

Xin Chao Vietnam

Market performance

	15 Nov	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,476.57	0.2	6.0	8.8	33.8
Turnover (VND bn)	33,868				
VN30 (pt, % chg.)	1,528.68	0.0	1.6	3.0	42.8

Major indicators

	15 Nov	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.49	(0.0)	(0.0)	(0.0)	0.1
3-yr gov't bonds (% bp chg.)	0.61	(0.2)	(0.3)	(0.2)	(0.2)
VND/USD (% chg.)	22,649	(0.0)	0.4	0.9	2.0
VND/JPY (% chg.)	19,893	(0.2)	0.0	5.1	12.4
VND/EUR (% chg.)	25,935	(0.0)	1.7	3.8	9.8
VND/CNY (% chg.)	3,547	0.0	(0.3)	(0.6)	(0.2)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.54	(0.0)	(0.0)	0.3	0.6
WTI (USD/bbl, % chg.)	80.06	(0.9)	(2.7)	17.0	65.0
Gold (USD/oz, % chg.)	81.21	(1.2)	(4.3)	15.0	56.8

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	117.1	FUEVFNVD	(170.8)
FPT	62.3	NBB	(83.7)
FLC	61.4	CII	(83.2)
MSN	61.2	TVB	(49.7)
ACB	56.6	HAG	(46.2)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	184.6	GEX	(70.9)
FUEVFNVD	157.9	VNM	(57.7)
MSN	89.8	VND	(45.3)
DGW	66.0	VHC	(24.9)
HDB	52.5	VJC	(22.6)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	7.0	Telecommunication	(1.7)
Health Care	3.5	Materials	(1.4)
Consumer Services	3.2	Software & Services	(0.7)
Diversified Financials	2.8	Transportation	(0.6)
Retailing	2.4	Banks	(0.4)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** High volatility
- **Vietnam:** Congress to set 2022's economic growth target at 6% - 6.5%

Macro & Strategy

- **Fundflow 08 – 12 Nov:** Major ETFs are divested

Sector & Company

- **Steel:** Sector brief
- **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
2020	270,014	151,973	29.5	16.6	2.7	13.9	16.5
2021F	304,264	177,159	18.7	14.0	2.3	12.4	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)	5.5
China GDP (% yoy)	5.8	18.3	7.9	4.9	6.0	2.3	8.0

Source: KIS, Bloomberg

Market commentary & News

Market commentary

High volatility

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The stock market kept going up, but the volatility has been increased as the market recorded the flash contraction in the afternoon session.

At the close, the VNIndex gained 0.22% to close at 1,476 pts. Meanwhile, the trading volume was 1,142 million shares or VND33,868bn.

Foreign investors continued to net buy with a net value of VND106bn on HSX. They purchased VHM, FUEVFVND, and MSN the most with net values of VND184bn, VND157bn, and VND89bn, respectively.

Brokerage was the market leader driven by BSI (+5.51%), BVS (+3.75%), HCM (+3.05%), SSI (+2.69%), VCI (+0.97%), VDS (+5.99%), and VND (+0.43%). Accordingly, investors expected their business results to improve thanks to high trading value and volume in Nov.

Cash flowed into Real Estate namely VHM (+2.44%), VIC (+0.53%), VRE (+0.33%), KBC (+0.37%), LDG (+6.94%), and ITA (+3.65%). Some constituents of the VN30Index jumped more than 2%, such as POW (+6.95%), HDB (+3.04%), MSN (+2.94%), and MWG (+2.50%).

In contrast, Material closed in red territory due to HPG (-1.83%), HSG (-2.24%), and NKG (-3.01%).

The volatility of investor sentiment has increased in the short term. However, the VNIndex maintains its uptrend because of a new rectangle pattern with a target price of 1,530-1,550 pts. Therefore, the traders should hold their long position and focus on leading stocks.

Breaking news

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- ▶ Vietnam: Congress to set 2022's economic growth target at 6% - 6.5%

On Friday last week, in the National Assembly meeting, Congress already approved the Resolution about the socio-economic development plan for 2022, in which important economic targets were set specifically. Accordingly, 2022's real GDP growth and real GDP per capita were targeted at 6% - 6.5% and USD3,900. Besides, the inflation target was maintained below 4% for 2022, although inflation pressure might heat up considerably in the next year. (Vietnam Congress)

Macro & strategy

Fundflow 08 – 12 Nov

Major ETFs are divested

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- ▶ Vietnam foreign flow

Foreign supply kept overwhelming. Net sell value was USD60mn.

Foreign selling activities continued to focus on Real Estate and Materials. Particularly, NLG, DXG, NVL, HPG, and HSG were sold the most whilst KDH and VHM attracted foreign demand. Besides, Industrials was also negatively impacted by foreign selling activities due to the increase of selling pressure on VJC and GEX. On the contrary, Financials absorbed most of foreign demand across the market, focusing on CTG, STB, and VCB. Consumer Discretionary and Utilities continued to attract the most foreign demand thanks to large buy orders on PHR and GAS.

- ▶ South East Asia ETF flow

Outflow across SEA has surged and spread major countries. Net outflow was USD55mn, a six-month high. Particularly, the increase of outflow was mainly driven by the strong divestment across Singapore, followed by Vietnam, Thailand, and Malaysia.

Vietnam experienced the outflow after attracting demand for 3 consecutive weeks. Outflow was USD10mn. Notably, outflow has spread to major ETFs, especially ETFs which follow the components of VN30 Index. Particularly, the outflow was mainly driven by VFMVN30 ETF, MAFM VN30 ETF, and SSIAM VN30 ETF, signaling the outflow of money among leading stocks. In this case, investors should be aware due to the unstable flow of money which is signaled by the divestment across leading stocks.

