

# Xin Chao Vietnam

## Market performance

	4 May	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,242.20	0.2	4.3	17.6	12.5
Turnover (VND bn)	20,959				
VN30 (pt, % chg.)	1,328.03	1.2	11.0	26.7	24.0

## Major indicators

	4 May	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.)	23,069	(0.1)	0.0	(0.2)	0.1
VND/JPY (% chg.)	21,077	0.3	(0.6)	3.5	6.1
VND/EUR (% chg.)	27,692	1.0	(1.8)	(0.3)	2.8
VND/CNY (% chg.)	3,563	(0.1)	(1.4)	(0.1)	(0.7)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.62	0.0	(0.1)	0.5	0.7
WTI (USD/bbl, % chg.)	65.63	1.8	6.8	16.7	35.3
Gold (USD/oz, % chg.)	68.82	1.9	6.1	17.0	32.9

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VPB	161.9	TPB	(106.5)
ACB	138.0	DBD	(34.1)
KBC	83.1	GMD	(15.8)
TCB	79.5	HPG	(13.0)
EIB	71.8	SSB	(13.0)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
STB	92.7	HPG	(357.7)
NVL	74.7	VPB	(189.4)
MSN	27.3	KBC	(116.8)
HSG	18.0	VRE	(52.8)
MBB	17.3	KDH	(48.9)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	6.7	Health Care	(4.0)
Software & Services	2.3	Insurance	(2.8)
Pharmaceuticals	1.5	Others	(2.5)
Banks	1.3	Media & Entertainment	(2.3)
Materials	1.3	F&B	(2.2)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Banking stocks make market gains
- **Vietnam:** Fast growth in output and new orders drives manufacturing growth further

### Macro & Strategy

- **Fundflow 26 – 29 Apr:** Inflow across Vietnam skyrockets

### 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	17.5	2.8	11.6	16.1
2021F	304,264	177,159	18.9	14.8	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

#### Banking stocks make market gains

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The Vietnam stock market rebounded yesterday as cash flowed into Banking tickers.

At the close, the VNIndex gained 0.23% to close at 1,242 pts. Meanwhile, trading volume was 769 million shares or VND20,958bn.

Foreigners continued to sell with a net value of VND700bn on HSX. They sold HPG, VPB, and KBC the most with net values of VND357bn, VND189bn, and VND116bn, respectively.

Banking was still the market leaders driven by VPB (+1.7%), STB (+0.8%), MBB (+3.0%), TCB (+5.9%), BID (+0.7%), and CTG (+5.4%).

Moreover, some constituents of the VN30Index rose more than 3%, such as KDH (+5.1%), PDR (+4.0%), and TCH (+3.9%).

Material, namely HPG (+2.9%), HSG (+5.8%), and NKG (+5.8%), surged because their 1Q21 business results were better than expected.

KBC (+0.3%) announced a 1Q21 net profit of VND599bn (+11.1 times YoY) thanks to a combination of (1) a 260% YoY revenue jump to VND2tn and (2) a 12.2% YoY pts gross margin expansion. The rising of the land area of 64ha transferred in 1Q21 was the key influence on the industrial land revenue growth of 283.3 % YoY to VND1.8tn, which boosted the total revenue increase.

VIC (+2.0%) released its 1Q21 results with mixed performance. Net revenue grew by 52% YoY to VND23.3tn thanks to the accelerating property handover revenue. However, the net profit surged by 4.8 times YoY to VND2,094bn.

In contrast, selling pressure pushed BVH (-3.0%), PNJ (-2.9%), REE (-2.8%), VRE (-2.2%), and MSN (-2.1%) down.

Revenue and net income of MWG (-1.1%) posted VND30,828bn (+5% YoY) and VND1,338bn (+18% YoY) in 1Q21.

In the short term, the market resumes its uptrend thanks to the high demand for large-cap stocks. The bullish market is still maintained in the wider time frame as well as 1,200 pts level will set the strong demand zone for the market. Therefore, traders should hold the long position and focus on leading stocks.

### Breaking news

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- ▶ Vietnam: Fast growth in output and new orders drives manufacturing growth further

According to the latest data from the IHS Markit, Vietnam's manufacturing sector continued its growth for the fifth month at a faster pace in April. More specifically, Vietnam's Manufacturing Index posted 54.7 in April, up from 53.6 in March, showing stronger upward momentum for the manufacturing growth. The expansion pace also reached the highest since November 2018. Key drivers for the considerable manufacturing growth are output and new orders as both these components also rose to the greatest extent since late-2018. (IHS Markit)

## Macro & strategy

### Fundflow 26 – 29 Apr

#### Inflow across Vietnam skyrockets

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- ▶ Vietnam foreign flow

Last week, foreign buying activity ticked up. Net buy value was USD25mn.

Massive demand spread to Real Estate, Materials, and Industrials, mainly focus on NVL, VHM, VIC, HPG, and GMD, fading the

strong selling pressure on KDH. In contrast, selling activities kept focusing on Financials and Consumer Staples, driven by large sell orders on VPB, CTG, BID, and VNM whilst STB, HDB, VCB, and MSN ended up to be net bought. Besides, Energy also experienced the strong divestment due to PLX.

► South East Asia ETF flow

SEA continued to record high level of inflow. Net inflow was USD82mn, a yearly high. To be specific, the dramatic inflow was mainly contributed by the inflow across Vietnam. In contrast, Indonesia continued to experience the outflow whilst Thailand has attracted the positive flow of money for the second week. Most notably, Singapore was divested with the outflow of USD34mn, a six-month high.

Money inflow across Vietnam skyrocketed, net inflow was USD110mn, reaching the all-time high. Particularly, inflow ticked up thanks to the massive flow of money which flew to Fubon FTSE Vietnam ETF (USD90mn). Besides, VFMVN Diamond kept attracting the high level of money inflow (USD15mn) last week.

## 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

- **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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