

# Xin Chao Vietnam

## Market performance

	23 Mar	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,183.45	(0.9)	0.5	9.7	7.2
Turnover (VND bn)	15,107				
VN30 (pt, % chg.)	1,186.98	(1.0)	0.4	13.5	10.9

## Major indicators

	23 Mar	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.56	0.0	0.1	0.0	0.1
3-yr gov't bonds (% bp chg.)	0.99	0.0	0.0	0.1	0.1
VND/USD (% chg.)	23,077	0.0	(0.2)	0.2	0.1
VND/JPY (% chg.)	21,270	(0.4)	2.9	5.0	5.1
VND/EUR (% chg.)	27,459	0.1	1.9	2.7	3.7
VND/CNY (% chg.)	3,543	0.0	0.5	(0.2)	(0.1)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.64	(0.1)	0.3	0.7	0.7
WTI (USD/bbl, % chg.)	59.15	(3.9)	(4.1)	22.9	21.9
Gold (USD/oz, % chg.)	62.12	(3.9)	(5.0)	21.3	19.9

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
PLX	71.8	STB	(66.9)
FLC	47.5	DIG	(37.9)
MSB	40.9	IJC	(36.8)
GAS	33.9	VGC	(30.4)
TCB	22.4	E1VFN30	(28.9)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
MSB	113.3	VNM	(187.6)
MBB	91.1	CTG	(77.1)
ACB	47.1	VCB	(31.8)
E1VFN30	32.0	VIC	(29.7)
FUEVFVND	25.6	PLX	(28.1)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	1.6	Technology	(4.3)
Energy	1.5	Diversified Financials	(2.1)
Media & Entertainment	1.3	Transportation	(1.6)
Household Products	0.6	Banks	(1.5)
Utilities	0.6	Capital Goods	(1.5)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Pessimistic market sentiment
- **Vietnam:** Credit growth accelerates in the first two months of 2021

### 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	16.7	2.7	11.3	16.1
2021F	304,264	177,159	18.9	14.1	2.3	10.1	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

#### Pessimistic market sentiment

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The Vietnam stock market resumed its downtrend as the pessimistic market sentiment.

At the close, the VNIndex lost 0.92% to closed at 1,183 pts. Meanwhile, trading volume was 664 million shares or VND15,107bn.

Foreign investors continued to sell with a net value of VND282bn for the twenty-third consecutive net selling session on HSX. They sold VNM, CTG, and VCB the most with a net value of VND187bn, VND77bn, and VND31bn, respectively.

Banking was the worst sectors due to CTG (-1.5%), VCB (-1.2%), BID (-2.1%), HDB (-1.7%), TCB (-2.1%), ACB (-1.2%), MBB (-1.0%), STB (-2.1%), and EIB (-1.8%). However, based on the 2021 guidance for upcoming AGMs, Banking sector expects a strong regain in EAT this year. Most of banks plan a two-digit growth such as BID with 44%, EIB with 61%, KLB with 533%, MBB with 36%, OCB with 26%, and SHB with 69%.

Today, SeABank (HOSE: SSB) will list 1.2 billion shares on HSX with a reference price of VND16,800 per share. SSB is a medium bank with total assets of VND180tn and total equity of VND13tn.

Some constituents of VN30Index tumbled more than 1% such as NVL (-1.0%), VJC (-1.3%), VRE (-1.3%), SSI (-1.5%), MSN (-1.8%), POW (-1.8%), REE (-1.8%), KDH (-1.9%), and TCH (-2.4%).

PNJ closed unchanged at VND84,200 per share after it posted revenue of VND2,840bn (+40.7% YoY) and net income of VND212bn (+19% YoY) in Feb. In the first 2 months, PNJ's revenue and net income reached VND5,010bn (+37.4% YoY) and VND380bn (+11.2% YoY).

In contrast, PDR (+2.9%), PLX (+2.1%), GAS (+1.4%), and FPT (+0.1%) closed in green territory.

Selling pressure appears on large-cap stocks. That implies 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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#### ► Vietnam: Credit growth accelerates in the first two months of 2021

Following a strong upward momentum in credit growth in late-2020, the first quarter of 2021 witnessed a continuing expansion in the lending activity from the banking system. According to the SBV's Head of Credit Department Nguyen Tuan Anh, as of 17th March, the credit growth posted an increase of 1.2% YTD, much better than just an increase of 0.68% YTD in the same period in 2020. The SBV also targeted 2021 credit growth to reach 12% YTD. (SBV)

## 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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- Neutral: Recommend maintaining the sector's weighting in the portfolio in line with its respective weighting in the VNIndex based on market capitalization.
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