

# Xin Chao Vietnam

## Market performance

|                      | 26 Dec | 1D    | 1M  | 3M     | YTD    |
|----------------------|--------|-------|-----|--------|--------|
| VNIndex (pt, % chg.) | 985.21 | (3.4) | 1.4 | (15.5) | (34.2) |
| Turnover (VND bn)    | 9,967  |       |     |        |        |
| VN30 (pt, % chg.)    | 987.77 | (4.5) | 2.1 | (16.5) | (35.7) |

## Major indicators

|                               | 26 Dec      | 1D    | 1W    | 1M    | YTD   |
|-------------------------------|-------------|-------|-------|-------|-------|
| 1-yr gov't bonds (% bp chg.)  | 4.69        | 0.0   | (0.1) | 1.2   | 4.2   |
| 3-yr gov't bonds (% bp chg.)  | 4.70        | 0.0   | (0.1) | 1.0   | 4.0   |
| VND/USD (% chg.)              | 23,616      | 0.0   | 5.0   | 0.5   | (3.3) |
| VND/JPY (% chg.)              | 17,767      | 0.3   | 1.2   | (7.5) | 11.5  |
| VND/EUR (% chg.)              | 25,115      | (0.0) | 3.4   | (9.0) | 3.1   |
| VND/CNY (% chg.)              | 3,392       | (0.2) | 1.6   | (2.4) | 5.9   |
|                               | Prev. close | 1D    | 1W    | 1M    | YTD   |
| 10-yr US Treasury (% bp chg.) | 3.73        | (0.0) | 0.1   | (0.2) | 2.2   |
| WTI (USD/bbl, % chg.)         | 80.15       | 0.7   | 5.1   | 2.1   | 6.6   |
| Gold (USD/oz, % chg.)         | 84.24       | 0.4   | 0.7   | (2.4) | 8.3   |

## Domestic institutions net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|---------|----------|----------|----------|
| EIB     | 36.9     | TPB      | (83.7)   |
| GEX     | 29.5     | HPG      | (67.6)   |
| MBB     | 11.8     | MSN      | (20.3)   |
| HAH     | 11.7     | OPC      | (15.1)   |
| CTG     | 10.3     | STB      | (14.5)   |

## Foreign net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|---------|----------|----------|----------|
| HPG     | 135.1    | VHM      | (10.8)   |
| VCB     | 39.2     | SHB      | (7.1)    |
| PVD     | 34.9     | VGC      | (6.6)    |
| VNM     | 33.6     | NVL      | (4.0)    |
| BID     | 25.3     | BVH      | (3.3)    |

## Daily performance by sector

| Top five sectors    | % chg. | Bottom five sectors    | % chg. |
|---------------------|--------|------------------------|--------|
| #N/A                | #N/A   | Media & Entertainment  | (6.9)  |
| Utilities           | (0.2)  | Technology             | (6.7)  |
| Automobiles         | (0.2)  | Diversified Financials | (6.4)  |
| Commercial Services | (0.5)  | Retailing              | (6.3)  |
| Pharmaceuticals     | (1.1)  | Materials              | (6.0)  |

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Close below the 1,000-pts threshold

### Macro & Strategy

- **Fundflow:** Inflow across Vietnam tends to be weaker
- **Covered warrant:** Trading activity diminishes

### 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  | 49.7       | 10.7 | 1.7 | 9.1       | 16.2 |
| 2021 | 304,264  | 177,159  | 18.7       | 9.0  | 1.5 | 8.2       | 16.4 |

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    | 6.9    | 1.1    | 5.9    | 5.7    | 1.9    |
| China GDP (% yoy)      | 7.9    | 4.9    | 2.9    | 4.3    | 8.1    | 8.1    | 3.0    |

Source: KIS, Bloomberg

## Market commentary & News

### Market commentary

#### Close below the 1,000-pts threshold

The stock market tumbled yesterday due to high selling on large-cap stocks.

At the close, the VNIndex lost 3.44% to close at 985 pts. Meanwhile, trading volume was 590 million shares/VND9,966bn, down 26%/ 28% respectively, from the previous week's average.

Foreign investors continued to net buy with a net value of VND445bn on HSX. They purchased HPG, VCB, and PVD the most, with net values of VND135bn, VND39bn, and VND34bn, respectively.

Real Estate was the worst sector due to HDG (-5.83%), VHM (-5.62%), VIC (-3.99%), and VRE (-4.84%). Notably, CEO, DIG, DXG, ITA, KBC, LDG, NVL, PDR, SCR, and TDH were down by the daily limit.

Selling pressure pushed Banking and Brokerage down, namely ACB (-3.49%), CTG (-5.79%), HDB (-4.41%), MBB (-5.35%), STB (-6.81%), TCB (-6.88%), TPB (-4.55%), VPB (-6.27%), SSI (-6.83%), and VND (-6.79%).

Some constituents of the VN30Index slid more than 6% such as MWG (-6.99%), GVR (-6.97%), and HPG (-6.81%).

In contrast, GAS (+1.08%), LCG (+0.43%), EVF (+2.99%), and CRE (+2.99%) closed in green territory.

The VNIndex closes below the 1,000-pts threshold, implying a downtrend in the short term. Therefore, traders should reduce long positions.

## Macro & strategy

### Fundflow

#### Inflow across Vietnam tends to be weaker

##### ▶ Vietnam foreign flow

Foreign demand kept decreasing but buying activity still overwhelmed. Net buy value was USD61mn.

