

Xin Chao Vietnam

Market performance

| | 17 Feb | 1D | 1M | 3M | YTD |
|----------------------|----------|-----|-------|------|-----|
| VNIndex (pt, % chg.) | 1,155.78 | 3.7 | (1.0) | 21.4 | 4.7 |
| Turnover (VND bn) | 13,753 | | | | |
| VN30 (pt, % chg.) | 1,174.91 | 4.0 | 2.4 | 28.2 | 9.7 |

Major indicators

| | 17 Feb | 1D | 1W | 1M | YTD |
|-------------------------------|-------------|-------|-------|-------|-------|
| 1-yr govt bonds (% bp chg.) | 0.52 | 0.0 | 0.0 | 0.0 | 0.1 |
| 3-yr govt bonds (% bp chg.) | 0.91 | (0.0) | 0.1 | (0.0) | 0.1 |
| VND/USD (% chg.) | 23,015 | (0.1) | 0.2 | 0.7 | 0.4 |
| VND/JPY (% chg.) | 21,713 | (0.1) | 2.5 | 2.4 | 3.0 |
| VND/EUR (% chg.) | 27,756 | 0.8 | 0.7 | (1.0) | 2.6 |
| VND/CNY (% chg.) | 3,564 | (0.1) | (0.3) | (0.9) | (0.7) |
| | Prev. close | 1D | 1W | 1M | YTD |
| 10-yr US Treasury (% bp chg.) | 1.28 | (0.0) | 0.2 | 0.4 | 0.4 |
| WTI (USD/bbl, % chg.) | 60.53 | 0.8 | 15.6 | 46.1 | 24.8 |
| Gold (USD/oz, % chg.) | 63.97 | 1.0 | 16.1 | 46.2 | 23.5 |

Domestic institutions net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|---------|----------|----------|----------|
| VPB | 69.8 | HNG | (198.6) |
| MWG | 52.8 | HPG | (127.2) |
| ACB | 39.2 | FUESSVFL | (74.3) |
| GMD | 38.5 | STB | (49.0) |
| PLX | 21.8 | FUEVFVND | (35.2) |

Foreign net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|----------|----------|----------|----------|
| VHM | 192.2 | VNM | (113.0) |
| HPG | 172.3 | CTG | (24.1) |
| VRE | 92.0 | HT1 | (17.5) |
| FUESSVFL | 74.4 | STB | (12.2) |
| KBC | 54.4 | BMP | (9.7) |

Daily performance by sector

| Top five sectors | % chg. | Bottom five sectors | % chg. |
|--------------------|--------|-----------------------|--------|
| Technology | 6.9 | Media & Entertainment | (1.5) |
| Telecommunication | 6.8 | Commercial Services | (1.0) |
| Retailing | 6.3 | | |
| Household Products | 6.1 | | |
| Utilities | 5.6 | | |

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Uptrend after Tet holiday
- **Vietnam:** Export being revised up strongly in January
- **Vietnam:** Differences between new Circular 120/TT-BTC/2020 and currently effective Circular 203/TT-BTC/2015

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 | 16.5 | 2.7 | 11.5 | 16.1 |
| 2021F | 304,264 | 177,159 | 18.9 | 13.9 | 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 | (3.5) | (3.5) | 4.8 |
| China GDP (% yoy) | (6.8) | 3.2 | 4.9 | 5.8 | 6.1 | 2.3 | 8.4 |

Source: KIS, Bloomberg

Market commentary & News

Market commentary

Uptrend after Tet holiday

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The Vietnam stock market maintained a bullish market as cash flowed into Energy, namely GAS (+6.9%), PVT (+6.7%), PVD (+6.8%), PVS (+9.6%), POW (+5.3%), BSR (+9.8%), PLX (+5.1%), and OIL (+9.2%). Oil price reached the 13-month highs after the cold weather has affected U.S. oil production, especially Texas.

At the close, the VNIndex jumped by 3.66% to close at 1,155 pts. Meanwhile, trading volume recorded to 540 million shares or VND13,753bn.

Foreign investors reversed to buy with a net value of VND702bn on HSX. They purchased VHM, HPG, and VRE the most with a net value of VND192bn, VND172bn, and VND92bn, respectively.

Moreover, Banking and Real Estate outperformed the benchmark index such as CTG (+4.0%), HDB (+5.4%), TCB (+6.7%), MBB (+4.2%), VPB (+6.9%), VHM (+4.3%), VRE (+7.0%), NLG (+4.8%), DXG (+7.0%), and TCH (+4.0%).

Some constituents of the VN30Index rose more than 5%, namely MWG (+6.6%), SBT (+6.6%), and SSI (+5.7%).

