

Market commentary: Vietnam's stock market fell as large caps faced strong selling pressure

The **VN-INDEX** and the **HNX-INDEX** dropped 1.1% and 0.9%, respectively, following the retreat of Financials and Real Estate large caps under strong selling pressure. Following the strong correction of the U.S. stock market last Friday with the Dow Jones Average Index falling 0.9% amid concerns about negative impacts of the coronavirus pandemic on the global economy, the VN-INDEX started the week cautiously and quickly plummeted to its intraday low of 926.6pts (-1.5%). Financials stocks had a disappointing trading day, with BID and VCB declining 5.0% and 1.2%, respectively. These stocks wiped 4.2pts off the index. Moreover, market pillars from Real Estate sector also slumped and further exacerbated the bearish sentiment, including VHM (-0.9%), VIC (-0.6%) and VRE (-2.8%). On the positive note, some blue chips successfully overcame the sell-off wave and closed up, helping the VN-INDEX narrow early losses. Notably, GAS rose 0.9% to VND86,800, followed by BHN (+4.6%), DHG (+3.7%) and CTD (+6.9%). At the end of the trading session, the VN-INDEX declined 1.1% to close at 930.7pts, and the HNX-INDEX fell 0.9% to end at 104.0pts.

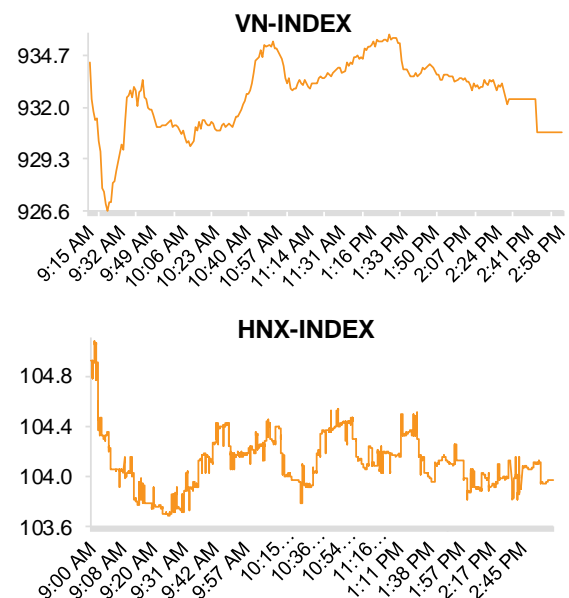
Health Care (+3.1%) and Utilities (+0.6%) rose while Financials (-2.2%), Consumer Discretionary (-1.8%) and IT (-1.1%) dropped. Top index movers included GAS (+0.9%), BHN (+4.6%), DHG (+3.7%), TCH (+2.3%) and CTD (+6.9%). Top index laggards consisted of BID (-5.0%), VCB (-1.2%), VHM (-0.9%), VIC (-0.6%) and VRE (-2.8%). Top three major put-through transactions were VCP with 3.9m shares (VND212.6bn), MBS with 5.5m shares (VND81.8bn) and ACB with 2.2m shares (VND51.7bn).

Foreigners net bought on HOSE to the amount of VND35.4bn, while net sold on HNX to the amount of VND3.3bn. They mainly bought VNM (VND60.7bn), SAB (VND31.3bn) and VHM (VND25.1bn); and mainly sold VNM (VND67.3bn), SAB (VND35.0bn) and TCB (VND27.5bn).

Snapshot	HOSE	HNX
Close (pts)	930.7	104.0
1 Day change (%)	-1.07	-0.90
Volume (mn shs)	154.0	44.7
Value (US\$m)	118.4	20.6
Gainers	115	52
Losers	177	71
Unchanged	87	240

Commodities & Currencies	Close	%chg
Gold(USD/Oz)	1,570	0.1
WTI Oil (\$/B) 1Mth	50	-0.7
Brent Oil (\$/B) 1Mth	54	-0.6
USDVND	23,256	-0.1
EURVND	25,458	0.0

Source: Bloomberg



Sectors (VNIndex)	Index Wgt (%)	Price 1D chg	P/E x	P/B x
Consumer Discretionary	3.1	-1.8%	13.8	3.8
Consumer Staples	14.3	-0.4%	20.6	5.6
Energy	2.5	-0.6%	17.7	2.5
Financials	30.8	-2.2%	15.7	2.6
Health Care	1.0	3.1%	18.2	3.2
Industrials	8.1	-0.7%	240.8	3.4
IT	1.3	-1.1%	13.2	2.5
Materials	3.7	-0.3%	16.2	1.4
Real Estate	27.5	-0.8%	28.9	4.6
Utilities	7.5	0.6%	13.4	3.3

