

Xin Chao Vietnam

Market performance

	8 Jan	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,167.69	1.0	13.4	27.1	5.8
Turnover (VND bn)	17,866				
VN30 (pt, % chg.)	1,147.86	1.5	15.5	32.0	7.2

Major indicators

	8 Jan	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.49	0.0	(0.1)	0.0	0.1
3-yr govt bonds (% bp chg.)	0.69	(0.2)	(0.2)	0.0	(0.2)
VND/USD (% chg.)	23,067	0.1	0.3	0.5	0.1
VND/JPY (% chg.)	22,208	0.1	(0.0)	(1.5)	0.7
VND/EUR (% chg.)	28,343	0.6	(1.1)	(3.7)	0.4
VND/CNY (% chg.)	3,568	(0.2)	(0.8)	(4.3)	(0.8)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.08	0.0	0.2	0.3	0.2
WTI (USD/bbl, % chg.)	51.15	0.6	12.2	24.2	5.4
Gold (USD/oz, % chg.)	54.83	0.8	12.3	26.5	5.8

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	116.8	HNG	(161.9)
VIC	105.1	FUEVFNVD	(62.7)
MWG	96.7	ACB	(58.4)
FPT	61.0	KBC	(19.8)
MSN	60.1	GEX	(15.9)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VRE	156.6	HPG	(305.0)
NVL	95.9	SSI	(74.5)
MSB	65.0	VIC	(68.3)
FUEVFNVD	60.9	DXG	(58.4)
HDB	40.5	VND	(37.5)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Others	2.5	Media & Entertainment	(1.5)
Real Estate	2.3	Technology	(0.7)
Insurance	1.6	Consumer Services	(0.7)
Energy	1.5	Health Care	(0.5)
Automobiles	1.4	Commercial Services	(0.3)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Sixth consecutive gaining session
- **Vietnam:** Credit growth accelerates in the two last months of 2020

Market commentary & News

- **Chart of the day:** The collapse will provide the best bid
- **2021 Macro view:** Vietnam's economy heads to another successful year

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	7.2	16.7	2.7	11.4	16.1
2021F	304,264	177,159	18.9	14.0	2.3	10.2	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

Sixth consecutive gaining session

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Vietnam stock market continued to go up amid the rebound of the global financial market. While the U.S. Congress has certified Joe Biden as the 46th president of the United States.

At the close, the VNIndex gained 0.97% to close at 1,167 pts. Meanwhile, trading volume increased to 808 million shares or VND17,865bn.

Real Estate was the market leader thanks to VIC (+1.5%), VHM (+1.7%), VRE (+4.7%), NVL (+6.2%), SCR (+2.0%), and TCH (+6.9%).

Some Energy stocks namely PVT (+1.7%), PVD (+4.8%), PVS (+2.0%), BSR (+7.5%), PLX (+1.1%), and OIL (+4.2%) outperformed the broad market.

Moreover, some constituents of the VN30Index, namely STB (+5.1%), TCB (+3.2%), MBB (+2.7%), and SBT (+2.6%), jumped more than 2%.

In contrast, VCB (-2.1%), BID (-0.8%), SSI (-0.7%), POW (-0.4%), CTG (-0.4%), and HPG (-0.1%) closed in red territory.

The bullish market is intact in the short term as the VNIndex records a sixth consecutive gaining session. 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

Chart of the day

The collapse will provide the best bid

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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 probability to break the all-time high

The bullish leg is active with stable bullish momentum thanks to the expansion of Bollinger bands, the respected MA5, and the upward sloping major MAs. Besides, the bullish leg also validated by the increase of trading volume.

With congestion zone, the broken 1,030-1,050 pts area turns around to act as the short-term support as well as 1,100 pts is the weekly benchmark for the upward swing. 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, the medium and long-term bullish market is active. Besides, MA50 and MA200 have maintained the stable degree of separation, implying the active fresh long-term bull.

→ Price shock could occur at 1,200 pts area but all ships will follow the tide.

- ▶ Technical strategy: Prepare for the best bid

As mentioned above, there is the fresh long-term bull but it will be paused at 1,200 pts area. Thus, investors should hold the current positions and increase the proportion on leading stocks at the buy zone (1,040-1,080 pts) when the collapse occurs.

2021 Macro view

Vietnam's economy heads to another successful year

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- ▶ Domestic output to accelerate

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 4Q20, 1.78 percent point-higher than 3Q20. Consequently, 2020's real GDP growth posted 2.91% YoY, outperforming estimates setting by major international economic institutions such as IMF (1.60%), World Bank (2.80%), ADB (1.80%). In the favor of the promising fiscal spending plan, FTA participations, and vaccine development, we predict that the real domestic output to grow by 6.36% in 2021.

- ▶ Strong tailwinds for FDI in 2021

In 4Q20, registered FDI recovered significantly to the third-largest level in 2.5 years. FDI disbursement even peaked at an all-time high, at about USD6.2bn in 4Q20. The ongoing global production shift opens up a great opportunity for Vietnam FDI in 2021, and this trend is already taking place.

- ▶ IIP heads to strong performance in 2021

Sustainability in industrial growth was the main point in December as most industries stayed in growth territory except for the electronics industry. Looking forward to 1H21, thanks to a very low production base in 1H20, we expect the industrial growth to see a rapid pace.

New listing & Public offerings

▶ Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
2/8/2021	EVNGENCO2	Power Generation Corporation 2	11,866.4	580,120,840	24,520	IPO
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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