The VNIndex crosses the 20-period moving average and closed above all significant trending indicators. That implies the short-term uptrend is confirmed. However, the 1,200-pts threshold is the strong resistance. Therefore, traders should increase the long position if the index closed above this threshold.

Breaking news

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► Vietnam: Export being revised up strongly in January

Trade activities in January 2021 recorded a striking growth due to a later-than-previous Tet season and the recent upward momentum. According to the latest update from Vietnam's Customs, total export was revised up to USD28.6bn from USD27.70bn in the previous estimate, increasing by 55.1% YoY. Meanwhile, total import was reported slightly higher than GSO's estimates, recording USD26.5bn and increasing by 41.3% YoY. As a result, the trade balance in January posted a USD2.1bn in surplus. (VN Customs, KIS)

Breaking news

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► Vietnam: Differences between new Circular 120/TT-BTC/2020 and currently effective Circular 203/TT-BTC/2015

| | Circular 203/TT-BTC/2015 | Circular 120/TT-BTC /2020 |
|--|--------------------------|---|
| | OLD | NEW |
| Effective date | Jan 7, 2016 | Feb 15, 2021 |
| Article 5. Circuit breaker | Not regulated | The VSE shall trigger the market-wide circuit breaker after obtaining approval from the SSC. 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 6. Securities trading accounts | Not regulated | a) During the period of time over which the securities clearing and payment have yet to be carried out through the central counterparty clearing, the investor shall conduct securities transactions and pay for securities transactions via the securities trading account and securities depository account without having to open a clearing margin account. b) After carrying out securities clearing and payment through the central counterparty clearing, the investor must open a clearing margin account before carrying out a securities transaction. If the |

| | | |
|-----------------------------------|--|--|
| | | investor opens a clearing margin account at a clearing member which is the depository bank, such investor is only allowed to open a securities trading account at a trading member which is the clearing member or a non-clearing trading member signing a clearing or payment entrustment contract with the joint clearing member which is the depository bank where the investor open its/his/her clearing margin account. |
| | 8. An insurer is allowed to open 02 securities trading accounts at each securities company as follows: a) 01 securities trading account is used to carry out trading using the equity. The securities trading on this account is subject to regulations of law on foreign ownership on securities market. | 8. An insurer is allowed to open 02 securities trading accounts at each securities company as follows: a) 01 securities trading account is used to carry out trading using the equity. Regarding the insurer over 50% of charter capital of which is held by the foreign investor, the securities trading on this account is subject to regulations of law on foreign ownership on securities market. |
| Article 7. Securities trading | The investor is only allowed to place sell orders with respect to marketable securities available on its/his/her depository account on the trading day. | The investor is only allowed to place sell orders with respect to marketable securities available on its/his/her depository account on the trading day, except for the following cases: the member establishing the ETF is allowed to sell ETF certificates and component securities when there are sufficient ETF certificates and component securities to be transferred prior to the maturity in accordance with the VSDCC's Regulation; day trading specified in Article 10 of this Circular; sale of securities waiting to be transferred. |
| Article 11. Secured short selling | Not regulated | <p>1. A contract for borrowing securities from the securities borrowing and lending system at the VSDCC to conduct secured short selling transactions must include at least information about collateral, loan interest rate, loan term, extension of the lending period, settlement of collateral in case of investor's failure to return its/his/her securities, method for settlement of any dispute that arises, and specify risks and damage that may occur, and cost.</p> <p>2. 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.</p> <p>3. Securities eligible for secured shorting selling are shares or fund certificates that have been listed or registered on securities trading systems and have fulfilled several criteria concerning <i>listing time, trading registration; minimum capital and financial performance of the issuer; liquidity and price fluctuation (if any); transparency of information and other criteria set by the SSC</i>. On the basis of the criteria set by the SSC, the SE shall publish a list of securities eligible for secured short selling or list of securities prohibited from secured short selling.</p> <p>4. Secured shorting selling that is meant to exercise shareholders' rights associated with ticker symbols that are sold short must not be conducted during the 5-day period before the registration deadline.</p> <p>5. Depending on the market situation, the SSC shall conduct secured short selling. The SSC shall promulgate regulations on guidance on secured short selling.</p> <p>6. Where necessary, the SSC may request securities companies to suspend secured short selling to ensure safety of the securities market.</p> |

Note:

- Vietnam Stock Exchange (VSE); Hanoi Stock Exchange, Ho Chi Minh City Stock Exchange (hereinafter referred to as “the Stock Exchange” (SE)).
- Vietnam Securities Depository and Clearing Corporation (VSDCC).

- **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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