

Xin Chao Vietnam

Market performance

	9 Nov	1D	1M	3M	YTD
VNIndex (pt, % chg.)	951.99	1.5	3.0	13.1	(0.9)
Turnover (VND bn)	7,883				
VN30 (pt, % chg.)	917.42	1.6	4.9	17.3	4.4

Major indicators

	9 Nov	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.52	0.0	0.0	(0.2)	(0.9)
3-yr gov't bonds (% bp chg.)	0.99	(0.0)	0.1	(0.3)	(0.7)
VND/USD (% chg.)	23,176	(0.0)	(0.0)	0.0	(0.0)
VND/JPY (% chg.)	22,355	0.3	(1.9)	(2.2)	(4.6)
VND/EUR (% chg.)	27,557	(0.6)	(1.0)	(1.0)	(5.7)
VND/CNY (% chg.)	3,522	(0.5)	(1.7)	(5.5)	(5.5)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.81	(0.0)	0.0	0.2	(1.1)
WTI (USD/bbl, % chg.)	38.15	2.7	(6.0)	(7.4)	(37.5)
Gold (USD/oz, % chg.)	40.48	2.6	(5.5)	(8.8)	(38.7)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	37.8	PME	(101.4)
TCB	24.4	FLC	(96.8)
VPB	23.2	VIC	(52.9)
MSN	18.9	VCB	(49.2)
VNM	18.9	GEX	(41.5)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VIC	61.5	MSN	(183.5)
VCB	44.5	HPG	(41.0)
HSG	30.5	NVL	(27.1)
FUEVFVND	18.7	MBB	(27.1)
SBT	11.9	KDH	(23.1)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Household Products	5.8	Consumer Services	0.3
Materials	3.1	Telecommunication	0.3
Automobiles	2.8	Others	0.7
Technology	2.0	Health Care	0.7
Consumer Durables	2.0	Software & Services	0.7

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Upward resumption phase
- **Eurozone:** A slowdown in the service sector drags down economic activity in Eurozone

Macro & strategy

- **Fundflow 02 - 06 Nov:** Inflow skyrockets

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	9.9	15.4
2021F	293,650	165,232	14.1	12.1	1.9	8.7	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	(3.9)	3.8
China GDP (% yoy)	(6.8)	3.2	4.9	5.7	6.1	2.0	8.0

Source: KIS, Bloomberg

Market commentary & News

Market commentary

Upward resumption phase

Hieu Tran
hieu.ttm@kisvn.vn

VNIndex surged yesterday thanks to the optimism sentiment about the market. Even though the final election result is not defined, Biden has high probability to be the 46th president of United States.

At the close, the VNIndex was added 1.5% to close at 952 pts with the increase in trading volume.

Foreign investors resumed selling with a net value of VND210bn on HSX. They sold MSN, HPG, and NVL the most with net values of VND185bn, VND41bn, and VND27bn, respectively.

Among top 5 VN30Index's weight tickers, HPG (+3.6%), TCB (+2.1%), VPB (+1.5%), and VIC (+1.0%) contributed to the index gains whilst VNM (0%) faded the benchmark and became index laggard.

Cash kept flowing into Material due to HSG (+4.7%) and HPG (+3.6%) as investors expected positive business results in 2020.

In contrast, a few constituents of VN30Index underperformed the benchmark, such as NVL (-1.0%), SAB (-0.2%), VNM (0%), and TCH (0%).

Market sentiment has become optimistic as well as the upward resumption phase is already confirmed. Thus, investors should focus on leading stocks and increase the proportion when short-term correction or consolidation phase occurs.

Breaking news

- ▶ Eurozone: A slowdown in the service sector drags down economic activity in Eurozone

From the latest report of the leading IHS Markit, the Eurozone's private sector economy became stagnant in October as the Eurozone PMI Composite Index recorded just 50.0, down from 50.4 in the previous month and ending 3-month growth. As the Eurozone economic activity has been put at risk of the second lockdown from major economies, October's PMI Services Business Activity index dropped markedly to the lowest level of 46.9 since May, reflecting the severe impact of the COVID-19 resurgence on the consumer-facing sectors, including tourism and hospitality. (IHS Markit)

Macro & strategy

Fundflow 02 - 06 Nov

Inflow skyrockets

Dang Le
dang.lh@kisvn.vn

- ▶ Vietnam foreign flow

Last week, selling activities continued to overwhelm. Net sell value recorded at USD83mn.

Breaking down by sectors, selling pressure continued to focus on Consumer Staples, Real Estate, and Materials. Net sell value recorded at USD25mn, USD20mn, and USD19mn, respectively. Particularly, foreign selling activities mainly focused on MSN, VRE, VHM, KDH, and HPG, fading the sharp buying activities on VNM, SBT, VIC, HSG, and DPM. Besides, Financials also experienced the outflow due to high selling pressure on HDB, CTG, and BID. On the contrary, Information Technology continued to attract the most foreign demand across the market thanks to large buy orders on DGW. Health Care also ended up to be net bought owing to IMP.

- ▶ South East Asia ETF flow

Money inflow across SEA increased dramatically with net inflow recorded at USD69mn, nearly tripled the previous week. To be specific, major countries such as Thailand, Indonesia, and Malaysia attracted the total inflow of USD18mn. Besides, Singapore continued to attract the flow of money for 5 consecutive weeks.

Inflow ticked up across Vietnam. Net inflow recorded at USD4mn, a one-month high. Of which, SSIAM VNFIN Lead ETF was the main contributor which attracted USD2.7mn last week.

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

► 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	-

- **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.

- **Analyst Certification**

I/We, as the research analyst/analysts who prepared this report, do hereby certify that the views expressed in this research report accurately reflect my/our personal views about the subject securities and issuers discussed in this report. I/We do hereby also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

Global Disclaimer

- **General**

This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of KIS Vietnam Securities Corp., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of KIS Vietnam Securities Corp..

This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. KIS Vietnam Securities Corp. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. KIS Vietnam Securities Corp., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or KIS Vietnam Securities Corp. The final investment decision is based on the client's judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.

- **Country-specific disclaimer**

United States: This report is distributed in the U.S. by Korea Investment & Securities America, Inc., a member of FINRA/SIPC, and is only intended for major U.S. institutional investors as defined in Rule 15a-6(a)(2) under the U.S. Securities Exchange Act of 1934. All U.S. persons that receive this document by their acceptance thereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Korea Investment & Securities, Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Korea Investment & Securities America, Inc., which accepts responsibility for the contents of this report in the U.S. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. person absent registration or an applicable exemption from the registration requirement.

United Kingdom: This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

Hong Kong: This research report and marketing materials may be distributed in Hong Kong to institutional clients by Korea Investment & Securities Asia Limited (KISA), a Hong Kong representative subsidiary of Korea Investment & Securities Co., Ltd., and may not otherwise be distributed to any other party. KISA provides equity sales service to institutional clients in Hong Kong for Korean securities under its sole discretion, and is thus solely responsible for provision of the aforementioned equity selling activities in Hong Kong. All requests by and correspondence with Hong Kong investors involving securities discussed in this report and marketing materials must be effected through KISA, which is registered with The Securities & Futures Commission (SFC) of Hong Kong. Korea Investment & Securities Co., Ltd. is not a registered financial institution under Hong Kong's SFC.

Singapore: This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Korea Investment & Securities Co., Ltd. has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person. Please contact Korea Investment & Securities Singapore Pte Ltd in respect of any matters arising from, or in connection with, the analysis or report (Contact Number: 65 6501 5600).

Copyright © 2020 KIS Vietnam Securities Corp.. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of KIS Vietnam Securities Corp..