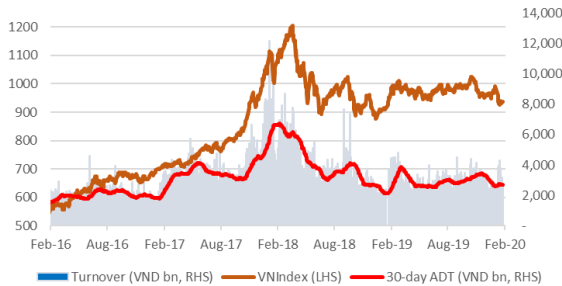


Weekly Market Roundup: Diamonds in the Rough

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The market was broadly flat during the week ending Feb 21, with the VNI in a closing range of 928-938. Average turnover of the three main indexes rose by 3% WoW, with ADT peaking on Friday at US\$161m. Breadth was roughly even on the VNI, with 188 gainers and 167 losers. Our sense is that the post-Tet shock has eased, but only slightly. Given the epidemiological uncertainties surrounding the coronavirus, restarting infrastructure projects could help to mitigate its negative economic effects.

VN Index & Turnover



Weekly Index Performance

- **VNINDEX:** 933 (-0.5% WoW / -2.9% YTD / -5.5% YoY)
- **HNINDEX:** 108 (-1.5% WoW / +5.4% MoM / +1.9% YoY)
- **UPCOM Index:** 56 (-0.3% WoW / -0.5% MoM / +1.4% YoY)
- **Average daily turnover:** US\$141 mn (+3% WoW)
- **Foreigners net sold** US\$39.8 million of VNIndex constituents.
- **VND:USD rate:** 23,246 (flat WoW, -31bps YTD, -16bps YoY)

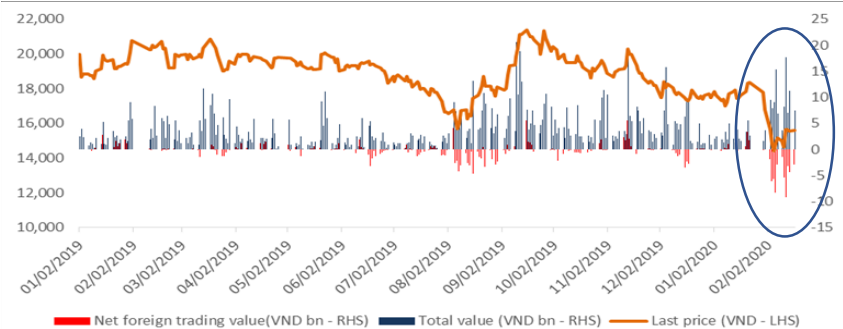
VN30 Components

Ticker	Closing price (VND K)	WoW chg	Cont to VN30 (WoW)	TTM PE (x)
BID	49.5	-1.0%	-3%	20
BVH	58.5	2.6%	4%	36
CTD	66.9	4.2%	4%	8
CTG	25.9	-3.5%	-11%	10
EIB	17.3	0.0%	0%	25
FPT	54.7	0.4%	4%	13
GAS	85.4	-3.5%	-11%	14
HDB	28.4	-0.7%	-5%	8
HPG	23.6	-0.6%	-9%	9
MBB	21.2	-2.5%	-28%	6
MSN	53.0	6.4%	59%	11
MWG	110.6	3.3%	40%	13
NVL	54.0	-0.4%	-2%	15
PLX	52.8	-0.9%	-2%	15
PNJ	83.8	1.3%	7%	16
POW	10.8	3.4%	6%	10
REE	35.0	-0.4%	-1%	7
ROS	8.5	-7.6%	-6%	27
SAB	180.6	-4.8%	-23%	24
SBT	22.0	3.8%	8%	43
SSI	17.5	-2.0%	-4%	10
STB	11.3	-2.6%	-20%	8
TCB	23.1	-0.9%	-17%	8
VCB	89.0	-0.3%	-3%	18
VHM	86.1	-1.7%	-20%	14
VIC	109.9	-0.1%	-2%	48
VJC	128.6	0.0%	0%	16
VNM	108.5	1.8%	40%	20
VPB	28.8	6.1%	111%	8
VRE	30.7	-3.3%	-16%	25

