

Xin Chao Vietnam

Market performance

	26 Oct	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,391.63	0.4	5.0	9.0	26.1
Turnover (VND bn)	20,777				
VN30 (pt, % chg.)	1,482.62	0.4	3.0	5.2	38.5

Major indicators

	26 Oct	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.51	(0.0)	(0.0)	(0.0)	0.1
3-yr gov't bonds (% bp chg.)	0.67	(0.0)	(0.0)	(0.2)	(0.2)
VND/USD (% chg.)	22,757	(0.0)	0.0	1.1	1.5
VND/JPY (% chg.)	19,959	0.4	2.8	4.5	12.0
VND/EUR (% chg.)	26,419	0.1	0.9	2.7	7.8
VND/CNY (% chg.)	3,566	(0.0)	(1.1)	(0.5)	(0.8)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.61	(0.0)	0.2	0.3	0.7
WTI (USD/bbl, % chg.)	84.05	0.3	13.6	16.9	73.2
Gold (USD/oz, % chg.)	86.16	0.2	10.3	15.7	66.3

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FPT	51.0	DCM	(194.3)
VRE	36.5	NBB	(129.8)
HPG	35.6	TCB	(42.2)
MWG	30.6	DBD	(30.3)
NLG	29.6	LPB	(28.1)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	66.9	NLG	(88.5)
VHC	28.8	VNM	(50.9)
HSG	25.7	VRE	(45.6)
FUEFVND	21.9	VIC	(32.8)
KBC	20.0	PNJ	(30.6)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Software & Services	1.9	Household Products	(0.7)
Diversified Financials	1.4	Commercial Services	(0.4)
Materials	1.4	Retailing	(0.4)
Others	1.3	Telecommunication	(0.3)
Capital Goods	1.3	Consumer Durables	(0.3)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Rebound at the 1,380-pts threshold

Sector & Company

- **Saigon Cargo Services (SCS):** 3Q21 review

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
2020	270,014	151,973	29.4	15.9	2.6	13.3	16.5
2021F	304,264	177,159	18.7	13.4	2.2	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)	5.7
China GDP (% yoy)	4.9	5.8	18.3	7.9	6.0	2.3	8.1

Source: KIS, Bloomberg

Market commentary & News

Market commentary

Rebound at the 1,380-pts threshold

Hieu Tran
hieu.ttm@kisvn.vn

The stock market rebounded yesterday thanks to high demand on some key tickers at 1,380-pts support.

At the close, the VNIndex gained 0.45% to close at 1,391 pts. Meanwhile, the trading volume was 710 million shares or VND20,776bn.

Foreign investors continued to net sell with a net value of VND60bn on HSX. They sold NLG, VNM, and VRE the most with net values of VND88bn, VND50bn, and VND45bn, respectively.

Brokerage was the market leader thanks to BSI (+1.75%), HCM (+1.10%), MBS (+1.85%), SSI (+1.31%), VCI (+2.17%), VDS (+2.06%), and VND (+1.19%).

Besides, cash flowed into Banking and Material, namely HPG (+2.18%), HSG (+1.38%), NLG (+5.36%), HDB (+0.82%), LPB (+0.73%), MBB (+1.27%), NVB (+0.72%), SHB (+0.56%), and TPB (+1.19%).

GAS (+1.61%) posted 3Q21 revenue of VND18,543bn (+16% YoY) and NPAT of VND2,463bn (+19% YoY), bringing a VND58,815bn revenue (+26% YoY) and a VND6,709bn NPAT-MI (+9.5% YoY).

VGT (+0.00%) announced revenue and NPAT posted-MI were VND4,067bn (+23% YoY) and VND187bn (+2.7 times YoY). In 9M21, VGT recorded revenue of VND11,112bn (+7.5% YoY) and NPAT of VND569bn(+2.8 times YoY).

In contrast, PDR (-1.73%), KDH (-1.18%), SAB (-0.83%), and PNJ (-0.81%) closed in red territory.

Based on the rebound, the market sentiment has become optimistic. The short-term uptrend is still intact as the index closes above the significant moving averages. Therefore, the traders should hold their long position and focus on leading stocks.

Sector & Company

Saigon Cargo Services (SCS)

BUY (Maintain), TP VND160,200

3Q21 review: Continuing growth with rising cargo yield

Nam Nguyen
nam.nt@kisvn.vn

- Sales and NP grow due to higher cargo yield

On October 19, 2021, SCS announced its 3Q21 earnings results with revenue of VND172bn (+2.5% yoy) and PBT of VND130bn (+5.2% yoy). The high increase of average selling price (ASP) when ASP rose +22.5% yoy largely contributed to this gain. In the world, air cargo prices on all routes continuously increased to new highs of the year due to combined with strong consumer demand and strains capacity.

- Growth and improve margins to come back in 2022

In contrast to passenger travel, SCS still maintains stable operations in the context of the COVID-19 pandemic because freight transport rarely encounters limitations in human health and safety regulations. Nevertheless, the SCS cargo volume is still decreasing because of various pandemic control strategies across nations. This is offset by an increase in cargo yield. We believe that the high cargo yield will remain as the world recognizes and reshapes the role of air cargo transport in the global supply chain. We are forecasting ASP to rise by 7.0% yoy, this growth is lower than global air cargo yield since CAAV and MoT are proposing policies to cut air services charges to help enterprises, and SCS is expected to decrease prices so that it remains competitive with TCS.

The conclusion of the Ho Chi Minh City lockdown and Vietnam's fast vaccination will result in recovery in production and business in 4Q21. In this case, the cargo volume of SCS will continue to grow as in the pre-pandemic period. Especially, international cargo volume will be the key driver for SCS's growth due to the booming E-commerce. We forecast that SCS's international cargo volume will grow by 10.6%/7.4% in 2021F/2022F, respectively.

For other business segments, we maintain as previous forecasts. Particularly, the office leasing and aircraft parking segments are stable with GP margin of 83.5% and 71.5%, respectively.

- ▶ Lift TP by 7.9%; Focus on cargo profitability

We maintain BUY rating on SCS but upgrade our TP by 5.0% from VND152,600 to VND160,200. Our TP increase is mainly due to changing in our valuation assumptions and a better outlook for air freight industry. Currently, SCS is trading at TTM PE of 12.7x.

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	-
08/11/2021	VOC	Vietnam Vegetable Oils Industry Corp.	1,218.0	44,211,900	28,400	Whole lot sale

▶ Event calendar

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value
27/10/2021	02/12/2021	BSD	UPCOM	Extraordinary General Meeting		
27/10/2021	10/11/2021	CMP	UPCOM	Cash Dividend	2%	233
27/10/2021		PPI	UPCOM	Annual General Meeting		
28/10/2021	18/11/2021	ICN	UPCOM	Cash Dividend	20%	2,000
28/10/2021	29/11/2021	SHP	HOSE	Annual General Meeting		
28/10/2021	29/11/2021	SHP	HOSE	Cash Dividend	5%	500
28/10/2021	25/11/2021	SSN	UPCOM	Annual General Meeting		
28/10/2021	30/11/2021	USC	UPCOM	Extraordinary General Meeting		
29/10/2021	29/10/2021	FHS	UPCOM	Share Issue	40%	
29/10/2021	23/11/2021	L61	HNX	Extraordinary General Meeting		
29/10/2021		SVC	HOSE	Extraordinary General Meeting		
29/10/2021	27/11/2021	TCO	HOSE	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.

- **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..