



# MACRO & MARKET M10

**Improvement in economic,  
opportunities in correction**



## MACRO ECONOMY OCTOBER.2020

- 01 Recover trend continues in October
- 02 Business conditions improved in October
- 03 Retail, Manufacturing maintained recovery momentum
- 04 State budget disbursement maintained momentum, FDI improved
- 05 Export recovered positively, imports growths comparing last year
- 06 Inflation slows down when oil price and pork price corrected in October
- 07 Interbank rates remained moderate
- 08 VND is expected to be stable

## MARKET OCTOBER.2020

- 09 November 2020 forecast
- 10 P/E of VN-INDEX returned to the 15th Asia
- 11 Raw materials industry increased outperform the market
- 12 Marketcap reached 4.46 million billion VND
- 13 Foreign investors sell strongly in October
- 14 Domestic traders makes positive operations in October
- 15 Value of enterprise bond issue recovery, rejecting the market needs
- 16 Factors affecting the market in November.2020
- 17 Investment strategy for November.2020
- 18 The list of shares is expected to be bought by iShares

## APPENDIX



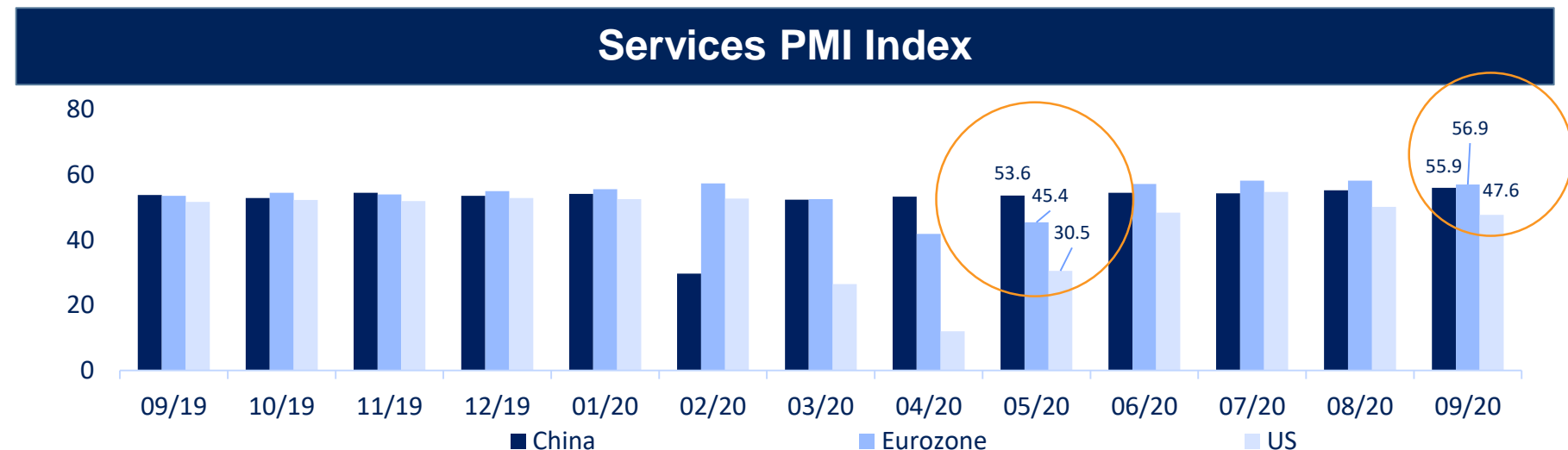
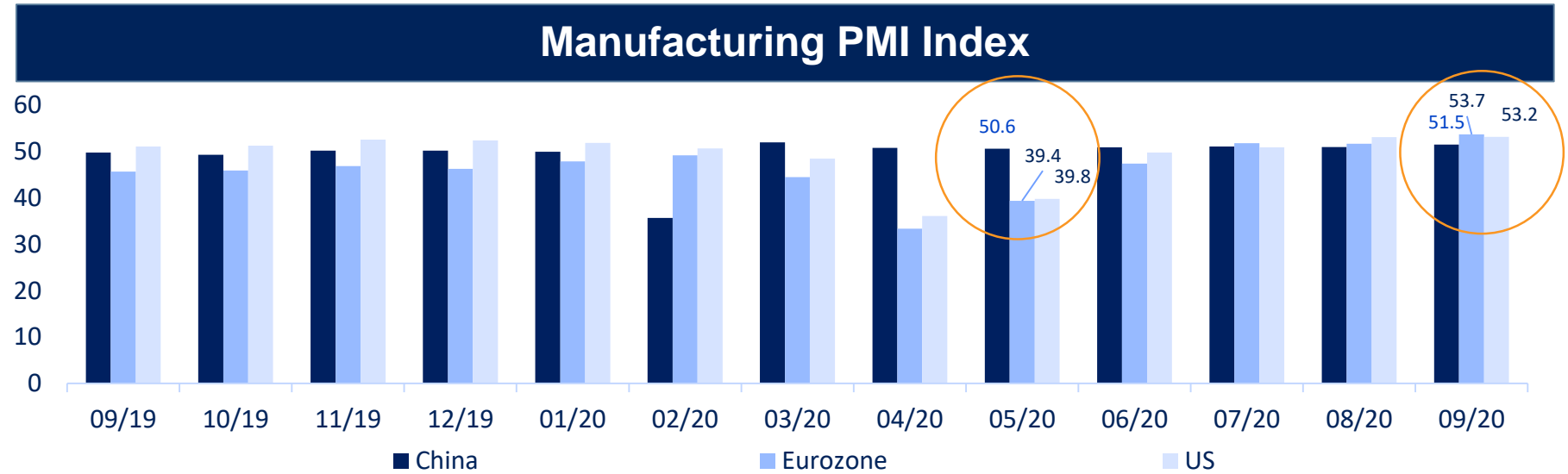
# Macro October

## External sector improved



## MACRO: RECOVER TREND CONTINUES IN OCTOBER

- ❖ Manufacturing PMI: US and China and Eurozone maintained the recovery momentum.
- ❖ Service PMI: Service sector continued to maintain its recovery momentum in China and Eurozone. However, this index continued to decline in the United States.
- ❖ World economy maintained a positive recovery trend in October.
- ❖ However, the number of COVID cases increased sharply again in the second half of October 10. This phenomenon may negatively affect the growth of the EU and US economic bloc in November.



