

# Xin Chao Vietnam

## Market performance

	12 Mar	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,181.56	(0.0)	6.0	13.0	7.0
Turnover (VND bn)	14,383				
VN30 (pt, % chg.)	1,187.81	(0.1)	5.2	17.8	10.9

## Major indicators

	12 Mar	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.46	(0.0)	(0.1)	(0.0)	0.0
3-yr gov't bonds (% bp chg.)	0.72	0.0	(0.2)	(0.1)	(0.1)
VND/USD (% chg.)	23,057	(0.0)	(0.3)	0.4	0.2
VND/JPY (% chg.)	21,133	0.5	3.7	5.1	5.8
VND/EUR (% chg.)	27,464	0.4	1.5	2.1	3.7
VND/CNY (% chg.)	3,543	0.2	0.5	(0.4)	(0.1)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.61	0.1	0.4	0.7	0.7
WTI (USD/bbl, % chg.)	65.90	(0.2)	10.8	41.5	35.8
Gold (USD/oz, % chg.)	69.60	(0.0)	11.5	39.3	34.4

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
MBB	52.4	FPT	(88.2)
ACB	38.7	KBC	(62.8)
HPG	24.4	TCB	(61.4)
HCM	19.4	DIG	(39.2)
VRC	17.1	PLX	(35.3)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	36.3	VNM	(57.5)
FUEFVND	17.7	VCB	(54.4)
VHM	17.5	DGW	(48.0)
PDR	14.5	PLX	(32.1)
VCI	8.0	KDH	(29.1)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	4.4	Telecommunication	(6.1)
Materials	1.4	Utilities	(1.4)
Household Products	0.8	Retailing	(1.0)
Health Care	0.6	Consumer Services	(1.0)
Pharmaceuticals	0.4	Automobiles	(0.6)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Divergence
- **Vietnam:** Trade to grow modestly

### Macro & Strategy

- **Chart of the day:** Move in a tight range

### New listing & Public offerings

## KIS market view

	OP (VND bn)	NP (VND bn)	EPS growth (% yoy)	PE (x)	PB (x)	EV/EBITDA (x)	ROE (%)
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	11.4	16.1
2021F	304,264	177,159	18.9	14.0	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)	5.5
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

#### Divergence

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The Vietnam stock market moved in a tight range as the tickers diverged last Friday.

At the close, the VNIndex closed almost unchanged at 1,181 pts. Meanwhile, trading volume was 600 million shares or VND14,382bn.

Foreign investors continued to sell with a net value of VND243bn for the sixteenth consecutive net selling session on HSX. They sold VNM, VCB, and DGW the most with a net value of VND57bn, VND54bn, and VND47bn, respectively.

Energy was the worst sector due to GAS (-1.7%), PVT (-0.8%), PVD (-0.6%), PVS (-0.8%), POW (-0.4%), and NT2 (-1.1%).

Moreover, some constituents of VN30Index tumbled more than 1%, MWG (-1.1%), KDH (-1.3%), and SSI (-1.3%).

In contrast, cash flowed into a few key tickers such as SBT (+4.8%), VPB (+1.7%), HDB (+0.9%), VRE (+0.9%), and PDR (+0.6%).

In the short term, the downside risk is still intact because the VNIndex reaches the 1,200-pts threshold. Therefore, traders should be careful and wait for the next signal to confirm the current trend.

### Breaking news

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#### ▶ Vietnam: Trade to grow modestly

February witnessed a slowdown in trade activity, which mainly resulted from the Tet seasonality. In addition, the decreasing demand for electronics appliances also attributed for the contraction in export. According to the GSO estimates, import value posted USD20.08bn, growing by 10.53% YoY, which equals to one-fourth of rate in January, while export even recorded a contraction as declining by 4.70% YoY to posting USD20.00bn. After adjusting for Tet-seasonality, export and import growth rates were 27.06% YoY and 47.25% YoY, respectively. In the favor of speeding up vaccinations in our main trading partners and the increase in relief packages, we expect consumer confidence level continue to improve and bolster trade activities in the next month. Therefore, we predict export and import to grow by 11.62% YoY and 10.96% YoY in March 2021, respectively. (GSO, VN Customs, KIS)

## Macro & strategy

### Chart of the day

#### Move in a tight range

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#### ▶ Market performance

The VNIndex reversed to go up last week because the cash flowed into Banking and Real Estate. However, the index still moved in a tight range.

#### ▶ Chart: Move in a tight range

In the long term, the 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 trend of the VNIndex is sideways as the rectangle pattern is formed. The upper bound is the 1,200-pts threshold, while the lower bound is 1,150 pts.

950-1,000 pts area acts as the short-term support as well as 1,190-1,200 pts zone is the short-term supply zone.

→ The VNIndex forms the rectangle pattern, implying the consolidation in the short term.

▶ Technical strategy: Wait for breakout

In the short term, the 1,200-pts threshold is the strong resistance. The market sentiment has become cautious when the index reaches the threshold. the breakout signals to confirm a trend are essential now. Until then, traders should be careful and stay on the sidelines.

## 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
3/16/2021	BCV	Vimico – Cao Bang Bang Giang Travel And Trading JSC	UPCoM	18.0	1,800,000	21,500

### ▶ Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
4/12/2021		VietNam National Salt Company Limited	43.7	1,279,392	21,300	IPO; Local investors only
4/12/2021		Luong Yen Food Company Limited	35.4	1,671,308	16,800	
4/5/2021		Newspaper Nghe An Printing Co., Ltd	34.5	3,355,370	12,000	

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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.

- **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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