

Sep 1, 2020

# September Rebalancings

## FTSE Vietnam & MVIS estimated changes

### GEX likely to be added in the FTSE Vietnam Index

Only PV Drilling & Well Services (PVD) fell slightly short of meeting the free-float adjusted market capitalization requirement and puts the stock at risk of removal. The number of constituents comprising the FTSE Vietnam index may increase in the September rebalancing after Gelex (GEX) met all inclusion requirements. All changes will become effective on Monday, September 21 or after the close of business on Friday, September 18.

### MVIS Vietnam Index likely to remain unchanged in the September rebalancing

All constituents met all inclusion requirements during the current review. Changes to the MVIS Vietnam Index take effect on Monday, September 21 or after the close of business on Friday, September 18.

### Estimated flow impact for September:

**Buys – VJC, VIC, STB, VCB, GEX**

**Sells – MSN, VRE, PLX, NVL, SSI**

We expect VJC to benefit the most from the upcoming rebalancing, with an estimated USD4.96 million in buying or 2.6 trading days' worth of stock. FTSE will announce quarterly changes to the FTSE Vietnam index on September 4 and the MVIS Vietnam index will publish changes on September 11. We estimate the impact to individual stocks from the September balancing based on the AUM of ETFs benchmarked against both indices. Currently, the AUM of the FTSE Vietnam ETF index sits at USD231 million and the VanEck Vectors Vietnam ETF sits at USD379 million. Stocks benefitting from additional buying include: VJC, VIC, STB, VCB, GEX. Stocks coming under selling pressure include: MSN, VRE, PLX, NVL, SSI.

**Table 1. FTSE Vietnam Index – Estimated component stocks & trading flow for September rebalancing, September 2020**  
(%, USDmn, shares, trading days)

	Ticker	Additions/ deletions	Current weighting (%)	New weighting (%)	Change in weighting (%)	Estimated flow (USDmn)	Estimated shares (shares)	Number of trading days
1	VJC		4.4%	6.3%	1.94%	1.9	1,005,762	2.35
2	MSN		7.9%	5.3%	-2.62%	3.3	(2,544,977)	1.86
3	VRE		8.4%	5.7%	-2.62%	3.4	(5,183,688)	1.76
4	STB		1.7%	4.5%	2.79%	5.0	13,312,557	1.28
5	PLX		2.6%	1.3%	-1.29%	4.7	(1,312,356)	0.63
6	GEX	Added	0.0%	1.8%	1.83%	7.1	4,396,773	0.60
7	VIC		14.4%	15.0%	0.59%	2.4	350,218	0.56
8	KBC		0.8%	1.1%	0.24%	1.0	943,238	0.55
9	VCB		6.7%	7.9%	1.18%	5.0	757,296	0.54
10	NVL		5.7%	5.1%	-0.66%	2.8	(551,128)	0.53
11	SSI		1.8%	1.3%	-0.55%	3.2	(1,956,175)	0.39
12	POW		1.3%	1.1%	-0.21%	1.4	(1,121,135)	0.36
13	SBT		1.1%	0.8%	-0.29%	2.1	(1,093,105)	0.32
14	VHM		15.5%	15.0%	-0.48%	6.1	(326,664)	0.18
15	HPG		10.9%	11.4%	0.53%	12.6	1,143,671	0.10
16	VNM		15.2%	15.0%	-0.24%	7.1	(105,963)	0.08
17	PVD		0.6%	0.6%	-0.05%	3.7	(222,658)	0.03
18	TCH		1.0%	0.9%	-0.08%	6.5	(196,106)	0.03

Note: Preliminary estimates based on closing share prices on August 31, 2020 & official weight review date is scheduled for September 4, 2020.

Source: FTSE, Bloomberg & KB Securities Vietnam

Table 2. MVIS Vietnam Index – Estimated Vietnam component stocks & trading flow for September rebalancing, September 2020  
(%, USDmn, shares, trading days)

	Ticker	Additions/ deletions	Current weighting (%)	New weighting (%)	Change in weighting (%)	Estimated flow (USDmn)	Estimated shares (shares)	Number of trading days
1	VIC		7.4%	8.0%	0.69%	2.6	333,927	1.07
2	VRE		5.2%	5.5%	0.30%	1.1	127,098	0.33
3	NVL		6.8%	6.5%	-0.24%	-0.9	109,665	0.32
4	VJC		3.3%	3.4%	0.13%	0.5	119,182	0.26
5	VNM		7.6%	8.0%	0.46%	1.7	673,322	0.24
6	BVH		2.4%	2.5%	0.12%	0.5	221,985	0.22
7	HPG		5.0%	4.3%	-0.74%	-2.8	117,635	0.22
8	VCB		5.9%	6.0%	0.12%	0.5	215,689	0.09
9	MSN		3.3%	3.4%	0.07%	0.3	150,675	0.09
10	POW		2.5%	2.5%	0.03%	0.1	22,804	0.07
11	VHM		6.9%	7.0%	0.11%	0.4	967,864	0.07
12	GEX		1.9%	1.9%	0.04%	0.1	(106,734)	0.02
13	SBT		1.9%	1.9%	-0.01%	0.0	(326,613)	0.02
14	TCH		1.8%	1.8%	-0.03%	-0.1	(2,629,082)	0.01
15	SSI		2.4%	2.4%	0.00%	0.0	(51,170)	0.00

Note: Preliminary estimates based on closing share prices on August 31, 2020 & official weight review date is scheduled for September 09, 2020.

Source: MVIS, Bloomberg & KB Securities Vietnam

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## Investment ratings & definitions

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### Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

Buy:	Hold:	Sell:
+15% or more	+15% to -15%	-15% or more

### Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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