

Xin Chao Vietnam

Market performance

	21 Oct	1D	1M	3M	YTD
VNIndex (pt, % chg.)	939.03	(0.6)	3.4	9.0	(2.3)
Turnover (VND bn)	8,396				
VN30 (pt, % chg.)	906.10	(0.4)	6.4	12.6	3.1

Major indicators

	21 Oct	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.54	(0.0)	(0.0)	(0.2)	(0.9)
3-yr gov't bonds (% bp chg.)	0.95	0.2	(0.1)	(0.4)	(0.7)
VND/USD (% chg.)	23,179	0.0	(0.0)	(0.0)	(0.0)
VND/JPY (% chg.)	22,105	(0.6)	0.2	(1.8)	(3.5)
VND/EUR (% chg.)	27,434	(0.5)	0.3	(3.0)	(5.3)
VND/CNY (% chg.)	3,483	(0.3)	(2.2)	(4.7)	(4.4)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.81	0.0	0.1	0.2	(1.1)
WTI (USD/bbl, % chg.)	41.10	(1.4)	4.6	(2.0)	(32.7)
Gold (USD/oz, % chg.)	42.62	(1.3)	2.8	(3.8)	(35.4)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VRE	115.4	HPG	(41.0)
TCB	53.8	MBB	(30.2)
GAB	33.0	REE	(25.9)
VHM	25.1	HVN	(15.2)
GEG	23.6	HT1	(12.2)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	47.1	VRE	(99.8)
DXG	25.7	MSN	(75.6)
REE	10.2	VHM	(67.1)
VHC	10.0	CTG	(35.1)
NLG	8.2	HDB	(27.6)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.8	Others	(3.3)
Health Care	3.2	Insurance	(3.2)
Media & Entertainment	0.2	Diversified Financials	(2.3)
		Household Products	(1.6)
		Materials	(1.0)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Contraction
- **China:** Economy recovers further after the COVID-19 pandemic

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	9.5	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)	29.8	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

Contraction

Hieu Tran
hieu.ttm@kisvn.vn

Vietnam stock markets recorded the contraction session after three divergent sessions in a row.

At the close, the VNIndex lost 0.57% to close at 939.0 pts. Meanwhile, trading volume decreased to 412 million shares or VND8,395bn.

Foreign investors continued to sell with a net value of VND358bn on HSX. They sold VRE, MSN, and VHM the most with net values of VND99bn, VND75bn, and VND67bn, respectively.

Selling pressure pushed Energy down namely, GAS (-0.4%), PVD (-1.3%), PVS (-2.1%), POW (-0.5%), BSR (-1.4%), and PLX (-0.4%). Among which, BSR posted revenue of VND9,098bn (-60.5% YoY) and net income of VND173bn (-71.1% YoY). In the first nine months, its NPAT loss of VND4,063bn.

Moreover, a few of key tickers underperformed the benchmark index CTG (-3.2%), EIB (-1.4%), ROS (-1.7%), SBT (-2.1%), and SSI (-2.7%).

Besides, DXG fell by 3.7% after the VN Diamond Index removed DXG in 3Q20 review. Accordingly, ETF VFMVN DIAMOND will sell 6.9 million DXG shares in the future. The new weight will be effective on 02 Nov 2020.

In contrast, some constituents of VN30Index jumped more than 1%, such as STB (+1.4%), VPB (+1.2%), and VRE (+1.6%).

Although corrections can form in a few sessions, the short-term uptrend is still intact as the VNIndex closes above the 900-pts threshold. Therefore, investors may hold their long position and focus on leading tickers.

Breaking news

► China: Economy recovers further after the COVID-19 pandemic

After China's economy plunging deeply in the first quarter of 2020 when the worst health crisis started, the second-largest economy started recovering quickly and robustly in 2Q20 and 3Q20. According to the latest update from China's statistics department, the real gross domestic product in 3Q20 expanded by 4.9% YoY, following 3.2% YoY growth in 2Q20, although slightly lower than analysts' expectation of 5.2% YoY. This impressive recovery is mainly driven by strong demand from both domestic consumers and support and robust growth in the manufacturing sector. (National Bureau of Statistics of China, Reuters)

New listing & Public offerings

► 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	XLG	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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