

Xin Chao Vietnam

Market performance

	8 Feb	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,083.18	(3.9)	(7.2)	15.4	(1.9)
Turnover (VND bn)	16,164				
VN30 (pt, % chg.)	1,092.59	(3.8)	(4.8)	21.0	2.0

Major indicators

	8 Feb	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.49	(0.0)	0.0	(0.0)	0.1
3-yr gov't bonds (% bp chg.)	0.68	(0.3)	(0.0)	(0.3)	(0.2)
VND/USD (% chg.)	22,972	0.1	0.4	0.9	0.5
VND/JPY (% chg.)	21,744	0.4	2.0	1.1	2.8
VND/EUR (% chg.)	27,628	0.3	2.6	(0.3)	3.0
VND/CNY (% chg.)	3,558	(0.0)	0.1	(1.8)	(0.5)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.19	0.0	0.1	0.4	0.3
WTI (USD/bbl, % chg.)	57.46	1.1	10.0	54.7	18.4
Gold (USD/oz, % chg.)	60.01	1.1	7.2	52.1	15.8

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
GAB	58.2	VIC	(151.2)
GAS	31.1	VNM	(85.8)
LPB	17.9	FLC	(82.5)
GMD	15.2	VJC	(81.9)
VGC	8.8	SSI	(76.5)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUESSVFL	60.1	HPG	(271.2)
VJC	32.6	VHM	(171.6)
FUEFVND	29.2	VNM	(146.1)
E1VFN30	28.3	VCB	(119.4)
LPB	24.3	VRE	(106.1)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Household Products	0.6	Telecommunication	(7.0)
Pharmaceuticals	(0.0)	Real Estate	(4.8)
Energy	(0.4)	Insurance	(4.4)
Consumer Services	(0.6)	Technology	(4.2)
Retailing	(1.6)	Banks	(4.2)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** A fear
- **Vietnam:** SBV support liquidity in the banking system.
- **Vietnam:** The Circular 120

Macro & Strategy

- **Fundflow 01 - 05 Feb:** The flow of money starts to diverge
- **Economic Flash:** Export's momentum strengthens

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	15.5	2.5	10.9	16.1
2021F	304,264	177,159	18.9	13.1	2.1	9.8	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

A fear

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The Vietnam stock market reversed to go down yesterday after Ho Chi Minh City announced 25 new cases of COVID-19 in a day.

At the close, the VNIndex tumbled by 3.88% to close at 1,083 pts. Meanwhile, trading volume recorded to 669 million shares or VND16,164bn.

Foreign investors reversed to sell with a net value of VND1,407bn on HSX. They sold HPG, VHM, and VNM the most with a net value of VND271bn, VND171bn, and VND146bn, respectively.

Real Estate was the worst sector due to VIC (-6.0%), VHM (-4.6%), VRE (-5.5%), NLG (-6.4%), NVL (-3.1%), DXG (-4.7%), FLC (-6.4%), KDH (+5.3%), and SCR (-6.0%). Notably, ROS and TCH limited down.

Selling pressure pushed Financial tickers down, namely BVH (-4.3%), STB (-4.9%), BID (-4.1%), VCB (-5.9%), and CTG (-4.9%).

Moreover, some constituents of the VN30Index underperformed the benchmark index such as VJC (-5.0%), MSN (-4.5%), POW (-4.3%), and VNM (-3.9%).

In contrast, SBT (+0.2%), REE (+0.9%), and PDR (+1.5%) closed in red territory.

The downside risk is still intact in the short term because the Tet holiday is coming. Therefore, traders should be careful and wait for the next signals.

Breaking news

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- ▶ Vietnam: SBV support liquidity in the banking system.

In February 8th, 2021, SBV added VND12.00tn to support liquidity in the banking system via repo contracts with maturity of 14-day. This is the fifth consecutive session SBV provides money to its counterparties using open market operations. Via 5 sessions, SBV has provided totally VND36.096bn to banks and its repo contracts in the first sessions will mature in February 9th, 2021. (SBV)

Breaking news

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- ▶ Vietnam: The Circular 120

Following the Circular 120 issued by MOF on Dec 31, 2020 and effective from Feb 15, some regulations are benefiting the equity market development including:

Article 5:

1. The VSE shall trigger the market-wide circuit breaker after obtaining approval from the SSC.
2. According to the practical market conditions, the SSC shall decide to apply either the market-wide circuit breaker or price fluctuation limit mechanism or both of them.

Article 11: An investor shall open a secured short selling account at a securities company licensed to provide securities lending services where its/his/her trading account is opened to make secured short selling transactions. The secured shorting selling account is a separate account or recorded as a sub-account of the investor's existing securities trading account. The securities company must record the secured shorting selling account separately from the margin trading account, the day trading account and the securities trading account of each investor.

Macro & Strategy

Fundflow 01 - 05 Feb

The flow of money starts to diverge

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▶ Vietnam foreign flow

Last week, buying activities kept overwhelming. Net buy value recorded at USD90mn, up 50% WoW.

Breaking down by sectors, Real Estate continued to attract the most foreign demand across the market thanks to large buy orders on VHM, VIC, and KBC, fading the sharp selling activities on NVL and KDH. Besides, foreign buying activities also focused on Consumer Staples and Materials, driven by HPG, VNM, and MSN. On the contrary, Financials and Utilities were sold the most. Foreign selling activities were mainly absorbed by HCM, CTG, STB, POW, and GAS. Energy also ended up to be net sold due to the high divestment away from PLX.

▶ South East Asia ETF flow

The flow of money across SEA maintained at positive level. Net inflow recorded at USD45mn. To be specific, the surge of inflow was mainly driven by the positive flow of money across Vietnam, Singapore, and Indonesia. Especially, money inflow across Indonesia reached 3-month high. In contrast, Malaysia, Thailand, and Philippines experienced the outflow last week.

Vietnam has continued to maintain its role as a leader of SEA. Net inflow recorded at USD40mn, 2 times higher than the previous week. Of which, VFMVN Diamond led the flow of money which attracted the total of USD32mn last week.

- **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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