Source: Bloomberg

Country Peering	Close Points	1D chg %	P/E x	P/B x	Market cap US\$bn
China	3,916	0.4%	13.9	1.8	4,488
India	12,016	-0.7%	23.4	2.9	1,259
Indonesia	5,945	-0.9%	18.6	2.0	508
Singapore	3,159	-0.7%	11.9	1.1	404
Malaysia	1,541	-0.9%	17.7	1.5	241
Philippines	7,431	-1.0%	16.1	1.9	184
Taiwan	11,574	-0.3%	18.3	1.7	1,166
Thailand	1,535	0.0%	18.0	1.6	519
Vietnam	931	-1.1%	16.3	2.2	138

Source: Bloomberg

10-Feb

Market News

Oil hovers near US\$50 on signs OPEC+ virus action not imminent. Oil hovered around US\$50 a barrel on signs an extraordinary OPEC+ meeting to decide on further production cuts to deal with the demand hit from the coronavirus is looking less likely. Ministers from the group and its allies are unlikely to hold an early meeting this month, while one planned for March will go ahead, Azerbaijan Energy Minister Parviz Shahbazov told the RIA Novosti newswire. Russia has been resisting Saudi Arabian efforts to reduce output after OPEC+ technical experts recommended an additional cut of 600,000 barrels a day through June. (*Bloomberg*)

Virus nCoV outbreak hits Vietnam's trade with not only China: official. The outbreak of the 2019 novel coronavirus (2019-nCoV) has affected Vietnam's trade with not only China but also other markets, said Deputy Minister of Industry and Trade Do Thang Hai. In January, Vietnam posted US\$19bn in exports, down 15.8% from December 2019 and 14.3% yoy. The US was the biggest importer of Vietnamese goods in the month, followed by China, the EU, ASEAN, Japan and the Republic of Korea. Meanwhile, imports also dropped 14.4% from the previous month to US\$19.1bn, according to the Export-Import Department under the Ministry of Industry and Trade (MoIT). The declines were partly attributed to complex developments of the 2019-nCoV outbreak, as well as the week-long Lunar New Year holiday. Pointing out the epidemic's impacts on Vietnam's trade with not only China but also other countries, Hai used textiles and garments as an example, elaborating that Vietnam is an apparel exporter, but it also imports a large amount of textile and garment materials from China. Therefore, the outbreak has influenced all aspects, from imports and exports and cross-border trade, to domestic trade and industrial production. Vietnam and China share a long border with many border gates via which a large volume of imports and exports are traded. The MoIT is keeping a close watch on the nCoV epidemic to assess its impacts on trade. However, despite strict measures being taken to contain the epidemic, the transport of goods to and from Chinese localities is proving difficult. If the epidemic lingers, the trade volume via border gates between the two countries will be affected, experts noted. Hai said Vietnam's agricultural and aquatic exports still depend much on China, so any fluctuations in this market, regardless of objective or subjective reasons, will greatly influence Vietnam's export activities. Agricultural restructuring towards less quantity and higher quality has yet to be carried out effectively. Besides, it is difficult to find other markets quickly to replace China since the domestic agriculture sector is unable to immediately satisfy new markets' food safety and animal and plant quarantine standards, he added. The MoIT has asked businesses to closely follow the export situation in northern border provinces like Lang Son, Lao Cai, Quang Ninh and Cao Bang to adjust their production and export plans to avoid congestion at border gates and other negative impacts. Vietnamese firms have also been told to strictly comply with export and origin-related regulations, improve product quality, and adhere to relevant requirements to minimise losses. However, the ministry said in the long term, it is necessary to restructure agricultural products, boost production and processing connectivity, and strengthen links with domestic distribution networks to avoid overdependence on a single market. To tackle difficulties at border gates, Prime Minister Nguyen Xuan Phuc on February 5 permitted the continuation of cross-border imports and exports but said anti-nCoV measures must be ensured. (*Vietnamnet.vn*)

Coverage Universe Update

Kinh Bac City Corp (KBC) – Update – ADD (+24.2%)

In the tailwind of robust residential properties

4Q19 net profit rose on gross profit margin (GPM) expansion. KBC's revenue declined 8.1% yoy to VND763bn in 4Q19 while NP jumped 38.2% yoy to VND354.9bn thanks to higher blended GPM (+21.62% yoy), based on higher GPM from residential sales compared to industrial park (IP) land leasing and a reversal from Trang Due IP. KBC booked VND598bn revenue from Trang Due residential project (RP) after legal issues were resolved in 4Q19. 4Q19 COGS dropped 59.7% yoy

by VND190bn, including a reversal of VND80bn after finalising the cost of leased land at Trang Due IP.