Source: Bloomberg, Yuanta Vietnam

On a week-on-week basis, consumer staples (+1.8%) and discretionary (+2.3%) were standout gainers, with heavyweights MSN (HOLD-O/P) up 6.4% and MWG (NR) up 3.3%. SOE bank high-fliers BID (SELL, -1%) and CTG (NR, -3.5%) took a breather, but VPB (BUY, +6.1%) continued its strong YTD rally. POW (+3.4%) had a decent week, but the energy sector's underperformance (-1.1% WoW) is confusing given that the effects of the virus on operations should be limited, especially relative to other industries. However, market inefficiency can lead to opportunities. We thus like the timing of energy analyst Binh Truong's Feb 21 [initiation of coverage on PC1 \(BUY\)](#). See Page 3 note for more research links.

PC1 (BUY): FINIs are cutting losses, but we think this is the bottom



Source: Bloomberg, FiinPro, Yuanta Vietnam

Coronavirus remains the key driver of sentiment and macro outcomes. So far Vietnam has reported only 16 cases, but the short-term macro impact is likely to be more substantial than that number would indicate. Separately, recent market chatter leaves us decidedly less confident in an imminent launch of the VN Diamond ETF.

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	8,564	1.7	SELL	49,500	37,300	-25%	1.6%	-23%
	HD Bank	HDB VN	1,176	1.8	Hold-Underperform	28,400	30,970	9%	0.0%	9%
	MB Bank	MBB VN	2,141	4.4	BUY	21,200	28,694	35%	3.2%	39%
	Sacombank	STB VN	877	2.3	BUY	11,300	14,049	24%	0.0%	24%
	Vietcombank	VCB VN	14,200	3.0	Hold-Outperform	89,000	92,035	3%	0.9%	4%
	Vietnam Prosperity Ba	VPB VN	3,020	2.5	BUY	28,800	25,530	-11%	0.0%	-11%
Brokers	HCM City Securities	HCM VN	248	0.9	BUY	18,850	29,931	59%	5.0%	64%
	Saigon Securities	SSI VN	389	1.2	Hold-Underperform	17,450	23,525	35%	5.5%	40%
	Viet Capital Securities	VCI VN	198	0.1	Hold-Outperform	28,000	32,437	16%	4.4%	20%
	VNDirect Securities	VND VN	126	0.1	BUY	14,050	13,231	-6%	4.3%	-2%
Energy	PV POW	POW VN	1,083	0.9	BUY	10,750	17,457	62%	2.8%	65%
	PV NT2	NT2 VN	251	0.2	Hold-Outperform	20,300	29,195	44%	9.9%	54%
	PCC1	PC1 VN	106	0.2	BUY	15,500	24,092	55%	0.0%	55%
Consumer	Masan Group	MSN VN	2,665	2.7	BUY	53,000	84,143	59%	0.0%	59%
	Phu Nhuan Jewelry	PNJ VN	812	2.2	Hold-Underperform	83,800	86,300	3%	2.4%	5%
	Digiworld	DGW VN	50	0.5	Hold-Outperform	27,700	31,574	14%	4.2%	18%
Oil & GAS	PV Drilling	PVD VN	239	1.5	BUY	13,200	19,896	51%	0.0%	51%
Property	Nam Long	NLG VN	279	0.4	BUY	26,000	36,400	40%	1.9%	42%
	Novaland	NVL VN	2,252	0.9	Hold-Ourperform	54,000	65,073	21%	0.0%	21%
	Khang Dien	KDH VN	575	0.3	BUY	24,550	31,081	27%	2.0%	29%
	Vinhomes	VHM VN	12,184	4.6	BUY	86,100	94,862	10%	1.2%	11%
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 21, 2020.

Source: Bloomberg, Yuanta Vietnam

News and Macro Tidbits – Select items that caught our eye last week.

[16 coronavirus cases reported in Vietnam, with 15 recovered \(as of 21 February\).](#)

[HCMC extends school break until end-March on virus concerns.](#) – actions speak louder than words. The authorities are exhibiting an abundance of caution and containment efforts appear to be succeeding so far. Global central bank money-printing (see China's [January credit growth](#)) may boost asset prices, but its effects on real economic activity are less obvious. Vietnam manufacturing lies downstream from China's, and [China manufacturing is still struggling to restart](#).

