

Xin Chao Vietnam

Market performance

	7 Jan	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,156.49	1.2	12.3	25.7	4.8
Turnover (VND bn)	17,022				
VN30 (pt, % chg.)	1,130.59	1.5	14.0	29.8	5.6

Major indicators

	7 Jan	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.48	(0.0)	0.0	(0.0)	0.1
3-yr govt bonds (% bp chg.)	0.90	0.0	0.0	(0.0)	0.1
VND/USD (% chg.)	23,081	0.1	0.2	0.5	0.1
VND/JPY (% chg.)	22,292	0.5	(0.3)	(1.8)	0.3
VND/EUR (% chg.)	28,512	(0.2)	(1.6)	(4.5)	(0.2)
VND/CNY (% chg.)	3,570	0.1	(0.8)	(4.3)	(0.9)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.05	0.0	0.1	0.3	0.1
WTI (USD/bbl, % chg.)	50.96	0.7	11.4	27.6	5.0
Gold (USD/oz, % chg.)	54.46	0.3	11.6	29.7	5.1

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HNG	165.9	CTG	(69.7)
MSN	44.3	FUEVFNVD	(40.6)
HPG	34.8	MSB	(29.6)
MWG	25.3	FUESSVFL	(29.3)
GEX	15.7	GVR	(24.2)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VRE	82.7	HPG	(253.1)
MBB	69.5	VCI	(88.5)
HDB	67.1	SSI	(64.0)
NVL	45.6	VND	(55.4)
FUEVFNVD	37.6	VHM	(44.5)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.8	Consumer Services	(1.0)
Diversified Financials	2.3	Others	(0.6)
Commercial Services	2.1	Retailing	(0.0)
Utilities	2.1		
Banks	1.7		

WHAT'S NEW TODAY

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- **Vietnam:** Credit growth accelerates in the two last months of 2020

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- **ETF Review:** A major change in VN30Index's constituents

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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	7.2	16.6	2.7	11.3	16.1
2021F	304,264	177,159	18.9	14.0	2.3	10.1	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

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Market commentary & News

Market commentary

Break through a 1,150-pts threshold

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Vietnam stock market maintained its uptrend thanks to high buy demand on Energy stocks namely GAS (+2.5%), PVT (+2.4%), PVD (+6.8%), PVS (+5.2%), and BSR (+4.8%).

At the close, the VNIndex gained 1.16% to close at 1,156 pts. Meanwhile, trading volume increased to 763 million shares or VND17,022bn.

Foreign investors reversed to sell with a net value of VND300bn on HSX. They sold HPG, VCI, and SSI the most with a net value of VND253bn, VND88bn, and VND64bn, respectively.

Banking outperformed the broad market such as VPB (+1.5%), STB (+2.5%), MBB (+2.4%), TCB (+4.2%), HDB (+4.5%), VCB (+1.9%), and CTG (+2.6%).

Moreover, some constituents of the VN30Index, namely MSN (+4.2%), ROS (+2.9%) VRE (+2.1%), REE (+2.0%), and NVL (+6.9%), jumped more than 2%.

In contrast, VIC (-0.1%), MWG (-0.4%), SAB (-0.4%), and EIB (-2.0%) closed in red territory.

After the fifth consecutive gaining session, the VNIndex confirms the short-term uptrend. Therefore, traders should hold their long position and focus on leading stocks.

Breaking news

- ▶ Vietnam: Credit growth accelerates in the two last months of 2020

Although the lending activity remained sluggish most of the time in 2020 under COVID-19 unfavorable business conditions, November and December see it booming as the economic activity is normalizing faster than anticipated under a well-controlled pandemic situation. According to the SBV's Deputy Governor Dao Minh Tu, by the end of 2020, the total credit is rocketing by 12.13% YTD compared to just 10.14% YTD as of 21st December, which means the lending amount increased by more than VND160tn just in 10 days before the New Year. (SBV)

Macro & strategy

ETF Review

A major change in VN30Index's constituents

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In this quarterly review, the VN DIAMOND Index rebalances its weight according to the new free-float rate. While VN30Index is expected to add PDR, BVH, and TPB and remove ROS, SAB, and EIB. Besides, we forecast that VNFIN LEAD Index will add TPB, VCI, and BVH.

We expected that local ETFs will buy the most TPB, MWG, PDR, and VNM with more than 1 million shares per ticker. On the sell side, VPB and STB will be sold heavily with 4.3 and 3.7 million shares.

The results will be announced on 18 Jan 2021, the new weight will be effective on 1 Feb 2021.

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

► 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	-

- **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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