

Xin Chao Vietnam

Market performance

	15 Apr	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,250.40	(0.4)	5.6	4.7	13.3
Turnover (VND bn)	20,387				
VN30 (pt, % chg.)	1,284.20	(0.5)	7.8	8.6	19.9

Major indicators

	15 Apr	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.48	(0.1)	0.0	0.0	0.1
3-yr gov't bonds (% bp chg.)	0.94	(0.1)	0.2	0.1	0.1
VND/USD (% chg.)	23,074	0.0	(0.0)	(0.0)	0.1
VND/JPY (% chg.)	21,221	(0.2)	(0.4)	4.6	5.4
VND/EUR (% chg.)	27,648	(0.1)	(0.4)	1.7	3.0
VND/CNY (% chg.)	3,537	(0.1)	0.3	0.6	0.1
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.61	(0.0)	0.0	0.5	0.7
WTI (USD/bbl, % chg.)	62.85	(0.5)	(3.9)	20.0	29.5
Gold (USD/oz, % chg.)	66.32	(0.4)	(3.7)	20.4	28.0

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
E1VFN30	119.3	HPG	(178.4)
SSI	31.9	VHM	(96.2)
CVT	16.6	TCB	(95.9)
STB	8.7	VPB	(95.3)
CTG	7.9	VCB	(69.8)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
NVL	112.5	VHM	(297.7)
VIC	78.8	E1VFN30	(111.9)
FUEFVND	25.4	GAS	(74.0)
HSG	16.5	KDH	(63.1)
MSN	15.3	CII	(56.2)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Materials	0.8	Diversified Financials	(2.6)
Others	0.6	Media & Entertainment	(2.0)
Real Estate	0.5	Energy	(1.6)
Consumer Durables	0.2	Pharmaceuticals	(1.5)
Health Care	0.1	Banks	(1.4)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Selling pressure
- **Vietnam:** The disbursement of public investment slows in the first quarter

Sector & Company

- **Sonadezi Chau Duc (SZC):** AGM brief
- **Nam Tan Uyen (NTC):** 1Q21 review

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	7.3	17.4	2.8	11.8	16.1
2021F	304,264	177,159	18.9	14.6	2.4	10.5	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)	6.2
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

Selling pressure

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The Vietnam stock market reversed to go down due to high selling pressure at the afternoon session.

At the close, the VNIndex lost 0.69% to close at 1,247 pts. Meanwhile, trading volume was 775 million shares or VND20,387bn.

Foreign investors continued to sell with a net value of VND982bn. They sold VHM, E1VFN30, and GAS the most with net values of VND297bn, VND111bn, and VND74bn, respectively.

Banking was the worst sector driven by CTG (-1.3%), BID (-2.2%), VCB (-1.2%), HDB (-2.0%), TCB (-2.2%), ACB (-2.2%), MBB (-2.1%), and STB (-2.4%).

Some constituents of the VN30Index slid more than 2% such as SSI (-3.1%), POW (-2.9%), VRE (-2.9%), REE (-2.3%), TCH (-2.2%), and BVH (-2.0%).

In AGM document, GAS (-0.6%) estimated revenue of VND70,169bn (+6.9% YoY) and PBT of VND8,794bn (-11.9% YoY) in 2021, based on average oil price of USD45/bbl.

In contrast, HPG (+2.8%), NVL (+2.4%), VHM (+0.7%), and VIC (+0.6%) closed in green territory.

In the first 6 months of fiscal year, HSG (+5.3%) estimated revenue of VND19,941bn (59% YoY) and profit after tax of VND1,406bn (+270% YoY).

MSR (+0.00%) set out two business scenarios in 2021 as (1) revenue of VND12,500bn and net income of VND400bn (2) revenue of VND11,500bn and net income of VND200bn.

Despite the contraction, the bullish market is still intact in the short term as the small rectangle pattern forms. That implies the target price is 1,350 pts. 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: The disbursement of public investment slows in the first quarter

According to the Ministry of Finance, as of the end of March 2021, the total investment capital from the state budget has disbursed around VND66.0tn, accounting for 11.7% of the annual plan. Regarding the planned value transferred from previous fiscal year, the disbursement amount posted around VND5.2tn, equaling 9.43% of the plan. (MOF)

Sector & Company

Sonadezi Chau Duc (SZC)

Manifesting its charms

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- ▶ Conservative FY21F guidance as usual

In FY20F, NTC set a cautious net profit of VND176bn, - 5.3% yoy despite a stellar revenue growth of 31.9% yoy to VND571bn and nearly completion of net profit guidance in 1Q20 results.

Particularly, the FY21F revenue estimate is comprising of some key contributors: 1) a VND461bn industrial land sales on the back of a 50ha land area transferred 2) a VND90bn residential land sales driven by a handover of 94 shop houses in Huu Phuoc Sonadezi project

1Q21 SZC is slated to reach a VND179bn revenue and a VND76.8bn net profit, making up 30.6%/43.6% of the company full-year guidance.

The company attributes a bigger cash drain to construction of the new industrial land (USD42/ sqm), and that will lead to decline in gross profit margin.

A cash dividend of 10-15% at par could be paid in FY21F

- ▶ Aggressive fund demand

Further information (verification) is required, to fund for the development of a 150ha residential townhouse project in the North, the company is in the need of at least VND3tn investment fund this year either in the form of equity or bond issuances.

- ▶ Rich valuation as growth prospect are over manifested

Per management guidance, FY21F earnings translate into a forward P/E of 38x and P/B of 3x, expensive with the local peer median at 15x and 2.1x, respectively.

Nam Tan Uyen (NTC)

Hold (Maintain)

Expecting another strong year

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- ▶ Facts: 1Q21 NPATMI sustains growth momentum

Nam Tan Uyen's 1Q21 revenue skyrocket 63.5% yoy to VND68bn mainly thanks to land transfer revenue growth of +74.3% yoy to VND55bn. The net profit boomed lower by 32.1% yoy to VND113bn due to marginal increase of financial income of VND86bn, 11.8% yoy.

The 1Q21 land transfer revenue recorded the one-time recognition of rental payment of around 1.9-2.3ha. 1Q21F gross margin also improved by 6.5% pts yoy driven by 9-12% yoy increase in land rent. Overall, 1Q21 revenue and net profit met 20.1%/39.6% our forecast respectively.

- ▶ Pros and cons: NTU 3 industrial park ready to commence

Our FY21F net profit estimate stays unchanged with at VND284bn driven by a higher gross margin and promising land transfer area.

We remain upbeat on NTC 3 IP regulatory process although Binh Duong People Committee has been delaying to grant the approval for three years. As the new cabinet is newly set up in 2H21F, the regulatory process could resume.

- ▶ Actions: Maintain Hold

NTC's market price has been retreated to VND230,000, -14.4% in 1 month after an explosion in FY20 upon the booming FY20 result despite the delaying granting decision from Binh Duong People. We believe this event could exist soon as the Vietnam government is eager to approve the new expansion/establishment of industrial properties on the reap of supply chain relocation wave in China to Vietnam. However, we think retail investors seem overreacted to underlying land presale surge as the travel restriction could prolong to 2H21F, in our view.

New listing & Public offerings

▶ Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
5/4/2021	AAA	An Phat Bioplastics JSC	2,217.6	75,000,000	14,000	-
4/19/2021	KHG	Khai Hoan Land Real Estate JSC	1,600.0	16,000,000	10,000	IPO; Local investors only

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- BUY: Expected total return will be 15% or more
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- 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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