

Xin Chao Vietnam

Market performance

	19 Feb	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,173.50	(0.1)	3.8	19.3	6.3
Turnover (VND bn)	14,359				
VN30 (pt, % chg.)	1,180.59	(0.6)	6.6	24.9	10.3

Major indicators

	19 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.)	0.90	(0.0)	0.2	(0.0)	0.0
VND/USD (% chg.)	23,015	(0.0)	0.2	0.7	0.4
VND/JPY (% chg.)	21,831	(0.3)	1.7	2.3	2.4
VND/EUR (% chg.)	27,921	(0.6)	0.2	(1.8)	2.0
VND/CNY (% chg.)	3,564	(0.5)	(0.1)	(1.3)	(0.7)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.30	0.0	0.2	0.5	0.4
WTI (USD/bbl, % chg.)	59.43	(1.8)	12.2	42.4	22.5
Gold (USD/oz, % chg.)	63.13	(1.3)	12.9	42.8	21.9

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	192.0	FUEVFNVD	(65.8)
KBC	120.0	CII	(49.1)
ACB	59.4	VNM	(39.6)
GMD	47.4	VPB	(35.4)
DBD	35.5	FPT	(34.8)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	88.7	VNM	(116.3)
VCB	75.4	CTG	(96.7)
FUEVFNVD	63.5	HSG	(54.4)
MSN	50.1	NVL	(44.1)
MBB	45.0	PVD	(14.5)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	2.3	Software & Services	(1.9)
Consumer Services	0.9	Others	(1.4)
Capital Goods	0.8	Technology	(1.3)
Pharmaceuticals	0.7	Retailing	(1.2)
Media & Entertainment	0.5	Utilities	(0.7)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** The contraction
- **Japan:** Downturn in Japan's private sector continues in February

Macro & Strategy

- **Chart of the day:** Nothing happens if the line in the sand is held

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	16.8	2.7	11.7	16.1
2021F	304,264	177,159	18.9	14.1	2.3	10.5	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

The contraction

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The Vietnam stock market recorded the contraction last Friday due to the profit-taking on large-cap stocks.

At the close, the VNIndex closed almost unchanged at 1,173 pts. Meanwhile, trading volume recorded to 548 million shares or VND14,358bn.

Foreign investors reversed to sell with a net value of VND12bn on HSX. They sold VNM, CTG, and HSG the most with a net value of VND116bn, VND96bn, and VND54bn, respectively.

Selling pressure pushed Energy down, namely GAS (-1.3%), PVT (-2.8%) PVD (-3.2%), PVS (-3.2%), BSR (-3.2%), and OIL (-0.4.2%).

Moreover, some constituents of the VN30Index slid more than 2%, such as SBT (-2.1%), FPT (-2.0%), REE (-1.7%), VPB (-1.7%), NVL (-1.5%), MWG (-1.4%), KDH (-1.2%), and VRE (-1.0%).

In contrast, cash flowed into MBB (+2.5%), BID (+1.6%), STB (+0.5%), CTG (+0.5%), PLX (+0.2%), and HDB (+0.2%).

The short-term uptrend is confirmed as the index closes above all significant trending indicators. 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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► Japan: Downturn in Japan's private sector continues in February

According to the latest estimates from the IHS Markit, early survey data signaled that the business conditions in the private sector continued to deteriorate in Japan, especially for the services sector. More specifically, Japan's Flash Services Business Activity index posted just 47.6 in February compared to 47.1 in the previous month, while the Flash index for the manufacturing output recorded 51.3 from 49.2 in January, respectively. A slump in new orders, caused by weakening domestic demand, was the main reason for the continued downturn. However, businesses in the private sector remained optimistic about a 12-month ahead output. (IHS Markit)

Macro & strategy

Chart of the day

Nothing happens if the line in the sand is held

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► Market performance

The VNIndex has followed the rebound phase last week. However, if the line in the sand (1,200 pts) is still held, the bullish resumption phase is invalid.

► Chart: Testing the all-time high for the third time

The VNIndex increased with low volume, implying the drop of buying activities.

MA20 and MA50 are converging as well as those MAs are flat, signaling the unclear upcoming market leg. Besides, upper and lower band (Bollinger bands) are widely separated, giving the sign for the surge of volatility level.

However, MA200 and MA50 still maintain the upward slope, implying the active long-term bull and there is no place for the bear in the short-term.

950-1,000 pts area acts as the short-term support as well as 1,170-1,200 pts zone is the short-term supply zone. 1,100 pts area

will be the weekly support.

→ 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 or there is the valid breakout at 1,200 pts zone.

New listing & Public offerings

▶ New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
2/22/2021	ADG	Clever Group Corporation	HSX	180.0	18,000,333	64,900

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- 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.

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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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