

# Xin Chao Vietnam

## Market performance

	29 Nov	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,484.84	(0.5)	2.8	13.1	34.5
Turnover (VND bn)	31,355				
VN30 (pt, % chg.)	1,553.04	(0.9)	1.4	9.5	45.0

## Major indicators

	29 Nov	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.48	(0.0)	(0.0)	0.0	0.1
3-yr gov't bonds (% bp chg.)	0.85	0.2	0.2	0.0	0.0
VND/USD (% chg.)	22,689	(0.1)	0.3	0.5	1.8
VND/JPY (% chg.)	20,007	(1.0)	(0.3)	3.6	11.8
VND/EUR (% chg.)	25,605	0.3	2.6	5.0	11.2
VND/CNY (% chg.)	3,555	(0.2)	(0.1)	(1.0)	(0.5)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.53	0.1	(0.0)	0.2	0.6
WTI (USD/bbl, % chg.)	71.33	4.7	(14.6)	3.8	47.0
Gold (USD/oz, % chg.)	75.79	4.2	(10.2)	4.3	46.3

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
MWG	66.1	STB	(64.5)
TCB	59.4	MSN	(50.5)
PNJ	43.0	GAB	(37.8)
VIX	41.6	FUEVFVND	(30.7)
E1VFN30	37.2	VPB	(26.7)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
CTG	157.2	HCM	(194.8)
STB	56.7	VPB	(121.5)
VRE	50.4	PNJ	(96.5)
VIC	35.0	HDB	(81.9)
FUEVFVND	28.0	TCH	(73.5)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Health Care	6.9	Energy	(3.0)
Pharmaceuticals	3.7	Retailing	(2.6)
Commercial Services	2.5	Telecommunication	(2.5)
Real Estate	2.5	Consumer Durables	(2.3)
Diversified Financials	2.0	Banks	(2.3)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** VIC limits up
- **Vietnam:** Industrial production reaches nearly a record high

### Macro & Strategy

- **Fundflow 22 – 26 Nov:** The flow of money comes back to normal level
- **ETF review:** Foreign ETFs add VND, DGC, DIG and NLG

### 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	29.6	16.7	2.7	13.5	16.5
2021F	304,264	177,159	18.7	14.1	2.3	12.1	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	2.0	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

#### VIC limits up

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The stock market maintained its downside trend amid the reduction of the global financial market after the appearance of a new super-mutant COVID variant.

At the close, the VNIndex lost 0.55% to close at 1,484 pts. Meanwhile, the trading volume was 963 million shares or VND31,355bn.

Foreign investors continued to net sell with a net value of VND355bn on HSX. They sold HCM, VPB, and PNJ the most with net values of VND194bn, VND121bn, and VND96bn, respectively.

Banking was the worst sector driven by ACB (-1.30%), BID (-2.09%), EIB (-1.56%), LPB (-3.56%), OCB (-2.96%), SHB (-3.41%), STB (-3.08%), TCB (-3.15%), VCB (-3.71%), VIB (-3.00%), and VPB (-2.04%).

Moreover, selling pressure pushed Energy down, namely BSR (-2.82%), GAS (-2.55%), OIL (-2.55%), PLX (-3.35%), PVD (-2.28%), and PVS (-2.36%). Among these, VCB and CTG will pay cash dividends and stock dividends in Dec.

Some constituents of the VN30Index slid more than 3%, such as VJC (-3.47%), PNJ (-3.35%), and MSN (-3.17%).

In contrast, cash flowed into Brokerage and Real Estate thanks to HCM (+1.03%), SSI (+3.36%), VND (+2.44%), DXG (+6.99%), SCR (+6.94%), VHM (+1.80%), and VIC (+6.90%).

Despite the second losing session, the long-term uptrend is still intact. Hence, the intraday downtrend or contraction may be the opportunity to increase the long position at low prices.

