

Market Commentary: The VN-INDEX edged up 0.2% to continue its four-day-streak gain

The VN-INDEX slightly rose 0.2% to 1,021.5pts, backed by the Consumer Staples large caps. After the opening bell, the VN-INDEX slightly dropped to the red territory but quickly bounced back above the reference point. Notably, GVR became today's largest mover, reaching its ceiling price of VND20,500 (+6.9%), adding 3.7pts to the index's gain, followed by Consumer Staples stocks of SAB (+3.6%), MSN (+3.1%) and KDC (+5.8%). However, the Financials sector had a disappointing session. Large caps from these sectors dropped, including VCB (-2.6%), VPB (-1.8%), BVH (-1.8%) and TCB (-0.8%). Despite the selling pressure from Financials large caps, the index kept up its uptrend and reached its intraday high in the afternoon session of 1,025.2pts before closing 0.2% at 1,021.5pts (+0.2%). The HNX-INDEX also gained 0.8% to close at 152.5pts.

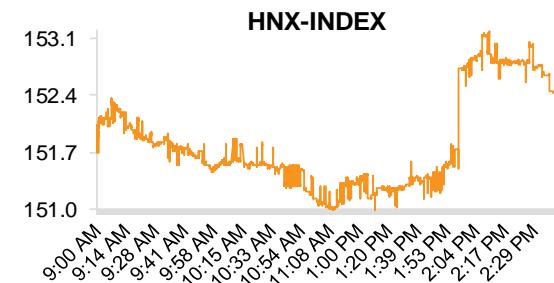
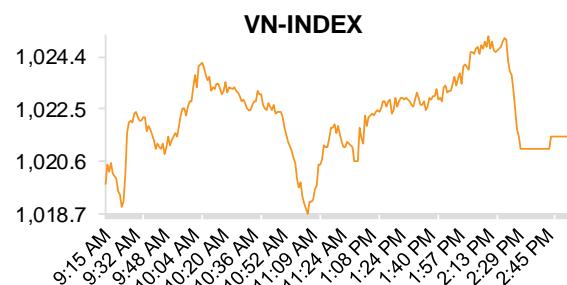
Consumer Staples (+1.4%), Health Care (+1.0%), and Utilities (+0.9%) rose, while Financials (-0.8%), Consumer Discretionary (-0.2%), and Industrials (-0.1%) lost ground today. Top index movers included GVR (+6.9%), SAB (+3.6%), CTG (+2.7%), MSN (+3.1%), and GAS (+1.2%). Top index laggards consisted of VCB (-2.6%), VPB (-1.8%), VNM (-0.5%), VRE (-1.4%), and BVH (-1.8%). Top three major put-through transactions were CII with 4.5m shares (VND81bn), CTG with 2.3m shares (VND80.3bn), HPG with 1.9m shares (VND67.2bn).

Foreigners net sold on HOSE to the amount of VND57.3bn, while net bought on HNX to the amount of VND8.6bn. They mainly bought CTG (VND214.6bn), HPG (VND70.7bn), and VHM (VND67.4bn); and mainly sold CTG (VND220.3bn), VNM (VND74.7bn), and HPG (VND66.1bn).

Snapshot	HOSE	HGX
Close (pts)	1,021.5	152.5
1 Day change (%)	0.17	0.33
Volume (mn shs)	553.6	72.5
Value (US\$mn)	462.6	41.3
Gainers	150	82
Losers	179	63
Unchanged	59	201

Commodities & Currencies	Close	%chg
Gold(USD/Oz)	1,841	0.2
WTI Oil (\$/B) 1Mth	46	1.8
Brent Oil (\$/B) 1Mth	50	1.8
USDVND	23,131	0.0
EURVND	28,122	-0.3