SourceS: Bloomberg, BSC Research

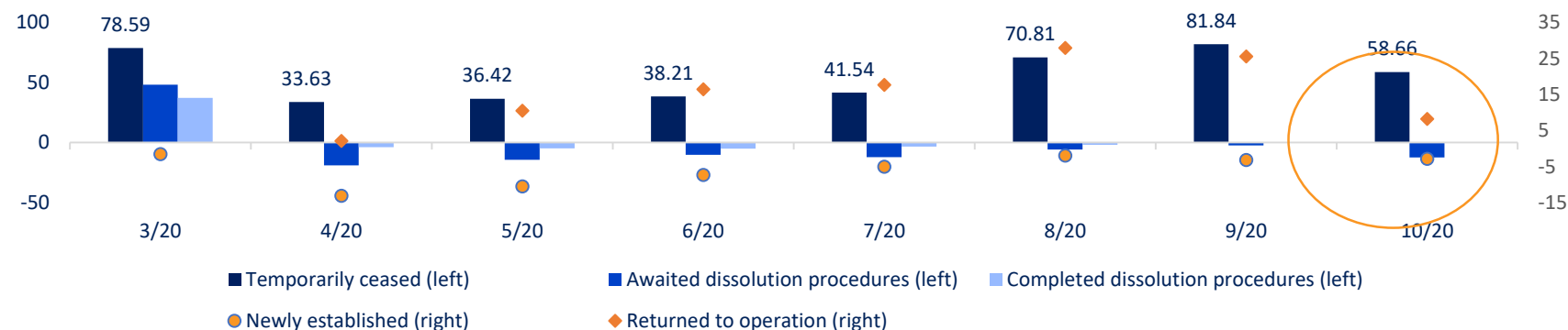
# MACRO: BUSINESS CONDITIONS IMPROVED IN OCTOBER

❖ Production and business activities gradually recovered. Business condition showed positive signs. Number of temporarily ceased enterprises with a certain time decreased to + 58.7% YoY (industry + 51.3% YoY, services + 62.0% YoY).

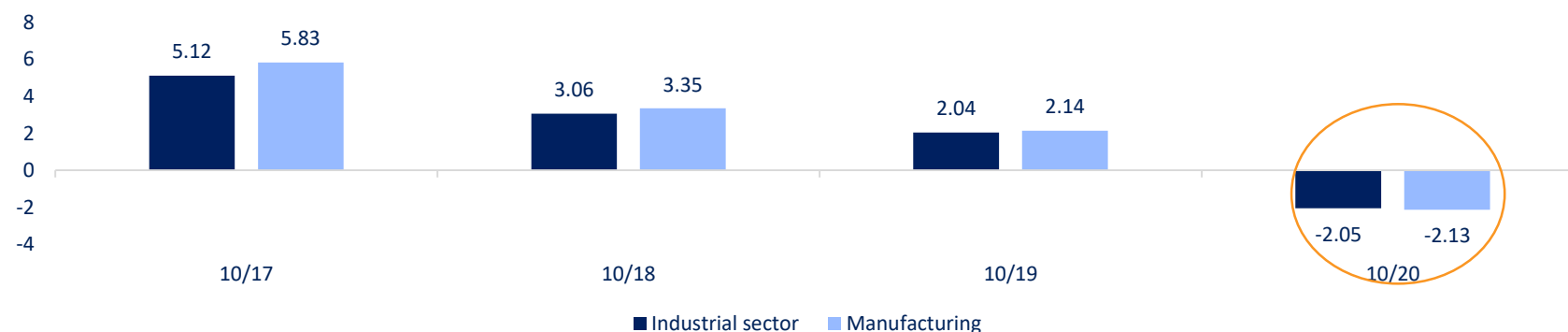
❖ Recovery in labour market slowed down. Labour employed index decreased -2.0% YoY (manufacturing -2.1%), in early October.

❖ BSC expects GDP to increase 2.88% YoY for 2020.

