

Weekly Wrap: Pushing up against 1000

Matthew Smith, CFA

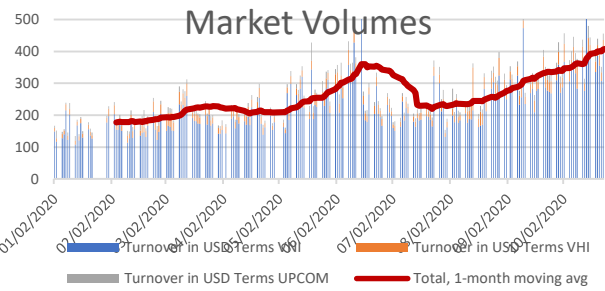
Head of Research

+84 28 3622 6868

matthew.smith@yuanta.com.vn

Market momentum remained strong last week, with the VNI posting a 2.5% week-on-week gain to reach 990 points on Friday, just shy of our 1000-point target for 2020. We would not be surprised to see some consolidation around that level. But volumes remain strong and foreign investors were net buyers of the market, implying upside risk to our target in the last six weeks of the year. In addition, we noticed that the volatility surrounding monthly futures expiration (the third Thursday effect) is no longer as obvious as it used to be.

Market Volumes



Index, Flows, and FX Performance

- **VNINDEX:** 990 (+2.5% WoW / +3.0% YTD / -1.1% YoY)
- **VHINDEX:** 147 (+1.7% WoW / +43.6% YTD / +40.3% YoY)
- **UPCOM Index:** 66.4 (+2.7% WoW / +17.5% YTD / +16.8% YoY)
- **Average daily turnover:** US\$490mn (+25.6% WoW)
- **Foreigners net bought (!!!)** US\$17mn of 3-index constituents
- **VND:USD rate:** 23,180 (-6bps WoW / -3bp YTD / +8bp YoY)

VN30 Components

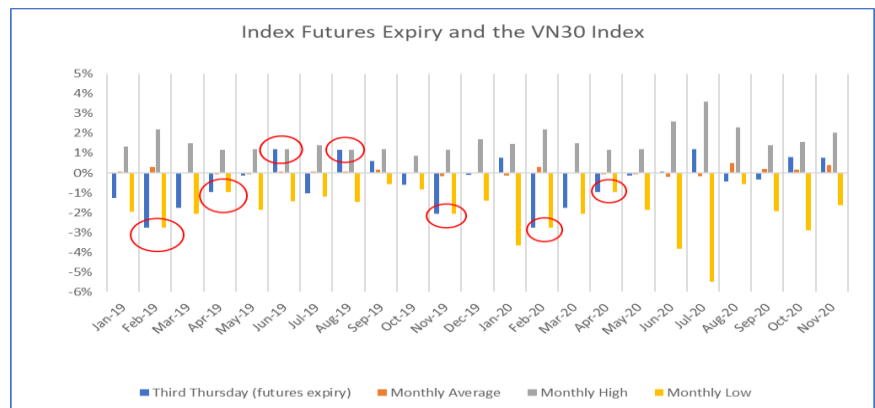
| Ticker | Closing price (VND K) | WoW chg | Cont to VN30 (WoW) | TTM PE (x) |
|--------|-----------------------|---------|--------------------|------------|
| BID | 41.2 | 2.2% | 1% | 19 |
| CTG | 33.2 | 3.9% | 6% | 11 |
| EIB | 17.3 | 0.3% | 0% | 25 |
| FPT | 55.2 | 2.6% | 5% | 13 |
| GAS | 81.8 | 11.3% | 5% | 17 |
| HDB | 25.8 | -0.2% | 0% | 8 |
| HPG | 35.7 | 11.7% | 44% | 11 |
| KDH | 26.5 | 6.9% | 4% | 13 |
| MBB | 19.3 | 0.0% | 0% | 7 |
| MSN | 82.0 | -9.0% | -17% | 40 |
| MWG | 110.8 | -0.3% | -1% | 13 |
| NVL | 61.6 | -0.6% | -1% | 11 |
| PLX | 50.6 | 3.7% | 1% | 74 |
| PNJ | 73.6 | -0.3% | 0% | 16 |
| POW | 9.9 | 1.8% | 0% | 15 |
| REE | 44.5 | 0.0% | 0% | 10 |
| ROS | 2.2 | -1.3% | 0% | -- |
| SAB | 192.0 | 3.8% | 3% | 31 |
| SBT | 17.5 | 8.4% | 2% | 25 |
| SSI | 18.2 | 2.2% | 1% | 10 |
| STB | 14.2 | 1.8% | 2% | 11 |
| TCB | 23.4 | 1.7% | 6% | 7 |
| TCH | 20.3 | 8.8% | 2% | 7 |
| VCB | 92.5 | 6.4% | 14% | 20 |
| VHM | 78.5 | 0.3% | 0% | 11 |
| VIC | 103.8 | -3.4% | -12% | 39 |
| VJC | 118.9 | 5.5% | 10% | -- |
| VNM | 110.9 | 3.3% | 14% | 23 |
| VPB | 25.5 | 4.1% | 10% | 6 |
| BID | 41.2 | 2.2% | 1% | 19 |

Source: Bloomberg, Yuanta Vietnam. Pricing date: November 20, 2020.

Breadth remained positive with the VN30 components posting 21 gainers vs 7 losers and the VNI posting 249 gainers vs 117 losers. Interestingly, breadth on the VNI has been similarly positive YTD, with 233 gainers vs 126 losers since January 1.

Among the large caps, HPG (+11.7% WoW) continued its notable rally; the stock has now soared 86% YTD, which is the best performance of any VN30 component. GAS (+11.3%), TCH (+8.8%), and SBT (+8.4%) also led the market higher. By contrast, MSN (-9.0% WoW) lost traction following its extremely strong rally (it was the best performer of the entire VNI in October) to post the largest drag on the index last week.

Is the third Thursday effect history? VN30 futures typically expire on the third Thursday of each month. In the past, this event has frequently coincided with considerable end-of-day volatility, usually – but not always – on the downside. Since 2019, the third Thursday of the month has seen the worst daily performance of the month five times and the best daily performance twice. However, that anomaly has not reappeared since April. File it in the “things that make you go ‘hmmm’” category.



