

# Xin Chao Vietnam

## Market performance

	23 Oct	1D	1M	3M	YTD
VNIndex (pt, % chg.)	949.90	1.2	4.8	11.1	(1.2)
Turnover (VND bn)	7,308				
VN30 (pt, % chg.)	918.30	1.3	7.7	15.1	4.5

## Major indicators

	23 Oct	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.55	0.0	(0.0)	(0.1)	(0.9)
3-yr gov't bonds (% bp chg.)	0.98	0.0	(0.1)	(0.3)	(0.7)
VND/USD (% chg.)	23,177	0.0	0.0	0.0	(0.0)
VND/JPY (% chg.)	22,139	0.1	(0.2)	(2.3)	(3.7)
VND/EUR (% chg.)	27,462	(0.1)	(0.6)	(2.5)	(5.4)
VND/CNY (% chg.)	3,470	0.4	(1.5)	(4.6)	(4.1)
	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.)	40.26	0.6	1.7	(3.9)	(34.1)
Gold (USD/oz, % chg.)	41.97	0.6	0.6	(5.2)	(36.4)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNM	79.7	EIB	(32.2)
TCB	75.6	GAB	(30.8)
HPG	74.2	SBT	(19.0)
VCB	42.1	VHC	(6.2)
SHI	36.8	FUEVFNVD	(5.3)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
DCM	6.8	MSN	(209.4)
FUEVFNVD	6.0	VNM	(119.7)
VHC	5.5	CTG	(58.3)
GVR	4.7	VCB	(42.0)
EIB	3.8	KDH	(36.9)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Insurance	3.9	Software & Services	(0.6)
Retailing	2.5	Capital Goods	(0.1)
Technology	2.2	Consumer Services	(0.0)
Real Estate	1.7		
Utilities	1.5		

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Resume short-term uptrend
- **U.S.:** Building up U.S. gasoline inventories signals weak demand for global energy

### 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	13.8	2.1	9.6	15.4
2021F	293,650	165,232	14.1	12.1	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

#### Resume short-term uptrend

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Vietnam stock markets rebounded yesterday after MSCI increased the weight of Vietnam in MSCI Frontier Markets 100 Index from 15.7% to 28.7%. Accordingly, ETFs that use this index as the benchmark index will buy and hold more Vietnamese stocks.

At the close, the VNIndex gained 1.16% to close at 949.9 pts. Meanwhile, trading volume decreased to 365 million shares or VND7,308bn.

Foreign investors continued to sell with a net value of VND599bn on HSX. They sold MSN, VNM, and CTG the most with net values of VND209bn, VND119bn, and VND58bn, respectively.

Banking was the market leader thanks to CTG (+3.1%), BID (+1.4%), ACB (+1.6%), MBB (+1.3%), STB (+1.4%), VPB (+2.0%), and EIB (+1.4%).

Moreover, cash flowed into Energy and Real Estates due to GAS (+1.9%), VIC (+2.9%), VHM (+1.4%), and DXG (+3.4%). Among these, GAS posted revenue of VND15,937bn (-16% YoY) and net income of VND2,068bn (-29% YoY). In the first nine months, its NPAT reached at VND6,247bn (-31% YoY).

In contrast, some constituents of VN30Index closed in red territory such as HDB (-0.2%), ROS (-0.4%), SAB (-0.3%), SBT (-0.3%), and TCH (-2.1%).

The short-term uptrend is confirmed because of the optimistic market sentiment. Therefore, investors may hold their long position and focus on leading tickers.

### Breaking news

- U.S.: Building up U.S. gasoline inventories signals weak demand for global energy

Recently, the global oil prices saw a significant drop after the latest data released signaling weak global fuel demand due to fears of a new resurgence of COVID-19 globally. According to the latest data from EIA, the weekly U.S. gasoline inventory in the week to October 16th rose by 1.9 million barrels compared with expectations for a 1.8 million barrels drop. As a result, the West Texas crude oil future is being traded at just around USD40 a barrel. (EIA, 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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