Particularly, foreign demand was mainly absorbed by Utilities, Materials and Financials, focusing on VPD, HPG, SHB, STB, VND and CTG. On the contrary, large sell orders were concentrated the most on EIB with net sell value recorded at VND1,634bn, then followed by SAB, VRE and VGC.

##### ▶ South East Asia ETF flow

Last week, the flow of money across SEA remained low compared to the average inflow of the last 3-months. Net inflow was USD5mn (+5.x wow, -84.3% mom). The positive inflow was mainly bolstered by inflow across Vietnam's major ETFs whilst outflow across Indonesia, Philippines and Thailand was significantly decreased.

The flow of money across Vietnam has remained positive for 3 consecutive months. However, inflow kept weakening last week, recorded below 3-month average with net inflow was USD22mn (-29% wow). The positive flow of money mainly driven by the strong demand on VanEck and Fubon. Though Vietnam has attracted the high level of positive flow of money for 3 consecutive months, the weaker inflow occurred in 3 consecutive weeks are the signals of possibly reverse of positive inflow across Vietnam. Otherwise, we still expect that the flow of money across Vietnam would remain positive in upcoming weeks.

**Covered warrant****Trading activity diminishes**

## ► Market overview

Last week, trading volume dropped across the covered warrant market. Besides, trading value also depreciated, recording at VND44bn, down 40% WoW. With trading value by underlying asset, covered warrants which have STB as the underlying asset attracted the most of trading interest, followed by HPG and VRE. By tickers, CSTB2215 (7.2%) kept attracting the most trading interest, followed by CHPG2225 (4.7%) and CHPG2224 (-31.5%).

## ► Foreign trading activity

With foreign trading activity, supply overwhelmed demand and the market ended up to be net sold, net sell value was VND1.5bn. By underlying asset, covered warrants which have STB as the underlying asset absorbed the highest trading value from foreigners, accounting for 43% of foreign trading value, followed by HPG and VHM.

By tickers, CSTB2222 (3.3%), CSTB2215 (7.2%), and CVNM2207 (4.2%) attracted most of foreign demand whilst large sell orders were placed on CVRE2218 (-29.0%), CHPG2224 (-31.5%), and CVHM2213 (-17.6%).

**Event Calendar**► **Public offerings**

(VND bn, share, VND)

| Date of auction | Ticker | Company   | Charter | Offered Shares | Min Bid | Note                          |
|-----------------|--------|---|---------|----------------|---------|-------------------------------|
| 30/12/2022      | PHN    | The Hanoi Battery Joint Stock Company                   | 72.5    | 144,533        | 40,300  | Auction of contributed equity |
| 29/12/2022      | BMF    | Dong Nai Building Material and Fuel Joint Stock Company | 41.6    | 443,500        | 36,600  | Local investors only          |

► **Event calendar**

| Ex-right date | Exercise day | Ticker | Exchange | Right                          | Rate    | Value (VND bn) |
|---------------|--------------|--------|----------|--------------------------------|---------|----------------|
| 28/12/2022    | 28/12/2022   | AGR    | HOSE     | Bonus share                    | 1.60%   |                |
| 28/12/2022    | 11/01/2023   | DHP    | HNX      | Cash Dividend (VND500/share)   | 5.00%   | 500            |
| 28/12/2022    | 17/01/2023   | HLD    | HNX      | Cash Dividend (VND1,200/share) | 12.00%  | 1,200          |
| 28/12/2022    | 16/01/2023   | HNP    | UPCOM    | Cash Dividend (VND1,200/share) | 12.00%  | 1,200          |
| 28/12/2022    | 28/12/2022   | SVC    | HOSE     | Bonus share                    | 100.00% |                |
| 29/12/2022    |              | ABI    | UPCOM    | Record date for ballot         |         |                |
| 29/12/2022    | 28/02/2023   | HFB    | UPCOM    | Cash Dividend (VND400/share)   | 4.00%   | 400            |
| 29/12/2022    | 12/01/2023   | MCC    | HNX      | Cash Dividend (VND300/share)   | 3.00%   | 300            |
| 29/12/2022    | 13/01/2023   | MND    | UPCOM    | Cash Dividend (VND129.3/share) | 1.29%   | 129            |
| 29/12/2022    | 06/02/2023   | PAI    | UPCOM    | Cash Dividend (VND800/share)   | 8.00%   | 800            |
| 29/12/2022    | 29/12/2022   | PNJ    | HOSE     | Bonus share                    | 33.33%  |                |
| 29/12/2022    |              | THI    | HOSE     | Record date for ballot         |         |                |
| 29/12/2022    | 16/01/2023   | TIP    | HOSE     | Cash Dividend (VND800/share)   | 8.00%   | 800            |
| 29/12/2022    | 11/01/2023   | TLG    | HOSE     | Cash Dividend (VND1,500/share) | 15.00%  | 1,500          |

|            |            |     |      |                                  |        |
|------------|------------|-----|------|----------------------------------|--------|
| 29/12/2022 | 30/01/2023 | VCB | HOSE | Extraordinary<br>General Meeting |        |
| 30/12/2022 |            | AME | HNX  | Record date for<br>ballot        |        |
| 30/12/2022 | 30/12/2022 | GKM | HNX  | Stock dividend                   | 10.00% |

- **Guide to KIS Vietnam Securities Corp. stock ratings based on 12-month forward performance**

- 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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