

Xin Chao Vietnam

Market performance

	24 Nov	1D	1M	3M	YTD
VNIndex (pt, % chg.)	995.76	0.2	3.6	14.6	3.6
Turnover (VND bn)	12,176				
VN30 (pt, % chg.)	959.61	(0.0)	3.2	18.5	9.2

Major indicators

	24 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.)	0.96	(0.0)	(0.0)	(0.2)	(0.7)
VND/USD (% chg.)	23,153	0.1	0.1	0.1	0.1
VND/JPY (% chg.)	22,214	(0.3)	(0.5)	(1.6)	(4.0)
VND/EUR (% chg.)	27,448	0.2	0.1	(0.1)	(5.4)
VND/CNY (% chg.)	3,521	(0.1)	(2.0)	(4.9)	(5.5)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.86	0.0	0.0	0.2	(1.1)
WTI (USD/bbl, % chg.)	43.53	1.1	9.2	2.1	(28.7)
Gold (USD/oz, % chg.)	46.47	0.9	11.3	3.0	(29.6)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VJC	307.3	GEX	(131.4)
TCB	56.1	VNG	(51.7)
HPG	33.9	GMD	(22.1)
FPT	24.3	DXG	(10.3)
VNM	19.4	GAS	(6.2)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	119.7	HDB	(36.3)
VRE	69.2	MSN	(24.0)
GAS	28.4	DCM	(19.9)
DPM	19.1	VHM	(18.2)
PHR	14.7	VIC	(18.1)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Real Estate	1.2	Household Products	(1.3)
Diversified Financials	0.5	Insurance	(1.2)
Materials	0.4	Technology	(1.1)
Commercial Services	0.2	Retailing	(1.0)
Banks	0.2	Health Care	(0.9)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** VHM leads market gains
- **U.S.:** Economic growth is speeding up in November

Sector & company

- **Mobile World (MWG):** 3Q20 review

New listing & Public offerings

KIS market view

	OP	NP	EPS growth	PE	PB	EV/EBITDA	ROE
	(VND bn)	(VND bn)	(% yoy)	(x)	(x)	(x)	(%)
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	14.4	2.2	10.2	15.5
2021F	293,650	165,232	13.9	12.6	1.9	9.0	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	8.1

Source: KIS, Bloomberg

Market commentary & News

Market commentary

VHM leads market gains

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Vietnam stock market continued to go up for the sixth-gaining session in a row, but its volatility increased because the index sometimes fell nearly 1% yesterday.

At the close, the VNIndex gained 0.16% to close at 995.7 pts, approached the 1,000-pts threshold. Meanwhile, trading volume increased to 512 million shares or VND12,175bn.

Foreign investors continued to buy with a net value of VND138bn on HSX. They purchased HPG, VRE, and GAS the most with net values of VND119bn, VND69bn, and VND28bn, respectively.

VHM, which contributed the most to the index, jumped 4.0%.

The uptrend of global oil prices pushed up some Energy tickers, namely PVD (+3.2%), PVS (+0.7%), NT2 (+1.5%), and PXS (+4.2%).

Brokerages also outperformed the benchmark index thanks to SSI (+1.3%) and HCM (+1.0%).

In contrast, some constituents of VN30Index slid more than 1% such as GAS (-1.2%), KDH (-1.6%), MSN (-1.3%), MWG (-1.0%), PNJ (-1.0%), and TCH (-3.6%).

Despite high volatility, the short-term uptrend is still intact. Thus, traders should hold their long position and focus on leading stocks.

Breaking news

- ▶ U.S.: Economic growth is speeding up in November

Recent data pointed out that the economic upturn is gaining momentum in the last two months of 2020. According to the latest report from the IHS Markit, the business activity of the U.S. private sector is expected to grow at a record pace since 2014 in both manufacturing and services sectors as the Flash Composite Output PMI recorded at 57.9, a 68-month high. More specifically, the Flash Manufacturing Output Index and the Flash Services Business Activity index are expected to reach 56.7 (a 74-month high) and 58.7 (a 68-month high), respectively. (IHS Markit)

Sector & company

Mobile World (MWG)

BUY (Maintain), TP VND155,000

3Q20 review: YoY NPAT growth to extend in 4Q20

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- ▶ Facts: Earning rebounded in 3Q20

Mobile World delivered VND25,714bn revenue (+2.3% yoy) in 3Q20, driven by revenue surge of Bach Hoa Xanh (+85.3% yoy). On the contrary, The Gioi Di Dong & Dien May Xanh recorded VND19,940bn revenue (-9.7% yoy).

By the end of Oct 2020, Mobile World owned 3,802 stores, including 948 The Gioi Di Dong stores, 1,198 Dien May Xanh stores and 1,656 Bach Hoa Xanh stores.

Mobile World reached VND951 NPAT (+11.2% yoy) in 3Q20. Aggregate 9M20, Mobile World completed 74% and 86% of 2020 revenue target and 2020 NPAT target, respectively.

- ▶ Pros & cons: YoY NPAT growth to extend in 4Q20

We maintain our view that Bach Hoa Xanh will hold revenue key driver, estimated to grow 69.3% yoy in 4Q20, premised by revenue contribution of 615 stores opened in 9M20. Although Bach Hoa Xanh's expense optimization strategy is still on track, we do not revise up Bach Hoa Xanh's profit margins in 4Q20 due to (1) the increase of operating expense ratio in store conversion period of "VND05bn" Bach Hoa Xanh stores and (2) the increase of depreciation ratio (on revenue) due to the large-scale store upgrade and new DCs operation.

We are concerned that market demand of mobile phones (ICTs) and consumer electronics (CEs) will remain weak in 4Q20. However, The Gioi Di Dong & Dien May Xanh can achieve better performance versus rest of market thanks to large scale advantage, strong brand, high generated cash flow and Dien May Xanh's footstep in small areas via Super-mini format. We estimate The Gioi Di Dong & Dien May Xanh to post VND20,898bn revenue in 4Q20 (-4.2% yoy).

Overall, we estimate Mobile World to reach VND27,341bn revenue (+7.6% yoy) and VND977bn NPAT (+13.6% yoy) in 4Q20. Furthermore, we estimate Mobile World to achieve VND108,693bn revenue (+2.3% yoy) and VND3,955bn NPAT (+11.2% yoy), completing 99% and 115% of 2020 revenue target and 2020 NPAT target, respectively.

► Action: Maintain BUY at TP of VND155,000

Despite weakening demand of ICTs and CEs, we expect that earnings protection efforts of The Gioi Di Dong & Dien May Xanh and effective expansion of Dien May Xanh Super-mini format, will support Mobile World to achieve yoy NPAT growth in 2020.

Based on 3-Y average PE multiple of 13.0x, we evaluate MWG share value at VND155,000 per share. At today (Nov 24, 2020) price of VND112,000, the total expected return is 39.7%, including 1.3% cash dividend yield. Our recommendation on MWG is BUY.

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

► 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	-

- **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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