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Market Strategist
Le Anh Tung
tungla@kbsec.com.vn

January index rebalancing

VN30 adds PLX/POW & VNFIN LEAD drops VND/TPB

VN30 adds PLX & POW and removes DPM & GMD

- **Additions & deletions:** Two securities will be added to and two securities will be deleted from the VN30 index. Additions are PLX after selling 20 million treasury shares to boost the free-float ratio; and POW after meeting the six-month listing requirement and ranking in the top 20 stocks listed on the Ho Chi Minh stock exchange in terms of market capitalization. Deletions include DPM and GMD given the steep decline in market capitalization for both tickers. Stocks on the stock exchange watchlist are: Tien Phong Joint Stock Bank (TPB), Khang Dien House (KDH), Vietnam Electrical Equipment (GEX), Viglacera Corp (VGC) and Pha Lai Thermal Power (PPC).
- **Capitalization limits:** The aggregate capitalization limit for the three Vin family stocks – Vingroup (VIC), Vinhomes (VHM) & Vincom Retail (VRE) – will increase to 45.4% from 42.1%. The capitalization limit on Vinamilk (VNM) will also increase to 63.4% from 58.1%.
- **Free-float ratios:** Higher free-float ratios will be assigned to Bank for Investment & Development of Vietnam (BID), Bao Viet Holdings (BVH), Vietinbank (CTG) and FLC Faros Construction (ROS), while lower ratios will be assigned to Vincom Retail (VRE), No Va Land (NVL) and Thanh Thang Cong (SBT).
- **Implementation dates:** The new basket will be implemented as of the close of January 31, 2020 and remain in effect between February 3, 2020 and July 31, 2020. The E1VFMVN30 ETF will complete portfolio restructuring by the close of January 31, 2020.

VNFIN LEAD removes VND & TPB to reduce constituents to 12 securities

- **Additions & deletions:** Two securities will be deleted from the VNFIN LEAD index and the total number of constituents will be reduced to 12 securities. Deletions include VNDirect Securities (VND) and Tien Phong Joint Stock Bank (TPB).
- **Implementation dates:** The new basket will be implemented as of the close of January 31, 2020 and remain in effect between February 3, 2020 and July 31, 2020.

Impact to individual securities from this season's index rebalancing

- The E1VFMVN30 ETF has issued 455.7 million certificates as of the end of 2019 (up 54.1% YoY) or total AUM of USD288 million. For the VN30 index additions & deletions, we estimate the impact from the deletions of DPM at seven trading days and GMD at 12 trading days. We estimate the impact of the inclusion of PLX at 6 trading days and POW at 3 trading days. For the capitalization limit changes, we estimate the impact from the weighting changes at less than one trading day for VNM, VIC, VHM & VRE.
- For the VNFIN LEAD index changes, we estimate the impact from the removal of TPB at four trading days and VND at one trading day.

Table 1. VN30 Index – Index constituents between February 3, 2020 to July 31, 2020

No.	Ticker	Outstanding volume	Rounded free-float (%)	Market cap limit (%)
1	BID	4,022,018,040	4%	100%
2	BVH	742,322,764	9%	100%
3	CTD	76,292,573	45%	100%
4	CTG	3,723,404,556	9%	100%
5	EIB	1,229,432,904	85%	100%
6	FPT	678,276,312	80%	100%
7	GAS	1,913,950,000	5%	100%
8	HDB	962,629,771	70%	100%
9	HPG	2,761,074,115	60%	100%
10	MBB	2,325,979,300	60%	100%
11	MSN	1,168,946,447	40%	100%
12	MWG	443,546,178	65%	100%
13	NVL	949,050,797	35%	100%
14	PLX	1,190,813,235	9%	100%
15	PNJ	225,188,176	80%	100%
16	POW	2,341,871,600	20%	100%
17	REE	310,050,926	55%	100%
18	ROS	567,598,121	45%	100%
19	SAB	641,281,186	11%	100%
20	SBT	586,740,552	45%	100%
21	SSI	508,054,676	60%	100%
22	STB	1,803,653,429	100%	100%
23	TCB	3,500,139,962	65%	100%
24	VCB	3,708,877,448	8%	100%
25	VHM	3,289,513,918	25%	45.38%
26	VIC	3,368,575,556	30%	45.38%
27	VJC	523,838,594	50%	100%
28	VNM	1,741,377,694	50%	63.42%
29	VPB	2,437,748,366	70%	100%
30	VRE	2,272,318,410	40%	45.38%

