

Xin Chao Vietnam

Market performance

	5 Nov	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,456.51	0.6	7.5	8.2	31.9
Turnover (VND bn)	25,958				
VN30 (pt, % chg.)	1,531.76	0.2	5.2	3.0	43.1

Major indicators

	5 Nov	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.52	(0.0)	(0.0)	0.1	0.1
3-yr gov't bonds (% bp chg.)	0.84	(0.0)	(0.0)	(0.0)	(0.0)
VND/USD (% chg.)	22,698	0.1	0.3	1.1	1.8
VND/JPY (% chg.)	19,948	(0.0)	2.6	5.0	12.1
VND/EUR (% chg.)	26,173	0.2	0.8	3.9	8.8
VND/CNY (% chg.)	3,547	(0.0)	(0.4)	0.1	(0.2)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.53	0.0	0.0	0.3	0.6
WTI (USD/bbl, % chg.)	79.68	1.1	1.0	15.3	64.2
Gold (USD/oz, % chg.)	81.01	0.6	(1.9)	13.6	56.4

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
SSB	87.2	DCM	(174.0)
HPG	86.5	GAB	(103.1)
TCB	61.2	NHH	(33.9)
AGM	56.5	SHP	(32.3)
TDP	50.0	NLG	(31.6)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	122.5	VHM	(55.6)
GAS	40.4	SSI	(38.9)
CTG	37.1	TPB	(33.9)
DXG	35.0	DGC	(29.2)
VCI	30.0	MBB	(22.0)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Health Care	4.2	Household Products	(0.7)
Utilities	3.6	Banks	(0.4)
Consumer Durables	3.2	Diversified Financials	(0.0)
Telecommunication	2.5		
Technology	2.5		

WHAT'S NEW TODAY

Market commentary & News

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- **Vietnam:** Lockdown end drives retail sales rebound

Macro & Strategy

- **Chart of the day:** Uptrend is active

Sector & Company

- **Novaland (NVL):** AM 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
2020	270,014	151,973	29.5	16.6	2.7	13.7	16.5
2021F	304,264	177,159	18.7	14.0	2.3	12.3	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

	4Q20	1Q21	2Q21	3Q21	2019	2020	2021F
GDP (% yoy)	4.5	4.7	6.6	(6.2)	7.0	2.9	3.8
Trade balance (USD bn)	3.3	2.8	(3.8)	(1.0)	10.4	19.8	1.3
CPI (% yoy, avg.)	1.4	0.3	2.7	2.5	2.8	3.2	2.1
Discount rate (% EoP)	4.0	4.0	4.0	4.0	6.0	4.0	4.0
VND/USD (avg.)	23,098	23,076	23,019	23,252	22,761	23,098	22,660
US GDP (% qoq)	4.0	4.2	6.6	3.3	2.3	(3.4)	5.7
China GDP (% yoy)	5.8	18.3	7.9	4.7	6.0	2.3	8.1

Source: KIS, Bloomberg

Market commentary & News

Market commentary

Retest last peak

Hieu Tran
hieu.ttm@kisvn.vn

The stock market resumed its uptrend as the VNIndex approached the last peak at 1,460 pts.

At the close, the VNIndex gained 0.56% to close at 1,456 pts. Meanwhile, the trading volume was 842 million shares or VND25,958bn.

Foreign investors reversed to net buy with a net value of VND230bn on HSX. They purchased HPG, GAS, and CTG the most with net values of VND457bn, VND192bn, and VND61bn, respectively.

Energy was the market leader driven by GAS (+4.53%), PVD (+5.17%), PLX (+2.28%), OIL (+5.49%), NT2 (+2.67%), BSR (+2.11%), and POW (+2.77%). Accordingly, oil prices increased as OPEC+ panel still favors cautious production increase.

Besides, Real Estate outperformed the benchmark index namely CEO (+0.81%), DXG (+3.86%), FLC (+2.87%), KBC (+0.72%), KDH (+1.58%), NVL (+0.96%), PDR (+1.28%), and TDH (+2.50%).

