

Xin Chao Vietnam

Market performance

	29 Apr	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,239.39	0.8	5.4	17.3	12.3
Turnover (VND bn)	18,672				
VN30 (pt, % chg.)	1,312.28	1.4	11.2	25.2	22.6

Major indicators

	29 Apr	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.52	0.0	0.0	(0.0)	0.1
3-yr gov't bonds (% bp chg.)	0.77	0.0	0.0	(0.2)	(0.1)
VND/USD (% chg.)	23,053	(0.0)	0.1	(0.0)	0.2
VND/JPY (% chg.)	21,146	0.4	(0.6)	4.1	5.7
VND/EUR (% chg.)	27,968	(0.5)	(2.7)	0.3	1.8
VND/CNY (% chg.)	3,564	(0.2)	(1.5)	0.6	(0.7)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.65	0.0	(0.1)	0.6	0.7
WTI (USD/bbl, % chg.)	64.52	1.0	4.8	23.6	33.0
Gold (USD/oz, % chg.)	67.99	1.1	4.6	21.7	31.3

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNM	106.8	VPB	(447.9)
LPB	101.9	KDH	(252.9)
VIB	77.5	MBB	(170.5)
STB	66.1	TPB	(158.5)
PNJ	63.2	TCB	(96.3)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	113.2	VPB	(579.5)
NVL	58.9	VNM	(216.1)
VCB	45.4	VHM	(41.3)
VRE	43.9	PDR	(18.7)
HDB	43.6	BID	(13.4)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	2.9	Automobiles	(1.3)
Materials	2.6	Others	(0.8)
Telecommunication	2.3	F&B	(0.7)
Banks	1.9	Health Care	(0.2)
Utilities	1.5	Transportation	(0.2)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Cash flows into large-cap stocks
- **Vietnam:** FDI slowdown marks a 3-month low

Macro & Strategy

- **Chart of the day:** Volatility increases

Sector & Company

- **Kinh Bac City (KBC):** 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	17.4	2.8	11.6	16.1
2021F	304,264	177,159	18.9	14.7	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

Cash flows into large-cap stocks

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The Vietnam stock market was bullish after GSO released the report on some Vietnam macro indicators.

At the close, the VNIndex gained 0.80% to close at 1,239 pts. Meanwhile, trading volume was 615 million shares or VND18,672bn.

Foreigners reversed to sell with a net value of VND396bn on HSX. They sold VPB, VNM, and VHM the most with net values of VND579bn, VND216bn, and VND41bn, respectively

Banking was still the market leaders thanks to CTG (+2.6%), VCB (+1.0%), BID (+1.0%), HDB (+1.5%), TCB (+2.6%), and VPB (+6.4%).

The VN DIAMOND Index adds ACB (+2.5%), MSB (+0.5%), EIB (-0.2%), VIB (+1.5%), LPB (+5.1%), and TCM (-4.2%) in this review and the new list will be effective on 04 May 2021.

Moreover, some constituents of the VN30Index rose more than 2% such as REE (+5.1%), HPG (+3.8%), NVL (+2.7%), PNJ (+2.4%), and GAS (+2.0%).

Based on AGM guidance, SSI (+1.6%) targeted revenue of VND5,263bn and PBT of VND1,870bn in 2021. Besides, the firm planned to issue a maximum of 442 million shares to increase its capital to VND11,000bn.

In AGM, KDH (+0.9%) planned a VND4,800bn revenue (+6% YoY) and a VND1,200bn net income (+4% YoY) thanks to Safira, Verosa, Lovera Vista projects and a new project of 4.3 hectare in Thu Duc city. Meanwhile, the firm announced that PAT posted more than VND200bn (+30% YoY) in 1Q21.

GVR (+3.0%) released 1Q21 financial statements with revenue of VND4,950bn (80% YoY) and net income of VND1,216bn (+261% YoY).

In contrast, MSN (-1.0%), STB (-1.2%), TCH (-1.4%), VHM (-1.6%), PDR (-1.8%), and SBT (-2.2%) closed in red territory.

