Tuesday, May 24, 2022

Exploring Vietnam

Research Center

Market Insight



Daily report

Market Summary:

"Banking is back "

▶ Vietnam's stock market had an emotional session when the index continuously struggled and had many unexpected movements. Banking codes returned strongly and helped the index regain green color.

▶ At the end, the VN-Index gained 14.57 points, equivalent to 1.2% to close at 1233.38 points. The market's liquidity reached 13,415 billion, equivalent to 528 million shares traded. Foreign investors net bought 192 billion, focusing mainly on DCM.

▶MSN (+4.31%), VCB (+1.61%), VNM (+3.92%) were the three tickers that contributed the most to the green color of the market. On the contrary, PGV (-2.39%), HVN (-2.52%), HPG (-5.03%) were the three tickers that lost the most points of the market.

▶ Securities and banking are two groups with impressive performances in today's session with many strong gainers such as: STB, VND, SSI...

▶ From a technical perspective, the VN Index has surpassed the MA9, the MACD has crossed the Signal line from below, showing a positive signal. Meanwhile, the liquidity in the market remained at a low level, the MFI indicator is still in a downtrend.

VN Index



VN30 Index



HNX Index



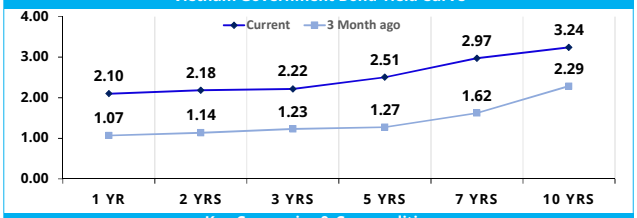
Vietnam Benchmark Index Performance & Multiples

Index	Price	%1D	%1M	%1Yr.	PER	PBR	Mkt Cap
VN-Index	1,233	1.2	-10.6	-5.0	13.4	2.1	4,833,546
VN30 Index	1,273	1.4	-11.9	-11.0	11.1	2.2	3,327,654
VN Midcap	1,598	0.6	-11.8	21.4	10.7	1.3	313,259
VN Smallcap	1,598	0.6	-11.8	21.4	10.7	1.3	313,259
HNX Index	306	1.8	-14.8	1.9	15.8	1.8	309,350
UpCom	93	-0.5	-10.6	12.7	14.9	1.7	1,241,379

Vietnam Sector Performance

Sector	%1D	%1M	%YTD	%1 YR.	PER	PBR	Mkt Cap
Basic Materials	-1.4	-17.6	-22.3	0.9	7.1	1.8	415,992
Financials	2.4	-18.1	-29.5	39.8	11.1	1.8	184,822
Oil & Gas	-0.6	-16.7	-24.4	-22.0	21.6	2.4	61,234
Consumer Goods	2.4	-9.7	-15.1	0.5	17.9	3.0	598,652
Utilities	1.6	-5.4	1.7	25.7	19.5	2.5	299,372
Banks	1.8	-12.5	-16.8	-7.6	10.7	1.9	1,494,967
Real Estate	0.8	-3.7	-16.6	-4.0	20.1	2.5	1,201,776
Consumer Services	0.5	-14.9	-6.2	23.4	n.a	4.5	248,606
Industrials	2.2	-10.6	-18.5	22.6	16.4	1.6	246,095
Technology	1.4	-10.8	-0.3	24.1	21.0	3.9	104,287
Health Care	0.5	-9.3	-12.2	6.2	16.5	2.3	33,363

