

Xin Chao Vietnam

Market performance

	8 Dec	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,029.26	(0.1)	9.7	15.6	7.1
Turnover (VND bn)	10,387				
VN30 (pt, % chg.)	993.61	0.2	10.0	20.1	13.0

Major indicators

	8 Dec	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.56	0.1	0.0	(0.1)	(0.9)
3-yr gov't bonds (% bp chg.)	0.94	0.1	(0.1)	(0.3)	(0.7)
VND/USD (% chg.)	23,129	(0.0)	0.2	0.2	0.2
VND/JPY (% chg.)	22,236	(0.0)	(1.1)	(1.7)	(4.1)
VND/EUR (% chg.)	28,021	0.2	(1.7)	(2.2)	(7.3)
VND/CNY (% chg.)	3,542	(0.0)	(1.3)	(4.5)	(6.1)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.93	0.0	0.1	0.3	(1.0)
WTI (USD/bbl, % chg.)	45.63	(0.3)	22.9	24.1	(25.3)
Gold (USD/oz, % chg.)	48.66	(0.3)	23.3	22.3	(26.3)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNM	40.9	HCM	(367.2)
TCB	31.4	FUEVFNVD	(87.3)
PNJ	30.0	DIG	(18.9)
HPG	22.2	STB	(14.4)
DGC	19.5	HSG	(14.1)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUEVFNVD	80.6	GEX	(35.5)
GAS	32.1	GMD	(33.6)
HSG	28.7	VIC	(27.8)
KDH	20.3	PAN	(26.8)
VCB	13.8	VNM	(23.6)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Health Care	7.0	Energy	(1.0)
Diversified Financials	4.4	Automobiles	(0.9)
Technology	2.6	Real Estate	(0.5)
Insurance	2.3	F&B	(0.5)
Media & Entertainment	1.6	Pharmaceuticals	(0.3)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Close in red territory
- **Vietnam:** Petroleum prices to push CPI up

Macro & strategy

- **Fundflow 30 Nov - 04 Dec:** Inflow across Vietnam hits one-year high
- **December Fixed Income view:** Super low-rate environment may reverse soon

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	29.7	15.2	2.7	13.6	17.7
2019	238,659	144,922	24.2	13.8	2.4	11.0	17.4
2020F	270,014	151,973	7.0	14.9	2.4	10.6	16.1
2021F	304,264	177,159	18.9	12.5	2.0	9.5	16.4

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	5.9	6.1	2.0	8.2

Source: KIS, Bloomberg

Market commentary & News

Market commentary

Close in red territory

Hieu Tran
hieu.ttm@kisvn.vn

Vietnam stock market reversed to go down after the fifth-gaining session in a row.

At the close, the VNIndex closed almost unchanged at 1,029 pts. Meanwhile, trading volume increased to 480 million shares or VND10,386bn.

Foreign investors reversed to sell with a net value of VND70bn on HSX. They sold GEX, GMD, and VIC the most with a net value of VND35bn, VND33bn, and VND27bn, respectively.

Selling pressure pushed down Real Estates and Consumer staples due to SAB (-0.5%), VNM (-0.7%), MSN (-0.6%), VIC (-0.8%), VHM (-0.4%), ROS (-0.9%), SCR (-1.1%), and TCH (-1.5%).

Brokerage stocks were the market leaders, thanks to SSI (+6.6%), HCM (+6.9%), and VND (+4.2%). Investors expected that their business results would improve in 2020 thanks to high liquidity of Vietnam stock market.

Moreover, some constituents of VN30Index, such as HDB (+1.6%), MBB (+2.1%), and STB (+1.9%), jumped more than 1%.

Despite the contraction, the short-term uptrend is dominant as the VNIndex closed above all significant thresholds. Thus, traders should hold their long position and focus on leading stocks.

