

Xin Chao Vietnam

Market performance

	2 Apr	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,224.45	0.7	4.8	8.1	10.9
Turnover (VND bn)	16,119				
VN30 (pt, % chg.)	1,238.03	1.0	5.5	12.1	15.6

Major indicators

	2 Apr	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.46	(0.0)	(0.0)	0.0	0.0
3-yr govt bonds (% bp chg.)	0.69	(0.2)	(0.2)	(0.2)	(0.2)
VND/USD (% chg.)	23,073	0.0	(0.2)	0.1	0.1
VND/JPY (% chg.)	20,859	(0.1)	1.9	7.7	7.2
VND/EUR (% chg.)	27,190	(0.4)	1.8	4.1	4.7
VND/CNY (% chg.)	3,513	0.0	1.2	1.6	0.7
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.71	(0.0)	0.1	0.8	0.8
WTI (USD/bbl, % chg.)	61.32	(0.2)	(7.2)	22.8	26.4
Gold (USD/oz, % chg.)	64.70	(0.2)	(6.7)	20.7	24.9

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VGC	133.0	HNG	(146.4)
TCB	60.5	IMP	(63.7)
MWG	54.7	DBD	(35.3)
VIC	50.1	FUEVFVND	(29.7)
HPG	45.9	CII	(19.6)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
PMG	395.6	CTG	(60.5)
HPG	94.7	VNM	(10.4)
STB	70.5	VRE	(9.1)
MSN	35.1	GVR	(8.9)
NVL	30.5	GAS	(7.0)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Consumer Durables	1.5	Telecommunication	(3.1)
Banks	1.3	Automobiles	(0.5)
Insurance	1.3	Household Products	(0.5)
F&B	0.9	Media & Entertainment	(0.3)
Consumer Services	0.7	Utilities	(0.1)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** The upward swing is ready
- **Vietnam:** Fitch affirms Vietnam's BB rating with a positive outlook

Macro & Strategy

- **Chart of the day:** The all-time high is broken
- **ETF review:** VN DIAMOND Index will add ACB, MSB, EIB, VIB and TCM

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	17.2	2.8	11.6	16.1
2021F	304,264	177,159	18.9	14.5	2.4	10.4	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

The upward swing is ready

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The Vietnam stock market maintained its upward swing thanks to optimistic market sentiment.

At the close, the VNIndex was added 0.7% to close at 1,224 pts with the slightly decrease in volume.

Foreign investors' demand kept maintaining at the high level. They purchased PMG, HPG, and STB the most with net values of VND395bn, VND95bn, and VND71bn, respectively.

Financials continued to be the market leader thanks to STB (+4.6%), BID (+2.4%), HDB (+1.7%), BVH (+1.5%), MBB (+1.4%), and TPB (+1.1%).

Among top 5 index weight tickers, VNM (+1.7%), HPG (+1.1%), VPB (+0.7%), and TCB (+0.6%) positively impacted the benchmark whilst VIC (0%) faded the benchmark and became index laggard.

The VNIndex forms the new high, implying the confirmation of an uptrend as well as 1,250 pts level is expected to be the short-term resistance. 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: Fitch affirms Vietnam's BB rating with a positive outlook

According to the latest announcement from Fitch Ratings, the credit rating for Vietnam remains unchanged at "BB" with the outlook upgraded from stable to positive on late Thursday. The drivers of the change to the positive outlook include outstanding economic growth, public finances resilience, and continued strengthening of external finances during the COVID-19 pandemic. Besides, Fitch Ratings also predicts Vietnam's real GDP growth to reach about 7% YoY in this year, driven by sustaining high-growth export and gradual normalization of domestic economic activity. (FitchRating)

Macro & strategy

Chart of the day

The all-time high is broken

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- ▶ Market performance

The VNIndex has validly pierced the all-time high (1,200 pts), setting the upcoming healthy bullish leg.

- ▶ Chart: The next upward swing

The bullish candles were validated by the above average volume. MA5 is sloping upward and Bollinger bands are expanding, implying the upward swing with stable bullish momentum.

MA20 and MA50 are sloping upward as well as upward crossover is confirmed, the bullish market is confirmed.

The broken 1,200 pts level has turned around to act as the short-term support. On the upside, 1,250 pts level is expected to be the weekly resistance.

However, the Doji candle has formed on Friday with high volume, implying the surge in volatility level.

→ The bullish market is active and upward swing is expected to continue this week.

- ▶ Technical strategy: Buy when there is the correction

As mentioned above, the all-time high is broken validly as well as upward momentum is improved. In this case, investors should hold the current positions and buy more on the first pullback (when 1,200 pts level is retested).

ETF review

VN DIAMOND Index will add ACB, MSB, EIB, VIB and TCM

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Based on data as of 31 Mar 2021, we expected the VN DIAMOND Index removes KDH because the stock does not reach FOL criteria at less than 90%. On the other side, the index may be added ACB, MSB, EIB, VIB, and TCM. Among these, ACB MSB, and VIB recently listed in November and December 2020 but have met all criteria of the VN DIAMOND Index so they are still added to the list.

VFMVN DIAMOND ETF is expected to buy 18.7 million ACB shares, 10.3 million MSB shares, 10.0 million EIB shares, and 7.4 million VIB shares. On the sell side, MBB and CTG are expected to sell heavily with net million shares of 18.0 and 10.9.

The results will be announced on 19 Apr 2021; the new weight will be effective on 04 May 2021.

New listing & Public offerings

► New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
4/8/2021	LPT	Lap Phuong Thanh Production And Trading JSC	UPCoM	80.0	8,000,000	10,600

► 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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