

# Xin Chao Vietnam

## Market performance

	10 Jan	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,503.71	(1.6)	2.7	9.5	0.4
Turnover (VND bn)	41,774				
VN30 (pt, % chg.)	1,514.70	(1.1)	(0.3)	2.6	(1.4)

## Major indicators

	10 Jan	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.53	0.0	0.0	(0.0)	0.0
3-yr gov't bonds (% bp chg.)	0.86	0.0	0.2	0.2	0.2
VND/USD (% chg.)	22,682	0.1	1.5	0.3	0.6
VND/JPY (% chg.)	19,623	(0.1)	3.4	2.3	1.1
VND/EUR (% chg.)	25,701	0.4	1.4	2.4	0.7
VND/CNY (% chg.)	3,559	0.0	1.6	(0.9)	1.0
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.78	0.0	0.3	0.2	0.3
WTI (USD/bbl, % chg.)	79.07	0.2	10.3	(0.4)	5.1
Gold (USD/oz, % chg.)	81.90	0.2	9.0	(0.6)	5.3

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
TCB	70.3	HNG	(71.2)
STB	48.5	VNG	(65.4)
MWG	37.0	DIG	(53.1)
HPG	35.4	APH	(49.4)
VPB	33.2	GAB	(45.9)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	38.8	CII	(230.4)
VHM	35.3	VRE	(87.4)
BCM	32.4	NVL	(59.7)
STB	25.4	VNM	(35.2)
GAS	19.6	VND	(29.6)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	4.0	Utilities	(4.5)
		Diversified Financials	(4.1)
		Media & Entertainment	(3.4)
		Commercial Services	(3.3)
		Energy	(3.0)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Sell-off?
- **Vietnam:** Economy to grow 6.0% - 6.5% in 2022

### Macro & Strategy

- **Fundflow 04 – 07 Jan:** Foreign trading activity hits the extreme

### Event Calendar

## KIS market view

	OP (VND bn)	NP (VND bn)	EPS growth (% yoy)	PE (x)	PB (x)	EV/EBITDA (x)	ROE (%)
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
2020F	270,014	151,973	34.8	16.0	2.6	13.5	16.3
2021F	304,264	177,159	19.1	13.4	2.2	12.1	16.5

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

	2Q21	3Q21	4Q21	1Q22F	2020	2021	2022F
GDP (% yoy)	6.6	(6.0)	5.2	6.0	2.9	2.6	7.5
Trade balance (USD bn)	(3.8)	(1.0)	5.4	1.5	19.9	4.0	6.0
CPI (% yoy, avg.)	2.7	2.5	1.9	2.5	3.2	1.8	3.5
Discount rate (% EoP)	2.5	2.5	2.5	2.5	2.5	2.5	2.5
VND/USD (avg.)	23,043	22,878	22,787	22,900	23,252	22,936	23,200
US GDP (% qoq)	6.6	2.0	6.0	4.0	(3.4)	5.6	3.9
China GDP (% yoy)	7.9	4.9	3.2	4.2	2.2	8.0	5.2

Source: KIS, Bloomberg

## Market commentary & News

### Market commentary

#### Sell-off?

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The stock market tumbled yesterday because of the investors felt fear about the high valuation of the stocks.

At the close, the VNIndex slid 1.62% to close at 1,503 pts. Meanwhile, the trading volume was 1,348 million shares or VND41,774bn.

Foreign investors continued to net sell with a net value of VND474bn on HSX. They sold CII, VRE, and NVL the most with net values of VND230bn, VND87bn, and VND59bn, respectively.

Brokerage was the worst sectors driven by BVS (-4.15%), HCM (-3.12%), SHS (-4.66%), SSI (-3.97%), VCI (-5.69%), VDS (-5.72%), and VND (-3.50%).

Moreover, selling pressure pushed Energy and Real Estate down, namely CEO (-9.95%), DXG (-5.61%), HDG (-5.22%), KDH (-4.42%), LDG (-6.96%), NLG (-6.76%), BSR (-4.92%), GAS (-5.12%), OIL (-4.21%), PLX (-2.31%), POW (-6.95%), PVD (-6.81%), and PVS (-4.48%).

Some constituents of the VN30Index slid more than 1%, such as HDB (-2.31%), GVR (-2.08%), MWG (-1.85%), MBB (-1.75%), TCB (-1.62%), FPT (-1.50%), TPB (-1.34%), and STB (-1.10%).

