

Xin Chao Vietnam

Market performance

	23 Apr	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,248.53	1.7	5.5	7.0	13.1
Turnover (VND bn)	19,745				
VN30 (pt, % chg.)	1,301.39	2.3	9.6	12.5	21.5

Major indicators

	23 Apr	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.50	(0.0)	(0.1)	0.0	0.1
3-yr gov't bonds (% bp chg.)	0.93	0.2	(0.1)	0.1	0.1
VND/USD (% chg.)	23,066	0.0	0.0	0.0	0.1
VND/JPY (% chg.)	21,383	(0.1)	(0.6)	3.9	4.6
VND/EUR (% chg.)	27,720	0.2	(1.1)	1.6	2.7
VND/CNY (% chg.)	3,552	0.0	(0.3)	0.2	(0.4)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.55	0.0	(0.1)	0.5	0.6
WTI (USD/bbl, % chg.)	61.50	0.1	6.5	17.7	26.8
Gold (USD/oz, % chg.)	65.33	(0.1)	7.5	17.9	26.1

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VIC	74.4	VPB	(55.8)
SSI	46.1	HPG	(33.9)
PNJ	31.1	CTG	(28.6)
FPT	16.8	VCB	(21.9)
GMD	14.8	ACB	(18.2)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VIC	111.0	VPB	(203.9)
VNM	96.5	VRE	(108.4)
VCB	71.9	VJC	(49.6)
STB	52.8	PLX	(41.3)
MSN	52.4	NVL	(34.8)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	3.8	Technology	(1.7)
Software & Services	3.7	Transportation	0.1
Diversified Financials	3.5	Commercial Services	0.1
Retailing	3.3	Consumer Services	0.3
Banks	2.6	Pharmaceuticals	0.3

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Pull trap?
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Macro & Strategy

- **Chart of the day:** We are still in the healthy uptrend

Sector & Company

- **Century Synthetic Fiber (STK):** AGM brief
- **Nam Long Investment (NLG):** 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	17.6	2.8	11.9	16.1
2021F	304,264	177,159	18.9	14.8	2.4	10.6	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)	6.3
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

Pull trap?

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The Vietnam stock market rebounded last Friday thanks to the high demand on large-cap stocks. At the close, the VNIndex jumped 1.69% to close at 1,248 pts.

Banking was the market leaders thanks to CTG (+5.5%), BID (+2.4%), HDB (+2.3%), TCB (+2.0%), ACB (+2.8%), MBB (+3.8%), VPB (+4.1%), and EIB (+6.5%).

In AGM, STB (+6.9%) planned several targets such as total assets of VND533,300bn (+8% YoY), total mobilized capital of VND485,500bn, PBT of VND4,000bn (+20% YoY), and bad debt ratio of under 2%.

In 2021 AGM, VCB (+1.0%) targeted PBT of VND25,580bn (+11% YoY) and bad debt ratio of under 1%. Besides, the bank will issue 1 billion shares based on undistributed net profit and plan to offer a private placement of 6.5% to strategic investors.

Some constituents of the VN30Index rose more than 3% such as KDH (+7.0%), SSI (+3.9%), FPT (+3.8%), TCH (+3.7%), SBT (+3.6%), and MWG (+3.5%).

VHC (+2.2%) announced that 1Q21 sales and net income reached VND1,788bn (+9% YoY) and VND132bn (-13% YoY) due to an increase of transportation costs.

In contrast, VIC (-0.4%), NVL (-0.3%), ROS (-1.9%), BSR (-1.3%), and VJC (-0.7%) closed in green territory.

DHG (-0.4%) recorded a VND1,169bn revenue (+25% YoY) and a VND230bn PBT (+17% YoY) in 1Q21.

Despite the recovery, the downside risk is still intact in the short term. Therefore, traders should be careful. If selling pressure is still intact today, traders should reduce their long position.

Breaking news

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► Euro: ECB sustains the stimulus policy

ECB remained its policy rates, including interest rates on the main refinancing operations, the marginal lending facility, and deposit facility, unchanged at 0.00%, 0.25%, and -0.50% in the meeting on April 22, 2021. Besides, the central bank of the Eurozone sustains its stimulus stance to strengthen the economic recovery by carrying out constantly net asset purchases with a total envelope of €1,850 billion until at least the end of March 2022. (ECB, KIS Việt Nam)

Macro & strategy

Chart of the day

We are still in the healthy uptrend

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► Market performance

The VNIndex consolidated last week, confirmed by the subsequent bullish and bearish candles and forming the short-term congestion zone at 1,300 pts.

