KB Securities VIETNAM

VIETNAM DAILY

September 13, 2021

[Market Commentary]

The VNIndex dropped after HSBC said that the leather, footwear and textile industries pose a big challenge for Vietnam economy

[Futures/ETFs]

Futures all closed down, which is in line with the downtrend of the VN30 index

[Market Movers]

FRT, CLL

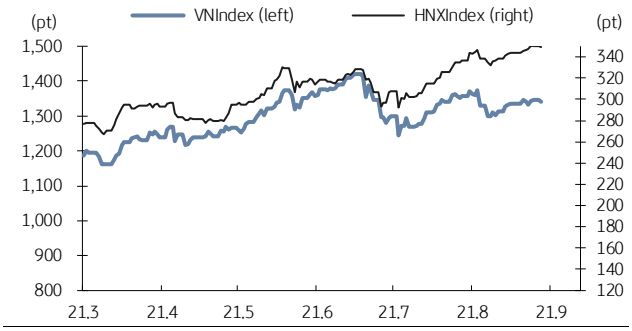
	Index	Chg (%, bp)
Ho Chi Minh	1,341.43	-0.29
VN30	1,444.99	-0.23
VN30 futures	1,442.00	-0.35
Hanoi	349.05	-0.29
HNX30	577.64	-1.81
UPCoM	95.26	-0.16
USD/VND	22,761	-0.01
10-yr govt bond (%)	2.05	-1
Overnight rate (%)	0.63	+7
Oil (WTI, $)	70.30	+0.83
Gold (LME, $)	1,790.20	+0.15

Market Commentary

VNIndex	**1,341.43P**	**(-0.29%)**
Volume (mn shrs)	**775.5**	**(+46.1%)**
Value (U$mn)	**1,015.3**	**(+20.1%)**
HNXIndex	**349.05P**	**(-0.29%)**
Volume (mn shrs)	**183.6**	**(+24.0%)**
Value (U$mn)	**149.0**	**(+42.9%)**
UPCoM	**95.26P**	**(-0.16%)**
Volume (mn shrs)	**117.9**	**(-27.1%)**
Value (U$mn)	**90.6**	**(+13.2%)**
Net foreign buy (U$mn)		**-12.7**

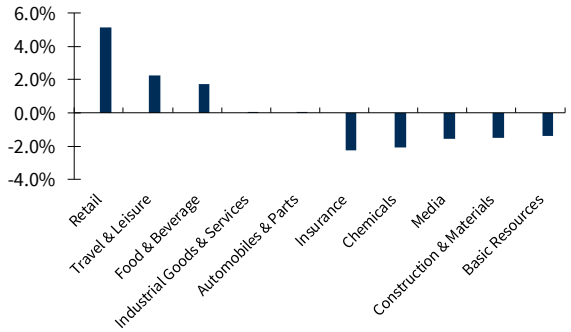
The VNIndex dropped after HSBC said that the leather, footwear and textile industries pose a big challenge for Vietnam economy as the important production hub Southeastern region but has been hit hard by the COVID-19. The Beijing Electric Power Industry Association forecast about China's coal shortage crisis this winter when high electricity consumption makes coal prices higher, which made coal shares like Vinacomin - Vang Danh Coal (TVD, +8%) and Vinacomin - Ha Tu Coal (THT, +8.6%) trade higher. Rice producers Trung An Hi - Tech Farming (TAR, +1.5%) and An Giang Import - Export (AGM, +1.5%) closed up as Reuters reported Vietnamese rice export prices rebounded from one-year lows thanks to recovering demand after the Government increased reserves. According to Vietnam Association of Seafood Exporters and Producers (VASEP), fishery export turnover was USD588 million in August (-28% YoY), causing shares of the industry like Nam Viet Corp (ANV, -6.8%) and Minh Phu Corp (MPC, -0.7%) to fall. Foreign investors netsold, focusing on Vingroup (VIC, +0.8%), Vinhomes (VHM, -0.5%) and Hoa Phat Group (HPG, -1.4%).