Source: Ho Chi Minh Stock Exchange (HOSE)

Table 2. VNFIN LEAD Index – Index constituents between February 3, 2020 to July 31, 2020

No.	Ticker	Outstanding volume	Free-float (%)	Liquidity weight (%)	Market cap limit (%)
1	BID	4,022,018,040	4%	6.91%	100%
2	BVH	742,322,764	9%	2.41%	100%
3	CTG	3,723,404,556	9%	13.12%	100%
4	EIB	1,229,432,904	85%	3.72%	100%
5	HCM	305,516,173	40%	3.09%	100%
6	HDB	962,629,771	70%	7.47%	100%
7	MBB	2,325,979,300	60%	15.93%	43.14%
8	SSI	508,054,676	60%	6.16%	100%
9	STB	1,803,653,429	100%	6.58%	100%
10	TCB	3,500,139,962	65%	12.64%	31.35%
11	VCB	3,708,877,448	8%	12.09%	62.25%
12	VPB	2,437,748,366	70%	9.90%	57.01%

Source: Ho Chi Minh Stock Exchange (HOSE)

KB SECURITIES VIETNAM RESEARCH

Head of Research – Nguyen Xuan Binh

binhnx@kbsec.com.vn

Macro/Strategy

Head of Macro & Strategy – Tran Duc Anh

anhtd@kbsec.com.vn

Macro Analyst – Thai Thi Viet Trinh

trinhtt@kbsec.com.vn

Market Strategist – Le Anh Tung

tungla@kbsec.com.vn

Equity (Hanoi)

Head of Equity Research (Hanoi) – Duong Duc Hieu

hieudd@kbsec.com.vn

Information Technology & Logistics Analyst – Nguyen Anh Tung

tungna@kbsec.com.vn

Property Analyst – Pham Hoang Bao Nga

ngaphb@kbsec.com.vn

Power & Construction Material Analyst – Le Thanh Cong

conglt@kbsec.com.vn

Financials Analyst – Nguyen Thi Thu Huyen

huyenntt@kbsec.com.vn

Equity (Ho Chi Minh)

Head of Equity Research (Ho Chi Minh) – Harrison Kim

harrison.kim@kbf.com

Consumer & Retailing Analyst – Dao Phuc Phuong Dung

dungdpp@kbsec.com.vn

Fisheries & Pharmaceuticals Analyst – Nguyen Thanh Danh

danhnt@kbsec.com.vn

Oil & Gas & Chemicals Analyst – Nguyen Vinh

vinhn@kbsec.com.vn

Research Marketing

Korea Marketing Analyst – Seon Yeong Shin

shin.sy@kbsec.com.vn

KB SECURITIES VIETNAM (KBSV)

Head Office:

Levels G, 2 & 7, Sky City Tower, 88 Lang Ha Street, Dong Da District, Hanoi, Vietnam
Tel: (+84) 24 7303 5333 – Fax: (+84) 24 3776 5928

Hanoi Branch:

Level 1, VP Building, 5 Dien Bien Phu, Ba Dinh District, Hanoi, Vietnam
Tel: (+84) 24 7305 3335 – Fax: (+84) 24 3822 3131

Ho Chi Minh Branch:

Level 2, TNR Tower Nguyen Cong Tru, 180-192 Nguyen Cong Tru Street, District 1, HCMC, Vietnam
Tel: (+84) 28 7303 5333 – Fax: (+84) 28 3914 1969

Saigon Branch:

Level 1, Saigon Trade Center, 37 Ton Duc Thang, Ben Nghe Ward, District 1, HCMC, Vietnam
Tel: (+84) 28 7306 3338 – Fax: (+84) 28 3910 1611

CONTACT INFORMATION

Institutional Client Center: (+84) 28 7303 5333 – Ext: 2656
Private Customer Care Center: (+84) 24 7303 5333 – Ext: 2276
Email: ccc@kbsec.com.vn
Website: www.kbsec.com.vn

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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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