Tuesday, May 31, 2022

Exploring Vietnam

Research Center

Market Insight



Daily report

Market Summary:

"Oil & gas reign"

▶ Vietnam's stock market dropped slightly in today's trading session, ending the 5 consecutive days of gaining momentum

▶ At the end, the VN-Index lost 1.24 points, equivalent to 0.1% to close at 1292.68 points. Market liquidity reached 16,108 billion, equivalent to 591 million shares traded. Foreign investors net bought 389.7 billion, focusing mainly on FUEVFVND.

▶GAS (+7.00%), VHM (+1.61%), VCB (+1.15%) were the three tickers that contributed the most to the green color of the market. On the contrary, BCM (-0.68%), VNM (-0.68%), and MWG (-1.02%) were the three tickers that lost the most points of the market.

▶Oil prices surged above $123/barrel, helping to boost prices of typical oil and gas stocks such as PVD, PVS, GAS

▶From a technical perspective, the VN Index has not successfully conquered the important resistance level of 1300 points. The MA9 is trending to cut the MA50 from below, showing positive signal. The MFI has had its first downtrend after a long uptrend while the MACD is still extending its uptrend. Liquidity in the market remained at 16,000 billion, equivalent to the average of 20 sessions.



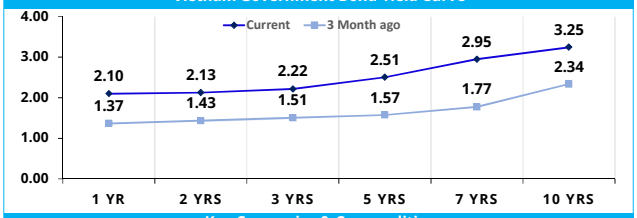
Vietnam Benchmark Index Performance & Multiples

Index	Price	%1D	%1M	%1Yr.	PER	PBR	Mkt Cap
VN-Index	1,293	-0.1	-5.4	-2.7	13.9	2.2	5,131,527
VN30 Index	1,333	-0.8	-6.0	-9.6	11.6	2.3	3,527,815
VN Midcap	1,684	-0.6	-9.7	27.2	11.2	1.4	331,234
VN Smallcap	1,684	-0.6	-9.7	27.2	11.2	1.4	331,234
HNX Index	316	1.0	-13.7	-0.7	16.3	1.9	322,414
UpCom	95	-0.3	-8.5	7.5	15.3	1.7	1,263,907

Vietnam Sector Performance

Sector	%1D	%1M	%YTD	%1 YR.	PER	PBR	Mkt Cap
Utilities	5.2	7.9	11.5	1.4	21.4	2.8	328,186
Oil & Gas	1.7	-5.3	-16.7	-12.5	23.8	2.7	67,479
Consumer Goods	0.1	-3.8	-11.6	5.2	18.6	3.1	622,928
Industrials	0.3	-5.1	-12.6	29.7	17.6	1.7	263,960
Basic Materials	-0.2	-14.6	-20.0	-8.7	7.3	1.9	428,366
Financials	-0.8	-12.7	-25.9	38.8	11.7	1.9	194,485
Real Estate	-0.4	-3.1	-14.0	1.4	20.8	2.6	1,238,319
Consumer Services	-1.0	-5.5	0.7	36.8	n.a	4.8	266,791
Technology	-1.3	3.8	10.8	32.4	23.3	4.3	115,914
Health Care	0.2	-6.2	-10.3	6.5	16.9	2.3	34,105
Banks	-0.5	-6.9	-13.0	-9.6	11.2	1.9	1,563,909

