

Weekly Market Roundup: Slouching into Valentine's Day

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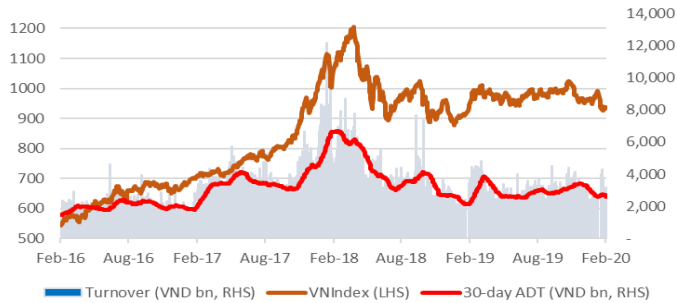
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Issue 2 of the Yuanta Vietnam weekly market wrap, a Monday morning summary of the prior week's market activity. The week ending Feb 14 saw little love for the market overall, with average daily turnover of components of the three main indexes declining by 21% WoW. But breadth was skewed positively, with VNIndex components comprising 211 gainers and 143 losers during the week.

VN Index & Turnover



Weekly Index Performance

- **VNINDEX:** 937 (-0.4% WoW / -2.4% YTD / -4.6% YoY)
- **HNINDEX:** 110 (+6.2% WoW / +7.1% MoM / +3.4% YoY)
- **UPCOM Index:** 56 (+1.4% WoW / -0.2% MoM / +1.9% YoY)
- **Average daily turnover:** US\$138 mn (-22% WoW)
- **Foreign investors net sold** US\$4.0 million of HOSE-listed stocks.
- **VND:USD rate:** 23,245 (-6bps WoW, -31bps YTD, -21bps YoY)

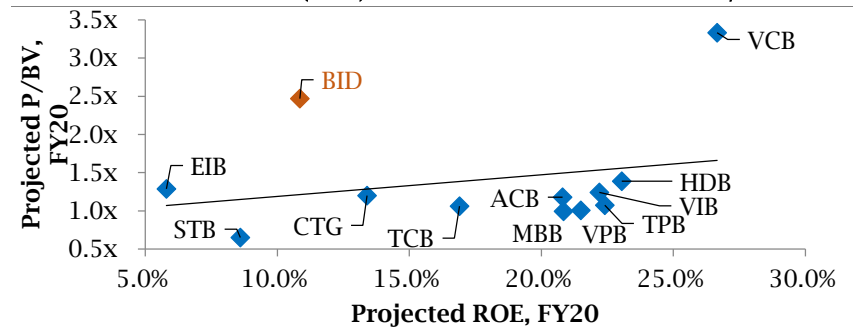
VN30 Components

Ticker	Closing price (VND K)	WoW chg	Cont to VN30 (WoW)	TTM PE (x)
BID	50.0	-3.3%	-9%	21
BVH	57.0	-4.7%	-6%	35
CTD	64.2	13.0%	10%	7
CTG	26.8	-0.4%	-1%	11
EIB	17.3	-1.1%	-7%	25
FPT	54.5	2.3%	22%	13
GAS	88.5	2.9%	8%	14
HDB	28.6	-4.5%	-29%	8
HPG	23.7	-2.7%	-35%	9
MBB	21.8	1.6%	17%	6
MSN	49.8	-0.2%	-2%	10
MWG	107.1	-1.5%	-16%	12
NVL	54.2	0.2%	1%	15
PLX	53.3	2.9%	6%	15
PNJ	82.7	0.1%	1%	15
POW	10.4	4.9%	8%	10
REE	35.2	3.7%	7%	7
ROS	9.2	22.0%	17%	31
SAB	189.8	-0.9%	-4%	25
SBT	21.2	17.8%	34%	42
SSI	17.8	0.6%	1%	10
STB	11.6	4.0%	29%	9
TCB	23.3	5.2%	93%	8
VCB	89.3	-0.8%	-7%	18
VHM	87.6	0.7%	8%	14
VIC	110.0	-3.8%	-66%	49
VJC	128.6	-2.0%	-23%	16
VNM	106.6	-3.3%	-65%	19
VPB	27.2	7.1%	111%	8
VRE	31.8	-0.8%	-3%	25

Source: Bloomberg, Yuanta Vietnam

Sector leaders included banks and IT (both up +2.4% WoW), whereas property (-1.4%) and construction (-1.7%) declined. As always, the individual stocks were a mixed bag however. For example, VPB (BUY) was a standout gainer among the banks whereas HDB (-4.5%) went the opposite way. On the banks, we downgraded BID to SELL last week largely on valuations after the stock returned 54% since his initiation. Please see Page 3 of this note for recent research links.

