

Strategy Weekly: New trading accounts reached another monthly record high in March

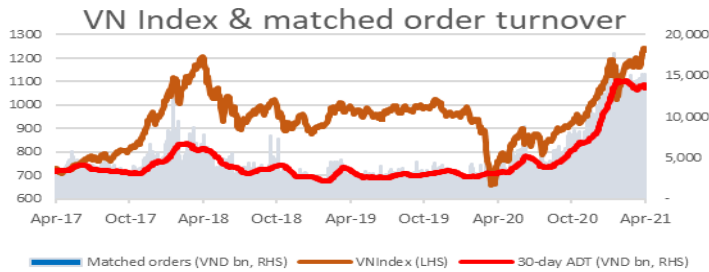
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The VNI started off the week with a bang, trading up 2% on Monday's open (which was 1245 points – the market's record high, for now). However, momentum softened marginally after Monday's open, with the index basically flattening for the remainder of the week. We reckon the market will regain positive momentum for the next couple of weeks but remain wary of the typical "sell in May" seasonality.



Index, Flows, and FX Performance

- **VNINDEX:** 1232 (+0.6% WoW / +11.6% YTD / +62.0% YoY)
- **VHINDEX:** 294 (-0.4% WoW / +44.6% YTD / +179.6% YoY)
- **UPCOM Index:** 83.0 (+0.9% WoW / +11.5% YTD / +63.6% YoY)
- **Average daily turnover:** US\$890mn (+3.2% WoW)
- **Foreigners net bought** US\$103mn of three-index constituents
- **VND:USD rate:** 23,073 (flat WoW / +11bp YTD / +1.97% YoY)

VN30 Components

Ticker	Closing price (VND K)	WoW chg	Cont to VN30 (WoW)	TTM PE (x)
BID	44.3	-1.6%	-1%	25
BVH	62.4	1.0%	0%	30
CTG	42.5	2.9%	5%	12
FPT	82.1	2.9%	11%	18
GAS	88.8	-1.7%	-1%	22
HDB	28.0	2.8%	7%	10
HPG	49.6	1.0%	7%	12
KDH	31.9	1.8%	2%	16
MBB	31.4	5.9%	24%	11
MSN	92.1	-0.6%	-2%	87
MWG	133.3	-1.1%	-3%	15
NVL	90.0	9.8%	25%	23
PDR	68.6	6.2%	6%	26
PLX	55.9	-1.1%	-1%	77
PNJ	90.3	1.8%	2%	20
POW	13.8	1.5%	1%	14
REE	53.5	-0.4%	0%	10
SBT	22.7	-0.9%	0%	24
SSI	35.3	2.8%	3%	17
STB	22.7	0.4%	1%	15
TCB	41.6	0.8%	6%	12
TCH	26.4	9.1%	4%	10
TPB	28.8	1.8%	2%	8
VCB	97.5	-0.3%	-1%	20
VHM	98.9	-1.8%	-6%	12
VIC	124.9	1.5%	10%	73
VJC	131.8	-0.4%	-1%	998
VNM	99.8	-2.8%	-18%	21
VPB	47.2	2.2%	14%	11
VRE	35.0	3.4%	5%	34

Source: Bloomberg, Yuanta Vietnam. Pricing date: April 9, 2021.

Weekly breadth was slightly less positive on the VNI (217 gainers / 154 losers) and VN30 (19 gainers / 11 losers). Weekly outperformers included NVL (+9.8% WoW), TCH (+9.1%), and MBB (+5.9%) – one of our [top picks](#) in the banking sector. MBB's 1Q21 PBT reached VN4.6 tn (+108% YoY), completing 32% of management's full-year target.

Property Analyst Tam Nguyen has initiated coverage on KBC with a BUY rating and target price of VND 56,200, implying 47% 12-month TSR. KBC's substantial industrial landbank positions the stock as an optimal proxy on Vietnam's advantageous role in the global manufacturing diversification story. KBC also has considerable urban residential landbank, and several of its projects have recently emerged from administrative limbo. KBC's 1Q21 PAT was up +6.8x YoY.

Credit growth picked up in March. The SBV announced that total credit expanded by 2.93% in 1Q21. Credit was only up 0.67% YTD as of February 26, so it is clear that credit growth in March was particularly strong. The SBV's official target for 2021 credit expansion remains 12%. However, credit growth is typically stronger in the second half of the year, implying upside risk assuming economic activity remains buoyant. We forecast full-year credit growth of 14%, 2ppt higher than the SBV's target.

Foreigners net bought US\$103mn worth of Vietnam stocks, the first week of net buying since early February. However, this was primarily driven by US\$95mn of net buying of VNM (-2.8% WoW), which is possibly attributable to a strategic investor.

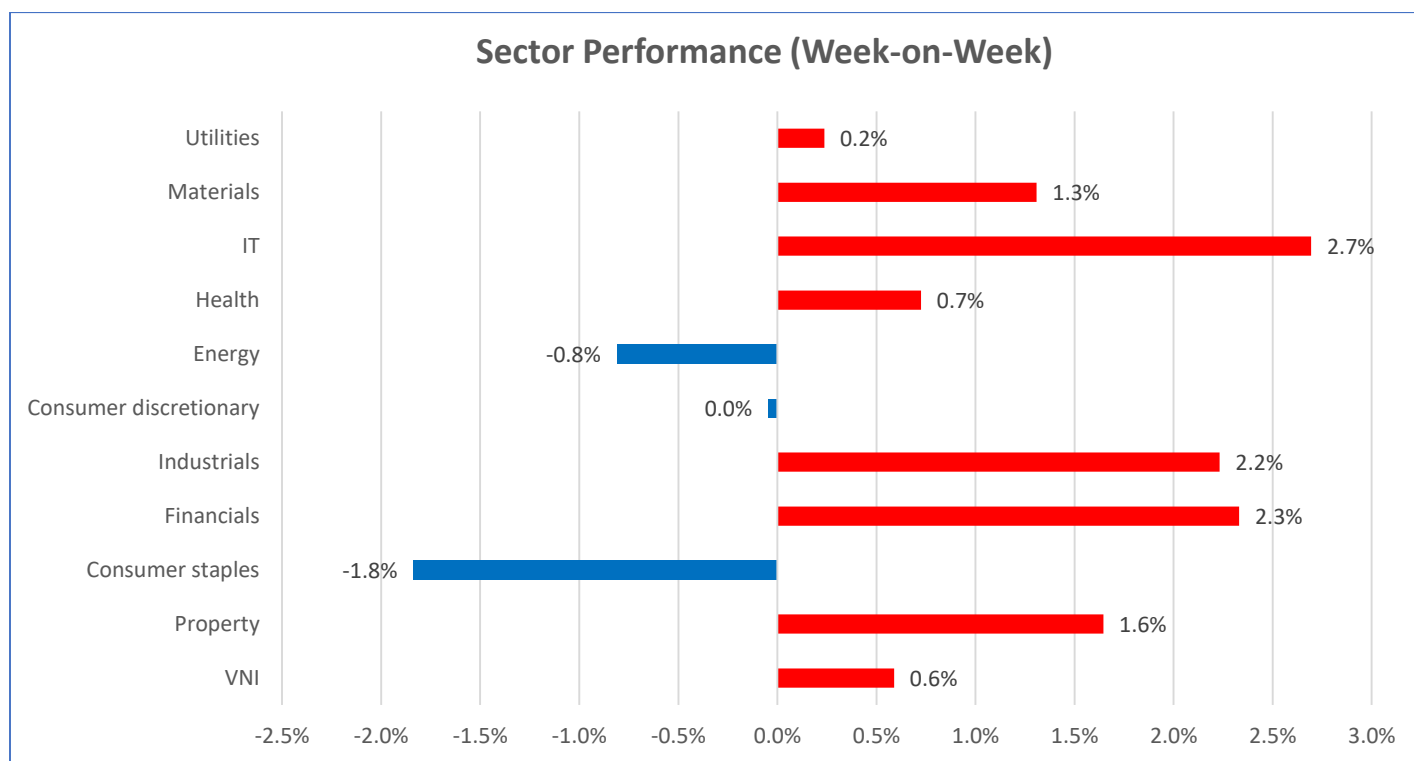
The number of new securities trading accounts opened in March reached 114k, +98% MoM / +254% YoY. New accounts have thus totaled 258k in 1Q21, up 325% YoY. Put another way, 400K new accounts have been opened in the past six months. Even if we allow for multiple accounts held by the same individuals, the number of active investors has probably more than doubled in 4Q20-1Q21.

