

January Rebalancings

VN30 Index, VNFin Lead Index & VNDiamond Index

December 30, 2020

BVH, TPB and PDR likely to replace SAB, ROS and EIB in the VN30 Index

Failure to meet trading value and volume during the semi-annual review period will likely see Saigon Beer – Alcohol – Beverage (SAB) and Eximbank (EIB) deleted from VN30 Index in the upcoming January rebalancing. FLC Faros (ROS) also fell short of meeting market capitalization and puts the stocks at risk of removal. The most likely candidates to replace SAB, EIB and ROS are Bao Viet Holdings (BVH), Tien Phong Bank (TPB) and Phat Dat Real Estate (PDR) after meeting all inclusion requirements during the current review. All changes will become effective on Monday, February 1.

BVH, VND, VCI and TPB likely to be added in the VNFin Lead Index

Bao Viet Holdings (BVH), VNDirect Securities (VND), Viet Capital Securities (VCI) and Tien Phong Bank (TPB) met the inclusion requirements to be included in the VNFin Lead Index in the upcoming January rebalancing. Other constituents also met all inclusion requirements during the current review. The number of constituents in VNFin Lead Index will increase to 15. All changes will become effective on Monday, February 1.

No change of constituents in VNDiamond Index in the January rebalancing.

Only the number of shares and free-floats were adjusted in the upcoming review. All changes will become effective on Monday, February 1.

Estimated flow impact for January:

Buys – TPB, VIC, VNM, PDR, HDB

Sells – EIB, SAB, VCB, ROS, VPB

We expect TPB to benefit the most from the upcoming rebalancing, with an estimated USD12.9 million in buying or 3.5-trading-days worth of stock. HOSE will announce quarterly changes for the VN30 Index, VNFin Lead Index and VNDiamond Index on January 18. Estimates for the impact to individual stocks for the January rebalancing are based on the AUM of ETFs benchmarked against three indices: 1) VFMVN30 ETF at USD318 million; 2) KIM KINDEX VIETNAM at USD203 million; 3) SSIAM VN30 ETF at USD3 million; 4) MAFN VN30 ETF at USD9 million; 5) SSIAM VNFIN Lead ETF at USD47 million, and 6) VFMVN Diamond ETF at USD218 million. Stocks benefitting from additional buying include: TPB, VIC, VNM, PDR, HDB. Stocks coming under selling pressure include: EIB, SAB, VCB, ROS, VPB.

Table 1. VN30 Index – Estimated component stocks & trading flow for January rebalancing, January 2021 (% , USDmm, shares, trading days)

	Ticker	Additions/ deletions	Current weighting (%)	New weighting (%)	Change in weighting (%)	Estimated flow (USDmIn)	Estimated shares (shares)	Number of trading days
1	EIB	Removed	2.38%	0.00%	-2.38%	-12.69	(15,615,405)	32.24
2	SAB	Removed	1.71%	0.00%	-1.71%	-9.11	(1,054,073)	16.16
3	TPB	Added	0.00%	1.97%	1.97%	10.51	9,169,475	2.84
4	VIC		7.96%	8.35%	0.40%	2.11	459,109	0.85
5	VNM		8.72%	10.00%	1.28%	6.83	1,446,171	0.77
6	PDR	Added	0.00%	0.93%	0.93%	4.97	2,210,276	0.70
7	HDB		2.52%	3.15%	0.63%	3.36	3,283,980	0.63
8	ROS	Removed	0.17%	0.00%	-0.17%	-0.89	(8,481,457)	0.54
9	BVH	Added	0.00%	0.56%	0.56%	3.00	1,034,785	0.51
10	VCB		4.90%	4.73%	-0.17%	-0.92	(214,594)	0.40
11	MSN		4.14%	4.01%	-0.14%	-0.72	(201,370)	0.27
12	FPT		4.45%	4.30%	-0.16%	-0.83	(328,479)	0.17
13	VJC		3.99%	3.87%	-0.11%	-0.61	(112,834)	0.16
14	KDH		1.27%	1.22%	-0.05%	-0.25	(200,426)	0.14
15	REE		0.81%	0.79%	-0.02%	-0.10	(50,893)	0.12
16	MWG		4.18%	4.08%	-0.09%	-0.51	(99,865)	0.10
17	PNJ		1.71%	1.67%	-0.04%	-0.20	(59,545)	0.09
18	VHM		4.69%	4.80%	0.12%	0.63	162,443	0.08
19	PLX		0.89%	0.87%	-0.02%	-0.10	(43,276)	0.05
20	TCB		8.83%	8.62%	-0.21%	-1.12	(867,708)	0.05
21	BID		0.94%	0.90%	-0.04%	-0.21	(99,924)	0.04
22	GAS		1.01%	0.98%	-0.03%	-0.14	(36,650)	0.04
23	MBB		4.63%	4.54%	-0.09%	-0.47	(475,667)	0.03
24	HPG		9.18%	8.96%	-0.23%	-1.20	(668,795)	0.03
25	CTG		3.08%	3.02%	-0.06%	-0.31	(212,506)	0.03
26	NVL		2.80%	2.74%	-0.06%	-0.29	(100,157)	0.03
27	POW		0.76%	0.73%	-0.03%	-0.18	(316,136)	0.02
28	SBT		0.60%	0.61%	0.02%	0.09	95,539	0.02
29	STB		3.47%	3.40%	-0.07%	-0.38	(523,932)	0.02
30	VPB		6.55%	6.52%	-0.03%	-0.17	(124,999)	0.02
31	TCH		0.47%	0.46%	-0.02%	-0.09	(103,052)	0.02
32	VRE		1.82%	1.84%	0.03%	0.15	111,417	0.02