Sector & company

Steel

October Steel Production

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- ▶ Strong domestic-demand revival in October

On November 15, Vietnam Steel Association (VSA) publicized the increasing Oct steel production volume of 2.65mn tonnes, +17.9% mom, +11.1% yoy. The construction steel (895,273 tonnes) revived strongly in October with +40.5% mom, +1.5% yoy. Pipe steel spiked 56.9% mom to 190,531 tonnes but still decreased by 13% yoy. The consumption volume surged 20.1% mom to 2.47mn tonnes, +36% yoy amid the easing lockdown policy.

Breaking down to domestic sale volume (1.79mn tonnes, +41.5% mom, +26.8% yoy), we witnessed the strong revival since August low base in local demand for all steel products, which surged by 24.7-79.8% mom.

The export-driven volume was still shining despite the decrease of 14.4% mom to 674,193 tonnes, but still +68.7% yoy. Steel inventory as of end-Oct was 1.15mn tonnes, surging by 6.8% yoy but -8.8% mom.

The movements of raw material input prices were in downward trend in the last 30 days: as of Nov 14, iron ore was around USD88/mt (-34USD/mt), China hot roll coil (HRC) decreased to USD776/mt (-126USD/mt); Aust hard coking coal was down to USD333/mt (-30USD/mt) amid steel production cut in China.

Based on quoted prices of Hoa Phat steel bar in Oct, the local prices of steel products were up to VND16.74mn/tonne.

- ▶ 10M21 landscape brisk

Overall, Vietnam produced 25.6mn tonnes in the first 10M21 (+22.8% yoy). The total sale volume was also encouraging (22.6mn tonnes, + 43.1% yoy). In detail, the local consumption volume was 16.4mn tonnes, +34.3% yoy while the export volume skyrocketed to 6.2mn tonnes, +72.4% yoy.

Nam Kim Steel (NKG)

October 2021 – Operational Updates

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- ▶ Local demand reviving

Total Oct steel sales volume posted 108,452 tonnes, increasing by 5.5% mom and 64% yoy. Steel coat volume continued to make up most of the Oct total sales volume (87%) at 94,520 tonnes, +94.5% yoy but -2.5% mom.

The coated steel export volume (73,545 tonnes) was down 10.5% mom from the high-base in September but increased 133.4% yoy. The domestic market continued to contribute minor impact to total sales volume: Domestic volume of steel coat recorded 20,975 tonnes (+42.8% mom, +22.9% yoy) and steel pipes volume posted 13,932 tonnes (+136.4% mom and -20.5% yoy).

However, the domestic market is expected to increase its level of impact in total sale volume in 4Q21 amid the easing lockdown policy with ramp-up of public spending.

- ▶ The export volume still a key driver in 10M21

The October performance witnessed the continuous revival of domestic demand from the low-base in August.

The 10M21 total sale volume came in at 906,066 tonnes, +58.6% yoy on the back of the steel coat volume growth of 64.3% yoy to 772,355 tonnes and the steel pipes growth of 32.1% yoy to 133,711 tonnes.

The total 10M21 export volume (accounted for 65.1%; 590,560 tonnes) grew +138.7% yoy while the local sales volume (315,506 tonnes) declined 2.6% yoy amid the management's strategy skewed in favor of an expansion of sale channels to export markets.

Event Calendar

► New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Listed Value	Listed Shares	Reference Price
19/11/2021	CCR	Cam Ranh Port	HNX	245.0	24,501,817	28,100
16/11/2021	DTC	Dong Trieu Viglacera JSC	HNX	100.0	10,000,000	11,300

► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
29/11/2021	HCM	Ho Chi Minh City Securities Corporation	3,058.8	72,975,180	13,150	Purchase rights, exercise ratio 2:1; Local investors only

► Event calendar

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value
16/11/2021	19/12/2021	BSI	HOSE	Extraordinary General Meeting		
16/11/2021	25/11/2021	C36	UPCOM	Cash Dividend	3%	300
16/11/2021		CMX	HOSE	Extraordinary General Meeting		
16/11/2021		DLD	UPCOM	Annual General Meeting		
16/11/2021	26/11/2021	GDT	HOSE	Cash Dividend	20%	2,000
16/11/2021		KKC	HNX	Extraordinary General Meeting		
16/11/2021		PNC	HOSE	Annual General Meeting		
16/11/2021	13/12/2021	SB1	UPCOM	Extraordinary General Meeting		
17/11/2021	17/12/2021	BKH	UPCOM	Cash Dividend	10%	1,000
17/11/2021	02/12/2021	CNC	UPCOM	Cash Dividend	20%	2,000
17/11/2021	24/12/2021	PXL	UPCOM	Annual General Meeting		
18/11/2021	06/12/2021	CBS	UPCOM	Cash Dividend	10%	1,000
18/11/2021	20/12/2021	DSP	UPCOM	Extraordinary General Meeting		
18/11/2021		KTS	HNX	Annual General Meeting		
18/11/2021		TDH	HOSE	Annual General Meeting		
19/11/2021	06/12/2021	BGT	UPCOM	Cash Dividend	11%	1,115
19/11/2021	14/12/2021	ICG	HNX	Cash Dividend	5%	500
19/11/2021	19/12/2021	SCL	UPCOM	Extraordinary General Meeting		
19/11/2021	15/12/2021	SFC	HOSE	Cash Dividend	18%	1,800
19/11/2021	24/12/2021	SFC	HOSE	Annual General Meeting		
19/11/2021	02/12/2021	SFI	HOSE	Cash Dividend	5%	500
19/11/2021		SJ1	HNX	Annual General Meeting		
19/11/2021	06/12/2021	SVI	HOSE	Cash Dividend	20%	2,000
19/11/2021	24/12/2021	SVI	HOSE	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%
- 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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