

Xin Chao Vietnam

Market performance

	20 Nov	1D	1M	3M	YTD
VNIndex (pt, % chg.)	990.00	0.7	4.8	16.7	3.0
Turnover (VND bn)	9,409				
VN30 (pt, % chg.)	950.89	0.6	4.6	21.0	8.2

Major indicators

	20 Nov	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.49	(0.0)	(0.1)	(0.3)	(0.9)
3-yr gov't bonds (% bp chg.)	0.71	(0.2)	(0.1)	(0.6)	(1.0)
VND/USD (% chg.)	23,180	(0.0)	0.0	(0.0)	(0.0)
VND/JPY (% chg.)	22,324	0.0	(1.6)	(1.9)	(4.5)
VND/EUR (% chg.)	27,517	(0.3)	(0.8)	(0.3)	(5.6)
VND/CNY (% chg.)	3,528	(0.3)	(1.6)	(5.0)	(5.7)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.84	0.0	0.1	0.2	(1.1)
WTI (USD/bbl, % chg.)	42.05	0.7	1.4	(1.2)	(31.1)
Gold (USD/oz, % chg.)	44.67	1.1	3.5	(0.5)	(32.3)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VJC	273.4	VNG	(99.0)
HPG	107.5	FLC	(80.2)
TCB	103.0	GEX	(26.3)
LIX	90.5	FUEVFNVD	(22.6)
VRE	35.1	PVD	(19.3)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VJC	58.6	MSN	(58.2)
VNM	58.4	CTG	(47.6)
GEX	58.0	HDB	(27.0)
VCB	55.9	CII	(26.8)
FUEVFNVD	23.7	VHM	(26.4)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	6.3	Retailing	(1.0)
Telecommunication	5.2	Others	(0.8)
Health Care	4.1	Diversified Financials	(0.4)
Capital Goods	2.7	Utilities	(0.3)
Commercial Services	2.5	Pharmaceuticals	(0.2)

WHAT'S NEW TODAY

Market commentary & News

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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	3.5	14.2	2.2	10.0	15.5
2021F	293,650	165,232	13.9	12.5	1.9	8.8	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)	33.1	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

TCH and KDH limit up

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Vietnam stock market recorded the four-gaining session in a row amid the uptrend of global financial markets.

At the close, the VNIndex gained 0.69% to close at 990 pts. Meanwhile, trading volume increased to 472 million shares or VND9,408bn.

Foreign investors continued to buy with a net value of VND111bn on HSX. They purchased VJC, VNM, and GEX the most with net values of VND58.6bn, VND58.4bn, and VND58.0bn, respectively.

Banking was the market leader thanks to HDB (+1.4%), BID (+2.0%), VCB (+2.5%), and EIB (+0.6%).

KDH limited up because MSCI would add its to the MSCI Frontier Markets Small Cap Index in the 4Q20 review.

MWG fell by 1.1% after it announced revenue of VND8,750bn (+10% YoY) and net income of VND305bn (+7% YoY) in October.

Some constituents of VN30Index jumped more than 1% such as HPG (+1.4%), REE (+1.3%), SBT (+1.4%), VHM (+1.2%), VJC (+4.5%), and VNM (+1.0%).

In contrast, VRE (-0.9%), SSI (-1.3%), SAB (-0.8%), and MBB (-1.0%) closed in red territory.

In the short term, market sentiment has still become optimistic as VNIndex retests the 990-pts threshold and closes above the last peak. Thus, traders should increase their long position and focus on leading stocks.

Breaking news

- Japan: Further slowdown in Japan's economy as the COVID-19 pandemic accelerates

A recent resurgence of the COVID-19 pandemic has again put severe risks on Japan's economic activity in the near term with a fear of stricter social-distancing measures on business activity. According to the latest number from the au Jibun Bank Flash Japan Composite PMI report, the Flash Composite Output PMI signals a further downturn in economic output in both manufacturing and services sectors in November as the preliminary index just recorded 47 index point from 48 in October. Furthermore, the Flash Manufacturing Output index and the Flash Services Business Activity index together dropped to 47.6 and 46.7 from 48.7 and 47.7 in the previous month, respectively. (au Jibun Bank, IHS Markit)

Macro & strategy

Chart of the day

Approaching January's peak

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- Market performance

The VNIndex continued to rebound last week, approaching January's peak as well as breakout is not confirmed.

- Chart: Stable bullish momentum

The bullish leg is active with stable bullish momentum thanks to the expansion of Bollinger bands and upward sloping major MAs. Besides, the bullish candles are validated by the above average volume.

With congestion zone, the broken 960-970 pts area turns around to act as the short-term support. On the upside, 990-1,000 pts is the intraday resistance for VNIndex, followed by 1,030-1,050 pts (short-term resistance).

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.

→ Consolidation phase is expected to take place this week due to the unclear reaction at January's peak.

► Technical strategy: Hold the positions

As mentioned above, the valid breakout at 2020's peak is not confirmed. Thus, investors should hold the current positions and should not increase the proportion on leading stocks at this zone.

Strategy report

Vietnam economy under Biden era

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► Ambitious plan with the infrastructure investment in core

According to Biden's Campaign, Biden would like to pursue an ambitious spending plan to recover the U.S. COVID-affected economy with the physical resource is the center of the plan. Biden expects to spend an additional amount of USD3.95tn relative to conventional outlays in his first term to push the total estimated government spending between 2021 and 2024 to USD24.10tn, rising 39.05% compared to Trump's presidency. With infrastructure and clean energy investments on the spotlight, the president-elect's plan desires to revitalize the domestic manufacturing and innovation for benefiting the American middle-class.

► Impact to Vietnam economy

Biden's ambitious plan may boost long-term economic growth, followed by an expansion in trade activities. As an essential trading partner, we expect U.S. stimulus policy to benefit the Vietnam economy in the long-run. However, Vietnam also faces uncertainties when the president-elect heavily focuses on strengthening domestic production and potentially change trade policy toward China. The introduction of new carbon adjustment fee provision and trade abuser enforcement also challenges our exporters and producers in maintaining their competitiveness.

► Vietnam stock market reaction

New one-year upward pattern. Vietnam stock markets tend the sideways or slight downtrend in the U.S. election year. However, the stock market outperforms in the U.S. President's First Year, rising between 11.8% and 58.34% in the last five times. Based on Biden's policies and past statistics, we expect this pattern to continue in 2021, implying a bullish market.

New listing & Public offerings

► New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
12/8/2020	FUEMAV30	MAFM VN30 ETF	HSX	115.0	11,500,000	
12/1/2020	GMA	Viet Nam Enteco Corporation	HNX	60.0	6,000,000	11,600
11/23/2020	HD6	Hanoi Housing Development and Investment JSC No 6	UPCoM	144.0	14,400,000	12,600

► 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	-
12/9/2020	SGC	Sa Giang Import - Export Corporation	71.5	3,565,759	97,500	Whole lot sale; Local investors only
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	-

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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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