

# Xin Chao Vietnam

## Market performance

|                      | 1 Apr    | 1D  | 1M  | 3M   | YTD  |
|----------------------|----------|-----|-----|------|------|
| VNIndex (pt, % chg.) | 1,216.10 | 2.1 | 2.5 | 10.2 | 10.2 |
| Turnover (VND bn)    | 16,511   |     |     |      |      |
| VN30 (pt, % chg.)    | 1,226.16 | 2.5 | 2.9 | 14.5 | 14.5 |

## Major indicators

|                               | 1 Apr       | 1D    | 1W    | 1M   | YTD  |
|-------------------------------|-------------|-------|-------|------|------|
| 1-yr gov't bonds (% bp chg.)  | 0.48        | (0.0) | 0.0   | 0.1  | 0.1  |
| 3-yr gov't bonds (% bp chg.)  | 0.91        | 0.2   | 0.0   | 0.1  | 0.1  |
| VND/USD (% chg.)              | 23,076      | 0.0   | (0.2) | 0.1  | 0.1  |
| VND/JPY (% chg.)              | 20,825      | 0.0   | 3.5   | 7.4  | 7.4  |
| VND/EUR (% chg.)              | 27,089      | 0.0   | 2.4   | 5.1  | 5.1  |
| VND/CNY (% chg.)              | 3,510       | 0.3   | 1.4   | 0.8  | 0.8  |
|                               | Prev. close | 1D    | 1W    | 1M   | YTD  |
| 10-yr US Treasury (% bp chg.) | 1.72        | (0.0) | 0.3   | 0.8  | 0.8  |
| WTI (USD/bbl, % chg.)         | 60.40       | 2.1   | (0.4) | 24.5 | 24.5 |
| Gold (USD/oz, % chg.)         | 63.93       | 1.9   | 0.4   | 23.4 | 23.4 |

## Domestic institutions net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|---------|----------|----------|----------|
| FLC     | 127.3    | VIC      | (123.6)  |
| CTG     | 40.0     | HPG      | (71.7)   |
| SSI     | 34.0     | MBB      | (48.3)   |
| DPM     | 20.2     | VIX      | (36.3)   |
| VCB     | 16.3     | POW      | (33.4)   |

## Foreign net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|---------|----------|----------|----------|
| VIC     | 262.7    | VNM      | (186.8)  |
| HPG     | 93.1     | CTG      | (179.3)  |
| STB     | 67.3     | GAS      | (72.2)   |
| MSN     | 54.8     | VCB      | (43.5)   |
| NVL     | 45.8     | VRE      | (12.6)   |

## Daily performance by sector

| Top five sectors       | % chg. | Bottom five sectors | % chg. |
|------------------------|--------|---------------------|--------|
| Diversified Financials | 5.2    | Consumer Durables   | (0.1)  |
| Retailing              | 3.3    |                     |        |
| Real Estate            | 2.6    |                     |        |
| Software & Services    | 2.5    |                     |        |
| Materials              | 2.5    |                     |        |

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** A new high
- **Vietnam:** Manufacturing growth reaches a 27-month high

### 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        | 17.0 | 2.7 | 11.5      | 16.1 |
| 2021F | 304,264  | 177,159  | 18.9       | 14.3 | 2.3 | 10.3      | 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

#### A new high

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The Vietnam stock market maintained its uptrend thanks to optimistic market sentiment.

At the close, the VNIndex jumped by 2.07% to close at 1,216 pts, breaking out the 1,211 pts, the high top in Apr 2018. Meanwhile, trading volume was 649 million shares or VND16,510bn.

Foreign investors reversed to buy with a net value of VND38bn. They purchased VIC, HPG, and STB the most with net values of VND262bn, VND93bn, and VND67bn, respectively.

Finance was the market leader thanks to SSI (+6.90%), HCM (+5.8%), BVH (+2.2%), VPB (+2.8%), MBB (+3.7%), BID (+2.3%), VCB (+2.2%), and CTG (+2.2%).

Moreover, Real Estate, namely VIC (+4.3%), VRE (+3.5%), DXG (+2.5%), SCR (+4.5%), and TCH (+5.9%), outperformed the benchmark index.

VCS (+0.3%) expected its revenue of VND1,541bn (+12.6% YoY) and net income of VND368bn (+21% YoY) in 1Q21, because of the localization of materials, the application of modern technology, and the support from the Phineeka Group.

FPT (+2.6%) would issue 5.1 million shares for ESOP with a price at VND10,000 per share and a block period of 3 to 10 years.

Shareholders of HSG (+2.1%) approved to buy back up to 22 million shares in 2021. Whereby, if movements of stock price are unfavorable due to the impact of the Covid-19 epidemic, the company will purchase a maximum of 22 million shares.

In contrast, MSN (-0.2%), SAB (-0.6%), and ROS (-6.0%) closed in red territory.

The VNIndex forms the new high, implying the confirmation of an uptrend. The index breaks out the upper line of the rectangle pattern, showing the short-term target price of 1,250 pts. Therefore, traders should increase their long position and focus on leading stocks such as Banking and Real Estate.

### Breaking news

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#### ► Vietnam: Manufacturing growth reaches a 27-month high

According to the latest data from the IHS Markit, Vietnam's manufacturing sector continued its growth for the fourth month at a fast pace. More specifically, Vietnam's Manufacturing PMI Index recorded 53.6 in March, which is the strongest expansion in 27 months. This fast-growing pace was driven by marked increases in almost all criteria, including production output, new orders, employment, and purchasing activity. Most noticeably, growths of manufacturing production, new orders, and business confidence criteria reached the highest level in 20 months. (IHS Markit)

## 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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