

Xin Chao Vietnam

Market performance

	28 Apr	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,229.55	0.8	4.6	16.4	11.4
Turnover (VND bn)	14,900				
VN30 (pt, % chg.)	1,294.06	0.8	9.7	23.4	20.9

Major indicators

	28 Apr	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.48	(0.0)	(0.0)	(0.1)	0.1
3-yr gov't bonds (% bp chg.)	0.73	0.0	(0.2)	(0.0)	(0.1)
VND/USD (% chg.)	23,047	0.0	0.1	0.1	0.2
VND/JPY (% chg.)	21,247	(0.1)	(1.1)	3.6	5.2
VND/EUR (% chg.)	27,837	(0.1)	(2.2)	0.5	2.3
VND/CNY (% chg.)	3,557	(0.1)	(1.3)	0.5	(0.5)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.61	(0.0)	(0.1)	0.6	0.7
WTI (USD/bbl, % chg.)	63.92	0.1	3.8	22.5	31.7
Gold (USD/oz, % chg.)	67.27	0.0	3.5	20.4	29.9

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VSH	38.4	KDH	(111.0)
LPB	29.7	MBB	(104.0)
AMD	26.5	VPB	(94.8)
VNM	24.9	FPT	(38.4)
OCB	23.4	FLC	(32.1)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	185.8	VNM	(68.7)
STB	139.6	VRE	(46.7)
MSN	101.5	HPG	(45.5)
NVL	63.0	VPB	(42.4)
HDB	33.9	HSG	(26.8)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Automobiles	3.3	Media & Entertainment	(2.8)
Commercial Services	3.2	Others	(1.0)
Energy	2.6	Telecommunication	(1.0)
Technology	2.1	Retailing	(0.7)
Materials	1.7	F&B	(0.4)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** High demand on ATC session
- **Vietnam:** Domestic petroleum prices rebound following increasing global energy prices

Sector & Company

- **Khang Dien House (KDH):** AGM brief
- **Vinhomes (VHM):** 1Q21 review

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	11.6	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)	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

High demand on ATC session

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The Vietnam stock market maintained its uptrend. At the close, the VNIndex gained 0.80% to close at 1,229 pts. Meanwhile, trading volume was 585 million shares or VND14,900bn.

Banking was the market leaders thanks to BID (+0.6%), TCB (+1.1%), MBB (+2.2%), STB (+4.8%), VPB (+3.4%), and EIB (+5.4%).

Some constituents of the VN30Index rose more than 1% such as PLX (+2.9%), TCH (+1.1%), MSN (+1.0%), and SBT (+1.0%).

VRE (+2.9%) released 1Q21 financial statements with encouraging performance. 1Q21 net profit surged by 59% YoY to VND781bn on the back of a 32% YoY increase in revenue to VND2.2tn which comprises of (1) an 18.2% YoY leasing revenue growth to VND1,712bn, (2) a 124.9% YoY property revenue growth to VND452bn.

Based on AGM guidance, NVL (+5.3%) targeted to reach a VND4.1tn profit after tax and a VND22.7tn revenue in 2021 thanks to a handover of 3,000 units in hospitality cities and HCMC's neighboring provinces.

In contrast, VNM (-2.1%), MWG (-1.3%), PDR (-1.0%), and VJC (-0.9%) closed in red territory.

Based on the high demand on ATC session, the market sentiment has become optimistic in the short term. Moreover, the uptrend still maintains in wider time frame as well as 1,200 pts level will set the strong demand zone for the market. In this case, investors should buy leading stocks when VNIndex positively reacted with this area.

Breaking news

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- ▶ Vietnam: Domestic petroleum prices rebound following increasing global energy prices

Following a strong rebound in the global crude oil prices recently, the Ministry of Industry and Trade announced the latest adjustment for the domestic gasoline prices from Tuesday. Accordingly, the E5RON92 and RON95-III prices increased to VND17,998 and VND19,161 per liter from VND17,806 and VND18,970 per liter, up by about 1.1% and 1.0% from mid-April adjustment, respectively. As a result, this will put upward pressure on the traffic price and the CPI as well in May. (Ministry of Industry and Trade)

Sector & Company

Khang Dien House (KDH)

BUY (Maintain), TP VND37,500

Highly visible organic growth

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- ▶ AGM Briefing

On April 28, KDH held the 2021 AGM presentation. The key conference takeaways largely focused on the FY21F guidance and the monetization plan of Binh Chanh land bank.

- ▶ A sustainable momentum growth in FY21F

The company sets moderate guidance of a VND1.2tn net profit, 4% yoy and VND4.8tn revenue, 6% yoy. The commence of delivery of Lovera Vista condo project (1,145 units) in tandem with the delivery of remaining Safira condo units drives the FY21F revenue growth.

1Q21 net profit is slated to post VND200bn, +30% yoy, making up 16.7% of the company full-year guidance.

Per management, three projects could be launched to the housing market including 1) a 4.3ha townhouse project (158 units) in Dist 9, 2) a 5.7ha townhouse project in Dist 2 and 3) a 1.8ha condo project (1,100 units) in Binh Tan Dist.

No cash dividend payment is made in FY21F, but a 10% share dividend could be paid.

- ▶ Still hoping for Binh Chanh land bank

As of end-20, around a VND2.7tn compensation cost was made to pay for 190ha out of total 300ha in Tan Tao mega township project. The company did not announce a clear pipeline to monetize this iceberg but will soon “unlock” it when completing the compensation process.

However, the 109ha Le Minh Xuan industrial park could get some milestone in the regulatory process and be ready to launch this year.

Vinhomes (VHM)

BUY, TP VND121,700

Weak 1Q21 earnings a blip

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- ▶ Facts: Mixed performance with lacklustre earnings but resilient revenue

Vinhomes reported an exciting 1Q21 revenue growth of 99.2% yoy to VND12.9tn mainly driven by the property revenue growth of 75.2% yoy to VND10tn, equivalent to 2,900 units handed in 1Q21. The key contributors to property sales included 1) Ocean Park (VND6.1tn of which bulk sale was VND2.9tn), Grand Park (VND1.5tn), Smart City (VND1.3tn). However, net profit growth was below at -21.2% yoy to VND5.4tn due to the absence of a VND8.3tn financial income from bulk sale transactions recorded in 1Q20.

Despite the tepid net profit growth, the 1Q21 new retail booking was exciting with VND6tn presale value, 2 times higher yoy, equivalent to 1,592 units sold.

As of end-1Q21, unbilled booking value was VND55.4tn of which bulk sale was VND20tn, pending further information review.

- ▶ Pros & cons: Wonder Park and Dream City lead 2Q21F presale growth

Per management, the company is going to launch the two new townhouse projects Wonder Park and Dream City with expecting total FY21F presales of VND20tn from 2Q21F. This figure adds to a total full-year company presale estimate of VND91tn.

We maintain our estimate of bulk sale to be VND24-27tn in FY21F driven by three current mega township and upcoming ones. Our FY21F projection stays unchanged as following we estimate a 21.7% yoy revenue growth to VND86.2tn and 17.5% yoy net profit growth to VND32.7tn driven by a delivery of total 14,000 remainders of Grand Park, Smart City and Ocean Park.

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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