

# Xin Chao Vietnam

## Market performance

	2 Mar	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,186.61	0.0	10.3	17.0	7.5
Turnover (VND bn)	15,217				
VN30 (pt, % chg.)	1,194.71	0.2	10.7	21.9	11.6

## Major indicators

	2 Mar	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.48	(0.0)	(0.1)	(0.0)	0.1
3-yr gov't bonds (% bp chg.)	0.91	(0.0)	0.2	(0.0)	0.1
VND/USD (% chg.)	23,027	(0.0)	0.0	0.4	0.3
VND/JPY (% chg.)	21,540	0.1	1.8	2.8	3.8
VND/EUR (% chg.)	27,691	0.0	0.7	1.2	2.8
VND/CNY (% chg.)	3,559	0.0	0.2	(1.0)	(0.6)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.45	0.0	0.3	0.5	0.5
WTI (USD/bbl, % chg.)	60.60	(0.1)	10.7	33.8	24.9
Gold (USD/oz, % chg.)	63.54	(0.2)	10.6	31.7	22.7

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
BBC	96.1	HNG	(99.2)
ACB	23.1	PLX	(64.1)
HVN	20.8	FLC	(53.7)
HPG	14.6	VPB	(39.1)
SAB	8.4	VRE	(33.7)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
PLX	95.7	VNM	(168.9)
KBC	31.8	HPG	(145.8)
VJC	31.4	VIC	(51.2)
FUEVFVND	23.6	CTG	(47.9)
SSI	19.8	HDG	(40.2)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	4.3	Household Products	(1.1)
Media & Entertainment	2.5	Energy	(0.8)
Telecommunication	1.9	Utilities	(0.8)
Consumer Services	1.4	F&B	(0.6)
Materials	1.3	Health Care	(0.4)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Wait for the breakout
- **Vietnam:** New FDI surges to a one-year high

### Macro & Strategy

- **ETF review:** Foreign ETFs' buy SHB, PDR and HSG

### 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	16.9	2.7	11.6	16.1
2021F	304,264	177,159	18.9	14.2	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	2.3	2.3	8.4

Source: KIS, Bloomberg

## Market commentary & News

### Market commentary

#### Wait for the breakout

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The Vietnam stock market continued to go up yesterday. However, the market sentiment has become cautious as the VNIndex reached the 1,200-pts threshold, the highest level of VNIndex.

At the close, the VNIndex closed almost unchanged at 1,186 pts. Meanwhile, trading volume was 577 million shares or VND15,217bn.

Foreign investors continued to sell with a net value of VND727bn, the eighth consecutive net selling session on HSX. They sold VNM, HPG, and VIC the most with a net value of VND168bn, VND145bn, and VND51bn, respectively.

Cash flowed into Materials such as HPG (+1.1%) and NKG (+1.3%).

Moreover, some constituents of the VN30Index rose more than 1% thanks to TPB (+6.3%), HDB (+3.5%), VRE (+1.3%), and VJC (+1.1%).

In contrast, selling pressure pushed a few key tickers down, namely GAS (-1.0%), MBB (-0.9%), POW (-0.8%), and VNM (-0.7%),

The 1,200-pts threshold is the strong resistance; hence the selling pressure may appear on large-cap stocks in the short term. Traders should be careful and wait for the breakout signal to confirm the uptrend.

### Breaking news

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#### ▶ Vietnam: New FDI surges to a one-year high

In contrast to our estimates that FDI activity would slow down in Tet-holiday month, February witnessed a surge in new foreign investment inflows with some large-investment projects recorded in the month. In the month, the total registered capital climbed to a 10-month high of USD3.44bn (+ 202% YoY), driven by newly registered FDI. Breaking down by types of investment, the newly registered FDI recorded the highest level in 13 months, at USD1.99bn. Meanwhile, the additional capital for existing projects also posted a new high of USD1.13bn since April, while the amount for share purchase remained low at just USD0.32bn, respectively. On the other hand, a long Tet holiday impacted the disbursement activity when the disbursed amount dropped to a one-year low of USD0.99bn (+ 16.47% YoY), although just temporary. (MPI, KIS)

## Macro & strategy

### ETF review

#### Foreign ETFs' buy SHB, PDR and HSG

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#### ▶ FTSE Vietnam ETF (FTSE ETF) review – 2Q21

Based on data of 26 Feb, we forecast that FTSE Vietnam Index will add PDR and HSG in this quarterly review. On the opposite, it will not exclude ticker.

We expect HSG and PDR will be bought the most with net million shares of 7.5 and 6.8. On the sell side, HPG and VRE are expected to sell heavily with net million shares of 14.6 and 9.0.

The results will be announced on 05 Mar 2021. the new weight will be effective on 22 Mar 2021.

#### ▶ VanEck Vectors Vietnam ETF (VNM ETF) review – 2Q21

Based on data of 26 Feb, we forecast that VanEck Vectors Vietnam ETF (VNM ETF) will add SHB and not exclude Vietnam

stocks in this quarterly review.

We expect the net buying of SHB to be the largest at 21.9 million shares. On the sell side, SSI, HPG, and NVL are expected to be the heavy net sellers at 4.4 million, 3.8 million, and 3.6 million shares.

The results will be announced on 12 Mar 2021, the new weight will be effective on 22 Mar 2021.

## 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

- **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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