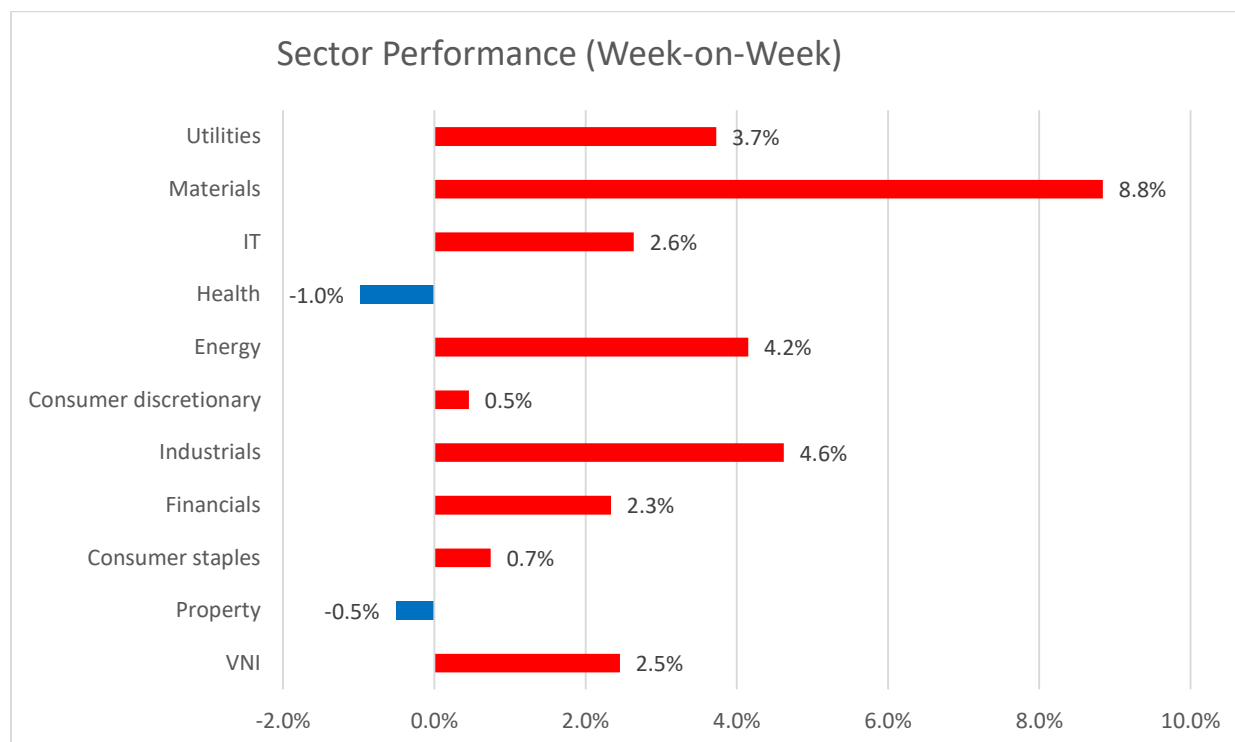
Source: Bloomberg

Yuanta Vietnam Coverage Universe

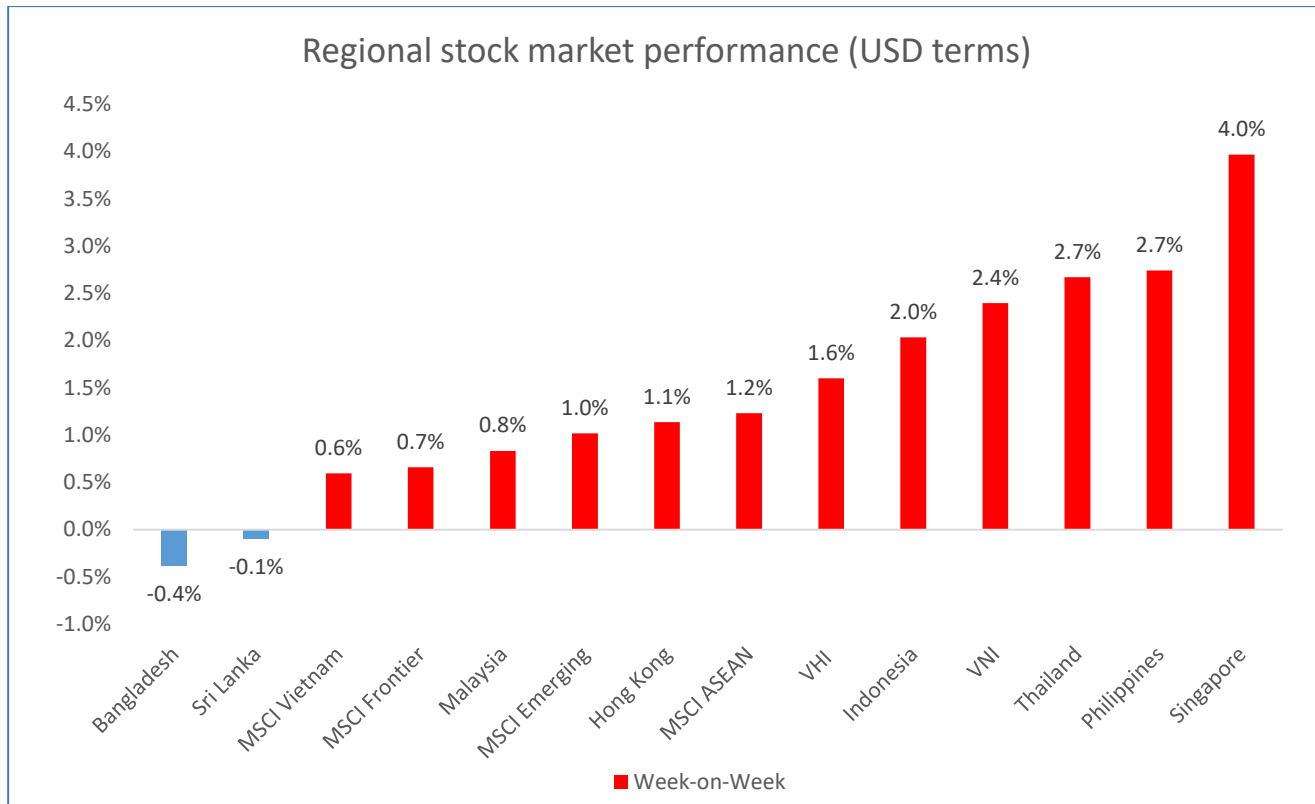
| Sector | Company | Stock code | Market cap (USDm) | 3-month ADT (USDm) | Yuanta Rating | Current price (VND) | Target price (VND) | Up (down) side | 2020E Dividend yield | 12-m TSR* |
|----------------------|-------------------------|------------|-------------------|--------------------|-------------------|---------------------|--------------------|----------------|----------------------|-----------|
| Banks | Asia Commercial Bank | ACB VN | 2,546 | 9.0 | BUY | 27,300 | 25,690 | -6% | 0.0% | -6% |
| | BIDV | BID VN | 7,149 | 3.0 | SELL | 41,200 | 37,300 | -9% | 0.0% | -9% |
| | HD Bank | HDB VN | 1,398 | 2.2 | HOLD-Underperform | 25,800 | 30,095 | 17% | 0.0% | 17% |
| | MB Bank | MBB VN | 2,309 | 5.7 | BUY | 19,300 | 22,500 | 17% | 0.0% | 17% |
| | Sacombank | STB VN | 1,101 | 8.4 | BUY | 14,150 | 12,950 | -8% | 0.0% | -8% |
| | Vietcombank | VCB VN | 14,800 | 4.0 | HOLD-Underperform | 92,500 | 75,140 | -19% | 0.0% | -19% |
| | Vietnam Prosperity Bank | VPB VN | 2,682 | 6.2 | HOLD-Underperform | 25,500 | 22,500 | -12% | 0.0% | -12% |
| Brokers | HCM City Securities | HCM VN | 308 | 2.7 | BUY | 23,400 | 26,532 | 13% | 5.7% | 19% |
| | Saigon Securities | SSI VN | 472 | 4.0 | HOLD-Outperform | 18,200 | 18,328 | 1% | 3.4% | 4% |
| | Viet Capital Securities | VCI VN | 291 | 1.5 | HOLD-Underperform | 40,700 | 26,449 | -35% | 2.0% | -33% |
