

Xin Chao Vietnam

Market performance

	26 Jan	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,136.12	(2.6)	4.8	19.5	2.9
Turnover (VND bn)	16,274				
VN30 (pt, % chg.)	1,125.09	(2.5)	6.9	22.4	5.1

Major indicators

	26 Jan	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.56	0.0	0.0	0.0	0.1
3-yr govt bonds (% bp chg.)	0.70	0.0	(0.2)	(0.3)	(0.1)
VND/USD (% chg.)	23,069	0.0	0.3	0.5	0.1
VND/JPY (% chg.)	22,222	0.0	0.3	(0.6)	0.6
VND/EUR (% chg.)	28,084	0.3	0.5	(2.2)	1.4
VND/CNY (% chg.)	3,565	(0.2)	(0.8)	(3.2)	(0.7)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.04	0.0	0.1	0.2	0.1
WTI (USD/bbl, % chg.)	53.01	0.5	9.9	37.5	9.3
Gold (USD/oz, % chg.)	56.11	0.4	9.4	38.7	8.3

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FLC	58.9	FUEVFNVD	(160.5)
HPG	42.6	STB	(76.2)
MSN	34.4	DBD	(53.3)
EIB	31.5	VPB	(51.1)
SSI	28.0	DXG	(50.8)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUEVFNVD	151.3	HPG	(91.3)
NVL	60.9	VNM	(85.9)
VHM	34.3	GAS	(35.0)
LPB	27.1	PLX	(33.5)
MSN	16.1	DXG	(32.2)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	7.0	Health Care	(5.9)
Media & Entertainment	3.4	Diversified Financials	(5.6)
Automobiles	0.4	Insurance	(5.3)
		Materials	(4.4)
		Household Products	(4.0)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Sell-off again
- **Vietnam:** Domestic petroleum prices jump up following a strong upturn in global energy prices

Macro & Strategy

- **ETF review:** Local ETFs sell TCB, CTG, and EIB the most

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	16.2	2.6	11.4	16.1
2021F	304,264	177,159	18.9	13.6	2.2	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	4.2	2.2	(3.5)	4.1
China GDP (% yoy)	(6.8)	3.2	4.9	6.1	6.1	2.1	8.4

Source: KIS, Bloomberg

Market commentary & News

Market commentary

Sell-off again

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The Vietnam stock market maintained its downtrend amid the Asian financial bearish market.

At the close, the VNIndex slid by 2.57% to close at 1,136 pts. Meanwhile, trading volume increased to 782 million shares or VND16,274bn.

Foreign investors continued to sell with a net value of VND150bn on HSX. They sold HPG, VNM, and GAS the most with a net value of VND91bn, VND85bn, and VND34bn, respectively.

Finance was the worst sector due to CTG (-6.2%), VCB (-1.6%), BID (-4.6%), HDB (-4.5%), TCB (-2.2%), ACB (-1.1%), STB (-6.5%), VPB (-5.7%), EIB (-6.0%), BVH (-5.5%), SSI (-5.0%), and HCM (-5.1%).

Moreover, Energy underperformed the benchmark index such as PVT (-4.8%), PVD (-7.0%), PVS (-5.6%), POW (-4.6%), BSR (-5.2%), and OIL (-6.9%).

FPT fell by 1.5% after its posted revenue of VND29,830bn (+7.6% YoY) and EBT of VND5,261bn (+12.8% YoY).

In contrast, cash flowed into some Real Estate tickers, namely NVL (+1.3%), DXG (+2.8%), ROS (+6.8%), and FLC (+6.9%).

The VNIndex retests the last bottom of 1,120-pts because of the selling pressure on large-cap stocks. That implies the downside risk is still intact in the short term. Thus, traders should reduce long positions and wait for the next signals.

Breaking news

- ▶ Vietnam: Domestic petroleum prices jump up following a strong upturn in global energy prices

Following a surge in the global energy prices recently, the Ministry of Industry and Trade announced the latest adjustment for the domestic gasoline prices yesterday. Accordingly, the E5RON92 and RON95-III prices were adjusted remarkably higher to VND16,309 and VND17,270 per liter, up by about 2.26% and 2.01% from mid-January adjustment, respectively. As a result, continuing increases in gasoline prices will put tremendous upward pressure on the traffic price and the CPI as well in February. (Ministry of Industry and Trade)

Macro & strategy

ETF review

Local ETFs sell TCB, CTG, and EIB the most

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In the 1H21 review, the VNFIN LEAD Index will not remove ticker but add TPB, VCI, VND and BVH. Meanwhile, the VN30Index will add PDR, BVH, and TPB and remove ROS, SAB, and EIB because HoSE applies new stock selection rule for the VN30Index in November 2020.

Based on data as of 26 Jan 2020, we expect that Local Vietnam ETFs, such as E1VFN30 ETF, SSIAM VNFIN LEAD ETF, and VFMVN DIAMOND ETF, will sell TCB, CTG, and EIB the most with 7.2 million, 4.2 million, and 3.3 million shares. On the buy side, TPB, MBB, and STB will be bought heavily with 6.8 million, 3.0 million, and 2.0 million shares.

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

► 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	-

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- 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.

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- 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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