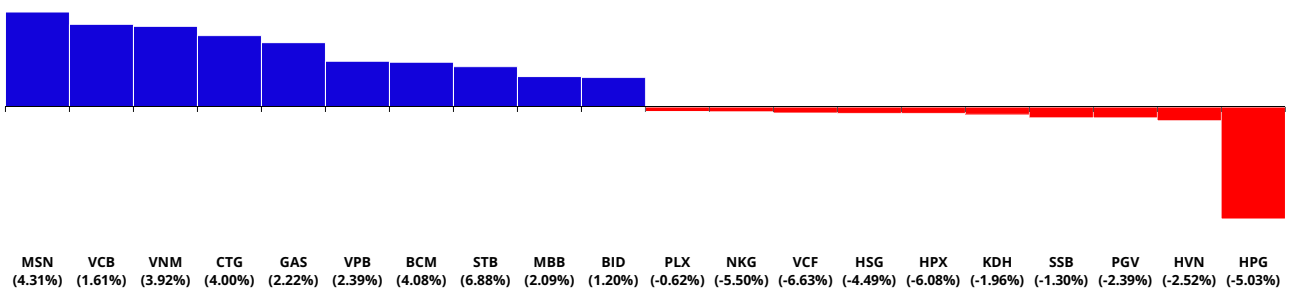
Vietnam Government Bond Yield Curve



Key Currencies & Commodities

Term	Price	%1D	%1W	%1M	%3M	%YTD	%1Yr.
Dollar index	102	-0.3	-1.5	0.6	4.8	6.4	13.3
USD/JPY	127	-0.5	-1.6	-0.7	10.2	10.6	17.0
USD/CNY	7	0.3	-1.0	1.7	5.4	4.9	3.9
KRW/USD	1,266	0.2	-0.7	1.3	5.3	6.5	12.4
EUR/USD	1	-0.3	-1.6	-0.1	4.3	6.0	13.9
USD/VND	23,190	0.1	0.3	1.0	1.6	1.6	0.6
WTI	109	-0.9	-2.8	7.1	17.8	45.3	65.5
Gasoline	369	-2.8	-6.4	11.7	33.2	65.6	74.3
Natural gas	9	0.1	5.5	34.0	91.7	134.8	203.4
Coal	416	-0.3	3.4	27.2	75.0	145.3	311.9
Gold	1,861	0.4	2.5	-2.0	-2.3	1.7	-1.1
China HRC	4,860	-0.8	-2.1	-7.2	-1.6	2.3	-11.2

Contributors to VN Index



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Stock Feeds

Companies News

1)**FPT, Technology**: 4 months sales were VND 12,991 bn (+24.5% YoY) and Net profit after non-controlling interests VND 1,854 bn (+34.5% YoY). Global IT services grew by 29% YoY to VND 5,540 bn, which was driven by US market (+67% YoY) and Asia Pacific (+40% YoY). We like FPT's business with strong growth of IT services (Information Technology) from both foreign and domestic markets given profitability improvements for their customers by application of software. The company has recruited leading IT experts from USA and prepared human resources by establishment of IT universities. There are also opportunities to enhance capability and experiences of staff through making IT projects for foreign markets. The domestic IT sales is still low but potential is high during the acceleration of digital transformation of state-owned enterprises, private companies and start-up. Digital transformation does not eliminate jobs of staff as there are always new and more value-added opportunities for them like the creation of computers and office software. FPT also has competitive edge with Telecommunication business (there is monopoly and high entry barrier). There are just several Telecommunication companies in Vietnam, which is necessary as this business needs top security and private confidentiality. Another growth driver for FPT is education, which benefits from low-fee land bank supported by the government and increasingly high demand for private schools.
FPT shares are trading at good trailling P/E of 18.8x and estimated PEG of 0.9x (P/E relative to profit growth). Balance sheet was strong with net cash as of the end 1Q 2022 at VND 3,278 bn. Investors can accumulate buying the shares for relatively safe investment.

2) PLX, Petroleum: PLX submits a plan to pay dividends in 2021 in cash at the rate of 12%. The dividend plan is based on business results in 2021 including revenue of VND 169,106 billion, up 36%; profit after tax for shareholders of parent company is VND 2,839 billion, 2.8 times higher than the previous year.

In terms of business activities, in the first quarter of 2022, PLX's net revenue reached VND 67,020 billion, up 75% compared to the same period last year. However, due to the increase in capital by 84%, the gross profit of the enterprise decreased by 18%, to VND 2,777 billion. This period, PLX's financial income increased by 53% to VND 321 billion. Financial expenses also increased by 61% to 300 billion dong. On the other hand, selling expenses decreased 5% to 2,298 billion dong and general and administrative expenses remained unchanged, reaching VND 182 billion . As a result, the Company recorded a profit after tax of VND 442 billion, down by 40% compared to the first quarter of 2021; parent company's profit alone reached VND 243.3 billion.

