

# Xin Chao Vietnam

## Market performance

	22 Mar	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,194.43	0.0	1.7	10.2	8.2
Turnover (VND bn)	15,602				
VN30 (pt, % chg.)	1,198.54	(0.4)	1.5	13.9	11.9

## Major indicators

	22 Mar	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.54	0.1	0.0	0.0	0.1
3-yr govt bonds (% bp chg.)	0.95	0.2	0.1	0.1	0.1
VND/USD (% chg.)	23,080	(0.1)	(0.2)	0.2	0.1
VND/JPY (% chg.)	21,240	(0.3)	3.1	5.1	5.3
VND/EUR (% chg.)	27,488	(0.1)	1.6	3.0	3.6
VND/CNY (% chg.)	3,546	(0.1)	0.4	(0.3)	(0.2)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.68	(0.0)	0.3	0.8	0.8
WTI (USD/bbl, % chg.)	61.10	(0.5)	(0.6)	29.9	25.9
Gold (USD/oz, % chg.)	64.70	0.3	(0.8)	29.2	24.9

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VCB	54.2	HNG	(134.1)
PLX	34.4	VPB	(49.2)
GMD	32.0	NLG	(46.9)
REE	28.1	IJC	(45.6)
HPG	22.7	ACB	(35.8)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
MSB	57.5	VNM	(172.1)
VHM	22.7	CTG	(156.2)
FUEVFVND	11.5	HPG	(79.7)
PDR	9.7	POW	(25.3)
VRE	8.0	SSI	(24.2)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	3.6	Telecommunication	(3.1)
Insurance	1.8	Household Products	(3.0)
Transportation	1.4	Media & Entertainment	(2.0)
Automobiles	0.8	Software & Services	(1.3)
Consumer Services	0.8	Retailing	(0.8)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Consolidation in the short term
- **U.S.:** Business activity accelerated at the 74-month fastest pace

### Macro & Strategy

- **Fundflow 15 – 19 Mar:** Vietnam leads the money inflow across SEA

### 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

#### Consolidation in the short term

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The Vietnam stock market moved in a tight range due to the cautious market sentiment.

At the close, the VNIndex closed almost unchanged at 1,194 pts. Meanwhile, trading volume was 681 million shares or VND15,602bn.

Foreign investors continued to sell with a net value of VND463bn for the twenty-second consecutive net selling session on HSX. They sold VNM, CTG, and HPG the most with a net value of VND172bn, VND156bn, and VND79bn, respectively.

Real Estate was the market leader thanks to VHM (+1.5%), VRE (+1.8%), NVL (+2.3%), ROS (+7.0%), FLC (+7.0%), and TCH (+0.9%).

Moreover, some constituents of VN30Index jumped more than 1% such as VCB (+3.0%), SBT (+2.3%), BVH (+2.0%), CTG (+1.6%), and POW (+1.1%).

VJC rose 1.7% after it announced to sell treasury shares from March 30 to April 28 via orders matching or put through method. VJC expected to receive about VND2,300bn.

In contrast, STB (-2.0%), MBB (-1.9%), TCB (-1.7%), PDR (-1.5%), KDH (-1.4%), and FPT (-1.4%) closed in red territory.

In the short term, the market sentiment has become cautious. That shows the downside risk is still intact as the VNIndex approaches the 1,200-pts threshold. Until VNIndex breaks the threshold, traders should be careful and wait for the confirmation signals.

### Breaking news

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#### ► U.S.: Business activity accelerated at the 74-month fastest pace

Recent data pointed out that the business conditions in the U.S. services sector were improving at a record pace since July 2014. According to the latest report from the IHS Markit, the business activity of the U.S. private sector is expected to grow at a record pace in over six-and-a-half years as the U.S. Services PMI Business Activity recorded 59.8 in February from 58.3 in January. The considerable expansion in the services-sector output was supported by a strong increase in new orders, driven by increasing client demand. However, it is also noticing that cost inflation rose at the steepest pace since the survey began in October 2009. (IHS Markit)

## Macro & strategy

### Fundflow 15 – 19 Mar

#### Vietnam leads the money inflow across SEA

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#### ► Vietnam foreign flow

Last week, foreign supply continued to overwhelm. Net sell value stayed at high level (USD138mn).

Breaking down by sectors, Consumer Staples and Financials continued to be sold the most. Particularly, the selling pressure mainly focused on VNM, CTG, VCB, and MSB, fading the sharp demand on VND and OCB. Besides, Real Estate and Utilities kept experiencing the sharp selling activities due to large sell orders on NVL, VRE, VHM, and POW. On the contrary, foreign demand continued to flow into Energy sector, driven by the massive demand on PLX.

#### ► South East Asia ETF flow

SEA kept experiencing the divestment. Net outflow was USD30mn, down 50% WoW. To be specific, the drop in outflow was mainly driven by the positive flow of money across Vietnam and Singapore. However, outflow was still maintained across other countries such as Indonesia, Malaysia, Thailand, and Philippines.

Vietnam marked the highest inflow among SEA. Net inflow was USD8mn. Of which, VFMVN30 ETF kept leading the outflow which recorded the strong divestment (USD6.7mn). However, the money outflow has been fully recovered by the positive flow of money across VFMVN Diamond (USD16mn).

## 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	

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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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