### Breaking news

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#### ► Vietnam: Industrial production reaches nearly a record high

A strong growth in the industrial sector has been a bright spot for macro developments in November just shortly after the reopening. The latest data for IIP showed that the pandemic impact to this sector in 3Q21 was just temporary, and the new normalization conditions (following guidance from Government Resolution No. 128) was a key to unlock the sector growth in the post-crisis period. According to the latest update from GSO, the industrial production continued its growth for the third consecutive month at a robust pace, by 5.45% MoM. This strong-growth momentum pushed the production level to approximately its record high, once formed in October last year. Its year-over-year growth also moved into expansion territory for the first time since August, by 5.60% YoY. (GSO, KIS)

## Macro & strategy

### Fundflow 22 – 26 Nov

#### The flow of money comes back to normal level

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#### ► Vietnam foreign flow

Foreign supply continued to increase and fading market demand. Net sell value was USD140mn.

Foreign selling activities kept spreading to Financials and Materials. Particularly, VPB, HCM, SSI, and HPG were sold the most whilst CTG, STB, and VCB attracted foreign demand. Besides, Real Estate has turned around to be net sold, mainly driven by the strong divestment on VIC, DXG, and NVL. On the contrary, foreign demand IT continued to attract the most foreign demand thanks to large buy orders on DGW.

#### ► South East Asia ETF flow

Inflow was maintained across SEA. Net inflow was USD4mn. Unlike the previous week, the inflow has started to spread to major

countries. Particularly, Philippines and Thailand attracted the strong flow of money. Notably, inflow has come back to Singapore after 8 consecutive weeks of outflow. However, Indonesia and Malaysia were strongly divested last week.

The flow of money across Vietnam has come back to normal level. Outflow was USD6mn. Particularly, outflow was mainly driven by X FTSE Vietnam, VFMVN30 ETF, and Fubon FTSE Vietnam. However, the outflow was partially faded by the solid demand on SSIAM VNFN Lead ETF.

## ETF review

### Foreign ETFs add VND, DGC, DIG and NLG

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Based on data of 26 Nov, we expect that FTSE Vietnam ETF will add VND, DGC, DIG, and NLG and not exclude any ticker in the 4Q21. Besides, MVIS Vietnam Index will not add and remove Vietnam stock in this quarterly review.

Based on data as of 26 Nov 2021, we expect that foreign ETFs will sell HPG and VRE the most with 11.9 million shares and 7.6 million shares. On the buy-side, VND, DIG, and VIC will be bought heavily with 7.4 million shares, 3.1 million shares, and 2.6 million shares.

The results will be announced on 03 Dec 2021 for the FTSE Vietnam ETF and 10 Dec 2021 for the MVIS Vietnam Index. The new weights will be effective on 20 Dec 2021.

### Number of shares expected to buy from FTSE Vietnam ETF and VanEck Vectors Vietnam ETF

(%, shares)