VN Index & HNX Index



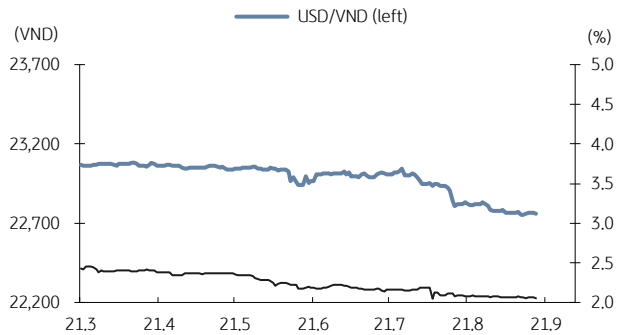
Source: Bloomberg, KB Securities Vietnam

VN Index sector performance



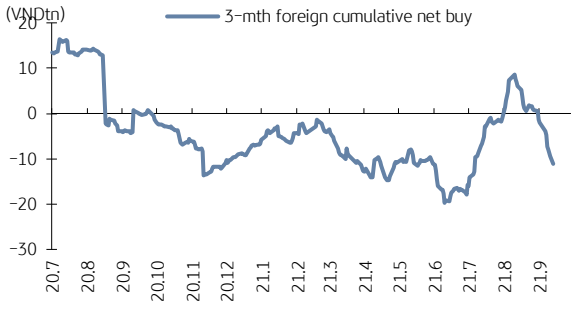
Source: Bloomberg, KB Securities Vietnam

USD/VND & 10-year government bond rates



Source: Bloomberg, KB Securities Vietnam

Vietnam - 3-mth cumulative net foreign buy



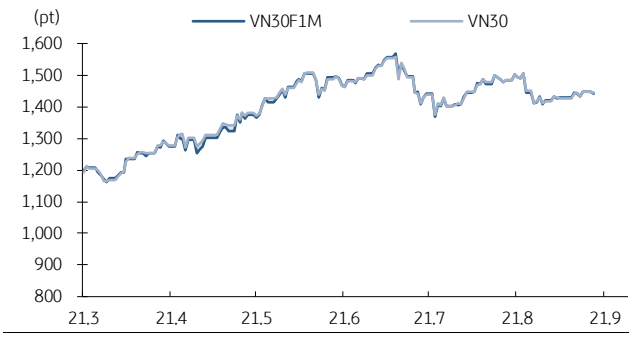
Source: FiinPro, KB Securities Vietnam

Futures/ETFs

VN30	1,444.99P	(-0.23%)
VN30 futures	1,442.0P	(-0.35%)
Open	1,445.3P	
High	1,448.8P	
Low	1,437.1P	
Contracts	137,692	(-10.7%)

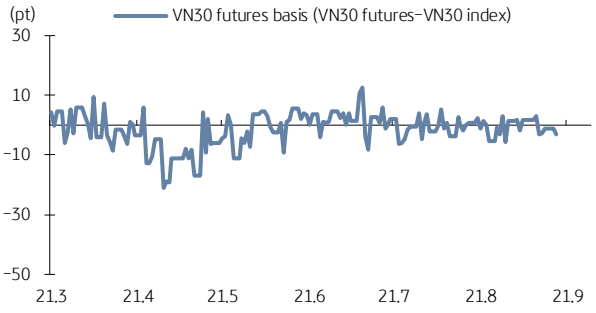
Futures all closed down, which is in line with the downtrend of the VN30 index. The basis opened at -1.23bps, stayed in backwardation, and peaked at -8.2bps before closing at -2.99bps. Foreign investors were net sellers during the session with a slight decrease in liquidity.

