

Xin Chao Vietnam

Market performance

	30 Sep	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,342.06	0.2	0.8	(4.7)	21.6
Turnover (VND bn)	14,927				
VN30 (pt, % chg.)	1,453.76	0.2	1.8	(4.9)	35.8

Major indicators

	30 Sep	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.53	0.0	0.1	(0.0)	0.1
3-yr gov't bonds (% bp chg.)	0.68	(0.2)	(0.2)	(0.1)	(0.2)
VND/USD (% chg.)	22,761	(0.0)	0.1	1.1	1.5
VND/JPY (% chg.)	20,336	(0.1)	2.2	1.8	10.0
VND/EUR (% chg.)	26,346	0.8	2.3	3.9	8.1
VND/CNY (% chg.)	3,522	(0.2)	0.2	1.2	0.5
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.53	0.0	0.2	0.1	0.6
WTI (USD/bbl, % chg.)	74.69	(0.2)	9.0	1.7	53.9
Gold (USD/oz, % chg.)	78.42	(0.3)	7.4	4.4	51.4

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	98.2	CTG	(51.5)
E1VFN30	50.5	FIT	(45.6)
HDG	26.1	DIG	(36.2)
MBB	25.3	STB	(29.9)
FMC	20.4	VPB	(27.3)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNM	82.3	HPG	(182.3)
HSG	63.4	VCB	(77.9)
DCM	35.7	E1VFN30	(52.0)
VRE	29.7	HDB	(39.6)
VIC	26.6	DPM	(30.7)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	4.9	Telecommunication	(4.3)
Consumer Durables	3.2	Banks	(0.4)
Health Care	2.0	Energy	(0.2)
Household Products	1.6	Software & Services	(0.2)
Automobiles	1.2		

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Slight gains
- **Vietnam:** Ho Chi Minh City ends hard lockdown from 1st October

Macro & Strategy

- **Economic Flash:** COVID-19 to plunge the economy into deep contraction

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	24.0	16.4	2.7	12.9	16.5
2021F	304,264	177,159	19.0	13.8	2.3	11.5	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)	33.1	4.0	4.2	6.6	2.3	(3.4)	5.9
China GDP (% yoy)	4.9	5.8	18.3	7.9	6.0	2.3	8.4

Source: KIS, Bloomberg

Market commentary & News

Market commentary

Slight gains

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The stock market resumed its uptrend after Ho Chi Minh City relaxed social distancing measures to support the economy from October 1.

At the close, the VNIndex gained 0.21% to close at 1,342 pts. Meanwhile, the trading volume was 460 million shares or VND14,926bn.

Foreign investors continued to net sell with a net value of VND178bn on HSX. They sold HPG, VCB, and E1VFN30 the most with net values of VND182bn, VND77bn, and VND51bn, respectively.

Real Estate was the market leader driven by DXG (+0.26%), PDR (+0.74%), VHM (+0.13%), VIC (+1.50%), and VRE (+2.83%).

Cash flowed into some Energy stocks, namely GAS (+0.21%), PVC (+0.87%), PVB (+1.94%), PVD (+2.70%), PVS (+1.43%), and VSH (+1.47%).

Moreover, some constituents of the VN30Index jumped more than 1%, such as PNJ (+5.79%), SSI (+1.37%), and MSN (+1.13%).

In contrast, VCB (-1.32%), BID (-1.13%), PLX (-0.77%), HPG (-0.75%), and VJC (-0.47%) closed in red territory.

Despite the bullish market, market sentiment has become cautious as the VNIndex increases slightly. Besides, the uptrend may be reversed as the breakout signal of the symmetrical triangle is false. Therefore, traders should be careful and wait for the next signals.

Breaking news

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- ▶ Vietnam: Ho Chi Minh City ends hard lockdown from 1st October

HCM People Committee held a press conference yesterday to announce the new Directive on new measures to curb the virus and restore social-economic development from 1st October after a 3-month hard lockdown. According to the new Directive, most economic activities are allowed to operate under specific requirements and vaccinated people are allowed to travel within the city without a travel permit as before. Besides, bars, spas, massages, beauty services, on-site catering services, cinemas, bars, karaoke, video games, continued to be suspended under the new conditions. (tuoitre.vn)

Macro & strategy

Economic Flash

COVID-19 to plunge the economy into deep contraction

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- ▶ Economic contraction under the outbreak

Due to the 4th wave of outbreak, gross domestic product at the 2010 constant price in 3Q21 recorded a contraction as most economic activities stepped aside for transmissibility controls in numerous provinces, especially in Hochiminh city, Vietnam's economic center. GSO's figures show that real GDP in this quarter experienced a unexpected reduction of 6.17% YoY, marking the historic occasion that the economic performance stepped into the red territory and deviating from the recovery path formed in 1H21. Service was the hardest hit sector when the mobility restriction under Directive No. 16 directly and strongly affected both demand and supply sides of most business lines, while industry and construction also witnessed significant reductions under the "3-on-site" policy.

- ▶ Industrial sector signals a sound recovery

The latest update for industrial production in September is a big surprise as it shows how resilient the manufacturing sector is

just in the early stage of the re-opening. Accordingly, a 3-month contraction in the industrials sector during the fourth COVID-19 wave ended in the month with a marked rebound bringing the industrial production approximately to a pre-pandemic level in May. More specifically, IIP increased up to 5.45% MoM to a 4-month high, in which the increasing pace hit a 15-month high since June 2020. A deadline for a 3-month hard lockdown is coming to an end and opens a new phase for further recovery, we expect the industrial sector to again become a growth driver for the economy for the remainder of 2021.

Event Calendar

► Event calendar

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value
01/10/2021	03/11/2021	CTG	HOSE	Extraordinary General Meeting		
01/10/2021	25/10/2021	DND	UPCOM	Cash Dividend	11%	1,100
01/10/2021		GIL	HOSE	Extraordinary General Meeting		
01/10/2021		HHV	UPCOM	Extraordinary General Meeting		
01/10/2021		PCG	HNX	Extraordinary General Meeting		
01/10/2021	19/10/2021	SVT	HOSE	Cash Dividend	20%	2,000

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- 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.

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- 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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