

# Xin Chao Vietnam

## Market performance

	1 Dec	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,485.19	0.5	3.2	11.3	34.5
Turnover (VND bn)	26,416				
VN30 (pt, % chg.)	1,549.81	0.8	2.2	8.6	44.7

## Major indicators

	1 Dec	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.42	(0.1)	(0.1)	(0.0)	(0.0)
3-yr gov't bonds (% bp chg.)	0.76	(0.1)	(0.1)	(0.1)	(0.1)
VND/USD (% chg.)	22,710	0.1	0.2	0.3	1.7
VND/JPY (% chg.)	20,024	0.6	(0.3)	3.3	11.7
VND/EUR (% chg.)	25,716	0.4	2.4	4.5	10.7
VND/CNY (% chg.)	3,565	0.1	(0.2)	(1.1)	(0.7)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.49	0.0	(0.1)	0.2	0.6
WTI (USD/bbl, % chg.)	68.98	4.2	(17.9)	0.6	42.2
Gold (USD/oz, % chg.)	72.35	4.5	(14.6)	1.1	39.7

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VIC	77.4	LPB	(86.2)
MWG	67.1	SZC	(31.1)
STB	47.0	DPM	(17.9)
GAS	38.8	HPG	(15.4)
FPT	38.0	HQC	(14.4)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
CTG	68.4	VHM	(164.7)
DCM	20.1	VIC	(121.2)
STB	19.2	MSN	(119.1)
HVN	12.0	GAS	(75.0)
VRE	11.6	VJC	(57.4)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Banks	1.2	Telecommunication	(2.7)
Software & Services	1.1	Commercial Services	(2.2)
Technology	0.8	Media & Entertainment	(1.5)
Energy	0.7	Diversified Financials	(1.2)
Utilities	0.6	Transportation	(0.9)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Cash flows into Banking stocks
- **Vietnam:** Manufacturing sector remains growth for the second month

### Sector & Company

- **SSI Securities (SSI):** 3Q21 note

### 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	16.6	2.7	13.4	16.5
2021F	304,264	177,159	18.7	14.0	2.3	12.0	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

#### Cash flows into Banking stocks

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The stock market resumed its uptrend thanks to the high demand on Banking stocks at the afternoon session.

At the close, the VNIndex gained 0.46% to close at 1,485 pts. Meanwhile, the trading volume was 851 million shares or VND26,415bn.

Foreign investors continued to net sell with a net value of VND1,069bn on HSX. They sold VHM, VIC, and MSN the most with net values of VND164bn, VND121bn, and VND119bn, respectively.

Banking was the market leader driven by CTG (+1.34%), HDB (+4.92%), LPB (+1.56%), MBB (+1.72%), MSB (+3.85%), OCB (+1.97%), STB (+3.46%), TCB (+1.16%), TPB (+6.98%), and VIB (+1.90%).

Moreover, Energy outperformed the benchmark index, namely BSR (+1.90%), NT2 (+0.45%), OIL (+1.94%), POW (+3.70%), PVB (+2.48%), PVD (+2.02%), and PVS (+2.36%).

Some constituents of the VN30Index jumped more than 2%, such as NVL (+3.64%), SAB (+1.62%), and FPT (+1.13%).

In contrast, Brokerage closed in red territory due to HCM (-1.53%), SSI (-1.25%), VCI (-2.01%), and VND (-1.27%).

Based on the recovery session, market sentiment has become stable again. That implies 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: Manufacturing sector remains growth for the second month

According to the latest update from the IHS Markit, Vietnam's manufacturing sector remained in expansion territory for the second month in November thanks to the reopening of economic activity since October. More specifically, Vietnam's manufacturing PMI index posted 52.2 points in the month, signaling a month-over-month improvement, although the increasing momentum remained almost unchanged from last month. Demand for manufacturing products was growing at the fastest pace since April, mainly driving the industry growth, while output level also increased but at a similar pace from the previous month. (IHS Markit)

## Sector & company

### SSI Securities (SSI)

#### 3Q21 note: The best has yet to come

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- ▶ All-time highest quarter profit in 3Q21

SSI keeps breaking its quarterly profit record thanks to its VND848bn revenue (+15.7% QoQ, +101.6% YoY) and a VND683bn net profit (+15.5% QoQ, +98.6% YoY) in 3Q21. In 9M21, SSI posted a VND1,697bn net profit, 93.9% YoY, beating the full-year guidance by 13.4%.

- ▶ The second brokerage player in 3Q21

In 3Q21, SSI's market share in terms of trading value on HSX expanded to 11.58% (+61%p QoQ), lagging behind leading player VPBS with 16.5%. The total trading value was VND357tn (+8.4% QoQ, +293.8% YoY) in 3Q21 and VND924tn (3.6x YoY) in 9M21. Such better-than-ever trading value is making headway for both brokerage revenue and margin lending.

- ▶ The leading loan provider with ample room to grow

Margin loan as of end-Sep leaped to VND18.1tn (+295% YoY, +16.5% QoQ), prompting SSI to be the dominating player in

margin segment with 30% beyond the runner up. Since SSI's margin loan ratio was only 150%, far below the regulated 200%, SSI could provide an additional 30% to VND6,000bn margin loan.

► Valuation has been priced in

SSI is trading at a 23.9x TTM PE and 3.7x PB ratio, higher than the local peer median of 19.8x and 3.5x, respectively. The SSI valuation is warranted by its top three largest broker and loan who could make the most benefit from the rising daily average trading value up to USD2bn in late Nov. However, given that SSI generated a lower TTM ROE of 18.5% and a ROA of 5.1% than the industry with 23.4% and 9.8%, we see the current valuation is not cheap.

## Event Calendar

### ► Event calendar

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value
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%
- 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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