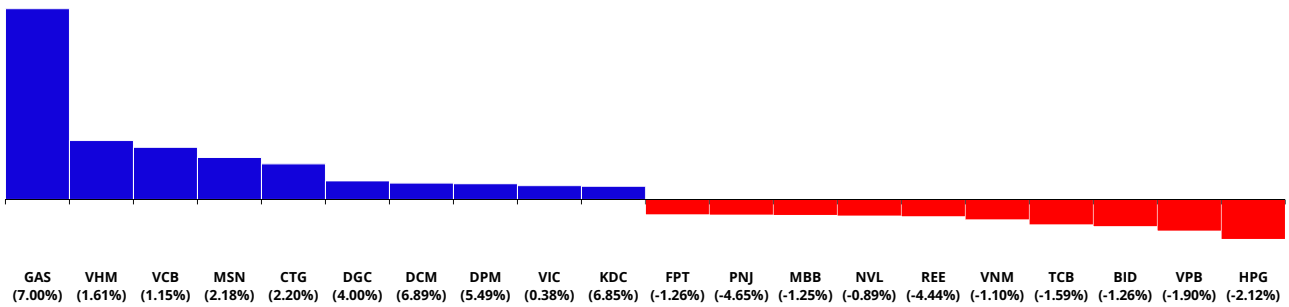
Vietnam Government Bond Yield Curve



Key Currencies & Commodities

Term	Price	%1D	%1W	%1M	%3M	%YTD	%1Yr.
Dollar index	102	0.0	-0.4	-1.2	5.2	6.3	13.0
USD/JPY	128	0.1	0.7	-1.9	11.1	11.0	16.6
USD/CNY	7	0.0	0.1	0.8	5.6	4.8	4.6
KRW/USD	1,238	-0.1	-2.3	-2.2	2.9	4.1	11.4
EUR/USD	1	0.4	0.0	-2.2	4.5	5.9	13.9
USD/VND	23,195	0.1	0.0	1.0	1.6	1.6	0.6
WTI	119	3.3	7.8	13.5	24.2	58.0	79.2
Gasoline	406	1.1	6.9	16.9	45.2	82.2	89.7
Natural gas	9	0.0	-0.2	20.4	98.2	133.9	192.2
Coal	401	8.2	-3.6	22.8	46.1	136.4	278.3
Gold	1,855	0.0	-0.6	-0.4	-2.8	1.4	-2.7
China HRC	4,844	0.2	-0.3	-5.5	-2.3	2.0	-14.2

Contributors to VN Index



Shinhan Securities

Stock Feeds

Companies News

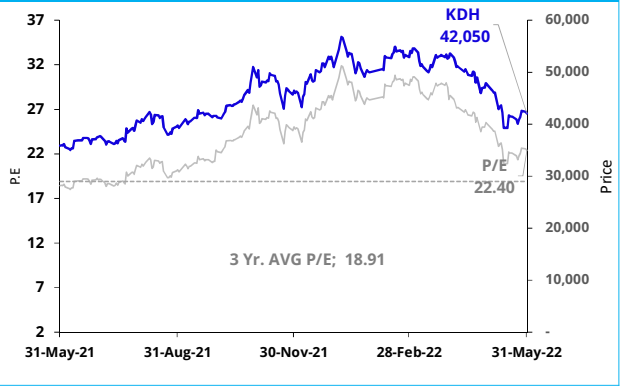
1) VNM, Consumer Staples (Dairy products): Profit after tax was VND 2,266 bn (-12% YoY). VNM had strong balance sheet with net cash of VND 10,500 bn as of the end 1Q 2022. After stages of high growth, VNM has lower sales and profit increase as the company has reached market share of over 50% and modern trade brings more dairy product options of different brand names. We think that dairy products have better quality and tastes when cows are raised in open farms like traditional methods. We tried VNM organic products but the taste is less delicious. The company offsets lower growth by M&A (Merger and Acquisition) transactions like acquisition of GTN and partnership with KDC in beverages, which may take time given different corporate cultures. However, growth potential is better.
VNM is a safe investment option for investors with lower correlation with VNIndex. The shares are trading at trailing P/E of 14.8x.

