Weekly Wrap: Market's lull is likely to persist in the short term

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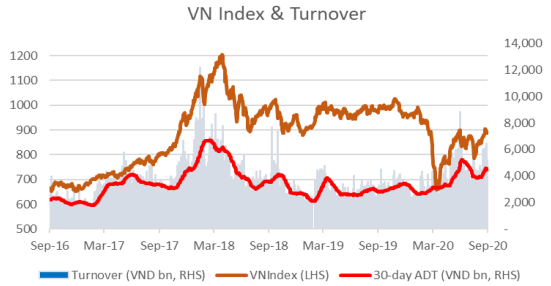
The VNI fell by 1.4% WoW after a six-week period of outperformance vs. global and regional markets. We see this as an expected and healthy consolidation phase, as volumes strengthened and foreign posted a rare week of net buying. The market has remained above its 200-day moving average for three weeks. Breadth was strongly negative among the VN30 large caps (4 gainers vs 26 losers) but positive among the broader VNI constituents (218 gainers vs 137 decliners).



Index, Flows, and FX Performance

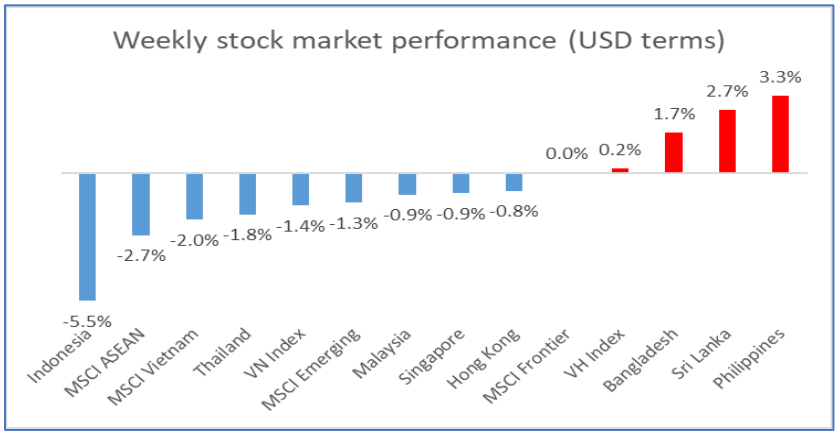
- **VNINDEX**: 888.97 (-1.4% WoW / -7.5% YTD / -8.3% YoY)
- **VHINDEX**: 126 (flat WoW / +23.1% YTD / +26.0% YoY)
- **UPCOM Index**: 59.1 (+0.3% WoW / +4.5% YTD / +5.9% YoY)
- **Average daily turnover:** US$339mn (+4% WoW)
- **Foreigners net bought** US$169mn of 3-index constituents.
- **VND:USD rate: 23,176** (-3bp WoW / -1bp YTD / +10bp YoY)

VN30 Components

Ticker	Closing price (VND K)	WoW chg	Cont to VN30 (WoW)	TTM PE (x)
BID	40.5	-3.9%	-2%	19
CTG	25.6	-1.5%	-3%	9
EIB	16.7	-2.1%	-3%	30
FPT	49.2	-1.7%	-5%	11
GAS	71.8	-3.8%	-2%	14
HDB	30.4	2.2%	4%	7
HPG	24.5	-2.0%	-9%	9
KDH	24.1	-3.4%	-2%	12
MBB	17.9	-1.1%	-3%	5
MSN	55.0	-2.3%	-5%	17
MWG	93.4	-0.7%	-2%	11
NVL	62.9	0.2%	0%	16
PLX	49.7	-3.7%	-2%	58
PNJ	59.5	-1.8%	-2%	13
POW	10.0	-3.8%	-2%	11
REE	38.7	3.8%	2%	8
ROS	2.2	-1.8%	0%	--
SAB	188.0	-2.2%	-3%	30
SBT	14.1	-2.8%	-1%	25
SSI	15.8	2.3%	1%	9
STB	11.2	-1.3%	-2%	8
TCB	21.3	-2.5%	-11%	7
TCH	21.1	-1.6%	-1%	9
VCB	82.3	-3.1%	-9%	17
VHM	77.7	-2.9%	-8%	12
VIC	91.1	-3.1%	-14%	39
VJC	105.8	-1.7%	-4%	30
VNM	123.8	-1.0%	-6%	22
VPB	22.9	-2.6%	-9%	6
VRE	28.4	-0.4%	0%	27

Source: Bloomberg, Yuanta Vietnam. Pricing date: September 11, 2020.

VN Index performance was roughly in the middle of the regional pack last week in USD terms, with a broad disparity of both stock prices and currency fluctuations driving a wide differential among regional markets (e.g., Indonesia fell by 5.5% while the Philippines increased by 3.3% week-on-week).