The market sentiment has become optimistic thanks to the high demand on large-cap stocks. Moreover, the uptrend is still maintained in the 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: FDI slowdown marks a 3-month low

April witnessed a significant slowdown in foreign investment activity as restrictions in international mobility remained a challenge for most foreign investors for the present. From a peak since 2020 in March, newly registered capital fell strongly to a 4-month low of just USD1.23bn in April (-43.90% YoY) in the absence of FDI inflows into the electricity production & distribution sector in the month. By contrast, additional capital for existing projects recovered to the second-highest since August, at USD0.65bn (-66.78% YoY due to an abnormal high base in 2020). The amount of foreign's shares purchase continued plunging to the second-lowest level in more than 4 years, at USD0.24bn (-53.73% YoY), as foreign investors continued to sell strongly on the stock market. In total, FDI registration fell to a 3-month low of just USD2.12bn, decreasing by 43.90% YoY. Meanwhile, FDI disbursement also slowed down to USD1.4bn (+7.69% YoY). (MPI, KIS)

Macro & strategy

Chart of the day

Volatility increases

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► Market performance

After a sharp reduction last Monday, the VNIndex rebounded in other parts of the week. However, the market was bearish.

► Chart: Volatility increases

In the long term, the uptrend is confirmed as the index broke out the highest peak in Apr 2018. Moreover, the index closes above the MA50 and MA100, which are sloping upward.

The VNIndex closed below the MA20, and the MA10 crosses the MA20 going down, which implies the selling signal. Notably, the volatility increased as the sharp reduction last Monday. Besides, the volume and value reduction in the short term due to the cautious market sentiment.

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

→ The VNIndex may be formed the short-term consolidation or correction.

► Technical strategy: Buy or add at the most important support

The current contraction is a consolidation in the long-term uptrend. Therefore, traders should hold the current positions and buy more on the first pullback (when the 1,200-pts zone is retested).

Sector & Company

Kinh Bac City (KBC)

Hold (Maintain)

1Q21 review: Time to fly high

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► Facts: 1Q21 net profit reached 7-year high

KBC reported the best 1Q21 profit after tax since listed at VND715bn, completing 80.8%/45.8% of our full-year estimate/the company guidance. The 1Q21 net profit skyrocketed by 11.1 times yoy to VND599bn on the back of a 260.2% yoy total revenue increase to VND2tn, and a 12.2% pts gross margin expansion to 56%.

We attribute the booming revenue from the industrial land transfer (VND1.8tn) to the exciting total revenue in 1Q21. Out of the 1Q21 industrial land revenue, Quang Chau industrial park (IP) accounted the largest portion to VND822.7bn (32.8ha) while the Tan Phu Trung IP ranked the second with a VND652.2bn (21.9ha). Nam Son Hap Linh IP (NSHP) started to generate revenue at a modest VND287.3bn (10.3ha) in 1Q21. Definitely, the COVID-19 fallout weighted on 1Q20 net profit.

► Nam Son Hap Linh IP shines 2Q21F net profit

Nam Son Hap Linh IP was reported in the AGM to deliver around 100ha land transfer area in 2021. Hence, we believe NSHL will be the leading catalyst to drive the industrial land revenue in the second quarter.

We will re-visit our FY21F models to reflect the stronger contribution of NSHL IP in the total land transfer area.

► Cautiously optimistic on strong land presales in FY21F

Even though Vietnam resumed the international flight for specialists and businessmen, COVID resurgence risk seems to set the world to the new lockdown wave, putting a pressure on the global recovery. We believe the recovery prospect for FDI to Vietnam could not back to normal as pre-COVID before 2H21F.

New listing & Public offerings

► New listing

(VND bn, share, VND)

Date of Listing	Ticker	Company	Exchange	Listed Value	Listed Shares	Reference Price
5/7/2021	GE2	Power Generation Corporation 2	UPCoM	2.6	262,500	24,600
5/5/2021	CLG	COTEC Land JSC	UPCoM	211.5	21,150,000	800

► 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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