| | VNDirect Securities | VND VN | 154 | 0.9 | HOLD-Underperform | 17,100 | 13,150 | -23% | 4.1% | -19% |
| Energy | PV POW | POW VN | 998 | 2.2 | BUY | 9,880 | 13,137 | 33% | 3.0% | 36% |
| | PV NT2 | NT2 VN | 286 | 0.2 | BUY | 23,000 | 25,181 | 9% | 8.7% | 18% |
| | PCC1 | PC1 VN | 177 | 0.3 | BUY | 25,800 | 24,092 | -7% | 0.0% | -7% |
| Consumer | Masan Group | MSN VN | 4,155 | 7.6 | HOLD-Outperform | 82,000 | 84,908 | 4% | 0.0% | 4% |
| | Phu Nhuan Jewelry | PNJ VN | 715 | 2.6 | HOLD-Outperform | 73,600 | 86,200 | 17% | 2.7% | 20% |
| | Digiworld | DCW VN | 132 | 1.1 | HOLD-Outperform | 70,900 | 31,574 | -55% | 2.0% | -53% |
| Oil & GAS | PV Drilling | PVD VN | 230 | 3.1 | HOLD-Outperform | 12,650 | 10,429 | -18% | 0.0% | -18% |
| Property | Nam Long | NLG VN | 338 | 1.1 | BUY | 28,450 | 36,400 | 28% | 1.8% | 30% |
| | Novaland | NVL VN | 2,620 | 3.6 | HOLD-Outperform | 61,600 | 65,073 | 6% | 0.0% | 6% |
| | Khang Dien | KDH VN | 638 | 0.9 | BUY | 26,450 | 31,081 | 18% | 1.9% | 19% |
| | Vinhomes | VHM VN | 11,140 | 7.3 | BUY | 78,500 | 94,862 | 21% | 0.0% | 21% |
| Transport | Airports Corp Vietnam | ACV VN | 6,940 | 0.7 | HOLD-Underperform | 73,900 | 76,400 | 3% | 0.7% | 4% |

*Notes: 1) TSR = Total shareholder return over the next 12 months inclusive of expected share price change and dividends. 2) 3-month ADT refers to matched orders and does not include put-through blocks. 3) Stock ratings and pricing data is as of close on November 20, 2020.

