

Xin Chao Vietnam

Market performance

	24 Aug	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,298.74	(0.0)	2.4	0.1	17.7
Turnover (VND bn)	23,287				
VN30 (pt, % chg.)	1,418.26	0.4	1.2	(0.9)	32.5

Major indicators

	24 Aug	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.51	0.0	(0.0)	(0.0)	0.1
3-yr gov't bonds (% bp chg.)	0.67	0.0	(0.3)	(0.3)	(0.2)
VND/USD (% chg.)	22,829	0.0	0.8	1.0	1.2
VND/JPY (% chg.)	20,809	(0.3)	0.3	1.9	7.5
VND/EUR (% chg.)	26,792	(0.1)	1.3	5.1	6.3
VND/CNY (% chg.)	3,523	(0.1)	0.7	1.9	0.4
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.27	0.0	(0.0)	(0.3)	0.4
WTI (USD/bbl, % chg.)	66.39	1.1	(7.9)	0.5	36.8
Gold (USD/oz, % chg.)	69.63	1.3	(6.0)	1.7	34.4

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
SSI	110.0	IJC	(119.0)
VIC	89.4	VHM	(63.3)
CTG	50.8	SSB	(25.2)
TCB	41.4	VGC	(19.6)
VNM	27.6	FUEVFVND	(15.8)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
SSI	155.6	MSN	(69.3)
VHM	94.3	GMD	(62.0)
VHC	34.8	HPG	(42.9)
MBB	27.3	DPM	(27.8)
VNM	24.2	VRE	(24.0)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	2.7	Diversified Financials	(5.2)
Commercial Services	2.1	Telecommunication	(2.5)
Retailing	1.5	Capital Goods	(1.8)
Insurance	1.5	Pharmaceuticals	(1.3)
Health Care	1.3	Media & Entertainment	(1.1)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** High volatility
- **U.S.:** Economy slows down under Delta variant outbreak and supply constraints
- **Vietnam:** Suggestion for Adjusting Price of securities-related services

Event Calendar

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	16.8	16.9	2.7	12.3	16.0
2021F	304,264	177,159	19.3	14.2	2.3	11.0	16.3

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

	3Q20	4Q20	1Q21	2Q21	2019	2020	2021F
GDP (% yoy)	2.6	4.5	4.5	6.6	7.0	2.9	6.4
Trade balance (USD bn)	10.7	3.3	2.8	(4.3)	10.4	19.8	1.8
CPI (% yoy, avg.)	3.2	1.4	0.3	2.6	5.2	3.2	2.4
Discount rate (% EoP)	3.0	3.0	3.0	3.0	4.0	3.0	3.0
VND/USD (avg.)	23,179	23,159	23,054	23,252	23,231	23,252	23,174
US GDP (% qoq)	(4.8)	(31.7)	33.1	4.0	(3.4)	(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

High volatility

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The Vietnam stock market closed in red territory, but the VNIndex closed almost unchanged at 1,298 pts. Meanwhile, the trading volume was 702 million shares or VND23,286bn.

Foreign investors reversed to net buy with a net value of VND132bn on HSX. They purchased SSI, VHM, and VHC the most with net values of VND155bn, VND94bn, and VND34bn, respectively.

Brokerage was the worst sector due to BSI (-6.14%), BVS (-8.82%), FTS (-5.88%), HCM (-6.83%), MBS (-7.97%), SSI (-3.47%), VCI (-6.59%), VDS (-6.86%), and VND (-6.19%).

In contrast, cash flowed into Energy, namely GAS (+0.23%), PLX (+0.62%), PVC (+1.15%), PVD (+2.33%), PVS (+2.55%), and VSH (+1.88%).

Banking, namely ACB (+0.94%), BID (+0.25%), CTG (+0.15%), EIB (+0.42%), HDB (+0.30%), NVB (+3.31%), STB (+0.93%), TCB (+0.51%), TPB (+0.74%), and VPB (+0.66%), outperformed the benchmark index.

