

Xin Chao Vietnam

Market performance

	19 Jan	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,131.00	(5.1)	6.0	19.8	2.5
Turnover (VND bn)	20,120				
VN30 (pt, % chg.)	1,107.32	(5.6)	6.8	21.8	3.4

Major indicators

	19 Jan	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.52	0.0	0.0	(0.1)	0.1
3-yr gov't bonds (% bp chg.)	0.67	(0.2)	(0.1)	(0.4)	(0.2)
VND/USD (% chg.)	23,061	0.0	0.3	0.5	0.2
VND/JPY (% chg.)	22,192	0.0	0.9	(1.0)	0.8
VND/EUR (% chg.)	27,984	(0.1)	1.1	(2.8)	1.7
VND/CNY (% chg.)	3,559	(0.2)	(0.8)	(2.6)	(0.6)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.10	0.0	0.1	0.3	0.2
WTI (USD/bbl, % chg.)	53.10	0.2	8.1	28.1	9.4
Gold (USD/oz, % chg.)	55.90	2.1	7.0	31.2	7.9

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VCG	89.3	HNG	(108.1)
HPG	80.6	VNM	(40.7)
TCB	62.9	KBC	(37.7)
MWG	51.7	VIC	(31.7)
STB	49.5	CTG	(31.1)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VRE	72.3	HPG	(82.4)
VHM	71.0	VND	(25.3)
LPB	33.1	HDB	(25.0)
VJC	31.6	BID	(19.2)
DXG	27.6	AGG	(14.4)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	5.0	Technology	(7.0)
		Commercial Services	(6.6)
		Software & Services	(6.5)
		Banks	(5.9)
		Diversified Financials	(5.7)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** A crash
- **China:** Manufacturing growth slows down by the end of 2020

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	7.3	16.1	2.6	11.3	16.1
2021F	304,264	177,159	18.9	13.5	2.2	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	4.3	2.2	(3.5)	4.1
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

A crash

Hieu Tran
hieu.ttm@kisvn.vn

Sell-off pushed the Vietnam stock market down yesterday because the investor's sentiment worried about the uptrend when the VNIndex retested the 1,200-pts threshold, the highest peak in 2018.

At the close, the VNIndex slid 5.11% to close at 1,131 pts. Meanwhile, trading volume recorded a high with a value of 950 million shares or VND20,120bn.

Foreign investors reversed to buy with a net value of VND117bn on HSX. They purchased VRE, VHM, and LPB the most with a net value of VND72bn, VND70bn, and VND33bn, respectively.

Financial stocks were the worst tickers namely BVH (-5.2%), EIB (-5.8%), TCB (-6.4%), and VCB (-4.2%). Notably, SSI, HCM, VND, VPB, STB, MBB, ACB, HDB, BID, and CTG limited down.

Moreover, all constituents of the VN30Index closed in red territory. Of which, VIC (-6.9%), TCH (-6.9%), HPG (-6.7%), FPT (-6.5%), GAS (-6.2%), and POW (-6.1%) underperformed the broad market, felling more than 6%.

In contrast, cash flowed into a few stocks thanks to VRC (+5.3%), TCM (+2.7%), and FIT (+2.1%).

Based on the crash, the downside risk increases. Besides, VNIndex crosses the 20-period moving average going down, which implies the early selling signal in the short term. Thus, traders should reduce long positions and wait for the next signals.

Breaking news

- ▶ China: Manufacturing growth slows down by the end of 2020

According to the latest update from the IHS Markit, the manufacturing sector of the second-largest economy continued to recover but at the slowest pace in 3 months. The headline manufacturing PMI index slipped to a 3-month low of 53 index point in December from 54.9 in November. More details, expansions in output and total new work were slowing down, while export orders increased modestly. (IHS Markit)

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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