

Xin Chao Vietnam

Market performance

	26 Mar	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,162.21	(0.1)	(0.5)	7.2	5.3
Turnover (VND bn)	15,402				
VN30 (pt, % chg.)	1,167.19	0.2	(0.5)	10.9	9.0

Major indicators

	26 Mar	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.53	(0.0)	0.1	0.0	0.1
3-yr gov't bonds (% bp chg.)	0.95	(0.0)	0.0	0.0	0.1
VND/USD (% chg.)	23,087	(0.0)	(0.3)	0.2	0.0
VND/JPY (% chg.)	21,089	0.2	2.4	5.7	6.0
VND/EUR (% chg.)	27,229	0.2	2.1	3.7	4.6
VND/CNY (% chg.)	3,531	(0.2)	0.7	0.2	0.2
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.65	0.0	0.2	0.7	0.7
WTI (USD/bbl, % chg.)	59.69	1.9	(2.9)	23.8	23.0
Gold (USD/oz, % chg.)	63.00	1.7	(4.7)	22.8	21.6

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
MSB	51.1	GEX	(95.1)
VHM	36.7	E1VFN30	(70.1)
HPG	30.9	KBC	(67.1)
ACB	30.1	STB	(54.7)
PAN	30.0	FLC	(39.1)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
E1VFN30	73.4	CTG	(176.4)
GEX	44.1	MBB	(81.6)
HPG	44.1	VIC	(61.5)
CII	24.5	VNM	(58.3)
FUEFVND	15.2	VHM	(47.1)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Others	4.4	Media & Entertainment	(4.1)
Consumer Durables	0.8	Health Care	(3.7)
Retailing	0.7	Technology	(2.5)
Materials	0.7	Insurance	(1.7)
Diversified Financials	0.7	Pharmaceuticals	(1.0)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** SHB limits up
- **U.S.:** Economic growth continues to speed up in March

Macro & Strategy

- **Chart of the day:** Retest the lower bound of the rectangle pattern

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	16.3	2.6	11.1	16.1
2021F	304,264	177,159	18.9	13.7	2.2	9.9	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)	5.7
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

SHB limits up

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The Vietnam stock market recorded the contraction session, but the high demand on large-cap stocks helped the VNIndex narrow the reduction last Friday.

Vietnam recorded three new cases of COVID-19 infection in the community, which has made investor sentiment become cautious.

At the close, the VNIndex closed almost unchanged at 1,162 pts. Meanwhile, trading volume was 651 million shares or VND15,402bn.

Foreign investors reversed to sell with a net value of VND283bn. They purchased CTG, MBB, and VIC the most with a net value of VND176bn, VND81bn, and VND61bn, respectively.

Some constituents of VN30 slid more than 1%, namely KDH (-2.9%), VRE (-2.0%), BVH (-1.7%), GAS (-1.2%), PDR (-1.1%), VNM (-1.1%), and VHM (-1.0%).

In contrast, Material outperformed the benchmark index thanks to HSG (+0.2%), HPG (+2.7%), and NKG (+0.5%).

Besides, cash flowed into Banking sector such as SHB (+9.6%), VIB (+0.3%), VPB (+0.3%), STB (+1.1%), ACB (+1.2%), TCB (+0.15), and HDB (+0.6%).

The downside risk is still intact in the short term due to the selling pressure on key tickers. If the VNIndex breaks down the 1,150-pts threshold, the rectangle pattern will be confirmed. In this case, the 1,100-pts zone is the target price in the short term. Therefore, traders should be careful and wait for the confirmation signals.

Breaking news

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- ▶ U.S.: Economic growth continues to speed up in March

Recent data pointed out that the economic upturn is gaining strong momentum in March. According to the latest report from the IHS Markit, the business activity of the U.S. private sector is expected to grow quickly as the Flash Composite Output PMI recorded at 59.1 in March compared to 59.5 in February. More specifically, the Flash Manufacturing Index and the Flash Services Business Activity index are expected to reach 59.0 and 60.0, respectively. (IHS Markit)

Macro & strategy

Chart of the day

Retest the lower bound of the rectangle pattern

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- ▶ Market performance

The VNIndex recorded the bearish week, but the index continued to move in a tight range.

- ▶ Chart: Retest the lower bound of the rectangle pattern

The VNIndex is sideways and retests the lower threshold of rectangle pattern, but a breakdown has been confirmed. Based on the rectangle pattern, the index will have two main short-term scenarios as follows (1) If the index breaks out the upper bound, the short-term uptrend will be formed with the target of 1,250 pts. (2) If the index breaks down the lower bound, the short-term downtrend will be confirmed with the target of 1,100 pts.

In the short term, the index is still intact upside in the long term as the MA50 and MA100 are sloping upward.

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).

→ The VNIndex forms the consolidation in the short term as the rectangle pattern. A breakout is essential to confirm the next trend.

► Technical strategy: Hold the position

As mentioned above, the 1,150-pts threshold is the strong support. If the breakdown is confirmed, the market will become bearish. Until then, traders should be careful and stay on the sidelines.

New listing & Public offerings

► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
4/19/2021	KHG	Khai Hoan Land Real Estate JSC	1,600.0	16,000,000	10,000	
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.

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- 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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