VN30 futures & VN30 index



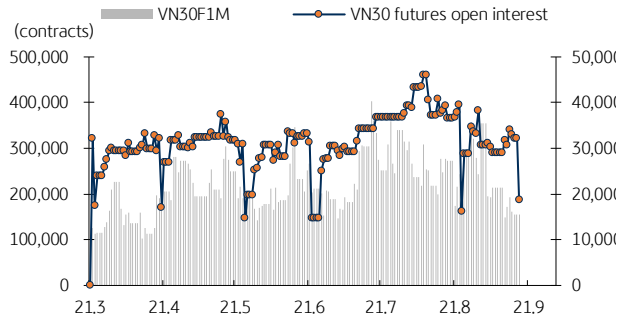
Source: Bloomberg, KB Securities Vietnam

Front month VN30 futures basis



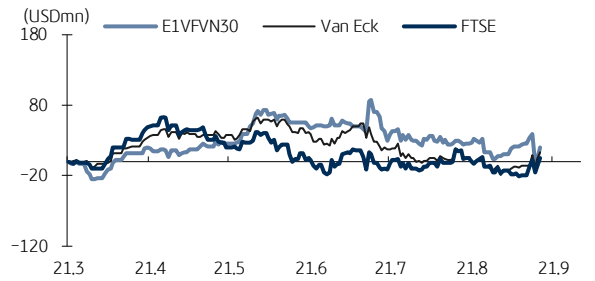
Source: Bloomberg, KB Securities Vietnam

VN30 futures volume & open interest



Source: Bloomberg, KB Securities Vietnam

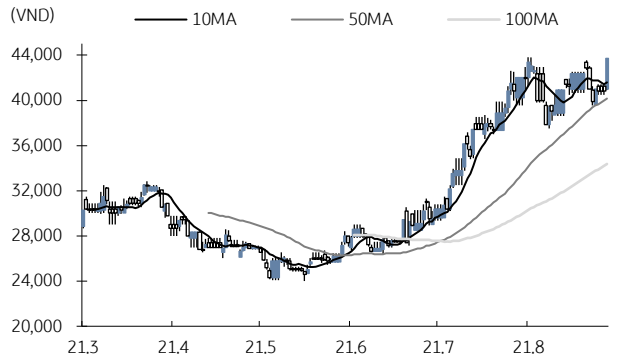
Vietnam ETFs - 3-mth cumulative net buy



Source: FiinPro, KB Securities Vietnam

Market Movers

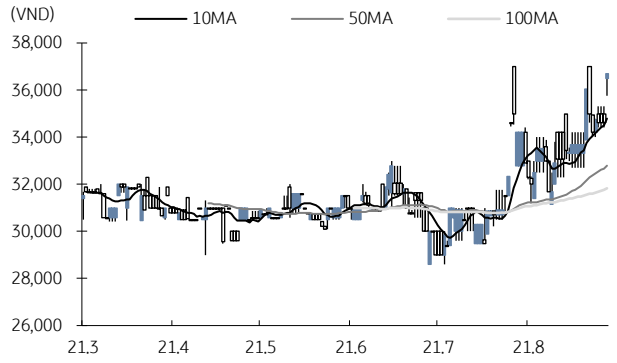
FPT Retail (FRT)



Source: Bloomberg, KB Securities Vietnam

- FRT closed up 7.0% to VND43,700
- FRT decided to buy back 99.9% of shares of Huu Nghi Viet Han JSC to develop its goods distribution system.
- Huu Nghi Viet Han has advantages of available warehouse system and stable operating experience.

Cat Lai Port (CLL)



Source: Bloomberg, KB Securities Vietnam

- CLL closed up 6.1% to VND36,700
- CLL's record date to pay 2020 cash dividends (VND2,000 per share) is October 1.
- The port operator expects to pay VND74.8 billion in total for 34 million outstanding shares on the payable date of October 14.