FY19 net profit reached VND855bn, in line with our expectation. FY19 revenue reached VND3,249bn (+30.45% yoy), mainly due to VND2,286bn (+13.3% yoy) from IP land lease and VND598bn from Trang Due RP. FY19 NP rose 14.6% yoy to VND855bn due to a 260% yoy jump in minority interests from subsidiaries in Quang Chau IP(KBC owns 78%), Tan Phu Trung IP (72%) and Trang Due RP (87%).

Robust revenue growth from residential properties in FY20-21F. We expect residential properties to catalyse revenue growth in FY20-21F, with Trang Due project ready for delivery. Meanwhile, we expect KBC to settle the violation in Phuc Ninh RP master plan for handover in 2020. We estimate residential properties should contribute VND1,185bn (+48% yoy) revenue in FY20F and VND1,710bn (+44% yoy) revenue in FY21F.

IP business expected to grow in FY20F before slowing in FY21F. We project revenue from IP land leasing to increase 18% yoy to VND2,667bn in FY20F as the Nam Son-Hap Linh IP which is negotiating the leasing of 60ha land is expected to become operational this year. The project can offset the tepid growth of Quang Chau IP and Tan Phu Trung IP. However, we expect FY21F IP revenue to fall 61% yoy when Quang Chau IP reaches full capacity.

Reiterate Add with a TP of VND17,500. We reiterate our Add rating, with an RNAV-based target price of VND17,500, backed by faster-than-expected IP sales, Trang Due RP being ready for delivery and the expected resolution of Phuc Ninh RP legal issues so that delivery occurs in FY20F. Re-rating catalysts are: 1) a faster rate of IP or RP sales; and 2) approval for Trang Due 3 IP. Key downside risks include 1) slower IP land sales, 2) delays in booking revenue from the Phuc Ninh RP, and 3) delay in leasing of Nam Son-Hap Linh IP.

Read the full report: [HERE](#)

Notable Corporate Events

Quang Ngai Sugar Joint Stock Company (QNS VN UPCOM) – dividend payment: Feb 20 and Feb 21 will be the ex-date and the record date, respectively, for paying the 2019 cash dividend payment of VND1,000/share, the company said. The payment will be made on 5 Mar 2020. (Ndh.vn)

<to be continued>

COVERAGE SUMMARY

Ticker	Close price	Adjusted target price	Dividend yield	Potential return	Rating	Latest report
PC1	15,000	24,500	0.0%	63.3%	ADD	Link
LPB	7,000	10,000	0.0%	42.9%	ADD	Link
NLG	26,200	39,600	1.9%	53.1%	ADD	Link
ACV	57,000	105,000	0.0%	84.2%	ADD	Link
DPM	11,650	15,800	8.3%	43.9%	ADD	Link
QNS	28,400	44,300	1.8%	57.8%	ADD	Link
LTG	18,400	27,300	8.7%	57.0%	ADD	Link
VCB	88,900	92,200	0.9%	4.6%	HOLD	Link
MBB	21,000	34,300	2.9%	66.2%	ADD	Link
VPB	24,600	21,200	0.0%	-13.8%	REDUCE	Link
TCM	19,250	28,200	2.7%	49.2%	ADD	Link
HPG	24,350	29,700	0.0%	22.0%	ADD	Link
PVT	13,400	21,000	7.8%	64.5%	ADD	Link
STK	18,050	22,400	8.3%	32.4%	ADD	Link
AAA	12,100	25,300	16.8%	125.9%	ADD	Link
PNJ	81,500	88,000	2.8%	10.8%	HOLD	Link
KDH	24,900	28,300	2.0%	15.7%	ADD	Link
DCM	5,800	8,900	15.5%	69.0%	ADD	Link
VTP	124,500	111,000	1.2%	-9.6%	HOLD	Link
ACB	23,600	30,400	4.2%	33.1%	ADD	Link
GAS	86,800	105,700	6.7%	28.4%	ADD	Link
PVS	16,100	24,100	4.4%	54.0%	ADD	Link
PVD	13,000	19,600	0.0%	50.8%	ADD	Link
MSH	41,900	66,600	8.7%	67.7%	ADD	Link
MWG	105,800	170,600	1.4%	62.7%	ADD	Link
POW	9,680	18,334	0.0%	89.4%	ADD	Link
TCB	21,850	27,400	0.0%	25.4%	ADD	Link
PPC	26,750	27,879	9.4%	13.6%	HOLD	Link
VIB	17,000	21,200	2.9%	27.6%	ADD	Link
KBC	14,900	17,500	6.7%	24.2%	ADD	Link
VNM	109,000	155,600	4.2%	46.9%	ADD	Link
VHM	86,200	104,300	1.1%	22.1%	ADD	Link
VJC	129,000	142,200	2.3%	12.6%	HOLD	Link
VHC	33,600	50,200	0.0%	49.4%	ADD	Link
VRE	31,100	43,900	0.0%	41.2%	ADD	Link
GMD	19,300	29,500	7.5%	60.4%	ADD	Link
DBC	19,700	30,700	2.6%	58.4%	ADD	Link
FPT	52,600	74,000	3.8%	44.5%	ADD	Link