Source: Bloomberg



Sectors (VNIndex)	Index Wgt (%)	Price 1D chg	P/E x	P/B x
Consumer Discretionary	2.8	-0.2%	22.3	2.9
Consumer Staples	15.6	1.4%	28.5	5.8
Energy	2.1	0.5%	65.5	2.7
Financials	29.0	-0.8%	15.4	2.3
Health Care	0.9	1.0%	17.5	3.0
Industrials	7.7	-0.1%	21.3	2.9
IT	1.4	0.1%	13.6	2.8
Materials	5.8	0.1%	20.5	2.3
Real Estate	25.2	-0.1%	26.5	3.4
Utilities	6.7	0.9%	17.7	2.8

Source: Bloomberg

Country Peering	Close Points	1D chg %	P/E x	P/B x	Market cap US\$b
China	5,066	0.2%	19.3	2.2	6,332
India	13,259	0.9%	33.0	3.0	1,391
Indonesia	5,810	-0.2%	26.6	1.9	477
Singapore	2,840	0.6%	24.7	1.0	379
Malaysia	1,622	-0.4%	25.1	1.7	260
Philippines	7,135	-0.8%	28.4	1.8	190
Taiwan	14,132	1.1%	21.6	2.1	1,492
Thailand	1,450	0.8%	24.7	1.6	524
Vietnam	1,021	0.2%	16.6	2.1	165

Source: Bloomberg 4-Dec

Market News

Oil advances toward US\$50 after OPEC+ clinches compromise deal

Oil extended gains toward US\$50/barrel after OPEC+ reached a compromise deal to gradually taper production cuts, ending days of uncertainty after cracks emerged in the alliance earlier in the week. Futures surged 1.9% in London after closing at the highest level in nine months on Thursday. The group will start adding 500,000 barrels a day of crude to the market in January, with ministers holding monthly meetings to decide on the next steps. The deal avoided a breakdown of OPEC+ unity after a tense split between Saudi Arabia and the United Arab Emirates. (*Bloomberg*)

Vietnam's policy on condotels transfer could be exploited for illegal profit

According to the Ministry of Construction (MOC), the purchase and sale of condotels must follow real estate laws because condotels are considered construction work. Many investors were found exploiting the policies on tourism development to lease land reserved for commercial and service purposes to build condotels and then transfer them to individuals for profit. Regarding the land use rights to build condotels, MOC said that under the current laws on housing and construction, condotels were not houses but construction works serving commercial and service purposes. On the issue, MOC said to have released Document No.276 dated Jan 20, 2020 guiding provincial/municipal people's committees on strengthening the management over the investment, construction and business of this real estate type. (*Vietnamnet.vn*)

Coverage Universe Update

Military Commercial JSB (MBB) – Update – ADD (+28.9%)

Set for solid growth in FY21-23F

Asset quality remains strong

MBB's non-performing loan (NPL) ratio was 1.50% at end-9M20, slightly lower than the 1.54% at end-9M19. The drop in NPL ratio was mainly caused by lower NPL ratio at MCredit, from 7.9% at end-3Q19 to 6.5% at end-3Q20 as the bank reduced exposure to consumer lending (high-risk lending sector) due to prevailing economic headwinds. Loan loss reserves (LLR) climbed to 119% at end-3Q20, from 103% at end-3Q19 as write-off rate eased to 1% at end-3Q20, from 1.4% at end-3Q19.

We expect 4Q20F net profit to see robust growth

We expect 4Q20F net profit to increase 23.5% yoy on the back of impressive credit growth. At end-3Q20, MBB's credit balance grew 11.4% YTD, much higher than the industry's credit growth of 6.1% YTD. However, as SBV recently allowed MBB to lift the credit growth limit from 12% to 21.5% for FY20F, we believe that MBB has enough room to increase credit growth even further towards year-end.

We forecast EPS CAGR of 16.3% over FY20-22F

We project a net profit CAGR of 16.3% over FY20-22F, driven by 16.1% CAGR in net interest income on the back of 14% loan CAGR and 31bp NIM expansion over the period. We also forecast 19.5% FY20-22F CAGR in non-II, including a 24% FY20-22F CAGR in fee income. We expect the Covid-19 outbreak to be less intense in FY21F, thus boosting retail lending as well as the bank's NIM. For non-interest income, we project a 20% CAGR in FY20-22F, including a 25% FY20-22F CAGR in fee income, thanks to income from payment services and bancassurance income stream. In terms of asset quality, we project NPL to inch up to 1.4% in FY20F and 1.8% in FY21F as the bank is more exposed to retail lending while its loan-loss coverage ratio remains solid with loan-loss reserve ratio at 72-89% in FY20-21F, respectively.

