

Xin Chao Vietnam

Market performance

	21 Dec	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,081.08	1.3	9.2	19.1	12.5
Turnover (VND bn)	14,178				
VN30 (pt, % chg.)	1,049.71	1.3	10.4	23.3	19.4

Major indicators

	21 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.)	0.90	0.2	0.2	(0.2)	(0.8)
VND/USD (% chg.)	23,125	0.0	0.2	0.2	0.2
VND/JPY (% chg.)	22,285	0.5	(0.6)	(0.6)	(4.3)
VND/EUR (% chg.)	28,280	0.3	(2.7)	(2.7)	(8.1)
VND/CNY (% chg.)	3,530	0.2	(0.4)	(3.5)	(5.7)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.90	(0.0)	0.1	0.2	(1.0)
WTI (USD/bbl, % chg.)	46.57	(5.2)	10.5	18.5	(23.7)
Gold (USD/oz, % chg.)	49.65	(5.0)	10.4	19.8	(24.8)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	79.9	FUEVFNVD	(98.2)
VHM	61.3	HNG	(57.6)
FPT	43.0	TCB	(50.6)
MWG	28.4	EIB	(33.3)
ACB	27.1	GTN	(14.3)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUEVFNVD	97.9	LCG	(50.0)
HPG	53.3	MBB	(32.1)
VCB	31.4	VHC	(24.0)
VHM	27.2	KBC	(23.2)
VIC	26.2	VRE	(19.9)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	7.0	Media & Entertainment	(1.2)
Others	6.4	Technology	(0.8)
Diversified Financials	6.0	Consumer Services	(0.2)
Health Care	3.4	Household Products	(0.0)
Commercial Services	2.7		

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** VNIndex reaches the highest level since May 2018
- **Vietnam:** Strong manufacturing output to offset downward pressure on services area

Macro & strategy

- **Fundflow 14 - 18 Dec:** Inflow keeps increasing across Vietnam

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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	15.6	2.5	10.7	16.1
2021F	304,264	177,159	18.9	13.1	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	4.6	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

VNIndex reaches the highest level since May 2018

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Vietnam stock market maintained its uptrend thanks to optimistic market sentiment.

At the close, the VNIndex surged by 1.28% to close at 1,081 pts, reaching the highest level since May 2018. Meanwhile, trading volume increased to 680 million shares or VND14,178bn.

Foreign investors continued to buy with a net value of VND148bn on HSX. They purchased FUEVFNVD, HPG, and VCB the most with a net value of VND97bn, VND53bn, and VND31bn, respectively.

Financial was the market leaders because of EIB (+7.0%), VPB (+4.3%), ACB (+1.9%), HDB (+5.3%), and BID (+1.0%). Notably, cash flowed into Brokerages, namely SSI (+6.9%), HCM (+5.3%), and VND (+6.8%).

Moreover, Real Estate outperformed the benchmark index thanks to VIC (+1.6%), VHM (+2.1%), SCR (+6.1%), and KDH (+1.4%).

Some constituents of VN30Index such as SBT (+5.1%), GAS (+1.6%), FPT (+1.1%), REE (+1.1%), and MWG (+1.0%), jumped more than 1%. Among these, in Employee Conference and review activities in 2020, GAS expected that revenue of VND66,182bn, pre-tax profit of VND9,905bn, profit after tax of VND7,883bn in 2020.

In contrast, HPG (-0.1%), MSN (-0.4%), ROS (-0.5%), and SAB (-0.9%) closed in red territory.

In the short term, the uptrend is strong thanks to the high demand on large-cap stocks. Therefore, traders should hold their long position and focus on leading stocks.

Breaking news

- ▶ Vietnam: Strong manufacturing output to offset downward pressure on services area

After a disruption in business activity in November due to the social lockdown across many Europe countries, the downward pressure has been eased somewhat driven by strong growth in manufacturing sector. According to the latest number from IHS Markit, the Flash PMI Composite Output index for December recorded nearly unchanged from a month ago, at 49.8 index point. More specifically, the growth in the manufacturing sector continued to gain more momentum as the corresponding Flash PMI for manufacturing output climbed to 56.6 from 55.3 in the previous month. Meanwhile, the services sector saw a marginal contraction after a steep downturn when the Flash PMI for business activity posted 47.3, significantly higher than 41.7 in November. (IHS Markit)

Macro & strategy

Fundflow 14 - 18 Dec

Inflow keeps increasing across Vietnam

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- ▶ Vietnam foreign flow

Last week, selling activities surged across the market. Net sell value recorded at USD96mn, a one-month high.

Breaking down by sectors, selling pressure focused on Industrials, Consumer Staples, and Real Estate. Net sell value recorded at USD32.6mn, USD28mn, and USD20mn. Particularly, foreign selling activities were mainly absorbed by TMS, GMD, VNM, VHC, PAN, VRE, and NVL, fading the sharp buying activities on HDG, VJC, MSN, and VHM. Besides, Materials also turned around to be net sold due to the massive selling activities on HPG. Financials also experienced the surge in foreign selling activities thanks to large sell orders on SSI.

► South East Asia ETF flow

The positive flow of money maintained across SEA with net inflow recorded at USD64mn. To be specific, the high level of money inflow continued to be driven by the positive flow of money across Singapore and Vietnam. Others countries such as Thailand and Philippines continued to attract money whilst Indonesia experienced the outflow.

Inflow across Vietnam has stayed at the high level and became the main contributor for the positive flow of money across SEA. Net inflow recorded at USD52mn, a two-year high. Of which, VFMVN Diamond ETF and X FTSE Vietnam led the flow of money which attracted the total of USD45mn last week.

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	-

- **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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