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	3,223	12.9	BUY	34,400	38,115	11%	0.0%	11%
	BIDV	BID VN	7,722	4.6	SELL	44,300	37,300	-16%	0.0%	-16%
	HD Bank	HDB VN	1,934	5.2	BUY	28,000	23,711	-15%	0.0%	-15%
	MB Bank	MBB VN	3,803	21.5	BUY	31,350	34,233	9%	0.0%	9%
	Sacombank	STB VN	1,774	26.0	HOLD-Underperform	22,700	16,790	-26%	0.0%	-26%
	Vietcombank	VCB VN	15,673	5.9	BUY	97,500	114,650	18%	0.8%	18%
	Vietnam Prosperity Bank	VPB VN	5,022	9.3	HOLD-Underperform	47,200	22,500	-52%	0.0%	-52%
Brokers	HCM City Securities	HCM VN	446	6.4	BUY	33,700	26,532	-21%	3.9%	-17%
	Saigon Securities	SSI VN	987	18.3	HOLD-Outperform	35,250	18,328	-48%	1.7%	-46%
	Viet Capital Securities	VCI VN	491	3.5	HOLD-Underperform	68,400	26,449	-61%	1.2%	-60%
	VNDirect Securities	VND VN	332	6.6	HOLD-Underperform	35,700	13,150	-63%	1.9%	-61%
Energy	PV POW	POW VN	1,401	8.3	BUY	13,800	13,137	-5%	2.2%	-3%
	PV NT2	NT2 VN	277	0.8	SELL	22,200	19,318	-13%	6.8%	-6%
	PCC1	PC1 VN	227	1.1	BUY	27,450	24,092	-12%	0.0%	-12%
Consumer	Masan Group	MSN VN	4,689	6.8	HOLD-Outperform	92,100	84,908	-8%	0.0%	-8%
	Phu Nhuan Jewelry	PNJ VN	890	2.0	BUY	90,300	92,197	2%	2.0%	4%
	Digiworld	DGW VN	226	1.5	HOLD-Outperform	121,000	31,574	-74%	1.2%	-73%
Oil & GAS	PV Drilling	PVD VN	412	10.1	HOLD-Outperform	22,600	10,429	-54%	0.0%	-54%
Property	Nam Long	NLG VN	431	2.4	HOLD-Outperform	34,850	30,517	-12%	1.4%	-11%
	Novaland	NVL VN	3,866	10.1	HOLD-Outperform	90,000	65,073	-28%	0.0%	-28%
	Khang Dien	KDH VN	771	2.2	BUY	31,850	31,081	-2%	1.6%	-1%
	Vinhomes	VHM VN	14,100	11.2	BUY	98,900	94,862	-4%	0.0%	-4%
Transport	Airports Corp Vietnam	ACV VN	6,897	0.9	HOLD-Underperform	73,100	76,400	5%	0.7%	5%
Industrials	Dohaco	DHC VN	212	1.1	BUY	87,500	97,871	12%	5.1%	17%

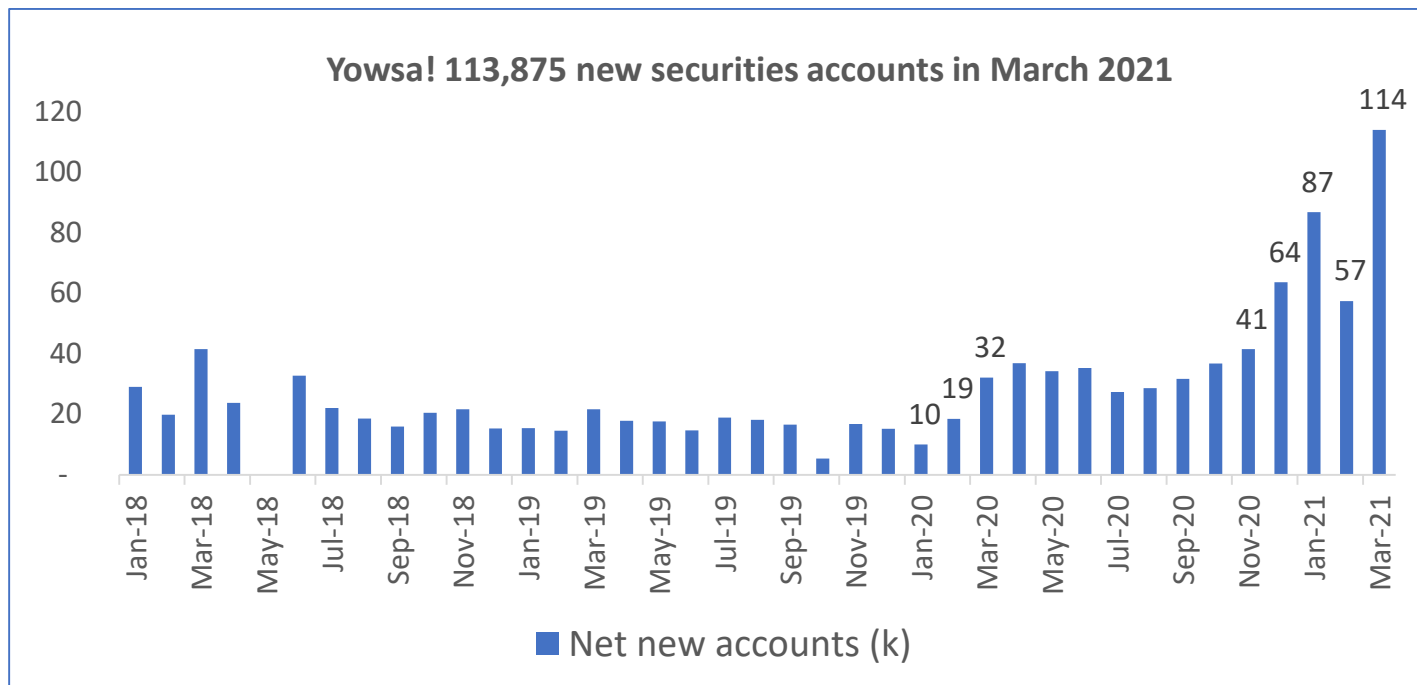
*Notes: 1) TSR = Total shareholder return over the next 12 months inclusive of expected share price change and dividends. 2) 3-month ADT refers to matched orders and does not include put-through blocks. 3) Stock ratings and pricing data is as of close on April 9, 2021.

Source: Bloomberg, Yuanta Vietnam



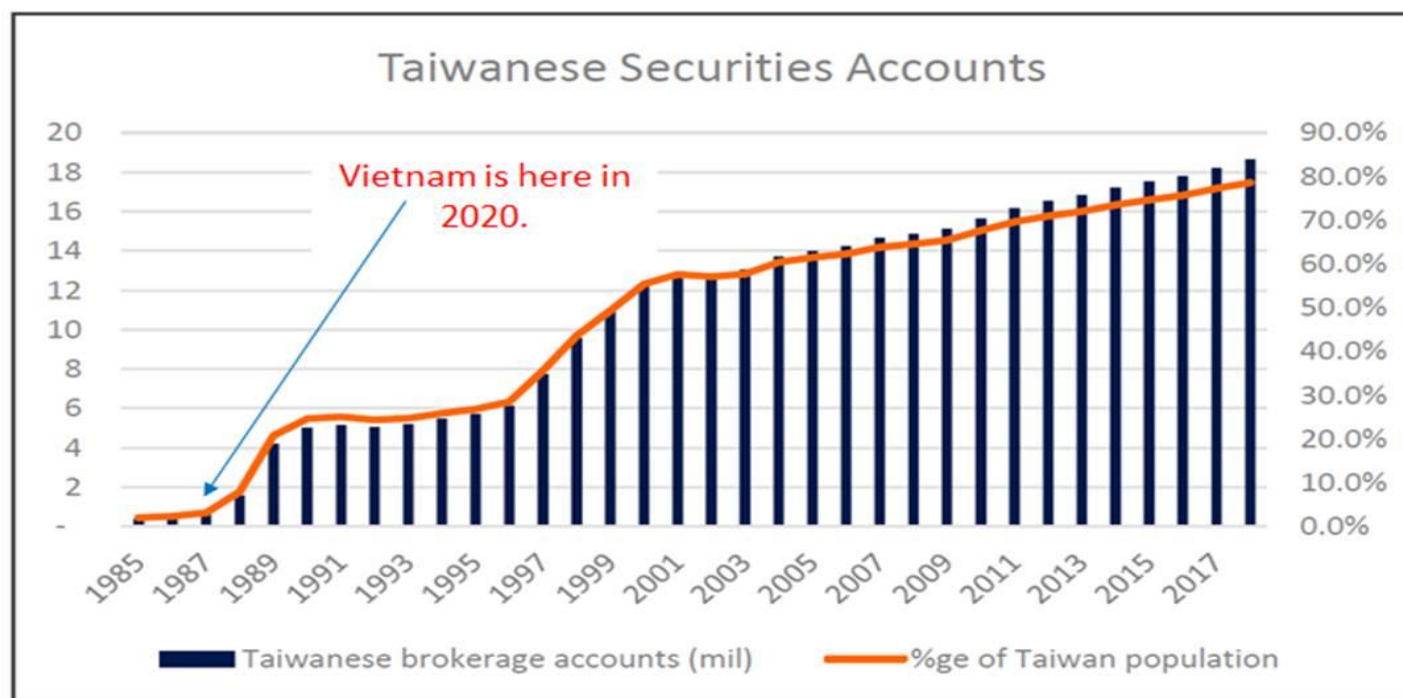
Source: Bloomberg (April 9)

This is what a bull market looks like. The number of new securities trading accounts in March reached 114k, +98% MoM / +254% YoY. The number for 1Q21 reached 258k accounts, up 325% YoY. Put another way, in the past six months, 400K new accounts have been opened. Even if we allow for multiple accounts held by the same individuals, the number of active investors has more than doubled in the past six months.



