

# Xin Chao Vietnam

## Market performance

	5 Feb	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,126.91	1.3	(0.5)	20.2	2.1
Turnover (VND bn)	11,990				
VN30 (pt, % chg.)	1,135.50	1.6	2.8	25.7	6.0

## Major indicators

	5 Feb	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.53	(0.0)	0.1	0.0	0.1
3-yr gov't bonds (% bp chg.)	0.96	0.0	0.1	0.2	0.1
VND/USD (% chg.)	23,004	0.1	0.4	0.8	0.4
VND/JPY (% chg.)	21,797	0.1	3.1	2.7	2.6
VND/EUR (% chg.)	27,559	0.2	2.8	(1.2)	3.3
VND/CNY (% chg.)	3,555	0.1	0.5	(1.4)	(0.5)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.14	0.0	0.2	0.4	0.2
WTI (USD/bbl, % chg.)	56.81	1.0	13.8	46.5	17.1
Gold (USD/oz, % chg.)	59.47	1.1	11.0	45.3	14.8

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VPB	70.7	FUEVFNVD	(214.3)
VIC	40.3	HNG	(98.8)
MBB	36.9	CII	(77.7)
VHM	35.1	FUESSVFL	(51.4)
VCB	31.8	DXG	(40.4)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUEVFNVD	211.9	NVL	(42.2)
VNM	98.7	HPG	(40.0)
VHM	70.6	CTG	(30.5)
KBC	68.7	VRE	(26.4)
FUESSVFL	51.4	GAS	(26.0)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	7.0	Telecommunication	(3.1)
Household Products	4.2	Others	(0.1)
Diversified Financials	3.4	Pharmaceuticals	(0.0)
Insurance	3.0	Utilities	0.2
Health Care	2.7	Capital Goods	0.4

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Low trading value
- **Vietnam:** Retail sales to be subdued

### Macro & Strategy

- **Chart of the day:** Wait for the breakout

### 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	7.2	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	(3.5)	(3.5)	4.1
China GDP (% yoy)	(6.8)	3.2	4.9	5.4	6.1	2.3	8.4

Source: KIS, Bloomberg

## Market commentary & News

### Market commentary

#### Low trading value

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The Vietnam stock market resumed its uptrend. However, the trading level was at a low due to the tet holiday effect.

At the close, the VNIndex surged by 1.32% to close at 1,126 pts. Meanwhile, trading volume recorded to 503 million shares or VND11,990bn.

Foreign investors continued to buy with a net value of VND432bn on HSX. They purchased FUEVFNVD, VNM, and VHM the most with a net value of VND211bn, VND98bn, and VND70bn, respectively.

Banking was the market leader thanks to CTG (+3.2%), VCB (+1.1%), BID (+0.7%), HDB (+2.3%), TCB (+3.7%), STB (+4.0%), MBB (+2.9%), and VPB (+1.1%).

Moreover, some constituents of the VN30Index outperformed the benchmark index such as SBT (+6.8%), SSI (+6.1%), BVH (+3.3%), PDR (+2.4%), VIC (+2.4%), PLX (+1.8%), HPG (+1.7%), and MWG (+1.6%).

In contrast, NVL (-1.6%), SAB (-0.1%), KBC (-0.4%), and AAA (-0.4%) closed in red territory.

The market sentiment has become optimistic since last Friday. However, the trading volume records at a low level because the Tet holiday is coming. Besides, the 1,200-pts threshold is the significant resistance in the long term. Thus, the downside risk is intact. Traders should be careful and wait for the next signals.

### Breaking news

- ▶ Vietnam: Retail sales to be subdued

The upward momentum of retail sales became less strong in this period due to the slowdown in the retail sector despite downturns in accommodation and catering (A&C) and traveling activities were softening. According to GSO's estimates, the retail sales in January 2021 witnessed a slowdown as its growth rate just posted 6.42%YoY, 254bps-lower than the previous month. The shrink in growth rate in the retail sector was the main reason for the move of the total retail sales. The retailing activity rose by 8.65% YoY, being two-third of the previous growth rate, to post VND378.92tn this month. Besides, despite the laggard role in recent months, A&C and traveling activities were warming up as contracting at rates 161bps- and 793bps-lower than November, respectively. (VN Customs, KIS)

## Macro & strategy

### Chart of the day

#### Wait for the breakout

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- ▶ Market performance

The VNIndex rebounded sharply last week as the index retested the 1,000-pts threshold, the significant support in the short term.

- ▶ Chart: Wait for the breakout

The VNIndex forms the Island reversal, the bullish pattern. That implies an uptrend in the short term. Besides, the index closes above the MA50 and MA10, showing the last selling signal may be false.

However, the 1,200-pts threshold is the significant resistance in the long term as the index has tested this area 3 times but failed to break it. Therefore, a breakout for this level will be a necessary signal to confirm the uptrend.

With congestion zone, 990-1,030 pts area acts as the short-term support as well as 1,200 pts zone is the short-term

supply zone.

→ If the signal of breaking the 1,200-threshold does not appear, the uptrend will not confirm, and risks may increase in the short term.

- ▶ Technical strategy: Wait for the valid signal

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, Traders should be careful and wait for the next signals.

## New listing & Public offerings

### ▶ 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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