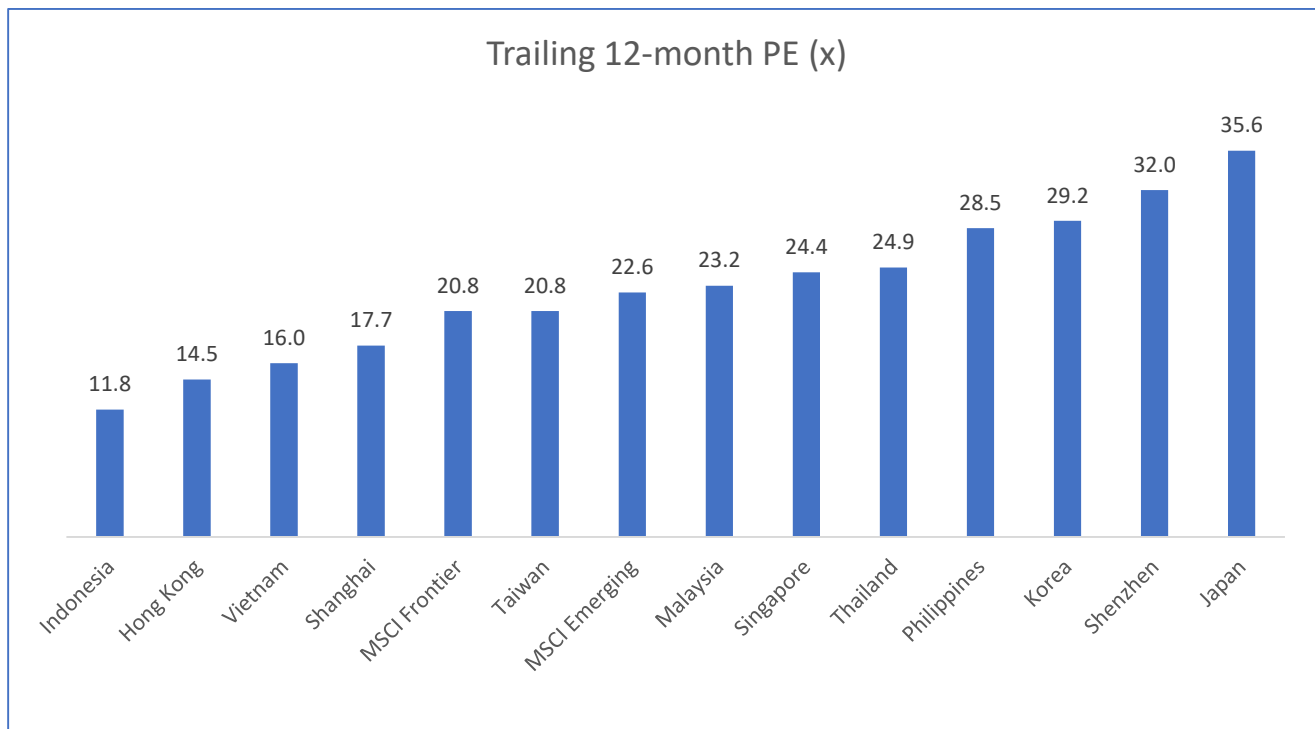
Source: Bloomberg, Yuanta Vietnam



Source: Bloomberg



Source: Bloomberg



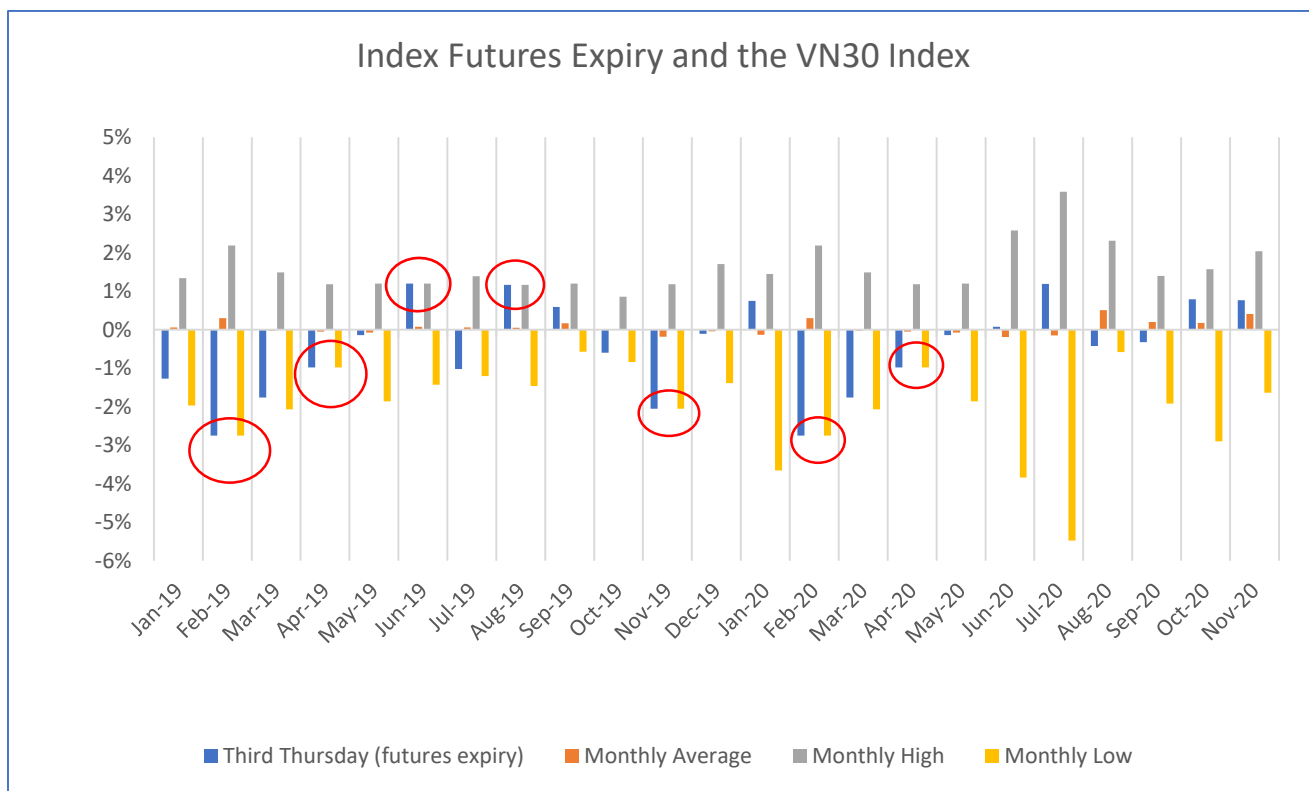
Source: Bloomberg

Is the Third Thursday Anomaly History?

Given all the fun that 2020 has brought to the world, it is perhaps understandable that we were distracted from our study of the volatility that has coincided, or used to coincide, with VN30 monthly futures expiration. Futures expiration typically occurs on the third Thursday of each month. Early in our days as a Vietnam stock analyst, we noticed that often – but not always – the market would either plummet or soar coincidental to this event, and usually within a few minutes of the daily close.

