

October 14, 2020

October Rebalancings

VN30 Index, VNFin Lead Index & VNDiamond Index

DXG likely to be removed in the VNDiamond Index

Failure to meet the foreign ownership ratio requirements during the semi-annual review period will likely see Dat Xanh Group (DXG) deleted from VNDiamond Index in the upcoming October rebalancing. No new constituent meet inclusion requirements so the number of constituents in VNDiamond Index will decrease to 13. All changes will become effective on Monday, November 2.

No change of constituents in VN30 and VNFin Lead Index in the October rebalancing. Only the number of shares and free-floats were adjusted in the upcoming review. All changes will become effective on Monday, November 2.

Estimated flow impact for October:

Buys – EIB, KDH, VJC, VHM, HDB

Sells – VIC, MWG, DXG, SAB, REE

We expect EIB to benefit the most from the upcoming rebalancing, with an estimated USD1.4 million in buying or 4.5-trading-day worth of stock. HOSE will announce quarterly changes for the VN30 Index, VNFin Lead Index and VNDiamond Index on October 19. Estimates for the impact to individual stocks for the October rebalancing are based on the AUM of ETFs benchmarked against three indices: 1) VFMVN30 ETF at USD263 million; 2) KIM KINDEX VIETNAM at USD169 million; 3) SSIAM VNFIN Lead ETF at USD37 million; and 4) VFMVN Diamond ETF at USD64 million. Stocks benefitting from additional buying include EIB, KDH, VJC, VHM, HDB. Stocks coming under selling pressure include: VIC, MWG, DXG, SAB, REE.

Table 1. VN30 Index – Estimated component stocks & trading flow for October rebalancing, October 2020 (% , 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		2.81%	3.10%	0.30%	1.29	1,716,978	4.14
2	VIC		8.13%	7.23%	-0.90%	-3.90	(961,420)	3.21
3	KDH		1.16%	1.42%	0.26%	1.14	1,105,461	1.68
4	VJC		4.24%	4.72%	0.48%	2.06	454,770	1.17
5	REE		1.00%	0.79%	-0.20%	-0.88	(488,871)	1.02
6	VHM		4.69%	5.97%	1.28%	5.51	1,635,019	0.92
7	MWG		4.82%	3.97%	-0.85%	-3.69	(805,563)	0.92
8	SAB		2.00%	1.85%	-0.15%	-0.67	(84,130)	0.82
9	HDB		2.50%	2.80%	0.29%	1.27	1,227,770	0.74
10	VNM		8.88%	10.00%	1.12%	4.84	1,047,673	0.64
11	CTG		3.51%	2.68%	-0.83%	-3.60	(2,727,728)	0.32
12	NVL		3.25%	3.48%	0.24%	1.02	381,489	0.28
13	VPB		6.16%	5.82%	-0.34%	-1.46	(1,445,847)	0.26
14	PLX		0.83%	0.80%	-0.03%	-0.13	(61,902)	0.25
15	MSN		4.72%	4.22%	-0.50%	-2.16	(670,288)	0.19
16	ROS		0.20%	0.25%	0.05%	0.22	2,204,742	0.18
17	FPT		4.91%	4.78%	-0.13%	-0.56	(254,098)	0.16
18	STB		3.56%	3.24%	-0.32%	-1.38	(2,385,320)	0.12
19	MBB		3.91%	4.01%	0.10%	0.44	578,339	0.08
20	SSI		0.98%	0.89%	-0.09%	-0.37	(489,999)	0.08
21	HPG		7.16%	7.41%	0.25%	1.09	899,429	0.06
22	TCB		7.51%	7.42%	-0.09%	-0.39	(421,717)	0.04
23	VCB		5.45%	5.47%	0.02%	0.09	25,065	0.03
24	PNJ		1.74%	1.73%	-0.01%	-0.05	(18,009)	0.03
25	TCH		0.63%	0.69%	0.06%	0.27	298,848	0.02
26	POW		0.74%	0.76%	0.02%	0.08	169,770	0.02
27	BID		1.02%	1.02%	-0.01%	-0.03	(15,747)	0.01
28	GAS		1.11%	1.10%	-0.01%	-0.02	(7,429)	0.01
29	SBT		0.59%	0.59%	0.00%	-0.02	(23,792)	0.00
30	VRE		1.81%	1.80%	0.00%	0.00	(1,769)	0.00

Note: Preliminary estimates based on closing share prices on October 13, 2020 & official weight review date is scheduled for October 16, 2020.

Source: HOSE, Bloomberg & KB Securities Vietnam.

Table 2. VNFin Lead Index – Estimated component stocks & trading flow for October rebalancing, October 2020
(%, 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		2.64%	2.97%	0.33%	0.12	160,046	0.39
2	HDB		5.27%	5.99%	0.72%	0.26	255,280	0.15
3	CTG		17.82%	15.00%	-2.82%	-1.04	(789,993)	0.09
4	MBB		14.06%	15.00%	0.94%	0.35	458,704	0.06
5	VPB		14.27%	15.00%	0.73%	0.27	265,102	0.05
6	VCB		14.69%	15.00%	0.31%	0.12	30,866	0.04
7	STB		11.83%	10.93%	-0.90%	-0.33	(569,434)	0.03
8	TCB		14.61%	15.00%	0.39%	0.15	157,595	0.02
9	SSI		1.97%	1.82%	-0.15%	-0.05	(70,624)	0.01
10	HCM		0.55%	0.50%	-0.05%	-0.02	(17,722)	0.01
11	BID		2.29%	2.31%	0.02%	0.01	4,891	0.00

Note: Preliminary estimates based on closing share prices on October 13, 2020 & official weight review date is scheduled for October 16, 2020.

Source: HOSE, Bloomberg & KB Securities Vietnam.

Table 3. VNDiamond Index – Estimated component stocks & trading flow for October rebalancing, October 2020
(%, 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	KDH		5.13%	6.44%	1.31%	0.48	469,721	0.72
2	DXG	Removed	3.33%	0.00%	-3.33%	-1.23	(2,573,708)	0.43
3	GMD		4.09%	4.79%	0.70%	0.26	252,730	0.41
4	REE		4.41%	4.93%	0.52%	0.19	107,653	0.23
5	MWG		17.44%	15.00%	-2.44%	-0.90	(196,418)	0.22
6	NLG		2.49%	3.07%	0.57%	0.21	184,115	0.22
7	PNJ		7.69%	8.68%	1.00%	0.37	136,293	0.19
8	MBB		7.89%	8.91%	1.02%	0.38	497,069	0.07
9	FPT		14.54%	15.00%	0.46%	0.17	77,549	0.05
10	VPB		10.12%	10.67%	0.55%	0.20	201,045	0.04
11	CTD		1.63%	2.09%	0.46%	0.17	62,235	0.03
12	CTG		7.09%	6.16%	-0.93%	-0.34	(259,006)	0.03
13	TPB		3.79%	3.58%	-0.21%	-0.08	(73,039)	0.02
14	TCB		10.36%	10.67%	0.32%	0.12	126,057	0.01

Note: Preliminary estimates based on closing share prices on October 13, 2020 & official weight review date is scheduled for October 16, 2020.

Source: HOSE, Bloomberg & KB Securities Vietnam.

KB SECURITIES VIETNAM RESEARCH

Head of Research – Nguyen Xuan Binh

binhnx@kbsec.com.vn

Macro/Strategy

Head of Macro & Strategy – Tran Duc Anh

anhthd@kbsec.com.vn

Macro Analyst – Thai Thi Viet Trinh

trinhhtt@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

conglth@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@kbfkg.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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