Source: Bloomberg

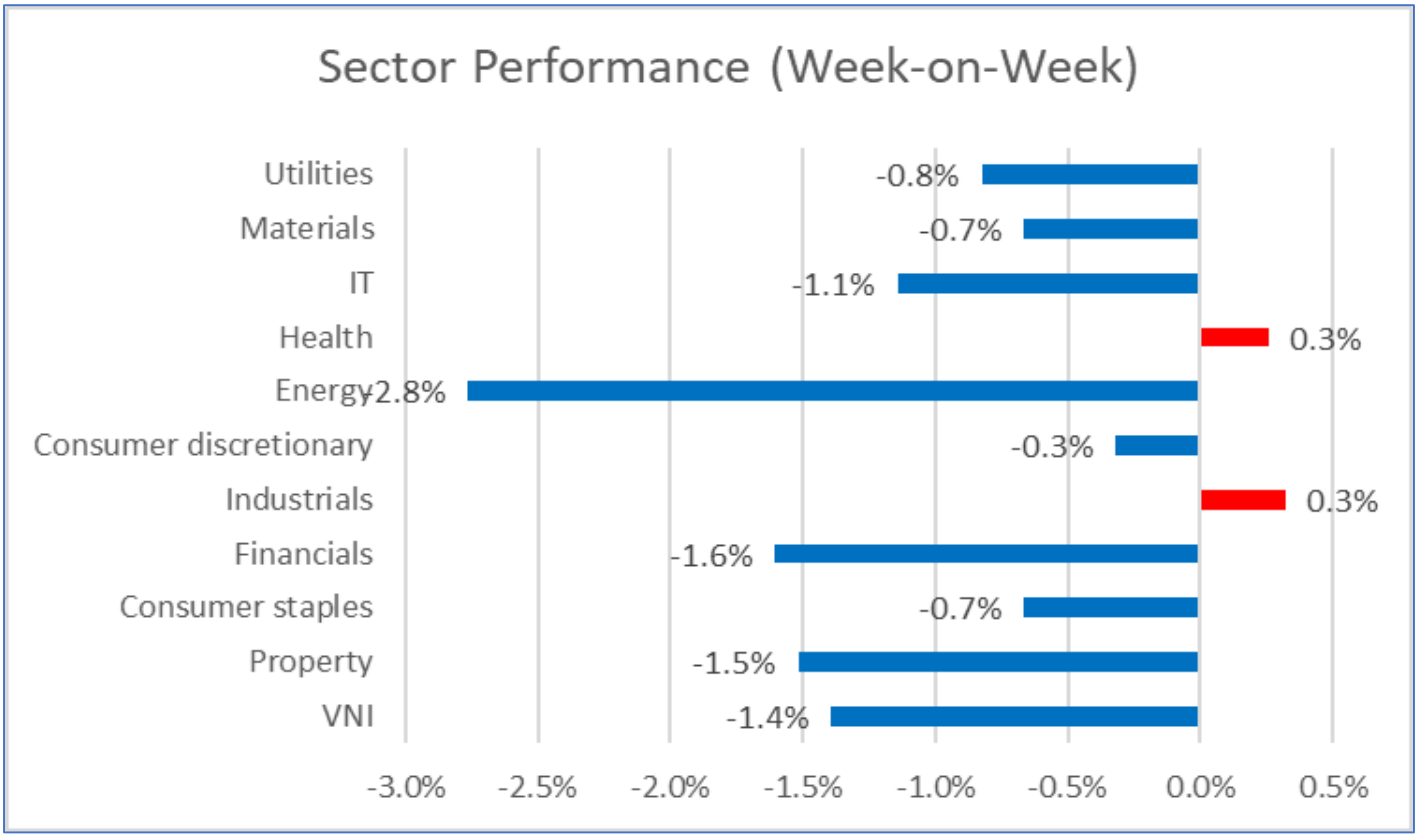
COVID-19 community infections have dwindled. As of the morning of Sep 14, Vietnam has not reported any cases of community infection for the past 11 days. Thus, the secondary outbreak that started in July appears to be under control, at least for now. Nationwide, total cases since January have reached 1,063.

Market view: Caution prevails. The market's consolidation is likely to continue in the short term in our opinion, which is reasonable given the market's strong performance over the past several weeks. Nevertheless, we believe that liquidity should get another boost from stimulus efforts by global policy makers which we believe will tend to be negative for the USD and thus likely positive for emerging markets. Thus, we reiterate our 1000-point yearend target for the VN Index. Our top picks are VHM, KDH, MBB, and HCM.

