

Xin Chao Vietnam

Market performance

	31 Dec	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,103.87	0.6	10.0	21.9	14.9
Turnover (VND bn)	10,614				
VN30 (pt, % chg.)	1,070.77	1.1	10.9	24.7	21.8

Major indicators

	31 Dec	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.43	(0.0)	(0.1)	(0.1)	(1.0)
3-yr gov't bonds (% bp chg.)	0.85	0.0	(0.1)	0.0	(0.8)
VND/USD (% chg.)	23,098	(0.0)	0.2	0.4	0.3
VND/JPY (% chg.)	22,420	(0.2)	(1.1)	(1.9)	(4.9)
VND/EUR (% chg.)	28,469	(0.3)	(2.6)	(4.2)	(8.8)
VND/CNY (% chg.)	3,531	0.2	(0.4)	(3.3)	(5.7)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.92	(0.0)	0.1	0.2	(1.0)
WTI (USD/bbl, % chg.)	48.29	(0.2)	6.5	20.1	(20.9)
Gold (USD/oz, % chg.)	51.54	(0.2)	8.3	25.9	(21.9)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	84.6	MBB	(149.1)
CTD	38.2	HNG	(82.9)
FPT	28.2	FUEVFVND	(72.1)
MSN	24.2	TRA	(33.4)
TCB	23.5	GVR	(25.4)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	75.9	KBC	(16.1)
FUEVFVND	72.8	VPB	(15.2)
MBB	22.0	NVL	(10.9)
PLX	16.2	GVR	(10.8)
CTG	10.5	VNM	(9.1)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Others	4.1	Telecommunication	(6.9)
Technology	3.8	Energy	(0.3)
Diversified Financials	3.7	Real Estate	(0.2)
Software & Services	1.8	Household Products	(0.1)
Insurance	1.6	Health Care	0.0

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Break through 1,100-pts threshold
- **Vietnam:** Retail sales sustain upturn

Macro & strategy

- **Chart of the day:** Break from 1,100-pts threshold

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	7.2	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

Break through 1,100-pts threshold

Hieu Tran
hieu.ttm@kisvn.vn

Vietnam stock market resumed its uptrend last week thanks to high demand on MSN (+6.5%).

At the close, the VNIndex gained 0.58% to close at 1,103 pts. Meanwhile, trading volume recorded to 499 million shares or VND10,614bn.

Foreign investors reversed to buy with a net value of VND212bn on HSX. They purchased HPG, FUEVFNVD, and MBB the most with a net value of VND75bn, VND72bn, and VND22bn, respectively.

Financial stocks were the market leaders because of SSI (+5.1%), HCM (+2.1%), VND (+2.0%), BVH (+1.5%), VPB (+2.2%), ACB (+1.1%), TCB (+5.4%), and BID (+1.4%).

Moreover, some constituents of VN30Index such as FPT (+1.7%), POW (+1.5%), MWG (+1.4%), HPG (+1.3%), REE (+1.3%), ROS (+1.2%), and KDH (+1.0%), surged more than 1%.

In contrast, EIB (-4.2%), SAB (-2.5%), TCH (-1.2%), and NVL (-1.2%) closed in red territory.

Based on the breakout, the bullish market is dominant in the short term. Therefore, traders should hold their long position and focus on leading stocks.

Breaking news

▶ Vietnam: Retail sales sustain upturn

The upward momentum of retail sales became more robust in this period due to the acceleration in the retail sector and softening downturns in accommodation and catering (A&C) and traveling activities. According to GSO's estimates, the retail sales in December witnessed an acceleration by rising by 9.37%, 218bps-higher than the previous month and posting VND472.04tn. The general improvements across all sectors determined this progress of retail sales in this period. Given the largest share, the retailing activity was the most contributor as increasing by 13.79% YoY, 251-bps higher than previous and added 10.37 percent point to the overall growth. Besides, despite the laggard role in recent months, A&C and traveling activities were warming up as contracting at rates 84bps- and 19bps-lower than November, respectively. (GSO, KIS)

Macro & strategy

Chart of the day

Break from 1,100-pts threshold

Hieu Tran
hieu.ttm@kisvn.vn

▶ Market performance

The VNIndex maintained its uptrend thanks to high demand on large-cap stocks, closing above the 1,100-pts threshold.

▶ Chart: Break from 1,100-pts threshold

Based on the upward movement of Trend indicators such as 50-period and 100-period moving averages, the bullish market is still intact in the medium and long term. Moreover, the VNIndex is at its highest level since May 2018.

In the short term, Momentum indicators show positive signals as the Stochastic and RSI are in the overbought zone, confirming the domination of the uptrend. In addition, the trading value maintained at a record high, implying the cash flows into the stock market.

With the congestion zone, the broken 1,030-1,050 pts area turns around to act as the short-term support. On the upside, the

1,200-pts area (the all-time high) is the short-term resistance for VNIndex.

→ The bullish market is dominant in the short term thanks to bullish signals of Momentum and Trend Indicators.

▶ Technical strategy: Hold the positions

Due to the positive signal, the bullish market is dominant in the short term. Thus, investors should hold current positions and increase the proportion of leading stocks when the correction phase progresses.

New listing & Public offerings

▶ New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
1/8/2021	AIC	Vietnam National Aviation Insurance Corp.	UPCoM	800.0	80,000,000	10,400
1/7/2021	PLE	Petrolimex Engineering JSC	UPCoM	12.2	1,215,000	17,500
1/6/2021	TNH	Thai Nguyen International Hospital JSC	HSX	415.0	41,500,000	25,000

▶ 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	-

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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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