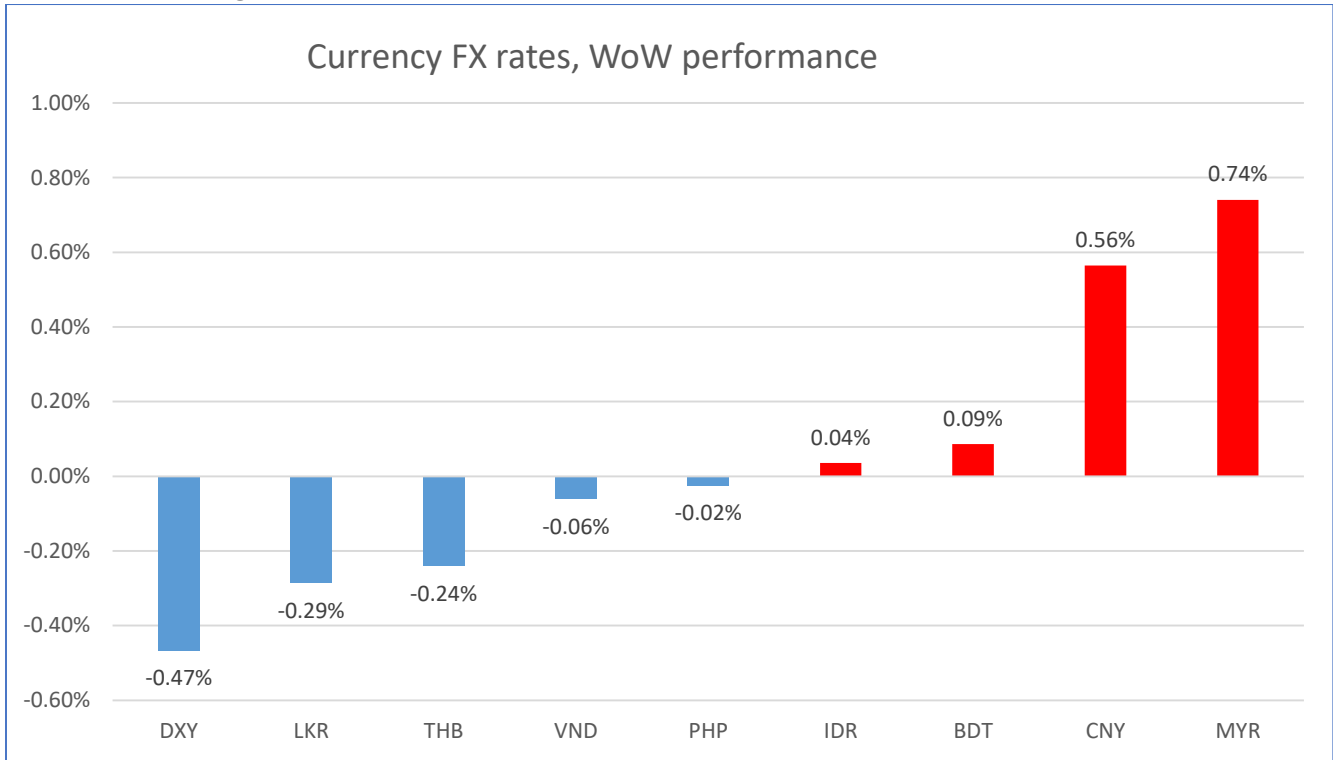
The chart below illustrates this tendency. The third Thursday saw the worst daily closing performance of the month in February, April, and November 2019 and also in February and April 2020. By contrast, the VN30 index posted its best daily closing performance of the month on the futures expiry (i.e., the third Thursday) of June and August of 2019. We are not statisticians, but the frequency of this coincidence leads us to infer that it may not been more than a simple random effect.

However, and interestingly, we can't find evidence for the same effect occurring in any month subsequent to April 2020, including last week's futures expiry on November 19. After April, the options expiration date has not brought about any obvious volatility especially relative to the overall market's day-to-day volatility, which has of course been substantially higher since February than it had been in 2019. Rather than suggesting reasons for the apparent change, we will file this observation in our "things that make you go 'hmmm'" folder and simply suggest that investors keep an eye out for a resurgence of the third Thursday effect going forward.



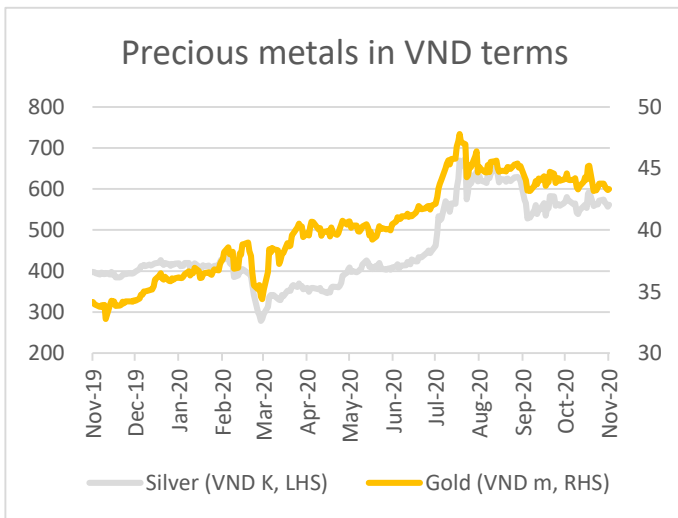
Source: FiinPro, Yuanta Vietnam

Regional currencies: VND declined 4bps WoW vs a 78bp increase in DXY



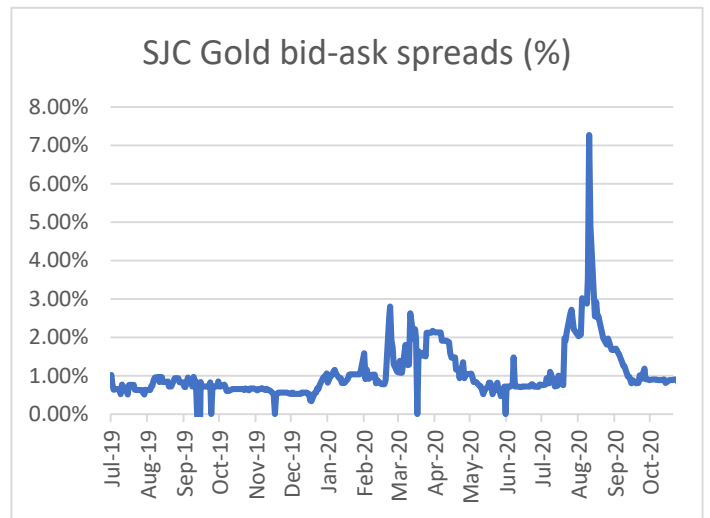
Source: Bloomberg

Gold has flattened, providing little incentive for a recovery in PM speculation.