Yuanta Vietnam Coverage Universe

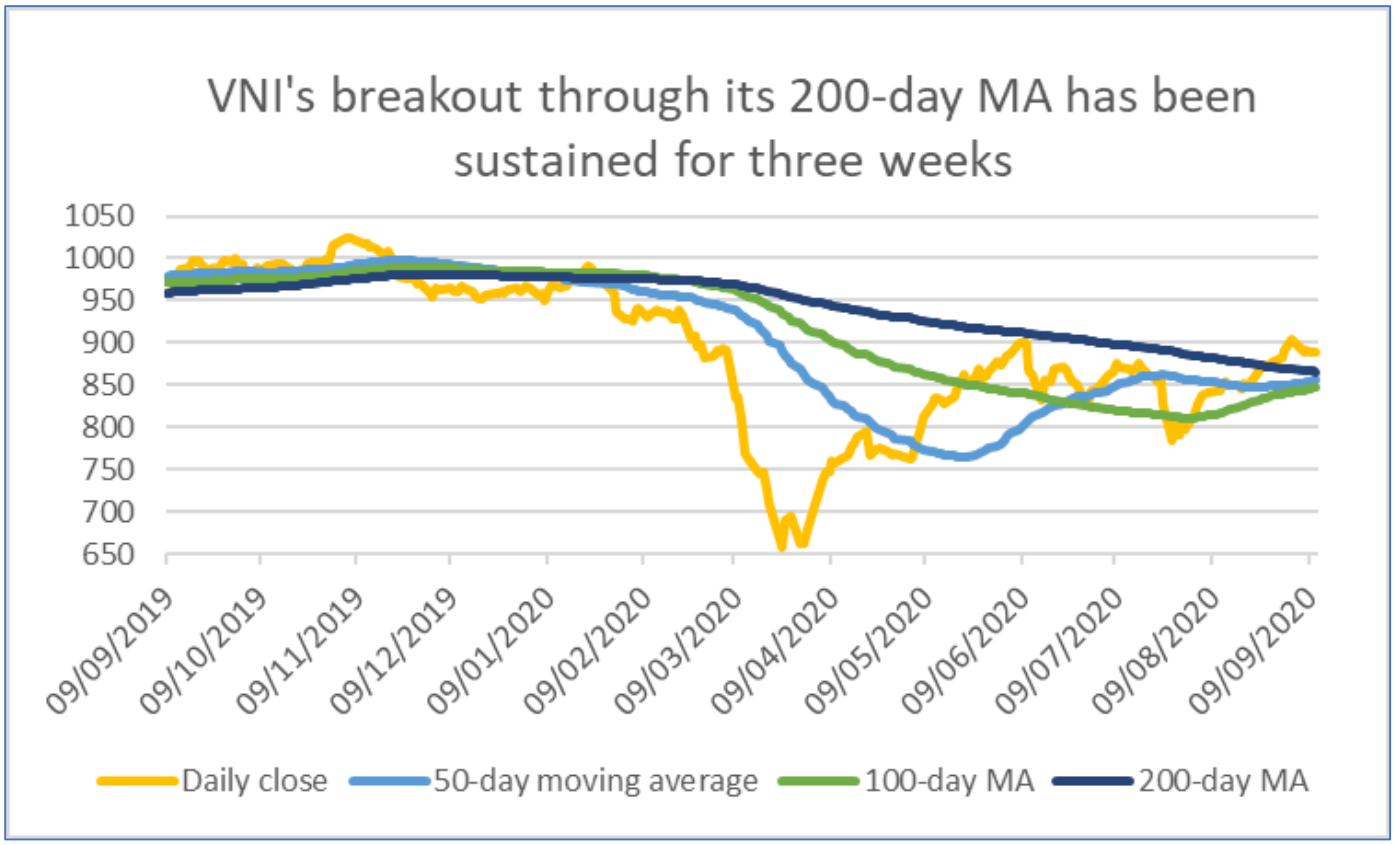
Sector	Company	Stock code	Market cap (USDm)	3-month ADT (USDm)	Yuanta Rating	Current price (VND)	Target price (VND)	Up (down) side	2020E Dividend yield	12-m TSR*
Banks	Asia Commercial Bank	ACB VN	1,940	4.5	BUY	20,800	25,690	24%	0.0%	24%
	BIDV	BID VN	7,020	1.8	SELL	40,450	37,300	-8%	0.0%	-8%
	HD Bank	HDB VN	1,265	1.1	HOLD-Underperform	30,350	30,970	2%	0.0%	2%
	MB Bank	MBB VN	1,857	3.3	BUY	17,850	25,900	45%	0.0%	45%
	Sacombank	STB VN	868	5.3	BUY	11,150	12,950	16%	0.0%	16%
	Vietcombank	VCB VN	13,171	3.4	HOLD-Underperform	82,300	75,140	-9%	0.0%	-9%
	Vietnam Prosperity Bank	VPB VN	2,403	3.4	HOLD-Underperform	22,850	22,500	-2%	0.0%	-2%
Brokers	HCM City Securities	HCM VN	261	2.0	BUY	19,800	26,532	34%	6.7%	41%
	Saigon Securities	SSI VN	408	3.4	HOLD-Outperform	15,750	18,328	16%	3.9%	20%
	Viet Capital Securities	VCI VN	198	0.8	HOLD-Underperform	27,800	26,449	-5%	3.0%	-2%
	VNDirect Securities	VND VN	112	0.3	HOLD-Underperform	12,500	13,150	5%	5.6%	11%
Energy	PV POW	POW VN	1,010	1.5	BUY	10,000	17,457	75%	3.0%	78%
	PV NT2	NT2 VN	295	0.3	BUY	23,750	25,181	6%	8.4%	14%
	PCC1	PC1 VN	134	0.3	BUY	19,500	24,092	24%	0.0%	24%
Consumer	Masan Group	MSN VN	2,788	3.2	HOLD-Outperform	55,000	84,908	54%	0.0%	54%
	Phu Nhuan Jewelry	PNJ VN	578	1.4	HOLD-Outperform	59,500	86,200	45%	3.4%	48%
	Digiworld	DGW VN	98	1.1	HOLD-Outperform	52,600	31,574	-40%	2.8%	-37%
Oil & GAS	PV Drilling	PVD VN	198	2.0	HOLD-Outperform	10,900	10,429	-4%	0.0%	-4%
Property	Nam Long	NLG VN	302	1.3	BUY	28,000	36,400	30%	1.8%	32%
	Novaland	NVL VN	2,635	3.4	HOLD-Outperform	62,900	65,073	3%	0.0%	3%
	Khang Dien	KDH VN	581	0.6	BUY	24,100	31,081	29%	2.1%	31%
	Vinhomes	VHM VN	11,028	6.3	BUY	77,700	94,862	22%	0.0%	22%
Transport	Airports Corp Vietnam	ACV VN	5,758	0.5	HOLD-Underperform	61,300	76,400	25%	0.8%	25%