MARKET MOVEMENTS

HOSE					
Top gainers					VND
Ticker	Last Price	Chg	%chg	Vol.	Index impact
PGD	39,000	2,550	7.00	11,560	0.067
TCR	3,060	200	6.99	4,330	0.001
PTC	5,370	350	6.97	10	0.002
ST8	15,350	1,000	6.97	10	0.007
HII	10,750	700	6.97	325,740	0.006

Top losers					
Ticker	Last Price	Chg	%chg	Vol.	Index impact
DXV	3,390	-250	-6.87	11,150	-0.001
TIX	27,900	-2,050	-6.84	30	-0.018
DTL	11,400	-800	-6.56	220	-0.014
SJF	1,650	-110	-6.25	474,720	-0.003
DQC	13,800	-900	-6.12	69,220	-0.009

Top index movers					
Ticker	Last Price	Chg	%chg	Vol.	Index impact
GAS	86,800	800	0.93	282,460	0.446
BHN	63,800	2,800	4.59	1,350	0.189
DHG	101,000	3,600	3.70	51,850	0.137
TCH	44,050	1,000	2.32	660,200	0.106
CTD	60,700	3,900	6.87	256,350	0.090

Top index laggards					
Ticker	Last Price	Chg	%chg	Vol.	Index impact
BID	49,100	-2,600	-5.03	1.11MLN	-3.046
VCB	88,900	-1,100	-1.22	607,060	-1.188
VHM	86,200	-800	-0.92	373,600	-0.780
VIC	113,700	-700	-0.61	192,700	-0.687
VRE	31,100	-900	-2.81	611,640	-0.610

Top liquidity					
Ticker	Last Price	Chg	%chg	Val. (VNDbn)	Index impact
CTG	26,600	-300	-1.12	169	-0.325
MBB	21,000	-400	-1.87	129	-0.276
VPB	24,600	-750	-2.96	121	-0.537
HPG	24,350	0	0.00	117	0.000
VNM	109,000	-1,200	-1.09	99	-0.609

HNX					
Top gainers					VND
Ticker	Last Price	Chg	%chg	Vol.	Index impact
VIG	800	100	14.29	7,300	0.003
DST	900	100	12.50	179,400	0.003
KVC	1,100	100	10.00	101,300	0.005
TST	6,600	600	10.00	300	0.002
SEB	33,500	3,000	9.84	300	0.015

Top losers					
Ticker	Last Price	Chg	%chg	Vol.	Index impact
ACM	600	-100	-14.29	740,500	-0.005
BII	700	-100	-12.50	124,000	-0.004
NRC	8,100	-900	-10.00	105,400	-0.008
SPI	900	-100	-10.00	42,500	-0.002
BTW	52,000	-5,700	-9.88	2,500	-0.011

Top index movers					
Ticker	Last Price	Chg	%chg	Vol.	Index impact
VCS	73,600	1,800	2.51	361,100	0.059
TVC	22,800	800	3.64	253,400	0.026
L14	50,800	1,300	2.63	38,700	0.017
DHT	49,200	1,100	2.29	45,100	0.017
SEB	33,500	3,000	9.84	300	0.015