Some constituents of the VN30Index jumped more than 1%, such as PNJ (+3.85%), FPT (+1.67%) and MWG (+1.62%),

In contrast, Banking tickers closed in red territory due to BID (-0.91%), EIB (-0.98%), HDB (-1.29%), MBB (-0.87%), TCB (-0.56%), TPB (-0.57%), and VCB (-0.91%).

The VNIndex retests the last peak and maintains its uptrend in the short term because of closing above its significant moving averages and 1,400-pts threshold. Therefore, the traders should hold their long position and focus on leading stocks.

Breaking news

Tuan Doan
tuan.doan@kisvn.vn

► Vietnam: Lockdown end drives retail sales rebound

The 3-month lockdown being lifted is a key for recovering the services sector in October. Overall, the pace of the recovery in the services sector is remarkable in the month, bringing the sector back to approximately a pre-pandemic level. According to the latest update from GSO for October, the total revenue of the services sector improved by 18.15% MoM to reach VND357.92tn, the highest level since June. Nonetheless, it was still 21.18% lower than the same period last year. (GSO, KIS)

Macro & strategy

Chart of the day

Uptrend is active

Dang Le
dang.lh@kisvn.vn

► Market performance

VNIndex kept following the upward swing after piercing the all-time high, but volatility level has continued to increase.

► Chart: 1,400 pts zone acts as the short-term demand zone

The VNIndex closed above major MAs as well as those MAs slope upward, the uptrend is active.

The broken 1,400-1,420 pts zone turned around to act as the short-term benchmark for the upward swing. On the upside, 1,500 pts area is the next destination for VNIndex.

The long-term uptrend is active when MA50 and MA200 are upward sloping.

If 1,300 pts zone is still held, the uptrend is still active.

In the short term, volatility level has surged due to the occurrence of narrow spread candles with massive volume.

→ The VNIndex is expected to follow the upward leg this week.

- ▶ Technical strategy: Hold the positions

The upward resumption phase is still active. In this case, investors should continue to hold the current positions on leading stocks. On the contrary, positions should be closed by half if the 1,300 pts area is pierced.

Sector & company

Novaland (NVL)

AM Briefing: Leverage concerned

Nhan Lai
nhan.lt@kisvn.vn

- ▶ AM Briefing

On Nov 5, NVL made an analyst meeting briefing for the upcoming business expansion plan. Key focus areas are presale growth, and its funding demand.

- ▶ A 9M21 earnings beyond expectation

NVL posted 3Q21 financial results with net profit of VND556bn (-73.9% yoy) on net revenue of VND3,262bn (up 52.5% yoy).

Revenue from property development rose to VND2.9tn (up 162% y/y) driven mainly by the continued booking of units from Saigon Royal (30% of total property revenue), Aqua City (18%) and hospitality projects (52%).

Gross margin expanded by 8.7%p to 46% in 3Q21 thanks to the domination of high-margin low-rise units.

In 3Q21 NVL recorded VND233bn gains from the divestment of two subsidiaries – the Vung Tau Youth Tourism and Vietnam Youth Tourism.

For 9M2021, NVL's net revenue surged 171% yoy to VND10.3tn while its NPAT-MI reached VND2.4tn, -28% yoy, fulfilling 37.5%/58.5% the company guidance.

- ▶ COVID-19 weighs on their sales plan

NVL also acquired nearly 70% ownership in Green Land Ltd for a total cost of VND2.9tn to prepare for an undisclosed project in the future, per management

Per management, around 5,000 units were sold for bookings in 9M21, bringing a contract sale value of VND5.2tn. The hospitality projects made up 50% of units and 45% of unbilled booking value.

Since lockdown prolonged until Nov that impedes the sales events, NVL aims to sell a 7,000 units in 2021F, reducing 30% vs the initial plan. A more 2,000 units sold in 4Q21 could bring around VND15tn-20tn contract sale value, according to the management.