Chart Of The Week: BID (SELL) is overvalued on a sector ROE / PB basis



Source: Bloomberg for pricing and ROE estimates on CTG, TCB, ACB, VIB, and TPB projections, Yuanta Vietnam for STB, BID, MBB, VPB, HDB, and VCB.

The coronavirus remains the key issue for Vietnam macro and markets. However, the EU Parliament also ratified the EU-Vietnam FTA last week. We believe that trade liberalization is a positive, but considerations of increased competition in the dairy industry might be behind VNM's (Not rated) recent share price weakness (-3.3% WoW and -8.5% YTD). VNM will hold its 4Q19 call on Wed, Feb 19.

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	2019E Dividend yield	12-m TSR*
Banks	BIDV	BID VN	8,651	1.7	SELL	50,000	37,300	-25%	1.8%	-24%
	HD Bank	HDB VN	1,184	1.9	Hold-Underperform	28,600	30,970	8%	0.0%	8%
	MB Bank	MBB VN	2,196	4.3	BUY	21,750	28,694	32%	3.1%	35%
	Sacombank	STB VN	900	1.9	BUY	11,600	14,049	21%	0.0%	21%
	Vietcombank	VCB VN	14,248	3.0	Hold-Outperform	89,300	92,035	3%	0.9%	4%
	Vietnam Prosperity Ba	VPB VN	2,847	2.3	BUY	27,150	25,530	-6%	0.0%	-6%
Brokers	HCM City Securities	HCM VN	252	0.9	BUY	19,200	29,931	56%	4.9%	61%
	Saigon Securities	SSI VN	397	1.2	Hold-Underperform	17,800	23,525	32%	5.4%	38%
	Viet Capital Securities	VCI VN	199	0.1	Hold-Outperform	28,150	32,437	15%	4.4%	20%
	VNDirect Securities	VND VN	127	0.1	BUY	14,200	13,231	-7%	4.2%	-3%
Energy	PV POW	POW VN	1,048	0.9	BUY	10,400	17,457	68%	2.9%	71%
	PV NT2	NT2 VN	260	0.2	Hold-Outperform	21,000	29,195	39%	9.5%	49%
Consumer	Masan Group	MSN VN	2,504	2.5	BUY	49,800	84,143	69%	0.0%	69%
	Phu Nhuan Jewelry	PNJ VN	801	2.2	Hold-Underperform	82,700	86,300	4%	2.4%	7%
	Digiworld	DGW VN	50	0.5	Hold-Outperform	27,950	31,574	13%	4.2%	17%
Oil & GAS	PV Drilling	PVD VN	242	1.5	BUY	13,350	19,896	49%	0.0%	49%
Property	Nam Long	NLG VN	289	0.4	BUY	26,900	36,400	35%	1.9%	37%
	Novaland	NVL VN	2,261	0.9	Hold-Ourperform	54,200	65,073	20%	0.0%	20%
	Khang Dien	KDH VN	574	0.3	BUY	24,500	31,081	27%	2.0%	29%
	Vinhomes	VHM VN	12,397	5.0	BUY	87,600	94,862	8%	1.1%	9%
Transport	Airports Corp Vietnam	ACV VN	5,619	0.2	Hold-Underperform	60,000	76,400	27%	1.5%	29%

*Note: TSR = Total shareholder return over the next 12 months inclusive of expected share price change and dividends.

Pricing data as of close on Feb 14, 2020.

Source: Bloomberg, Yuanta Vietnam

News flow – Select stories that caught our eye last week.

[State Bank of Vietnam \(SBV\) officially became a member](#) of the Bank for International Settlements (BIS).

[The European Parliament ratified the EU-Vietnam Free Trade Agreement.](#)

[The SBV proposed eliminating the 49% cap on foreign ownership in payments intermediaries.](#)

[Vingroup \(VIC VN\) founder/chairman supports Vietnam's efforts to qualify for the football World Cup.](#)

[Quarantine of a village near Hanoi \(Feb 13\)](#) and [COVID-19 update for Vietnam \(Feb 16\)](#).

