

Xin Chao Vietnam

Market performance

	22 Feb	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,175.04	0.1	0.7	18.7	6.4
Turnover (VND bn)	14,862				
VN30 (pt, % chg.)	1,180.55	(0.0)	2.1	24.2	10.3

Major indicators

	22 Feb	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.50	(0.0)	0.0	0.0	0.1
3-yr govt bonds (% bp chg.)	0.89	(0.0)	0.0	0.2	0.0
VND/USD (% chg.)	23,025	(0.0)	0.2	0.6	0.3
VND/JPY (% chg.)	21,799	0.1	2.0	1.6	2.6
VND/EUR (% chg.)	27,894	(0.0)	0.9	(1.4)	2.1
VND/CNY (% chg.)	3,563	0.0	(0.1)	(1.3)	(0.7)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.36	0.0	0.3	0.5	0.4
WTI (USD/bbl, % chg.)	59.42	0.3	13.7	41.0	22.5
Gold (USD/oz, % chg.)	63.18	0.4	14.0	40.5	22.0

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VIC	77.5	HNG	(296.3)
HPG	46.2	CII	(88.7)
TCB	37.2	OCB	(34.7)
LPB	31.6	IJC	(17.3)
MWG	25.7	FUEVFVND	(16.4)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	38.3	VNM	(178.2)
VCB	30.6	HPG	(110.1)
BID	10.1	SSI	(42.4)
DHC	9.9	VIC	(41.0)
FUEVFVND	9.4	CTG	(40.0)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.8	Consumer Durables	(1.1)
Energy	1.7	Household Products	(0.9)
Health Care	1.5	Utilities	(0.6)
Consumer Services	1.5	F&B	(0.5)
Technology	1.4	Insurance	(0.4)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Cautious gains
- **U.S.:** Economic growth continues to speed up in February

Macro & Strategy

- **Fundflow 17 – 19 Feb:** The staple flow of money

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	14.2	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	4.0	(3.5)	(3.5)	4.9
China GDP (% yoy)	(6.8)	3.2	4.9	5.8	6.0	2.3	8.4

Source: KIS, Bloomberg

Market commentary & News

Market commentary

Cautious gains

Hieu Tran
hieu.ttm@kisvn.vn

The Vietnam stock market resumed its uptrend, but the stock has diverged.

At the close, the VNIndex rose 0.13 to close at 1,175 pts. Meanwhile, trading volume recorded to 594 million shares or VND14,861bn.

Foreign investors continued to sell with a net value of VND613bn on HSX. They sold VNM, HPG, and SSI the most with a net value of VND178bn, VND110bn, and VND42bn, respectively.

Cash flowed into Energy, namely PVT (+0.6%), PVD (+2.9%), PVS (+2.8%), BSR (+0.8%), and PLX (+1.8%).

Besides, Construction was the market leader thanks to CTD (+4.0%) and HBC (+5.6%).

Moreover, some constituents of the VN30Index jumped more than 1%, such as VHM (+2.6%) and HDB (+1.0%)

In contrast, SBT (-3.7%), REE (-2.7%), TCH (-2.1%), PNJ (-2.1%), POW (-1.1%), and VRE (-1.0%) closed in red territory.

The bullish market 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 closes above this threshold.

Breaking news

Tuan Doan
tuan.doan@kisvn.vn

- ▶ U.S.: Economic growth continues to speed up in February

Recent data pointed out that the economic upturn is gaining strong momentum in February. According to the latest report from the IHS Markit, the business activity of the U.S. private sector is expected to grow at a record pace in almost 6 years as the Flash Composite Output PMI recorded at 58.8, a 71-month high. More specifically, the Flash Manufacturing Output Index and the Flash Services Business Activity index are expected to reach 57.7 and 58.9, respectively. (IHS Markit)

Macro & strategy

Fundflow 17 – 19 Feb

The staple flow of money

Dang Le
dang.lh@kisvn.vn

- ▶ Vietnam foreign flow

Last week, foreign demand kept overwhelming. Net buy value recorded at USD55mn.

Breaking down by sectors, Real Estate and Materials continued to attract the most foreign demand across the market thanks to large buy orders on VHM, VRE, VIC, and HPG, fading the sharp selling activities on NVL, AGG, HSG, and HT1. Besides, foreign buying activities also focused on Financials, driven by VCB. On the contrary, Consumer Staples was sold the most. Foreign selling activities were mainly absorbed by VNM. Energy also ended up to be net sold due to the high divestment away from PVD and PVT.

- ▶ South East Asia ETF flow

The flow of money across SEA maintained at positive level. Net inflow recorded at USD37mn. To be specific, the inflow was mainly driven by the positive flow of money across Vietnam and Singapore. Especially, money inflow across Singapore reached 3-month high. In contrast, Thailand continued to experience the outflow last week.

Vietnam has continued to be a main driver of SEA. Net inflow recorded at USD15mn. Of which, VFMVN Diamond led the flow of money which attracted the total of USD8mn 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.

- **Analyst Certification**

I/We, as the research analyst/analysts who prepared this report, do hereby certify that the views expressed in this research report accurately reflect my/our personal views about the subject securities and issuers discussed in this report. I/We do hereby also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

Global Disclaimer

- **General**

This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of KIS Vietnam Securities Corp., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of KIS Vietnam Securities Corp..

This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. KIS Vietnam Securities Corp. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. KIS Vietnam Securities Corp., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or KIS Vietnam Securities Corp. The final investment decision is based on the client's judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.

- **Country-specific disclaimer**

United States: This report is distributed in the U.S. by Korea Investment & Securities America, Inc., a member of FINRA/SIPC, and is only intended for major U.S. institutional investors as defined in Rule 15a-6(a)(2) under the U.S. Securities Exchange Act of 1934. All U.S. persons that receive this document by their acceptance thereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Korea Investment & Securities, Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Korea Investment & Securities America, Inc., which accepts responsibility for the contents of this report in the U.S. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. person absent registration or an applicable exemption from the registration requirement.

United Kingdom: This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

Hong Kong: This research report and marketing materials may be distributed in Hong Kong to institutional clients by Korea Investment & Securities Asia Limited (KISA), a Hong Kong representative subsidiary of Korea Investment & Securities Co., Ltd., and may not otherwise be distributed to any other party. KISA provides equity sales service to institutional clients in Hong Kong for Korean securities under its sole discretion, and is thus solely responsible for provision of the aforementioned equity selling activities in Hong Kong. All requests by and correspondence with Hong Kong investors involving securities discussed in this report and marketing materials must be effected through KISA, which is registered with The Securities & Futures Commission (SFC) of Hong Kong. Korea Investment & Securities Co., Ltd. is not a registered financial institution under Hong Kong's SFC.

Singapore: This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Korea Investment & Securities Co., Ltd. has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person. Please contact Korea Investment & Securities Singapore Pte Ltd in respect of any matters arising from, or in connection with, the analysis or report (Contact Number: 65 6501 5600).

Copyright © 2021 KIS Vietnam Securities Corp.. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of KIS Vietnam Securities Corp..