Top index laggards					
Ticker	Last Price	Chg	%chg	Vol.	Index impact
SHB	6,800	-300	-4.23	10.75MLN	-0.401
ACB	23,600	-200	-0.84	1.27MLN	-0.322
PVS	16,100	-300	-1.83	1.30MLN	-0.073
NET	46,500	-4,400	-8.64	200	-0.065
PGS	27,100	-1,300	-4.58	1,300	-0.043

Top liquidity					
Ticker	Last Price	Chg	%chg	Val. (VNDbn)	Index impact
SHB	6,800	-300	-4.23	75	-0.401
ACB	23,600	-200	-0.84	30	-0.322
VCS	73,600	1,800	2.51	26	0.059
NVB	9,000	0	0.00	22	0.000
PVS	16,100	-300	-1.83	21	-0.073

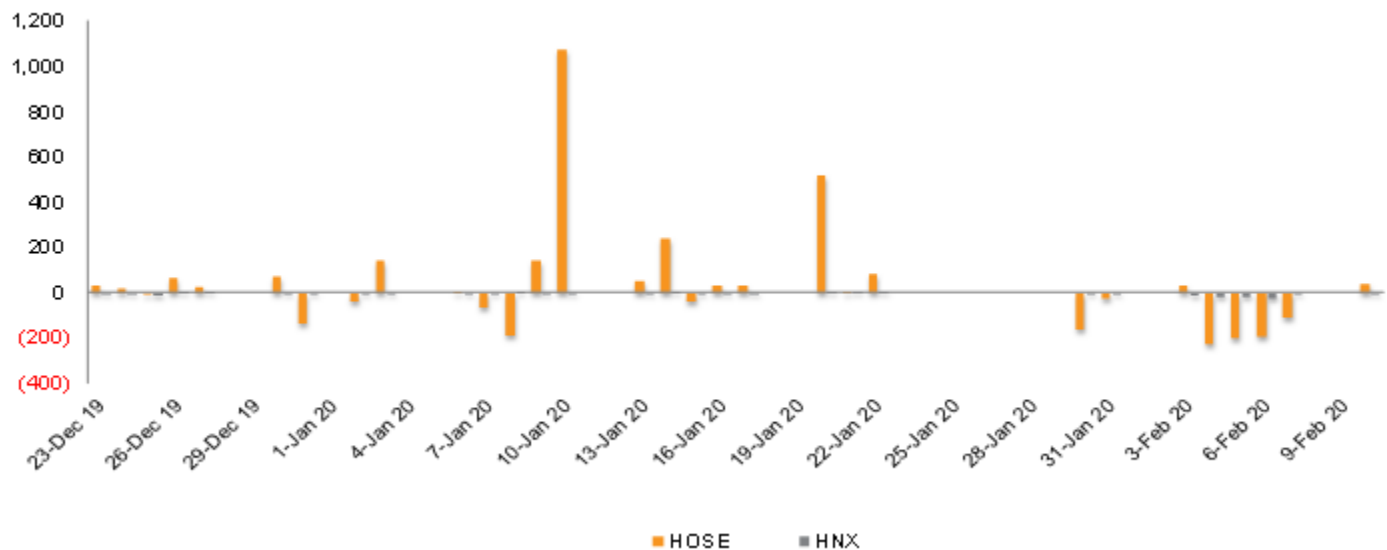
Source: Bloomberg

FOREIGN ACTIVITIES

Volume (Mn'shs)	HOSE	HNX	Value (VND'bn)	HOSE	HNX
BUY	11.5	2.2	BUY	381.5	53.8
% of market	7.9%	5.0%	% of market	14.5%	11.2%
SELL	9.9	2.8	SELL	346.2	57.2
% of market	6.8%	6.3%	% of market	13.2%	11.9%
NET BUY (SELL)	1.6	(0.6)	NET BUY (SELL)	35.4	(3.3)

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	402.3	12.3	BUY	15,944.6	189.8
% of market	9.3%	1.7%	% of market	17.8%	0.1%
SELL	410.9	24.5	SELL	14,855.3	318.5
% of market	9.5%	3.3%	% of market	16.6%	0.2%
NET BUY (SELL)	(8.6)	(12.2)	NET BUY (SELL)	1,089	(128.7)

