

Xin Chao Vietnam

Market performance

	30 Aug	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,328.14	1.1	1.4	0.6	20.3
Turnover (VND bn)	21,014				
VN30 (pt, % chg.)	1,431.05	0.9	(1.1)	(1.9)	33.6

Major indicators

	30 Aug	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.46	(0.0)	(0.0)	(0.1)	0.0
3-yr gov't bonds (% bp chg.)	0.85	(0.0)	(0.0)	(0.1)	(0.0)
VND/USD (% chg.)	22,797	(0.1)	0.7	1.1	1.3
VND/JPY (% chg.)	20,774	(0.2)	0.7	1.2	7.6
VND/EUR (% chg.)	26,903	(0.1)	1.2	4.4	5.8
VND/CNY (% chg.)	3,525	(0.1)	0.7	2.6	0.4
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.31	(0.0)	0.1	(0.3)	0.4
WTI (USD/bbl, % chg.)	68.23	(0.7)	(7.7)	2.9	40.6
Gold (USD/oz, % chg.)	72.51	(0.3)	(5.0)	4.1	40.0

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	370.6	APH	(196.2)
FUEVFNVD	106.8	MBB	(66.6)
SSI	72.7	GEX	(57.0)
VNM	35.2	VPB	(46.0)
SCR	10.6	SSB	(44.7)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VCB	80.0	VNM	(210.6)
CTG	69.9	MSN	(193.9)
MBB	62.5	FUEVFNVD	(108.8)
SSI	41.3	PNJ	(34.7)
DGC	32.0	VIC	(34.3)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Health Care	7.0	F&B	(0.3)
Telecommunication	6.8		
Pharmaceuticals	6.1		
Insurance	3.2		
Automobiles	3.1		

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Bullish market?
- **Vietnam:** Disruption in labor-intensive sectors pressures on industrial growth

Macro & Strategy

- **Fundflow 23 – 27 Aug:** Divestment among major ETFs
- **ETF review:** Timelines of foreign ETF
- **Economic Flash:** A reversal of economic growth under Delta variant impact

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	17.2	2.7	12.6	16.0
2021F	304,264	177,159	19.3	14.4	2.3	11.2	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	8.4

Source: KIS, Bloomberg

Market commentary & News

Market commentary

Bullish market?

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The Vietnam stock market maintained its uptrend thanks to optimistic sentiment.

At the close, the VNIndex gained 1.14% to close at 1,328 pts. Meanwhile, the trading volume was 658 million shares or VND21,013bn.

Foreign investors continued net sell with a net value of VND390bn on HSX. They sold VNM, MSN, and FUEVFNDD the most with net values of VND210bn, VND193bn, and VND108bn, respectively.

Energy was the market leader thanks to OIL (+4.07%), PVC (+3.33%), PVD (+3.01%), NT2 (+1.96%), PVS (+2.02%), and PVB (+3.73%).

Besides, Banking and Brokerage outperformed the benchmark index driven by ACB (+1.26%), BID (+1.94%), CTG (+3.69%), EIB (+3.66%), MBB (+1.43%), NVB (+1.75%), STB (+2.20%), TCB (+2.39%), TPB (+1.91%), VCB (+1.53%), HCM (+3.74%), and SSI (+1.96%).

In addition, some constituents of the VN30Index jumped more than 2%, such as BVH (+3.00%) and HPG (+2.31%).

In contrast, MSN (-2.43%), SAB (-0.88%), VIC (-0.74%), and AAA (-0.84%) closed in red territory.

Despite the bullish session, the VNIndex needs the breakout (closing above the 50-period Moving average) to confirm the uptrend. Until then, traders should be careful and reduce long positions.

Breaking news

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▶ Vietnam: Disruption in labor-intensive sectors pressures on industrial growth

Current strict containment measures remain a real challenge for manufacturing firms as it is evident that labor-intensive industries must scale down their production activities to comply with new conditions. Besides, we also saw marked declines in manufacturing industries that rely on domestic demand, especially those in F&B industries. Under an impact of the ongoing COVID-19, industrial production marked the third consecutive and also the biggest decline in August since the first lockdown last year, by 4.24% MoM (excluding Tet's month). IIP year-over-year growth also fell to contraction territory for the first time in a year, by 7.39% YoY. (GSO, KIS)

Macro & strategy

Fundflow 23 – 27 Aug

Divestment among major ETFs

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▶ Vietnam foreign flow

Foreign selling pressure has slowed down. Net sell value was USD45mn, down 80% WoW.

Foreign selling pressure kept spreading to major sectors, such as Real Estate and Industrials. Particularly, VIC, VHM, KDH, VJC, and GMD were divested the most, fading the solid demand across NLG. Besides, Materials also impacted by selling pressure, mainly driven by large sell orders on HPG. On the contrary, Financials turned around to be net bought, contributed by the strong demand on SSI, MBB, and STB.

