

Xin Chao Vietnam

Market performance

	8 Apr	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,234.89	(0.6)	5.7	5.8	11.9
Turnover (VND bn)	14,125				
VN30 (pt, % chg.)	1,251.81	(0.5)	7.0	9.1	16.9

Major indicators

	8 Apr	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.53	0.1	0.1	0.0	0.1
3-yr gov't bonds (% bp chg.)	0.97	0.3	0.3	0.1	0.1
VND/USD (% chg.)	23,088	0.0	(0.2)	(0.1)	0.0
VND/JPY (% chg.)	21,075	(0.3)	0.4	5.3	6.1
VND/EUR (% chg.)	27,438	(0.6)	(0.2)	3.9	3.8
VND/CNY (% chg.)	3,525	0.1	0.2	1.1	0.4
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.65	(0.0)	0.1	0.5	0.7
WTI (USD/bbl, % chg.)	59.46	(0.5)	(8.6)	13.8	22.5
Gold (USD/oz, % chg.)	62.99	(0.3)	(7.7)	12.5	21.6

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VJC	219.3	VNM	(57.6)
ROS	75.3	STB	(51.8)
CTG	51.4	GEX	(40.1)
FLC	40.3	MSB	(27.5)
DXG	36.9	LPB	(19.3)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VRE	72.0	BID	(37.6)
NVL	35.2	VNM	(30.3)
HPG	26.6	KDH	(30.0)
STB	19.2	VCB	(27.2)
VJC	15.6	CTG	(26.7)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Capital Goods	0.7	Health Care	(6.9)
Materials	0.3	Media & Entertainment	(3.0)
Consumer Durables	0.1	Technology	(2.7)
Energy	0.1	Insurance	(1.6)
Transportation	0.1	Banks	(1.1)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Temporary taking-profit
- **Vietnam:** Trade improves as Tet ends

Sector & Company

- **Thanh Cong Textile (TCM):** AGM brief

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	17.3	2.8	11.5	16.1
2021F	304,264	177,159	18.9	14.5	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

Temporary taking-profit

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The Vietnam stock market reversed to go down yesterday due to selling pressure on key stocks.

At the close, the VNIndex lost 0.60% to close at 1,234 pts. Meanwhile, trading volume was 645 million shares or VND14,124bn.

Foreign investors continued to sell with a net value of VND11bn. They sold BID, VNM, and KDH the most with net values of VND37bn, VND30bn, and VND29bn, respectively.

Banking was the worst sector because of CTG (-0.9%), VCB (-1.9%), BID (-1.6%), TCB (-0.6%), MBB (-1.9%), STB (-0.4%), and EIB (-0.9%).

Moreover, some constituents of the Vn30Index slid more than 1% such as VIC (-1.8%), BVH (-1.6%), TCH (-1.5%), and POW (-1.1%).

In contrast, HDB (+1.1%), VPB (+0.4%), and TPB (+0.3%) closed in green territory.

PLX (+0.2%) planned a VND135tn revenue (+9% YoY) and a VND3,360bn PBT (+140% YoY) in 2021 while it targeted a cash dividend yield of 12%. Besides, the firm would complete the divestment of PGBank in 2021, as well as reduce the percentage of state ownership in the period 2021-2026.

In AGM, VDS (+0.00%) forecasted net income at VND123bn in 1Q21. In 2021, they targeted revenue of VND528bn (+13% YoY) and net income of VND144bn (-4% YoY) due to an increase in the operation cost.

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

Breaking news

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► Vietnam: Trade improves as Tet ends

March' data shows that the trade activity experienced improvement this month as export made a turnaround and import accelerated. According to GSO's estimates, import value posted USD28.20bn, growing by 27.32% YoY, which nearly doubles the growth rate in February, while export even recorded a turnaround as rising by 18.53% YoY to posting USD28.60bn. As a result, the trade balance recorded a surplus of USD0.40bn this month. (GSO, KIS)

Sector & Company

Thanh Cong Textile (TCM)

AGM brief: Sewing the opportunities

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► Traditional orders rebounding

The company guides for a VND4,293bn revenue and a VND290bn net profit, equivalent to 24% yoy / 5% yoy respectively in FY21F. A total 25% dividend of which 5% cash dividend could be paid in June.

In 1Q21F, TCM revealed to achieve USD36mn in revenue, +6% yoy and USD2.6mn in net profit, +43% yoy, completing 19%/29% of the company full-year estimates. The gross margin could advance in 1Q21 thanks to higher yarn price despite more thin-margin outsource segment. We will provide a fuller review when the financial statements are released.

The company has a bright outlook as the traditional order book backlog is secured until August as of end-1Q21.

Further down the road, TCM anticipates reaping long-term textile orders from the existing clients base and exposing more

towards Adidas's value chains. This strategy acts will compensate for the decelerating export of antibacterial mask and protective medical to the U.S market.

TCM shares the recent import prohibitions imposed on Xinjian cotton products from the US and EU authorities might be an opportunity for more demand on TCM fabrics from the popular brand names.

To date, the TC Tower project is cooperating with domestic partner to complete the legal procedures.

- Capex increase to ride on growing demand

TCM will accelerate the production of new yarn by 720 tons per year and knitted fabric by 1,800 tons per year by leveraging the efficiency. Since current factories are running at full capacity, TCM will build a second sewing factory in Vinh Long and expect to complete in September 2021 with a total capacity of 9 million products per year at the VND260bn investment cost.

E-commerce sale system through the Amazon platform with the brands OnLee in the U.S could add to distribution channels in 2021.

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	

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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.

■ 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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