► Chart: The healthy uptrend

MA20 is still respected thanks to the bullish candle on Friday, bullish market is not faded.

Besides, MA20 and MA50 are still sloping upward, the bullish market is active. Notably, MA50 and MA200 are sloping upward parallel to each other, the long-term bull is strong.

The broken 1,200 pts level has turned around to act as the most important short-term support. On the upside, 1,300 pts area is expected to be the weekly resistance.

→ The Index will retest 1,300 pts zone this week.

- ▶ Technical strategy: Buy or add at the most important support

As mentioned above, we are still in the healthy uptrend. In this case, investors should hold the current positions and buy more on the first pullback (when 1,200 pts zone is retested).

Sector & Company

Century Synthetic Fiber (STK)

AGM brief: Shines the ginning results

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- ▶ Concentrate on recycled yarn.

The company targets a VND2,358bn revenue, +33.5% yoy and a VND248bn NPAT, 71.8% yoy in FY21F. A 15.0% cash dividend at par could be paid this year. In 1Q21, the company reached VND567bn in revenue (-8.0% yoy) and VND71bn in NPAT (+36.4% yoy), completing 24.0%/28.5% of full-year guidance.

In 2021, STK plans the rights offering of 13 million shares at par with 5:1 ratio. The receipt aims to fund a new yarn plant UNITEX.

Per management, 2021 strategic initiatives include:

- Concentrate on producing recycled yarn.
- Increase the market share in supplying brands.
- Reduce waste in production by developing quality control process and solar energy system.
- Enhance the R&D and staff performance.

Particular, the company focuses on producing the recycled yarn and expects to increase the proportion of recycled yarn revenue by 50% (+6% yoy) in 2021, backed by:

- Recycled yarn enjoys a prosperous outlook due to the well-known brand names has been committing to the recycled yarn such as Nike, Uniqlo, Adidas, Walmart, Inditex, IKEA, H&M since 2020.
- STK owns a “know-how” technique in producing long and short recycled polyester yarn.
- The company won Top 2 market share of Vietnam in recycled yarn in 2020

Also, the company will accelerate the production of recycled yarn, high-value-added yarn and other yarn by building UNITEX yarn factory in Tay Ninh. The phase 1 needs a USD75mn capex to produce 36,000 tonnes per year from 2023. The phase 2 will commence in 2025 with a capex of USD45mn to add 24,000 tonnes per year. STK could borrow around USD52.5mn loan from local banks this year to fund the capex need in the 1st phase.

Nam Long Investment (NLG)

BUY (Maintain), TP VND38,800

AGM brief: Strong income visibility

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- ▶ AGM Briefing

On April 24, we attended NLG’s 2021 AGM, and the presentation was largely centered on the FY21F guidance, contract sale target, and share issuance plan.

- ▶ FY21F: To see 37.9% yoy earnings growth

The company sets a target to post a VND1,152bn net profit, 37.9% yoy driven by a VND4.9tn revenue, 123.8% yoy. Around

1,800 units handed over in the Akari condo and Southgate townhouse projects drives the FY21F revenue growth. Per management, FY21F net profit also includes 1) a VND429bn goodwill income thanks to a further 30.1% stake acquisition to 65.1% of Waterfront (Izumi) project, and 2) a VND400bn financial income from a 50% stake transfer in Dai Phuoc project.

Moreover, NLG reaffirms its total revenue of VND23.6tn and net profit of VND4.3tn in FY21F-23F.

The company could pay a 10% share dividend and 20% cash dividend in FY21F.

- ▶ Rebounding contract sales in FY21F

NLG aims at VND10-13tn contract sales, 2.5-3.4 times higher yoy growth in FY21F thanks to the sale launches of six projects in the Long An, Dong Nai, Can Tho, Hai Phong, and HCMC.

- ▶ Potential diluted EPS on right issuance

To meet the demand for funds in the 100ha-Thu Duc project, NLG is going to issue a private placement with total 60mn shares. The issuing price could be 10-15% discount to the average price in 30-60 days.

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	-

- **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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