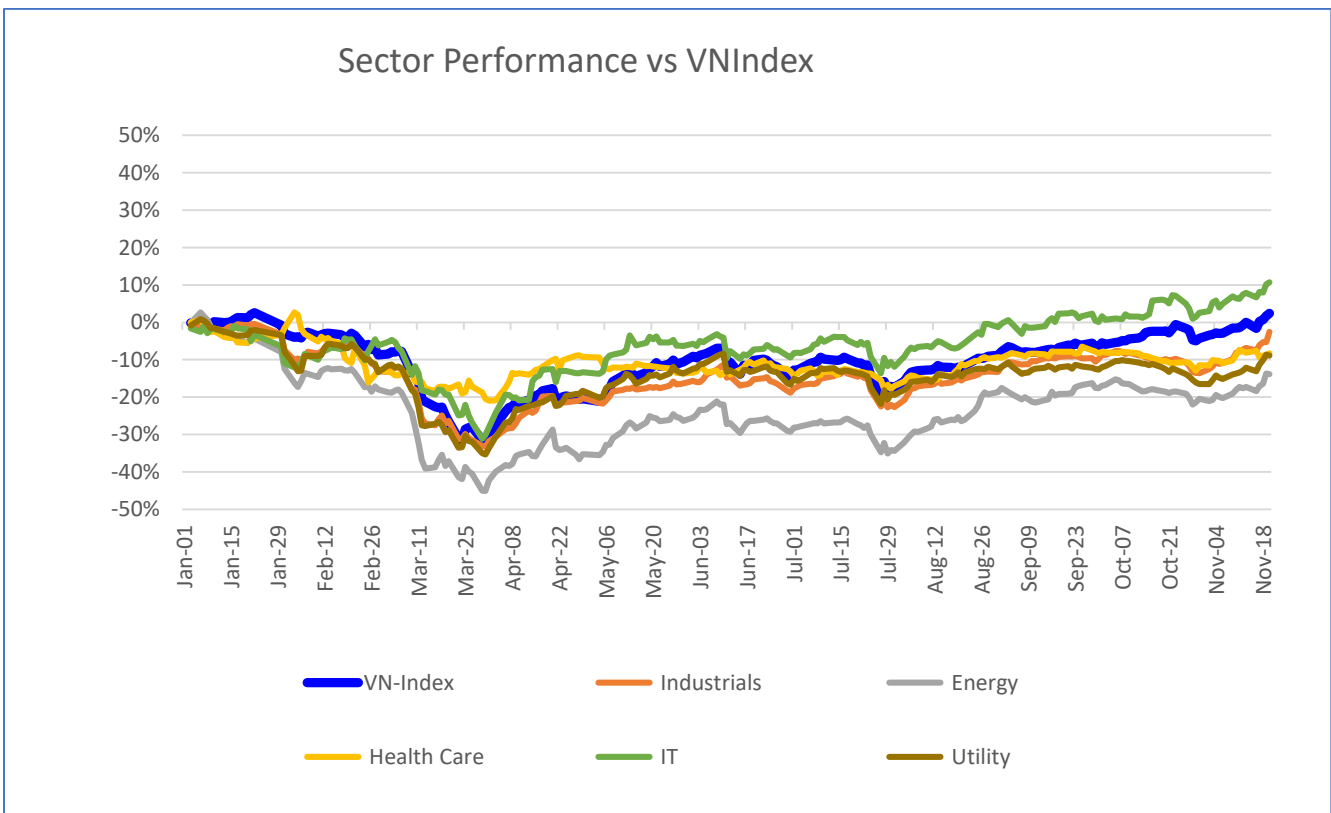
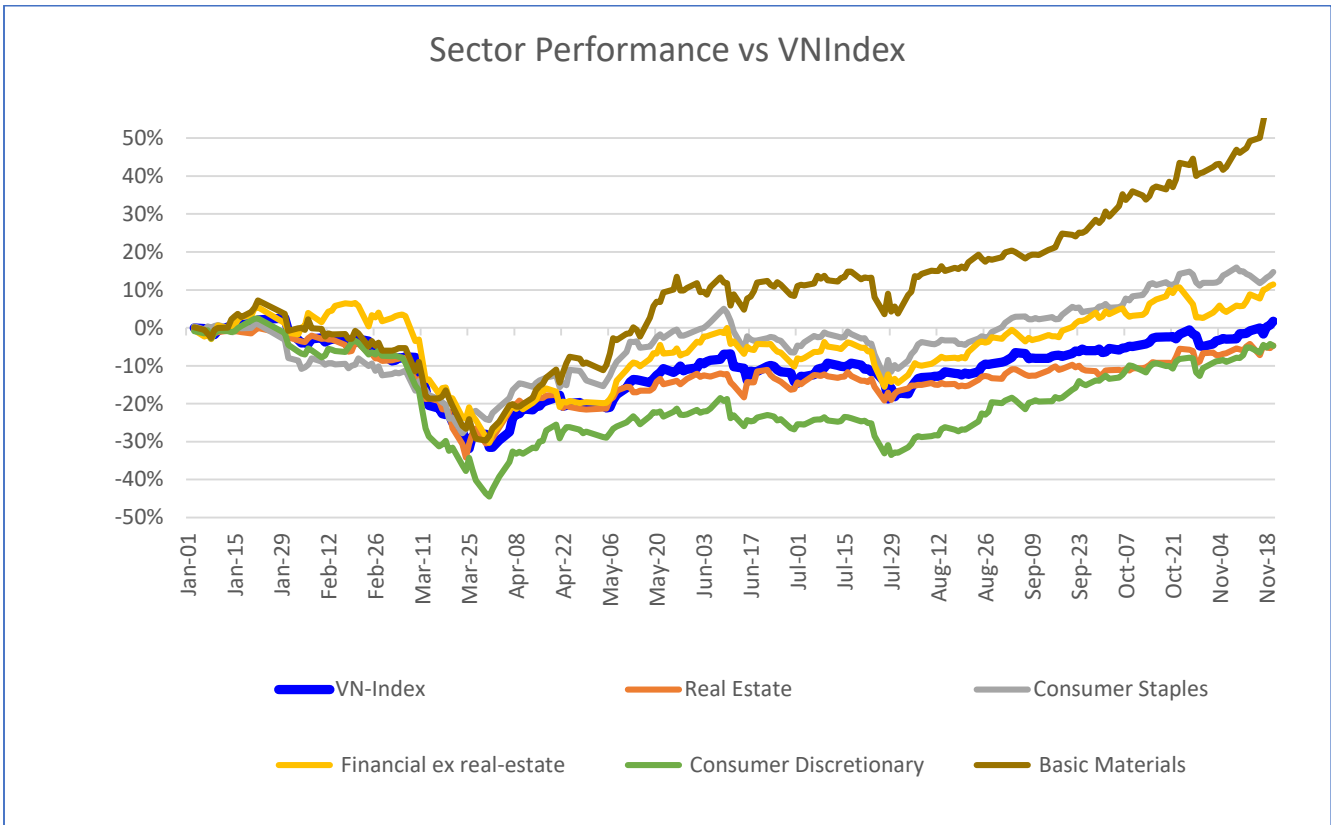
Source: Bloomberg, Yuanta Vietnam. This data represents XAUVND and XAGVND and is not an on-the-ground price.

