

Xin Chao Vietnam

Market performance

	26 Feb	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,168.47	0.3	2.8	16.2	5.9
Turnover (VND bn)	14,368				
VN30 (pt, % chg.)	1,173.60	0.3	4.3	21.7	9.6

Major indicators

	26 Feb	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.48	(0.0)	(0.1)	(0.0)	0.0
3-yr gov't bonds (% bp chg.)	0.90	(0.0)	0.2	(0.0)	0.1
VND/USD (% chg.)	23,018	0.0	0.2	0.6	0.3
VND/JPY (% chg.)	21,660	0.0	2.7	2.6	3.2
VND/EUR (% chg.)	27,910	0.9	0.6	(1.0)	2.0
VND/CNY (% chg.)	3,562	0.1	0.1	(1.1)	(0.7)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.48	(0.0)	0.4	0.6	0.6
WTI (USD/bbl, % chg.)	63.13	(0.6)	20.0	38.1	30.1
Gold (USD/oz, % chg.)	66.46	(0.6)	18.9	39.0	28.3

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
MWG	39.0	HPG	(54.1)
VRE	33.8	VNM	(39.0)
ACB	30.3	VJC	(36.0)
FLC	24.7	MBB	(31.1)
TCB	17.6	VIC	(29.2)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VJC	22.9	VNM	(137.0)
HPG	22.1	VRE	(75.3)
GAS	17.3	DXG	(46.2)
MBB	12.4	MSN	(42.3)
PNJ	8.3	HDB	(37.7)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Consumer Durables	1.9	Others	(1.1)
Materials	1.6	Insurance	(0.9)
Consumer Services	1.4	Media & Entertainment	(0.8)
Health Care	1.3	Automobiles	(0.7)
Capital Goods	1.2	Telecommunication	(0.6)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Markets make cautious gains
- **U.S.:** Bond yields surge put a risk on global stock markets

Macro & Strategy

- **Chart of the day:** Wait for big trend?

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	16.7	2.7	11.6	16.1
2021F	304,264	177,159	18.9	14.0	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	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

Markets make cautious gains

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The Vietnam stock market maintained its uptrend thanks to Banking tickers, namely BID (+1.5%), TCB (+0.4%), ACB (+2.0%), MBB (+1.3%), and VPB (+1.0%).

At the close, the VNIndex gained 0.26% to close at 1,168 pts. Meanwhile, trading volume was 528 million shares or VND14,368bn.

Foreign investors continued to sell with a net value of VND473bn on HSX. They sold VNM, VRE, and DXG the most with a net value of VND136bn, VND75bn, and VND46bn, respectively.

Moreover, cash flowed into Material, such as HSG (+2.7%), HPG (+3.3%), and NKG (+7.0%).

Some constituents of the VN30Index jumped more than 1%, thanks to PDR (+1.3%) and PNJ (+1.1%). Among these, Jan 2021 revenue of PNJ reached VND2,170bn (+30.2% YoY). While NPAT posted VND168bn (+2.5% YoY).

In contrast, SBT (-1.1%), TCH (-1.1%), VHM (-1.2%), HDB (-1.4%), KDH (-1.5%), and VRE (-1.6%) closed in red territory.

Despite the second recovery in a row, the downside risk is intact in the short term. Therefore, traders should be careful and wait for the next signal.

Breaking news

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- ▶ U.S.: Bond yields surge put a risk on global stock markets

With major economies are on fast recovery thanks to the ongoing large-scaled COVID-19 vaccines distribution globally, U.S. government bond yields were rebounding quickly from its record lows. In Thursday's trading session, the 10-year U.S. government bond yield reached a one-year peak of 1.611%, which is never seen since the global COVID-19 pandemic. In contrast, the U.S. stock markets all plunged from near-record highs, in which the Dow fell 1.75%, while the S&P 500 lost 2.45% and the Nasdaq 3.52%, followed by a broad-based plunge in ASIA stock markets a day later. (Bloomberg, Reuters)

Macro & strategy

Chart of the day

Wait for big trend?

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- ▶ Market performance

The VNIndex reversed to go down last week as the selling pressure appeared next to the 1,200-pts threshold.

- ▶ Chart: Wait for big trend?

The long-term uptrend is still intact because long-term moving averages go up, and the index closes above all of them. Moreover, the 100-period moving average is a strong support as the index retests it at the end of January 2021.

In the short term, the signals lose consensus as MACD continues to confirm the uptrend, while DMI and Stochastic show the opposite. Notably, the trading volume is at a low level, implying the cautious market sentiment. Therefore, the VNIndex may form the consolidation for a big trend in the future.

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.

→ The VNIndex may form the consolidation for a big trend because indicators lose consensus.

▶ 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
3/3/2021	HHP	Hai Phong Hoang Ha Paper JSC	HSX	180.0	18,000,000	12,900
3/3/2021	BAB	Bac A Commercial JSB	HNX	7,085.0	708,500,000	16,000

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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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