33	SSI	1.38%	1.36%	-0.02%	-0.13	(93,191)	0.01
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Note: Preliminary estimates based on closing share prices on December 28, 2020 & official weight review date is scheduled for January 15, 2021.

Source: HOSE, Bloomberg & KB Securities Vietnam.

Table 2. VNFin Lead Index – Estimated component stocks & trading flow for January rebalancing, January 2021
(%, USDmm, shares, trading days)

	Ticker	Additions/ deletions	Current weighting (%)	New weighting (%)	Change in weighting (%)	Estimated flow (USDmln)	Estimated shares (shares)	Number of trading days
1	EIB		1.91%	1.33%	-0.58%	-0.27	(332,291)	0.69
2	VCB		13.89%	12.80%	-1.09%	-0.51	(119,054)	0.22
3	TPB	Added	0.00%	1.16%	1.16%	0.54	472,976	0.15
4	VPB		15.92%	15.00%	-0.92%	-0.43	(312,777)	0.05
5	CTG		13.54%	14.71%	1.16%	0.54	367,974	0.05
6	VCI	Added	0.00%	0.41%	0.41%	0.19	81,368	0.05
7	BVH	Added	0.00%	0.58%	0.58%	0.27	92,712	0.05
8	BID		1.78%	1.47%	-0.31%	-0.15	(70,260)	0.03
9	STB		12.64%	13.66%	1.03%	0.48	663,797	0.03
10	MBB		15.88%	15.00%	-0.88%	-0.41	(415,472)	0.03
11	TCB		16.23%	15.00%	-1.23%	-0.57	(445,413)	0.03
12	HDB		4.35%	4.61%	0.26%	0.12	118,646	0.02
13	VND	Added	0.00%	0.23%	0.23%	0.11	83,719	0.02
14	SSI		3.19%	3.39%	0.21%	0.1	70,269	0.01
15	HCM		0.66%	0.64%	-0.02%	-0.01	(7,312)	0.00

Note: Preliminary estimates based on closing share prices on December 28, 2020 & official weight review date is scheduled for January 15, 2021.

Source: HOSE, Bloomberg & KB Securities Vietnam.

Table 3. VNDiamond Index – Estimated component stocks & trading flow for January rebalancing, January 2021
 (% , USDmm, shares, trading days)

	Ticker	Additions/ deletions	Current weighting (%)	New weighting (%)	Change in weighting (%)	Estimated flow (USDmln)	Estimated shares (shares)	Number of trading days
1	MWG		13.65%	15.00%	1.35%	2.95	582,024	0.60
2	TPB		3.18%	4.03%	0.85%	1.86	1,621,133	0.50
3	FPT		13.90%	15.00%	1.10%	2.39	943,746	0.50
4	VPB		11.42%	10.26%	-1.17%	-2.54	(1,853,916)	0.31
5	KDH		6.83%	6.67%	-0.16%	-0.36	(284,943)	0.19
6	TCB		11.64%	10.26%	-1.38%	-3.02	(2,345,913)	0.14
7	REE		4.34%	4.29%	-0.05%	-0.11	(51,276)	0.12
8	NLG		2.89%	2.84%	-0.05%	-0.11	(87,049)	0.08
9	PNJ		9.22%	9.14%	-0.08%	-0.18	(52,482)	0.08
10	CTD		1.98%	1.84%	-0.14%	-0.30	(86,088)	0.07
11	GMD		5.38%	5.21%	-0.17%	-0.37	(259,920)	0.06
12	MBB		9.34%	9.28%	-0.06%	-0.14	(136,787)	0.01
13	CTG		6.22%	6.18%	-0.04%	-0.09	(60,901)	0.01

Note: Preliminary estimates based on closing share prices on December 28, 2020 & official weight review date is scheduled for January 15, 2021.

Source: HOSE, Bloomberg & KB Securities Vietnam.

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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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