Recent Institutional Research Publications

[BIDV \(BID VN, Downgrade to SELL\): Enough is enough \(Feb 14\)](#)

[Oil and Gas Sector: Oil Price Spike To Lift Vietnam O&G stocks \(Feb 14\)](#)

[Strategy: 4Q19 margin lending hit a 4-year high \(Feb 13\)](#)

[Weekly Market Wrap: Volatility on the rise \(Feb 10\)](#)

[Banks Sector: 4Q19 CAMEL update \(Feb 7\)](#)

[Sabeco \(SAB VN, Not Rated\) analyst conference takeaways \(Feb 7\)](#)

[Oil & Gas Sector: Risks have risen but we remain bullish \(Feb 6\)](#)

[Strategy: Coronavirus & the market sell-off \(Feb 4\)](#)

[PV Power \(POW VN, BUY\): +30% YoY PAT growth in 2019, despite provisioning loss](#)

[Vinhomes \(VHM VN, BUY\): Analyst call takeaways: 4Q19 PBT +78% YoY; 2020 outlook looks solid \(Jan 31\)](#)

[Masan \(MSN VN, HOLD-Outperform\): A top-line miss and bottom-line beat in 2019 \(Jan 31\)](#)

[Petrovietnam Nhon Trach 2 \(NT2 VN, HOLD-Outperform\): Preliminary 2019 earnings -3% YoY \(Jan 20\)](#)

[Strategy: Diamonds back in style in 1Q20 \(Jan 20\)](#)

[Asia Commercial Bank \(ACB VN, Not rated\): Analyst meeting takeaways \(Jan 16\)](#)

[Vietnam Prosperity Bank \(VBP, BUY\) Initiation: Regulatory fears are overdone \(Jan 15\)](#)

[Masan \(MSN, HOLD-O/P\): Vincommerce deal conference call takeaways \(Jan 10\)](#)

