

Xin Chao Vietnam

Market performance

	8 Sep	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,333.61	(0.6)	(0.6)	1.0	20.8
Turnover (VND bn)	19,445				
VN30 (pt, % chg.)	1,433.71	(0.7)	(2.9)	(0.4)	33.9

Major indicators

	8 Sep	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.48	(0.0)	(0.0)	(0.1)	0.0
3-yr gov't bonds (% bp chg.)	0.80	0.2	(0.0)	(0.0)	(0.0)
VND/USD (% chg.)	22,763	(0.0)	0.7	0.9	1.5
VND/JPY (% chg.)	20,657	(0.1)	0.6	1.5	8.2
VND/EUR (% chg.)	26,904	0.4	0.2	3.9	5.8
VND/CNY (% chg.)	3,525	(0.2)	0.3	1.8	0.4
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.35	(0.0)	0.1	(0.2)	0.4
WTI (USD/bbl, % chg.)	69.26	1.3	1.4	(1.1)	42.7
Gold (USD/oz, % chg.)	72.48	1.1	2.5	0.4	39.9

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNM	37.4	VHM	(387.3)
NKG	34.5	FUEVFNVD	(87.9)
HSG	31.8	SGT	(72.1)
GEX	25.8	SSI	(48.5)
VIB	17.4	SSB	(32.4)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUEVFNVD	70.8	VHM	(251.5)
VCB	50.4	VIC	(144.8)
HDB	38.9	VNM	(85.6)
DXG	24.8	SSI	(81.0)
LPB	22.3	MSN	(69.9)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.9	Health Care	(1.7)
Diversified Financials	1.5	Media & Entertainment	(1.7)
Materials	0.8	Energy	(1.7)
Retailing	0.8	Insurance	(1.4)
Technology	0.2	Commercial Services	(1.2)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Retest 50-period moving average
- **Vietnam:** Credit growth slows down during the Delta's variant outbreak

Macro & Strategy

- **September Fixed Income view:** A prolonged period of low rates to arrive

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
2020F	270,014	151,973	16.8	17.3	2.8	12.7	16.0
2021F	304,264	177,159	19.3	14.5	2.4	11.3	16.3

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

	3Q20	4Q20	1Q21	2Q21	2019	2020	2021F
GDP (% yoy)	2.6	4.5	4.5	6.6	7.0	2.9	6.4
Trade balance (USD bn)	10.7	3.3	2.8	(4.3)	10.4	19.8	1.8
CPI (% yoy, avg.)	3.2	1.4	0.3	2.6	5.2	3.2	2.4
Discount rate (% EoP)	3.0	3.0	3.0	3.0	4.0	3.0	3.0
VND/USD (avg.)	23,179	23,159	23,054	23,252	23,231	23,252	23,174
US GDP (% qoq)	(4.8)	(31.7)	33.1	4.0	(3.4)	(3.5)	6.2
China GDP (% yoy)	(6.8)	3.2	4.9	5.8	2.3	2.3	8.4

Source: KIS, Bloomberg

Market commentary & News

Market commentary

Retest 50-period moving average

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The stock market unexpectedly fell yesterday due to selling pressure in the afternoon session.

At the close, the VNIndex lost 0.62% to close at 1,333 pts. Meanwhile, the trading volume was 610 million shares or VND19,444bn.

Foreign investors continued to net sell with a net value of VND482bn on HSX. They sold VHM, VIC, and VNM the most with net values of VND251bn, VND144bn, and VND85bn, respectively.

Energy was the worst sector driven by GAS (-1.01%), NT2 (-0.47%), OIL (-2.29%), PLX (-2.18%), POW (-1.24%), PVC (-0.99%), PVD (-0.81%), and PVS (-1.56%).

Selling pressure pushed Banking and Real Estate down, namely ACB (-1.08%), CTG (-1.53%), EIB (-1.92%), MBB (-1.05%), STB (-2.15%), TCB (-1.71%), VPB (-2.36%), HDG (-1.29%), KDH (-1.48%), LDG (-1.08%), NLG (-0.90%), VHM (-1.55%), and VIC (-2.02%).

Moreover, some constituents of the VN30Index slid more than 1%, such as BVH (-1.99%), MSN (-1.39%), and VNM (-1.04%).

In contrast, SSI (+6.88%), PDR (+1.45%), HPG (+1.18%), MWG (+1.00%), SAB (+0.81%), GVR (+0.39%), and HDB (+0.19%) closed in green territory.

The VNIndex retests its 50-period moving average. If the VNIndex closes above the line, the uptrend will still be intact in the short term. However, if the VNIndex fell below the threshold, the last breakout is false. In this case, the downtrend from July is likely to continue. Therefore, traders should wait for the next signal.

Breaking news

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► Vietnam: Credit growth slows down during the Delta's variant outbreak

Under many uncertainties caused by the current severe outbreak, credit activities have been under tremendous pressure although it had a great start in early 2021. More specifically, in a recent press interview, head of Credit Department of Vietnam's state bank, Nguyen Tuan Anh, said that credit growth reached to about 7.4% YTD as of late August, which means there was less than 1% additional credit growth from June – May period compared to about average 1% increase per month in January – May period before the pandemic burst out. (SBV, ndh.vn)

Macro & strategy

September Fixed Income view

A prolonged period of low rates to arrive

Tuan Doan
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► Interbank rates to stay low

Interbank rates in August declined further with a decrease in trading value, reflecting the abundant liquidity in the money market under the sluggish lending market. The main reasons for the drop in interbank rate this month were the slowdown in the first lending market and the low-cost funding environment following reductions in domestic consumption and production. Furthermore, SBV switched from the forward to spot USD-buying in August-early, injecting more liquidity to the money market. We predict interbank rates to remain low next month due to the current slowdown in lending activities and VST's plan to offer short-term loans with a total of VND59tn in 3Q21, especially in September.

► Bond yields to find new record lows

In our view, current developments of the yield curve are closely linked to increasingly abundant liquidity conditions in the banking system. This is driving G-bond yields to new record lows in both primary and secondary markets. We believe that a new period of “cheaper money”, or lower G-bond yield levels, has just started, and it would likely be continuing for a while, possibly several months, before reversing. As long as credit activity remains subdued and the economy is dealing with stagnation, G-bond yields will continue to dive deeper into the new low-yield territory.

Event Calendar

► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
27/09/2021	BVB	Viet Capital Commercial JSB	3,670.9	8,261,611	22,800	-
24/09/2021	TEG	Truong Thanh Energy and Real Estate JSC	323.8	10,000,000	10,000	-
21/09/2021		Vinh Son JSC	1,150.0	4,588,500	201,044	Whole lot sale; Local investors only

► Event calendar

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value
09/09/2021	24/09/2021	GIC	HNX	Cash Dividend	5%	500
09/09/2021	12/10/2021	IDC	HNX	Extraordinary General Meeting		
09/09/2021		NQT	UPCOM	Annual General Meeting		
09/09/2021	24/09/2021	TBC	HOSE	Cash Dividend	15%	1,500
09/09/2021	29/09/2021	VIH	UPCOM	Cash Dividend	10%	1,000
09/09/2021		VVN	UPCOM	Annual General Meeting		
10/09/2021	30/09/2021	SZL	HOSE	Cash Dividend	30%	3,000

■ 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.

■ 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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