- ▶ Huge funding demand despite risky leverage

The management did not disclose the total amount of funding raised in 4Q21 and 2022F but is searching for more funding to finance the acquisition of the land bank. However, net debt/equity as of end-3Q21 increased to 0.98x from 0.96x as of end-2Q21. Net debt/equity as of end-3Q21 increased to 0.98x from 0.96x as of end-2Q21. NVL's leverage ratio, which is significantly higher than average for developers (0.2x-0.4x), remains unhealthy in our view.

Event Calendar

► New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Listed Value	Listed Shares	Reference Price
10/11/2021	NHT	Nam Hoa Trading and Production Corp.	HSX	154.1	15,411,541	36,750

► 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
08/11/2021	03/12/2021	C4G	UPCOM	Extraordinary General Meeting		
08/11/2021	08/11/2021	CDR	UPCOM	Share Issue	33%	
08/11/2021		CDR	UPCOM	Extraordinary General Meeting		
08/11/2021	26/11/2021	HTC	HNX	Cash Dividend	3%	300
08/11/2021	26/11/2021	TRC	HOSE	Cash Dividend	9%	900
08/11/2021		TS4	UPCOM	Annual General Meeting		
08/11/2021	08/11/2021	VSC	HOSE	Share Issue	100%	
09/11/2021	03/12/2021	ADP	UPCOM	Cash Dividend	4%	400
09/11/2021	25/11/2021	ICT	HOSE	Cash Dividend	2%	200
09/11/2021	25/11/2021	IDC	HNX	Cash Dividend	24%	2,400
09/11/2021		PPY	HNX	Extraordinary General Meeting		
09/11/2021	18/11/2021	PRT	UPCOM	Cash Dividend	3%	300
09/11/2021	18/11/2021	PTD	HNX	Cash Dividend	10%	1,000
09/11/2021	09/11/2021	TDT	HNX	Share Issue	15%	
09/11/2021	09/11/2021	TDT	HNX	Share Issue	33%	
09/11/2021	11/12/2021	VNY	UPCOM	Annual General Meeting		
10/11/2021		APH	HOSE	Extraordinary General Meeting		
10/11/2021		CRE	HOSE	Extraordinary General Meeting		
10/11/2021	10/12/2021	HPI	UPCOM	Annual General Meeting		
10/11/2021	06/12/2021	NAV	HOSE	Annual General Meeting		
10/11/2021		TEG	HOSE	Extraordinary General Meeting		
10/11/2021	09/12/2021	VGP	HNX	Annual General Meeting		
10/11/2021	10/11/2021	VNF	HNX	Share Issue	5%	
11/11/2021	21/12/2021	CAP	HNX	Annual General Meeting		
11/11/2021	10/12/2021	DGC	HOSE	Extraordinary General Meeting		
11/11/2021	30/11/2021	L12	UPCOM	Cash Dividend	5%	500
11/11/2021	06/12/2021	PVT	HOSE	Cash Dividend	10%	1,000

11/11/2021	14/12/2021	TMT	HOSE	Extraordinary General Meeting		
11/11/2021	11/11/2021	VPI	HOSE	Share Issue	10%	
12/11/2021	10/12/2021	KHA	UPCOM	Annual General Meeting		
12/11/2021	01/12/2021	KHP	HOSE	Cash Dividend	3%	250
12/11/2021		NBB	HOSE	Extraordinary General Meeting		
12/11/2021	12/11/2021	PGN	HNX	Share Issue	11%	
12/11/2021	26/11/2021	SMC	HOSE	Cash Dividend	5%	500
12/11/2021	27/12/2021	TIX	HOSE	Cash Dividend	13%	1,250
12/11/2021	11/01/2022	TIX	HOSE	Annual General Meeting		
12/11/2021		TSD	UPCOM	Extraordinary General Meeting		

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- BUY: Expected total return will be 15% or more
- Hold: Expected total return will be between -5% and 15%
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- 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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