KBSV Model Portfolio

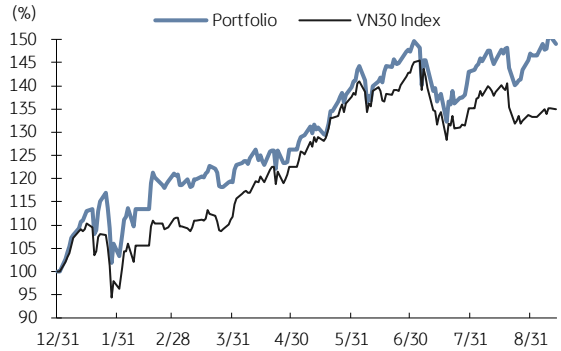
KBSV Research Team

Investment approach:

- Seeks to outperform the VN30 Index by identifying the most attractive stocks within our coverage universe over the next 3 months
- Employs a risk-managed exit strategy that sets a profit target of +30% and stop loss of -15%
- Uses an equal-active-weight (with monthly rebalancing method) approach that allocates 100% of the portfolio to stocks that, at times, can include a VN30 index ETF

	VN30 Index	Master Portfolio
Daily return	-0.23%	-1.11%
Cum. return	34.95%	48.98%

Performance vs VN30 Index



KBSV domestic model portfolio

Ticker	Inclusion date	Close 21/09/13	Daily return (%)	Cumulative return (%)	Main investment catalysts
Mobile World (MWG)	19/08/09	125,000	5.1%	618%	- Optimizing revenue from DMG & TGDD chains - BHX expects to reach break-even point soon at stores and distribution centers - In the long term, BHX aims to capture 10-15%of the food retail market
Nam Long Invest (NLG)	19/06/03	43,200	-1.8%	76.7%	- Leader in mid- to high-end housing & Japanese partners for large urban area (UA) projects - Largest urban area developer (Mizuki Park UA, Akari City UA & Waterpoint US)
Phu Nhuan Jewelry (PNJ)	19/03/22	92,000	-2.1%	20.0%	- Strong topline supported by transaction volumes (2018 +34%) & ASPs (2018 +5%) - Strongest customer base to capture lucrative watch segment (5%of sales by 2022E) - Core business activities growing again after the "ERP" incident
Military Bank (MBB)	18/12/18	27,900	-1.1%	121.7%	- Military Insurance Corporation (MIC) non-life premiums to boost 2019 non-bank income - Retail loan mix (Mcredit) supports 4%NIM against pricing competition (ACB/MBB) - Mcredit work-in-progress but low-cost funding from Shinsei triples key cash loan mkt
Refrig Elec Eng (REE)	18/10/11	64,500	-2.1%	89.7%	- Office lease management & E-town Central occupancy generates stable cash flow - Strategic investments in utility industry provides stable/long-term dividend stream
FPT Corp (FPT)	18/09/06	93,000	-0.5%	219.5%	- Software outsourcing foothold in Japan/US/Asia-Pacific/EU drives 25%overseas CAGR - Telecoms stable 15%growth/solid subscriber growth & profitable Pay-TV from 2020E - 20%+ earnings momentum by 2020E
Vietin Bank (CTG)	20/01/31	31,850	-1.4%	68.5%	- Building on strong earnings recovery in 2019 & optimistic outlook for 2020 - Growing expectations for capital increase in 2020 to offset loan-growth concerns - Already improved asset quality and benign credit risks for 2020
PV Gas (GAS)	20/12/11	88,600	0.0%	20.7%	- Gain benefit from growing LNG demand - Expectation on global oil price recovery - Attractive valuation
Hoa Pha Group (HPG)	19/12/04	50,800	-1.4%	250.9%	- Steel consumption starts to rebound - Construction steel prices show signs of rising again - Increased capacity from Dung Quat project helps HPG expand market share
Kinhbac City Development (KBC)	20/03/09	40,500	-5.8%	195.6%	- Strong pricing for upcoming land sales after Trang Due urban land sales in 4Q19 - Beneficiary of more production facilities from EU companies after EU-Vietnam FTA - Re-location of supply chains from China after COVID-19 scare

