

Weekly Market Roundup: Corona Carnage

Matthew Smith, CFA

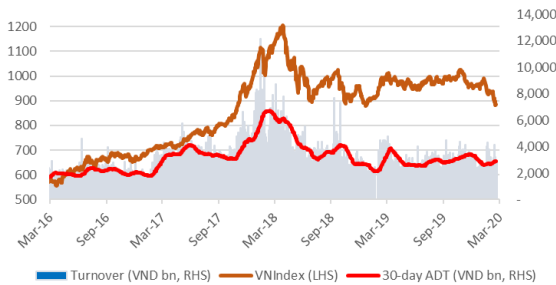
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The VNI's 14.5% decline last week was the worst weekly performance in over a decade. Breadth on the VNI was truly abysmal, with 341 losers against only 31 gainers during the week. The market's trailing PER ratio of 11.8x is back to where it was in 2016, prior to the bull market, and 16% below its recent historical average.

VN Index & Turnover



Weekly Performance

- **VNINDEX:** 762 (-14.5% WoW / -21.2% YTD / -24.2% YoY)
- **HNINDEX:** 101 (-10.8% WoW / -1.1% YTD / -7.7% YoY)
- **UPCOM Index:** 50 (-8.9% WoW / -10.7% YTD / -11.1% YoY)
- **Average daily turnover:** US\$222 mn (+32% WoW)
- **Foreigners net sold** US\$41.5 million of VNIndex constituents.
- **VND:USD rate:** 23,218 (-5bp WoW / -19bps YTD / -8bps YoY)

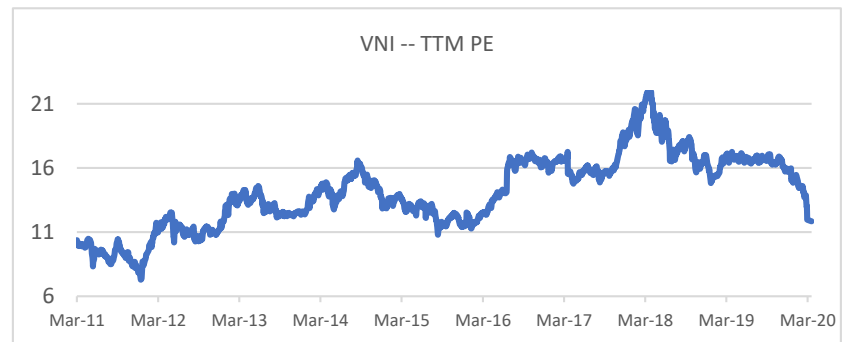
VN30 Components

Ticker	Closing price (VND K)	WoW chg	Cont to VN30 (WoW)	TTM PE (x)
BID	35.0	-25.3%	2%	15
BVH	40.5	-26.6%	1%	26
CTD	54.7	-21.9%	1%	6
CTG	22.0	-14.9%	2%	9
EIB	16.4	-4.7%	1%	23
FPT	48.2	-10.8%	4%	11
GAS	57.0	-26.5%	2%	9
HDB	23.0	-17.9%	4%	6
HPG	19.1	-15.0%	6%	7
MBB	17.1	-17.2%	6%	5
MSN	49.9	-8.4%	3%	10
MWG	79.0	-23.4%	7%	9
NVL	53.0	-1.9%	0%	15
PLX	36.2	-27.3%	1%	10
PNJ	61.6	-23.7%	4%	12
POW	8.9	-11.9%	1%	8
REE	28.2	-11.9%	1%	5
ROS	5.3	-27.9%	1%	17
SAB	144.0	-11.4%	2%	20
SBT	15.9	-20.9%	1%	31
SSI	13.3	-20.4%	1%	7
STB	10.4	-15.1%	4%	8
TCB	18.3	-17.2%	10%	6
VCB	71.0	-16.0%	5%	14
VHM	72.0	-11.0%	4%	11
VIC	92.5	-11.9%	7%	41
VJC	101.0	-16.2%	6%	13
VNM	99.1	-4.9%	4%	18
VPB	22.5	-18.2%	10%	7
VRE	24.2	-15.1%	2%	19

Source: Bloomberg, Yuanta Vietnam

All of the VN30 components fell during the week, as Vietnam caught up (or down) to the performance of regional peers.

