

# Xin Chao Vietnam

## Market performance

	1 Oct	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,334.89	(0.5)	0.0	(5.8)	20.9
Turnover (VND bn)	22,842				
VN30 (pt, % chg.)	1,441.83	(0.8)	1.0	(6.7)	34.7

## Major indicators

	1 Oct	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.52	(0.0)	0.1	(0.0)	0.1
3-yr gov't bonds (% bp chg.)	0.69	0.0	(0.1)	(0.2)	(0.2)
VND/USD (% chg.)	22,761	0.0	0.0	1.1	1.5
VND/JPY (% chg.)	20,476	(0.7)	1.0	0.8	9.2
VND/EUR (% chg.)	26,363	(0.1)	2.0	3.6	8.0
VND/CNY (% chg.)	3,532	(0.3)	(0.2)	0.7	0.2
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.49	0.0	0.2	0.0	0.6
WTI (USD/bbl, % chg.)	74.42	(0.8)	8.5	(1.1)	53.4
Gold (USD/oz, % chg.)	77.85	(0.6)	8.7	2.7	50.3

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VPB	60.5	FIT	(55.3)
MWG	54.0	STB	(27.7)
PNJ	25.6	SSI	(25.0)
TPB	22.3	FUEVFNVD	(21.9)
DGC	18.4	POW	(18.1)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNM	53.6	MSN	(108.8)
DCM	32.6	VCB	(87.2)
GAS	26.2	VHM	(69.5)
FUEVFNVD	19.9	VIC	(49.8)
PNJ	14.1	VRE	(49.6)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Utilities	4.8	Health Care	(4.1)
Energy	1.2	Diversified Financials	(2.7)
Materials	1.2	Banks	(1.7)
Technology	1.0	Others	(1.2)
Consumer Durables	0.8	Retailing	(1.1)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** High volatility
- **Vietnam:** Manufacturing to deteriorate further by end-3Q21

### Macro & Strategy

- **Chart of the day:** Consolidation phase
- **ETF review:** Local ETFs sell 11.2 million LPB shares

### 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	16.2	2.7	12.8	16.5
2021F	304,264	177,159	19.0	13.6	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

#### High volatility

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The stock market reversed to go down last Friday as the global financial market fell.

At the close, the VNIndex lost 0.53% to close at 1,334 pts. Meanwhile, the trading volume was 715 million shares or VND22,841bn.

Foreign investors continued to net sell with a net value of VND543bn on HSX. They sold MSN, VCB, and VHM the most with net values of VND108bn, VND87bn, and VND69bn, respectively.

Banking was the worst sector due to BID (-1.65%), CTG (-2.14%), EIB (-3.18%), HDB (-2.17%), MBB (-1.44%), SHB (-1.44%), STB (-3.89%), TCB (-1.21%), VCB (-1.34%), and VPB (-3.03%).

Selling pressure pushed Brokerage and Real Estate down, namely VHM (-1.66%), VRE (-3.09%), NLG (-1.55%), KDH (-0.72%), KBC (-1.84%), FTS (-1.44%), HCM (-2.88%), MBS (-2.15%), SSI (-3.57%), VCI (-3.03%), and VND (-2.94%).

Moreover, some constituents of the VN30Index slid more than 1%, such as MSN (-1.82%), SAB (-1.41%), and MWG (-1.25%).

In contrast, cash flowed into Energy because of GAS (+6.70%), OIL (+1.41%), PLX (+0.58%), POW (+2.09%), PVC (+3.45%), PVD (+3.51%), and PVS (+1.41%).

The downside risk increases in the short term as selling pressure on large-cap stocks. Therefore, traders should be careful and reduce long positions.

### Breaking news

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#### ► Vietnam: Manufacturing to deteriorate further by end-3Q21

According to the VN Manufacturing PMI survey from IHS Markit for September, domestic manufacturers continued to face great challenges in operation during a time of hard lockdown. Strict restrictions forced the manufacturers to scale down operations, resulting in a record-pace decreasing in staffing levels and a reduction in purchasing activity, which ultimately leads to a surge in backlogs of works. On the other side, supply chain disruption continued to intensify to an unprecedented extent, causing a shortage of raw materials and accelerating input costs. Additionally, delivery times were lengthening at a record pace for the third consecutive month. From the demand side, the survey also signaled that new orders, including export orders, fell sharply at the fastest pace since the first lockdown in April last year. All those headwinds leads to a fourth consecutive month reduction in manufacturing output, and a downward momentum in September was reported as “considerable”. (IHS Markit)

## Macro & strategy

### Chart of the day

#### Consolidation phase

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#### ► Market performance

The VNIndex recorded the second losing week in a row and retested the 50-period moving average.

#### ► Chart: Consolidation phase

The bullish market in the long term is still intact as the index closes above long-term moving averages such as the MA100 and the MA200, which go up. Meanwhile, trend lines (red lines in Figure 1) are upward, implying the big trend.