▶ South East Asia ETF flow

Outflow was maintained across SEA, net outflow was USD23mn. Notably, Vietnam kept experiencing the outflow which was the main driver for the divestment across SEA, followed by Singapore. However, the strong outflow across SEA has been partially

recovered by the inflow of Indonesia (USD7mn).

Outflow across Vietnam has slowed down, recording at USD15mn, down 60% WoW. The outflow kept spreading to other major ETFs. Particularly, the money outflow continued to be driven by the divestment across Fubon FTSE Vietnam ETF and VFMVN Diamond ETF. Notably, outflow across VFMVN Diamond ETF was maintained at high level for 2 consecutive weeks, giving the signal for the weakness of money inflow via ETFs.

ETF review

Timelines of foreign ETF

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FTSE Vietnam Index will be reviewed in September 2021 based on the new data. The timeline is as follows

- 27/08/2021: The based on date
- 03/09/2021: The official announcement
- 20/09/2021: The application dates

Meanwhile, MVIS will review all its indexes, including the MVIS Vietnam Index, which is the benchmark index of VanEck Vectors Vietnam ETF. According to the following timeline:

- 31/08/2021: The based on date
- 10/09/2021: The official announcement
- 20/09/2021: The application dates

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		Aug 31 MVIS Vietnam Index	Sep 01	2	3 FTSE Vietnam Index	4
5	6	7	8	9	10 MVIS Vietnam Index	11
12	13	14	15	16	17	18
19	20 MVIS Vietnam Index FTSE Vietnam Index	21	22	23	24	25
26	27	28	29	30		

¹Blue represents the based on date

²Red represents the official announcement

³Grey represents the application dates

Economic Flash**A reversal of economic growth under Delta variant impact**Y Nguyen
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▶ Slow trade under the pandemic

GSO's estimates show that trade operations were worsening as domestic production was inevitably disrupted under the ongoing outbreak. In August, the export value was lower than the average level of seven first month of 2021 and below its value in the same period last year with the general reduction in labor-intensive products, such as textiles, footwear, and wood-related products. Besides, the speed of recovery in import from the 2020 low base also slows significantly.

▶ F&Fs pushes CPI up

According to GSO, the food and foodstuff index (F&Fs) continued gaining its upward momentum and was the main reason to push CPI up this month. CPI marked its 4-month streak of increase by climbing up the new level that 0.25%-higher than the previous month. The movement of the consumer price index in Hochiminh city reflects more sharply the impact of Directive 16 on food and foodstuff prices. In August, CPI in Hochiminh city increased by 0.33% MoM, whereas food and foodstuff indices rose by 1.59% MoM and 2.71% MoM, all exceeding corresponding whole country levels.

▶ Deep contraction in labor-dependent sectors

Current strict containment measures remain a real challenge for manufacturing firms as it is evident that labor-intensive industries must scale down their production activities to comply with new conditions. In August, industrial production marked the third consecutive and also the biggest decline since the first lockdown last year, by 4.24% MoM (excluding Tet's month). IIP year-over-year growth also fell to contraction territory for the first time in a year, by 7.39% YoY.

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	-
21/09/2021		Vinh Son JSC	1,150.0	4,588,500	201,044	Whole lot sale; Local investors only

▶ **Event calendar**

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value
31/08/2021	31/08/2021	GMC	HOSE	Share Issue	10%	
31/08/2021		HAV	UPCOM	Annual General Meeting		
31/08/2021	31/08/2021	IDV	HNX	Share Issue	3%	
31/08/2021	31/08/2021	IDV	HNX	Share Issue	15%	
31/08/2021		KKC	HNX	Extraordinary General Meeting		
31/08/2021	28/09/2021	NNB	UPCOM	Extraordinary General Meeting		
31/08/2021	29/09/2021	PSN	UPCOM	Cash Dividend	7%	700
31/08/2021	25/09/2021	SSN	UPCOM	Annual General Meeting		
01/09/2021	28/10/2021	AAA	HOSE	Cash Dividend	5%	500
01/09/2021	01/09/2021	AAA	HOSE	Share Issue	10%	
01/09/2021	24/09/2021	ACC	HOSE	Cash Dividend	5%	500
01/09/2021	24/09/2021	BDW	UPCOM	Cash Dividend	6%	600
01/09/2021	01/09/2021	C47	HOSE	Share Issue	10%	
01/09/2021	01/09/2021	C47	HOSE	Share Issue	5%	

01/09/2021	08/10/2021	GH3	UPCOM	Cash Dividend	4%	400
01/09/2021	04/10/2021	PGD	HOSE	Cash Dividend	20%	2,000

- **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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