

December Rebalancings

FTSE Vietnam & MVIS estimated changes

November 26, 2020

FTSE Vietnam Index likely to remain unchanged in the December rebalancing

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 remain unchanged. In case the number of constituents increases, the most likely candidates are Dat Xanh Group (DXG) and Ho Chi Minh Development Bank (HDB). All changes will become effective on Monday, December 21 or after the close of business on Friday, December 18.

MVIS Vietnam Index likely to remain unchanged in the December rebalancing

All constituents met all inclusion requirements during the current review. The number of constituents comprising the MVIS Vietnam index may remain unchanged. In case the number of constituents increases, the most likely candidates are Sai Gon Thuong Tin Bank (STB) and Saigon Hanoi Bank (SHB). Changes to the MVIS Vietnam Index take effect on Monday, December 21 or after the close of business on Friday, December 18.

Estimated flow impact for December:

Buys – POW, SBT, BVH, VCB, VJC

Sells – MSN, VRE, PLX, SSI, VIC

We expect POW to benefit the most from the upcoming rebalancing, with an estimated USD5.9 million in buying or 3.0 trading days' worth of stock. FTSE will announce quarterly changes to the FTSE Vietnam index on December 4 and the MVIS Vietnam index will publish changes on December 11. We estimate the impact to individual stocks from the December balancing based on the AUM of ETFs benchmarked against both indices. Currently, the AUM of the FTSE Vietnam ETF index sits at USD275 million and the VanEck Vectors Vietnam ETF sits at USD411 million. Stocks benefitting from additional buying include: POW, SBT, BVH, VCB, VJC. Stocks coming under selling pressure include: MSN, VRE, PLX, SSI, VIC.

Table 1. FTSE Vietnam Index – Estimated component stocks & trading flow for December rebalancing, December 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	MSN		9.9%	6.8%	-3.18%	-8.7	(2,470,909)	3.17
2	VJC		4.3%	6.2%	1.96%	5.4	1,052,361	1.88
3	PLX		2.1%	1.4%	-0.78%	-2.2	(962,073)	1.29
4	VCB		6.2%	7.6%	1.40%	3.8	956,421	1.08
5	VRE		7.2%	5.1%	-2.04%	-5.6	(4,638,939)	1.06
6	STB		1.8%	4.9%	3.11%	8.6	13,614,508	0.94
7	KBC		0.7%	1.0%	0.27%	0.8	1,144,674	0.59
8	NVL		4.7%	4.2%	-0.44%	-1.2	(456,070)	0.37
9	VIC		14.6%	15.0%	0.38%	1.1	233,510	0.36
10	VNM		13.9%	15.0%	1.10%	3.0	637,186	0.31
11	SBT		1.1%	0.9%	-0.28%	-0.8	(968,633)	0.26
12	SSI		1.9%	1.4%	-0.51%	-1.4	(1,695,719)	0.24
13	POW		1.1%	0.9%	-0.15%	-0.4	(951,111)	0.21
14	GEX		1.1%	1.5%	0.35%	1.0	1,063,224	0.10
15	HPG		14.0%	13.0%	-1.06%	-2.9	(1,948,953)	0.06
16	VHM		13.8%	13.7%	-0.10%	-0.3	(75,005)	0.02
17	PVD		0.6%	0.6%	-0.03%	-0.1	(132,081)	0.02
18	TCH		0.8%	0.8%	-0.02%	-0.1	(59,074)	0.01

Note: Preliminary estimates based on closing share prices on November 25, 2020 & official weight review date is scheduled for December 2, 2020.

Source: FTSE, Bloomberg & KB Securities Vietnam

**Table 2. MVIS Vietnam Index – Estimated Vietnam component stocks & trading flow for December rebalancing, December 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	POW		2.0%	3.5%	1.54%	6.3	14,743,285	3.18
2	SBT		2.0%	3.9%	1.86%	7.6	9,674,992	2.60
3	BVH		2.3%	3.2%	0.92%	3.8	1,593,829	2.08
4	VJC		3.4%	2.8%	-0.61%	-2.5	(489,333)	0.87
5	MSN		4.5%	5.0%	0.49%	2.0	572,664	0.73
6	VIC		8.5%	8.0%	-0.51%	-2.1	(466,825)	0.71
7	VRE		5.0%	4.5%	-0.46%	-1.9	(1,575,755)	0.36
8	VCB		6.2%	6.5%	0.25%	1.0	259,623	0.29
9	SSI		2.5%	2.3%	-0.24%	-1.0	(1,196,561)	0.17
10	HPG		7.1%	5.5%	-1.59%	-6.5	(4,359,895)	0.14
11	NVL		5.9%	6.0%	0.10%	0.4	164,069	0.13
12	TCH		1.4%	1.2%	-0.18%	-0.7	(838,692)	0.08
13	GEX		1.5%	1.3%	-0.14%	-0.6	(637,488)	0.06
14	VNM		7.9%	8.0%	0.13%	0.5	111,607	0.05
15	VHM		6.9%	7.0%	0.09%	0.4	101,192	0.03

Note: Preliminary estimates based on closing share prices on November 25, 2020 & official weight review date is scheduled for December 09, 2020.

Source: MVIS, Bloomberg & KB Securities Vietnam

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Investment ratings & definitions

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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