In addition, some constituents of the VN30Index jumped more than 1%, such as BVH (+1.15%), MSN (+1.18%), MWG (+1.52%), SAB (+1.71%), VJC (+2.08%), and PDR (+4.62%).

In the short term, the downside trend is confirmed. The downside risk increased in the short term. Therefore, traders should be careful and reduce long positions.

Breaking news

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► U.S.: Economy slows down under Delta variant outbreak and supply constraints

According to the latest update from IHS Markit, business conditions in U.S. private sector continued to improve further in August, but the expansion momentum was slowing down to an 8-month low, which is attributed to capacities pressures, material shortages, and the ongoing Delta outbreak. Accordingly, the Flash U.S. Composite Output PMI index fell to the lowest level in 2021, at 55.4 compared to 59.9 in July. This is the third consecutive month that the output growth has kept declining since May. (IHS Markit)

Breaking news

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► Vietnam: Suggestion for Adjusting Price of securities-related services

MOF announced Suggestion for "Prices of Securities-related services rendered by securities trading organizations and commercial banks in Vietnam's securities market" for collecting comments, in amendment current Circular 128/2018/BTC. There is a few change comparing with current Circular:

Items	Content	Circular 128/2018/TT-BTC	Suggested change	Change
1	Brokerage service in buy and sell transaction in stocks, fund certificates, covered warrants	Max 0.5% trading value	Max 0.45% trading value	-10%
2	Service fee for issuing open fund certificates, ETF fund	Max 0.5% trading value	Max 0.45% trading value	-10%
3	Service fee for Auction services	From VND20mn/auction session/type of securities, Max 0.3% of total value of shares sold	From VND20mn/auction session/type of securities, Max 0.15% of total value of shares sold or VND150mn/ auction session.	-50%
4	Brokerage service in future contract	Max VND15,000/Index Future contract	Max VND5,000/Index Future contract	-66.67%
		Max VND25,000/G-bond Future contract	Max VND8,000/G-bond Future contract	-68%

Current situation: On Aug 20, stock market witnessed a new record in trading volume which benefits securities companies. From 1st July 2021, Circular 14/2020/TT-BTC has been released to provide a discount fee for a wide range of services amid pandemic fallout. Given the newly proposed discount for securities-related fees and a huge drop in future contract commission, the bottom line of security companies may be impacted. For those companies offering competitive commission, the headwinds may be immaterial since the amendment is adjusting the ceiling limit.

Event Calendar

► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
24/09/2021	TEG	Truong Thanh Energy and Real Estate JSC	323.8	10,000,000	10,000	-
25/08/2021	BVB	Viet Capital Commercial JSB	3,670.9	8,261,611	22,800	Delayed

► Event calendar

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value
25/08/2021	25/08/2021	BMI	HOSE	Share Issue	20%	
25/08/2021	17/09/2021	BMJ	UPCOM	Cash Dividend	5%	500
25/08/2021	10/09/2021	CDR	UPCOM	Cash Dividend	5%	500
25/08/2021	16/09/2021	IRC	UPCOM	Cash Dividend	7%	655
25/08/2021	24/09/2021	PHP	HNX	Cash Dividend	6%	600
25/08/2021	20/09/2021	SPH	UPCOM	Cash Dividend	12%	1,200
25/08/2021	22/09/2021	TVC	HNX	Extraordinary General Meeting		
26/08/2021	15/09/2021	BSI	HNX	Cash Dividend	9%	900
26/08/2021	26/08/2021	HDB	HOSE	Share Issue	25%	
26/08/2021	20/09/2021	TPC	HOSE	Cash Dividend	8%	800
26/08/2021	16/09/2021	VTB	HOSE	Cash Dividend	10%	1,000
27/08/2021	10/09/2021	DRL	HOSE	Cash Dividend	15%	1,500
27/08/2021	30/09/2021	JVC	HOSE	Annual General Meeting		
27/08/2021	30/09/2021	VDL	HNX	Annual General Meeting		

■ 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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