Chart-of-the-week: The market's trailing PE ratio of 11.8x is now 16% below its ten-year average and the lowest since February 2016.



Regional View: [Brace for a bumpy road](#), advises Yuanta's global macroeconomist Chen-Hui Yen. Reporting on global credit and liquidity conditions, Dr. Yen argues that hopes for a V-shaped bounce in global economic activity and markets are unrealistic; he reckons that the recovery will look more like the Nike "swoosh" symbol.

Market Outlook: We think the short term newsflow is extremely likely to remain negative for several weeks as the outbreak continues to play out across the globe. We fail to see how Europe and the US can be expanding in this environment. A global recession can't be a particularly good thing for a country with 200%-plus exports to GDP.

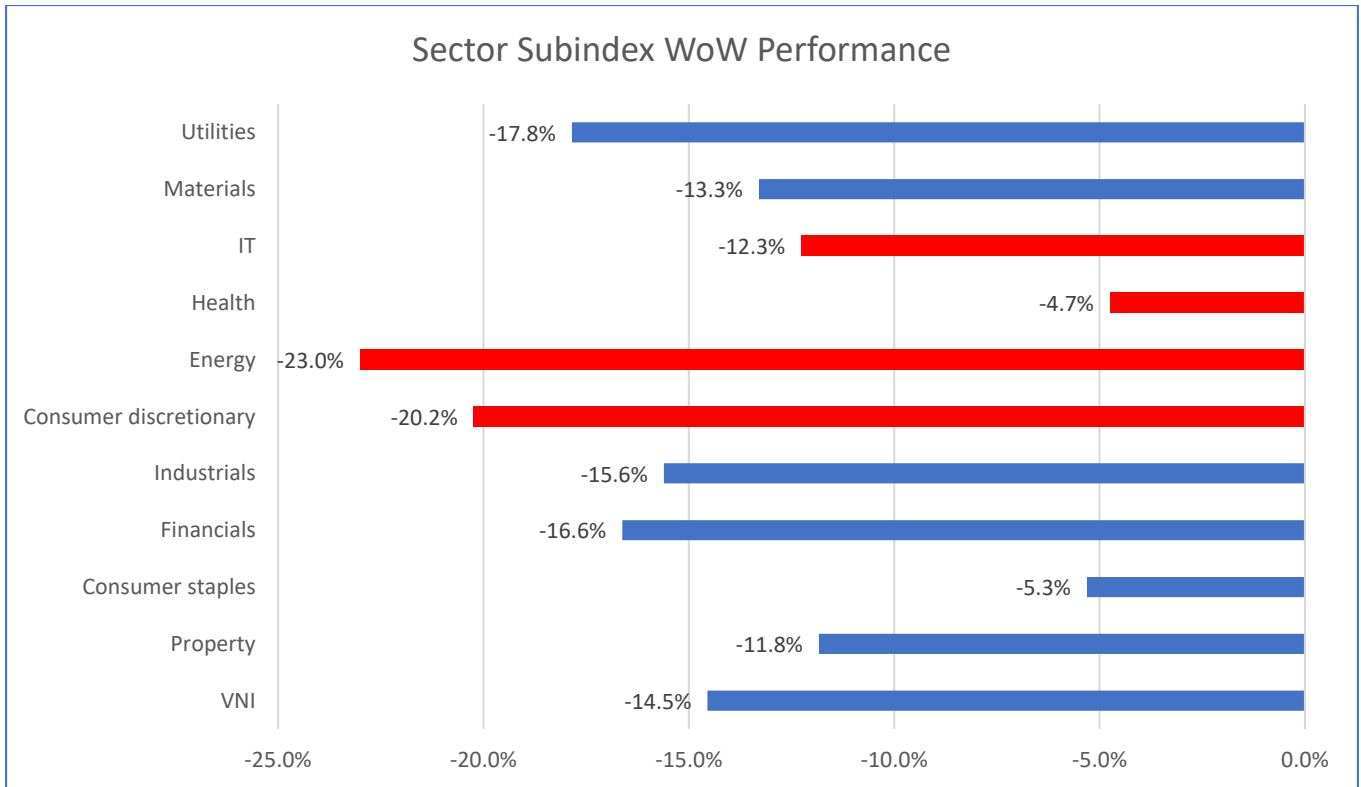
Such conditions suggest a focus on quality balance sheets, cash flow, and management, as well as a domestic focus. In terms of sectors, quality consumer staples may continue to outperform in the short term. Infrastructure plays could also be interesting.

