

Xin Chao Vietnam

Market performance

	18 Dec	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,067.46	1.5	9.6	18.5	11.1
Turnover (VND bn)	13,238				
VN30 (pt, % chg.)	1,036.65	1.9	10.6	23.2	17.9

Major indicators

	18 Dec	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.)	0.72	(0.2)	(0.2)	(0.4)	(0.9)
VND/USD (% chg.)	23,125	0.0	0.2	0.2	0.2
VND/JPY (% chg.)	22,332	0.4	(0.0)	(0.8)	(4.5)
VND/EUR (% chg.)	28,353	(0.5)	(3.1)	(3.0)	(8.4)
VND/CNY (% chg.)	3,536	0.1	(0.1)	(3.2)	(5.9)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.94	0.0	0.1	0.2	(1.0)
WTI (USD/bbl, % chg.)	48.33	(0.1)	15.6	17.6	(20.8)
Gold (USD/oz, % chg.)	51.43	(0.1)	16.0	19.2	(22.1)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	60.3	E1VFN30	(19.4)
VPB	37.5	MBB	(18.1)
SBT	31.0	HNG	(12.8)
FPT	27.0	STB	(12.0)
PNJ	24.1	DPR	(10.9)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
TPB	118.6	HPG	(121.3)
MBB	57.9	VNM	(116.5)
VHM	51.9	VJC	(36.0)
VRE	51.8	POW	(33.9)
BID	45.1	BVH	(28.8)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Diversified Financials	5.6	Technology	(0.8)
Others	5.2	Health Care	(0.2)
Banks	2.7	Household Products	(0.2)
Energy	2.5		
Materials	1.6		

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Strong rebound
- **U.S.:** Economic recovery slows down due to COVID-19 situation accelerating

Macro & strategy

- **Chart of the day:** High level of trading activities

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	15.4	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

Strong rebound

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Vietnam stock market rebounded after the sharp contraction as the fear of currency manipulation was reduced.

At the close, the VNIndex jumped by 1.43% to close at 1,067 pts. Meanwhile, trading volume recorded to 623 million shares or VND13,237bn.

Foreign investors reversed to buy with a net value of VND52bn on HSX. They purchased TPB, MBB, and VHM the most with a net value of VND118bn, VND57bn, and VND51bn, respectively.

Financai was the market leaders thanks to HCM (+6.0%), STB (+2.4%), MBB (+4.5%), TCB (+3.0%), HDB (+4.2%), BID (+1.3%), VCB (+3.0%), and CTG (+1.5%). Notably, SSI, VND, and VPB limited up.

Cash flowed into some constituents of VN30Index such as PLX (+2.9%), HPG (+2.5%), PNJ (+2.0%), and SAB (+1.9%).

In contrast, PVT (-0.4%), FLC (-1.2%), SCR (-0.3%), and VHC (-3.6%) closed in red territory.

The strong rebound pushes the downside risk down in the short term. Therefore, the uptrend is still intact. Traders should hold their long position and focus on leading stocks.

Breaking news

- ▶ U.S.: Economic recovery slows down due to COVID-19 situation accelerating

The worsening pandemic situation raises some concerns about the economic recovery as the recovery pace in both manufacturing and services sectors are expected to slow down in the last month of 2020. According to the flash report for December economic activity from the IHS Markit, the Flash U.S. Composite Output PMI index reached 55.7 from 58.6 in November, hitting a 3-month low. More specifically, the U.S. services business activity and manufacturing indices recorded at 55.3 and 56.5, which were lower compared to 58.4 and 56.7 in November, respectively. (IHS Markit)

Macro & strategy

Chart of the day

High level of trading activities

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- ▶ Market performance

The VNIndex kept following the bullish path thanks to the optimistic sentiment as well as the long-term bull confirmation.

- ▶ Chart: High level of trading activities

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

With congestion zone, the broken 1,030-1,050 pts area turns around to act as the short-term support. On the upside, 1,200 pts area (the all-time high) is the short-term resistance for VNIndex.

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. However, the medium-term MAs (MA20 and MA50) has traveled too far from MA200, signaling the high level of trading activities.

- Trading activities is at the high level and the collapse could happen.

- Technical strategy: Hold the positions

As mentioned above, trading activities reach the high level and the strong collapse has high probability to occur. However, the long-term bull is active. Thus, investors should hold the current positions and increase the proportion on leading stocks when the correction phase steps in.

New listing & Public offerings

► New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
12/24/2020	PRE	PVI Reinsurance JSC	HNX	728.0	72,800,000	20,000
12/24/2020	PGB	Petrolimex Group Commercial JSB	UPCoM	3,000.0	300,000,000	15,500
12/23/2020	MSB	Vietnam Maritime Commercial JSB	HSX	11,750.0	1,175,000,000	15,000

► 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	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

- **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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