Breaking news

▶ Vietnam: Petroleum prices to push CPI up

In November, CPI witnessed a reduction of 0.01% compared to the previous month, recording the first negative growth rate after a series of five rising months. Consequently, the yearly change in CPI slowed down more significantly as the current monthly change was much lower than that in November 2019. Specifically, CPI increased by 1.48% YoY in this period, 99bps-lower than the previous month. The 12-month rolling inflation rate posted 3.66%, 34bps-lower than the authority target rate of 4%. The increase in petroleum product prices in November likely put upward pressure on the next period. However, the downturn in F&Fs index tends to soften due to the mitigating reduction in pork price. We use those patterns to predict CPI to increase by 0.16% MoM in the next period. (GSO, KIS)

Macro & strategy

Fundflow 30 Nov - 04 Dec

Inflow across Vietnam hits one-year high

Dang Le
dang.lh@kisvn.vn

▶ Vietnam foreign flow

Last week, selling activities slowed down. Net sell value recorded at USD2mn, six times lower than the previous week.

Breaking down by sectors, selling pressure focused on Industrials, Consumer Discretionary, and Utilities. Net sell value recorded at USD70mn, USD3mn, and USD1.3mn. Particularly, foreign selling activities mainly absorbed by DIG, GMD, LCG, and FRT, fading the sharp buying activities on VJC. On the contrary, Real Estate continued to attract the most foreign demand across the market thanks to large buy orders on VHM and VRE. Financials and Consumer Staples turned around to be net bought, mainly driven by high demand on VPB, MBB, VNM, MSN, and SAB.

▶ South East Asia ETF flow

The positive flow of money maintained across SEA with net inflow recorded at USD65mn, two times higher than the previous week. To be specific, the surge in money inflow mainly driven by the positive flow of money across Singapore and Vietnam. Others countries such as Thailand, Indonesia, and Philippines also attracted money inflow after experiencing the series of

outflow whilst Malaysia recorded no money outflow/inflow last week.

Vietnam was one of the main driver for the positive flow of money across SEA. Net inflow recorded at USD26mn, one-year high. Of which, VFMVN Diamond ETF was the main contributor which attracted the total of USD24.2mn (all time high) last week.

December Fixed Income view

Super low-rate environment may reverse soon

Tuan Doan
tuan.doan@kisvn.vn

► Interbank rates to rise

In November, short-term interbank rates such as overnight, one-week, two-week surrounded their previous lows while other longer-term rates such as one-month, three-month recorded rebounds compared to October. We argue that the loan market's recent progress remains short-term rates low, while rebounds in longer-term rates seem to reflect the expected excitement in 2020-end. We model the relationship between credit growth and interbank rates, recent interbank market movements, and seasonality, and predict the ON rate to surge to 0.80% in December 2020.

► Low bond yields to come to an end

November data from the G-bond auctions showed that investors found less interest in G-bonds, especially with a maturity of less than 10 years, when yields remained at historic low levels. As credit growth starts accelerating in November, we remain our view that liquidity of the banking system would not be as easing as before, then it would put more upward pressure on the G-bond yields in December and January.

► VND to jump up from recent USD sell-off

A recent USD sell-off in November put massive upward pressure on other currencies, including VND. A notable increase in the month may give an early signal that VND would be adjusted more upward in the case that USD continues to depreciate and USD supply remains more and more abundant.

New listing & Public offerings

► New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
12/10/2020	MTB	Thai Binh Environment And Urban Projects JSC	UPCoM	62.8	6,278,259	10,000
12/10/2020	MXC	Mua Xuan Agriculture Center	UPCoM	7.0	700,938	20,300

► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
12/31/2020		Bong Sen Guest House	93.0	5,899,200	10,000	-
12/25/2020	SHG	Song Hong Corporation	270.0	13,241,200	10,000	-
12/24/2020		HUD.VN - Social Housing Development JSC	221.2	16,139,124	10,800	Whole lot sale
12/23/2020	MSB	Maritime Bank	11,750.0	4,031,812	13,000	Whole lot sale
12/22/2020	VOC	Vietnam Vegetable Oils Industry Corporation	1,218.0	44,211,900	18,540	-
12/21/2020	HUDKG	HUD Kien Giang Investment Construction JSC	355.0	34,845,100	34,000	Whole lot sale; Foreigners can buy 18,105,000 shares
12/18/2020	ITJ	Becamex Infrastructure Development JSC	1,371.0	80,000,000	12,500	-
12/16/2020	HAN	Hanoi Construction Corp	1,410.5	139,399,608	19,930	Foreigners can buy 69,113,520 shares
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

- **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..