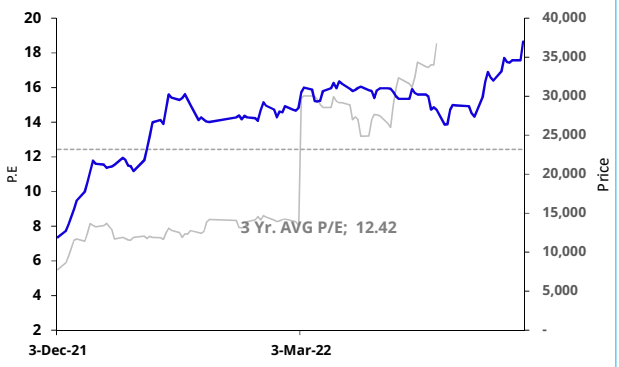
3) ACG, Materials: An Cuong Wood JSC's 1Q2022 performance. Revenue achieved VND 856b (+8.7% QoQ), GPM flattened at 29.4% (1Q21 29.6%), EBT reached VND 147.6b (+20.14% QoQ), respectively. NPAT 1Q2022 was merely at VND 120b (14% net margin), improved by 18.7% QoQ. Revenue growth resumed in both the domestic and export markets after the COVID-19 disruptions, which affected on the local production and home furnishing activities in 2021. SG&A expenses slightly dropped by 3.8% QoQ despite higher sales thanks to the optimization in production and staff restructuring.

In Q1/2022, ACG paid nearly VND 400bil to acquire 30% stake in Central Hill Real Estate Ltd from Thang Loi Group. Central Hill holds the condo development business of Thang Loi Group — a leading developer in Long An Province that currently owns the remaining 70% of Central Hill. Before acquiring 30% of Central Hill, in April 2021, ACG spent VND 119.2 bil to hold 13% ownership of Thang Loi Group. Central Hill is obtaining the construction permit for its affordable-segment condo projects. This multiple-phase project can provide 9,000 condo units, and its sales will be launched in late 2022. ACG will supply its products to Central Hill's projects.

Stock of the day

BAF Viet Nam Agriculture JSC - BAF

After more than 2 years of developing the modern livestock segment under the superior model 3F (Feed-Farm-Food), BaF Vietnam Agriculture Joint Stock Company has achieved impressive success. BAF has put into operation a system of 16 farms raising pigs and breeding pigs applying the newest modern technology. The total herd of pigs is up to 130 thousand helping BAF move to the Top 5 of Vietnam's live pig market. In 2022, BAF will put into operation 6 more modern breeding farms, bringing the total scale to 27,000 sows and 200,000 pigs to meet the recent increasing demand for quality food. Gross profit margin from BAF's livestock segment has always fluctuated at an attractive level of 35% - 39%, outperforming some competitors in the industry. The results of the recent increase in livestock scale have ensured the profits as well as the necessary financial resources to implement the strategy to reachto the the Top 3 leading livestock companies in Vietnam by 2030.dly in the following quarters as wind speeds are usually stronger in the last quarters of the year.



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Cashflow Trend

Cash Flow Trend Among Sector

Today's liquidity remained at low level. Basic resources sector transaction value of more than 70%, notably HPG stock dropped deeply with liquidity skyrocketing compared to the previous average.. Meanwhile, the real estate industry group's liquidity decreased by more than 15%.

Sectors	% Liqidity Change	Today	5 days AVG	20 days Trend
Basic Resources	74.2	2,128	1,222	
Media	25.4	10	8	
Food & Beverage	8.3	1,047	967	
Chemicals	6.9	1,064	994	
Personal & Household Goods	4.5	140	134	
Travel & Leisure	0.5	113	113	
Financial Services	-3.0	1,487	1,533	
Insurance	-3.7	115	119	
Technology	-5.9	154	164	
Oil & Gas	-6.3	195	208	
Utilities	-6.4	258	276	
Retail	-7.1	297	320	
Automobiles & Parts	-7.8	87	94	
Construction & Materials	-13.3	609	702	
Banks	-13.4	1,718	1,983	
Real Estate	-16.1	2,046	2,438	
Health Care	-19.2	19	23	