In the short term, the VNIndex may be formed sideways as it moves in a tight range of 1,320 pts to 1,360 pts. Besides, the trading value and volume decreases, showing the cautious market sentiment. The short-term moving average is still flat. That means the upward momentum of the index is gone. Hence, the index needs a breakout or breakdown to confirm an uptrend or

downtrend.

The 1,300-pts area has turned around to act as the important short-term support. On the upside, the 1,360-1,380 pts area is expected to be the weekly resistance.

→ The VNIndex is going sideways; therefore the index needs a signal to confirm the new trend.

► Technical strategy: Hold long position

In this situation, traders should wait for a signal to confirm the new trend before opening new positions. However, the long-term uptrend is still intact. Hence, the contraction is the opportunity to accumulate stocks for long-term positions at significant supports such as the 1,300-pts threshold.

## ETF review

### Local ETFs sell 11.2 million LPB shares

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In this quarterly review, the VN30Index and VNFN LEAD Index rebalances their weight according to the new free-float rate, share outstanding, price... While VN DIAMOND Index is expected to add OCB and remove LPB.

We expect local ETFs to buy OCB, CTG, GMD, and MSB the most with 8.4 million shares, 3.8 million shares, 3.3 million shares, and 2.9 million, respectively. On the sell side, LPB will be sold heavily with 11.2 million shares.

The results will be announced on 18 Oct 2021, the new weight will be effective on 1 Nov 2021.

Number of shares expected to buy/sell from ETFs

(%, shares)

No	Ticker	VFMVN30 ETF FUND			VFMVN DIAMOND ETF			SSIAM VNFN LEAD ETF			Summary
		Current weighting	New weighting	Volume change	Current weighting	New weighting	Volume change	Current weighting	New weighting	Volume change	Net volume change
1	ACB	5.22	5.63	1,359,139	5.81	6.17	1,445,100	13.72	11.08	(2,174,006)	630,233
2	BID	0.47	0.47	(10,686)	0.00	0.00	-	0.38	0.32	(37,590)	(48,276)
3	BVH	0.32	0.32	(3,088)	0.00	0.00	-	0.29	0.12	(74,256)	(77,344)
4	CTD	0.00	0.00	-	1.48	1.45	(64,080)	0.00	0.00	-	(64,080)
5	CTG	1.64	2.15	1,727,155	2.17	2.36	807,440	5.28	6.83	1,324,011	3,858,605
6	EIB	0.00	0.00	-	0.71	0.50	(1,147,162)	0.44	0.42	(24,853)	(1,172,015)
7	FPT	5.31	4.96	(394,954)	16.16	15.00	(1,573,477)	0.00	0.00	-	(1,968,431)
8	GAS	0.68	0.68	1,590	0.00	0.00	-	0.00	0.00	-	1,590
9	GMD	0.00	0.00	-	5.85	7.12	3,300,961	0.00	0.00	-	3,300,961
10	GVR	0.42	0.27	(427,349)	0.00	0.00	-	0.00	0.00	-	(427,349)
11	HDB	2.59	2.60	42,806	0.00	0.00	-	2.30	2.05	(256,102)	(213,297)
12	HPG	9.68	9.55	(247,251)	0.00	0.00	-	0.00	0.00	-	(247,251)
13	KDH	1.24	1.18	(154,579)	0.00	0.00	-	0.00	0.00	-	(154,579)
14	LPB	0.00	0.00	-	1.81	0.00	(10,558,584)	2.96	2.35	(735,987)	(11,294,571)
15	MBB	4.31	4.64	1,213,422	5.18	5.10	(367,147)	14.45	15.05	561,998	1,408,274
16	MSB	0.00	0.00	-	2.01	2.60	2,517,180	2.37	2.88	450,616	2,967,797
17	MSN	4.38	4.33	(39,631)	0.00	0.00	-	0.00	0.00	-	(39,631)
18	MWG	4.40	4.35	(42,538)	16.95	15.00	(1,928,954)	0.00	0.00	-	(1,971,493)
19	NLG	0.00	0.00	-	4.89	5.38	1,473,215	0.00	0.00	-	1,473,215
20	NVL	3.87	3.86	(7,966)	0.00	0.00	-	0.00	0.00	-	(7,966)
21	OCB	0.00	0.00	-	0.00	1.64	8,730,128	1.18	0.95	(245,101)	8,485,027
22	PDR	1.18	1.17	(13,610)	0.00	0.00	-	0.00	0.00	-	(13,610)
23	PLX	0.62	0.63	11,531	0.00	0.00	-	0.00	0.00	-	11,531
24	PNJ	1.33	1.32	(12,633)	10.17	9.70	(642,555)	0.00	0.00	-	(655,188)
25	POW	0.41	0.41	7,897	0.00	0.00	-	0.00	0.00	-	7,897
26	REE	0.00	0.00	-	5.24	5.17	(130,899)	0.00	0.00	-	(130,899)
27	SAB	0.83	0.81	(13,322)	0.00	0.00	-	0.00	0.00	-	(13,322)
28	SSB	0.00	0.00	-	0.00	0.00	-	1.36	1.62	186,107	186,107
29	SSI	1.72	1.76	101,552	0.00	0.00	-	4.42	5.37	605,808	707,360
30	STB	3.27	3.38	441,286	0.00	0.00	-	13.36	13.99	641,674	1,082,961
31	TCB	8.40	8.31	(188,711)	8.28	9.12	2,153,871	15.06	15.00	(31,465)	1,933,695
32	TCM	0.00	0.00	-	0.28	1.19	1,769,871	0.00	0.00	-	1,769,871