*Note: TSR = Total shareholder return over the next 12 months inclusive of expected share price change and dividends.
Stock ratings and pricing data is as of close on September 11, 2020.
Source: Bloomberg, Yuanta Vietnam



Source: Bloomberg

COVID-19 update. As of the morning of September 14, Vietnam has not reported any community transmissions in the past eleven days. Thus, the secondary pandemic that began in late July appears to have been well-controlled. The authorities recorded another 14 infected patients over the past week, all of which are imported cases from travelers returning from abroad (including three Vietnamese citizens returning from Russia who tested positive over the weekend). That brings the total number of cases since January to a total of 1,063, of which 107 are currently active and 918 have recovered.



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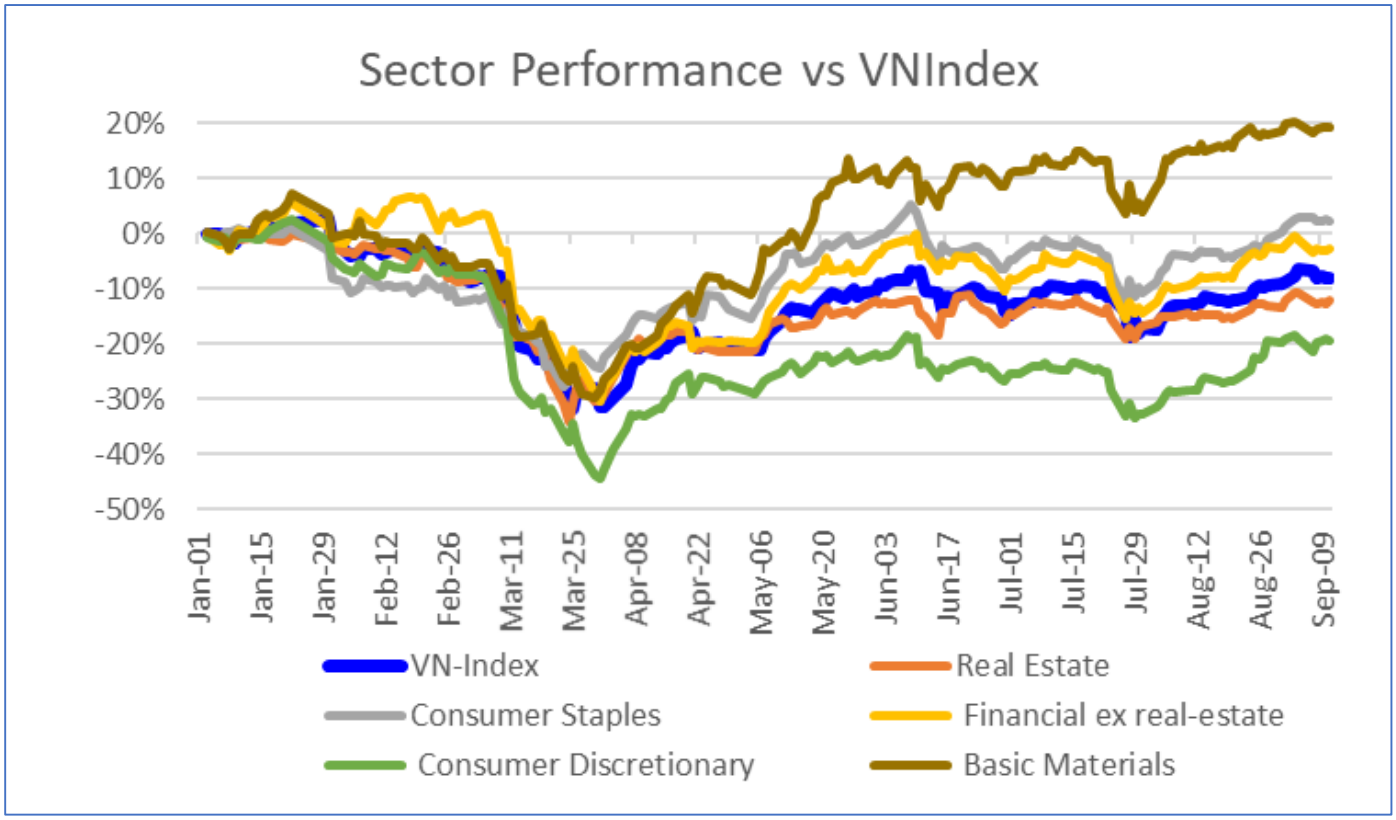
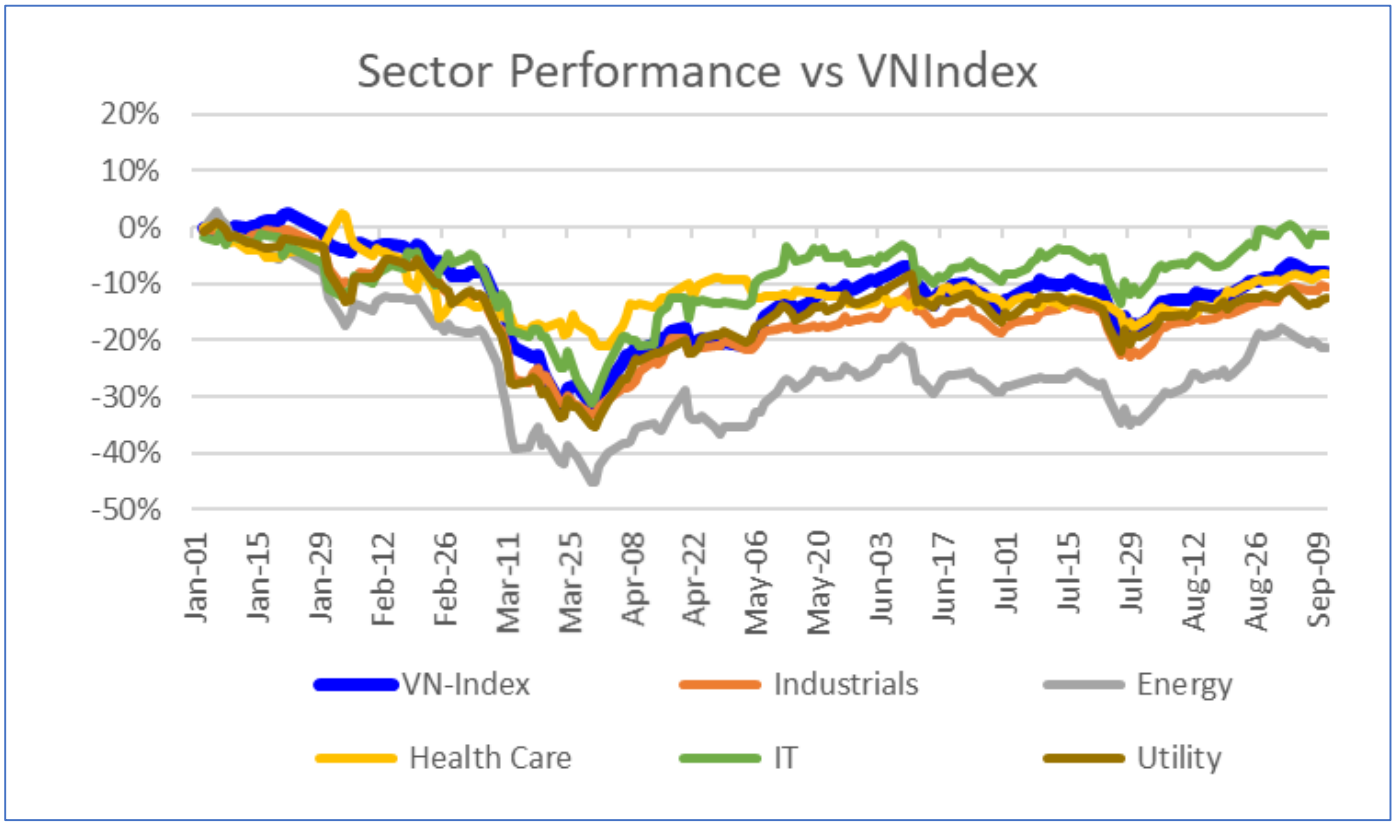
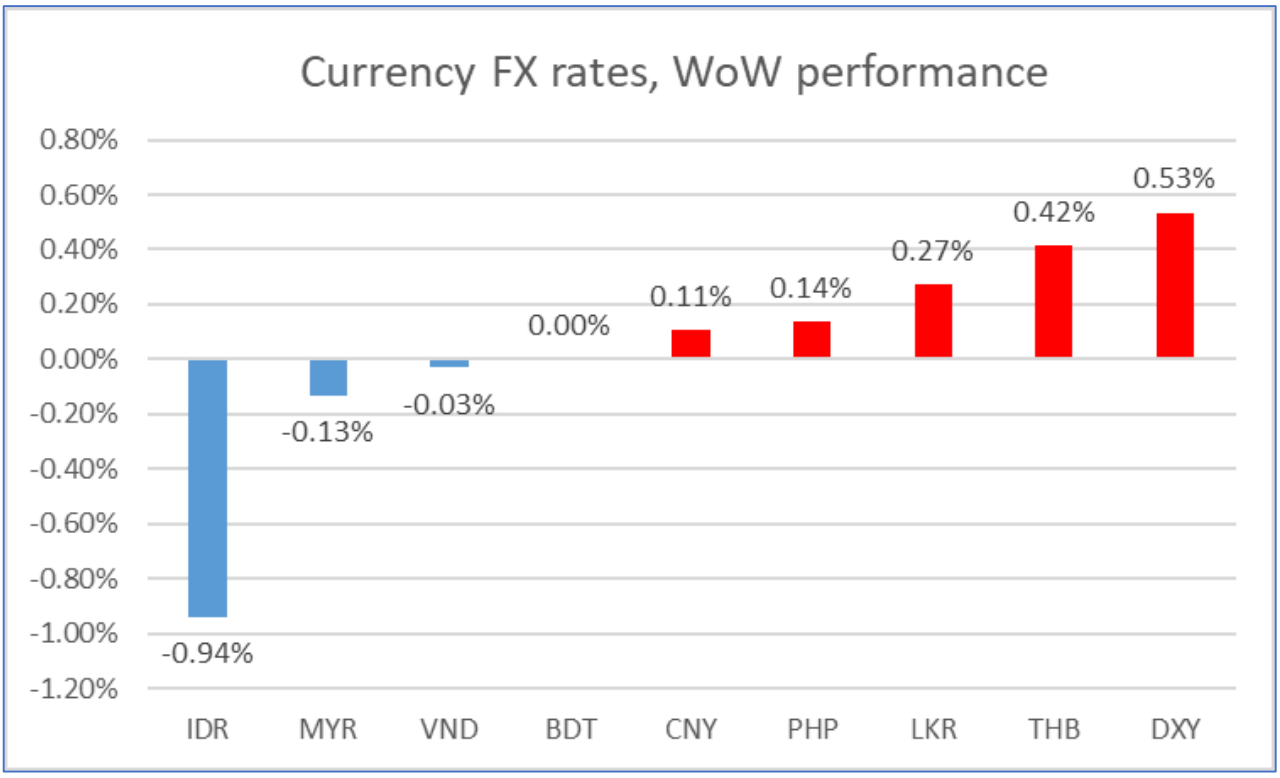