2) TV3, Energy: Electricity Construction Consulting JSC 3 - EVNPECC3 (TV3) plans revenue of 350 billion VND; profit after tax is nearly VND 21 billion, up 11% and 3% respectively compared to 2021. This year, the forward revenue from contracts signed in previous years is expected to be VND 260 billion.
Regarding the profit distribution plan, TV3 plans to pay dividends in 2022 to shareholders with a minimum of 12%. For dividends in 2021, TV3 agreed to pay a dividend of 15%.
Accordingly, TV3 aims to take advantage of the increasing trend of private investment in the energy sector, boosting revenue with private customers to reduce dependence on revenue from the State. The company plans to increase brand presence to potential customers and stakeholders
3 PTB, Timber: Positive growth of wood exports to the US, stable revenue from selling cars and stone, Phu Tai Residence project being on final stages of completion, etc. are positive catalyst factors for PTB in 2022. In 1Q/2022 business results of Phu Tai JSC - gross sales reached VND 1,722.47bil (+22.6% QoQ), GPM of 23.2% (1Q21 reached 22.9%), and EBT increased by nearly 1.5 times over the same period last year, reaching VND 180bil, equivalent to the margin of 10.5% (1Q21 9% reported). The company respectively completed 24% (out of VND 7,250bil in revenue) and 23% (out of VND 790bil in EBT) of the initially consolidated target for 2022.
In the 1Q22 revenue structure, revenue from sales of goods still accounted for the main proportion (98.6%), in which over 55% still came from the sale of wood products. Phu Tai's wood industry has had positive results thanks to the benefits of free trade agreements, high demand for furniture in the US market, and a strong recovery in world wood prices since June 2021.
Furthermore, the Phu Tai Residence project managed by Phu Tai Real Estate Company (a member unit of PTB), started its construction in 2019 in Quy Nhon City, Binh Dinh, is in its final stages of completing and handling over to the customers, promising another source of revenue contributing to PTB's business result from the residential real estate segment, expected to be about VND 750bil (if 60% of the remaining properties are handed over in 2022 and having a higher selling price in 2021).

Stock of the day

Khang Dien House Trading and Investment JSC - KDH

KDH, Real Estate: At the end of the first quarter, Khang Dien Housing Investment and Trading Joint Stock Company announced revenue of VND 142 billion, down 83% compared to the same period last year; Thanks to the sudden increase in other profits, profit after tax still reached VND 300 billion, up 45% over the same period. The Classia is the key project of KDH for this year, KDH still promotes construction activities in the first quarter, the basic project will be completed in this second quarter. Sales are expected to be at the end of the second quarter or the beginning of the third quarter. Classia's estimated revenue is about VND 2,600 billion, equivalent to an average price of VND 130 million/m2. Besides, Binh Trung Residential Area project (The Clarita -5.8 ha) and part of An Duong Vuong apartment building will be KDH's main sources of income in 2023.



Shinhan Securities

Cashflow Trend

Cash Flow Trend Among Sector

Liquidity in the market remained at the average level of 20 sessions. Power, water & petrol and gas stocks attracted the attention of cash flow when the liquidity increased sharply by over 60%. On the other hand, banking stocks continued to have liquidity down by more than 10%.

Sectors	% Liqidity Change	Today	5 days AVG	20 days Trend
Utilities	62.7	591	363	
Chemicals	27.4	1,419	1,115	
Oil & Gas	22.4	329	269	
Construction & Materials	16.5	995	853	
Health Care	12.5	32	28	
Real Estate	5.6	2,747	2,601	
Insurance	5.2	149	141	
Personal & Household Goods	1.0	311	308	
Media	0.6	15	15	
Industrial Goods & Services	-5.4	899	950	
Financial Services	-5.7	1,488	1,577	
Retail	-6.8	442	474	
Food & Beverage	-6.9	1,185	1,273	
Travel & Leisure	-9.2	132	145	
Banks	-11.5	1,767	1,996	
Basic Resources	-13.3	1,227	1,415	
Automobiles & Parts	-14.5	100	117	

