

# Xin Chao Vietnam

## Market performance

	29 Mar	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,175.68	1.2	0.6	6.9	6.5
Turnover (VND bn)	13,992				
VN30 (pt, % chg.)	1,180.07	1.1	0.6	11.5	10.2

## Major indicators

	29 Mar	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.49	(0.0)	0.0	(0.0)	0.1
3-yr govt bonds (% bp chg.)	0.73	(0.2)	(0.2)	(0.2)	(0.1)
VND/USD (% chg.)	23,076	0.0	(0.2)	0.2	0.1
VND/JPY (% chg.)	21,059	(0.1)	2.4	6.0	6.2
VND/EUR (% chg.)	27,214	0.2	2.1	3.7	4.6
VND/CNY (% chg.)	3,517	0.3	1.2	0.6	0.6
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.65	(0.0)	0.3	0.7	0.7
WTI (USD/bbl, % chg.)	60.72	(0.4)	(1.3)	26.5	25.1
Gold (USD/oz, % chg.)	64.58	0.0	(2.3)	26.4	24.7

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VCB	141.3	STB	(403.9)
IJC	60.7	VIC	(85.0)
MSB	47.5	GEX	(77.7)
DCM	11.6	MBB	(69.7)
SBT	6.2	HPG	(69.1)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VIC	164.3	KDH	(175.3)
GEX	79.2	VCB	(157.1)
MBB	29.7	HPG	(65.8)
E1VFVN30	24.2	VNM	(43.3)
CII	24.0	CTG	(34.3)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	5.7	Energy	(0.1)
Health Care	4.8		
Others	4.8		
Household Products	4.7		
Telecommunication	3.6		

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Sharp rebound
- **Vietnam:** GDP growth fails economists' expectations

### Macro & Strategy

- **Fundflow 22 – 26 Mar:** Leaders turn to be laggards

### 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	16.5	2.6	11.1	16.1
2021F	304,264	177,159	18.9	13.9	2.3	10.0	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

#### Sharp rebound

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The Vietnam stock market rebounded sharply yesterday after GSO announced some key macro indicators in 1Q21 as GDP growth of 4.48%, IIP of 5.7%, CPI of 0.29%, and a Trade surplus of VND2.03bn.

At the close, the VNIndex jumped by 1.16% to close at 1,175 pts. Meanwhile, trading volume was 640 million shares or VND13,992bn.

Foreign investors continued to sell with a net value of VND155bn. They sold KDH, VCB, and HPG the most with a net value of VND175bn, VND157bn, and VND65bn, respectively.

Finance was the market leader because of SSI (+1.6%), HCM (+2.9%), BVH (+1.4%), VPB (+2.5%), STB (+1.3%), MBB (+2.7%), ACB (+1.7%), BID (+1.1%), and CTG (+2.4%).

Besides, Energy closed in green territory thanks to POW (+3.1%), BSR (+3.1%), OIL (+2.2%), NT2 (+0.9%), GAS (+0.3%), PVD (+0.7%), and PVT (+3.0%). Among these, BSR expected that revenue of near VND21,000bn (+16.7% YoY) and net income of VND1,803bn in 1Q21, compared with a loss of VND2,348bn in 1Q20.

MWG (+0.1%) announced that its revenue and net income posted at VND21,719bn (+6% YoY) and VND999bn (+18% YoY) in the first two months of 2021.

In the AGM meeting, PDR (+0.8%) targeted a VND4.7tn revenue (+20% YoY) and a VND1.8tn net profit (+53% YoY) in 2021. The company also would enter in renewable energy and industrial estate.

In the Sustainability Development Conference, TCM (+7.0%) updated new 2021 business plan with VND4,293bn (+24% YoY) revenue and VND306bn (+11% YoY) PAT. In 1Q21, the revenue reached VND834bn (+6% YoY), the profit reached VND60.2bn (+43% YoY).

Some constituents of VN30 rose by more than 1%, namely TCH (+3.7%), VRE (+2.6%), FPT (+2.0%), VNM (+1.6%), and KDH (+1.3%). In contrast, selling pressure pushed down PLX (-0.5%), KBC (-2.0%), PVS (-0.9%), and PPC (-0.6%)

Despite the recovery, the downside risk is still intact in the short term due to the rectangle pattern. 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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#### ► Vietnam: GDP growth fails economists' expectations

According to the latest update from GSO yesterday, Vietnam's real gross domestic product (GDP) was losing fast-paced growth as expected by the global economists as economic conditions have been negatively impacted by the third COVID-19 resurgence in early February. Particularly, 1Q21 real GDP rose by 4.48% compared to a low base in 1Q20, lower than economists' estimates of 5.8% YoY from the Bloomberg survey. (GSO, Bloomberg)

## Macro & strategy

### Fundflow 22 – 26 Mar

#### Leaders turn to be laggards

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#### ► Vietnam foreign flow

Last week, foreign supply continued to overwhelm but selling pressure has decreased. Net sell value was USD46mn, down 67%

WoW and reaching the 1-month low.

Breaking down by sectors, Financials and Consumer Staples continued to be sold the most. Particularly, the selling pressure mainly focused on VNM, KDC, CTG, SSI, and VCB, fading the sharp demand on DBC, MSB, ACB, and OCB. Besides, Materials experienced the sharp selling activities due to large sell orders on HPG. On the contrary, foreign demand has turned around to be absorbed by Real Estate sector thanks to massive demand on VIC. Industrials also attracted high buying activity, driven by CII.

► South East Asia ETF flow

SEA kept experiencing the divestment but the money outflow has slowed down. Net outflow was USD5mn, down 80% WoW and reaching the 1-month low. To be specific, the drop in outflow was mainly driven by the positive flow of money across Thailand and Malaysia. However, outflow was still maintained across other countries such as Indonesia and Philippines. Notably, our leaders which were Vietnam and Singapore also turned around to be divested last week.

Vietnam has lost its role as a leader of SEA due to the negative flow of money. Net outflow was USD7mn, a one-year high. Of which, VFMVN30 ETF kept leading the outflow which recorded the strong divestment (USD11mn). However, the money outflow has been partially recovered by the positive flow of money across VFMVN Diamond (USD4mn).

## 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	

- **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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