## Business condition YTD YoY%



## Labour utilization in manufacturing sector YoY%

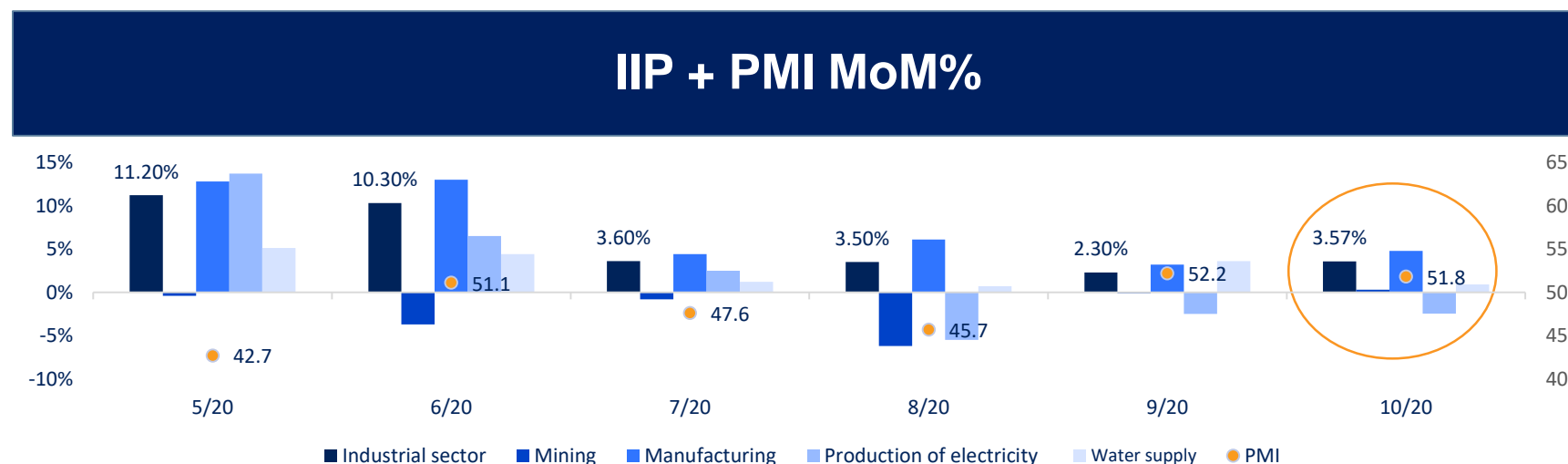
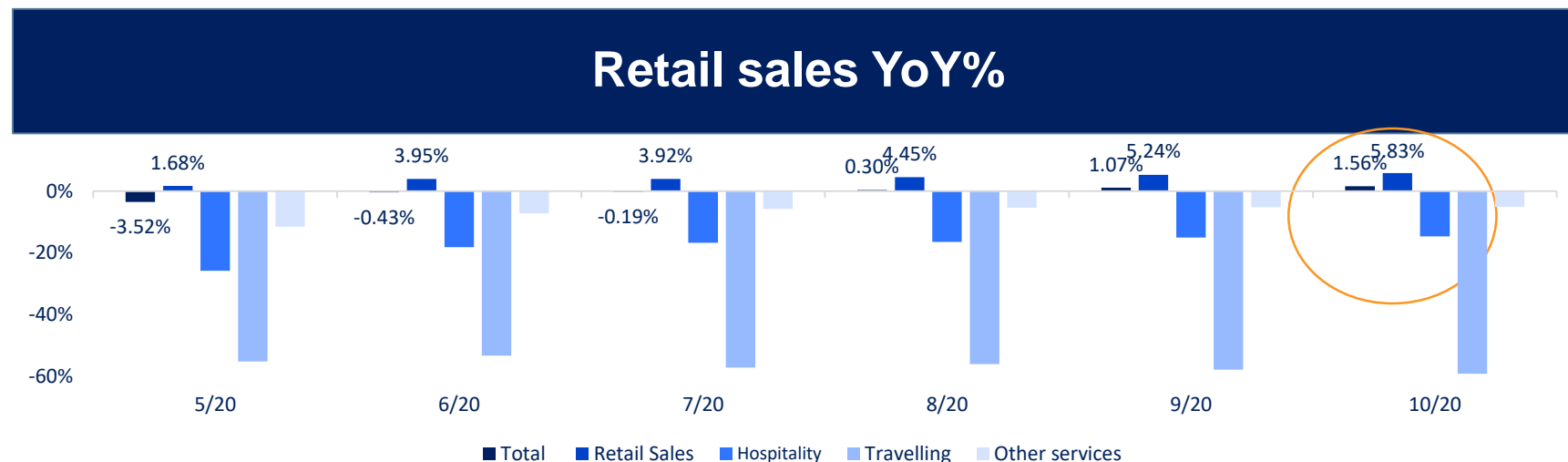


Source: Fiinpro, GSO, BSC Research

# MACRO: RETAIL, MANUFACTURING MAINTAINED RECOVERY MOMENTUM

❖ Epidemic situation in other countries has not yet allowed Vietnam to resume commercial flights. Recovery of service sector decelerated accordingly. On the contrary, retail sector continued to recover positively + 5.83% YoY.

❖ Business outlook improves, manufacturing increased production. Index of industrial production + 3.57% (manufacturing + 4.77%). The outbreak of the disease major economies might negatively impact the recovery's momentum in short-term. PMI decreased slightly to 51.8 points in October, due to stagnant export orders.