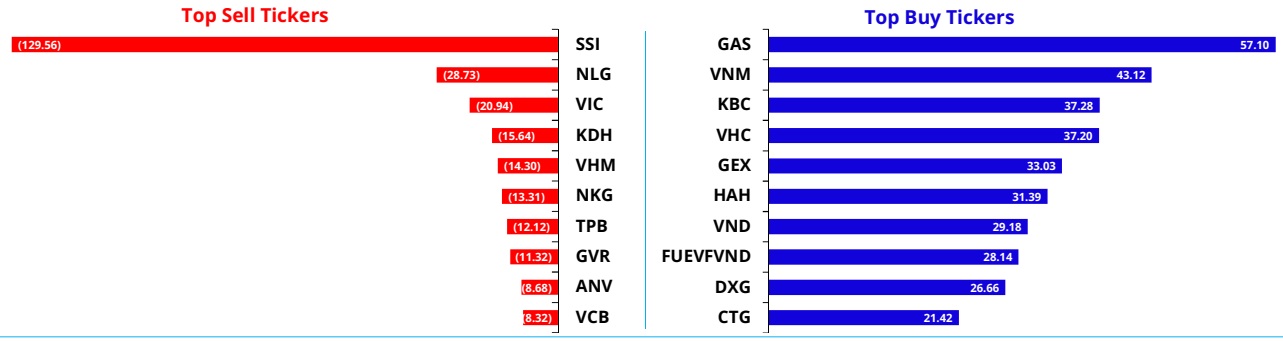
Top 15 tickers in trading value

Ticker	Company name	Sectors	Performance				Trading Stats		Trend
			Close price	%1D	% 1W	%YTD	%Turnover Change	Turnover (VND bn)	
HPG	Hoa Phat Group	Basic Resources	34,900	-5.0	-8.6	-24.8	130.3	1474.5	
DGC	Ducgiang Chemicals	Chemicals	223,000	3.9	15.7	39.5	36.9	332.7	
NKG	Nam Kim Steel	Basic Resources	28,350	-5.5	3.3	-26.8	49.3	271.5	
VND	VNDIRECT	Financial Services	24,000	3.0	-0.8	-27.9	35.6	306.4	
BAF	BAF Vietnam Agriculture	Food & Beverage	37,000	6.9	6.0	81.4	186.6	121.2	
DCM	PetroVietnam Camau Fertilizer	Chemicals	34,100	2.4	22.2	-7.1	39.2	271.7	
HSG	Hoa Sen Group	Basic Resources	20,200	-4.5	-4.5	-46.0	48.4	232.6	
IDI	I.D.I International Development & Investment	Food & Beverage	22,200	7.0	13.3	38.8	68.5	102.5	
KDC	KIDO Group	Food & Beverage	53,200	5.8	6.2	-1.5	66.4	85.5	
DIG	DIC Corp	Real Estate	58,000	5.8	12.0	-40.0	5.7	466.2	
GAS	PetroVietnam Gas	Utilities	105,800	2.2	4.9	10.0	38.9	88.1	
VNM	Vinamilk	Food & Beverage	68,900	3.9	-1.6	-20.3	20.8	138.5	
PVD	PetroVietNam Drilling & Well	Oil & Gas	20,600	-0.7	11.4	-16.6	16.7	164.1	
ASM	Sao Mai Group	Food & Beverage	17,450	3.3	10.1	-0.7	34.0	78.1	
HBC	Hoa Binh Construction Group	Construction & Materials	21,150	6.8	9.9	-30.1	22.6	105.9	

Top 10 tickers in Trading volume

Ticker	Company name	Sectors	Performance				Trading Stats		Trend
			Close price	%1D	% 1W	%YTD	%Volume Change	Volume (x1000)	
BAF	BAF Vietnam Agriculture	Food & Beverage	37,000	6.9	6.0	81.4	7.6	37.00	
EIB	Eximbank	Banks	31,600	2.4	0.3	-6.2	1.9	31.60	
VTO	Vitaco - Vietnam Tanker	Industrial Goods & Services	10,300	1.0	2.5	-20.2	1.4	10.30	
C32	CIC39	Construction & Materials	25,750	-0.2	-0.6	-22.9	0.0	25.75	
ACC	ACC Binh Duong Investment and Construction	Construction & Materials	14,600	-2.3	-2.7	-8.8	-2.3	14.60	
HMC	Ho Chi Minh Metal Corp.	Basic Resources	27,500	-2.3	-1.4	7.4	-2.3	27.50	
KOS	KOSY Company	Real Estate	33,900	-2.3	-3.7	5.4	-3.3	33.90	
OGC	Ocean Group	Financial Services	11,450	-6.9	-18.5	0.4	-11.9	11.45	
DHC	Dong Hai Bentre	Basic Resources	71,900	-0.3	-2.0	-19.2	-2.2	71.90	
HPG	Hoa Phat Group	Basic Resources	34,900	-5.0	-8.6	-24.8	-7.0	34.90	