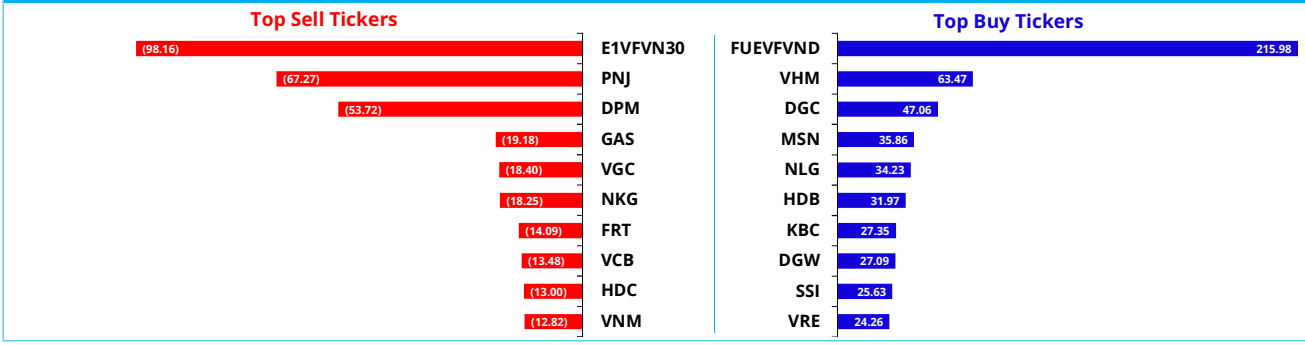
Top 15 tickers in trading value

Ticker	Company name	Sectors	Performance				Trading Stats		Trend
			Close price	%1D	% 1W	%YTD	%Turnover Change	Turnover (VND bn)	
DPM	Phu My Fertilizer	Chemicals	59,600	5.5	8.4	19.2	98.0	486.0	
GAS	PetroVietnam Gas	Utilities	117,700	7.0	11.2	22.3	339.8	273.6	
DCM	PetroVietnam Camau Fertilizer	Chemicals	37,250	6.9	9.2	1.5	57.8	334.3	
HQC	Hoang Quan Real Estate	Real Estate	6,210	2.3	13.9	-29.4	146.8	166.2	
LCG	LiCoGi 16	Construction & Materials	15,350	1.3	2.3	-29.3	235.8	132.5	
VHM	Vinhomes	Real Estate	69,600	-1.3	4.0	-15.1	41.2	255.7	
FRT	FPT Retail	Retail	123,900	-5.3	8.8	23.7	52.7	200.7	
PVD	PetroVietNam Drilling & Well	Oil & Gas	22,900	3.2	11.2	-7.3	36.7	235.7	
CTG	VietinBank	Banks	27,900	2.2	7.3	-17.7	59.0	166.4	
DIG	DIC Corp	Real Estate	60,400	-1.6	4.1	-37.5	14.7	480.0	
HBC	Hoa Binh Construction Group	Construction & Materials	22,150	1.4	4.7	-26.8	58.9	164.8	
MSN	Masan Group	Food & Beverage	112,400	2.2	3.1	-21.1	66.1	139.9	
PLX	Petrolimex	Oil & Gas	44,000	1.4	10.0	-18.4	93.1	93.0	
GMD	Gemadept	Industrial Goods & Services	55,800	-1.4	8.6	18.0	31.3	176.3	
GEG	Gia Lai Electricity	Utilities	24,000	3.7	12.7	2.3	180.6	62.6	

Top 10 tickers in Trading volume

Ticker	Company name	Sectors	Performance				Trading Stats		Trend
			Close price	%1D	% 1W	%YTD	%Volume Change	Volume (x1000)	
GAS	PetroVietnam Gas	Utilities	117,700	7.0	11.2	22.3	8.8	117.70	
CNG	CNG Viet Nam	Utilities	39,300	5.6	15.9	30.3	9.8	39.30	
BFC	Binh Dien Fertilizer	Chemicals	31,000	4.2	14.8	-5.2	9.2	31.00	
PTC	Post and Telecom Construction	Construction & Materials	16,750	6.7	11.7	-22.3	11.4	16.75	
GEG	Gia Lai Electricity	Utilities	24,000	3.7	12.7	2.3	7.3	24.00	
TDM	Thu Dau Mot Water	Utilities	37,200	0.3	4.2	6.3	3.4	37.20	
ASP	An Pha SG Petrol	Utilities	9,510	5.4	15.8	-31.3	10.8	9.51	
QBS	Quang Binh Import And Export	Chemicals	5,280	-0.2	14.8	-36.5	9.3	5.28	
DAH	Dong A Hotel Group	Travel & Leisure	9,350	1.4	7.6	-21.8	3.7	9.35	
LCG	LiCoGi 16	Construction & Materials	15,350	1.3	2.3	-29.3	1.1	15.35	