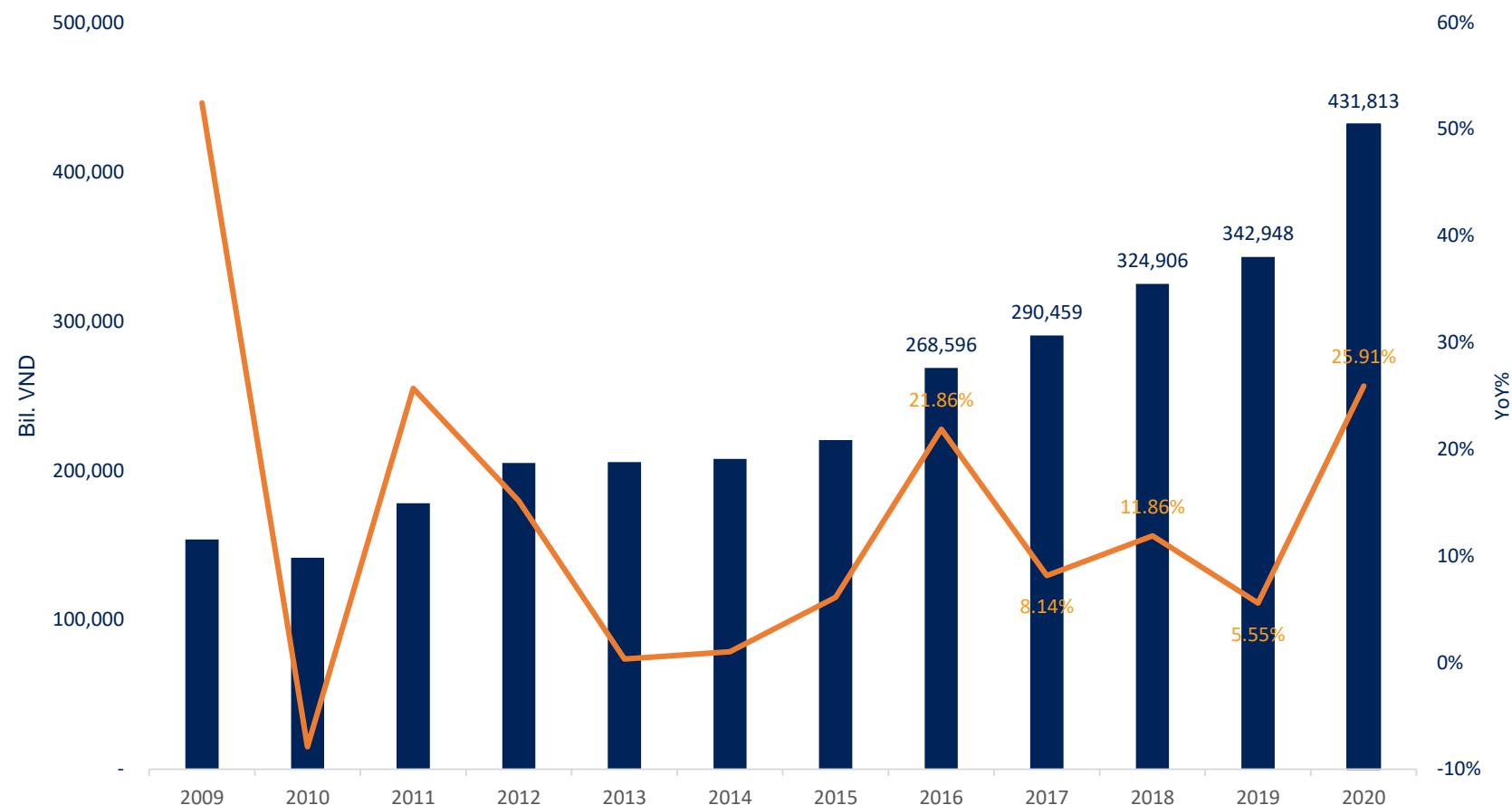
Source: Fiinpro, GSO, BSC Research

- ❖ Accumulated from beginning of 2020, disbursement + 34.4% YoY% (equivalent to 69.8% of the plan). Disbursement is estimated at 431,813 billion VND (equal to 80.63% of the assigned capital). Along with 95,953 billion VND from previous periods, disbursement is estimated at 527,766 billion VND (equal to 98.54% of assigned capital). However, natural disaster in the central region has the potential to affect progress of key projects.

- ❖ Accumulated from beginning of 2020, realized FDI decreased -2.53%, continuing the recovery momentum after July-August. Registered FDI decreased -5.06%, due to the difficulty of research by investor given epidemic context.

## MACRO: STATE BUDGET DISBURSEMENT MAINTAINED MOMENTUM, FDI IMPROVED

### Public investment capital disbursement YTD YoY%



Source: Bloomberg, GSO, BSC Research



- ❖ Cumulative recovery in ten months, exports increased by + 4.7%, mainly contributed by the domestic sector. Imports increased again by + 0.4%, following the recovery of the economies of China and the United States.

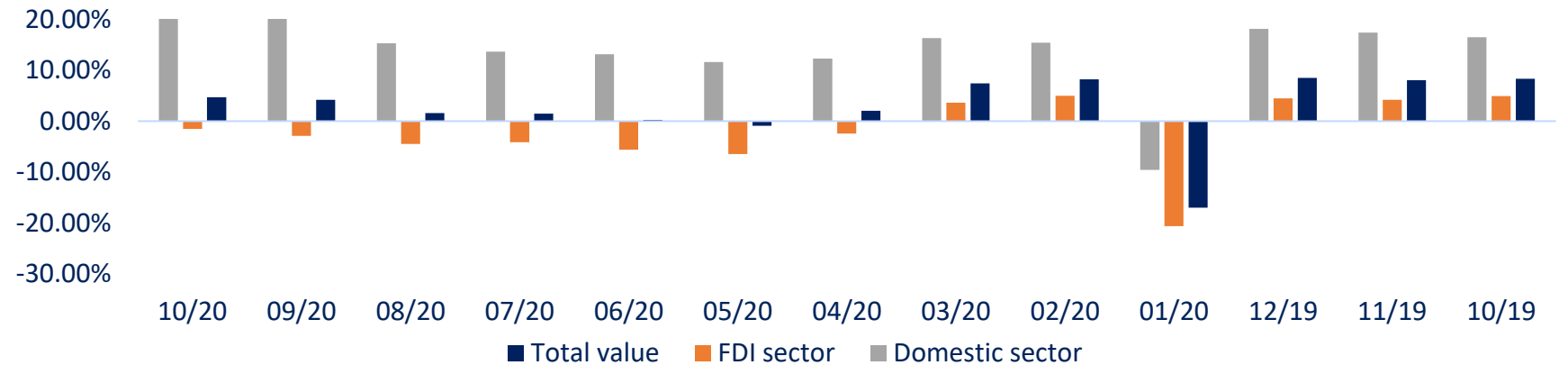
- ❖ The pace of recovery in import and export turnover came from computers, electronic products and machinery, equipment, tools and spare parts.

- ❖ Although, phones and electronic components negative growth negatively, this goods still produce a surplus of USD 32 billion (-7.7% YoY).

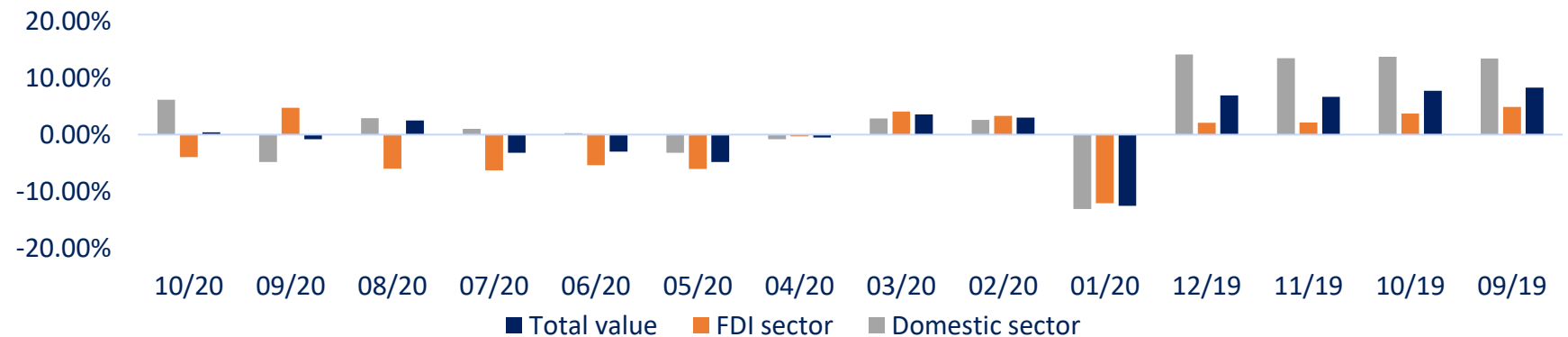
- ❖ The economies of Vietnam, the United States and China all showed pretty good signs of recovery. In addition, the effective EVFTA agreement also helped consolidate the trade recovery momentum. **BSC estimates that exports could increase by + 5.3% YoY while imports will increase + 1.6% YoY in 2020.**

