

# Xin Chao Vietnam

## Market performance

|                      | 18 Nov | 1D  | 1M  | 3M   | YTD |
|----------------------|--------|-----|-----|------|-----|
| VNIndex (pt, % chg.) | 973.53 | 0.5 | 3.2 | 15.0 | 1.3 |
| Turnover (VND bn)    | 9,850  |     |     |      |     |
| VN30 (pt, % chg.)    | 937.67 | 0.3 | 4.0 | 19.2 | 6.7 |

## Major indicators

|                               | 18 Nov      | 1D    | 1W    | 1M    | YTD    |
|-------------------------------|-------------|-------|-------|-------|--------|
| 1-yr gov't bonds (% bp chg.)  | 0.48        | (0.0) | (0.2) | (0.3) | (1.0)  |
| 3-yr gov't bonds (% bp chg.)  | 0.94        | (0.0) | (0.1) | (0.4) | (0.7)  |
| VND/USD (% chg.)              | 23,175      | 0.0   | 0.0   | 0.0   | (0.0)  |
| VND/JPY (% chg.)              | 22,310      | (0.4) | (1.5) | (1.5) | (4.4)  |
| VND/EUR (% chg.)              | 27,468      | 0.1   | (1.0) | 0.5   | (5.4)  |
| VND/CNY (% chg.)              | 3,538       | (0.1) | (2.0) | (5.4) | (5.9)  |
|                               | Prev. close | 1D    | 1W    | 1M    | YTD    |
| 10-yr US Treasury (% bp chg.) | 0.86        | 0.0   | 0.1   | 0.2   | (1.1)  |
| WTI (USD/bbl, % chg.)         | 41.82       | 0.9   | 2.3   | (2.5) | (31.5) |
| Gold (USD/oz, % chg.)         | 44.22       | 1.1   | 3.0   | (2.7) | (33.0) |

## Domestic institutions net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|---------|----------|----------|----------|
| VHM     | 124.3    | VIC      | (45.4)   |
| VPB     | 57.6     | VNM      | (42.5)   |
| HPG     | 34.5     | EIB      | (41.0)   |
| MHC     | 25.5     | VCB      | (39.8)   |
| TCB     | 20.0     | GEX      | (31.9)   |

## Foreign net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|---------|----------|----------|----------|
| VIC     | 309.3    | HDB      | (88.2)   |
| VNM     | 101.3    | VPB      | (47.9)   |
| VRE     | 50.0     | STB      | (17.6)   |
| VCB     | 43.9     | E1VFN30  | (16.8)   |
| MBB     | 41.1     | POW      | (13.7)   |

## Daily performance by sector

| Top five sectors    | % chg. | Bottom five sectors   | % chg. |
|---------------------|--------|-----------------------|--------|
| Others              | 4.9    | Telecommunication     | (6.8)  |
| Utilities           | 3.8    | Retailing             | (1.1)  |
| Materials           | 2.5    | Media & Entertainment | (0.9)  |
| Commercial Services | 1.8    | Software & Services   | (0.9)  |
| Insurance           | 1.1    | Real Estate           | (0.7)  |

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** High volatility
- **World:** Solid global economic recovery continues in October

### New listing & Public offerings

## KIS market view

|       | OP<br>(VND bn) | NP<br>(VND bn) | EPS growth<br>(% yoy) | PE<br>(x) | PB<br>(x) | EV/EBITDA<br>(x) | ROE<br>(%) |
|-------|----------------|----------------|-----------------------|-----------|-----------|------------------|------------|
| 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                   | 14.0      | 2.2       | 9.9              | 15.4       |
| 2021F | 293,650        | 165,232        | 14.1                  | 12.3      | 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) | 32.6   | 4.0    | 2.2    | (3.6)  | 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

#### High volatility

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Vietnam stock market maintained its uptrend, but the volatility increased as the VNIndex fluctuated strongly during the session yesterday.

At the close, the VNIndex gained 0.48% to close at 973.53 pts. Meanwhile, trading volume increased to 450 million shares or VND9,849bn.

Foreign investors reversed to buy with a net value of VND460bn on HSX. They purchased VIC, VNM, and VRE the most with net values of VND309bn, VND101bn, and VND50bn, respectively.

Based on the sharp uptrend of global oil price, Energy was still the market leader, namely GAS (+6.0%), PVD (+2.0%), PVS (+0.6%), POW (+0.8%), and BSR (+1.4%).

In addition, high demand pushed Brokagers and Material up due to SSI (+0.8%), HCM (+0.9%), VND (+2.6%), HPG (+3.7%), and NKG (+6.8%).

Moreover, some constituents of VN30Index surged more than 1%, such as SBT (+2.2%), STB (+2.5%), VNM (+1.6%), and VRE (+1.1%).

In contrast, selling pressure made some key tickers, namely VIC (-1.0%), VHM (-1.2%), MSN (-2.4%), and MWG (-1.2%), to close in red territory.

VNIndex breaks out the last peak that implies the short-term uptrend. Thus, traders should increase their long position and focus on leading stocks.

### Breaking news

- ▶ World: Solid global economic recovery continues in October

According to the latest report from IHS Markit, the global economy continued to see solid growth in October as the headline J.P.Morgan Global PMI index reached a 26-month high of 53.3. Automobile, banks, and chemicals industries were the top-performing industries leading the global upturn, while tourism & recreation continues to be the worst performers as the COVID-19 pandemic still put severe damage to this sector. The current resurgence of the COVID-19 pandemic across Europe, the U.S., and other regions has blurred the global economic outlook in the near term, which put downward pressure on the PMI index in November. (IHS Markit)

## New listing & Public offerings

### ▶ New listing

(VND bn, share, VND)

| Date of listing | Ticker | Company                     | Exchange | Charter | Listed Shares | Reference price |
|-----------------|--------|-----------------------------|----------|---------|---------------|-----------------|
| 12/1/2020       | GMA    | Viet Nam Enteco Corporation | HNX      | 60.0    | 6,000,000     | 11,600          |

### ▶ Public offerings

(VND bn, share, VND)

| Date of auction | Ticker | Company   | Charter | Offered Shares | Min Bid | Note                                 |
|-----------------|--------|---|---------|----------------|---------|--------------------------------------|
| 12/10/2020      | VTK    | Viettel Consultant and Design JSC                       | 41.6    | 630,748        | 27,500  | -                                    |
| 12/7/2020       | CTR    | Viettel Construction JSC                                | 704.1   | 7,746,801      | 46,600  | -                                    |
| 12/4/2020       |        | Thanh Hoa Industrial Zone Infrastructure Investment JSC | 25.0    | 1,143,633      | 39,900  | Local investors only                 |
| 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 |
| 12/2/2020       |        | Phat Tai JSC  | 18.1    | 50,000         | 27,210  | Whole lot sale                       |

|            |     |   |         |             |        |                                      |
|------------|-----|---|---------|-------------|--------|--------------------------------------|
| 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                 |
| 11/26/2020 |     | Chau Duc Construction and Urban Development JSC | 17.4    | 1,152,000   | 29,750 | Whole lot sale; 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 | -                                    |

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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.

- **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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