

# Xin Chao Vietnam

## Market performance

	18 Oct	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,395.53	0.2	3.2	12.2	26.4
Turnover (VND bn)	23,444				
VN30 (pt, % chg.)	1,510.49	0.4	3.8	9.9	41.1

## Major indicators

	18 Oct	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.51	(0.0)	0.1	(0.0)	0.1
3-yr gov't bonds (% bp chg.)	0.87	0.0	0.1	0.1	0.0
VND/USD (% chg.)	22,758	(0.0)	0.1	1.1	1.5
VND/JPY (% chg.)	19,888	0.1	4.6	5.8	12.4
VND/EUR (% chg.)	26,360	0.1	1.2	2.8	8.0
VND/CNY (% chg.)	3,538	(0.1)	(0.5)	0.2	0.0
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.60	0.0	0.2	0.3	0.7
WTI (USD/bbl, % chg.)	83.60	1.6	16.2	16.4	72.3
Gold (USD/oz, % chg.)	85.76	1.1	13.8	16.5	65.6

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
SSB	80.0	VND	(147.0)
MWG	67.5	SSI	(126.0)
NLG	40.7	TDH	(122.3)
IJC	34.9	VPB	(47.5)
VHM	27.5	VSC	(46.3)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
STB	80.9	HPG	(184.1)
HAH	50.3	SSI	(93.4)
FUESSVFL	35.3	GMD	(80.9)
VHC	24.1	KBC	(68.4)
HDB	18.6	CTG	(62.3)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Utilities	2.9	Automobiles	(2.9)
Diversified Financials	1.7	Technology	(1.7)
Energy	1.6	Health Care	(1.6)
Household Products	0.4	Retailing	(1.3)
Capital Goods	0.3	Commercial Services	(1.1)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Retest the 1,400-pts threshold
- **Vietnam:** Vietnam State Treasury plans to issue VND135tn government bonds in 4Q21

### Macro & Strategy

- **Fundflow 11 – 15 Oct:** Outflow keeps focusing on Vietnam

### Sector & Company

- **Nam Kim Steel (NKG):** 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	29.4	16.1	2.6	13.3	16.5
2021F	304,264	177,159	18.7	13.6	2.3	11.9	16.6

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)	5.8
China GDP (% yoy)	4.9	5.8	18.3	7.9	6.0	2.3	8.2

Source: KIS, Bloomberg

## Market commentary & News

### Market commentary

#### Retest the 1,400-pts threshold

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The stock market maintained its uptrend. However, the selling pressure appeared at the afternoon session.

At the close, the VNIndex gained 0.20% to close at 1,395 pts. Meanwhile, the trading volume was 771 million shares or VND23,444bn.

Foreign investors reversed to net sell with a net value of VND605bn on HSX. They sold HPG, SSI, and GMD the most with net values of VND184bn, VND93bn, and VND80bn, respectively.

Energy was the market leader driven by BSR (+3.93%), GAS (+4.02%), OIL (+2.67%), PLX (+1.49%), POW (+0.41%), PVB (+2.96%), PVC (+1.61%), PVD (+4.23%), and PVS (+2.79%).

Cash flowed into Brokerage and Material, namely HPG (+1.05%), HSG (+0.20%), NKG (+1.73%), BSI (+3.82%), HCM (+1.58%), MBS (+1.19%), SSI (+0.25%), VCI (+3.05%), and VND (+3.11%).

Besides, some constituents of the VN30Index jumped more than 1%, such as PDR (+2.96%), VPB (+2.40%), MSN (+1.42%), TPB (+1.03%), and KDH (+1.03%).

In contrast, SAB (-1.72%), PNJ (-1.49%), CTG (-1.47%), and MWG (-1.28%) closed in red territory.

Market sentiment has become still cautious as the VNIndex retests the 1,400-pts threshold. However, the uptrend is still intact in the short term. Therefore, the traders should increase their long position and focus on leading stocks.

### Breaking news

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- ▶ Vietnam: Vietnam State Treasury plans to issue VND135tn government bonds in 4Q21

Vietnam's government has planned for fiscal support packages in the economic re-opening phase after a prolonged lockdown in order to boost economic recovery. In the latest announcement, Vietnam's State Treasury plans to issue about VND135tn government bonds in the last quarter, in which issuance plans for 5-year, 7-year, 10-year, 15-year, 20-year, and 30-year G-bonds amount to VND15tn, 5tn, 37tn, 50tn, 13tn, and 15tn, respectively. Additionally, the government also adjust the 2021 government bond issuance plan by adding more VND23tn G-bond to the original plan, to a total of VND373tn G-bonds in the year. (Vietnam State Treasury)

## Macro & strategy

### Fundflow 11 – 15 Oct

#### Outflow keeps focusing on Vietnam

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- ▶ Vietnam foreign flow

Foreign selling activity increased significantly. Net sell value was USD150mn, three times higher than the previous week.

Selling pressure spread to major sectors, mainly absorbed by Consumer Staples, Financials, and Real Estate. Particularly, selling activity focused on PAN, MSN, SBT, SSI, VND, SHS, and KBC, fading the solid demand on FMC, MBB, STB, PVI, and VRE. Besides, Materials continued to be sold the most, focusing on HPG whilst DPM and HSG ended up to be net bought. On the contrary, Industrials has turned around to be net bought thanks to large buy orders on HAH and DIG.