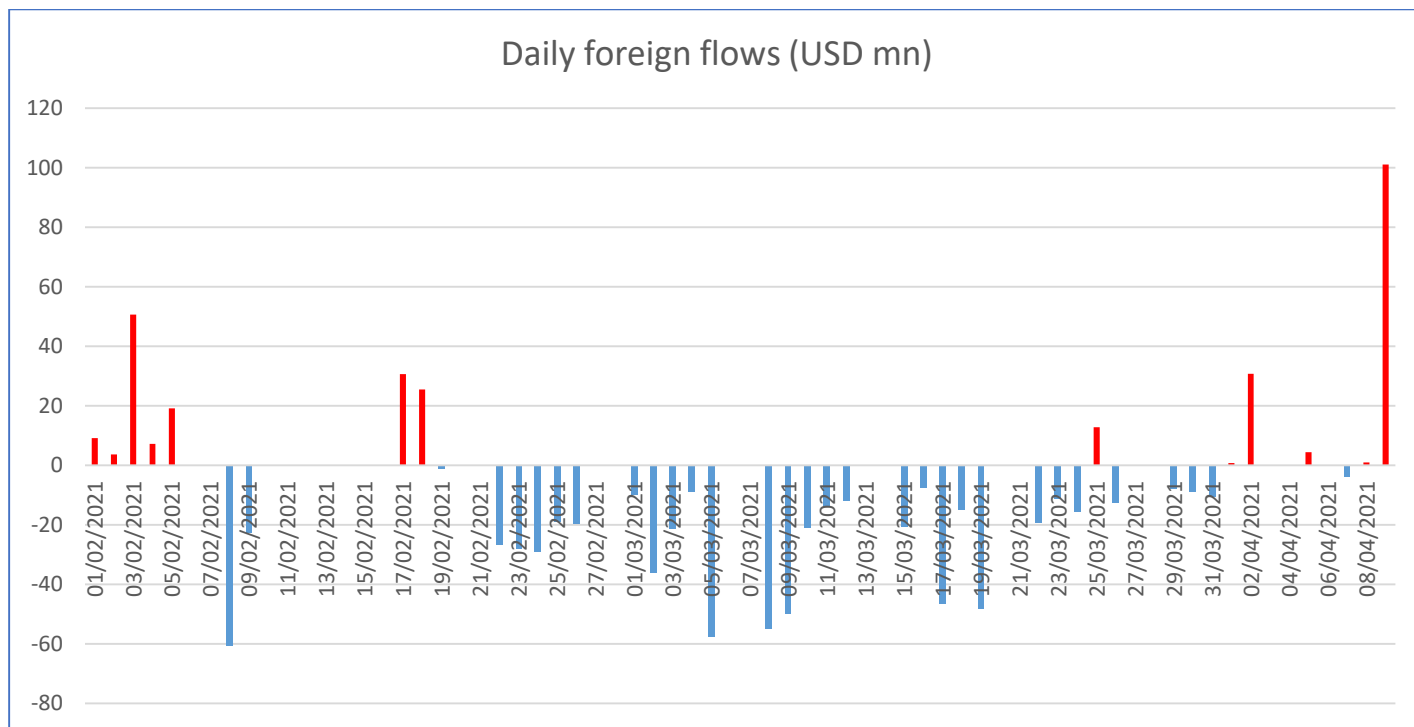
Source: Vietnam Securities Depository, Yuanta Vietnam

This frenetic level of new account opening has led to the total number of securities trading accounts exceeding 3 million. puts us at roughly June 1988 on my Great Taiwan Bubble scale (the chart below is now out of date). In other words, there's still plenty of room to go.



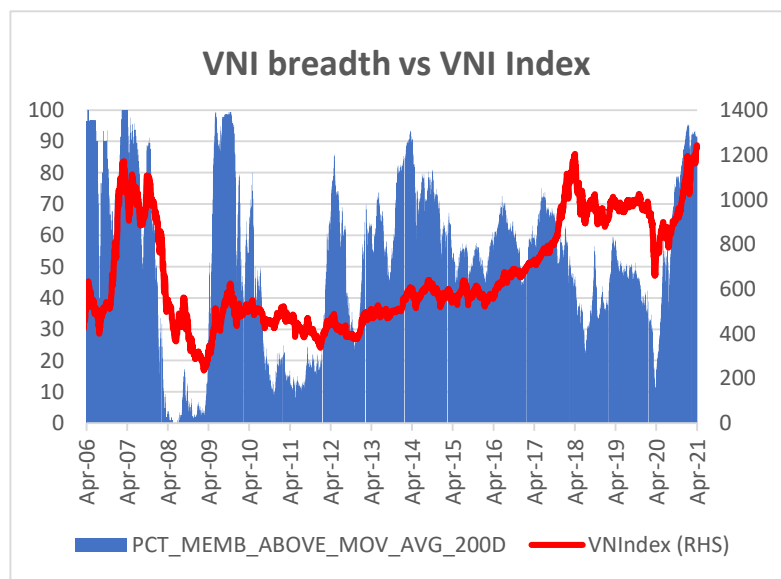
Source: Yuanta Vietnam

Foreigners net bought US\$101 million dollars of Vietnam stocks on Friday. It was the largest single day's foreign net buy of 2021 so far, and it raised the weekly net buying total to US\$103 million. Net buying was extremely concentrated in VHM, which saw VND2.2 trillion of net foreign inflows on Friday.



Source: FiinPro, Yuanta Vietnam

Our view is that market breadth remains quite healthy. Some 91.2% of VN Index components are trading at higher than their 200-day moving averages. This ratio could be seen as a sign of overheating, but the historical record is mixed (sometimes the market has gone down when breadth reached this level, but sometimes it was flat or continued to increase). This ratio has been above 80% since November 16, which would have been an unfortunate moment to sell given the VNI's 30% appreciation since then. The more volatile ratio of index components trading at higher than their 50-day MAs is currently 82%; again, we would caution against interpreting this as a "sell" signal.