Source: HSX, HNX

FOREIGN ACTIVITIES

HOSE					
Top buy by foreigners (value)					VND*bn
Ticker	Last Price	Chg	%chg	Value	Index impact
WVM	109,000	-1,200	-1.09	60.7	-0.609
E1VFN30	14,250	-150	-1.04	34.0	0.000
SAB	195,000	0	0.00	31.3	0.000
VHM	86,200	-800	-0.92	25.1	-0.780
HPG	24,350	0	0.00	24.6	0.000

Top sell by foreigners (value)						VND*bn
Ticker	Last Price	Chg	%chg	Value	Index impact	
WVM	109,000	-1,200	-1.09	67.3	-0.609	
E1VFN30	14,250	-150	-1.04	35.0	0.000	
SAB	195,000	0	0.00	27.5	0.000	
TCB	21,850	-300	-1.35	19.7	-0.306	
MBB	21,000	-400	-1.87	18.4	-0.276	

Top net buy by foreigners (value)						VND*bn
Ticker	Last Price	Chg	%chg	Value	Index impact	
VHM	86,200	-800	-0.92	22.3	-0.780	
HPG	24,350	0	0.00	17.2	0.000	
GAS	86,800	800	0.93	14.3	0.446	
PVD	13,000	-250	-1.89	7.6	-0.031	
STB	10,950	-200	-1.79	7.4	-0.110	

Top net sell by foreigners (value)						VND*bn
Ticker	Last Price	Chg	%chg	Value	Index impact	
BID	49,100	-2,600	-5.03	-13.8	-3.046	
IMP	54,800	1,300	2.43	-11.8	0.019	
WVM	109,000	-1,200	-1.09	-6.6	-0.609	
TDM	21,900	650	3.06	-6.0	0.018	
MSN	49,900	0	0.00	-5.7	0.000	

10-Feb-20

HNX					
Top buy by foreigners (value)					VND*bn
Ticker	Last Price	Chg	%chg	Value	Index impact
ACB	23,600	-200	-0.84	42.6	0.000
VCS	73,600	1,800	2.51	8.5	0.000
SHB	6,800	-300	-4.23	1.0	0.000
NRC	8,100	-900	-10.00	0.4	0.000
PVS	16,100	-300	-1.83	0.2	0.000

Top sell by foreigners (value)						VND*bn
Ticker	Last Price	Chg	%chg	Value	Index impact	
ACB	23,600	-200	-0.84	42.6	0.000	
PVS	16,100	-300	-1.83	7.9	0.000	
SHB	6,800	-300	-4.23	2.3	0.000	
NTP	29,000	0	0.00	2.1	0.000	
EID	13,400	0	0.00	0.6	0.000	

Top net buy by foreigners (value)						VND*bn
Ticker	Last Price	Chg	%chg	Value	Index impact	
VCS	73,600	1,800	2.51	8.5	0.000	
NRC	8,100	-900	-10.00	0.4	0.000	
NBC	6,500	0	0.00	0.2	0.000	
CEO	8,600	100	1.18	0.1	0.000	
PVC	6,100	0	0.00	0.1	0.000	

Top net sell by foreigners (value)						VND*bn
Ticker	Last Price	Chg	%chg	Value	Index impact	
PVS	16,100	-300	-1.83	-7.70	0.000	
NTP	29,000	0	0.00	-2.15	0.000	
SHB	6,800	-300	-4.23	-1.32	0.000	
EID	13,400	0	0.00	-0.55	0.000	
S55	24,900	1,400	5.96	-0.35	0.000	

Source: Bloomberg, HOSE, HNX

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ADDRESS

Headquarter

1 Nguyen Thuong Hien Str
Hai Ba Trung Dist, Hanoi
T: +84 24 3972 4568
F: +84 24 3972 4600

Vinh - Nghe An Office

1 Lenin Str
Vinh City, Nghe An Province
T: +84 388 688 466
F: +84 388 688 466

HCMC Office

The 90th Pasteur Building
90 Pasteur Str, Dist 1, HCMC
T: +84 28 7300 0688
F: +84 28 3914 6924

Can Tho Office

3rd floor STS Building, 11B Hoa Binh
Ninh Kieu, Can Tho
T: +84 710 3766 959
F: +84 710 3826 331

Da Nang Office

Room 7-8-9, 3rd floor, Buu Dien Building
155 Nguyen Van Linh Str, Da Nang City
T: +84 511 382 1111

Quang Ninh Office

1st & 2nd floor, 29-31, 25/4 Str
Ha Long City, Quang Ninh Province
T: +84 33 3820 818
F: +84 33 3820 333