## MACRO:EXPORTS RECOVERED POSITIVELY, IMPORTS GROWTHS COMPARING LAST YEAR

### Export accumulated 10M YoY%



### Imports accumulated 10M YoY%



Source: GSO, BSC Research



# EXPORT AND IMPORT PERFORMANCE: EXPORT AND IMPORT CONDITION IMPROVED THANKS TO CHINA AND US ECONOMY RECOVERY.

Export	%	08/19	09/19	10/19	11/19	12/19	01/20	02/20	03/20	04/20	05/20	06/20	07/20	08/20	09/20	10/20
Total Value (Month)	100%	10.24%	10.57%	7.55%	4.81%	7.43%	-17.00%	49.97%	5.93%	-13.98%	-12.41%	5.31%	8.24%	7.02%	16.29%	10.18%
Phone types and accessories	20%	14.57%	6.80%	9.94%	-5.73%	-0.71%	-18.07%	40.70%	-1.28%	-35.57%	-21.11%	-3.49%	7.33%	-9.55%	-4.04%	0.62%
Computers, electronic products and components	15%	23.35%	32.00%	24.13%	28.96%	50.27%	12.63%	54.90%	30.56%	17.90%	16.32%	32.85%	33.77%	17.63%	28.27%	13.65%
Textile products	10%	6.63%	5.36%	-1.66%	1.68%	7.33%	-25.01%	70.76%	-7.70%	-31.31%	-31.70%	-9.66%	-7.77%	-12.02%	1.34%	-3.23%
Other machinery, equipment, tools and spare parts	10%	3.22%	19.22%	17.02%	22.59%	27.57%	-8.93%	74.67%	32.41%	23.39%	14.57%	35.26%	49.04%	64.27%	74.21%	59.20%
Others	5%	10.17%	14.91%	8.81%	6.06%	22.60%	-16.99%	43.24%	9.74%	9.81%	10.46%	43.97%	36.69%	16.38%	30.58%	28.58%
Import	%	08/19	09/19	10/19	11/19	12/19	01/20	02/20	03/20	04/20	05/20	06/20	07/20	08/20	09/20	10/20
Total Import value	100%	5.5%	11.5%	2.8%	-1.2%	9.1%	-12.5%	26.6%	4.7%	-11.8%	-21.6%	6.2%	-3.7%	1.2%	11.3%	9.5%
Computers, electronic products and components	20%	23.8%	33.5%	14.1%	11.8%	19.5%	7.2%	33.2%	14.6%	-4.1%	0.9%	34.4%	18.8%	21.7%	33.9%	40.0%
Other machinery, equipment, tools and spare parts	14%	10.8%	6.5%	4.0%	3.3%	18.0%	-17.3%	15.2%	-0.3%	-0.9%	-21.3%	5.1%	-0.7%	0.2%	16.2%	4.2%
Phone types and accessories	6%	-9.1%	-2.8%	-9.8%	-29.5%	-14.1%	-1.6%	41.3%	23.6%	-23.1%	-28.0%	8.2%	-17.3%	-6.4%	12.8%	31.8%
Fabrics of all kinds	5%	0.7%	1.3%	5.8%	2.1%	8.9%	-26.6%	12.7%	-1.3%	-23.5%	-32.2%	-9.5%	-12.2%	-8.7%	-3.3%	-9.8%
Others	5%	9.9%	23.6%	7.6%	9.0%	12.9%	-11.3%	51.7%	16.7%	2.0%	-13.5%	12.5%	9.4%	14.6%	23.2%	5.3%

Source: Fiinpro, BSC Research

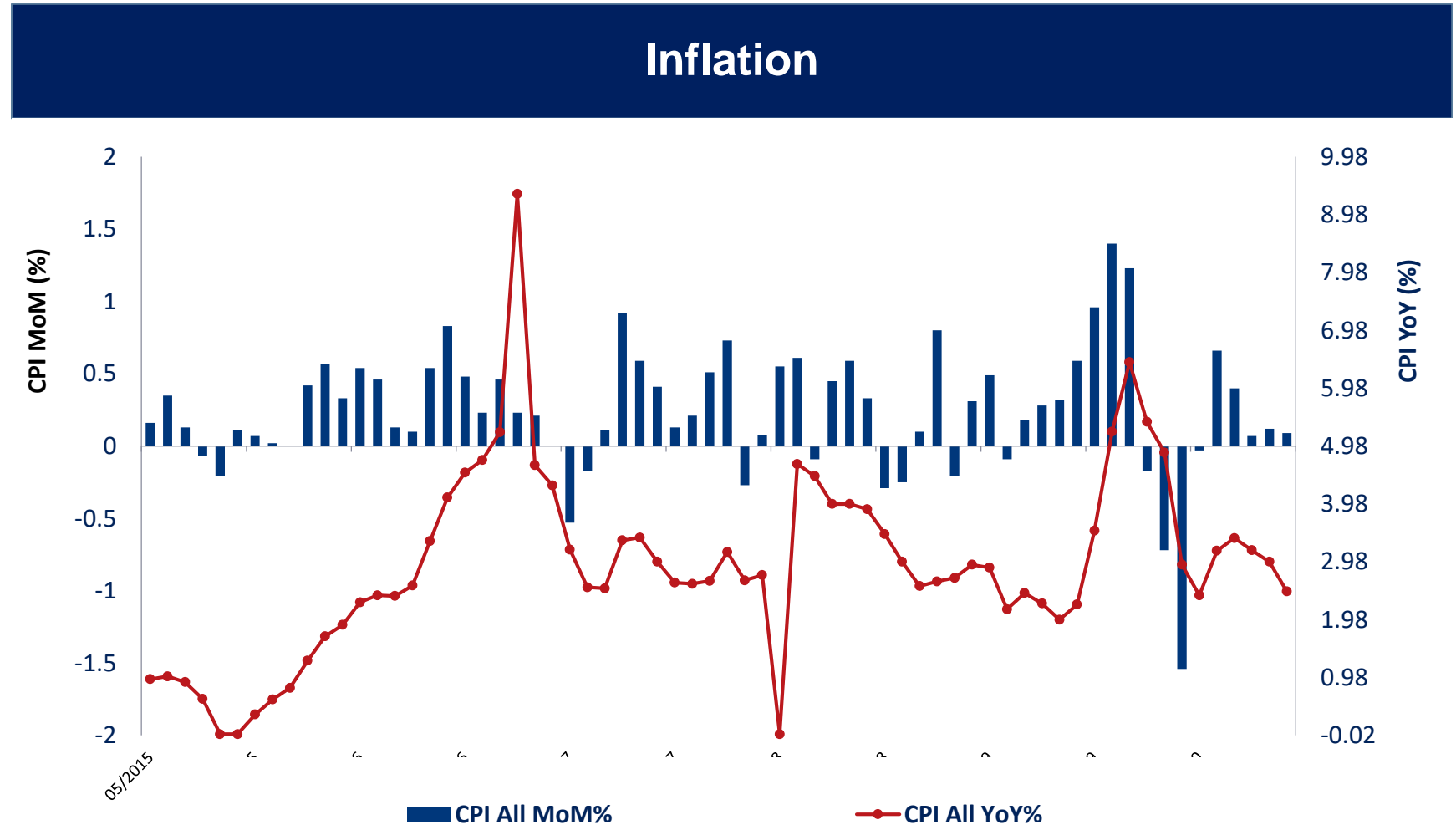
❖ **CPI in September 2020 only increased by 2.43% YoY, mainly due to the weakening uptrend in food and decreasing trend in transportation:**

