

# Xin Chao Vietnam

## Market performance

	18 Jan	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,191.94	(0.2)	11.7	26.4	8.0
Turnover (VND bn)	17,169				
VN30 (pt, % chg.)	1,173.34	(0.7)	13.2	30.1	9.6

## Major indicators

	18 Jan	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.48	(0.0)	(0.0)	(0.2)	0.1
3-yr gov't bonds (% bp chg.)	0.87	0.0	0.2	(0.2)	0.0
VND/USD (% chg.)	23,070	(0.0)	0.2	0.5	0.1
VND/JPY (% chg.)	22,227	(0.1)	0.7	(1.1)	0.6
VND/EUR (% chg.)	27,947	0.6	1.5	(2.7)	1.9
VND/CNY (% chg.)	3,552	0.2	(0.5)	(2.4)	(0.4)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.08	0.0	0.1	0.3	0.2
WTI (USD/bbl, % chg.)	52.35	(0.0)	6.6	28.1	7.9
Gold (USD/oz, % chg.)	55.03	(0.1)	5.3	28.2	6.2

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	104.0	FUEVFNVD	(173.8)
MSN	34.5	PNJ	(101.6)
ACB	27.6	KBC	(90.3)
HCM	9.3	DIG	(47.7)
VNM	8.6	STB	(38.3)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUEVFNVD	170.4	HPG	(371.1)
PNJ	97.1	SSI	(78.7)
VCI	29.4	VHM	(60.7)
VJC	28.3	VND	(58.1)
SBT	20.6	MBB	(41.0)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.8	Technology	(3.5)
Consumer Durables	2.4	Insurance	(1.1)
Others	1.9	Banks	(1.0)
Household Products	1.4	Retailing	(0.8)
Automobiles	1.1	Transportation	(0.5)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Selling pressure on Banking stocks
- **Vietnam:** The global economy continues recovering by the end of 2020

### Macro & Strategy

- **Fundflow 11 - 15 Jan:** Vietnam continues to lead the flow of money

### 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	16.9	2.7	11.7	16.1
2021F	304,264	177,159	18.9	14.2	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	4.3	2.2	(3.5)	4.0
China GDP (% yoy)	(6.8)	3.2	4.9	6.1	6.1	2.1	8.2

Source: KIS, Bloomberg

## Market commentary & News

### Market commentary

#### Selling pressure on Banking stocks

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The Vietnam stock market reversed to go down as the VNIndex retested the 1,200-pts threshold, the highest peak in 2018.

At the close, the VNIndex lost 0.19% to close at 1,191 pts. Meanwhile, trading volume recorded 747 million shares or VND17,169bn.

Foreign investors continued to sell with a net value of VND556bn on HSX. They sold HPG, SSI, and VHM the most with a net value of VND371bn, VND78bn, and VND60bn, respectively.

Banking was the worst sector due to CTG (-2.3%), BID (-0.4%), HDB (-2.3%), TCB (-1.8%), ACB (-1.0%), MBB (-2.1%), STB (-2.4%), VPB (-2.1%), and EIB (-2.5%).

Moreover, some constituents of the VN30Index fell more than 1% such as KDH (-1.0%), GAS (-1.1%), MWG (-1.1%), NVL (-1.1%), and SSI (-1.8%).

In contrast, cash flowed into some key tickers, namely ROS (+6.9%), SBT (+5.0%), POW (+2.8%), MSN (+2.3%), VRE (+1.8%), and PNJ (+1.7%), closing in green territory.

Despite the contraction, the short-term uptrend is still intact thanks to bullish signals of the VNIndex. Therefore, traders should hold their long position and focus on leading stocks.

### Breaking news

- ▶ Vietnam: The global economy continues recovering by the end of 2020

The global economic recovery continued for the eight straight months in December at a slower pace than the previous month. More specifically, according to the IHS Markit, the J.P Morgan Global Composite Output index recorded 52.7 index point, slightly lower than 53.1 in November, with both the manufacturing and services sectors rising. However, among other criteria, only new export orders dropped for the first time since September. (IHS Markit)

## Macro & strategy

### Fundflow 11 - 15 Jan

#### Vietnam continues to lead the flow of money

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- ▶ Vietnam foreign flow

Last week, selling activities increased massively. Net sell value recorded at USD95mn, a one-month high.

Breaking down by sectors, selling pressure focused on Consumer Staples, Materials, and Financials. Net sell value recorded at USD77mn, USD45mn, and USD37mn. The high selling activities across the market mainly led by the massive sell orders on MSN via put-through transaction. Besides, foreign selling activities were also absorbed by HPG, VND, CTG, and LPB, fading the sharp buying activities on HDB and MSB. Industrials continued to end up to be net sold due to the high divestment away from FCN. On the contrary, Real Estate kept attracting the most foreign demand across the market thanks to large buy orders on KBC, NVL, and VIC.

- ▶ South East Asia ETF flow

The positive flow of money across SEA slowed down with net inflow recorded at USD10mn, a 2-month low. To be specific, the money inflow continued to be driven by the positive flow of money across Vietnam, Singapore, and Thailand. On the contrary, divestment across Indonesia was the main contributor for the decrease of money inflow across SEA with the outflow recorded

at USD31mn, a one-year high.

Vietnam continued to be the leader of SEA. Net inflow recorded at USD22mn, up 20% WoW. Of which, VFMVN Diamond ETF and VanEck Vietnam ETF led the flow of money which attracted the total of USD20mn last week.

## 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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