[Ho Chi Minh City metro to test run in 3Q20](#) – once again, actions speak louder than words. For what it's worth, we have noticed an increase in visible activity at the site from our 4th floor perch overlooking Le Loi Street. Restarting stalled infrastructure is an excellent way to prime the pump ahead of the negative effects from the virus. Alleviating the dearth of transport infrastructure in the major urban centers is critical for society, so we view this as a positive sign.

[Mobile payments to boost GDP growth by 0.5ppt, as 50% of the population do not have bank accounts.](#) Our thoughts: The E-Wallet doesn't mean financial system disintermediation in Vietnam. Mobile payments rely on the banking system backbone, so this should be beneficial for the bank partners of the payments operators.

[CPI inflation reached 6.4% in January.](#) This was largely driven by food prices (+10.9%), likely due to the spike in pork prices and early Lunar New Year effects. Core CPI (which excludes food, energy products, and goods prices that are state-managed) was 3.25%. Although pork prices appear likely to remain elevated (see the link below), we expect

headline CPI to stabilize going forward. Anecdotally, produce prices generally appear to have fallen in February amidst the (temporary) semi-closure of the China market.

[Pork market suffers from African Swine Flu](#) – pork supply could fall by 20-35% this year: Institute of Policy and Strategy for Agriculture and Rural Development.

Recent Institutional Research Publications

[PC1 Initiation \(BUY\): Leveraged to the energy value chain \(Feb 21\)](#)

[Yuanta Asia Regional Monthly Strategy View \(Feb 20\)](#)

[VNM \(Not Rated\): Conference call takeaways \(Feb 20\)](#)

[NVL \(HOLD-O/P\): Meeting takeaways – Calamity is Man's True Touchstone \(Feb 19\)](#)

[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 is 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 \(Jan 10\)](#)