Foreign Investor Trading Activities

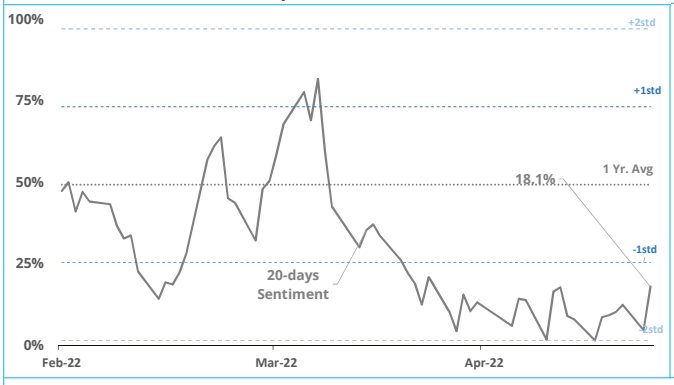


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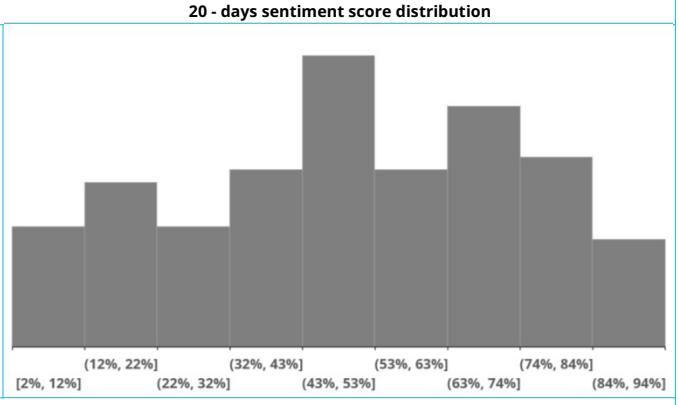
Market Sentiment

20 days Market Sentiment (short-term)

Historical 20 - days sentiment line 's movement



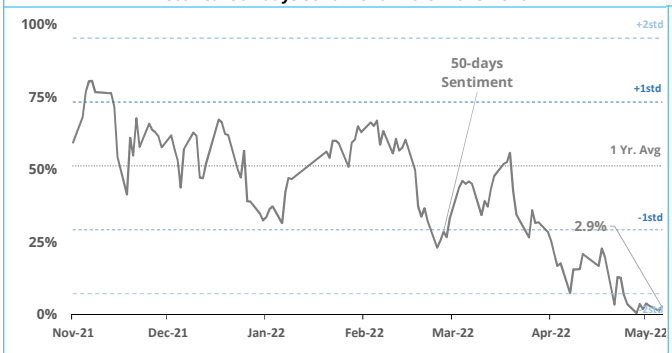
20 - days sentiment score distribution



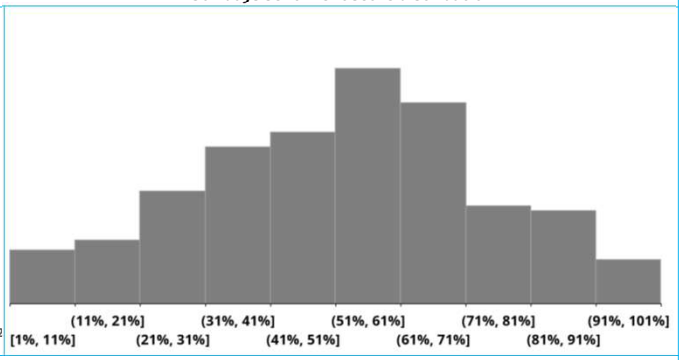
According to 20 days time horizon, total market cap of tickers having price above MA20 line accounts for 18.07% of total market cap of the Index. Based on 1 year historical data, probality of falling further from the current level is 13.94% - Comment: Market sentiment is over negative

