

# Xin Chao Vietnam

## Market performance

	4 Nov	1D	1M	3M	YTD
VNIndex (pt, % chg.)	939.76	0.5	3.3	13.6	(2.2)
Turnover (VND bn)	6,306				
VN30 (pt, % chg.)	905.48	0.4	5.1	17.9	3.0

## Major indicators

	4 Nov	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.48	(0.0)	(0.1)	(0.1)	(1.0)
3-yr govt bonds (% bp chg.)	0.71	(0.3)	(0.3)	(0.3)	(1.0)
VND/USD (% chg.)	23,178	0.0	0.1	(0.1)	(0.0)
VND/JPY (% chg.)	22,107	0.3	(0.8)	(0.9)	(3.5)
VND/EUR (% chg.)	27,156	(0.5)	0.2	0.5	(4.3)
VND/CNY (% chg.)	3,454	0.5	(1.1)	(3.8)	(3.6)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.79	(0.1)	0.1	0.3	(1.1)
WTI (USD/bbl, % chg.)	38.63	2.6	4.3	(7.4)	(36.7)
Gold (USD/oz, % chg.)	40.73	2.6	3.7	(8.3)	(38.3)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
NBB	70.4	GAB	(126.5)
GVR	41.9	VNG	(21.5)
TCB	35.5	VPB	(10.2)
VJC	26.0	FPT	(9.5)
HPG	25.7	DHC	(8.5)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
SBT	11.2	MSN	(211.0)
GVR	7.4	HPG	(172.7)
BVH	6.9	VHM	(56.8)
IMP	4.6	VRE	(52.9)
HSG	4.4	GAS	(47.8)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	2.7	Pharmaceuticals	(0.4)
Health Care	2.2	Retailing	(0.2)
Utilities	2.0	Real Estate	(0.1)
Capital Goods	1.7		
Automobiles	1.3		

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Four consecutive gaining sessions
- **Vietnam:** CPI grows modestly

### Sector & company

- **Masan Group (MSN):** AM brief

### 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	13.6	2.1	9.6	15.4
2021F	293,650	165,232	14.1	11.9	1.8	8.5	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	3.8	2.2	(4.0)	3.8
China GDP (% yoy)	(6.8)	3.2	4.9	5.8	6.1	2.1	8.0

Source: KIS, Bloomberg

## Market commentary & News

### Market commentary

#### Four consecutive gaining sessions

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Vietnam stock markets maintained its uptrend, the four-gaining session in a row as investors waited for the U.S. presidential election results. In particular, the advantage belonged to current president Donald Trump because he took the lead in some key states.

At the close, the VNIndex gained 0.47% to close at 939.7 pts. Meanwhile, trading volume increased to 333 million shares or VND6,912bn.

Foreign investors continued to sell with a net value of VND639bn on HSX. They sold HPG, VRE, and MSN the most with net values of VND201bn, VND100bn, and VND93bn, respectively.

Based on the rebound of the global oil price, Energy was still the market leader thanks to GAS (+2.4%), PVT (+3.7%), PVD (+2.8%), PVS (+1.5%), BSR (+1.5%), PLX (+1.0%), and OIL (+1.2%).

Besides, some constituents of the VN30Index jumped more than 2% such as HDB (+3.4%), CTG (+1.3%), MBB (+1.1%), TCH (+1.0%), VPB (+1.0%), and VRE (+1.5%).

In contrast, VIC (-0.8%), REE (-0.7%), EIB (-0.2%), KDH (-0.2%), and MWG (-0.3%) closed in red territory.

The downside risk is still intact in the short term because the US presidential election results are not clear. Therefore, investors should stay on the sidelines and wait for the next signal.

### Breaking news

#### ► Vietnam: CPI grows modestly

The Consumer Price Index (CPI) modestly increased by 0.09% compared to the previous month, recording the series of five rising months. However, the yearly change in CPI tended to slow as the current monthly change was lower than that in the same period in 2019. Specifically, CPI increased by 2.47% YoY in October 2020, 51bps-lower than September 2020. The 12-month rolling inflation rate posted 3.83%, 17bps-lower than the Government target rate of 4%. Education and housing and construction materials (HCM) sub-indices continued rising by 1.52% MoM and 0.29% MoM and virtually push CPI. On the contrary, food and foodstuff (F&Fs) decreased by 0.13% MoM and mainly put downward pressure on the general price index. (KIS, GSO)

## Sector & company

### Masan Group (MSN)

**Hold (Downgrade)**

**AM brief: Accelerating earning growth post-2020**

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#### ► Masan Group can reach NPAT of VND4,000-6,000bn in 2021

On Nov 03, Masan Group held an analyst meeting to update more information on business results in 2020-2021.

Masan Group estimates to reach EBITDA of VND10,000bn in 2020, which is mainly based on the extending profit margin improvement of VinCommerce and optimistic results of Masan Consumer in 4Q20.

In 2021, Masan Group is ambitious to achieve NPAT of VND4,000-6,000bn, lead by the yoy earning growth of all business segments.

Masan Group plans to reduce Debt/EBITDA ratio to 2.5x-3x in 2021.

Masan MEATLife targets to expand its integrated meat business by placing footsteps in poultry products via 3F VIET JSC consolidation, focusing on expanding its market share in Vietnam northern market.

Because of worldwide decrease of tungsten inventory, Masan High-Tech Materials expects tungsten price to extend its recovery trend in 2021 to support for business result of Masan High-Tech Materials.

- ▶ VinCommerce to continue its profit margin improvement

After improving EBITDA margin to -2.8% in 3Q20, Masan Group maintains its target of EBITDA breakeven in 4th quarter 2020.

In 2021, VinCommerce targets to extend its trend of profit margin improvement thanks to: (1) Simplifying product portfolio by increasing the presence of products with high revenue and high profit margins. (2) Promoting price promotion to increase VinCommerce's price competition against its rivals. (3) Achieving yoy widening EBITDA margin, driven by the closure of more than 400 stores (including both Vinmart stores and Vinmart+ stores) with low performance in 2020.

## New listing & Public offerings

### ▶ New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
11/9/2020	LPB	Lien Viet Post Bank	HSX	9,769.5	976,948,319	11,800

### ▶ Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
11/30/2020	ITJ	Becamex Infrastructure Development JSC	1,371.0	80,000,000	12,500	-
11/27/2020	IDC	IDICO Corporation	3,000.0	108,000,000	26,930	Local investors only
11/24/2020	ITS	Vinacomin – Investment, Trading and Service JSC	2,649.8	4,536,000	17,500	-
11/16/2020		Viet Nam Agriculture Tourism Trading JSC	230.0	5,290,000	15,530	-
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

- **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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