

# Xin Chao Vietnam

## Market performance

	29 Dec	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,099.49	0.7	8.8	21.6	14.4
Turnover (VND bn)	14,457				
VN30 (pt, % chg.)	1,058.39	0.4	9.0	23.6	20.4

## Major indicators

	29 Dec	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.50	(0.0)	(0.0)	(0.1)	(0.9)
3-yr gov't bonds (% bp chg.)	0.88	(0.0)	0.2	(0.2)	(0.8)
VND/USD (% chg.)	23,126	0.0	0.1	0.3	0.2
VND/JPY (% chg.)	22,311	(0.1)	(0.6)	(1.7)	(4.4)
VND/EUR (% chg.)	28,304	(0.3)	(2.1)	(4.2)	(8.2)
VND/CNY (% chg.)	3,541	(0.1)	(0.7)	(4.0)	(6.0)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.94	0.0	0.1	0.3	(1.0)
WTI (USD/bbl, % chg.)	48.31	1.4	6.1	23.0	(20.9)
Gold (USD/oz, % chg.)	51.58	1.4	7.1	25.7	(21.8)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
BBC	155.1	GVR	(50.4)
NVL	51.4	MBB	(25.1)
SSI	35.1	CII	(23.7)
ACB	26.3	FUEVFVND	(20.6)
VIC	21.7	SBT	(20.4)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VRE	92.3	BBC	(465.3)
HPG	45.1	SSI	(74.7)
BVH	44.3	VHC	(56.4)
VCI	39.6	MSN	(40.5)
SBT	36.3	CTG	(37.0)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Household Products	5.7	Health Care	(4.7)
Insurance	4.5	Others	(2.2)
Real Estate	1.7	Diversified Financials	(0.3)
Consumer Services	1.4	Technology	(0.3)
Capital Goods	1.2	Pharmaceuticals	(0.1)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Retest 1,100-pts threshold
- **Vietnam:** FDI disbursement ends 2020 at a record high

### Macro & strategy

- **Economic Flash:** Domestic output exceeds expectations

### 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	15.7	2.5	10.9	16.1
2021F	304,264	177,159	18.9	13.2	2.2	9.8	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	6.0	6.1	2.0	8.2

Source: KIS, Bloomberg

## Market commentary & News

### Market commentary

#### Retest 1,100-pts threshold

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Vietnam stock market maintained its uptrend amid the recovery of the global financial market.

At the close, the VNIndex gained 0.75% to close at 1,099 pts. Meanwhile, trading volume decreased to 678 million shares or VND14,457bn.

Foreign investors continued to sell with a net value of VND370bn on HSX. They sold BBC, SSI, and VHC the most with a net value of VND465bn, VND74bn, and VND56bn, respectively.

Real Estate was the market leader thanks to VIC (+0.6%), VHM (+3.0%), VRE (+3.9%), NVL (+1.2%), NLG (+1.4%), DXG (+6.6%), FLC (+1.2%), SCR (+4.5%), KDH (+1.4%), and TCH (+1.3%).

Cash flowed into Consumer Staples namely SAB (+1.4%), VNM (+0.5%), MSN (+1.0%), and PAN (+7.0%).

Moreover, some constituents of VN30Index such as POW (+2.3%), BID (+1.9%), FPT (+1.2%), and VCB (+1.2%), soared more than 1%.

In contrast, VPB (-1.9%), SSI (-0.9%), ROS (-0.8%), HDB (-0.8%), and MBB (-0.4%) closed in red territory.

The bullish market is dominant in the short term as the VNIndex retests the 1,100-pts threshold. Therefore, traders should hold their long position and focus on leading stocks.

### Breaking news

- ▶ Vietnam: FDI disbursement ends 2020 at a record high

December marked a new record for foreign investment activity as FDI disbursement reached the highest level by the end year even the COVID-related investment risk still lingering. Meanwhile, restrictions on global mobility, due to the outbreak in early December, continued to drag on the FDI registration, down to a 3-month low. More specifically, the total registered capital recorded USD2.10bn in the month, decreasing by 66.29% YoY. Meanwhile, FDI disbursement ended the year at its all-time high level, at USD2.78bn, increasing by 0.72% YoY. MPI, KIS)

## Macro & strategy

### Economic Flash

#### Domestic output exceeds expectations

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- ▶ GDP growth beats all expectations

Vietnam's real gross domestic product (GDP) recorded an impressive acceleration in 2020Q4, resulting in a whole-year growth rate higher than all market expectations. According to the latest GSO's estimate, Vietnam's economy increased by 4.48% YoY in 2020Q4, 1.78 percent point-higher than 2020Q3. Consequently, the corresponding GDP growth rate in 2020 posted 2.91%, outperforming estimates setting by major international economic institutions such as IMF (1.60%), World Bank (2.80%), ADB (1.80%).

- ▶ Trade makes a big move

In December, trade activities witnessed a significant acceleration, while the trade balance turned into a deficit after a surplus streak lasting seven months. According to GSO, trade value rose by 20.16% YoY, 7.03%-higher than November, while export and import rose by 17.63% YoY and 22.70% YoY to post USD26.50bn and USD27.50bn, respectively. Therefore, the trade balance recorded a deficit of USD1.00bn this month, marking a break in the surplus chain starting from May.

► New FDI continues to set multi-month high

November data showed that a recent growth in registered FDI continues to gain upward momentum in November with a relatively strong economic outlook in the post crisis.

► Industrial production is losing high growing pace

In November, the industrial growth continued its upward momentum for 7 months, however the growing pace was hitting the lowest since May. By end of November, IIP recorded a new all-time high for the 3 consecutive months, increasing by 0.5% MoM and 9.2% YoY.

## New listing & Public offerings

► **New listing**

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
1/6/2021	TNH	Thai Nguyen International Hospital JSC	HSX	415.0	41,500,000	25,000
12/31/2020	BKG	BKG VietNam Investment JSC	HSX	320.0	32,000,000	11,000
12/31/2020	DTE	Dai Truong Thanh Holdings Energy Investment JSC	UPCoM	507.3	50,725,887	11,200

► **Public offerings**

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
1/27/2021	BCE	Binh Duong Construction & Civil Engineering JSC	300.0	5,000,000	10,000	-
12/30/2020		Binh Thuan - Transportation Works JSC	20.7	1,905,177	20,600	Whole lot sale

- **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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