- ✓ Pork prices decreased, ranging from 60,000 - 70,000 VND/kg.
- ✓ Oil prices declined to 40 USD/barrel.

❖ **CPI is estimated to increase from 2.65% - 3.00% YoY at the end of December 2020.** Based on the following assumptions:

- ✓ (1) The pork price fluctuated in the range 60,000 - 70,000 VND / kg.
- ✓ (2) The prices of other foods sector goods usually increase at the end of the year.
- ✓ (3) Brent oil price fluctuated in the range of 40-45 USD / barrel in the fourth quarter.

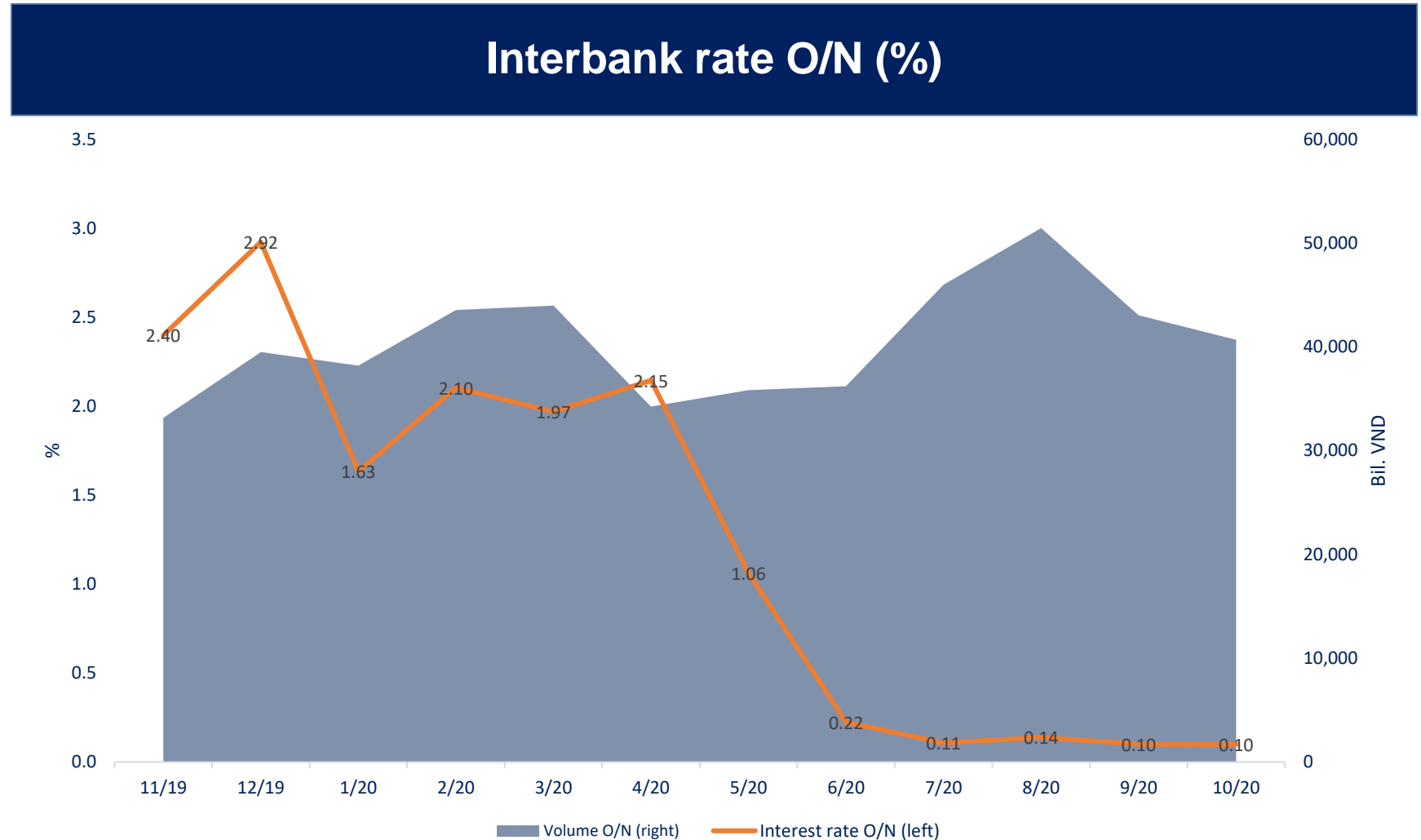
## MACRO: INFLATION SLOWS DOWN WHEN OIL PRICE AND PORK PRICE CORRECTED IN OCTOBER