Source: Bloomberg, KB Securities Vietnam

Market Monitors

Ho Chi Minh – Net foreign buys/sells

Ticker	Chg (%)	For. own (%, -1d)	Net buy (VND bn)
SAB	6.7%	24.6%	66.9
VND	0.7%	48.5%	59.4
DGC	7.0%	26.3%	43.1
KDH	1.7%	18.9%	37.6
VNM	0.8%	19.8%	37.2
Ticker	**Chg (%)**	**For. own (%, -1d)**	**Net sell (VND bn)**
VIC	0.8%	23.3%	-181.6
VHM	-0.5%	11.0%	-162.3
HPG	-1.4%	54.7%	-78.4
MSN	0.5%	14.7%	-53.4
HCM	-3.4%	17.9%	-40.2

Source: FiinPro, KB Securities Vietnam

Hanoi – Net foreign buys/sells

Ticker	Chg (%)	For. own (%, -1d)	Net buy (VND bn)
THD	1.5%	23.6%	12.4
PVS	5.5%	15.1%	6.1
SHS	-1.0%	0.6%	4.3
CEO	-2.9%	2.1%	2.5
VCS	1.4%	0.9%	2.2
Ticker	**Chg (%)**	**For. own (%, -1d)**	**Net sell (VND bn)**
CDN	-2.2%	3.6%	-1.8
PVI	1.8%	0.6%	0.0
SHB	-1.5%	1.1%	-1.0
TTT	-2.0%	8.4%	0.8
TNG	-0.7%	0.6%	-0.6

Source: FiinPro, KB Securities Vietnam

Sectors – Top 5 best/worst weekly performance

Top 5 best performers	Chg (%)	Key stocks
Retail	11.6%	MWG, DGW
Travel & Leisure	10.5%	HVN, VJC
Personal & Household Goods	2.2%	PNJ, RAL
Financial Services	2.0%	SSI, VND
Food & Beverage	1.4%	SAB, BHN
Top 5 worst performers	**Chg (%)**	**Key stocks**
Media	-5.7%	ADG, YEG
Insurance	-3.0%	BVH, BIC
Construction & Materials	-2.9%	VGC, CII
Health Care	-2.7%	DHG, VMD
Chemicals	-2.4%	GVR, DPM

Source: Bloomberg, KB Securities Vietnam

Sectors – Top 5 best/worst monthly performance

Top 5 best performers	Chg (%)	Key stocks
Travel & Leisure	14.3%	HVN, VJC
Retail	11.1%	MWG, DGW
Health Care	7.0%	DHG, DBD
Industrial Goods & Services	6.7%	REE, TMS
Basic Resources	4.1%	HPG, HSG
Top 5 worst performers	**Chg (%)**	**Key stocks**
Banks	-7.0%	TCB, BID
Real Estate	-4.5%	VHM, VIC
Oil & Gas	-3.7%	PLX, PVD
Utilities	-2.4%	GAS, PMG
Personal & Household Goods	-2.0%	TCM, TLG

