

Xin Chao Vietnam

Market performance

	30 Mar	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,186.36	0.9	1.5	8.1	7.5
Turnover (VND bn)	16,601				
VN30 (pt, % chg.)	1,190.86	0.9	1.5	12.4	11.2

Major indicators

	30 Mar	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.51	0.0	0.0	0.1	0.1
3-yr gov't bonds (% bp chg.)	0.74	0.0	(0.2)	(0.1)	(0.1)
VND/USD (% chg.)	23,071	0.0	(0.2)	0.1	0.1
VND/JPY (% chg.)	20,927	0.4	3.0	6.9	6.8
VND/EUR (% chg.)	27,107	0.4	2.3	4.7	5.0
VND/CNY (% chg.)	3,514	(0.0)	1.3	0.7	0.7
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.76	0.1	0.4	0.8	0.8
WTI (USD/bbl, % chg.)	61.15	(0.7)	(0.6)	26.3	26.0
Gold (USD/oz, % chg.)	64.66	(0.5)	(2.2)	25.9	24.8

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VCB	59.6	STB	(685.5)
GAS	45.6	FLC	(127.6)
ACB	24.8	HNG	(121.9)
BVH	22.7	VGC	(93.0)
CTG	21.6	VIC	(76.1)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VIC	147.8	VCB	(166.5)
STB	71.2	VHM	(132.2)
GEX	64.9	VRE	(88.6)
VND	28.3	CTG	(78.8)
HPG	21.9	GAS	(60.3)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Others	4.6	Household Products	(2.4)
Health Care	1.9	Technology	(1.2)
Consumer Durables	1.6	Telecommunication	(1.2)
Real Estate	1.5	Software & Services	(0.6)
Media & Entertainment	1.2	Retailing	(0.4)

WHAT'S NEW TODAY

Market commentary & News

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Macro & Strategy

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- **ETF review:** Timelines of local ETF

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	16.6	2.7	11.2	16.1
2021F	304,264	177,159	18.9	14.0	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

Second rebound

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The Vietnam stock market maintained its uptrend yesterday thanks to the high demand on large-cap stocks.

At the close, the VNIndex jumped by 0.91% to close at 1,186 pts. Meanwhile, trading volume was 753 million shares or VND16,600bn.

Foreign investors continued to sell with a net value of VND294bn. They sold VCB, VHM, and VRE the most with a net value of VND166bn, VND132bn, and VND88bn, respectively.

Finance was the market leader thanks to CTG (+1.0%), BID (+0.7%), TCB (+1.3%), ACB (+0.9%), STB (+6.8%), VPB (+1.0%), EIB (+3.2%), BVH (+1.4%), SSI (+1.3%), and HCM (+2.1%).

VGC (+4.2%) planned a VND12tn revenue (+27% YoY) and a VND1tn PAT (+19% YoY) in 2021.

Some constituents of VN30 rose by more than 1% such as VIC (+3.7%), MSN (+2.8%), and TCH (+1.8%).

In contrast, selling pressure pushed down VRE (-1.4%), PNJ (-0.6%), FPT (-0.6%), and VCB (-0.5%).

In the AGM meeting, REE (-2.0%) targeted a revenue of VND6,934bn (+24.5% YoY) and a VND1,769bn net profit (+8.7% YoY) in 2021. The company would not pay 2021 dividends.

Despite the second recovery, the downside risk is still intact in the short term due to the rectangle pattern. If the VNIndex does not break out the 1,200-pts threshold, the index will retest the 1,150-pts threshold. Therefore, traders should be careful and wait for the confirmation signals.

Breaking news

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- ▶ Vietnam: Domestic petroleum prices continue increasing following high global energy prices

Following an increase in the global crude oil prices in March, the Ministry of Industry and Trade announced the latest adjustment for the domestic gasoline prices from last weekend. Accordingly, the E5RON92 and RON95-III prices were adjusted higher to VND17,851 and VND19,046 per liter from VND17,722 and VND18,881 per liter, up by about 0.76% and 0.87% from mid-March adjustment, respectively. As a result, continuing increases in gasoline prices will put further upward pressure on the traffic price and the CPI as well in April. (Ministry of Industry and Trade)

Macro & strategy

ETF review

Timelines of local ETF

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HOSE will review all indexes, which are built by HOSE, including VN30Index, VN100Index, VNFIN LEADIndex, and VN Diamond Index. Of which, VN30Index, VN100Index, VNFIN LEADIndex will review weights, which bases on a new updated free float, according to the following timeline:

- 04/19/2021: The official announcement
- 05/04/2021: The Application dates

Meanwhile, VN Diamond Index will review its stock list and the weight of the new index basket, which based on updated data as the new free float, price, and shares outstanding, according to the following timeline:

- 03/31/2021: The based on date
- 04/19/2021: The official announcement
- 05/04/2021: The application dates

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			Mar 31 VN Diamond Index ¹	Apr 1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19 VN30Index, VN100I Index, VNFN LEAD Index, VN Diamond Index ²	20	21	22	23	24
25	26	27	28	29	30	May 1
May 2	May 3	May 4 VN30Index, VN100I Index, VNFN LEAD Index, VN Diamond Index ³				

¹Blue represents the based on date

²Red represents the official announcement

³Grey represents the application dates

Strategic Insight

Will 2013's "taper tantrum" nightmare repeat?

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- ▶ The risk of the 2013 taper tantrum replication

2021-early witnessed a hike in the U.S. government bond market among with upward pressure inflation, concerning investors about another taper tantrum similar to 2013 summer. However, we see different things compared to what occurred in the 2013 summer, indicating the chance of a sooner-than-expected tapering to be smaller. Besides, the ASEAN block, including Vietnam, was not an exception from an assuming taper tantrum, but with less severe injury due to a different structure of capital inflow from the U.S. and a stronger macroeconomic fundamental compared to 2013.

- ▶ Is high inflation a significant risk?

Although the latest released March CPI lowers the possibility that inflation risk could happen for Vietnam's case, an 8-year high record of CPI in February is still a worrying signal in investors' eyes. Our work is to resolve this "inflation-fear" illusion and affirm the inflation still in a good shape. After conducting some reasonable adjustments, February's CPI was down from its 8-year peak of 1.52% MoM to just a healthy pace of 0.45% MoM. The analysis result implies that inflation would not likely cause any significant impact on the current low interest-rate environment. Most importantly, as inflation is far from being a concern to the economy,

the easing monetary stance from SBV would likely remain for long until inflation recovery reaches a meaningful level.

► Vietnam stock market reaction

In the short term, the stock market may appear a correction and retest the 1,100-point area as trading overload issues on HSX. After that, the VNIndex will bounce back under positive influence from low interest rates, upside cycle and valuation, whereby the index will break out the highest peak of 1,200-pts in the long term.

► Bond market in 1Q21 is less attractive than 1Q20

Particularly, both Government Bond and Corporate bond experienced the drop in total issued value. However, we expected the Corporate bond market to be more attractive in 2021 thanks to the significant drop in deposit rate and there is the high demand for medium- and long- term capital demand for businesses.

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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