33	TPB	1.96	2.15	467,299	2.25	2.35	320,287	1.51	2.10	370,216	1,157,801
34	VCB	2.95	2.91	(41,403)	0.00	0.00	-	3.26	2.81	(120,104)	(161,507)
35	VCI	0.00	0.00	-	0.00	0.00	-	0.58	0.95	161,741	161,741
36	VHM	5.01	6.03	1,349,893	0.00	0.00	-	0.00	0.00	-	1,349,893
37	VIB	0.00	0.00	-	1.24	1.58	1,199,906	0.91	1.10	142,645	1,342,551
38	VIC	7.01	7.10	109,883	0.00	0.00	-	0.00	0.00	-	109,883
39	VJC	2.59	2.54	(38,364)	0.00	0.00	-	0.00	0.00	-	(38,364)
40	VNM	5.57	6.87	1,512,641	0.00	0.00	-	0.00	0.00	-	1,512,641
41	VPB	7.81	7.77	(68,347)	8.86	8.57	(550,128)	16.09	15.00	(430,230)	(1,048,705)
42	VRE	1.57	1.87	1,072,275	0.00	0.00	-	0.00	0.00	-	1,072,275

Source: Bloomberg, Fiiopro, KIS

Note: Data as of 30 Sep 2021

## Event Calendar

### ► Event calendar

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value
04/10/2021		GCB	UPCOM	Annual General Meeting		
04/10/2021		HAG	HOSE	Annual General Meeting		
04/10/2021	21/10/2021	HD8	UPCOM	Cash Dividend	10%	1,000
04/10/2021	21/10/2021	SC5	HOSE	Cash Dividend	20%	2,000
04/10/2021	19/10/2021	SZE	UPCOM	Cash Dividend	8%	800
05/10/2021	03/11/2021	API	HNX	Extraordinary General Meeting		
05/10/2021	29/10/2021	API	HNX	Cash Dividend	3%	300
05/10/2021	02/11/2021	BII	HNX	Extraordinary General Meeting		
05/10/2021	29/10/2021	BPC	HNX	Cash Dividend	8%	800
05/10/2021	29/10/2021	DNN	UPCOM	Extraordinary General Meeting		
05/10/2021	04/11/2021	DUS	UPCOM	Annual General Meeting		
05/10/2021	03/11/2021	DVN	UPCOM	Cash Dividend	4%	400
05/10/2021		ILA	UPCOM	Extraordinary General Meeting		
05/10/2021		ITQ	HNX	Extraordinary General Meeting		
05/10/2021	04/11/2021	TDG	HOSE	Extraordinary General Meeting		
05/10/2021	14/10/2021	TKA	UPCOM	Cash Dividend	12%	1,200
06/10/2021	22/10/2021	DAS	UPCOM	Cash Dividend	4%	400
06/10/2021		MTC	UPCOM	Extraordinary General Meeting		
06/10/2021	06/10/2021	TV4	HNX	Share Issue	12%	
06/10/2021	02/11/2021	X20	HNX	Extraordinary General Meeting		
07/10/2021	08/11/2021	ANV	HOSE	Extraordinary General Meeting		
07/10/2021	07/10/2021	GKM	HNX	Share Issue	10%	
07/10/2021	25/10/2021	MCP	HOSE	Cash Dividend	8%	785
07/10/2021	07/10/2021	MSB	HOSE	Share Issue	30%	
07/10/2021	20/10/2021	SRC	HOSE	Cash Dividend	10%	1,000
07/10/2021	16/11/2021	TTB	HOSE	Annual General Meeting		
07/10/2021	04/11/2021	TVB	HOSE	Extraordinary General Meeting		

07/10/2021	05/11/2021	TVC	HNX	Extraordinary General Meeting		
08/10/2021		BNW	UPCOM	Extraordinary General Meeting		
08/10/2021	08/10/2021	DNA	UPCOM	Share Issue	5%	
08/10/2021	08/11/2021	HAX	HOSE	Extraordinary General Meeting		
08/10/2021		HII	HOSE	Extraordinary General Meeting		
08/10/2021	08/11/2021	PCT	HNX	Extraordinary General Meeting		
08/10/2021	25/10/2021	SGN	HOSE	Cash Dividend	10%	1,000
08/10/2021	26/10/2021	VMS	HNX	Cash Dividend	12%	1,200

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