

# Xin Chao Vietnam

## Market performance

	29 Jan	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,056.61	3.2	(3.9)	15.0	(4.3)
Turnover (VND bn)	17,830				
VN30 (pt, % chg.)	1,048.31	3.7	(1.0)	18.2	(2.1)

## Major indicators

	29 Jan	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.57	0.0	0.0	0.1	0.1
3-yr govt bonds (% bp chg.)	0.73	(0.2)	(0.2)	(0.2)	(0.1)
VND/USD (% chg.)	23,049	0.1	0.3	0.6	0.2
VND/JPY (% chg.)	21,992	0.5	1.5	0.8	1.7
VND/EUR (% chg.)	28,038	(0.2)	0.9	(2.8)	1.5
VND/CNY (% chg.)	3,580	(0.2)	(1.1)	(3.6)	(1.1)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.07	0.0	0.1	0.2	0.2
WTI (USD/bbl, % chg.)	52.46	0.2	9.3	45.0	8.1
Gold (USD/oz, % chg.)	55.83	0.5	9.3	48.3	7.8

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNM	84.7	MWG	(312.0)
PDR	67.3	TCB	(141.8)
PNJ	41.6	CTG	(81.5)
MBB	39.4	SAB	(66.2)
BVH	34.5	FLC	(64.9)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
MWG	840.2	HPG	(369.6)
VHM	134.5	MBB	(41.6)
CTG	45.8	MSN	(33.6)
STB	45.5	VIC	(21.1)
NVL	43.6	LPB	(16.4)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Software & Services	6.8	Telecommunication	(6.8)
Retailing	6.4		
Technology	6.3		
Real Estate	5.4		
Others	5.3		

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Demand zone is hit
- **Vietnam:** FDI slows down just before the Lunar New Year

### Macro & Strategy

- **Chart of the day:** Slow is fast and less is more

### 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	15.0	2.4	10.7	16.1
2021F	304,264	177,159	18.9	12.6	2.1	9.6	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	(3.5)	(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

#### Demand zone is hit

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The Vietnam stock market recorded the worst session since 2002 as Investors were concerned about the possibility of COVID-19. The VNIndex increased strongly on the previous trading day after three consecutive collapse sessions, giving signal for the upcoming consolidation phase as well as the support zone has been found (1,000 pts zone).

At the close, the VNIndex was added 3.2% to close at 1,057 pts as well as trading volume continued to maintain at the high level.

Foreign investors continued to buy with a net value of VND1,140bn on HSX. They purchased MWG, VHM, and CTG the most with a net value of VND840bn, VND135bn, and VND46bn, respectively.

23 out of 30 stocks of the VN30Index closed in green, while SAB (-7.0%), ROS (-6.9%), and EIB (-6.9%) hit the limit down.

All top 5 index weight tickers, VNM (+7.0%), VIC (+6.9%), HPG (+4.4%), TCB (+2.6%), and VPB (1.2%) contributed significantly to the index gains.

The short-term correction is confirmed but the market has found the solid short-term support at 1,000 pts area. Thus, the consolidation phase is expected to enter this week and investors should act only when the new market leg is confirmed when the consolidation phase is ended.

### Breaking news

- ▶ Vietnam: FDI slows down just before the Lunar New Year

According to the latest update from the Ministry of Planning and Investment, both registered FDI and disbursement were slowing down in January to several-month lows. In detail, the total registered capital dropped to a 4-month low of USD2.02bn in the month, decreasing by 62.16% YoY. Meanwhile, FDI disbursement just recorded USD1.51bn, which is the second-lowest since September. (MPI, KIS)

## Macro & strategy

### Chart of the day

#### Slow is fast and less is more

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- ▶ Market performance

The VNIndex has completely lost its bullish momentum due to the collapse last week. Despite the correction is confirmed, there is no signal that the bearish momentum will spread to the medium- and long-term

- ▶ Chart: Wait for the reaction at the buy zone (1,000-1,080 pst)

The correction phase has been confirmed when the closing price stayed below MA20 and MA50. However, MA200 is still respected and its slope continues to be upward.

MA200 and MA50 are still widely separated, the long-term bullish market is still active. However, MA50 and MA20 have started to turned flat, giving the earliest signals for the weekly rebound or upcoming consolidation phase.

With congestion zone, 950-1,000 pts area acts as the short-term support as well as 1,170 pts zone is the short-term supply zone.

→ Consolidation phase steps in this week, the next market leg is unclear

- ▶ Technical strategy: Wait for the valid signal after the consolidation phase

As mentioned above, there is no signal for the bearish momentum in the medium- and long-term as well as we are still in the uptrend. Thus, investors should hold the current positions and captured positions at the buy zone (1,000-1,080 pts) and take action only when the next market leg is clear.

## 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

### ▶ 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

- **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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