Source: Bloomberg, BSC Research

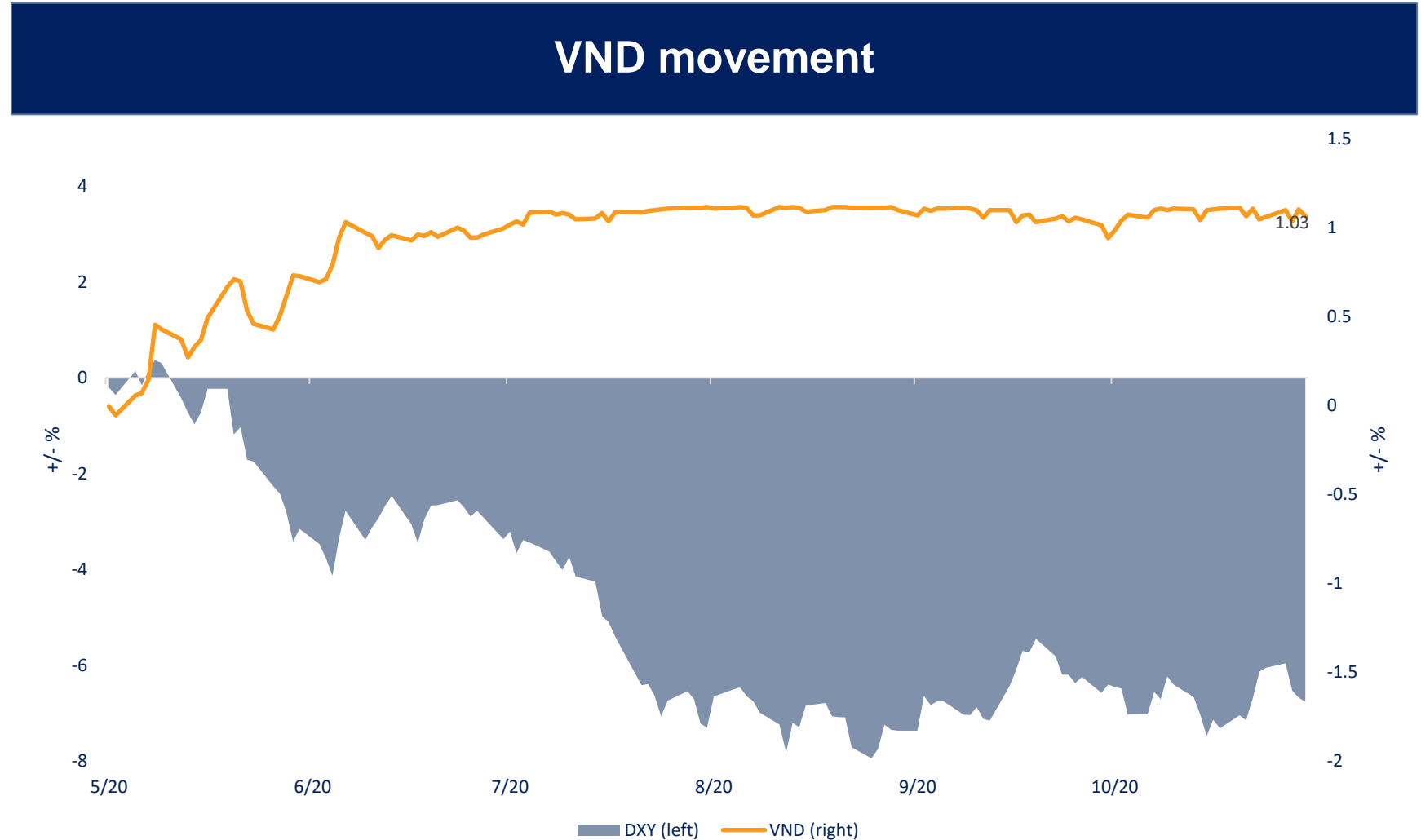
## MACRO: INTERBANK RATES REMAINED MODERATE

- ❖ Interbank interest rate O / N remained low around 0.10%. Trading volume continued to decline in October averaging 40.69 trillion / session. Credit demand might have increased during the month, but level of liquidity remained high.
- ❖ Decision to cut policy rates for the third time this year by SBV contributed to low interest rates. Inflation remained moderate (+ 2.47% YoY in October), SBV might cut policy by another 0.5% from now to the end of the year, if economic condition in key economies deteriorate.



