

# Xin Chao Vietnam

## Market performance

	23 Feb	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,177.64	0.2	0.9	18.5	6.7
Turnover (VND bn)	15,168				
VN30 (pt, % chg.)	1,182.47	0.2	2.2	23.2	10.4

## Major indicators

	23 Feb	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.50	0.0	0.0	(0.0)	0.1
3-yr gov't bonds (% bp chg.)	0.97	0.1	0.1	(0.0)	0.1
VND/USD (% chg.)	23,026	(0.0)	0.2	0.6	0.3
VND/JPY (% chg.)	21,870	0.2	1.6	1.3	2.2
VND/EUR (% chg.)	27,972	(0.2)	0.7	(1.6)	1.8
VND/CNY (% chg.)	3,564	(0.1)	(0.1)	(1.3)	(0.7)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.37	0.0	0.3	0.5	0.5
WTI (USD/bbl, % chg.)	62.11	0.7	18.8	44.2	28.0
Gold (USD/oz, % chg.)	65.77	0.8	18.7	42.8	27.0

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
GAS	67.3	VPB	(164.9)
HPG	63.7	FPT	(111.9)
STB	51.8	ACB	(99.6)
VPI	17.5	MWG	(71.7)
VIC	16.3	TCB	(60.9)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
PME	82.6	VNM	(106.4)
MBB	34.8	CTG	(77.2)
VJC	31.8	HPG	(69.3)
VHM	22.4	HSG	(61.0)
VRE	21.8	VND	(46.4)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	3.0	Software & Services	(1.6)
Materials	2.4	F&B	(1.1)
Technology	1.9	Consumer Durables	(1.0)
Consumer Services	1.9	Insurance	(0.9)
Transportation	1.7	Retailing	(0.6)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Cash flows into Energy
- **Eurozone:** Slowdown in the service sector drags down economic activity

## 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	10.4	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	2020	2021F
GDP (% yoy)	3.8	0.4	2.6	4.5	7.0	2.9	5.9
Trade balance (USD bn)	3.8	1.9	10.7	2.5	10.4	19.0	1.8
CPI (% yoy, avg.)	4.9	3.2	3.0	0.2	5.2	3.2	2.4
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	23,252	23,231	23,252	23,219
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

#### Cash flows into Energy

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The Vietnam stock market maintained its uptrend thanks to high demand on Energy, namely GAS (+1.4%), PVT (+0.9%), PVD (+1.7%), OIL (+2.6%), BSR (+3.3%), and PVS (+4.1%).

At the close, the VNIndex rose 0.22 to close at 1,177 pts. Meanwhile, trading volume recorded to 572 million shares or VND15,168bn.

Foreign investors continued to sell with a net value of VND617bn on HSX. They sold VNM, CTG, and HPG the most with a net value of VND106bn, VND77bn, and VND69bn, respectively.

Brokeragers and Banking outperformed the benchmark index because of SSI (+2.3%), HCM (+1.0%), VND (+0.7%), STB (+1.1%), MBB (+2.6%), ACB (+0.3%), TCB (+3.1%), HDB (+0.6%), and BID (+0.6%).

Moreover, some constituents of the VN30Index jumped more than 1%, such as SBT (+2.3%) and VJC (+1.8%).

In contrast, MSN (-2.0%), PNJ (-1.9%), FPT (-1.7%), KDH (-1.2%), VPB (-1.1%), REE (-1.1%), and BVH (-1.0%) closed in red territory.

The uptrend is still intact in the short term because 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

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- ▶ Eurozone: Slowdown in the service sector drags down economic activity

According to the latest update from IHS Markit, the Eurozone private sector economy became stagnant in February as Flash Eurozone PMI Composite Index recorded just 48.1, below a neutral level of 50, under the severe impact from the ongoing COVID-19 pandemic. More specifically, the Flash Services PMI index dropped markedly to just 44.7, while the Flash Eurozone Manufacturing PMI index reached a 36-month record high of 57.7, respectively. (IHS Markit)

- **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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