Source: Bloomberg, Yuanta Vietnam

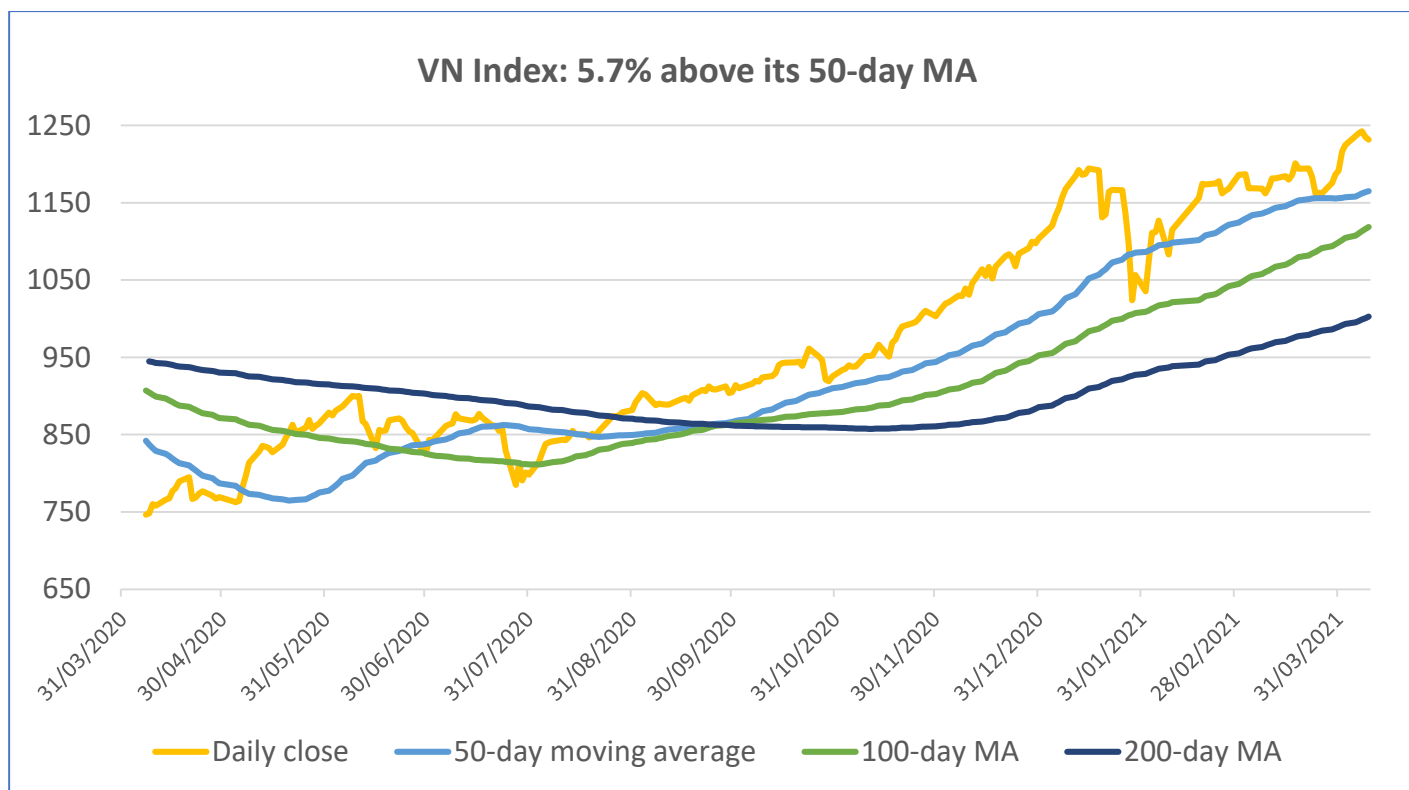
VN 30 breadth

	WoW	MoM	YTD
Gainers	19	25	26
Losers	11	5	4

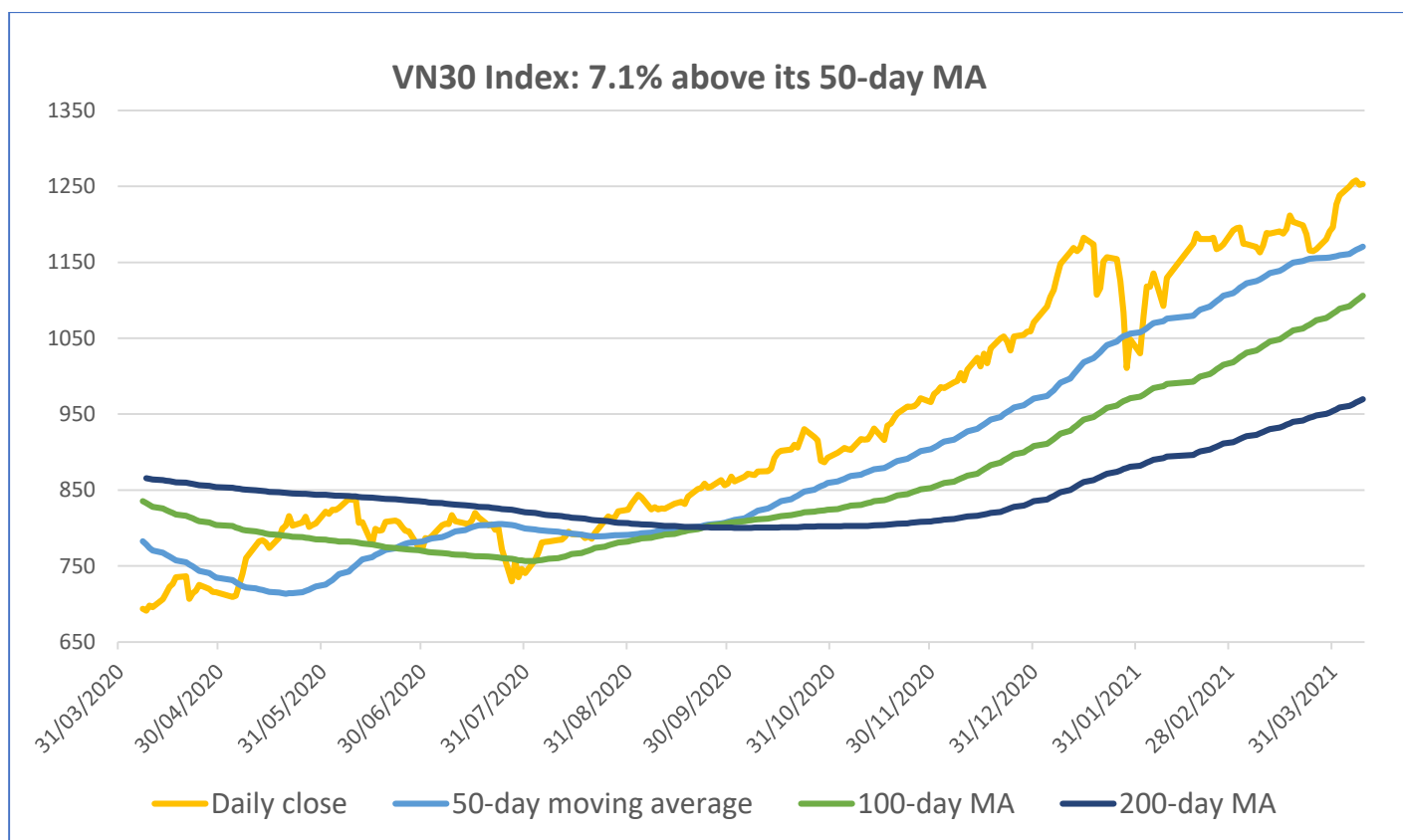
VN Index breadth

	WoW	MoM	YTD
Gainers	217	266	299
Losers	154	113	72

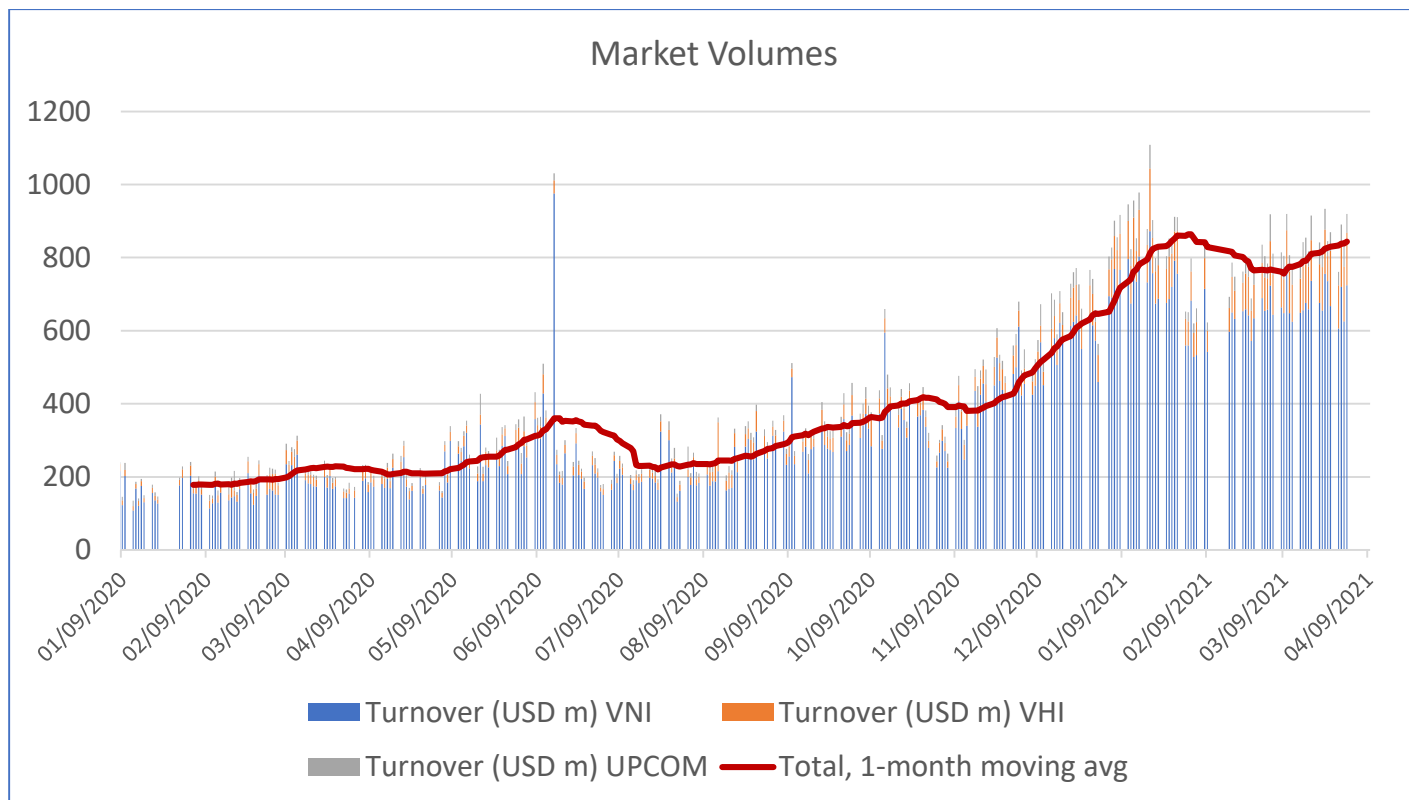
Source: Bloomberg, Yuanta Vietnam



Source: Bloomberg, Yuanta Vietnam



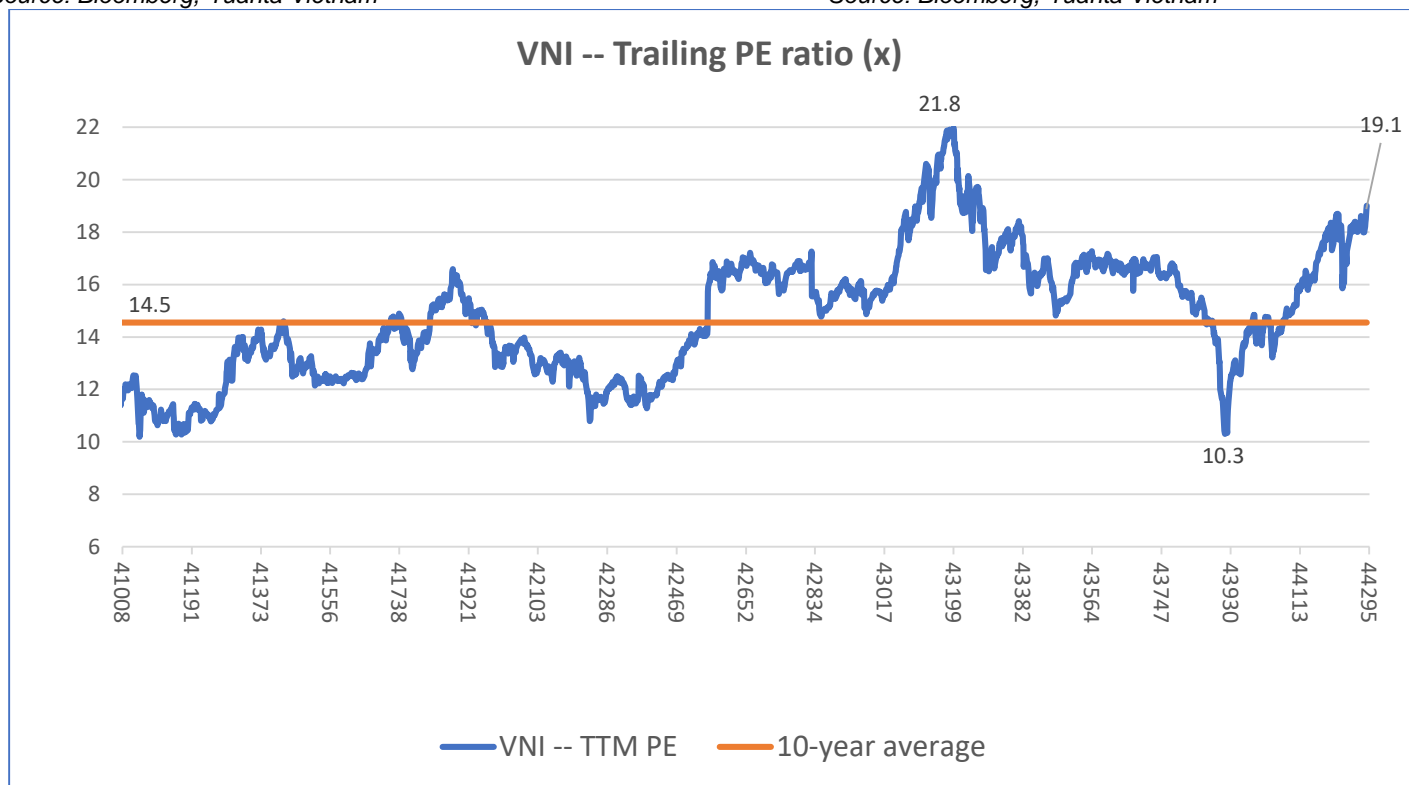
Source: Bloomberg, Yuanta Vietnam



