

Xin Chao Vietnam

Market performance

	19 Mar	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,194.05	(0.6)	1.8	11.9	8.2
Turnover (VND bn)	16,990				
VN30 (pt, % chg.)	1,203.36	(0.7)	1.9	16.1	12.4

Major indicators

	19 Mar	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.48	(0.1)	(0.0)	(0.0)	0.1
3-yr govt bonds (% bp chg.)	0.75	(0.2)	(0.1)	0.0	(0.1)
VND/USD (% chg.)	23,074	(0.0)	(0.3)	0.2	0.1
VND/JPY (% chg.)	21,199	(0.1)	3.0	5.6	5.5
VND/EUR (% chg.)	27,443	0.3	1.6	3.1	3.7
VND/CNY (% chg.)	3,546	(0.0)	0.5	(0.5)	(0.2)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.69	(0.0)	0.3	0.7	0.8
WTI (USD/bbl, % chg.)	60.88	1.5	2.8	24.0	25.5
Gold (USD/oz, % chg.)	64.13	1.3	1.9	22.7	23.8

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
STB	144.0	HNG	(156.4)
BVH	58.2	PLX	(71.9)
DRC	47.7	KBC	(62.5)
SSI	41.1	VPB	(50.4)
GEX	35.6	FPT	(36.3)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
PDR	205.1	NVL	(197.8)
KBC	37.0	VRE	(147.6)
VCI	23.2	VHM	(137.9)
VND	22.9	POW	(129.5)
MBB	18.7	VNM	(119.7)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Automobiles	1.9	Household Products	(2.8)
Capital Goods	1.1	Energy	(2.3)
Diversified Financials	0.9	Technology	(1.9)
Media & Entertainment	0.8	Software & Services	(1.4)
Insurance	0.5	Banks	(1.0)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Selling pressure at the 1,200-pts threshold
- **Japan:** Manufacturing sees growth for the first time since April

Macro & Strategy

- **Chart of the day:** Valid breakout is not confirmed

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	16.9	2.7	11.4	16.1
2021F	304,264	177,159	18.9	14.2	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)	5.6
China GDP (% yoy)	(6.8)	3.2	4.9	5.8	2.3	2.3	8.5

Source: KIS, Bloomberg

Market commentary & News

Market commentary

Selling pressure at the 1,200-pts threshold

Hieu Tran
hieu.ttm@kisvn.vn

The Vietnam stock market reversed to be bearish market due to the selling pressure at the 1,200-pts threshold last Friday.

At the close, the VNIndex lost 0.57% to close at 1,194 pts. Meanwhile, trading volume was 661 million shares or VND16,990bn.

Foreign investors continued to sell with a net value of VND1,121bn for the twenty-first consecutive net selling session on HSX. They sold NVL, VRE, and VHM the most with a net value of VND197bn, VND147bn, and VND137bn, respectively.

Profit-taking pushed Energy down, GAS (-1.0%), PVD (-2.5%), PVS (-1.2%), POW (-3.2%), PLX (-2.4%), and PVT (-1.9%). Because increasing the U.S. crude oil inventories and the demand plunging in Europe dampened the global oil prices, Brent oil price fell to USD63.45 a barrel.

Although Moody upgrades the credit rating and outlook of some Vietnamese banks except for ABB, Banking closed in a red territory such as VPB (-1.4%), STB (-0.5%), HDB (-1.3%), and VCB (-3.4%).

Moreover, some constituents of VN30Index slid more than 2% such as SBT (-2.1%), NVL (-2.7%), VRE (-2.9%), VJC (-3.3%), and TCH (-3.4%).

In contrast, Material, namely HSG (+1.4%), HPG (+1.2%), and NKG (+2.2%), outperformed the benchmark index.

Based on the contraction, the market sentiment has become cautious in the short term. That implies the downside risk is still intact. Until VNIndex breaks the 1,200-pts threshold, traders should be careful and wait for the confirmation signals.

Breaking news

Tuan Doan
tuan.doan@kisvn.vn

- ▶ Japan: Manufacturing sees growth for the first time since April

According to the latest estimates from the IHS Markit, operating conditions saw the first improvement since April 2020 in February. More specifically, the headline au Jibun Bank Japan Manufacturing Purchasing Managers' Index™ climbed to 51.4 in February from 49.8 in January, which is the strongest expansion in the manufacturing sector since December 2018, driven by moderate expansion in the output. The production volumes also increased for the first time in more than 2 years. (IHS Markit)

Macro & strategy

Chart of the day

Valid breakout is not confirmed

Dang Le
dang.lh@kisvn.vn

- ▶ Market performance

The VNIndex has tested the all-time high for the third time (in 2021). If the line in the sand (1,200 pts) is still held, the bullish resumption phase is not confirmed.

- ▶ Chart: Valid breakout is not confirmed

The rectangle pattern is formed with upper and lower threshold placed at 1,200 pts and 1,150 pts, respectively.

MA20 and MA50 are sloping upward. However, those MAs' slope is not steep, bullish momentum is not strong.

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.

1,150 pts level will be the strong weekly support. On the upside, 1,200 pts level keeps acting as the supply zone, followed by

1,250 pts (if valid breakout occurs).

→ Consolidation phase is expected to be continued this week, but breakout has high probability to occur.

▶ Technical strategy: Hold the position

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 as well as the captured positions at the buy zone (1,000-1,080 pts) and increase proportion of leading stocks when breakout at 1,200 pts level is validated.

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

▶ 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	
4/12/2021		Luong Yen Food Company Limited	35.4	1,671,308	16,800	IPO; Local investors only
4/5/2021		Newspaper Nghe An Printing Co., Ltd	34.5	3,355,370	12,000	

- **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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