

Xin Chao Vietnam

Market performance

	11 Dec	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,045.96	1.5	9.8	17.7	8.8
Turnover (VND bn)	10,558				
VN30 (pt, % chg.)	1,008.65	1.4	10.0	22.2	14.7

Major indicators

	11 Dec	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.49	(0.0)	(0.0)	(0.1)	(0.9)
3-yr gov't bonds (% bp chg.)	0.87	(0.0)	(0.1)	(0.1)	(0.8)
VND/USD (% chg.)	23,129	0.0	0.2	0.2	0.2
VND/JPY (% chg.)	22,233	(0.2)	(1.2)	(1.9)	(4.1)
VND/EUR (% chg.)	28,127	(0.6)	(2.6)	(2.4)	(7.6)
VND/CNY (% chg.)	3,534	0.0	(1.2)	(4.1)	(5.8)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.88	(0.0)	(0.1)	0.2	(1.0)
WTI (USD/bbl, % chg.)	46.70	(0.2)	12.7	25.1	(23.5)
Gold (USD/oz, % chg.)	50.09	(0.3)	14.4	25.8	(24.1)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VPB	44.7	FUEVFNVD	(208.9)
MWG	40.3	VNM	(43.9)
MBB	37.2	HPG	(42.1)
FPT	37.2	VCB	(34.8)
PNJ	28.0	PME	(14.4)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
PME	382.6	GMD	(218.2)
FUEVFNVD	209.5	PAN	(20.4)
VCB	74.3	BVH	(17.7)
VHM	54.9	KDH	(12.7)
VJC	46.9	HDB	(12.1)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Others	4.0	Telecommunication	(4.4)
Consumer Durables	4.0	Media & Entertainment	(1.5)
Energy	2.6	Commercial Services	(0.1)
Materials	2.5		
Diversified Financials	2.2		

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Strong rebound
- **Vietnam:** G-bonds remained attractive in the secondary market

Macro & strategy

- **Chart of the day:** A new peak?

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	7.1	15.2	2.4	10.7	16.1
2021F	304,264	177,159	18.9	12.8	2.1	9.6	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

Strong rebound

Hieu Tran
hieu.ttm@kisvn.vn

Despite the contraction of the global market, Vietnam stock market resumed its uptrend thanks to high demand.

At the close, the VNIndex gained 1.46% to close at 1,045 pts. Meanwhile, trading volume decreased to 463 million shares or VND10,557bn.

Foreign investors continued to buy with a net value of VND bn on HSX. They purchased PME, FUEVFNVD, and VCB the most with a net value of VND382bn, VND209bn, and VND74bn, respectively.

Energy and Real Estate were the market leaders thanks to VIC (+1.8%), VHM (+1.7%), VRE (+1.4%), GAS (+2.0%), PVT (+1.5%), PVD (+3.0%), PLX (+2.7%), POW (+3.1%), and PVS (+2.7%).

Some constituents of the VN30Index, such as BID (+4.2%), CTG (+2.2%), MBB (+2.1%), PNJ (+6.0%), SAB (+3.3%), SSI (+3.2%), and VJC (+2.0%), jumped more than 2%.

Besides, cash flowed into Material, namely HSG (+4.0%), HPG (+3.2%), and NKG (+5.1%). Of which, HPG will divest from the furniture industry in 2021 while it will set up four corporations to restructure operations.

In contrast, EIB (-0.5%), KDH (-0.1%), ROS (-0.4%), and VHC (-0.1%) closed in the red territory.

Based on the strong recovery, short-term uptrend is still intact. Thus, traders should hold their long position and focus on leading stocks.

Breaking news

- ▶ Vietnam: G-bonds remained attractive in the secondary market

The G-bond secondary market continued to be exciting as the trading value reached the second-highest of VND162tn since March, although slowing down moderately by 8.46% MoM. Long-term G-bonds, including 10-year and 15-year, were being traded the most with 38.07% of the total (VND61.87tn) and 18.88% of the total (VND30.67tn), respectively. Mid-term G-bonds with 5-year and 7-year tenors accounted for 11.02% (VND17.91tn) and 5.24% (VND8.52tn) of the total, while short-term 1-year, 2-year, and 3-year G-bonds made up a very small part, of 0.99%, 0.45%, and 0.38% of the total, respectively. By bond type, government bonds were mostly traded when accounting for about 93.74% of the total trading value (VND152.33tn), the rest were from government-guaranteed bonds (VND10.17tn; 6.26%). By investor type, domestic investors accounted for 98.38%, and foreign investors made up the remaining 1.62%. (HNX, KIS)

Macro & strategy

Chart of the day

A new peak?

Hieu Tran
Hieu.ttm@kisvn.vn

- ▶ Market performance

The VNIndex continued to go up for the sixth-gaining week thanks to the optimistic sentiment.

- ▶ Chart: A new peak in 2020?

In the long term, the bullish market is still intact as the long-term moving average, such as 50-period moving average and 100-period moving average, go up.

In the short term, the VNIndex records a new high in 2020, implying the uptrend. Besides, Momentum indicators confirm the current trend as Stochastic and RSI go into overbought. Moreover, market sentiment has become optimistic as high trading

volume.

With the congestion zone, the broken 1,000 pts area turns around to act as the short-term support. On the upside, 1,080-1,100 pts (the peak in May 2018) is the short-term resistance for VNIndex.

→ In the short term, the bullish market is dominant thanks to the confirmation of all indicators.

► Technical strategy: Hold the positions

As mentioned above, the Vietnam stock market maintains an upward trend. Thus, investors should hold long positions and focus on leading stocks.

New listing & Public offerings

► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
1/7/2021	HATIFA	Hatifa., JSC	35.0	1,260,000	16,100	Whole lot sale
12/31/2020		Bong Sen Guest House	93.0	5,899,200	10,000	-
12/30/2020		Binh Thuan - Transportation Works JSC	20.7	1,905,177	20,600	Whole lot sale
12/29/2020	BENOVAS	Benovas Oncology JSC	100.0	2,900,000	11,300	Whole lot sale
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
12/24/2020	TEC	Traenco JSC	16.6	321,638	10,000	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	-

- **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..