN, is looking for a strategic partner to own 20-49% of the shares.

At the close, the VNIndex gained 1.11% to close at 940.1 pts. Meanwhile, trading volume increased to 474 million shares or VND14,399bn, of which, SAB had a large put-through transaction of VND4.8tn.

Foreign investors continued to sell with a net value of VND559bn on HSX. They sold MSN, TCB, and CTG the most with net values of VND200bn, VND134bn, and VND79bn, respectively.

Banking was still the market leader because of VCB (+2.0%), BID (+4.0%), HDB (+1.0%), ACB (+2.6%), and VPB (+2.6%).

Moreover, some constituents of VN30 jumped more than 2%, namely MWG (+2.6%), SSI (+3.1%), and SAB (+3.2%).

In contrast, CTG (-1.8%), POW (-0.4%), REE (-1.3%), ROS (-1.7%), SBT (-2.7%), and VJC (-0.3%) closed in red territory. Among which, POW's electricity output in September reached 1,151 million kWh, accumulated in 9 months of electricity output reached 15.1 billion kWh. Its revenue in September is VND1,681bn, and 9-month revenue was VND21,789bn, down by 14% YoY.

The short-term uptrend is still intact because market sentiment has become optimistic. The target price of the rectangle pattern is 940-950 pts. Therefore, investors may hold their long position and focus on leading tickers.

### Breaking news

- ▶ Singapore: Economy recovers from its worst slump

After a historical plunge of 12.6% YoY in the real GDP in 2Q20 due to the COVID-19 impact, Singapore's economy saw a marked rebound in 3Q20, driven by fast recovery in both manufacturing and service sectors. According to the latest data released from Singapore's statistics department, Singapore's real GDP rebounded by 35.4% annualized QoQ in 3Q20 although still dropping 7.0% YoY, slightly lower than economists' forecast of -6.8 YoY. (Department of Statistics Singapore)

## Macro & strategy

### ETF Review

#### VN DIAMOND Index will remove DXG and KDH

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Based on data as of 30 Sep 2020, VN DIAMOND Index is expected to remove DXG and KDH. As a result, VFMVN DIAMOND ETF is expected to sell 6.7 million shares of DXG and 5.1 million shares of KDH.

In this quarterly review, VN30Index and VNFIN LEAD Index rebalances its weight according to the new free-float rate.

The results will be announced on 19 Oct 2020; the new weight will be effective on 02 Nov 2020.

## Sector & company

### Mobile World (MWG)

#### BUY (Maintain), TP VND155,000

#### Earning to thrive on Dien May Xanh post-2020

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- ▶ 2020 business operation to focus on earning protection

Despite of weakening demand of mobile phones and consumer electronics, we expect Mobile World to deliver more optimistic results versus the rest of market in 2020, thanks to (1) nationwide strong brands of The Gioi Di Dong & Dien May Xanh, (2) advantage of large store scale and (3) strong generated free cash flow coupled with healthy balance sheet. In 2020, we estimate Mobile World to post VND109,121bn revenue (+6.8% yoy) and VND3,955bn NPAT post-MI (+3.1% yoy).

- ▶ Super-mini format to bolster Dien May Xanh's earnings

We expect demand of consumer electronics will recover from the early 2021 as Viet Nam has completely controlled Covid-19's spread. Besides, management's strategies for enhancing earning and developing Dien May Xanh Super-mini format will reinforce Dien May Xanh as earning growth driver. We estimate The Gioi Di Dong & Dien May Xanh to reach 3-year CAGR NPAT growth of 24.5% in 2020-2022.

- ▶ Bach Hoa Xanh to spearhead earning growth after 2022

We estimate Bach Hoa Xanh will achieve 3-year CAGR revenue growth of 53.1% in 2020-2022 thanks to full-year contribution of annual new store opening. Moreover, we expect Bach Hoa Xanh to make profit after tax from 2022, premised by promoting cost optimization after the phase of scaling up store. Bach Hoa Xanh will replace Dien May Xanh to become Mobile World's earning growth pillar after 2022.

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
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

- **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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