Yuanta Vietnam Coverage Universe										
Sector	Company	Stock code	Market cap (USDm)	3-month ADT (USDm)	Yuanta Rating	Current price (VND)	Target price (VND)	Up (down) side	2019E Dividend yield	12-m TSR*
Banks	BIDV	BID VN	6,063	2.0	SELL	35,000	37,300	7%	2.3%	9%
	HD Bank	HDB VN	954	1.8	Hold-Underperform	23,000	30,970	35%	0.0%	35%
	MB Bank	MBB VN	1,776	5.3	BUY	17,100	28,694	68%	3.9%	72%
	Sacombank	STB VN	808	3.8	BUY	10,400	14,049	35%	0.0%	35%
	Vietcombank	VCB VN	11,342	3.4	Hold-Outperform	71,000	92,035	30%	1.1%	31%
	Vietnam Prosperity Ba	VPB VN	2,362	3.5	BUY	22,500	25,530	13%	0.0%	13%
Brokers	HCM City Securities	HCM VN	184	0.9	BUY	14,000	29,931	114%	6.8%	121%
	Saigon Securities	SSI VN	297	1.4	Hold-Underperform	13,300	23,525	77%	7.2%	84%
	Viet Capital Securities	VCI VN	147	0.0	Hold-Outperform	20,700	32,437	57%	6.0%	63%
	VNDirect Securities	VND VN	119	0.2	BUY	13,300	13,231	-1%	4.5%	4%
Energy	PV POW	POW VN	898	1.0	BUY	8,900	17,457	96%	3.4%	100%
	PV NT2	NT2 VN	217	0.2	Hold-Outperform	17,500	29,195	67%	11.4%	78%
	PCC1	PC1 VN	80	0.2	BUY	11,700	24,092	106%	0.0%	106%
Consumer	Masan Group	MSN VN	2,510	2.9	BUY	49,850	84,143	69%	0.0%	69%
	Phu Nhuan Jewelry	PNJ VN	597	2.4	Hold-Underperform	61,600	86,300	40%	3.2%	43%
	Digiworld	DGW VN	40	0.5	Hold-Outperform	21,950	31,574	44%	5.4%	49%
Oil & GAS	PV Drilling	PVD VN	169	1.7	BUY	9,300	19,896	114%	0.0%	114%
Property	Nam Long	NLG VN	254	0.5	BUY	23,600	36,400	54%	2.1%	56%
	Novaland	NVL VN	2,213	1.0	Hold-Ourperform	53,000	65,073	23%	0.0%	23%
	Khang Dien	KDH VN	495	0.3	BUY	21,100	31,081	47%	2.4%	50%
	Vinhomes	VHM VN	10,201	2.5	BUY	72,000	94,862	32%	1.4%	33%
Transport	Airports Corp Vietnam	ACV VN	4,782	0.3	Hold-Underperform	51,000	76,400	50%	1.8%	52%

*Note: TSR = Total shareholder return over the next 12 months inclusive of expected share price change and dividends.

Pricing data as of close on Mar 13, 2020.

