

Xin Chao Vietnam

Market performance

	19 Oct	1D	1M	3M	YTD
VNIndex (pt, % chg.)	943.69	0.0	4.7	8.2	(1.8)
Turnover (VND bn)	7,882				
VN30 (pt, % chg.)	903.51	0.2	7.4	11.0	2.8

Major indicators

	19 Oct	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.65	0.0	0.1	(0.0)	(0.8)
3-yr gov't bonds (% bp chg.)	1.08	0.0	0.0	(0.1)	(0.6)
VND/USD (% chg.)	23,177	(0.0)	(0.0)	0.1	(0.0)
VND/JPY (% chg.)	22,003	(0.1)	0.6	(1.8)	(3.1)
VND/EUR (% chg.)	27,187	(0.1)	1.2	(2.4)	(4.5)
VND/CNY (% chg.)	3,467	(0.2)	(1.8)	(4.3)	(4.0)
	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.)	40.65	(0.6)	(1.1)	0.1	(33.4)
Gold (USD/oz, % chg.)	42.67	(0.6)	(1.1)	(1.1)	(35.3)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
CTG	93.8	TCB	(86.8)
VHM	26.3	SBT	(57.5)
VCB	21.3	GTN	(55.0)
VNM	16.2	GAB	(29.8)
HSG	15.3	MSN	(11.2)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
TCB	142.0	CTG	(171.3)
DXG	35.3	MSN	(122.2)
VIC	28.2	VPB	(48.0)
VCB	16.0	VHM	(47.5)
VNM	13.6	POW	(39.2)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Others	4.9	Commercial Services	(2.2)
Health Care	3.4	Media & Entertainment	(1.5)
Insurance	2.6	Utilities	(1.4)
Automobiles	1.6	Retailing	(1.2)
Telecommunication	1.3	Energy	(1.0)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Be cautious in the short term
- **China:** Economy accelerated its recovery in the third quarter

Macro & strategy

- **Fundflow 12 - 16 Oct:** Outflow

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)	29.7	4.0	2.2	(4.0)	3.8
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

Be cautious in the short term

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Vietnam stock markets continued to diverge yesterday because of a lack of positive news to support the uptrend.

At the close, the VNIndex closed almost unchanged at 943.6 pts. Meanwhile, trading volume decreased to 389 million shares or VND7,881bn.

Foreign investors continued to sell with a net value of VND359bn on HSX. They sold CTG, MSN, and VPB the most with net values of VND171bn, VND122bn, and VND48bn, respectively.

Financial tickers, such as Banking, Insurance and Brokerages, were the market leaders due to SSI (+1.1%), HCM (+2.0%), BVH (+3.0%), STB (+2.5%), MBB (+2.2%), ACB (+2.4%), TCB (+1.5%), and CTG (+3.2%). Among which, SSI's business results in 3Q20 reached revenue of VND965bn (+14.3% YoY) and net income of VND408bn (+29.3% YoY). In the first 9 months, EBT posted VND1,076bn.

Moreover, some constituents of VN30Index surged more than 2%, such as MSN (+2.5%) and SBT (+2.8%), of which SBT has planned to issue private shares, increase capital to less than 20% of charter capital at the time of the offering, to increase the scale of business capital.

In contrast, GAS (-1.9%), PVD (-1.3%), VHM (-1.2%), TCH (-2.4%), MWG (-1.4%), PLX (-1.2%), and POW (-1.4%) closed in red territory.

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

Breaking news

- ▶ China: Economy accelerated its recovery in the third quarter

China's gross domestic product rose by 4.9% YoY, 170 basis points – higher than 2Q20. The impressive export growth was the main contributor to keep the world's second-largest economy on the recovery path from the decade-low setting in the 1Q20. Regarding the expectation, the figure in this period slightly disappointed the market as the actual growth was lower than the expected rate of 5.5% surveyed by Bloomberg. (Bloomberg)

Macro & strategy

Fundflow 12 - 16 Oct

Outflow

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- ▶ Vietnam foreign flow

Last week, selling activities kept overwhelming. Net sell value recorded at USD74mn.

Breaking down by sectors, selling pressure continued to focus on Consumer Staples, Financials, and Industrials. Net sell value recorded at USD39mn, USD15.4mn, and USD8mn, respectively. Particularly, foreign selling activities mainly focused on MSN, SAB, CTG, TCB, VPB, and CII, fading the sharp buying activities on VNM, VHC, VCB, BVH, and GVR. Besides, Real Estate continued to experience the outflow owing to AGG. On the contrary, Materials kept attracting the most foreign demand across the market due to large buy orders on HPG and DCM. Consumer Discretionary also ended up to be net bought thanks to DRC.

- ▶ South East Asia ETF flow

Money outflow ticked up across SEA with net outflow recorded at USD3mn. To be specific, major countries such as Indonesia and Malaysia continued to experience the negative flow of money. Besides, Thailand recorded USD8mn outflow whilst Singapore

attracted the total of USD10mn last week.

Vietnam recorded the first week of outflow after experiencing 3 consecutive weeks of inflow. Net outflow recorded at USD1mn. Of which, VFMVN30 ETF was the main contributor which recorded USD1.6mn of outflow despite VFMVN Diamond ETF attracted USD0.5mn last week.

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

- **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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