

Xin Chao Vietnam

Market performance

	27 Oct	1D	1M	3M	YTD
VNIndex (pt, % chg.)	946.47	(0.5)	3.7	16.4	(1.5)
Turnover (VND bn)	8,733				
VN30 (pt, % chg.)	915.46	(0.4)	6.0	21.1	4.1

Major indicators

	27 Oct	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.55	0.0	0.1	(0.1)	(0.9)
3-yr gov't bonds (% bp chg.)	1.01	0.1	0.0	(0.2)	(0.7)
VND/USD (% chg.)	23,177	0.0	0.0	0.0	(0.0)
VND/JPY (% chg.)	22,182	0.1	(0.9)	(0.6)	(3.9)
VND/EUR (% chg.)	27,402	0.2	(1.5)	(1.0)	(5.2)
VND/CNY (% chg.)	3,456	0.0	(1.5)	(4.2)	(3.7)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.77	(0.0)	0.1	0.2	(1.2)
WTI (USD/bbl, % chg.)	38.92	(1.6)	(4.1)	(5.2)	(36.3)
Gold (USD/oz, % chg.)	40.66	(1.3)	(4.2)	(5.9)	(38.4)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	98.1	STB	(127.3)
VIC	41.7	GAB	(45.2)
VPB	28.6	FLC	(35.1)
VNM	27.0	CTG	(30.4)
FPT	21.6	MBB	(23.2)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
CTG	64.2	MSN	(233.2)
VNM	40.7	VIC	(25.9)
VPB	35.2	STB	(17.5)
HSG	29.9	HPG	(16.6)
FUEVFVND	8.8	HDB	(13.1)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Materials	0.8	Health Care	(3.4)
		Diversified Financials	(2.2)
		Insurance	(1.4)
		Automobiles	(1.4)
		Commercial Services	(1.4)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Break down the 950-pts threshold
- **Vietnam:** Domestic petroleum prices move down under pressure from weak global demand

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	9.8	15.4
2021F	293,650	165,232	14.1	12.0	1.9	8.6	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	3Q20	4Q20F	2019	2020F	2021F
GDP (% yoy)	3.8	0.4	2.6	5.0	7.0	4.3	5.9
Trade balance (USD bn)	1.7	0.6	7.4	5.1	10.4	7.9	1.8
CPI (% yoy, avg.)	5.6	2.8	3.2	3.5	2.8	3.8	3.5
Discount rate (% EoP)	3.5	3.0	3.0	3.0	4.0	3.0	3.0
VND/USD (avg.)	23,264	23,206	23,188	23,197	23,231	23,214	23,206
US GDP (% qoq)	(4.8)	(31.7)	30.0	4.0	2.2	(4.0)	3.8
China GDP (% yoy)	(6.8)	3.2	5.0	5.9	6.1	2.1	8.0

Source: KIS, Bloomberg

Market commentary & News

Market commentary

Break down the 950-pts threshold

Hieu Tran
hieu.ttm@kisvn.vn

Vietnam stock markets kept going down amid the sharp reduction of the global financial market.

At the close, the VNIndex lost 0.46% to close at 946.4 pts. Meanwhile, trading volume increased to 455 million shares or VND8,733bn.

Foreign investors continued to sell with a net value of VND169bn on HSX. They sold MSN, VIC and STB the most with net values of VND233bn, VND25bn, and VND17bn, respectively.

Banking was still the worst sector, namely BID (-0.7%), HDB (-1.8%), ACB (-1.6%), MBB (-2.7%), and STB (-5.7%) because investors worried about the growing total NPLs of the banking system.

Profit taking pushed some key tickers down more than 1% such as VHM (-1.1%), VRE (-2.7%), FPT (-1.3%), KDH (-1.2%), SBT (-3.6%), SSI (-2.2%), and TCH (-2.2%). Among these, FPT announced that its revenue and net income in 3Q20 reached VND7,553bn (+6.3% YoY) and VND1,148bn (-1% YoY).

Energy stocks underperformed the benchmark index, namely PLX (-1.2%), POW (-1.8%), PVS (-0.7%), PVD (-1.8%), and PVT (-1.1%), as local fuel price was reduced.

In contrast, Material stocks closed in green territory due to HSG (+0.7%), HPG (+1.9%), and NKG (+1.5%). Among these, HPG posted VND24,685bn (+63% YoY) of net revenue and VND3,785bn (2 times higher than the same period last year) of net income.

The VNIndex closes below the 950-pts threshold, showing an early bearish signal in the short term. If the index closes below this level for the second consecutive session, the downtrend trend will form. Currently, strong support is 920 points. Thus, investors should consider gradually decreasing their proportion and wait for the next signal about the trend.

Breaking news

- ▶ Vietnam: Domestic petroleum prices move down under pressure from weak global demand

Following the global crude prices going down recently, the Ministry of Industry and Trade announced the latest adjustment for the domestic gasoline prices yesterday. Accordingly, the E5RON92 and RON95-III prices were adjusted lower to VND14,109 and VND14,940 per liter, down by about 1.1% and 1.2% from the mid-October adjustment. As a result, it will put downward pressure on the traffic price in November. (Ministry of Industry and Trade)

New listing & Public offerings

▶ New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
10/28/2020	MVB	Vinacomin – Viet bac Mining Industry Holding Corp.	HNX	1,050.0	105,000,000	14,800

▶ Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
11/12/2020		Ninh Binh Urea Fertilizer Port JSC	100.0	4,900,000	15,815	-
11/11/2020	VTP	Viettel Post	830.5	4,982,876	105,500	-
11/6/2020		Industrial Gas and Welding Electrode JSC	293.5	13,840,000	26,700	Local investors only
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	-
11/12/2020		Ninh Binh Urea Fertilizer Port JSC	100.0	4,900,000	15,815	-

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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.

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- 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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