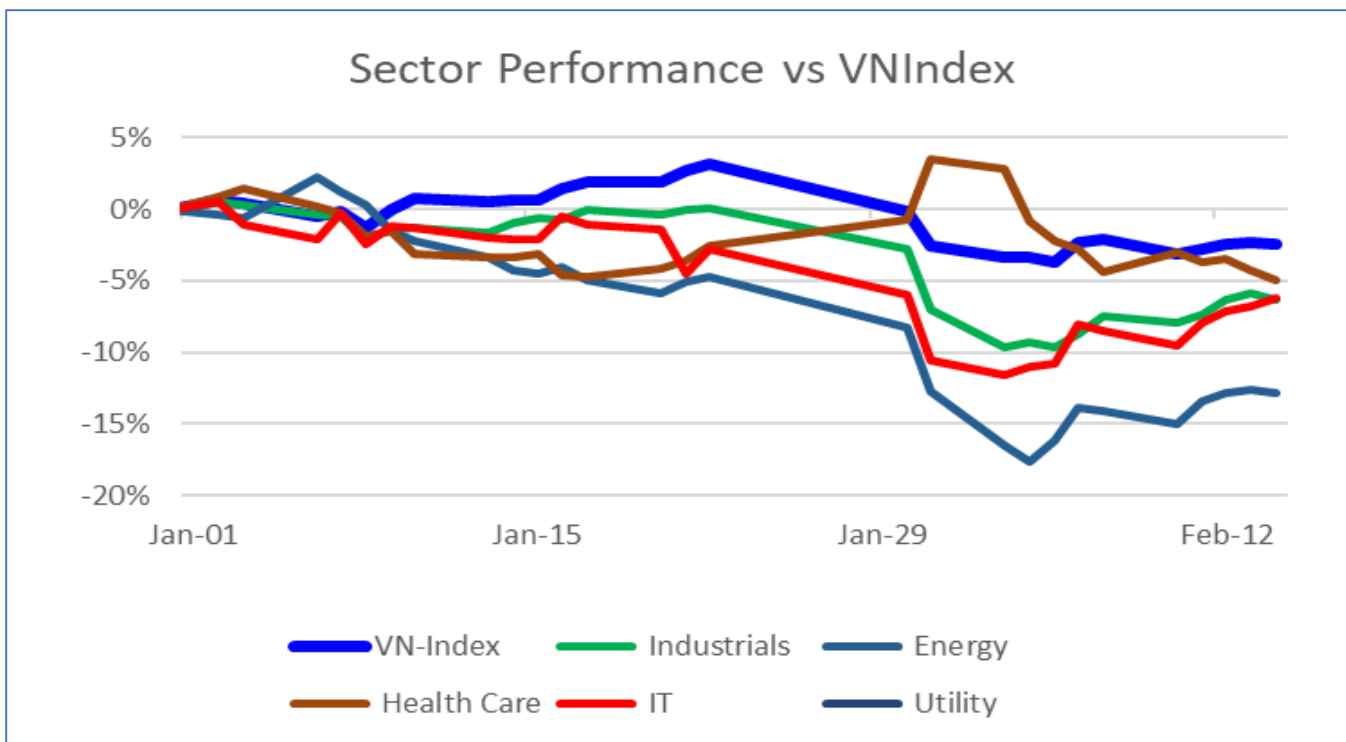
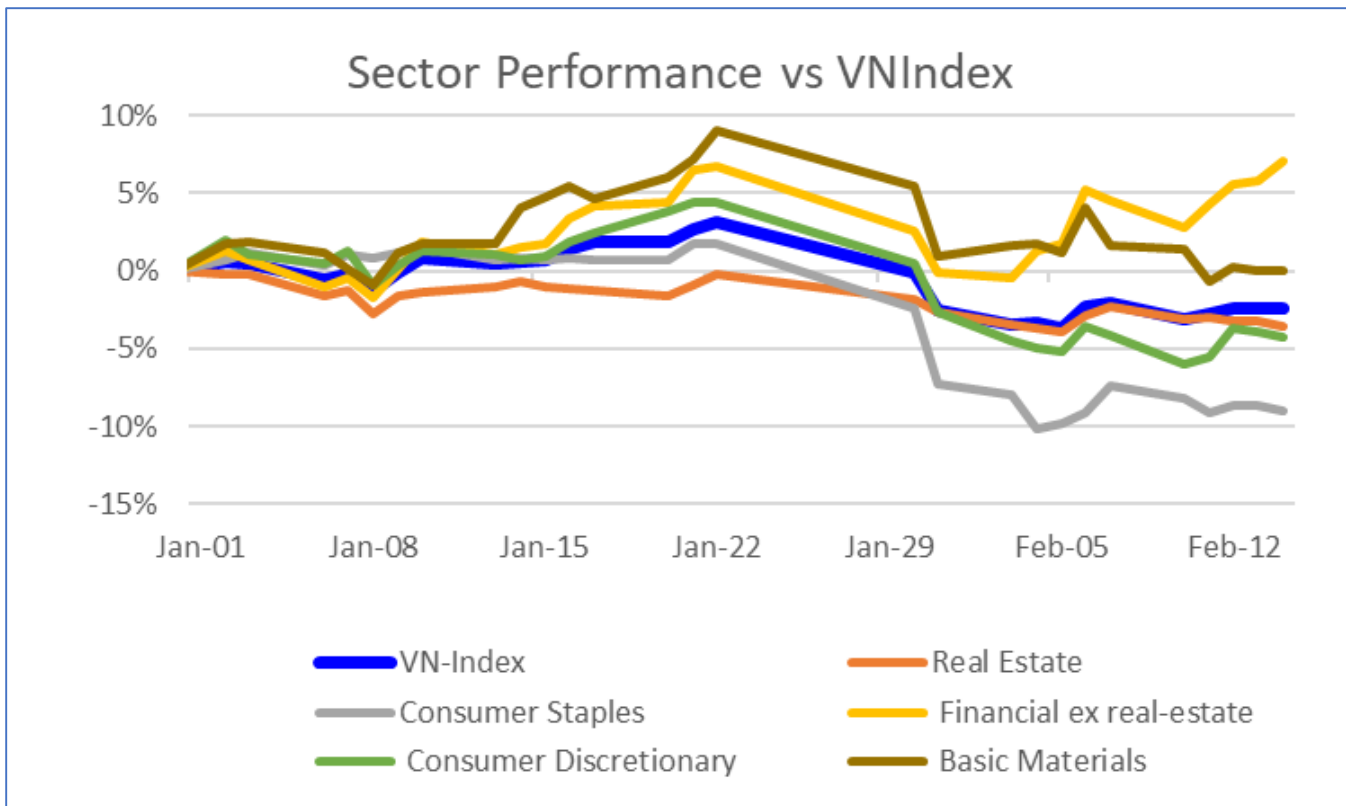
[VCB \(VCB VN, HOLD-O/P\): 2019 preliminary PBT beat our forecast by 8% \(Jan 10\)](#)

[BID \(BID VN, HOLD-O/P\): Preliminary 4Q19 PBT +61% QoQ / +69% YoY \(Jan 9\)](#)

[Vietnam Macro: Takeaways from the Banking University of HCMC forum \(Jan 7\)](#)

[Phu Nhuan Jewelry \(PNJ VN, HOLD-O/P\): Surging gold price --What is the impact? \(Jan 6\)](#)

[Strategy: Oil price spike is positive for O&G, negative for airlines \(Jan 6\)](#)