In contrast, VRE (+0.72%), PDR (+0.54%), CTG (+0.30%), and VIC (+0.10%) closed in green territory.

The downside risk increases in the short term because of the selling pressure on leading stocks. The 1,500-pts threshold is the significant support in the subsequent sessions. If the VNIndex closes below the threshold, the bullish market will be reversed. Therefore, traders should wait for the next signals to make a rational decision.

### Breaking news

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#### ► Vietnam: Economy to grow 6.0% - 6.5% in 2022

Thanks to the reopening of the economy since October, increasing export demand, and the potential from the upcoming fiscal – monetary support package, Vietnam's economy is expected to regain growth momentum this year. According to Resolution 01/2022/NQ-CP about the socio-economic development plan in 2022, the Ministry of Planning and Investment is projecting the economy to grow at 6.0% - 6.5% in 2022. More specifically, 1Q22 and 2Q22 economic growth is expected to reach 4.9% - 5.4% and 5.4% - 5.9%, while the growth would accelerate at a faster pace in 3Q22 and 4Q22, at 7.5% - 8.0% and 6.2% - 6.7%, partly thanks to a low-base effect. Following the projection from the Ministry of Planning and Investment, the industrial sector, more specifically the manufacturing industry, would continue to be the largest growth driver for the economy in 2022. Besides, although 2021 is considered a low base for the services sector, the outlook for this sector remains somewhat muted, in which the transportation and accommodation & catering industries seem to remain under pressure during the pandemic period. (Ministry of Planning and Investment, KIS)

## Macro & strategy

### Fundflow 04 – 07 Jan

#### Foreign trading activity hits the extreme

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#### ► Vietnam foreign flow

Foreign trading activity hit the extreme last week, supply overwhelmed demand. Net sell value was USD45mn.

Foreign selling activity spread to Consumer Staples and Industrials. Particularly, selling pressured mainly focused on MSN, VNM, CII, and GEX. Besides, foreign selling pressure kept focusing on Materials, mainly driven by strong divestment on HSG. In contrast, Real Estate, Energy, and Utilities attracted the most of foreign demand thanks to large buy orders on VHM, KBC,

BCM, PVS, PLX, and GAS. Financials continued to attract buying activity, focusing on CTG and STB.

► South East Asia ETF flow

Outflow came back to SEA. Net outflow was USD1mn. The negative flow of money was mainly driven by the strong divestment across Indonesia and Vietnam as well as the slowdown of money inflow across Malaysia. However, Singapore and Thailand attracted the positive flow of money after experiencing two consecutive weeks of outflow.

Vietnam recorded the outflow. Net outflow was USD7mn. Notably, outflow has spread to major ETFs. Particularly, the increase of outflow was mainly contributed by the divestment on VFMVN Diamond ETF, VFMVN30 ETF, and Fubon FTSE Vietnam. In accumulated 6M, VFMVN Diamond and Fubon FTSE were divested, recording the outflow within this period, signaling the weakness of the flow of money across Vietnam via major ETFs.

## Event Calendar

► **New listing**

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Listed Value	Listed Shares	Reference Price
13/01/2022	HMR	Hoang Mai Stone JSC	HNX	56.1	5,612,444	15,700
12/01/2022	EVF	EVN Finance JSC	HSX	3,047.1	304,707,628	19,050
12/01/2022	GMH	Quang Tri Minh Hung JSC	HSX	165.0	16,500,000	22,000

► **Public offerings**

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
24/01/2022		Phu Quoc Infrastructure Development Investment JSC	500.0	280,000	14,400	-
13/01/2022		VietNam Satellite Digital Television Co., Ltd	344.5	-	188,778,616,000	Auction of contributed equity

► **Event calendar**

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value
12/01/2022	18/02/2022	BDT	UPCOM	Extraordinary General Meeting		
13/01/2022	27/01/2022	BSP	UPCOM	Cash Dividend	5%	500
13/01/2022	10/02/2022	DZM	HNX	Extraordinary General Meeting		
13/01/2022	24/01/2022	TNG	HNX	Cash Dividend	4%	400
14/01/2022	10/02/2022	BMP	HOSE	Cash Dividend	13%	1,250
14/01/2022	27/01/2022	EIC	UPCOM	Cash Dividend	10%	1,000
14/01/2022		NGC	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%
- 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.

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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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