Physical gold spreads remain subdued in Vietnam. That could change if gold's global rally returns.



Source: FiinPro, Yuanta Vietnam

Note: The Aug 12 bid-ask spread was highest since Feb 2015.



Source: Bloomberg

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 | 7.5 | 9.3 | 7.2 | 18.1 | (19.0) | 28.2 | 0.4 | n/a | 0.3 | 1.6 | 1.5 | 1.3 | 24.2 | 18.6 | 19.2 | 1.7 | 1.5 | 1.8 |
| | BID VN | 23.1 | 19.9 | 16.4 | 9.1 | 16.5 | 21.4 | 2.5 | 1.2 | 0.8 | 2.1 | 2.0 | 1.9 | 10.5 | 10.9 | 12.4 | 0.5 | 0.5 | 0.6 |
| | HDB VN | 7.0 | 6.9 | 6.4 | 21.1 | 1.4 | 8.8 | 0.3 | 5.0 | 0.7 | 1.3 | 1.4 | 1.1 | 19.4 | 18.2 | 18.3 | 1.6 | 1.6 | 1.7 |
| | MBB VN | 5.5 | 5.7 | 5.2 | 44.3 | (2.4) | 8.7 | 0.1 | n/a | 0.6 | 1.2 | 1.1 | 0.9 | 21.1 | 19.0 | 18.5 | 2.0 | 2.0 | 2.0 |
| | STB VN | 12.6 | 12.9 | 9.7 | 43.3 | (2.3) | 33.8 | 0.3 | n/a | 0.3 | 1.0 | 0.9 | 0.8 | 7.9 | 7.1 | 8.8 | 0.5 | 0.4 | 0.5 |
| | VCB VN | 20.6 | 20.4 | 16.5 | 34.8 | 1.3 | 23.6 | 0.6 | 15.5 | 0.7 | 4.2 | 3.5 | 3.0 | 23.2 | 18.9 | 19.7 | 1.4 | 1.3 | 1.5 |
| | VPB VN | 7.6 | 8.8 | 6.8 | 11.6 | (13.9) | 28.8 | 0.7 | n/a | 0.2 | 1.5 | 1.3 | 1.1 | 21.5 | 15.5 | 17.0 | 2.4 | 1.8 | 2.1 |
| Brokers | HCM VN | 16.0 | 16.0 | 9.9 | (49.0) | (0.3) | 61.2 | n/a | n/a | 0.2 | 1.6 | 1.6 | 1.5 | 11.7 | 11.0 | 17.1 | 6.2 | 5.9 | 8.8 |
| | SSI VN | 11.8 | 12.9 | 9.2 | (32.5) | (8.0) | 39.4 | n/a | n/a | 0.2 | 1.1 | 1.1 | 1.0 | 9.8 | 8.7 | 11.4 | 3.6 | 2.9 | 3.5 |
| | VCI VN | 9.8 | 14.5 | 11.3 | (16.3) | (32.6) | 28.4 | n/a | n/a | 0.4 | 1.7 | 1.5 | 1.4 | 18.0 | 11.1 | 13.0 | 9.9 | 5.9 | 6.8 |
| | VND VN | 9.8 | 15.4 | 9.6 | (4.3) | (36.1) | 59.5 | n/a | n/a | 0.2 | 1.1 | 1.1 | 1.0 | 12.3 | 7.4 | 11.2 | 3.3 | 1.9 | 2.7 |
| Energy | PVD VN | 28.2 | 106.1 | (125.4) | (4.0) | (73.4) | (184.6) | n/a | n/a | n/a | 0.4 | 0.4 | 0.4 | 17.1 | 0.4 | (0.3) | 0.9 | 0.2 | (0.2) |
| | NT2 VN | 9.0 | 9.6 | 8.9 | (2.7) | (6.6) | 7.2 | n/a | n/a | 1.2 | 1.6 | 1.7 | 1.7 | 19.3 | 7.4 | 19.7 | 9.2 | 9.9 | 11.7 |
| | PC1 VN | 11.5 | 7.6 | 8.2 | (32.1) | 52.4 | (7.7) | n/a | 0.1 | n/a | 1.1 | 1.0 | 0.9 | 10.2 | 14.4 | 11.8 | 4.8 | 6.6 | 5.6 |
| Consumer | MSN VN | 17.2 | 19.0 | 15.4 | 4.8 | (9.6) | 22.9 | 3.6 | n/a | 0.7 | 2.7 | 2.4 | 2.1 | 17.3 | 13.5 | 14.5 | 8.4 | 7.0 | 8.0 |
| | PNJ VN | 16.0 | 12.8 | 10.5 | (13.6) | 24.4 | 22.4 | n/a | 0.5 | 0.5 | 2.7 | 2.2 | 1.8 | 27.5 | 27.9 | 27.7 | 17.8 | 16.9 | 18.1 |
| | DGW VN | 20.9 | 17.0 | 15.6 | 24.5 | 23.3 | 8.5 | 0.9 | 0.7 | 1.8 | 3.4 | 3.1 | 2.7 | 17.1 | 18.9 | 18.4 | 6.1 | 7.1 | 7.1 |
| Oil & GAS | POW VN | 11.7 | 10.3 | 9.6 | (18.0) | 14.1 | 7.5 | n/a | 0.7 | 1.3 | 0.7 | 0.7 | 0.7 | 6.8 | 7.4 | 7.6 | 3.9 | 4.5 | 4.5 |
| Property | NLG VN | 11.5 | 7.4 | 6.9 | (29.6) | 54.4 | 7.6 | n/a | 0.1 | 0.9 | 1.3 | 1.2 | 1.1 | 12.9 | 16.9 | 16.4 | 6.7 | 10.0 | 11.0 |
| | NVL VN | 23.3 | 18.8 | 17.7 | (23.3) | 23.8 | 6.6 | n/a | 0.8 | 2.7 | 2.8 | 2.8 | 2.8 | 10.2 | 11.2 | 11.1 | 3.1 | 3.4 | 3.3 |
| | KDH VN | 17.9 | 13.1 | 11.8 | (15.8) | 37.0 | 10.6 | n/a | 0.4 | 1.1 | 1.9 | 1.7 | 1.5 | 11.9 | 14.5 | 14.2 | 7.5 | 8.9 | 9.4 |
| | VHM VN | 14.3 | 11.3 | 8.4 | 20.4 | 27.1 | 33.5 | 0.7 | 0.4 | 0.3 | 1.2 | 0.9 | 0.7 | 30.0 | 28.7 | 28.5 | 11.6 | 11.9 | 12.7 |
| Transportati | ACV VN | 26.0 | 24.0 | 18.7 | 5.0 | 8.3 | 28.8 | 5.2 | 2.9 | 0.6 | 4.5 | 3.9 | 3.2 | 20.7 | 18.8 | 20.2 | 12.1 | 11.4 | 11.3 |

Stock ratings and pricing data is as of close on November 20, 2020.

