

Xin Chao Vietnam

Market performance

	15 Sep	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,345.83	0.5	(0.8)	(1.6)	21.9
Turnover (VND bn)	19,021				
VN30 (pt, % chg.)	1,444.85	0.5	(2.7)	(2.8)	34.9

Major indicators

	15 Sep	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.45	(0.1)	(0.1)	(0.1)	0.0
3-yr gov't bonds (% bp chg.)	0.78	0.1	(0.1)	0.0	(0.1)
VND/USD (% chg.)	22,759	0.0	0.4	0.8	1.5
VND/JPY (% chg.)	20,765	(0.1)	0.7	0.4	7.7
VND/EUR (% chg.)	26,892	(0.1)	0.1	3.4	5.9
VND/CNY (% chg.)	3,532	0.1	(0.2)	1.4	0.2
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.28	(0.0)	0.0	(0.2)	0.4
WTI (USD/bbl, % chg.)	71.53	1.5	4.5	(0.8)	47.4
Gold (USD/oz, % chg.)	74.63	1.4	5.7	0.9	44.1

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	162.3	VPI	(125.5)
TPB	122.5	KDH	(67.0)
FUEVFNVD	55.5	HAH	(38.0)
PAC	39.3	BCM	(27.3)
HSG	38.7	NVL	(22.9)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
MSN	93.6	VNM	(72.2)
HSG	54.9	VHM	(54.2)
VHC	27.2	FUEVFNVD	(50.0)
KBC	26.4	GEX	(24.6)
MBB	24.1	CTG	(23.5)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.9	Transportation	(1.3)
Health Care	4.6	Consumer Services	(0.7)
Consumer Durables	2.3	Banks	(0.4)
Utilities	2.3	Household Products	(0.2)
Energy	2.2	Real Estate	(0.2)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Energy in the spotlight
- **Vietnam:** The Ministry of Planning and Investment lowers 2021's economic projection due to the current outbreak

Macro & Strategy

- **September Macro view:** Vietnam's economy on edge of contraction

Sector & Company

- **Viconship (VSC):** Company brief

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	23.6	16.4	2.7	13.0	16.5
2021F	304,264	177,159	19.0	13.8	2.3	11.6	16.7

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)	5.9
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

Energy in the spotlight

Hieu Tran
hieu.ttm@kisvn.vn

The stock market reversed to increase yesterday because cash flowed into Energy.

At the close, the VNIndex gained 0.46% to close at 1,345 pts. Meanwhile, the trading volume was 670 million shares or VND19,020bn.

Foreign investors continued to net sell with a net value of VND16bn on HSX. They sold VNM, VHM, and FUEVFNND the most with net values of VND72bn, VND54bn, and VND50bn, respectively.

Energy was the market leader thanks to GAS (+2.81%), OIL (+2.17%), PLX (+1.60%), POW (+2.61%), PVC (+5.77%), PVD (+6.83%), PVS (+6.37%), and VSH (+0.18%).

Consumer Staples outperformed the benchmark index, namely ANV (+4.76%), BBC (+0.96%), MSN (+6.94%), PAN (+1.58%), VHC (+2.10%), and PNJ (+3.26%).

Some constituents of the VN30Index jumped more than 1%, such as HPG (+2.58%), TPB (+1.73%), PDR (+1.49%), and GVR (+1.32%).

In contrast, selling pressure pushed Banking down due to ACB (+0.95%), CTG (+0.16%), EIB (+0.39%), HDB (+0.20%), MBB (+0.54%), NVB (+2.90%), and VCB (+1.22%).

In the short term, the current uptrend is still intact because the VNIndex closes above short-term moving averages (MA20 and MA50). Hence, traders should hold long positions and focus on the leading sector.

