

# Xin Chao Vietnam

## Market performance

	6 Nov	1D	1M	3M	YTD
VNIndex (pt, % chg.)	938.29	0.1	1.5	11.5	(2.4)
Turnover (VND bn)	5,360				
VN30 (pt, % chg.)	902.91	(0.1)	3.2	15.4	2.7

## Major indicators

	6 Nov	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.51	0.0	0.0	(0.1)	(0.9)
3-yr gov't bonds (% bp chg.)	0.99	0.3	0.3	(0.1)	(0.7)
VND/USD (% chg.)	23,167	0.0	0.2	0.0	0.0
VND/JPY (% chg.)	22,419	(0.0)	(2.1)	(2.5)	(4.9)
VND/EUR (% chg.)	27,383	(0.6)	(0.1)	0.7	(5.1)
VND/CNY (% chg.)	3,504	0.0	(1.2)	(5.0)	(5.0)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.82	0.0	0.0	0.3	(1.1)
WTI (USD/bbl, % chg.)	37.91	2.1	(6.6)	(8.0)	(37.9)
Gold (USD/oz, % chg.)	40.22	2.0	(6.1)	(9.4)	(39.1)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FLC	53.8	DIG	(135.0)
VNG	31.8	GAB	(96.8)
VPB	12.7	VIC	(64.8)
VJC	7.9	HPG	(55.7)
NBB	7.1	CTG	(42.5)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VIC	45.2	MSN	(58.2)
VNM	35.6	VRE	(43.8)
HSG	28.5	HPG	(28.4)
DGW	12.2	MBB	(26.6)
FUEVFNVD	5.8	VPB	(24.2)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Others	2.1	Retailing	(1.6)
Consumer Durables	1.4	Automobiles	(0.9)
Technology	1.1	Energy	(0.6)
Media & Entertainment	1.1	Utilities	(0.6)
Commercial Services	0.7	Insurance	(0.5)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Close almost unchanged
- **Vietnam:** Stimulus hope to boost trade

### Macro & strategy

- **Chart of the day:** The collapse will not last long

### Sector & company

- **Vinamilk (VNM):** 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	13.5	2.1	9.7	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	(3.9)	3.8
China GDP (% yoy)	(6.8)	3.2	4.9	5.8	6.1	2.0	8.0

Source: KIS, Bloomberg

## Market commentary & News

### Market commentary

#### Close almost unchanged

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Vietnam stock markets maintained cautious last Friday as investors concerned about the U.S. presidential election results, which has been not exact. Even though Biden was in the lead, the results could change as many mailed ballots were yet to be counted.

At the close, the VNIndex closed almost unchanged at 938.2 pts. Meanwhile, trading volume decreased to 268 million shares or VND5,359bn.

Foreign investors resumed selling with a net value of VND148bn on HSX. They sold MSN, VRE, and HPG the most with net values of VND58bn, VND43bn, and VND28bn, respectively.

Cash flowed into Material due to HSG (+4.0%) and HPG (+0.5%) as investors expected positive business results in 2020.

Moreover, some key tickers jumped more than 1%, such as MSN (+2.2%), DXG (+2.9%), and HBC (+2.4%).

In contrast, a few constituents of VN30Index underperformed the benchmark index such as KDH (-1.4%), MBB (-1.6%), MWG (-1.6%), SBT (-1.3%), and VRE (-1.9%).

Market sentiment has become cautious in the short term as the U.S. presidential election results are not exact. Therefore, investors should stay on the sidelines and wait for the next signal.

### Breaking news

- ▶ Vietnam: Stimulus hope to boost trade

According to GSO's estimates, trade activities in October extended its recovery path to five months with slower export and import rates than the previous month. Specifically, export and import rose by 9.91% YoY and 10.05% YoY, posting USD26.70bn and USD24.50bn, respectively. Consequently, the trade balance recorded a surplus of USD2.20bn, marking the sixth month in series starting from May. We predict that stimulus packages to boost trade despite the latest COVID resurgences may force governments to enhance virus curbs. (MPI, GSO, KIS)

## Macro & strategy

### Chart of the day

#### The collapse will not last long

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- ▶ Market performance

The VNIndex rebounded last week after testing MA50, giving signal for the upcoming consolidation phase.

- ▶ Chart: Consolidation will take place

Despite the short-term collapse, MA200 and MA50 are still widely separated as well as upward crossover between these MAs is confirmed, the medium and long-term bullish market is active.

Narrow spread candles occurred subsequently with below average volume, implying the short-term uncertain market with unclear market leg.

The 900-920 pts area which overlaps with the MA50 acts the significant support, followed by 900 pts. On the upside, 960-970 pts is the short-term resistance for the index.

→ Downward correction phase is active but consolidation phase is expected to take place this week due to the maintenance of the long-term bullish market.

- ▶ Technical strategy: Bargain hunting strategy

As mentioned above, the collapse will not last long due to the maintenance of the long-term bullish market. Thus, investors should use bargain hunting strategy on leading stocks, buy more when price collapse.

## Sector & company

### Vinamilk (VNM)

**Hold (Maintain)**

**AM brief: The Central flood to impact on 4Q20 revenue**

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- ▶ Optimistic revenue growth of products beneficial to human resistance

On Nov 06, Vinamilk held 3Q20 online analyst meeting to update more details about Vinamilk's business results.

In 3Q20, Vinamilk saw optimistic revenue growth of dairy products beneficial to human resistance such as yogurt product lines.

Per Vinamilk, modern trade channel maintained revenue growth driver while general trade still contributed largest revenue for Vinamilk in 9M20.

Vinamilk's domestic market share was flat in 3Q20, compared to that of 2Q20.

- ▶ Revenue growth to face more challenges in 4Q20

Due to the negative impact of pandemic, export revenue to the U.S. plunged in 9M20. In 4Q20, Vinamilk concerned that pandemic's wider spread will continue to impact on Vinamilk's export markets, especially export revenue to the U.S. market. On the contrary, export revenue to Asian markets can reach positive growth thanks to better pandemic control.

Vinamilk has received export license for condensed milk, yogurt, fresh milk. However, revenue contribution of milk export to China has remained low as Vinamilk has not boosted export revenue to this market in 2020.

Furthermore, severe flood will undermine dairy demand in the Central, which contributes nearly 10% to Vinamilk's domestic revenue. Thanks to three milk processing factories located in all three country regions, Vinamilk's supply chain will not be affected by flood in the Central.

## New listing & Public offerings

### ► New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
11/10/2020	VIB	Vietnam International Commercial JSB	HSX	9,244.9	924,491,395	32,300
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
12/3/2020	AFX	An Giang Agriculture and Foods Import-Export JSC	350.0	17,850,000	18,900	Whole lot sale; Local investors only
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
11/25/2020	CC1	Construction Corporation Number 1 JSC	1,100.0	44,583,500	23,030	-
11/24/2020	ITS	Vinacomin – Investment, Trading and Service JSC	2,649.8	4,536,000	17,500	-
11/23/2020		Vinh Long Public Works JSC	35.4	1,569,728	40,800	-
11/20/2020	AFX	An Giang Agriculture and Foods Import-Export JSC	350.0	3,018,750	18,961	Whole lot sale; Local investors only
11/16/2020	AGRITOUR	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	-

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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
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- Neutral: Recommend maintaining the sector's weighting in the portfolio in line with its respective weighting in the VNIndex based on market capitalization.
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