Reiterate Add with a higher target price of VND27,000

Our higher TP is derived from an equal weight of residual income valuation with a lower cost of equity (COE: 13.3%; LTG: 3.0%) and as we roll forward our P/BV to FY21F (1.2x). As a result, our target price is increased by 18% to VND27,000, equivalent to 1.3x FY21F P/BV.

Re-rating catalysts and downside risks

Potential downside risks include higher-than-expected credit costs. Strong growth in fee income that exceeds our projections is a potential re-rating catalyst.

Read the full report: [HERE](#)

Notable Corporate Events

Binh Duong Water Environment JSC (BWE VN, HOSE) - Dividend payment: BWE has set 07 Jan 21 to be the record date for investors to receive a cash dividend of VND1,200 and right to attend the 2021 Annual shareholders meeting, a company statement said. The payment will be made on 07 Apr 21. (*Ndh.vn*)

<to be continued>

COVERAGE SUMMARY

Ticker	Close price	Adjusted target price	Dividend yield	Upside	Recommendation	Latest report
PC1	21,300	17,200	0.0%	-19.2%	REDUCE	Link
LPB	11,650	12,500	0.0%	7.3%	HOLD	Link
NLG	29,500	34,800	1.7%	19.7%	ADD	Link
ACV	73,200	88,200	1.2%	21.7%	ADD	Link
DPM	17,250	17,100	5.6%	4.7%	HOLD	Link
QNS	36,000	44,300	1.3%	24.4%	ADD	Link
LTG	24,200	27,300	6.3%	19.1%	ADD	Link
VCB	91,100	97,700	0.9%	8.1%	HOLD	Link
MBB	20,950	27,000	0.0%	28.9%	ADD	Link
VPB	27,800	35,000	0.0%	25.9%	ADD	Link
TCM	36,600	26,400	1.4%	-26.5%	REDUCE	Link
HPG	36,950	40,500	1.4%	11.0%	HOLD	Link
PVT	12,850	12,200	0.0%	-5.1%	HOLD	Link
STK	20,700	22,400	5.3%	13.5%	HOLD	Link
PNJ	78,500	78,800	1.1%	1.4%	HOLD	Link
KDH	26,950	29,100	1.8%	9.8%	HOLD	Link
DCM	12,300	9,900	4.5%	-15.0%	REDUCE	Link
ACB	27,300	32,400	0.0%	18.7%	ADD	Link
GAS	85,500	87,900	4.1%	6.9%	HOLD	Link
PVS	15,400	15,900	4.2%	7.4%	HOLD	Link
PVD	13,500	11,700	0.0%	-13.3%	REDUCE	Link
MSH	38,600	51,600	10.9%	44.6%	ADD	Link
MWG	113,900	151,200	1.3%	34.1%	ADD	Link
POW	11,550	12,200	0.0%	5.6%	HOLD	Link
TCB	24,800	29,300	0.0%	18.1%	ADD	Link
PPC	23,850	27,400	9.1%	24.0%	ADD	Link

