

# Xin Chao Vietnam

## Market performance

	5 Mar	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,168.69	0.0	3.7	14.4	5.9
Turnover (VND bn)	14,991				
VN30 (pt, % chg.)	1,173.83	(0.0)	3.4	19.3	9.6

## Major indicators

	5 Mar	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.47	(0.0)	(0.1)	0.0	0.0
3-yr gov't bonds (% bp chg.)	0.68	(0.2)	(0.3)	(0.2)	(0.2)
VND/USD (% chg.)	23,035	(0.1)	(0.2)	0.4	0.3
VND/JPY (% chg.)	21,237	0.4	2.8	4.7	5.3
VND/EUR (% chg.)	27,488	0.9	0.8	2.1	3.6
VND/CNY (% chg.)	3,553	0.1	0.1	(0.3)	(0.4)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.55	(0.0)	0.4	0.6	0.6
WTI (USD/bbl, % chg.)	65.28	2.3	14.8	41.1	34.5
Gold (USD/oz, % chg.)	68.43	2.5	15.3	38.9	32.1

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VIC	53.9	PLX	(92.0)
GAS	39.5	MBB	(75.4)
MSN	38.5	FLC	(34.6)
ACB	31.1	DIG	(32.0)
MWG	20.3	NVL	(29.3)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	75.1	POW	(298.8)
DPM	30.4	VNM	(270.8)
PLX	29.2	CTG	(106.7)
GVR	15.3	VHM	(98.8)
FUEVFVND	12.8	VCB	(78.9)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	6.9	Insurance	(1.4)
Utilities	2.1	Commercial Services	(1.0)
Energy	1.2	Media & Entertainment	(1.0)
Others	1.0	Real Estate	(0.8)
Consumer Durables	1.0	Telecommunication	(0.6)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Energy in the spotlight
- **Vietnam:** Retail sales enhances the upturn

### Macro & Strategy

- **Chart of the day:** Uncertainty at the all-time high

### 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	16.5	2.7	11.3	16.1
2021F	304,264	177,159	18.9	13.9	2.3	10.2	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)	5.0
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

#### Energy in the spotlight

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The Vietnam stock market rebounded to closed green territory last Friday thanks to high demand on Energy stocks.

At the close, the VNIndex closed almost unchanged at 1,168 pts. Meanwhile, trading volume was 594 million shares or VND14,991bn.

Foreign investors continued to sell with a net value of VND1,342bn for the eleventh consecutive net selling session on HSX. They sold POW, VNM, and CTG the most with a net value of VND298bn, VND270bn, and VND106bn, respectively.

Energy was the leader sector thanks to GAS (+1.8%), PVT (+3.4%), PVD (+4.3%), PVS (+1.2%), BSR (+8.8%), and OIL (+12.8%). Notably, POW limited up after its BOD approved a plan to transfer 19.9 million shares of PV Machino (UPCoM: PVM). In this deal, POW can receive VND486bn.

Moreover, cash flowed into some constituents of VN30Index such as STB (+1.9%), MSN (+0.9%), MBB (+0.7%), TCH (+0.7%), and VPB (+0.7%).

In contrast, HDB (-1.3%), KDH (-1.6%), VHM (-1.6%), and BVH (-1.7%) closed in red territory.

In the short term, the downside risk is intact due to cautious market sentiment. Moreover, the 1,200-pts threshold is the strong resistance. Therefore, traders should be careful and wait for the next signal to confirm the current trend.

### Breaking news

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#### ▶ Vietnam: Retail sales enhance the upturn

The upturn of retail sales became stronger in this period mainly due to the improvements in the retail sector and accommodation and catering (A&C). According to GSO's estimates, the retail sales in February 2021 accelerated as its growth rate posted 8.18% YoY, 5.11 percent-points-higher than the previous month. The increase in growth rate of the retail sector was the main reason for the move of the total retail sales. The retailing activity rose by 10.48% YoY, nearly doubling the previous growth rate, to post VND354.54tn this month. Besides, despite the laggard role in recent months, revenue from A&C activities nearly posted the same level in the previous year, resulting in a slight reduction of 0.12% YoY, much better than January. Regarding the structure, the retail value kept overwhelming with the largest share at 80.64% of the total, while A&C and traveling sectors jointly consisted of 9.65% of total revenue. (GSO, KIS)

## Macro & strategy

### Chart of the day

#### Uncertainty at the all-time high

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#### ▶ Market performance

The VNIndex has followed the consolidation phase due to the uncertainty at 1,200 pts level. However, if the line in the sand (1,200 pts) is still held, the bullish resumption phase is invalid.

#### ▶ Chart: Range bound with high volatility level

Narrow spread candles occur with above average volume, upper and lower band (Bollinger bands) are widely separated, implying the surge of volatility level.

MA20 and MA50 are sloping upward with stable degree of separation, signaling the maintenance of the bullish momentum.

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 and 1,170-1,200 pts zone is the short-term supply zone. 1,100-1,140 pts area will be the weekly support.

→ Consolidation phase will continue this week, the next market leg is still unclear.

▶ Technical strategy: Wait for the valid signal after the consolidation phase

There is no signal for the bearish momentum in the medium- and long-term and we are still in the uptrend. Thus, investors should hold the current positions and the 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
3/24/2021	AAT	Tien Son Thanh Hoa JSC	HSX	348.0	34,800,000	10,600
3/24/2021	SSB	Southeast Asia Commercial JSB	HSX	12,087.4	1,208,744,208	16,800
3/10/2021	VCA	VNSTEEL - VICASA JSC	HSX	151.9	15,187,322	13,100

### ▶ Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
4/5/2021		Newspaper Nghe An Printing Co., Ltd	34.5	3,355,370	12,000	IPO

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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.

- **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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