- ▶ South East Asia ETF flow

SEA kept experiencing the outflow, but the outflow has started to slow down. Net outflow was USD13mn, half of the previous week. The outflow has slowed down across major countries except Vietnam.

Money outflow across Vietnam increased slightly, recording at USD13mn, up 40% WoW. The outflow was contributed by the divestment across Fubon FTSE Vietnam and VFMVN Diamond ETF. 6M accumulated, VFMVN Diamond ETF and X FTSE Vietnam have recorded the outflow, implying the weakness of money inflow across Vietnam.

## Sector & Company

### Nam Kim Steel (NKG)

#### September 2021: Operational updates

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- ▶ Strong export volume amid local demand recovery in September

Total September steel sales volume posted 102,796 tonnes, increasing by 13.1% mom and 43.8% yoy.

Steel coat volume continued to make up most of the September total sales volume (94%) at 96,902 tonnes, +81.8% yoy and +12.3% mom.

The coated steel export volume (82,218 tonnes) performed slightly +2.0% mom but 169.1% yoy.

The domestic market continued to contribute minor impact to total sales volume: Domestic volume of steel coat recorded 14,684 tonnes (-35.4% yoy but +158.1% mom from the low base in August) and steel pipes volume posted 5,894 tonnes (+28.7% mom and -67.6% yoy).

- ▶ The 9M21 export volume still a key driver growth

The September performance continued to be impacted by the lockdown policy in some big cities, which interrupted the supply chain but also witnessed the slight domestic recovery from August low-base.

The 3Q sale volume showed the significant impact of government & company policies on company's performance. In which, 3Q steel pipes volume was down 66% yoy, 64.5% mom to 17,656 tonnes, and on the other side, 3Q steel coat volume increased 64.2% yoy, 13.3 mom to 258.684 tonnes.

However, the total sale volume in 9 months came in at 797,614 tonnes, +57.9% yoy on the back of the steel coat volume growth of 60.8% yoy to 677,835 tonnes and the steel pipes growth of 43.1% yoy to 119,779 tonnes.

The total 9M export volume (accounted for 64.8%; 517,015 tonnes) grew +139.5% yoy while the local sales volume (280,599 tonnes) declined 3.0% yoy.

- ▶ Hedging on the commodity price rally

Based on VSA figures, NKG's inventory as of end-September continued to move in contrast trends but in line with current business environments.

Steel pipe inventory remained the same as August but dropped 87.7% yoy to 2,245 tonnes, which could be explained by the full impact of COVID-19 resurgence that suspended the production and consumption.

Steel coat inventory, on the other side, increased 6.0% mom, spiked 479.0% yoy following the hedging demand.

## Event Calendar

### ▶ Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
12/11/2021		Minh Hung Quang Tri JSC	160.0	500,000	11,000	Local investors only
12/11/2021	PHC	Phuc Hung Holdings Construction JSC	257.0	10,000,000	12,000	-

► **Event calendar**

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value
19/10/2021		DGT	UPCOM	Extraordinary General Meeting		
19/10/2021		I10	UPCOM	Extraordinary General Meeting		
19/10/2021	16/11/2021	MCT	UPCOM	Annual General Meeting		
19/10/2021		THS	HNX	Extraordinary General Meeting		
20/10/2021	02/11/2021	AGE	UPCOM	Cash Dividend	2%	200
20/10/2021		AGM	HOSE	Extraordinary General Meeting		
20/10/2021	23/11/2021	DFC	UPCOM	Extraordinary General Meeting		
20/10/2021	20/10/2021	LCG	HOSE	Share Issue	8%	
20/10/2021	20/10/2021	LCG	HOSE	Share Issue	43%	
20/10/2021	29/10/2021	MLS	UPCOM	Cash Dividend	27%	2,710
20/10/2021		PMJ	UPCOM	Annual General Meeting		
20/10/2021	20/10/2021	VC7	HNX	Share Issue	100%	
20/10/2021	18/11/2021	VSC	HOSE	Cash Dividend	5%	500
21/10/2021	25/11/2021	CE1	UPCOM	Annual General Meeting		
21/10/2021	18/11/2021	HNE	UPCOM	Cash Dividend	1%	61
21/10/2021	11/11/2021	ISH	UPCOM	Cash Dividend	12%	1,200
21/10/2021	21/10/2021	NRC	HNX	Share Issue	5%	
21/10/2021		SID	UPCOM	Annual General Meeting		
21/10/2021	12/11/2021	SPS	UPCOM	Cash Dividend	15%	1,500
21/10/2021	05/11/2021	TNC	HOSE	Cash Dividend	20%	2,000
22/10/2021	08/11/2021	ATB	UPCOM	Annual General Meeting		
22/10/2021	18/11/2021	BXH	HNX	Cash Dividend	8%	800
22/10/2021	30/12/2021	CCL	HOSE	Cash Dividend	10%	1,000
22/10/2021	23/11/2021	CEG	UPCOM	Annual General Meeting		
22/10/2021	19/11/2021	TGG	HOSE	Extraordinary General Meeting		
22/10/2021	18/11/2021	VLA	HNX	Cash Dividend	5%	500
22/10/2021		VSA	HNX	Extraordinary 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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