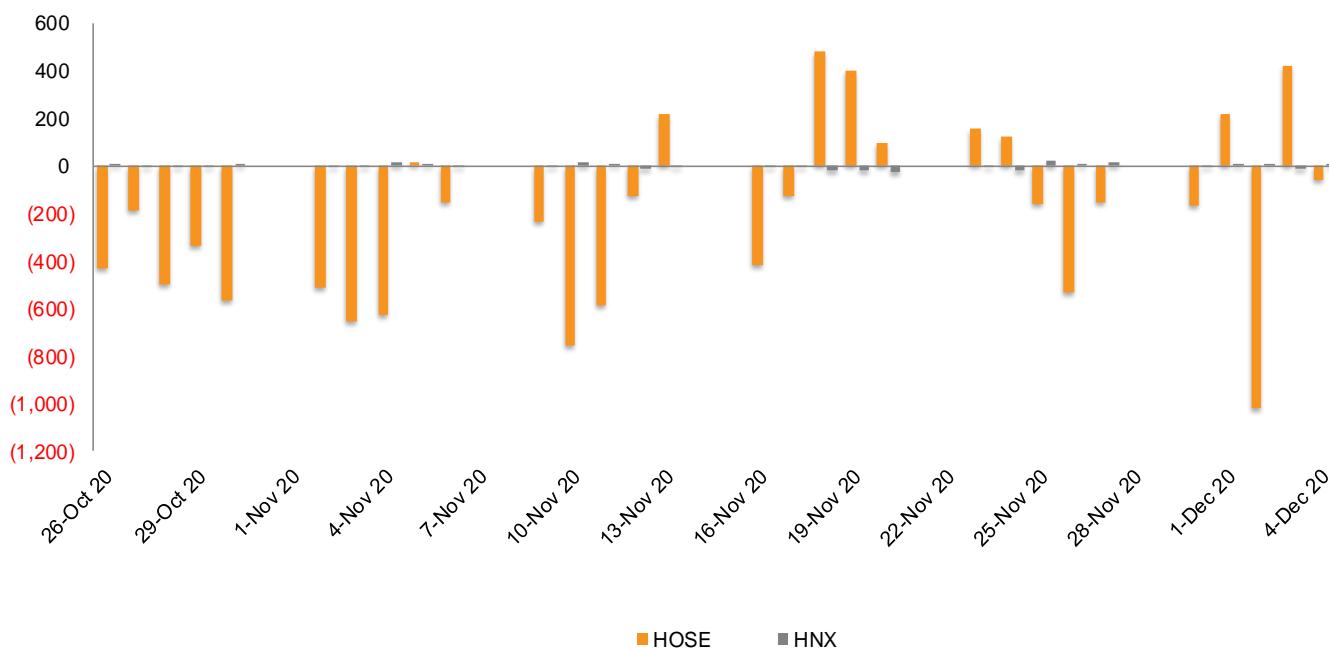
Ticker	Close price	Adjusted target		Upside	Recommendation	Latest report
		price	Dividend yield			
VIB	32,600	29,400	0.0%	-9.8%	HOLD	Link
KBC	16,200	15,700	0.0%	-3.1%	HOLD	Link
VNM	109,000	119,000	3.4%	12.6%	HOLD	Link
VHM	84,900	104,300	1.3%	24.2%	ADD	Link
VJC	118,500	117,800	0.0%	-0.6%	HOLD	Link
VHC	44,000	51,800	4.5%	22.2%	ADD	Link
VRE	28,000	38,000	5.2%	40.9%	ADD	Link
GMD	28,800	31,400	3.5%	12.5%	HOLD	Link
DBC	42,200	52,300	3.6%	27.5%	ADD	Link
FPT	55,700	67,800	3.6%	25.3%	ADD	Link
MML	47,800	73,700	0.0%	54.2%	ADD	Link
CRE	32,400	22,000	2.0%	-30.1%	REDUCE	Link
NT2	23,800	30,100	8.8%	35.3%	ADD	Link
VTP	110,000	130,700	1.3%	20.1%	ADD	Link
SCS	125,000	144,500	4.0%	19.6%	ADD	Link
HDG	31,300	29,600	3.0%	-2.5%	HOLD	Link

FOREIGN ACTIVITIES

Volume (Mn'shs)	HOSE	HNX	Value (VND'bn)	HOSE	HNX
BUY	28.5	0.8	BUY	914.5	19.4
% of market	5.5%	1.2%	% of market	8.7%	2.0%
SELL	32.3	0.9	SELL	971.8	10.8
% of market	6.2%	1.2%	% of market	9.3%	1.1%
NET BUY (SELL)	(3.9)	(0.0)	NET BUY (SELL)	(57.3)	8.6

