

Xin Chao Vietnam

Market performance

	22 Jan	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,166.78	0.2	7.7	22.8	5.7
Turnover (VND bn)	16,022				
VN30 (pt, % chg.)	1,156.58	0.5	9.9	25.9	8.0

Major indicators

	22 Jan	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.50	(0.0)	0.0	(0.1)	0.1
3-yr gov't bonds (% bp chg.)	0.85	0.2	(0.0)	(0.1)	0.0
VND/USD (% chg.)	23,072	0.0	0.2	0.5	0.1
VND/JPY (% chg.)	22,258	0.2	0.3	(0.8)	0.5
VND/EUR (% chg.)	28,150	(0.3)	0.6	(2.4)	1.1
VND/CNY (% chg.)	3,562	0.2	(0.8)	(2.7)	(0.7)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.10	(0.0)	0.2	0.2	0.2
WTI (USD/bbl, % chg.)	52.19	(1.8)	11.0	28.4	7.6
Gold (USD/oz, % chg.)	55.22	(1.6)	10.3	30.1	6.6

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
STB	67.9	FUESSVFL	(90.8)
FLC	64.4	VCG	(89.3)
MBB	52.7	DIG	(62.3)
VPB	45.6	E1VFN30	(51.9)
VCB	40.3	FUEVFVND	(37.6)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
NVL	179.1	HPG	(132.6)
FUESSVFL	90.9	VNM	(107.3)
E1VFN30	56.2	CTG	(92.8)
MSN	48.5	VND	(47.6)
FUEVFVND	37.6	VRE	(43.4)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.8	Diversified Financials	(2.6)
Automobiles	4.8	Insurance	(1.5)
Household Products	2.7	Energy	(0.9)
Consumer Durables	2.1	Utilities	(0.8)
Technology	2.0	Pharmaceuticals	(0.4)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Third gaining session
- **Japan:** Worsening COVID-19 conditions dampens recovery in the private sector in Japan

Macro & Strategy

- **Chart of the day:** High volatility

New listing & Public offerings

KIS market view

	OP	NP	EPS growth	PE	PB	EV/EBITDA	ROE
	(VND bn)	(VND bn)	(% yoy)	(x)	(x)	(x)	(%)
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	16.6	2.7	11.5	16.1
2021F	304,264	177,159	18.9	14.0	2.3	10.3	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	4.2	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

Third gaining session

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The Vietnam stock market resumed its uptrend, but the volatility was at a high level.

At the close, the VNIndex gained 0.22% to close at 1,166 pts. Meanwhile, trading volume increased to 758 million shares or VND16,021bn.

Foreign investors continued to sell with a net value of VND52bn on HSX. They sold HPG, VNM, and CTG the most with a net value of VND132bn, VND107bn, and VND92bn, respectively.

Real Estate was the market leader thanks to VHM (+0.3%), VRE (+0.8%), NVL (+4.1%), NLG (+3.8%), SCR (+2.5%), TCH (+2.2%), and KDH (+2.9%). Notably, DXG, ROS, and FLC limited up.

Besides, some constituents of the VN30Index surged more than 1% such as EIB (+2.5%), VJC (+2.1%), FPT (+2.0%), MSN (+2.0%), PNJ (+1.9%), and MWG (+1.8%).

VHC rose by 0.5% after it announced business results in 4Q20. Of which, its posted revenue of VND1,943bn and net income of VND153bn.

In contrast, GAS (-1.0%), PLX (-1.1%), HPG (-1.2%), VNM (-1.5%), SSI (-2.3%), and BID (-2.7%) closed in red territory.

In spite of the recovery, the short-term downside risk is still intact due to the selling pressure at the 1,200-pts threshold of the VNIndex. Thus, traders should reduce long positions and wait for the next signals.

Breaking news

- ▶ Japan: Worsening COVID-19 conditions dampens recovery in the private sector in Japan

According to the latest estimates from the IHS Markit, early survey data signaled that the business conditions in the private sector continued to deteriorate due to COVID-19 cases accelerating in the country. Accordingly, the au Jibun Bank Flash Japan Composite PMI recorded just 46.7 index point at the start of 2020, down from 48.5 in December. More specifically, the Flash PMI Business Activity for the services sector fell to 45.7 from 47.7 in the prior month, while the Flash Manufacturing PMI remained nearly unchanged at 49.7. (IHS Markit)

Macro & strategy

Chart of the day

High volatility

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- ▶ Market performance

After the eleventh gaining week, the VNIndex recorded the contraction due to a crash on 19 Jan 2021.

- ▶ Chart: High volatility

The VNIndex slid by 5.11% last Tuesday, showing the negative signal about the short-term trend. Of which, the index closes below the 10-period moving average. That implies the early selling signal.

Despite the rebound in the last 3 sessions, the volume is still at a low level. Besides, Momentum indicators, namely Stochastic, RSI and MACD, are going down.

Therefore, the downside risk increases in the short term, and the index may form a consolidation or a contraction next week.

With the 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.

→ The VNIndex may form the consolidation or a contraction as technical indicators lose consensus.

▶ Technical strategy: Reduce the long position

As mentioned above, the short-term uptrend may reverse to go down due to the high selling pressure on large cap stock. Thus, investors should reduce their long positions and wait for the next signals.

New listing & Public offerings

▶ New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
2/2/2021	SVD	Vu Dang Investment & Trading JSC	HSX	129.0	12,900,000	12,300
1/28/2021	OCB	Orient Commercial JSB	HSX	10,959.1	1,095,906,343	22,900
1/27/2021	L40	40 Investment and Construction JSC	HNX	36.0	3,600,000	14,000
1/25/2021	CFM	CFM Investment JSC	UPCoM	20.0	2,000,000	10,000

▶ 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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