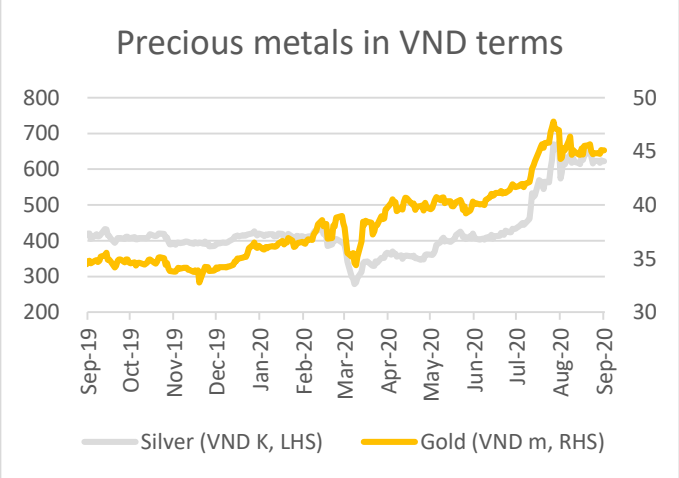


Source: Bloomberg

Regional currencies: VND (-3bp WoW) was stable against a stronger dollar

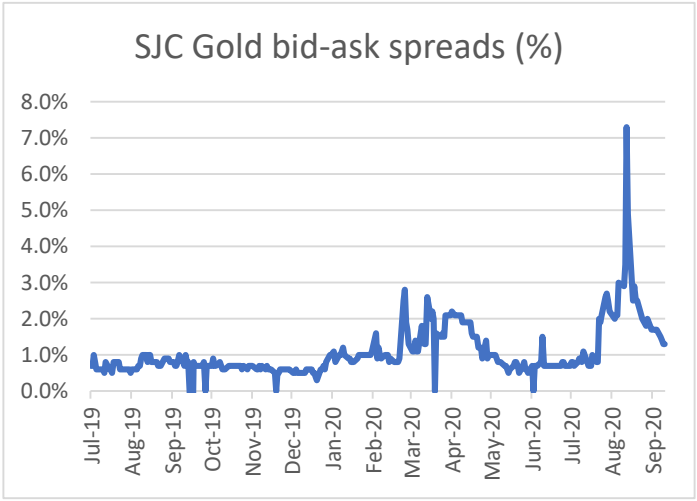


Precious metals in VND terms were approximately flat last week.



Source: Bloomberg, Yuanta Vietnam. This data represents XAUVND and XAGVND and is not an on-the-ground price.

Physical gold bid-ask spreads have fallen back to normal levels after reaching 7% in August.



Source: FiinPro, Yuanta Vietnam
Note: The Aug 12 bid-ask spread was highest since Feb 2015.

Yuanta Universe: Valuations and ratings

Sector	Stock Code	PER (x)			EPS Growth (%)			PEG (x)			PBV (x)			ROE (%)			ROA (%)		
		2019A	2020E	2021E	2019A	2020E	2021E	2019A	2020E	2021E	2019A	2020E	2021E	2019A	2020E	2021E	2019A	2020E	2021E
Banks	ACB VN	5.7	7.1	5.5	18.1	(19.0)	28.2	0.3	n/a	0.2	1.2	1.2	1.0	24.2	18.6	19.2	1.66	1.54	1.80
	BID VN	18.7	19.5	16.0	31.5	(4.0)	21.4	0.6	n/a	0.7	2.1	2.0	1.9	12.0	10.9	12.5	0.54	0.52	0.56
	HDB VN	9.0	7.5	6.7	10.5	20.1	12.8	0.9	0.4	0.5	1.7	1.7	1.4	19.4	22.5	23.2	1.49	1.64	1.69
	MBB VN	5.1	4.9	4.2	44.3	5.0	16.1	0.1	1.0	0.3	1.1	0.9	0.7	21.1	19.0	18.5	2.02	1.97	2.05
	STB VN	10.0	10.2	7.6	43.3	(2.3)	33.8	0.2	n/a	0.2	0.8	0.7	0.6	7.9	7.1	8.8	0.47	0.42	0.53
	VCB VN	18.4	18.1	14.7	34.8	1.3	23.6	0.5	13.8	0.6	3.8	3.1	2.7	23.2	18.9	19.7	1.44	1.33	1.50
	VPB VN	6.8	7.9	6.1	11.6	(13.9)	28.8	0.6	n/a	0.2	1.3	1.1	1.0	21.5	15.5	17.0	2.36	1.81	2.11
Brokers	HCM VN	13.5	13.5	8.4	(49.0)	(0.3)	61.2	n/a	n/a	0.1	1.4	1.4	1.3	11.7	11.0	17.1	6.23	5.92	8.81
