

Xin Chao Vietnam

Market performance

	16 Oct	1D	1M	3M	YTD
VNIndex (pt, % chg.)	943.30	0.1	5.1	7.6	(1.8)
Turnover (VND bn)	9,276				
VN30 (pt, % chg.)	901.59	0.3	8.0	10.0	2.6

Major indicators

	16 Oct	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.63	(0.0)	0.1	0.0	(0.8)
3-yr gov't bonds (% bp chg.)	1.07	0.0	(0.1)	(0.1)	(0.6)
VND/USD (% chg.)	23,177	0.0	(0.0)	0.0	(0.0)
VND/JPY (% chg.)	22,013	(0.2)	0.3	(1.9)	(3.1)
VND/EUR (% chg.)	27,171	0.3	1.0	(2.4)	(4.4)
VND/CNY (% chg.)	3,460	(0.4)	(0.9)	(4.2)	(3.8)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.72	(0.0)	0.0	0.1	(1.2)
WTI (USD/bbl, % chg.)	40.62	(0.8)	1.1	(0.3)	(33.5)
Gold (USD/oz, % chg.)	42.76	(0.9)	1.3	(1.4)	(35.2)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
DBD	52.9	FPT	(57.6)
GEX	42.0	CTD	(51.9)
E1VFN30	21.0	CTG	(40.1)
SAB	18.8	DCM	(35.6)
HVN	15.6	MBB	(35.5)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VCB	33.2	MSN	(254.4)
VIC	30.8	CTG	(75.8)
GVR	28.9	VPB	(27.4)
VNM	24.7	E1VFN30	(25.9)
DCM	21.8	CII	(25.0)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	3.8	Health Care	(4.3)
Consumer Durables	3.3	Household Products	(1.2)
Others	2.6	Retailing	(0.9)
Media & Entertainment	2.1	Capital Goods	(0.7)
Materials	0.6	Transportation	(0.7)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Close almost unchanged
- **Vietnam:** Vietnam is among a few economies with growth in 2020

Macro & strategy

- **Chart of the day:** Resume short-term uptrend

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	1.9	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

Close almost unchanged

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Vietnam stock markets diverged last Friday due to profit-taking on large-cap stocks.

At the close, the VNIndex closed almost unchanged at 943.3 pts. Meanwhile, trading volume decreased to 443 million shares or VND9,275bn.

Foreign investors continued to sell with a net value of VND423bn on HSX. They sold MSN, CTG, and VPB the most with net values of VND254bn, VND75bn, and VND27bn, respectively.

Energy was the market leader namely GAS (+0.5%), PVT (+0.7%), PVS (+0.7%), POW (+1.5%), BSR (+1.4%), and PLX (+0.3%) because global oil price resumed its uptrend.

Moreover, cash flowed into some constituents of VN30Index jumped more than 2%, such as CTG (+3.6%), FPT (+3.9%), PNJ (+4.7%), and VPB (+2.2%). Investors expected that their business results in 3Q20 would improve.

In contrast, EIB (-1.4%), MSN (-1.3%), and ROS (-2.2%) closed in red territory.

Despite the divergent session, the short-term uptrend is still intact as the VNIndex closes above the significant moving averages. Therefore, investors may hold their long position and focus on leading tickers.

Breaking news

- ▶ Vietnam: Vietnam is among a few economies with growth in 2020

With success in controlling the COVID-19 pandemic and also several support measures from the state bank and the government, Vietnam's economy has returned to growth at a moderate pace after recording a significant slowdown of just 0.36% YoY in 2Q20. According to the latest update of the World Economic Outlook from IMF, Vietnam is the only economy in the ASEAN-5 group (including Indonesia, Thailand, Malaysia, Philippines, and Vietnam) that is expected to see positive growth of 1.6% YoY in 2020 and 6.7% YoY in the following year 2020, which is also among the highest growth rate. (IMF)

Macro & strategy

Chart of the day

Resume short-term uptrend

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- ▶ Market performance

The VNIndex maintained its uptrend last week thanks to high demand on some key tickers such as MSN and CTG.

- ▶ Chart: High liquidity supports the uptrend

The uptrend is still intact in the medium and long term as the VNINDEX closes above the 50-period and 100-period moving averages. Moreover, the index forms a new peak since March 2020.

In the short term, the index breaks out the 920-threshold and confirms the rectangle pattern, implying the bullish market. Short-term moving averages go up, and liquidity continues to be high level, showing positive signals.

The 920-pts zone, which overlaps with the MA20 and upper line of the rectangle pattern, is significant support. On the upside, 990-1,000 pts is the short-term resistance for the index.

→ The short-term uptrend is still active thanks to the confirmation signal of trending and momentum indicators.

- Technical strategy: Hold the positions

As mentioned above, investors should continue to hold the current positions and force on leading stocks such as Banking tickers.

New listing & Public offerings

► New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
10/20/2020	DC4	DIC No.4 JSC	HSX	300.0	30,000,000	13,500

► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
11/11/2020	VTP	Viettel Post	830.5	4,982,876	105,500	-
11/4/2020	VOC	Vietnam Vegetable Oils Industry Corporation	1,218.0	44,211,900	22,690	Whole lot sale
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

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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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