Source: Bloomberg, KB Securities Vietnam

Vietnam – Focus stocks

Sector	Code	Company name	Price	Mkt cap (VNDbn, USDmn)	Trading value (VNDmn, USDmn)	For avail (%-1d)	P/E(X)		EPS CAGR (%)	ROE(%)		P/B(X)		Performance(%)			
							20E	21E		20E	21E	20E	21E	1D	1W	1M	YTD
Real estate	VIC	VINGROUP JSC	97,778	372,067 (16,170)	233,335 (10.2)	22.5	74.7	57.3	14.7	6.0	8.0	3.9	3.6	0.8	-3.2	-6.7	-4.3
	VHM	VINHOMES JSC	103,200	339,478 (14,753)	1,645,897 (72.2)	26.6	11.4	10.1	35.9	28.3	27.0	3.1	2.4	-0.5	-1.3	-10.8	19.6
	VRE	VINCOM RETAIL JS	34,850	79,190 (3,442)	106,398 (4.7)	17.8	20.6	15.9	-7.6	7.0	9.5	2.0	1.9	-0.4	-0.7	-0.4	-11.1
	NVL	NOVA LAND INVES	60,068	86,712 (3,768)	265,919 (11.7)	31.3	35.5	19.0	6.7	19.4	17.4	4.3	3.4	-0.3	-1.7	-0.5	114.2
	KDH	KHANG DIEN HOUSE	31,182	19,167 (833)	104,828 (4.6)	11.6	26.4	18.3	18.0	11.4	14.2	2.8	2.5	1.7	0.7	-1.3	54.9
	DXG	DAT XANH GROUP	21,130	12,594 (547)	142,668 (6.3)	13.9	10.9	8.1	-	16.3	18.5	1.6	1.3	-0.3	-3.6	-3.4	38.4
Banks	VCB	BANK FOR FOREIGN	102,000	378,305 (16,441)	129,671 (5.7)	6.3	19.7	14.5	11.7	19.8	20.2	3.2	2.4	-1.1	-1.9	-1.5	0.2
	BID	BANK FOR INVESTM	43,400	174,556 (7,586)	75,047 (3.3)	12.7	16.9	12.0	-5.3	13.2	17.0	1.8	1.7	-1.3	0.1	-8.0	-18.3
	TCB	VIETNAM TECHNOLO	38,900	136,341 (5,925)	723,610 (31.7)	0.0	10.2	8.5	14.3	20.5	20.3	1.9	1.5	-0.7	0.0	-6.2	55.4
	CTG	VIETNAM JS COMM	28,512	137,021 (5,955)	455,102 (20.0)	1.4	11.1	8.4	61.1	18.3	20.5	1.4	1.2	-1.4	-0.6	-7.1	19.0
	VPB	VIETNAM PROSPERI	41,300	101,381 (4,406)	535,648 (23.5)	0.0	10.2	10.6	18.8	23.6	16.8	2.0	1.6	0.3	6.1	1.9	99.4
	MBB	MILITARY COMMERC	19,407	73,327 (3,187)	490,940 (21.5)	0.0	8.9	7.4	14.6	22.1	21.7	1.6	1.3	-1.1	-1.4	-5.7	65.3
	HDB	HDBANK	20,400	40,641 (1,766)	76,774 (3.4)	4.2	9.1	8.0	23.3	21.8	21.6	-	-	-2.7	-4.4	-9.4	32.6
	STB	SACOMBANK	18,600	33,548 (1,458)	481,531 (21.1)	14.0	18.5	13.6	26.5	10.3	12.6	-	-	-1.1	-2.4	-9.4	59.2
	TPB	TIEN PHONG COMME	27,850	28,732 (1,249)	185,753 (8.2)	0.0	8.6	7.2	37.5	23.2	21.5	1.8	1.4	1.9	9.5	4.7	42.2