	SSI VN	10.2	11.1	8.0	(32.5)	(8.0)	39.4	n/a	n/a	0.2	1.0	0.9	0.8	9.8	8.7	11.4	3.57	2.86	3.55
	VCI VN	6.7	9.9	7.7	(16.3)	(32.6)	28.4	n/a	n/a	0.3	1.1	1.0	0.9	18.0	11.1	13.0	9.90	5.95	6.84
	VND VN	7.2	11.2	7.0	(4.3)	(36.1)	59.5	n/a	n/a	0.1	0.8	0.8	0.7	12.3	7.4	11.2	3.28	1.88	2.67
Energy	PVD VN	24.3	91.4	(108.0)	(4.0)	(73.4)	(184.6)	n/a	n/a	n/a	0.3	0.3	0.3	17.1	0.4	(0.3)	0.90	0.25	(0.21)
	NT2 VN	9.3	9.9	9.2	(2.7)	(6.6)	7.2	n/a	n/a	1.3	1.7	1.8	1.8	19.3	11.1	19.7	9.19	9.93	11.67
	PC1 VN	8.7	5.7	6.2	(32.1)	52.4	(7.7)	n/a	0.1	n/a	0.8	0.7	0.7	10.2	14.4	11.8	4.78	6.65	5.58
Consumer	MSN VN	11.5	12.7	10.4	4.8	(9.6)	22.9	2.4	n/a	0.5	1.8	1.6	1.4	17.3	13.5	14.5	8.39	7.01	8.02
	PNJ VN	12.9	10.4	8.5	(13.6)	24.4	22.4	n/a	0.4	0.4	2.2	1.8	1.4	27.5	27.9	27.7	17.79	16.93	18.14
	DGW VN	15.5	12.6	11.6	24.5	23.3	8.5	0.6	0.5	1.4	2.5	2.3	2.0	17.1	18.9	18.4	6.12	7.13	7.12
Oil & GAS	POW VN	9.4	7.3	6.3	29.6	29.0	15.5	0.3	0.3	0.4	0.8	0.8	0.7	9.1	11.1	11.7	4.44	5.97	6.60
Property	NLG VN	11.3	7.3	6.8	(29.6)	54.4	7.6	n/a	0.1	0.9	1.3	1.2	1.1	12.9	16.9	16.4	6.66	10.00	10.99
	NVL VN	23.8	19.2	18.1	(23.3)	23.8	6.6	n/a	0.8	2.7	2.9	2.9	2.9	10.2	11.2	11.1	3.12	3.42	3.33
	KDH VN	16.3	11.9	10.8	(15.8)	37.0	10.6	n/a	0.3	1.0	1.7	1.5	1.4	11.9	14.5	14.2	7.45	8.88	9.35
	VHM VN	14.2	11.2	8.4	20.4	27.1	33.5	0.7	0.4	0.2	1.2	0.9	0.7	30.0	28.7	28.5	11.56	11.88	12.75
Transportatic	ACV VN	21.6	19.9	15.5	5.0	8.3	28.8	4.3	2.4	0.5	3.8	3.2	2.7	20.7	18.8	20.2	12.13	11.39	11.26

