

Xin Chao Vietnam

Market performance

	28 Oct	1D	1M	3M	YTD
VNIndex (pt, % chg.)	921.05	(2.7)	1.9	16.5	(4.2)
Turnover (VND bn)	8,890				
VN30 (pt, % chg.)	888.88	(2.9)	3.8	20.9	1.1

Major indicators

	28 Oct	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.52	(0.0)	(0.1)	(0.1)	(0.9)
3-yr gov't bonds (% bp chg.)	0.96	(0.1)	(0.1)	(0.3)	(0.7)
VND/USD (% chg.)	23,167	0.0	0.1	0.1	0.0
VND/JPY (% chg.)	22,196	0.1	(1.2)	(0.5)	(3.9)
VND/EUR (% chg.)	27,324	0.3	(1.3)	(0.1)	(4.9)
VND/CNY (% chg.)	3,443	0.0	(1.2)	(3.9)	(3.3)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.79	0.0	0.1	0.2	(1.1)
WTI (USD/bbl, % chg.)	37.59	0.5	(4.3)	(8.9)	(38.4)
Gold (USD/oz, % chg.)	39.32	0.5	(4.2)	(10.1)	(40.4)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VIC	53.5	GAB	(50.7)
HPG	53.5	GEX	(41.1)
VNM	51.0	GMD	(14.0)
TCB	42.8	GVR	(14.0)
VPB	37.2	FUEVFVND	(9.8)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HSG	34.2	MSN	(303.4)
VHM	19.2	VRE	(56.8)
CTG	18.6	HPG	(56.3)
SBT	17.2	VIC	(41.6)
FUEVFVND	12.9	HDB	(39.4)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
		Insurance	(6.1)
		Automobiles	(4.5)
		Health Care	(4.4)
		Others	(4.4)
		Consumer Durables	(4.1)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Sharp contraction
- **Vietnam:** FDI bounces back in October amid coronavirus-related uncertainties.

New listing & Public offerings

KIS market view

	OP	NP	EPS growth	PE	PB	EV/EBITDA	ROE
	(VND bn)	(VND bn)	(% yoy)	(x)	(x)	(x)	(%)
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	13.4	2.1	9.6	15.4
2021F	293,650	165,232	14.1	11.7	1.8	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	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

Sharp contraction

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Vietnam stock markets maintained its downtrend because investors worried about the reduction of the global financial market.

At the close, the VNIndex tumbled 2.69% to close at 921.0 pts. Meanwhile, trading volume recorded to 430 million shares or VND8,890bn.

Foreign investors continued to sell with a net value of VND479bn on HSX. They sold MSN, VRE, and HPG the most with net values of VND303bn, VND56bn, and VND56bn, respectively.

Real Estate was the worst sector, namely VIC (-5.2%), VHM (-2.6%), VRE (-5.6%), DXG (-2.6%), ROS (-2.2%), SCR (-4.9%), and TCH (-3.1%).

Selling pressure pushed Banking down, namely CTG (-2.8%), VCB (-2.1%), BID (-3.4%), HDB (-6.3%), TCB (-3.9%), ACB (-2.5%), MBB (-2.0%), and VPB (-4.7%).

Some constituents of VN30Index underperformed the benchmark index such as HPG (-3.1%), MWG (-4.5%), PLX (-3.8%), PNJ (-4.9%), and SSI (-2.9%).

In contrast, NLG (+0.4%), FLC (+6.7%), NT2 (+0.2%), and PDR (+2.8%) closed in red territory.

The VNIndex closes below the 950-pts threshold for the second consecutive session, showing a bearish market in the short term. As stock prices have fallen to the support line, investors will prefer to hold (not reduce) and wait for stocks.

Breaking news

▶ Vietnam: FDI bounces back in October amid coronavirus-related uncertainties

The latest data in October pointed out that FDI inflows bounced back somewhat compared to two previous months, especially newly registered capital reached a 9-month high after shrinking from August and September. It is also noticed that the FDI inflows concentrated on just a few key industries including the processing and electricity sectors, while the capital registered in other sectors remained sluggish. Going into detail, in October, total registered FDI recorded USD2.23bn (-22.96% YoY), and it is also noticing that FDI newly registered reached an 9-month high of USD1.30bn since February. Meanwhile, USD0.59bn was additionally registered for existing projects, while the capital registered for share purchase declined to USD0.38bn. FDI disbursement also remained high, reaching the second-highest of USD2.04bn in 2020, up by 2.51% YoY. (MPI, KIS)

New listing & Public offerings

▶ 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	-

- **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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