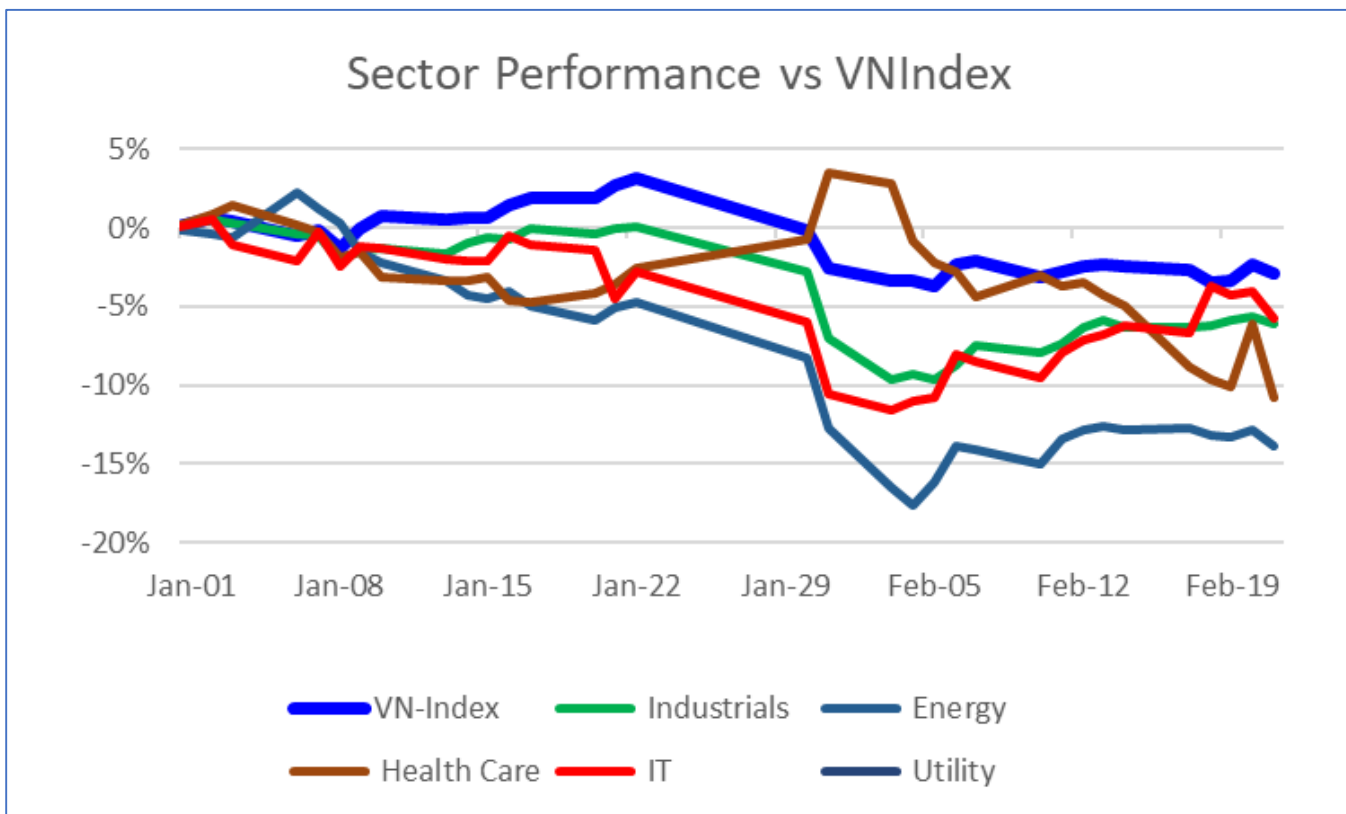
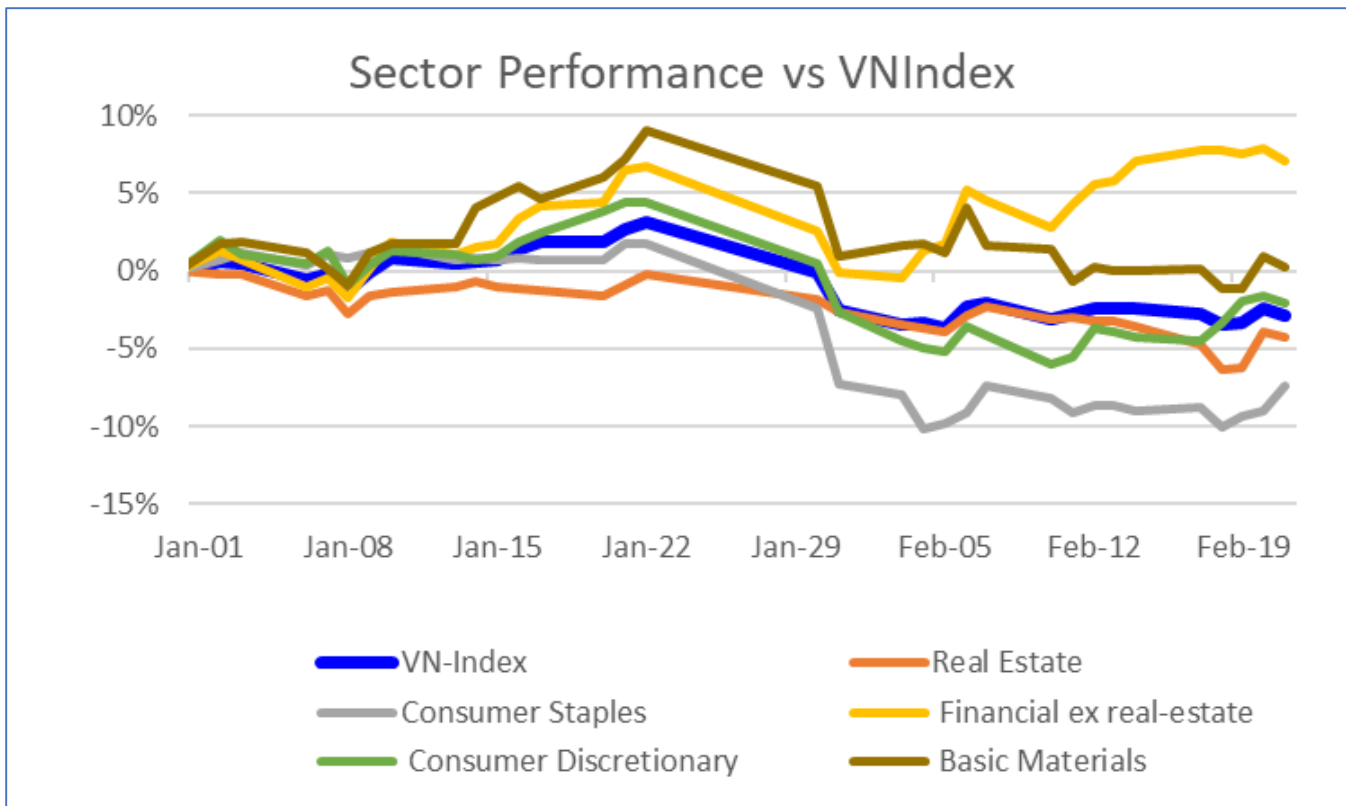
[VCB \(VCB VN, HOLD-O/P\): 2019 preliminary PBT beat our forecast by 8% \(Jan 10\)](#)

