

Xin Chao Vietnam

Market performance

	16 Dec	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,066.99	1.1	12.2	18.9	11.0
Turnover (VND bn)	11,862				
VN30 (pt, % chg.)	1,029.72	1.6	12.4	23.4	17.1

Major indicators

	16 Dec	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.43	0.0	(0.0)	(0.1)	(1.0)
3-yr gov't bonds (% bp chg.)	0.81	0.0	0.1	(0.3)	(0.9)
VND/USD (% chg.)	23,126	0.0	0.2	0.2	0.2
VND/JPY (% chg.)	22,388	(0.3)	(1.0)	(1.4)	(4.8)
VND/EUR (% chg.)	28,126	0.1	(2.4)	(2.4)	(7.6)
VND/CNY (% chg.)	3,542	(0.1)	(0.7)	(3.2)	(6.0)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.92	0.0	0.0	0.2	(1.0)
WTI (USD/bbl, % chg.)	47.75	0.3	15.5	18.9	(21.8)
Gold (USD/oz, % chg.)	50.89	0.3	16.1	20.5	(22.9)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	41.5	FUESSVFL	(72.5)
REE	12.8	HNG	(58.3)
KPF	12.3	VGC	(40.8)
EIB	11.5	VNM	(26.3)
MBB	11.0	STB	(21.9)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUESSVFL	72.5	PAN	(91.4)
CTG	52.0	HPG	(83.6)
VCB	34.6	SSI	(39.4)
BID	31.0	GEX	(36.2)
VJC	29.2	VRE	(32.8)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Banks	2.7	Diversified Financials	(0.7)
Transportation	2.3	Media & Entertainment	(0.7)
Household Products	0.9	Pharmaceuticals	(0.3)
Consumer Durables	0.8	Automobiles	(0.1)
Software & Services	0.7	Energy	(0.0)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Cash flows into Banking
- **China:** Manufacturing growth reaches the highest level for a decade
- **Vietnam:** Vietnam is put on the list of the U.S. currency manipulation

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	29.7	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	15.4	2.5	10.7	16.1
2021F	304,264	177,159	18.9	13.0	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	4.5	2.2	(3.5)	3.9
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

Cash flows into Banking

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After the contraction on Tuesday, Vietnam stock market maintained its uptrend thanks to the rebound of banking stocks, namely CTG (+1.1%), VCB (+2.1%), BID (+2.8%), MBB (+3.5%), STB (+4.1%), and VPB (+4.3%). Notably, TCB limited up.

At the close, the VNIndex jumped by 1.11% to close at 1,066 pts. Meanwhile, trading volume recorded to 591 million shares or VND11,861bn.

Foreign investors continued to sell with a net value of VND222bn on HSX. They sold PAN, HPG, and SSI the most with a net value of VND91bn, VND83bn, and VND39bn, respectively.

Moreover, Aviation outperformed the benchmark index because of HVN (+2.9%) and VJC (+2.5%).

FPT rose by 0.7% after it announced the revenue of VND26,341bn (+7.4% YoY) and net income of VND 3,288bn (+8,6% YoY) in the first 11 months of 2020.

Some constituents of the VN30Index, such as KDH (+1.8%), NVL (+2.4%), ROS (+1.3%), SBT (+1.0%), and VRE (+1.3%), jumped more than 1%.

Based on the rebound, the VNIndex confirms the short-term uptrend. Thus, traders should hold their long position and focus on leading stocks.

Breaking news

- ▶ China: Manufacturing growth reaches the highest level for a decade

According to the latest data, operating conditions in the manufacturing sector was strengthening at the fastest pace in a decade thanks to output and new orders accelerating to 10-year highs. Particularly, the manufacturing PMI index increased to 54.9 from 53.6 in October, which is the fastest improvement since November 2010. This also helped the employment growth at a record high since May 2011. Business confidence regarding 2021's outlook for output remained remarkably positive, although easing slightly from October. (IHS Markit)

- ▶ Vietnam is put on the list of the U.S. currency manipulation

Last night, the US Treasury Department issued a notice to put Vietnam and Switzerland on the list of currency manipulation because Vietnam met three standards of a currency manipulation country (1) Vietnam trade surplus with the U.S. exceeded USD20bn, of which Vietnam trade surplus was of USD58bn as of June 2020 from USD47bn as of June 2019. (2) Current account surplus exceeding 2% of GDP, specifically trailing four quarters of 4.6% (3) Continued foreign exchange net purchases exceeding 2% of GDP. Foreign exchange market intervention increased from less than 1% of GDP to more than 5.1% in 2020.

After being included in this list, Vietnam will not be subject to immediate sanctions from the US, but Vietnam will have to negotiate with the U.S. and the IMF to resolve the issues. If the problem cannot be resolved, the U.S. will introduce sanctions, including tariffs. The penalties can be imposed after 1 year. However, in the short term, the market may react negatively to this information. (KIS Vietnam, The U.S. Department of the Treasury)

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	-

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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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