	EIB	VIETNAM EXPORT-I	18,500	22,745 (988)	11,895 (0.5)	0.2	-	-	27.3	-	-	-	-	-1.2	2.2	-3.0	32.5
Insurance	BVH	BAO VIET HOLDING	61,900	45,950 (1,997)	58,866 (2.6)	21.0	24.5	22.1	15.8	8.2	8.6	1.9	1.8	-2.5	-3.2	0.4	-17.3
	BMI	BAOMINH INSURANC	22,250	2,439 (106)	29,242 (1.3)	14.2	13.9	14.3	9.1	12.0	12.0	1.5	1.4	-1.2	-2.3	-3.9	31.0
Securities	SSI	SSI SECURITIES C	21,998	19,947 (867)	890,631 (39.1)	55.4	16.7	15.0	-3.2	17.3	17.7	-	-	-0.5	10.0	11.9	99.4
	VCI	VIET CAPITAL SEC	27,500	9,108 (396)	380,781 (16.7)	71.9	-	-	-4.0	-	-	-	-	-0.6	3.8	11.6	118.6
	HCM	HO CHI MINH CITY	29,200	8,907 (387)	350,239 (15.4)	52.4	-	-	-25.5	-	-	-	-	-3.4	-4.1	0.8	69.7
	VND	VNDIRECT SECURIT	17,211	5,734 (249)	641,840 (28.1)	27.2	11.8	20.1	36.3	-	-	4.0	3.6	0.7	6.9	5.3	188.1
Consumer staples	VNM	VIET NAM DAIRY P	109,000	227,805 (9,900)	275,928 (12.1)	42.1	18.3	17.0	4.0	32.7	33.9	5.6	5.4	0.8	-1.2	-3.0	-19.9
	SAB	SAIGON BEER ALCO	192,500	123,447 (5,365)	37,936 (1.7)	36.9	24.0	20.2	7.3	21.2	21.8	4.4	3.7	6.7	8.2	6.4	-17.2
	MSN	MASAN GROUP CORP	95,100	111,712 (4,855)	186,104 (8.2)	16.5	46.3	26.3	-51.9	16.0	23.0	8.2	6.3	0.5	-0.4	-2.2	46.9
	HNG	HOANG ANH GIA LA	12,450	13,801 (600)	41,300 (1.8)	48.8	-	-	-	-	-	-	-	1.4	-0.7	-4.6	-51.2
Industrials (transport)	VJC	VIETJET AVIATION	131,800	69,042 (3,001)	135,403 (5.9)	11.0	-	35.9	-88.5	0.4	16.2	-	-	-1.4	1.8	8.5	2.4
	GMD	GEMADEPT CORP	33,100	9,976 (434)	216,890 (9.5)	10.8	30.3	20.5	-57.0	9.3	13.1	2.6	2.3	2.0	-1.3	6.1	59.5
	CII	HO CHI MINH CITY	22,600	5,398 (235)	69,453 (3.0)	38.4	23.3	12.5	65.7	4.7	7.5	-	-	-4.6	-9.0	-5.1	-17.3
Industrials (capital goods)	ROS	FLC FAROS CONSTR	3,670	2,083 (091)	47,493 (2.1)	46.4	-	-	-92.4	-	-	-	-	-0.4	-4.3	-4.3	100.4
	GEX	GELEX GROUP JSC	17,224	10,411 (452)	282,861 (12.4)	37.7	-	-	-13.2	12.1	12.7	-	-	-4.1	-5.8	3.4	36.0
	CTD	COTECCONS CONSTR	73,200	5,438 (236)	35,968 (1.6)	3.6	105.3	27.3	-52.4	0.6	2.3	0.6	0.6	-1.6	-3.2	1.0	-11.6
	REE	REE	59,600	18,419 (800)	89,091 (3.9)	0.0	11.8	10.2	-4.5	13.7	13.9	1.5	1.4	-2.1	-2.6	15.8	31.8