Source: FiinPro, Bloomberg, Yuanta Vietnam (April 9)

Source: Bloomberg, Yuanta Vietnam

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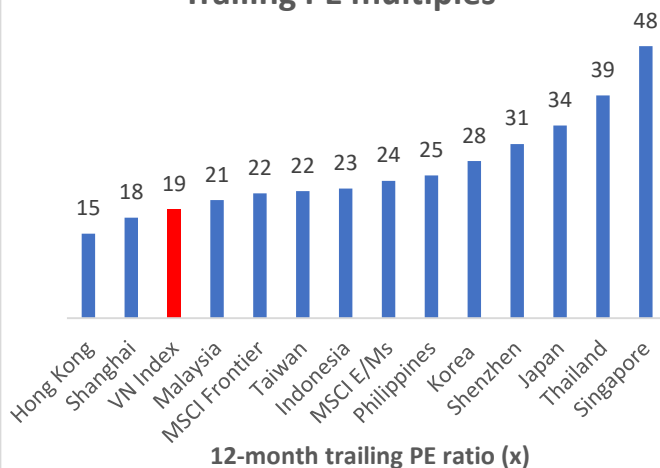


Source: Bloomberg, Yuanta Vietnam (April 9)

Vietnam stocks are cheap vs. the region on a trailing P/E basis...

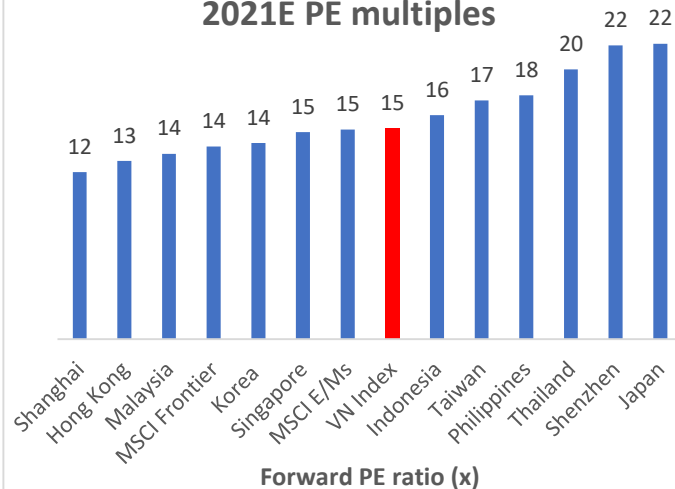
...but in the middle of the pack on forward earnings multiples.