Source: Bloomberg, Yuanta Vietnam



Appendix A: Important Disclosures

Analyst Certification

Each research analyst primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report.

Ratings Definitions

BUY: We have a positive outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors add to their position.

HOLD–Outperform: In our view, the stock's fundamentals are relatively more attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.

HOLD–Underperform: In our view, the stock's fundamentals are relatively less attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.

SELL: We have a negative outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors reduce their position.

Under Review: We actively follow the company, although our estimates, rating and target price are under review.

Restricted: The rating and target price have been suspended temporarily to comply with applicable regulations and/or Yuanta policies.

Note: Yuanta research coverage with a Target Price is based on an investment period of 12 months. Greater China Discovery Series coverage does not have a formal 12 month Target Price and the recommendation is based on an investment period specified by the analyst in the report.

Global Disclaimer

© 2019 Yuanta. All rights reserved. The information in this report has been compiled from sources we believe to be reliable, but we do not hold ourselves responsible for its completeness or accuracy. It is not an offer to sell or solicitation of an offer to buy any securities. All opinions and estimates included in this report constitute our judgment as of this date and are subject to change without notice.

This report provides general information only. Neither the information nor any opinion expressed herein constitutes an offer or invitation to make an offer to buy or sell securities or other investments. This material is prepared for general circulation to clients and is not intended to provide tailored investment advice and does not take into account the individual financial situation and objectives of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities, investments or investment strategies discussed or recommended in this report. The information contained in this report has been compiled from sources believed to be reliable but no representation or warranty, express or implied, is made as to its accuracy, completeness or correctness. This report is not (and should not be construed as) a solicitation to act as securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on such business in that jurisdiction.

Yuanta research is distributed in the United States only to Major U.S. Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended and SEC staff interpretations thereof). All transactions by a US person in the securities mentioned in this report must be effected through a registered broker-dealer under Section 15 of the Securities Exchange Act of 1934, as amended. Yuanta research is distributed in Taiwan by Yuanta Securities Investment Consulting. Yuanta research is distributed in Hong Kong by Yuanta Securities (Hong Kong) Co. Limited, which is licensed in Hong Kong by the Securities and Futures Commission for regulated activities, including Type 4 regulated activity (advising on securities). In Hong Kong, this research report may not be redistributed, retransmitted or disclosed, in whole or in part or and any form or manner, without the express written consent of Yuanta Securities (Hong Kong) Co. Limited.

Taiwan persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research
Yuanta Securities Investment Consulting
4F, 225,
Section 3 Nanking East Road, Taipei 104
Taiwan

Hong Kong persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research
Yuanta Securities (Hong Kong) Co. Ltd
23/F, Tower 1, Admiralty Centre
18 Harcourt Road,
Hong Kong

Korean persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Head Office
Yuanta Securities Building
Euljiro 76 Jung-gu
Seoul, Korea 100-845
Tel: +822 3770 3454

Indonesia persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research
PT YUANTA SECURITIES INDONESIA
(A member of the Yuanta Group)
Equity Tower, 10th Floor Unit EFGH
SCBD Lot 9
Jl. Jend. Sudirman Kav. 52-53
Tel: (6221) - 5153608 (General)

Thailand persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Research department
Yuanta Securities (Thailand)
127 Gaysorn Tower, 16th floor
Ratchadamri Road, Pathumwan
Bangkok 10330

Vietnam persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Research department
Yuanta Securities (Vietnam)
4th Floor, Saigon Centre
Tower 1, 65 Le Loi Boulevard,
Ben Nghe Ward, District 1,
HCMC, Vietnam

YUANTA SECURITIES NETWORK

China
Beijing Rep. Office
Shanghai Rep. Office
Shenzhen Rep. Office

Hong Kong
Yuanta Securities Hong Kong
Polaris Securities
Hong Kong Rep. Office

Vietnam
Yuanta Securities Vietnam

Myanmar
Myanmar Rep. Office

Cambodia
Yuanta Securities Cambodia



South Korea
Yuanta Securities Korea
Hanshin Mutual Savings

Taiwan
Yuanta Securities
Yuanta Bank
Yuanta Life

Philippines
Yuanta Saving Bank

Indonesia
Yuanta Securities Indonesia

Thailand
Yuanta Securities Thailand

YUANTA SECURITIES VIETNAM OFFICE

Head office: 4th Floor, Saigon Centre, Tower 1, 65 Le Loi Boulevard, Ben Nghe Ward, District 1, HCMC, Vietnam

Institutional Research

Matthew Smith, CFA
Head of Research
Tel: +84 28 3622 6868 (ext. 3815)
matthew.smith@yuanta.com.vn

Binh Truong
Deputy Head of Research (O&G, Energy)
Tel: +84 28 3622 6868 (3845)
binh.truong@yuanta.com.vn

Tanh Tran
Analyst (Banks)
Tel: +84 28 3622 6868 (3874)
tanh.tran@yuanta.com.vn

Tam Nguyen
Analyst (Property)
Tel: +84 28 3622 6868 (3874)
tam.nguyen@yuanta.com.vn

Tram Nguyen
Assistant Analyst
Tel: +84 28 3622 6868 (ext. 3845)
tram.nguyen@yuanta.com.vn

Institutional Sales

Huy Nguyen
Head of Institutional sales
Tel: +84 28 3622 6868 (3808)
huy.nguyen@yuanta.com.vn

Duyen Nguyen
Sales Trader
Tel: +84 28 3622 6868 (3890)
duyen.nguyen@yuanta.com.vn