Breaking news

Tuan Doan
tuan.doan@kisvn.vn

- ▶ Vietnam: The Ministry of Planning and Investment lowers 2021's economic projection due to the current outbreak

The outlook of Vietnam's economic growth in 2021 has been deteriorating under the Delta's outbreak, although it had a good start in the first half of 2021. The Minister of Planning and Investment Nguyen Chi Dung said that 2021's economic growth is expected to be around 3.5% - 4.0% under the scenario that the current outbreak is under control in end-September. The current outbreak and related social-distancing restrictions have severely affected production, business, labor conditions, etc., while domestic investment conditions also worsened during this difficult time. (vtv.vn)

Macro & strategy

September Macro view

Vietnam's economy on edge of contraction

Y Nguyen
y.nt@kisvn.vn

- ▶ Trade to face headwinds

Trade activities deteriorated in August as the export value was lower than the average level of 7M21, and the speed of import recovery also slowed significantly, attributed to the disrupted production and seaport congestion in the southern area. High labor-intensive sectors, such as textile, footwear, and fishery, are affected more severely, and the situation seems to further sustain. Moreover, global economic recovery has become less favorable in fear of the slowdown of China's economy, as the consumer confidence indices and PMIs have been lessening. Therefore, we predict that trade activities to face more headwinds in the next month.

- ▶ CPI to decline

F&Fs caused CPI to increase further in August with a more significant spatial dispersion than the previous month, reflecting a

poor link between suppliers and consumers under stricter restrictions and interrupted distribution.. However, F&Fs are slowing down, and the demand for non-essential goods remains weak, putting downward pressure on the CPI next month. We forecast that the CPI to reduce by 0.20% MoM in September.

- ▶ Export drivers to sustain industrial strength

Unprecedented social-distancing restrictions sent the industrial sector into deep contraction in August, also reversing a year-long growth. The outlook for the industrial sector for the remainder of 2021 would closely link to the government efforts to controlling the pandemic. Not only financial support from the government is needed in a fight against the pandemic, but accommodative policy support is also a key to resolve the problem for the manufacturing firms. Looking forward to September, we expect the production conditions continue to deteriorate, and the 3Q21 performance of the industrial sector would likely be the worst in many years.

Sector & company

Viconship (VSC)

Deal & Results briefing: To further strengthen

Nam Nguyen
nam.nt@kisvn.vn

- ▶ M&A completed

On Sep14, VSC acquired a 36.0% stake in VIMC Dinh Vu Port JSC, pending the information of the total deal value and the sellers.

VIMC Dinh Vu Port JSC has charter capital of VND200bn and is owned by Vietnam National Shipping Lines (UpCOM: MVN) as the biggest shareholder with 51% stake. VIMC Dinh Vu Port JSC launched Vinalines Dinh Vu port in 2019 and is investing in additional capacity.

- ▶ Acquire to ride on a favourable background

Vinalines Dinh Vu port was developed on a 21-hectare land plot in Dinh Vu – Cat Hai economic zone, with three piers with 210 meters length per each that can accommodate ships weighing up to 20,000 tons (DWT) and an annual volume of 520,000 tonnes/years. Vinalines Dinh Vu port is close to the Hanoi-Hai Phong-Lao Cai-China highways.

According to Vietnam Maritime Administration, in the 8M21, despite adopting social distancing during the fourth COVID-19 wave, total volume via Vietnam's seaports is expected to be above 480.4mn tonnes, +4.0% yoy and container throughput volume is estimated at nearly 16.7mn TEUs. Hai Phong is one of the locations with highest container traffic growth (+17.0% yoy in TEUs).

- ▶ 8M21 – Couldn't be better

In Aug 2021, VSC achieved revenue of VND178bn, +14.6% yoy and PBT of VND54bn, +67.5% yoy. For 8M21, VSC announced its earnings results with revenue of VND1,254bn and PBT of VND319bn, complete 74.0% and 95.0% of the 2021 business plan, respectively.