Regional stock markets:
Trailing PE multiples



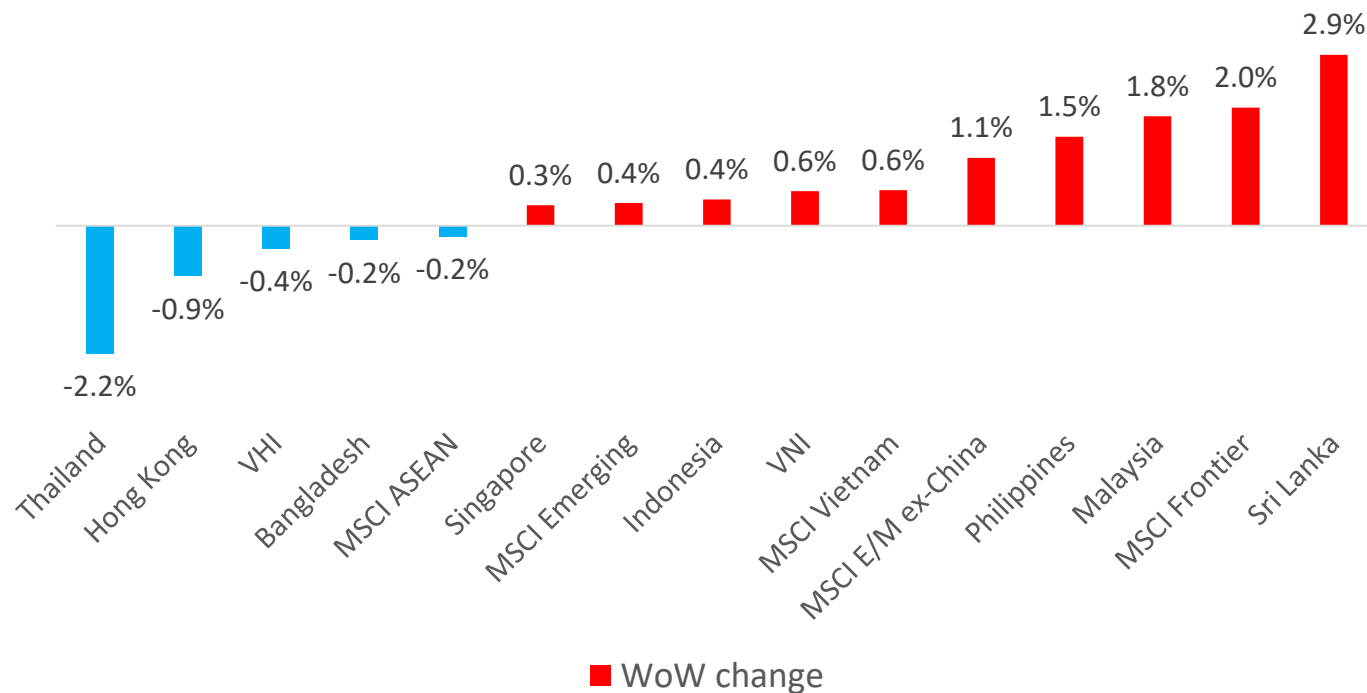
Source: Bloomberg, Yuanta Vietnam

Regional stock markets:
2021E PE multiples



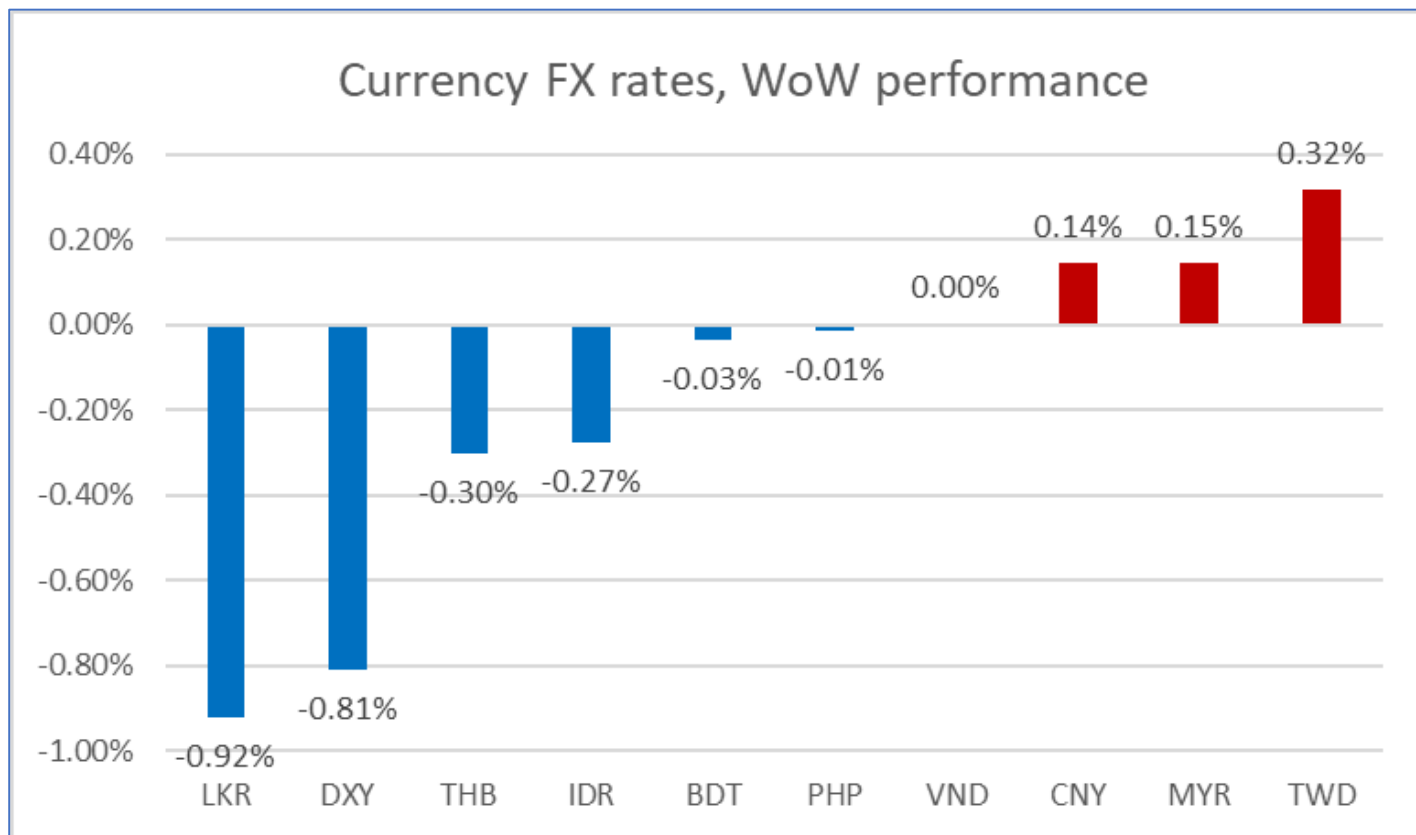
Source: Bloomberg (2021E consensus PE), Yuanta Vietnam

Regional stock market performance (USD terms)



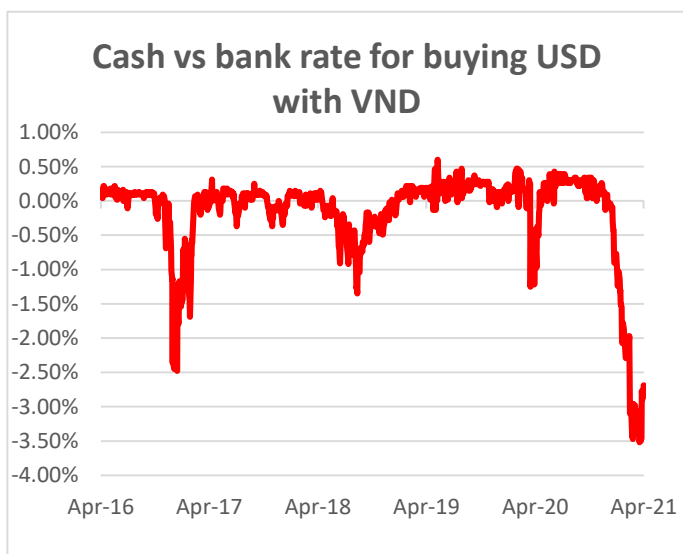
Source: Bloomberg, Yuanta Vietnam (April 9)

Regional currencies: VND retains its low-volatility characteristics amid the global interest rate ruckus



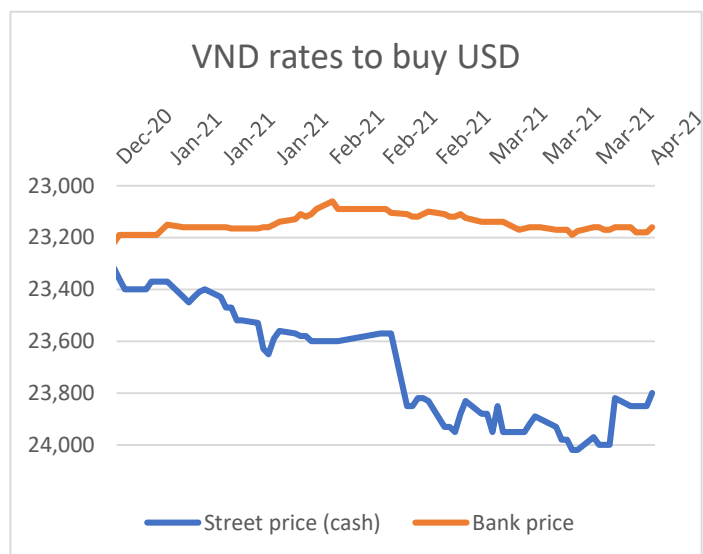
Source: Bloomberg (April 9)

Grey market US dollar cash premium has spiked YTD to the highest level since at least 2016.



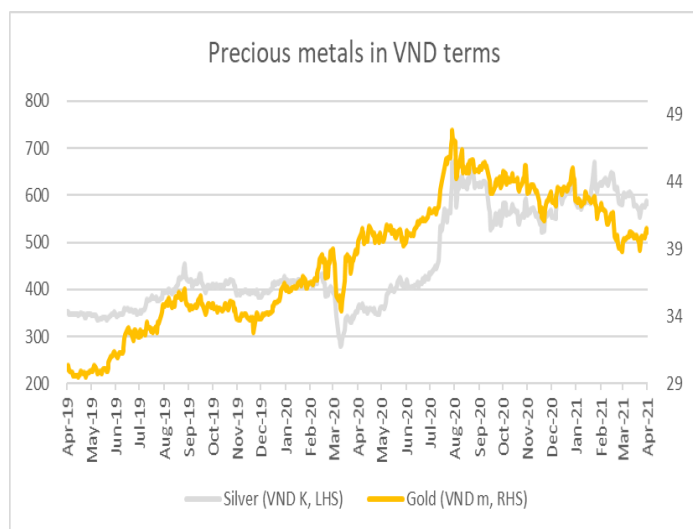
Source: FiinPro, Yuanta Vietnam. Bank data refers to VCB's published electronic selling price vs. the "free market" price for USD notes.