[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

Sector	Stock Code	PER (x)			EPS Growth (%)			PEG (x)			PBV (x)			ROE (%)			ROA (%)		
		2018A	2019F	2020F	2018A	2019F	2020F	2018A	2019F	2020F	2018A	2019F	2020F	2018A	2019F	2020F	2018A	2019F	2020F
Banks	BID VN	30.3	27.8	23.9	8.9	9.1	16.5	3.4	3.0	1.5	3.1	2.6	2.4	11.4	10.5	10.9	0.44	0.47	0.52
	HDB VN	9.3	8.5	7.0	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	7.5	6.0	5.1	72.1	25.1	18.1	0.1	0.2	0.3	1.3	1.2	1.0	19.2	20.8	20.8	1.81	2.05	2.19
	STB VN	14.5	9.8	8.5	40.8	47.1	15.5	0.4	0.2	0.5	0.8	0.8	0.7	5.9	8.1	8.6	0.36	0.49	0.52
	VCB VN	24.8	21.5	13.8	79.7	15.7	56.0	0.3	1.4	0.2	5.1	4.1	3.3	22.5	21.2	26.7	1.22	1.31	1.82
	VPB VN	9.5	9.3	7.3	7.2	2.5	27.8	1.3	3.7	0.3	2.0	1.7	1.4	22.8	20.3	21.5	2.45	2.17	2.40
Brokers	HCM VN	3.9	16.0	11.1	26.1	(75.4)	44.5	0.2	(0.2)	0.2	1.9	1.3	1.2	23.1	10.6	12.5	10.39	5.89	7.03
	SSI VN	7.7	10.3	8.4	3.1	(25.3)	21.6	2.4	(0.4)	0.4	1.0	0.9	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	7.7	9.0	9.0	(22.4)	(14.9)	0.2	(0.3)	(0.6)	48.4	1.0	0.9	0.9	13.7	11.3	10.4	3.83	2.95	2.56
Energy	PVD VN	28.1	54.9	17.3	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	7.7	8.1	7.8	(2.9)	(5.2)	3.9	(2.7)	(1.6)	2.0	1.6	1.5	1.5	18.0	19.6	19.9	8.31	8.79	10.29
	PC1 VN	4.7	6.9	4.5	120.5	(32.1)	52.4	0.0	(0.2)	0.1	0.8	0.7	0.6	14.3	10.2	14.4	6.82	4.78	6.65
Consumer	MSN VN	11.6	12.8	12.1	67.2	(9.2)	5.6	0.2	(1.4)	2.2	2.1	1.8	1.6	20.7	15.2	14.0	8.78	7.31	7.19
	PNJ VN	15.7	18.2	14.6	(17.2)	(13.6)	24.4	(0.9)	(1.3)	0.6	3.7	3.1	2.5	28.7	27.5	27.9	17.79	17.79	16.93
	DGW VN	10.2	8.2	6.6	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	13.1	10.1	7.8	(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	7.4	10.5	6.8	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	20.4	16.5	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	14.0	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	18.9	15.7	12.4	93.7	20.4	27.1	0.2	0.8	0.5	6.0	4.5	3.4	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 21, 2020.

Source: Bloomberg, Yuanta Vietnam



Appendix A: Important Disclosures

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