Foreign Investor Trading Activities

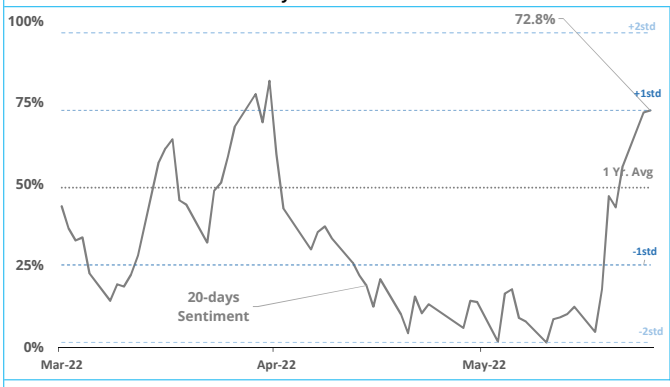


Shinhan Securities

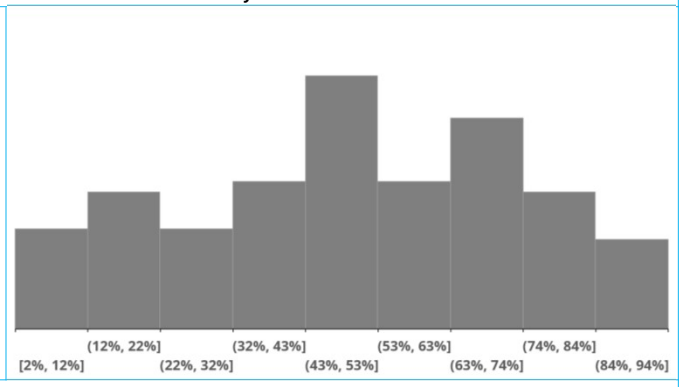
Market Sentiment

20 days Market Sentiment (short-term)

Historical 20 - days sentiment line 's movement



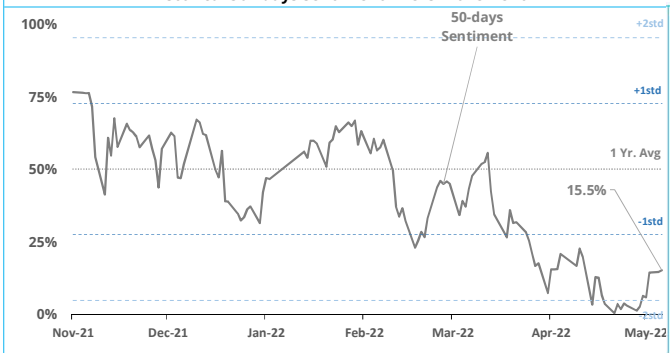
20 - days sentiment score distribution



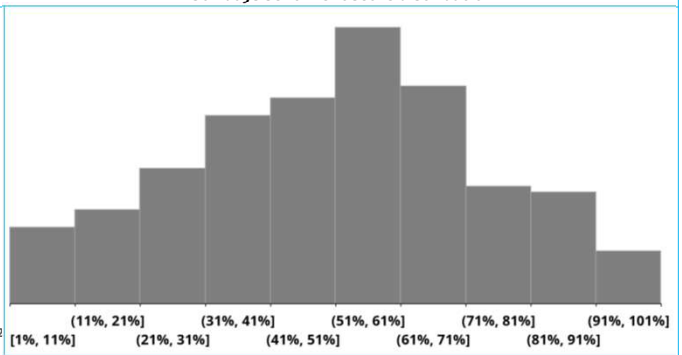
According to 20 days time horizon, total market cap of tickers having price above MA20 line accounts for 72.77% of total market cap of the Index. Based on 1 year historical data, probality of falling further from the current level is 81.67% - Comment: Market sentiment is positive

50 days Market Sentiment (Mid-term)

Historical 50 - days sentiment line 's movement



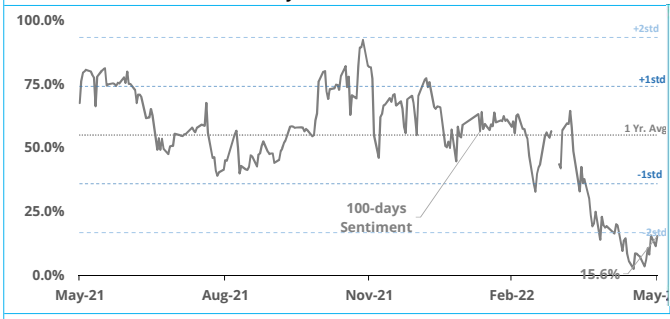
50 - days sentiment score distribution



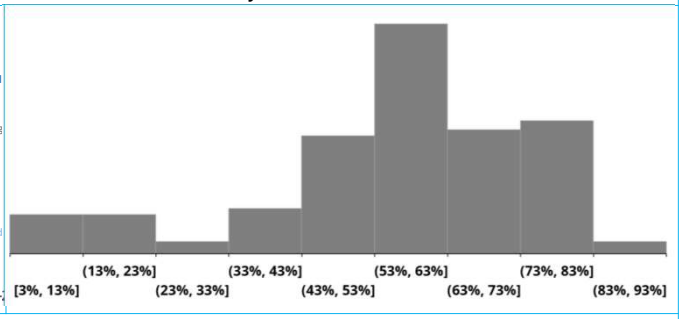
According to 50 days time horizon, total market cap of tickers having price above MA50 line accounts for 15.46% of total market cap of the Index. Based on 1 year historical data, probality of falling further from the current level is 7.17% - Comment: Market sentiment is over negative