Source: Bloomberg, KB Securities Vietnam

Vietnam – Focus stocks

Sector	Code	Company name	Price	Mkt cap (VNDbn, USDmn)	Trading value (VNDmn, USDmn)	For avail (%, -1d)	P/E (X)		EPS CAGR (%)	ROE (%)		P/B (X)		Performance (%)			
							20E	21E		20E	21E	20E	21E	1D	1W	1M	YTD
Utilities	GAS	PETROVIETNAM GAS	90,100	172,447 (7,494)	85,168 (3.7)	46.1	19.4	15.6	-17.5	18.1	20.5	3.4	3.1	0.0	-2.0	-4.7	2.3
	NT2	PETROVIETNAM NHO	22,850	6,578 (286)	17,939 (0.8)	31.4	19.3	12.5	-10.5	8.2	13.2	1.6	1.8	-0.2	-2.7	12.6	-13.0
	PPC	PHA LAI THERMAL	26,200	8,400 (365)	12,043 (0.5)	34.1	18.8	11.2	-5.1	7.9	13.9	1.5	1.5	-1.6	-6.9	5.7	-1.0
Materials	HPG	HOA PHAT GRP JSC	32,481	145,287 (6,314)	1,381,490 (60.6)	18.0	7.1	6.8	21.9	41.5	30.7	2.4	1.8	-1.4	-0.8	4.4	65.5
	DPM	PETROVIETNAM FER	17,400	6,809 (296)	233,405 (10.2)	36.5	11.6	17.9	-0.5	15.4	9.5	1.6	1.5	1.7	-2.7	2.4	89.4
	DCM	PETRO CA MAU FER	13,650	7,226 (314)	131,095 (5.8)	46.5	18.9	20.1	-4.5	11.7	10.5	-	-	0.6	-1.2	7.0	79.3
	HSG	HOA SEN GROUP	22,636	11,063 (481)	538,457 (23.6)	38.9	5.2	7.1	67.9	47.9	25.6	2.0	1.5	-2.4	2.2	16.8	117.5
	AAA	AN PHAT BIOPLAST	12,864	3,138 (136)	126,775 (5.6)	97.2	-	-	17.2	-	-	-	-	-1.5	-3.6	1.8	22.6
Energy	PLX	VIETNAM NATIONAL	56,100	68,375 (2,972)	57,253 (2.5)	4.6	17.1	15.0	-51.0	16.0	16.1	-	-	-0.4	-1.6	-4.9	-7.9
	PVD	PETROVIETNAM DRI	23,400	9,854 (428)	109,757 (4.8)	39.9	215.0	29.5	-11.9	0.2	2.2	0.5	0.5	0.8	-4.7	-5.9	13.3
	PVT	PETROVIET TRANSP	17,900	5,793 (252)	172,887 (7.6)	35.9	10.8	10.1	1.2	14.9	14.8	1.5	1.4	0.8	-2.0	10.7	73.9
Consumer discretionary	MWG	MOBILE WORLD INV	93,000	65,024 (2,826)	163,102 (7.2)	0.0	19.1	14.4	13.7	24.5	26.6	4.6	3.5	5.1	12.6	9.6	57.7
	PNJ	PHU NHUAN JEWELR	87,500	19,895 (865)	62,992 (2.8)	0.0	19.5	15.5	2.4	20.2	23.4	3.6	3.1	-2.1	6.4	-2.6	13.6
	YEG	YEAH1 GROUP CORP	40,300	1,261 (055)	3,684 (0.2)	70.6	-	-	-	-	-	-	-	-1.0	-2.9	-7.0	-66.8
	FRT	FPT DIGITAL RETA	28,200	2,227 (097)	102,209 (4.5)	30.3	38.7	23.7	-75.2	7.4	11.1	-	-	7.0	2.0	4.0	36.6
	PHR	PHUOC HOA RUBBER	61,900	8,387 (365)	42,643 (1.9)	34.6	17.5	9.8	41.2	15.4	27.4	2.2	2.3	-2.1	-0.5	2.8	-12.5
Healthcare	DHG	DHG PHARMACEUTIC	100,300	13,114 (570)	6,424 (0.3)	45.4	18.0	16.9	10.7	20.6	20.3	3.4	3.1	1.0	-3.6	8.1	-2.7
	PME	PYMEPHARCO JSC	80,200	6,016 (261)	138 (0.0)	11.7	-	-	1.6	-	-	-	-	0.0	0.0	-5.3	4.6
IT	FPT	FPT CORP	68,000	61,301 (2,664)	202,318 (8.9)	0.0	21.0	17.8	15.5	23.9	25.2	4.5	4.0	-0.5	-2.0	-2.1	81.0

Source: 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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