But the premium for USD cash continues has (finally) started to decline,



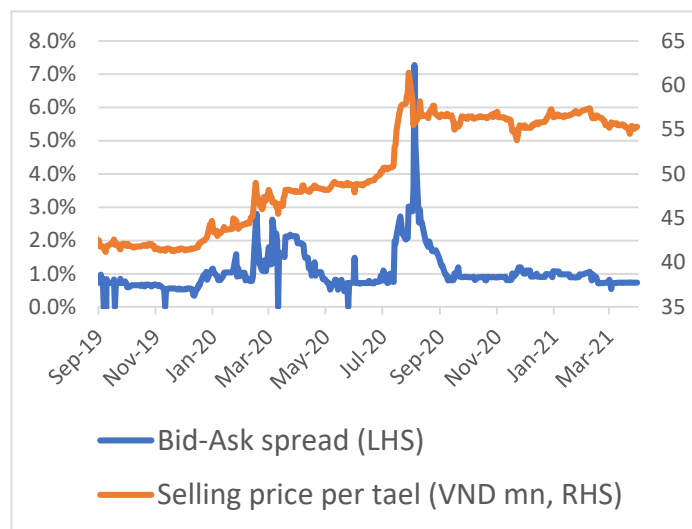
Source: FiinPro, Yuanta Vietnam

Global markets have pounded precious metals so far in 2021



Source: Bloomberg, Yuanta Vietnam. This data represents XAUVND and XAGVND and are not on-the-ground or physical metal prices.

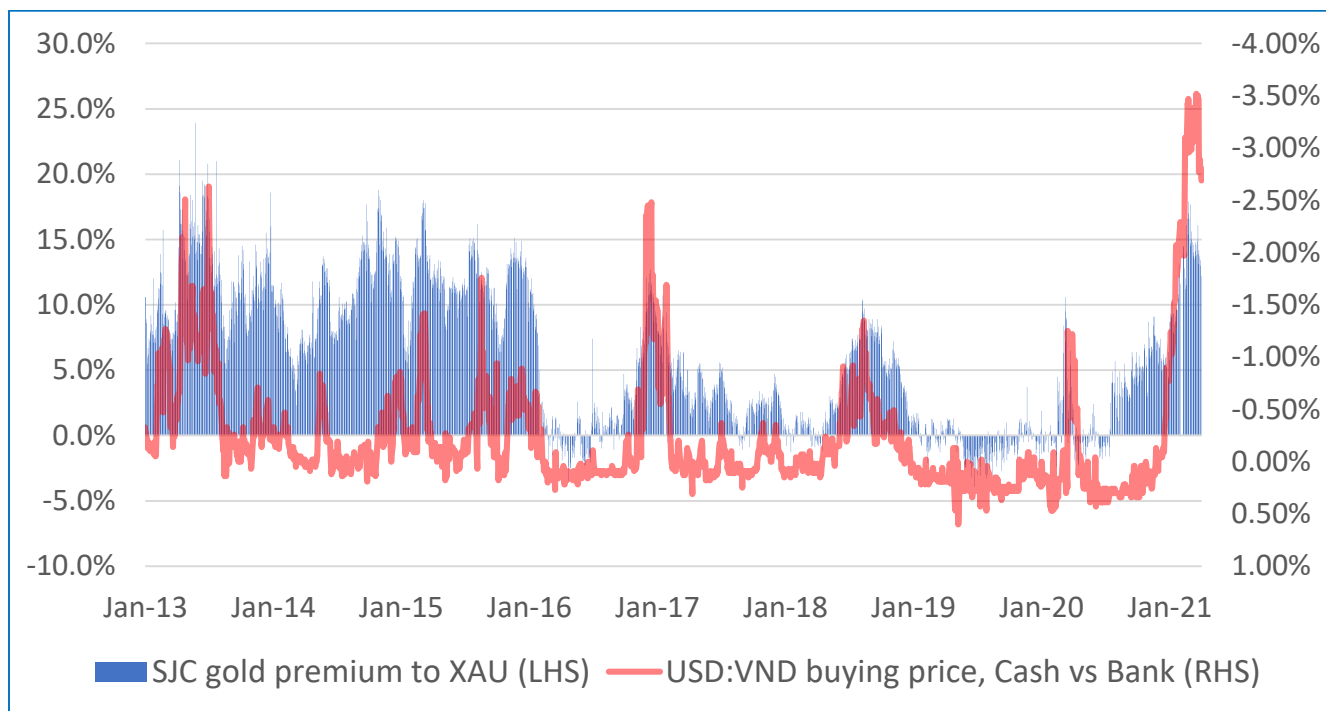
SJC physical gold selling prices have eased, albeit slowly



Source: FiinPro, Yuanta Vietnam

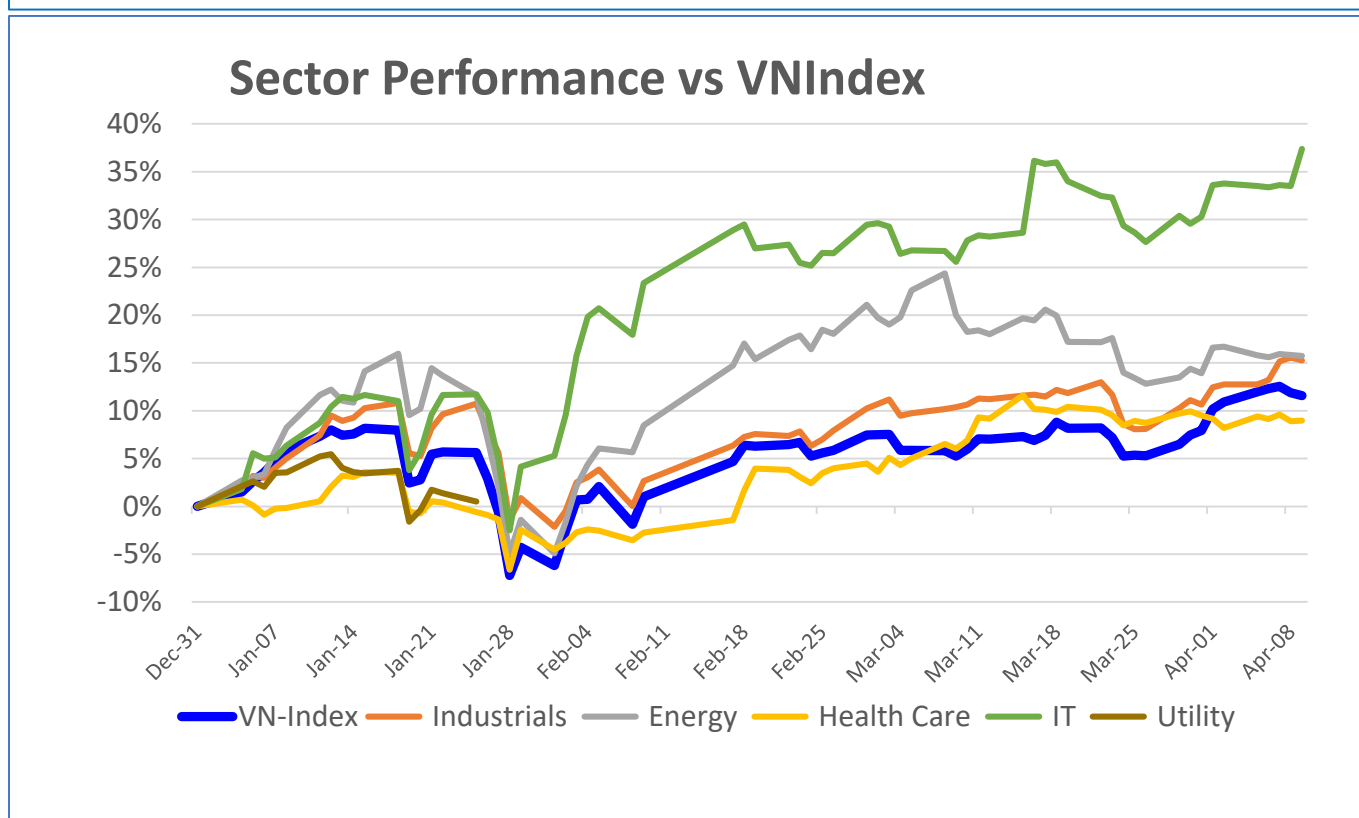
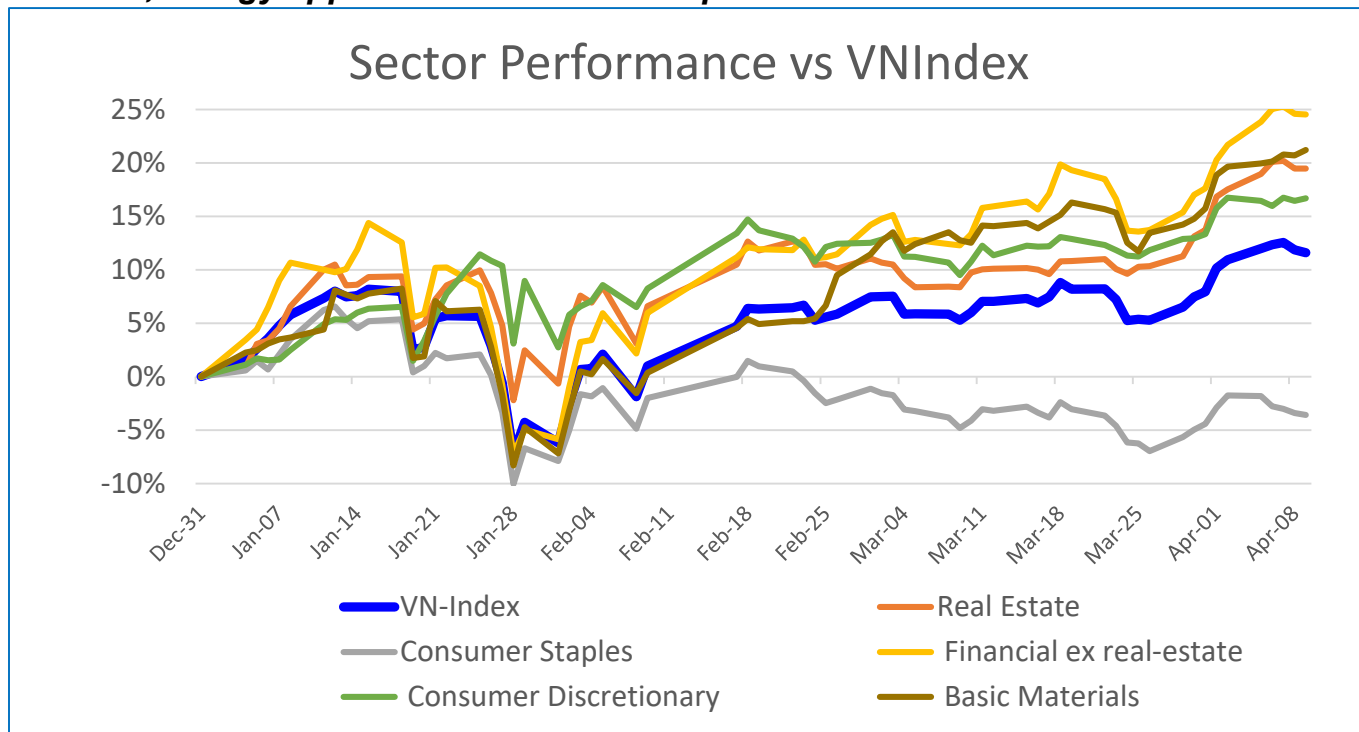
Note: The Aug 12 bid-ask spread was highest since at least Feb 2015.