100 days Market Sentiment (Mid-term)

Historical 100 - days sentiment line 's movement



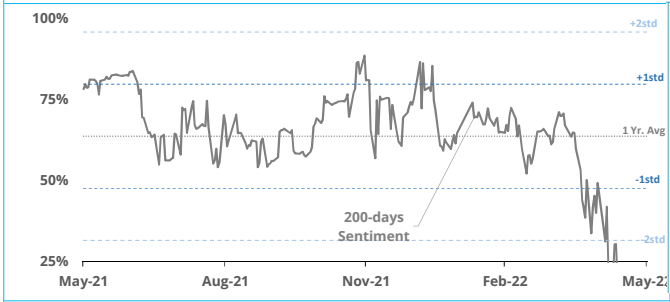
100 - days sentiment score distribution



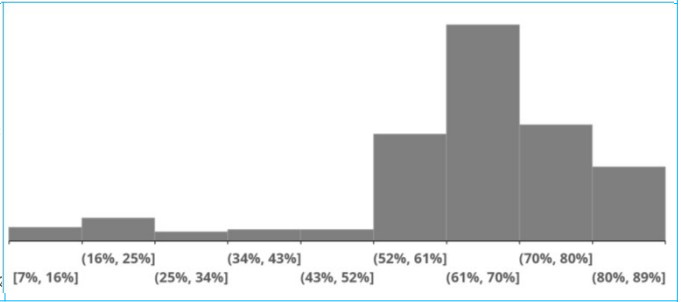
According to 100 days time horizon, total market cap of tickers having price above MA100 line accounts for 15.59% of total market cap of the Index. Based on 1 year historical data, probality of falling further from the current level is 7.23% - Comment: Market sentiment is over negative

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 20.88% of total market cap of the Index. Based on 1 year historical data, probality of falling further from the current level is 5.58% - Comment: Market sentiment is over negative

Shinhan Securities

SEOUL

Shinhan Investment Corp.
Shinhan Investment Tower
23-2, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HO CHI MINH

Shinhan Securities Vietnam Co., Ltd.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street, Dist rict 3, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HO CHI MINH

Shinhan Investment Corp.
Ho Chi Minh Representative Office
1st Floor, Empress Tower, 138-142 Hai Ba Trung, Da Kao Ward, Dis trict 1, Ho Chi Minh City, Vietnam
Tel : (84-8) 3824-6445
Fax : (84-8) 3824-6447



Compliance Notice

- Analyst Certification: We/I hereby certify the information and material presented in this report are accurate expressions of their views, and that we/I have not received internally or externally wrongful pressure to express such views.
- All opinions and estimates regarding the company and its securities are accurate representations of the covering analyst's judgments as of this date and may differ from actual results.
- This report is intended to provide information to assist investment decisions only and should not be used or considered an offer or the solicitation of an offer to sell or to buy any securities. Stock selection and final investment decisions should be made at the client's own discretion.
- This report is distributed to our clients only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.

Distribution

- United States: This report is distributed in the U.S. by Shinhan Investment America, Inc., a member of FINRA/SIPC, and is only intended for major U.S. institutional investors as defined in Rule 15a-6(a)(2) under the U.S. Securities Exchange Act of 1934. All U.S. persons that receive this document by their acceptance thereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Shinhan Investment Corp. or its affiliates. Pursuant to Rule 15a-6(a)(3), any U.S. recipient of this document wishing to affect a transaction in any securities discussed herein should contact and place orders with Shinhan Investment America, Inc., which accepts responsibility for the contents of this report in the U.S. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. person absent registration or an applicable exemption from the registration requirement.
- All Other Jurisdictions: Customers in all other countries who wish to affect a transaction in any securities referenced in this report should contact Shinhan or its affiliates only if distribution to or use by such customer of this report would not violate applicable laws and regulations and not subject Shinhan and its affiliates to any registration or licensing requirement within such jurisdiction.