

Xin Chao Vietnam

Market performance

	15 Jan	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,194.20	0.6	13.2	26.7	8.2
Turnover (VND bn)	18,698				
VN30 (pt, % chg.)	1,182.20	1.1	16.7	31.5	10.4

Major indicators

	15 Jan	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.48	(0.0)	0.1	(0.2)	0.1
3-yr govt bonds (% bp chg.)	0.85	(0.0)	0.0	(0.2)	0.0
VND/USD (% chg.)	23,067	(0.0)	0.3	0.5	0.1
VND/JPY (% chg.)	22,261	(0.2)	0.2	(1.3)	0.4
VND/EUR (% chg.)	28,115	0.1	0.1	(3.1)	1.3
VND/CNY (% chg.)	3,564	(0.1)	(0.8)	(3.3)	(0.7)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.11	(0.0)	0.2	0.4	0.2
WTI (USD/bbl, % chg.)	52.81	(1.4)	10.9	28.9	8.8
Gold (USD/oz, % chg.)	55.52	(1.6)	9.4	28.6	7.2

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
NVL	84.7	TCB	(50.2)
PNJ	22.5	FUEVFNVD	(47.5)
MBB	14.5	NLG	(44.1)
KDH	13.7	VCB	(35.7)
ACB	12.3	GAS	(21.8)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUEVFNVD	43.9	MSN	(1,702.1)
NVL	37.2	HPG	(164.6)
SSI	37.2	CTG	(86.8)
STB	32.1	GAS	(77.4)
SBT	25.8	VND	(52.0)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.8	Media & Entertainment	(3.2)
Diversified Financials	3.5	Insurance	(0.8)
Consumer Durables	1.4	Automobiles	(0.8)
Capital Goods	1.1	Commercial Services	(0.6)
Banks	1.0	Others	(0.5)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Tightening phase takes place
- **Vietnam:** Trade growth continued accelerating in the last month of 2020

Macro & Strategy

- **Chart of the day:** Tightening phase steps in

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	17.0	2.7	11.7	16.1
2021F	304,264	177,159	18.9	14.3	2.3	10.5	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)	4.0
China GDP (% yoy)	(6.8)	3.2	4.9	6.0	6.1	2.1	8.2

Source: KIS, Bloomberg

Market commentary & News

Market commentary

Tightening phase takes place

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After the eighth consecutive gaining session, the bullish momentum is faded and uncertainty sentiment steps in as the VNIndex retested the 1,200-pts threshold, the all-time high.

At the close, the VNIndex was added 0.6% to close at 1,194 pts. Meanwhile, trading volume has maintained at the high level.

Foreign selling activities reached the extreme with a net sell value of VND2,100bn on HSX which was mainly driven by the massive selling pressure on MSN (VND1,700bn) via put through method. Besides, HPG, CTG, and GAS were also impacted by the selling pressure with a net value of VND165bn, VND87bn, and VND77bn, respectively.

Financials sector continued to lead the benchmark thanks to STB (+5.0%), SSI (+4.5%), HDB (+4.1%), and TCB (+3.1%) whilst VCB (-0.7%) kept fading its peer sector.

Besides, Real Estate also contributed to the market's bullish momentum thanks to KDH (3.0%), VHM (+2.0%), VIC (+0.7%), and VRE (+0.3%).

The VN30 index was added 1.1% to close at 1,182 pts. All top 5 index weight tickers, TCB (+3.1%), VPB (+1.2%), VIC (+0.7%), VNM (+0.7%), and HPG (+0.1%) contributed significantly to the index gains.

Volatility level is increased and price shock will likely to occurs as the all-time high is tested. However, the market has already entered the long-term bull and there is no place for the bear. Therefore, traders should hold their long positions and focus on leading stocks.

Breaking news

- ▶ Vietnam: Trade growth continued accelerating in the last month of 2020

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 magnified its upward momentum in this period by rising by 20.16% YoY, 7.03%-higher than November due to material accelerations in both export and import value. In detail, export and import rose by 17.63% YoY and 22.70% YoY, 6.90%- and 7.01%- higher than previous growths, 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.

Macro & strategy

Chart of the day

Tightening phase steps in

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- ▶ Market performance

The VNIndex has lost its bullish momentum after approaching the all-time high (1,200 pts area) and tightening phase has started to step in.

- ▶ Chart: High probability to break the all-time high

The bullish leg is paused and bullish momentum is faded due to the flat MA5. Besides, narrow spread candles also occur with above average volume, implying the increase of volatility level.

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.

→ Tightening phase steps in this week, 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.

New listing & Public offerings

▶ New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
1/21/2021	NHA	Ha Noi South Corporation	HSX	241.4	24,144,965	20,600
1/21/2021	MIG	Military Insurance Corporation	HSX	1,300.0	130,000,000	15,550
1/20/2021	DPD	Dong Phu – Dak Nong Ruber JSC	UPCoM	120.0	12,000,000	9,700

▶ 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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