No	Ticker	FTSE			VNM			Total volume change
		Current weighting	New weighting	Volume change	Current weighting	New weighting	Volume change	
1	APH	0.70	0.74	86,824	0.63	0.58	(180,483)	(93,660)
2	BVH	-	-	-	0.71	0.54	(374,595)	(374,595)
3	DGC	-	1.74	979,715	0.53	1.35	679,980	1,659,695
4	DIG	-	2.48	3,243,711	1.68	1.62	(110,545)	3,133,167
5	DPM	-	-	-	0.88	0.89	24,193	24,193
6	GEX	2.30	2.16	(305,470)	1.57	1.68	355,263	49,793
7	HNG	-	-	-	0.51	0.25	(4,271,199)	(4,271,199)
8	HPG	13.82	7.97	(10,898,271)	5.37	5.00	(1,009,587)	(11,907,858)
9	HSG	1.13	1.15	56,560	0.87	0.90	100,267	156,827
10	KBC	1.33	1.35	39,832	1.00	1.05	146,618	186,450
11	KDC	-	-	-	0.95	0.91	(96,355)	(96,355)
12	KDH	1.77	0.78	(1,945,277)	-	-	-	(1,945,277)
13	MSN	10.87	11.69	477,570	7.49	6.00	(1,266,155)	(788,585)
14	NLG	-	0.48	786,094	-	-	-	786,094
15	NVL	7.24	7.34	84,839	5.48	4.50	(1,184,840)	(1,100,001)
16	PDR	2.98	2.66	(308,717)	2.09	2.07	(27,674)	(336,390)
17	PLX	1.41	0.30	(1,788,294)	-	-	-	(1,788,294)
18	POW	0.83	0.95	793,194	0.75	0.74	(132,186)	661,008
19	PVD	0.67	0.72	162,767	-	-	-	162,767
20	PVS	-	-	-	0.60	0.59	(59,013)	(59,013)
21	SAB	-	-	-	1.21	1.24	26,176	26,176
22	SBT	0.89	1.01	434,981	0.83	0.64	(1,033,250)	(598,269)
23	SHS	-	-	-	0.56	0.84	686,390	686,390
24	SSI	4.87	4.76	(181,180)	3.71	3.71	6,431	(174,749)
25	STB	2.28	1.11	(3,460,864)	0.92	0.87	(231,659)	(3,692,524)
26	TCH	0.93	0.94	44,278	0.68	0.73	305,393	349,671
27	THD	-	-	-	4.79	4.50	(156,505)	(156,505)
28	VCB	4.01	3.68	(283,825)	4.60	2.87	(2,203,948)	(2,487,773)

29	VCI	1.66	2.96	1,510,443	2.04	1.97	(111,280)	1,399,163
30	VHM	14.03	12.22	(1,984,599)	7.52	7.00	(835,487)	(2,820,085)
31	VIC	10.76	13.69	2,718,272	8.02	8.00	(27,175)	2,691,097
32	VJC	2.75	1.37	(971,326)	0.99	1.07	83,440	(887,886)
33	VND	-	4.09	4,789,436	1.15	2.72	2,691,972	7,481,407
34	VNM	8.33	9.66	1,379,889	6.78	5.50	(1,940,129)	(560,239)
35	VRE	4.42	1.99	(7,297,126)	1.63	1.55	(337,387)	(7,634,513)

Source: Bloomberg, Finpro, KIS

Note: Data as of 26 Nov 2021

## Event Calendar

### ► Event calendar

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value
30/11/2021	28/12/2021	CAB	UPCOM	Extraordinary General Meeting		
30/11/2021		CLH	HNX	Extraordinary General Meeting		
30/11/2021	15/12/2021	CLH	HNX	Cash Dividend	10%	1,000
30/11/2021	15/12/2021	IHK	UPCOM	Cash Dividend	7%	700
30/11/2021	15/12/2021	MA1	UPCOM	Cash Dividend	10%	1,000
30/11/2021	15/12/2021	TNW	UPCOM	Cash Dividend	6%	570
02/12/2021	20/01/2022	HPP	UPCOM	Cash Dividend	15%	1,500
02/12/2021	04/01/2022	IDV	HNX	Cash Dividend	5%	500
02/12/2021	04/01/2022	IDV	HNX	Cash Dividend	10%	1,000
02/12/2021	08/01/2022	IDV	HNX	Annual General Meeting		
02/12/2021		PXI	HOSE	Annual General Meeting		
02/12/2021	16/12/2021	SEB	HNX	Cash Dividend	8%	800
03/12/2021	22/12/2021	DRL	HOSE	Cash Dividend	15%	1,500
03/12/2021	22/12/2021	GND	UPCOM	Cash Dividend	10%	1,000
03/12/2021		LAS	HNX	Extraordinary General Meeting		
03/12/2021		QCG	HOSE	Annual General Meeting		
03/12/2021		SGH	HNX	Annual General Meeting		
03/12/2021		TCJ	UPCOM	Annual 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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- 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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