Source: HSX, HNX

Foreign net buy/sell (30 days) in VND'bn



YTD ACCUMULATION

Volume (Mln'shs)	HOSE	HNX	Value (VND'bn)	HOSE	HNX
BUY	4,543.6	185.2	BUY	169,108.6	3,138.5
% of market	6.1%	1.4%	% of market	12.6%	1.9%
SELL	5,943.6	438.9	SELL	184,347.3	5,524.9
% of market	8.0%	3.4%	% of market	13.7%	3.3%
NET BUY (SELL)	(1,400.0)	(253.8)	NET BUY (SELL)	(15,238.7)	(2,386.4)

Source: HSX, HNX

FOREIGN ACTIVITIES

HOSE						HNX					
Top buy by foreigners (value)						Top buy by foreigners (value)					
Ticker	Last Price	Chg	%chg	Value	VND'bn	Ticker	Last Price	Chg	%chg	Value	VND'bn
CTG	34,700	900	2.66	214.6	0.931	PVS	15,400	0	0.00	8.1	0.000
HPG	36,950	100	0.27	70.7	0.092	VCS	78,600	100	0.13	6.4	0.000
VHM	84,900	0	0.00	67.4	0.000	BNA	32,800	-200	-0.61	1.1	0.000
MBB	20,950	-50	-0.24	54.6	-0.039	SHB	17,000	-300	-1.73	0.9	0.000
VNM	109,000	-500	-0.46	47.8	-0.290	SZB	36,300	-700	-1.89	0.4	0.000
Top sell by foreigners (value)						Top sell by foreigners (value)					
Ticker	Last Price	Chg	%chg	Value	VND'bn	Ticker	Last Price	Chg	%chg	Value	VND'bn
CTG	34,700	900	2.66	220.3	0.931	DXP	16,800	100	0.60	4.9	0.000
VNM	109,000	-500	-0.46	74.7	-0.290	VSM	12,900	1,100	9.32	1.1	0.000
HPG	36,950	100	0.27	66.1	0.092	GLT	20,500	900	4.59	1.0	0.000
GMD	28,800	-700	-2.37	60.4	-0.058	SHS	14,700	-200	-1.34	0.6	0.000
VRE	28,000	-400	-1.41	38.4	-0.259	BVS	11,300	-100	-0.88	0.5	0.000
Top net buy by foreigners (value)						Top net buy by foreigners (value)					
Ticker	Last Price	Chg	%chg	Value	VND'bn	Ticker	Last Price	Chg	%chg	Value	VND'bn
MBB	20,950	-50	-0.24	33.4	-0.039	PVS	15,400	0	0.00	7.9	0.000
VPB	27,800	-500	-1.77	30.1	-0.341	VCS	78,600	100	0.13	6.4	0.000
VHM	84,900	0	0.00	29.3	0.000	BNA	32,800	-200	-0.61	1.1	0.000
FUEVFVN	15,500	-100	-0.64	19.1	0.000	SHB	17,000	-300	-1.73	0.9	0.000
MSN	86,000	2,600	3.12	18.3	0.849	SZB	36,300	-700	-1.89	0.4	0.000
Top net sell by foreigners (value)						Top net sell by foreigners (value)					
Ticker	Last Price	Chg	%chg	Value	VND'bn	Ticker	Last Price	Chg	%chg	Value	VND'bn
GMD	28,800	-700	-2.37	-34.6	-0.058	DXP	16,800	100	0.60	-4.90	0.000
LCG	11,950	400	3.46	-34.2	0.013	VSM	12,900	1,100	9.32	-1.13	0.000
PAN	20,700	100	0.49	-33.5	0.006	GLT	20,500	900	4.59	-0.96	0.000
VNM	109,000	-500	-0.46	-26.9	-0.290	SHS	14,700	-200	-1.34	-0.60	0.000
VCB	91,100	-2,400	-2.57	-26.4	-2.474	SDT	4,500	0	0.00	-0.44	0.000

4-Dec-20

Source: Bloomberg, HOSE, HNX

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