Source: Bloomberg, Yuanta Vietnam



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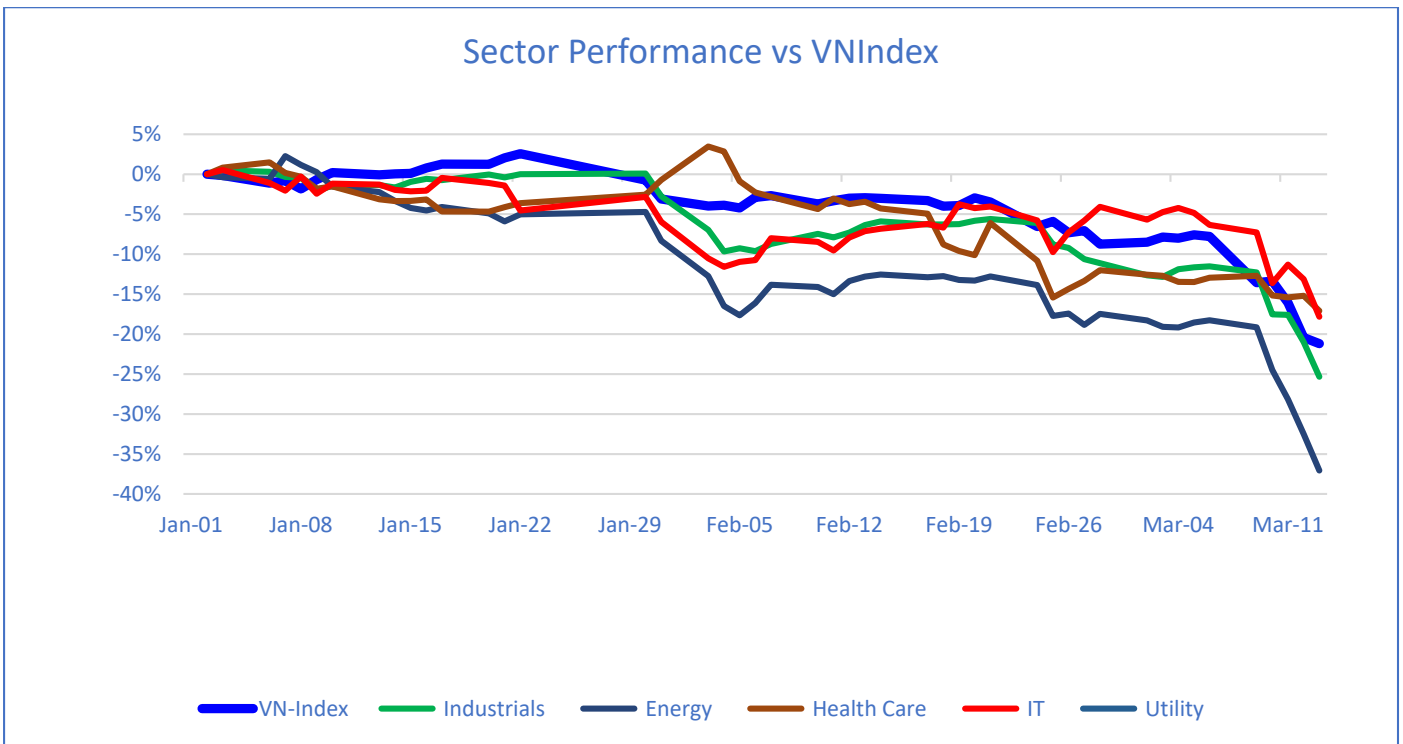