Source: Bloomberg

Yuanta Universe: Valuations and ratings

Stock		PER (x)			EPS Growth (%)			PEG (x)			PBV (x)			ROE (%)			ROA (%)		
Sector	Code	2018A	2019F	2020F	2018A	2019F	2020F	2018A	2019F	2020F	2018A	2019F	2020F	2018A	2019F	2020F	2018A	2019F	2020F
Banks	BID VN	30.8	25.1	20.3	8.3	22.9	23.6	3.7	1.1	0.9	3.1	2.6	2.4	10.7	11.2	12.3	0.44	0.53	0.61
	HDB VN	9.4	8.5	7.1	48.1	10.5	20.1	0.2	0.8	0.4	1.7	1.6	1.6	18.0	19.4	22.5	1.40	1.49	1.64
	MBB VN	7.7	6.1	5.2	72.1	25.1	18.1	0.1	0.2	0.3	1.4	1.2	1.0	19.2	20.8	20.8	1.81	2.05	2.19
	STB VN	14.9	10.1	8.7	40.8	47.1	15.5	0.4	0.2	0.6	0.8	0.8	0.7	5.9	8.1	8.6	0.36	0.49	0.52
	VCB VN	24.9	21.5	13.8	79.7	15.7	56.0	0.3	1.4	0.2	5.2	4.1	3.3	22.5	21.2	26.7	1.22	1.31	1.82
	VPB VN	9.0	8.8	6.9	7.2	2.5	27.8	1.2	3.5	0.2	1.9	1.6	1.3	22.8	20.3	21.5	2.45	2.17	2.40
Brokers	HCM VN	4.0	16.3	11.3	26.1	(75.4)	44.5	0.2	(0.2)	0.3	1.9	1.3	1.2	23.1	10.6	12.5	10.39	5.89	7.03
	SSI VN	7.8	10.5	8.6	3.1	(25.3)	21.6	2.5	(0.4)	0.4	1.0	1.0	0.9	14.8	9.3	10.7	5.69	3.41	3.62
	VCI VN	4.9	7.4	7.7	(1.2)	(33.9)	(3.8)	(4.0)	(0.2)	(2.0)	1.3	1.1	1.0	24.7	16.3	14.1	12.51	8.46	6.87
	VND VN	7.8	9.1	9.1	(22.4)	(14.9)	0.2	(0.3)	(0.6)	48.9	1.0	0.9	0.9	13.7	11.3	10.4	3.83	2.95	2.56
Energy	PVD VN	28.5	55.5	17.4	336.8	(48.7)	218.0	0.1	(1.1)	0.1	0.4	0.4	0.4	1.4	0.7	2.3	0.92	0.49	1.58
	NT2 VN	8.0	8.4	8.1	(2.9)	(5.2)	3.9	(2.7)	(1.6)	2.1	1.6	1.6	1.6	18.0	19.6	19.9	8.31	8.79	10.29
Consumer	MSN VN	10.9	12.0	11.4	67.2	(9.2)	5.6	0.2	(1.3)	2.0	2.0	1.7	1.5	20.7	15.2	14.0	8.78	7.31	7.19
	PNJ VN	15.5	18.0	14.4	(17.2)	(13.6)	24.4	(0.9)	(1.3)	0.6	3.7	3.0	2.5	28.7	27.5	27.9	17.79	17.79	16.93
	DGW VN	10.3	8.2	6.7	37.4	24.5	23.3	0.3	0.3	0.3	1.5	1.3	1.2	15.2	17.1	18.9	5.80	6.12	7.13
Oil & GAS	POW VN	12.7	9.8	7.6	(14.0)	29.6	29.0	(0.9)	0.3	0.3	0.9	0.9	0.9	7.0	9.1	11.1	3.24	4.44	5.97
Property	NLG VN	7.6	10.8	7.0	17.7	(29.6)	54.4	0.4	(0.4)	0.1	1.2	1.2	1.1	16.8	12.9	16.9	9.28	6.66	10.00
	NVL VN	15.7	20.5	16.6	10.0	(23.3)	23.8	1.6	(0.9)	0.7	2.5	2.5	2.5	10.2	11.2	11.1	3.12	3.42	3.33
	KDH VN	13.9	16.6	12.1	40.0	(15.8)	37.0	0.3	(1.1)	0.3	1.5	1.8	1.6	11.7	11.9	14.5	7.92	7.45	8.88
	VHM VN	19.2	16.0	12.6	93.7	20.4	27.1	0.2	0.8	0.5	6.1	4.6	3.5	30.7	30.0	28.7	12.35	11.56	11.88
Transportatio	ACV VN	22.2	21.1	19.5	55.1	5.0	8.3	0.4	4.2	2.3	4.1	3.7	3.1	21.2	20.7	18.8	11.97	12.13	11.39

Pricing data as of close on Feb 14, 2020.

Source: Bloomberg, Yuanta Vietnam



Appendix A: Important Disclosures

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