50 days Market Sentiment (Mid-term)

Historical 50 - days sentiment line 's movement



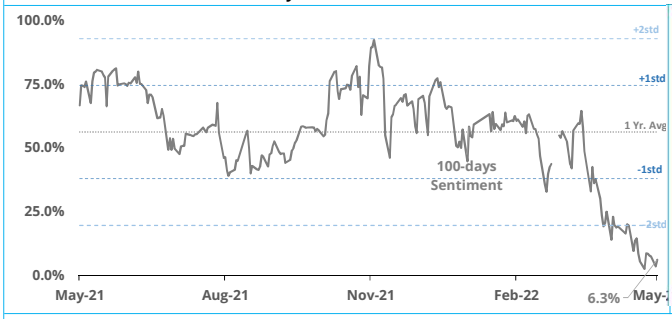
50 - days sentiment score distribution



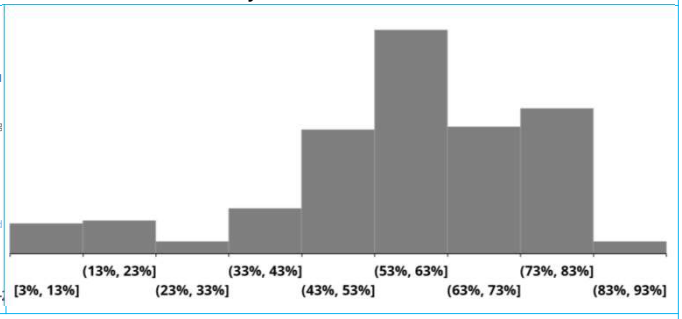
According to 50 days time horizon, total market cap of tickers having price above MA50 line accounts for 2.87% of total market cap of the Index. Based on 1 year historical data, probality of falling further from the current level is 1.20% - Comment: Market sentiment is over negative

100 days Market Sentiment (Mid-term)

Historical 100 - days sentiment line 's movement



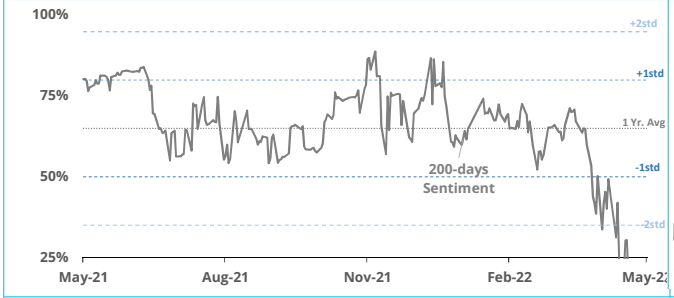
100 - days sentiment score distribution



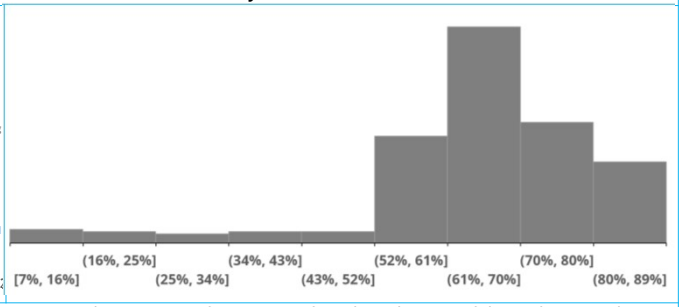
According to 100 days time horizon, total market cap of tickers having price above MA100 line accounts for 6.25% of total market cap of the Index. Based on 1 year historical data, probality of falling further from the current level is 2.01% - Comment: Market sentiment is over negative

200 days Market Sentiment (Long - Term)

Historical 200 - days sentiment line 's movement



100 - days sentiment score distribution



According to 200 days time horizon, total market cap of tickers having price above MA200 line accounts for 17.44% of total market cap of the Index. Based on 1 year historical data, probality of falling further from the current level is 2.39% - Comment: Market sentiment is over negative

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