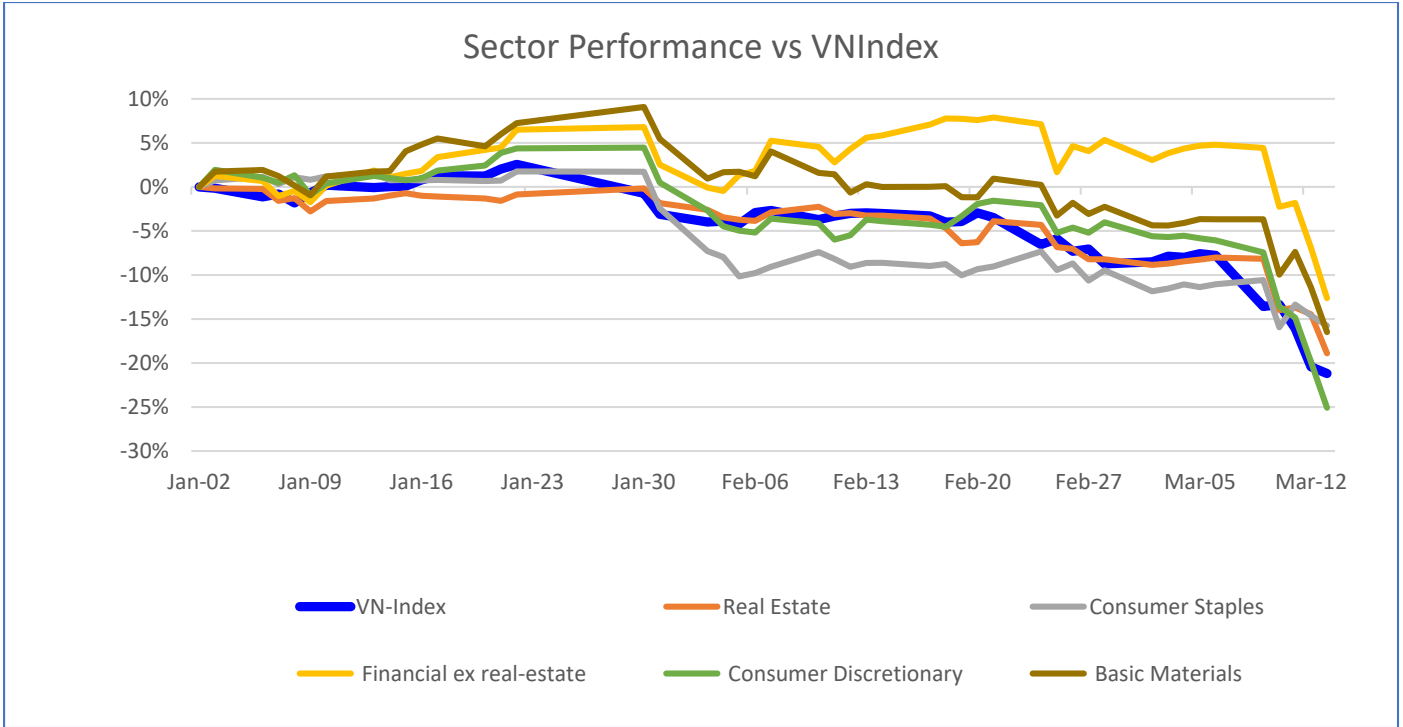
[VCB \(VCB VN, HOLD-O/P\): 2019 preliminary PBT beat our forecast by 8% \(Jan 10\)](#)