Despite the severe COVID-19 pandemic, VSC was able to post favorable financial results owing to a strong increase in throughput volumes and key service sectors. The company also adopts cost-cutting strategies and improves labor productivity.

- ▶ Ambitious plans ahead

We note that VSC is also planning to invest in deep-water ports at Cat Hai (Hai Phong) and Lien Chieu (Lien Chieu). Currently, VSC is still in the process of applying for a license because according to regulations, the company needs a charter capital of over VND1,000bn. At AGM 2020, VSC was approved to issue new shares to existing shareholders at a ratio of 1:1 to increase charter capital to VND1,100bn.

Currently, Vinalines Dinh Vu port is not profitable because the company is still investing in a new wharf in Hai Phong, which is expected to start operations in the second half of 2021, per management. Although competition in Hai Phong port cluster is still high, the company expects Vinalines Dinh Vu port will perform well as it has a strategic shareholder of MVN.

Event Calendar

► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
27/09/2021	BVB	Viet Capital Commercial JSB	3,670.9	8,261,611	22,800	-
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
16/09/2021	30/09/2021	GDT	HOSE	Cash Dividend	20%	2,000
17/09/2021	29/10/2021	BTP	HOSE	Cash Dividend	11%	1,100
17/09/2021	20/10/2021	DIH	HNX	Cash Dividend	1%	100
17/09/2021	20/10/2021	DNW	UPCOM	Cash Dividend	10%	1,000
17/09/2021	01/11/2021	PVP	UPCOM	Cash Dividend	10%	1,000
17/09/2021	19/10/2021	SMA	HOSE	Extraordinary General Meeting		
17/09/2021	15/10/2021	SMT	HNX	Extraordinary General Meeting		
17/09/2021	11/10/2021	SZC	HOSE	Cash Dividend	10%	1,000

- **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.

- **Analyst Certification**

I/We, as the research analyst/analysts who prepared this report, do hereby certify that the views expressed in this research report accurately reflect my/our personal views about the subject securities and issuers discussed in this report. I/We do hereby also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

Global Disclaimer

- **General**

This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of KIS Vietnam Securities Corp., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of KIS Vietnam Securities Corp..

This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. KIS Vietnam Securities Corp. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. KIS Vietnam Securities Corp., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or KIS Vietnam Securities Corp. The final investment decision is based on the client's judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.

- **Country-specific disclaimer**

United States: This report is distributed in the U.S. by Korea Investment & Securities America, Inc., a member of FINRA/SIPC, and is only intended for major U.S. institutional investors as defined in Rule 15a-6(a)(2) under the U.S. Securities Exchange Act of 1934. All U.S. persons that receive this document by their acceptance thereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Korea Investment & Securities, Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Korea Investment & Securities America, Inc., which accepts responsibility for the contents of this report in the U.S. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. person absent registration or an applicable exemption from the registration requirement.

United Kingdom: This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

Hong Kong: This research report and marketing materials may be distributed in Hong Kong to institutional clients by Korea Investment & Securities Asia Limited (KISA), a Hong Kong representative subsidiary of Korea Investment & Securities Co., Ltd., and may not otherwise be distributed to any other party. KISA provides equity sales service to institutional clients in Hong Kong for Korean securities under its sole discretion, and is thus solely responsible for provision of the aforementioned equity selling activities in Hong Kong. All requests by and correspondence with Hong Kong investors involving securities discussed in this report and marketing materials must be effected through KISA, which is registered with The Securities & Futures Commission (SFC) of Hong Kong. Korea Investment & Securities Co., Ltd. is not a registered financial institution under Hong Kong's SFC.

Singapore: This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Korea Investment & Securities Co., Ltd. has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person. Please contact Korea Investment & Securities Singapore Pte Ltd in respect of any matters arising from, or in connection with, the analysis or report (Contact Number: 65 6501 5600).

Copyright © 2021 KIS Vietnam Securities Corp.. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of KIS Vietnam Securities Corp..