It is early days, but the high “free market” USD cash premium may have begun to decline. We have postulated that the key reason for increased demand for cash is the gold arbitrage trade, as the SJC has kept its gold selling prices relatively high vs what have been declining global gold prices YTD. The Vietnam premium for physical gold has tightened a bit in recent days, falling from an estimated 16.1% on March 30 to 12.2% on April 8. The cash rate thus fell from north of 24,000 VND in late March to a slightly-less-elevated level of 23,800, which is 2.8% higher than VCB’s asking rate. Of course, there are other reasons to hold and transact in cash US dollars; we leave the question of Bitcoin’s role in this sordid tale to folks with greater vision than we can credibly claim.



Source: FiinPro, Yuanta Vietnam

Sector performance YTD: Banks and property – the two main pillars of the market – have both been on a tear and appear poised to continue pushing the index higher. By contrast, energy appears to have lost its spark.



Source: Bloomberg (April 9)

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	9.5	9.8	8.1	18.1	(3.3)	20.3	0.5	n/a	0.4	2.1	2.1	1.7	24.2	24.0	22.8	1.7	1.8	1.9
	BID VN	24.9	21.4	17.6	9.1	16.5	21.4	2.7	1.3	0.8	2.3	2.2	2.0	10.5	10.9	12.4	0.5	0.5	0.6
	HDB VN	7.6	8.7	8.8	21.1	(11.9)	(1.3)	0.4	n/a	n/a	1.4	1.9	1.6	19.4	18.2	18.3	1.6	1.6	1.7
	MBB VN	11.4	10.5	8.0	14.1	8.5	31.2	0.8	1.2	0.3	1.9	1.8	1.5	19.8	18.4	20.1	1.9	1.8	2.1
	STB VN	20.3	18.4	13.7	43.3	10.5	34.3	0.5	1.8	0.4	1.5	1.4	1.3	7.9	8.0	9.8	0.5	0.5	0.6
	VCB VN	21.8	21.9	16.7	34.8	(0.6)	31.4	0.6	n/a	0.5	4.5	3.8	3.2	23.2	18.8	21.0	1.4	1.3	1.5
	VPB VN	14.0	16.2	12.6	11.6	(13.9)	28.8	1.2	n/a	0.4	2.7	2.3	2.0	21.5	15.5	17.0	2.4	1.8	2.1
Brokers	HCM VN	23.0	23.1	14.3	(49.0)	(0.3)	61.2	n/a	n/a	0.2	2.3	2.3	2.2	11.7	11.0	17.1	6.2	5.9	8.8
	SSI VN	22.9	24.9	17.9	(32.5)	(8.0)	39.4	n/a	n/a	0.5	2.2	2.0	1.9	9.8	8.7	11.4	3.6	2.9	3.5
	VCI VN	16.4	24.4	19.0	(16.3)	(32.6)	28.4	n/a	n/a	0.7	2.8	2.6	2.3	18.0	11.1	13.0	9.9	5.9	6.8
	VND VN	20.5	32.1	20.1	(4.3)	(36.1)	59.5	n/a	n/a	0.3	2.3	2.2	2.1	12.3	7.4	11.2	3.3	1.9	2.7
Energy	PVD VN	50.4	189.6	(224.0)	(4.0)	(73.4)	(184.6)	n/a	n/a	n/a	0.7	0.7	0.7	17.1	0.4	(0.3)	0.9	0.2	(0.2)
	NT2 VN	8.6	10.4	14.0	(2.7)	(17.1)	(25.3)	n/a	n/a	n/a	1.5	1.5	1.7	14.8	7.4	15.9	9.2	9.0	7.4
	PC1 VN	12.3	8.1	8.7	(32.1)	52.4	(7.7)	n/a	0.2	n/a	1.2	1.0	0.9	10.2	14.4	11.8	4.8	6.6	5.6
Consumer	MSN VN	19.3	21.3	17.4	4.8	(9.6)	22.9	4.0	n/a	0.8	3.1	2.7	2.4	17.3	13.5	14.5	8.4	7.0	8.0
	PNJ VN	21.2	23.1	16.9	(20.2)	(8.2)	36.8	n/a	n/a	0.5	3.4	2.9	2.5	28.7	25.9	20.3	17.8	16.0	13.2
	DGW VN	35.7	28.9	26.7	24.5	23.3	8.5	1.5	1.2	3.1	5.8	5.2	4.7	17.1	18.9	18.4	6.1	7.1	7.1
Oil & GAS	POW VN	16.4	14.3	13.3	(18.0)	14.1	7.5	n/a	1.0	1.8	0.9	1.0	1.0	6.8	7.4	7.6	3.9	4.5	4.5
Property	NLG VN	7.8	12.0	14.8	27.0	(35.0)	(19.0)	0.3	n/a	n/a	1.8	1.8	1.8	18.0	13.0	12.0	10.0	7.0	6.0
	NVL VN	34.1	27.5	25.8	(23.3)	23.8	6.6	n/a	1.2	3.9	4.1	4.1	4.1	10.2	11.2	11.1	3.1	3.4	3.3
	KDH VN	21.5	15.7	14.2	(15.8)	37.0	10.6	n/a	0.4	1.3	2.3	2.0	1.8	11.9	14.5	14.2	7.5	8.9	9.4
	VHM VN	18.1	14.2	10.6	20.4	27.1	33.5	0.9	0.5	0.3	1.5	1.2	0.9	30.0	28.7	28.5	11.6	11.9	12.7
Transportation	ACV VN	25.7	23.8	18.5	5.0	8.3	28.8	5.1	2.8	0.6	4.5	3.8	3.2	20.7	18.8	20.2	12.1	11.4	11.3

Stock ratings and pricing data is as of close on April 9, 2021.

Source: Bloomberg, Yuanta Vietnam



Appendix A: Important Disclosures

Analyst Certification

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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.

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

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