Stock ratings and pricing data is as of close on September 11, 2020.

Source: Bloomberg, Yuanta Vietnam

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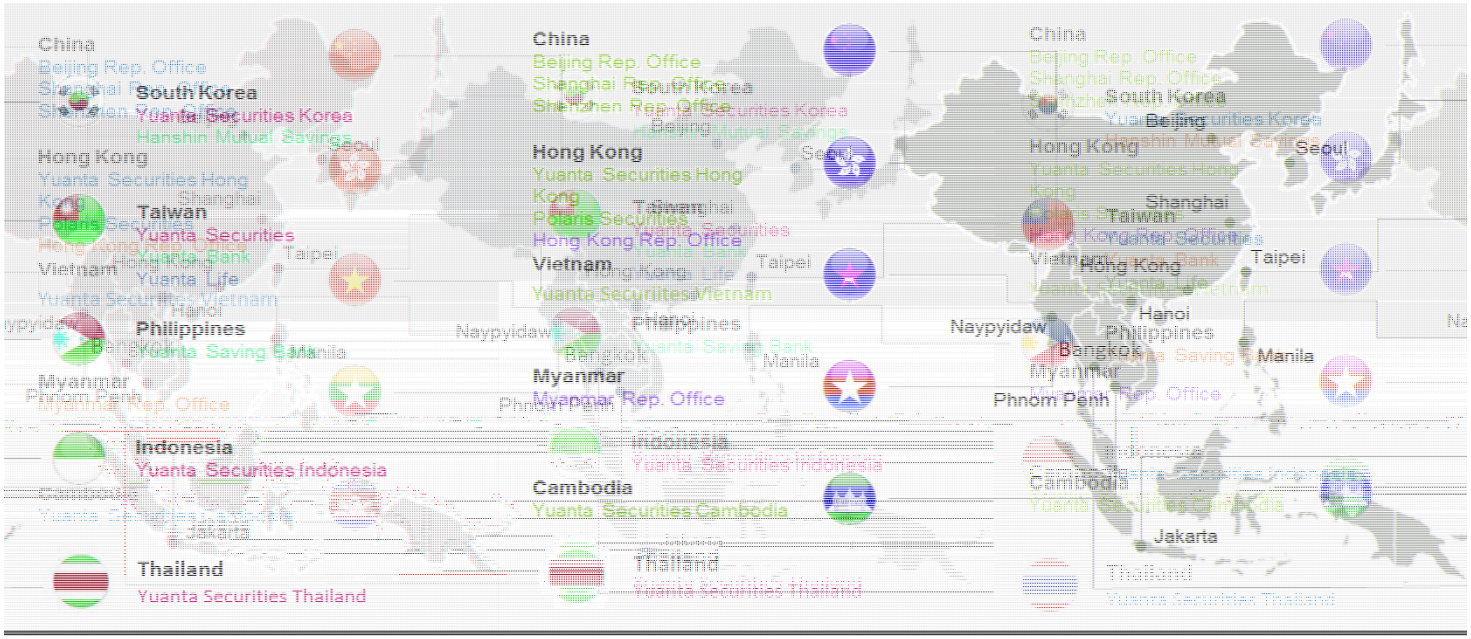

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