[BID \(BID VN, HOLD-O/P\): Preliminary 4Q19 PBT +61% QoQ / +69% YoY \(Jan 9\)](#)

[Vietnam Macro: Takeaways from the Banking University of HCMC forum \(Jan 7\)](#)

[Phu Nhuan Jewelry \(PNJ VN, HOLD-O/P\): Surging gold price --What is the impact? \(Jan 6\)](#)

[Strategy: Oil price spike is positive for O&G, negative for airlines \(Jan 6\)](#)



Source: Bloomberg

Yuanta Universe: Valuations and ratings

Sector	Stock Code	PER (x)			EPS Growth (%)			PEG (x)			PBV (x)			ROE (%)			ROA (%)		
		2018A	2019F	2020F	2018A	2019F	2020F	2018A	2019F	2020F	2018A	2019F	2020F	2018A	2019F	2020F	2018A	2019F	2020F
Banks	BID VN	21.5	19.7	16.9	8.9	9.1	16.5	2.4	2.1	1.0	2.2	1.8	1.7	11.4	10.5	10.9	0.44	0.47	0.52
	HDB VN	7.6	6.8	5.7	48.1	10.5	20.1	0.2	0.7	0.3	1.3	1.3	1.3	18.0	19.4	22.5	1.40	1.49	1.64
	MBB VN	6.0	4.8	4.1	72.1	25.1	18.1	0.1	0.2	0.2	1.1	0.9	0.8	19.2	20.8	20.8	1.81	2.05	2.19
	STB VN	13.3	9.1	7.8	40.8	47.1	15.5	0.3	0.2	0.5	0.8	0.7	0.6	5.9	8.1	8.6	0.36	0.49	0.52
	VCB VN	19.8	17.1	11.0	79.7	15.7	56.0	0.2	1.1	0.2	4.1	3.3	2.6	22.5	21.2	26.7	1.22	1.31	1.82
	VPB VN	7.4	7.3	5.7	7.2	2.5	27.8	1.0	2.9	0.2	1.6	1.4	1.1	22.8	20.3	21.5	2.45	2.17	2.40
Brokers	HCMVN	2.9	11.9	8.2	26.1	(75.4)	44.5	0.1	(0.2)	0.2	1.4	1.0	0.9	23.1	10.6	12.5	10.39	5.89	7.03
	SSI VN	5.8	7.8	6.4	3.1	(25.3)	21.6	1.9	(0.3)	0.3	0.7	0.7	0.7	14.8	9.3	10.7	5.69	3.41	3.62
	VCI VN	3.6	5.5	5.7	(1.2)	(33.9)	(3.8)	(3.0)	(0.2)	(1.5)	0.9	0.8	0.8	24.7	16.3	14.1	12.51	8.46	6.87
	VND VN	7.3	8.6	8.5	(22.4)	(14.9)	0.2	(0.3)	(0.6)	45.8	1.0	0.9	0.8	13.7	11.3	10.4	3.83	2.95	2.56
Energy	PVD VN	19.8	38.6	12.2	336.8	(48.7)	218.0	0.1	(0.8)	0.1	0.3	0.3	0.3	1.4	0.7	2.3	0.92	0.49	1.58
	NT2 VN	6.6	7.0	6.7	(2.9)	(5.2)	3.9	(2.3)	(1.3)	1.7	1.4	1.3	1.3	18.0	19.6	19.9	8.31	8.79	10.29
	PC1 VN	3.6	5.2	3.4	120.5	(32.1)	52.4	0.0	(0.2)	0.1	0.6	0.5	0.4	14.3	10.2	14.4	6.82	4.78	6.65
Consumer	MSN VN	10.9	12.0	11.4	67.2	(9.2)	5.6	0.2	(1.3)	2.0	2.0	1.7	1.5	20.7	15.2	14.0	8.78	7.31	7.19
	PNJ VN	11.6	13.4	10.7	(17.2)	(13.6)	24.4	(0.7)	(1.0)	0.4	2.7	2.3	1.8	28.7	27.5	27.9	17.79	17.79	16.93
	DGW VN	8.1	6.5	5.2	37.4	24.5	23.3	0.2	0.3	0.2	1.2	1.1	0.9	15.2	17.1	18.9	5.80	6.12	7.13
Oil & GAS	POW VN	10.8	8.4	6.5	(14.0)	29.6	29.0	(0.8)	0.3	0.2	0.8	0.8	0.8	7.0	9.1	11.1	3.24	4.44	5.97
Property	NLG VN	6.7	9.5	6.2	17.7	(29.6)	54.4	0.4	(0.3)	0.1	1.1	1.1	1.0	16.8	12.9	16.9	9.28	6.66	10.00
	NVL VN	15.4	20.1	16.2	10.0	(23.3)	23.8	1.5	(0.9)	0.7	2.4	2.4	2.4	10.2	11.2	11.1	3.12	3.42	3.33
	KDH VN	12.0	14.3	10.4	40.0	(15.8)	37.0	0.3	(0.9)	0.3	1.3	1.5	1.3	11.7	11.9	14.5	7.92	7.45	8.88
	VHM VN	15.8	13.1	10.3	93.7	20.4	27.1	0.2	0.6	0.4	5.0	3.8	2.8	30.7	30.0	28.7	12.35	11.56	11.88
Transportatio	ACV VN	18.9	18.0	16.6	55.1	5.0	8.3	0.3	3.6	2.0	3.5	3.1	2.7	21.2	20.7	18.8	11.97	12.13	11.39

Pricing data as of close on Mar 13, 2020.

Source: Bloomberg, Yuanta Vietnam



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