

# Xin Chao Vietnam

## Market performance

	7 Apr	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,242.38	0.2	6.3	7.4	12.5
Turnover (VND bn)	15,943				
VN30 (pt, % chg.)	1,257.77	0.2	7.2	11.2	17.5

## Major indicators

	7 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.)	23,093	(0.0)	(0.2)	(0.1)	0.0
VND/JPY (% chg.)	21,025	0.0	0.6	5.7	6.3
VND/EUR (% chg.)	27,438	(0.6)	(0.2)	3.9	3.8
VND/CNY (% chg.)	3,529	0.0	0.1	0.9	0.3
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.64	(0.0)	0.1	0.6	0.7
WTI (USD/bbl, % chg.)	59.06	(0.5)	(10.6)	16.2	21.7
Gold (USD/oz, % chg.)	62.54	(0.3)	(9.8)	15.0	20.7

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
TCB	53.3	FLC	(130.3)
DBD	26.7	KDH	(100.6)
VIC	24.8	STB	(75.5)
IJC	24.0	VNM	(42.2)
NVL	20.7	LPB	(37.6)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUEFVND	94.2	CTG	(181.6)
VRE	63.2	VNM	(90.7)
MBB	40.3	GAS	(45.1)
HPG	38.6	VPB	(29.5)
HDB	32.0	PLX	(27.1)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Health Care	4.7	Pharmaceuticals	(0.2)
Insurance	2.6	F&B	(0.1)
Telecommunication	2.6	Commercial Services	(0.1)
Capital Goods	2.1	Banks	(0.0)
Household Products	1.9	Real Estate	(0.0)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** HBC limits up
- **Vietnam:** Vietnam: GDP grows modestly

### Macro & Strategy

- **April Fixed Income view:** Chance to interest rate rise adds up slowly

### 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	7.3	17.4	2.8	11.5	16.1
2021F	304,264	177,159	18.9	14.7	2.4	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)	5.8
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

#### HBC limits up

**Hieu Tran**  
hieu.ttm@kisvn.vn

The Vietnam stock market maintained its uptrend for the fifth gaining session yesterday.

At the close, the VNIndex increased by 0.20% to close at 1,242 pts. Meanwhile, trading volume was 701 million shares or VND15,942bn.

Foreign investors continued to sell with a net value of VND58bn. They sold CTG, VNM, and GAS the most with net values of VND181bn, VND90bn, and VND45bn, respectively.

Real Estate, namely VIC (+0.6%), VRE (+1.1%), NVL (+1.5%), ROS (+1.6%), TCH (+1.9%), and PDR (+1.3%), was the market leader.

Moreover, cash flowed into Construction thanks to CTD (+1.4%) and HBC (+6.9%).

FRT (+3.7%) planned a VND16,400bn revenue (+12% YoY) and a VND120bn net income (+320% YoY) in 2021. While it targeted a dividend yield of 5%.

Shareholders of HCM (+0.6%) approved that it would issue 152.5 million shares for shareholders to increase capital by 50% with an offering price of VND14,000 per share.

In contrast, STB (-2.0%), VNM (-1.4%), VHM (-1.2%), GAS (-0.7%), and PNJ (-0.6%) closed in red territory.

Based on the rectangle pattern, the target price of VNIndex is 1,250 points. Therefore, traders should hold their long position and focus on leading stocks such as Banking and Real Estate.

### Breaking news

**Tuan Doan**  
tuan.doan@kisvn.vn

#### ► Vietnam: GDP grows modestly

GSO's figures show that Vietnam's real gross domestic product (GDP) sustained its modest growth rate at 4.48%, leaning back on the impressive improvement in taxes-less-subsidies (TLS) and industry and construction (I&C) items. Other sectors, including services and agriculture, forestry, and fishery (AFF), partly reflect the glooming picture in domestic demand in the beginning months of this year as their growth rates recorded notable reductions compared to the growing paces in the last quarter of 2020. Specifically, the TSL and I&C rose by 3.25-percent points (pps) and 1.70-pps to post 4.32% YoY and 6.50% YoY, while services and AFF declined by 0.95-pps and 1.53-pps, posting 3.34% and 3.16%. (GSO, KIS)

## Macro & strategy

### April Fixed Income view

#### Chance to interest rate rise adds up slowly

**Tuan Doan**  
tuan.doan@kisvn.vn

#### ► ON to gradually move up

Interbank rates in March returned to previous low levels with a multiple-month high trading value, confirming that the notable shortage in February-early was just seasonal. The credit growth this month posted 2.04%, higher than the previous estimate of 1.7%. Along with the COVID19 control was going brighter, SBV's officials recently upgraded their economic outlook and correspondingly indicated that the credit activities would be going better than forecasted at the beginning of the year. However, interbank and deposit rates generally kept staying low, suggesting that the liquidity in the banking system was persistently abundant. Therefore, it will take time for the interbank market to reverse the existing super-low rate environment.

#### ► Loosening upward pressure on bond yields

Primary and secondary G-bond markets remained subdued in March with increasing medium-and-long-term bond yields and low investment and trading activities. It seems investors become more cautious and play a “wait-and-see” strategy, waiting for a clearer picture in the coming months. In our view, upward pressure on bond yields is loosening at the present, and G-bond yields would likely remain in a tight range with low volatility in April.

## 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	

- **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.

- **Analyst Certification**

I/We, as the research analyst/analysts who prepared this report, do hereby certify that the views expressed in this research report accurately reflect my/our personal views about the subject securities and issuers discussed in this report. I/We do hereby also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

## Global Disclaimer

- **General**

This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of KIS Vietnam Securities Corp., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of KIS Vietnam Securities Corp..

This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. KIS Vietnam Securities Corp. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. KIS Vietnam Securities Corp., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or KIS Vietnam Securities Corp. The final investment decision is based on the client's judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.

- **Country-specific disclaimer**

**United States:** This report is distributed in the U.S. by Korea Investment & Securities America, Inc., a member of FINRA/SIPC, and is only intended for major U.S. institutional investors as defined in Rule 15a-6(a)(2) under the U.S. Securities Exchange Act of 1934. All U.S. persons that receive this document by their acceptance thereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Korea Investment & Securities, Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Korea Investment & Securities America, Inc., which accepts responsibility for the contents of this report in the U.S. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. person absent registration or an applicable exemption from the registration requirement.

**United Kingdom:** This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

**Hong Kong:** This research report and marketing materials may be distributed in Hong Kong to institutional clients by Korea Investment & Securities Asia Limited (KISA), a Hong Kong representative subsidiary of Korea Investment & Securities Co., Ltd., and may not otherwise be distributed to any other party. KISA provides equity sales service to institutional clients in Hong Kong for Korean securities under its sole discretion, and is thus solely responsible for provision of the aforementioned equity selling activities in Hong Kong. All requests by and correspondence with Hong Kong investors involving securities discussed in this report and marketing materials must be effected through KISA, which is registered with The Securities & Futures Commission (SFC) of Hong Kong. Korea Investment & Securities Co., Ltd. is not a registered financial institution under Hong Kong's SFC.

**Singapore:** This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Korea Investment & Securities Co., Ltd. has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person. Please contact Korea Investment & Securities Singapore Pte Ltd in respect of any matters arising from, or in connection with, the analysis or report (Contact Number: 65 6501 5600).

Copyright © 2021 KIS Vietnam Securities Corp.. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of KIS Vietnam Securities Corp..