Source: Bloomberg, BSC Research

## MACRO: VND IS EXPECTED TO BE STABLE



Source: Bloomberg, BSC Research



# MACRECONOMIC OVERVIEW

	10/17	11/17	12/17	1/18	2/18	3/18	4/18	5/18	6/18	7/18	8/18	9/18	10/18	11/18	12/18	1/19	2/19	3/19	4/19	5/19	6/19	7/19	8/19	9/19	10/19	11/19	12/19	1/20	2/20	3/20	4/20	5/20	6/20	7/20	8/20	9/20	10/20
<b>Retail Sales + Customer Services</b>	10.70%	10.70%	10.86%	9.50%	10.10%	9.90%	9.80%	10.10%	10.70%	11.10%	11.20%	11.30%	11.40%	11.50%	11.70%	12.20%	12.20%	12.00%	11.90%	11.60%	11.50%	11.60%	11.50%	11.60%	11.80%	11.80%	11.80%	10.20%	8.30%	4.70%	-4.30%	-3.90%	-0.80%	-0.40%	-0.02%	0.70%	1.27%
<b>Retail Sales</b>	10.60%	10.80%	10.89%	8.30%	10.00%	10.50%	10.80%	11.00%	11.30%	11.70%	11.70%	12.00%	12.20%	12.30%	12.40%	13.10%	14.40%	13.40%	13.20%	12.70%	12.50%	12.50%	12.50%	12.60%	12.80%	12.70%	12.70%	10.70%	9.80%	7.70%	0.40%	1.20%	3.40%	3.60%	4.00%	4.80%	5.44%
<b>Hospitality</b>	12.50%	11.20%	11.85%	14.70%	10.20%	9.00%	9.40%	8.90%	9.60%	9.10%	9.10%	8.40%	8.30%	8.60%	9.10%	11.50%	5.70%	9.20%	9.20%	9.20%	9.80%	10.00%	9.80%	9.60%	9.60%	9.60%	9.80%	6.80%	1.70%	-9.60%	-23.60%	-25.80%	-18.10%	-16.60%	-16.40%	-15.00%	-14.70%
<b>Travelling</b>	15.20%	16.20%	10.41%	39.30%	38.40%	30.30%	26.10%	23.00%	19.50%	17.70%	17.60%	16.90%	15.60%	14.70%	14.10%	7.90%	7.80%	12.80%	13.10%	12.40%	13.30%	12.50%	12.10%	12.00%	11.90%	12.20%	12.10%	7.40%	1.10%	-27.80%	-45.20%	-54.10%	-53.20%	-55.40%	-54.40%	-56.30%	-57.66%
<b>Other services</b>	9.20%	9.60%	9.72%	9.90%	8.50%	5.00%	3.20%	4.60%	7.30%	9.00%	9.50%	9.70%	9.30%	9.80%	9.80%	7.40%	4.90%	5.10%	5.70%	6.10%	6.30%	6.70%	7.00%	7.30%	7.70%	8.10%	8.50%	10.70%	5.20%	1.50%	-13.20%	-11.80%	-7.40%	-5.90%	-5.70%	-5.60%	-5.40%
<b>CPI core YoY</b>	1.32%	1.28%	1.29%	1.18%	1.47%	1.38%	1.33%	1.37%	1.37%	1.41%	1.54%	1.61%	1.67%	1.72%	1.70%	1.83%	1.82%	1.84%	1.88%	1.90%	1.96%	2.04%	1.95%	1.96%	1.99%	2.18%	2.78%	3.25%	2.94%	2.95%	2.71%	2.54%	2.45%	2.31%	2.16%	1.97%	1.88%
<b>CPI YoY</b>	2.98%	2.62%	2.60%	2.65%	3.15%	2.66%	2.75%	3.86%	4.67%	4.46%	3.98%	3.98%	3.89%	3.46%	2.98%	2.56%	2.64%	2.70%	2.93%	2.88%	2.16%	2.44%	2.26%	1.98%	2.24%	3.52%	5.23%	6.43%	5.40%	4.87%	2.93%	2.40%	3.17%	3.39%	3.18%	2.98%	2.47%
<b>Index of Industrial Production</b>	17.00%	17.20%	11.20%	20.90%	8.00%	8.70%	9.40%	7.10%	12.30%	14.30%	13.40%	9.10%	7.70%	9.60%	11.40%	7.90%	10.30%	9.10%	9.34%	10.00%	9.60%	9.70%	10.50%	10.20%	9.20%	5.40%	6.20%	-5.50%	23.70%	5.40%	-10.50%	-3.10%	7.00%	1.10%	-0.60%	3.80%	5.40%
<b>Mining</b>	2.10%	-4.10%	-10.00%	10.50%	-1.80%	-3.60%	-5.00%	-7.60%	-3.60%	2.80%	2.40%	-2.70%	-9.50%	0.20%	-3.20%	-6.70%	-5.00%	0.40%	1.96%	-1.50%	4.00%	4.40%	14.40%	-6.60%	-0.20%	-5.30%	2.10%	-12.90%	9.20%	-9.50%	-10.70%	-13.00%	-8.90%	-7.90%	-5.10%	-5.70%	-14.54%
<b>Manufacturing</b>	22.30%	24.30%	17.80%	23.80%	10.70%	11.10%	12.30%	9.10%	15.50%	16.60%	16.00%	11.20%	10.10%	11.00%	13.70%	10.10%	12.80%	10.30%	10.53%	11.60%	10.60%	10.40%	10.30%	12.30%	10.80%	6.50%	7.00%	-4.80%	26.40%	7.30%	-11.30%	-2.40%	10.30%	2.10%	-0.10%	4.60%	8.30%
<b>Electricity production</b>	12.00%	13.00%	9.00%	15.40%	3.00%	8.30%	9.60%	11.20%	10.00%	12.20%	6.70%	5.10%	8.90%	9.20%	11.70%	8.80%	10.90%	9.80%	9.39%	11.00%	8.60%	10.50%	10.30%	10.60%	8.10%	7.50%	3.30%	-3.50%	22.50%	7.30%	-6.90%	2.00%	1.70%	2.70%	-0.70%	5.50%	0.98%
<b>Water supply</b>	8.00%	10.00%	15.70%	6.80%	1.00%	8.10%	2.60%	8.20%	8.00%	7.60%	7.10%	8.40%	9.50%	4.50%	5.60%	9.40%	7.20%	11.00%	6.77%	8.40%	6.00%	7.40%	7.60%	8.90%	6.90%	6.30%	6.20%	1.60%	8.30%	9.50%	2.00%	2.30%	2.10%	4.50%	2.20%	5.30%	9.91%
<b>FDI realised</b>	11.81%	11.89%	10.76%	23.53%	9.68%	7.18%	6.25%	9.76%	8.42%	8.84%	9.22%	6.00%	6.34%	3.13%	9.14%	47.62%	51.76%	6.19%	11.76%	8.15%	8.72%	7.11%	6.31%	7.32%	7.35%	6.79%	6.70%	3.23%	-5.04%	-6.55%	-9.65%	-8.22%	-4.95%	-4.08%	-5.10%	-3.23%	-2.53%
<b>FDI registered</b>	33.81%	53.53%	41.75%	-36.80%	-24.99%	-42.96%	-37.26%	-30.84%	-4.40%	-3.47%	-4.01%	-7.72%	-8.48%	-16.56%	-13.88%	27.34%	57.76%	30.89%	28.57%	27.09%	-36.26%	-35.56%	-31.20%	-19.86%	-15.15%	-11.38%	-11.83%	318.66%	70.98%	28.85%	32.17%	19.90%	17.53%	21.20%	11.37%	-1.82%	-5.09%
<b>Export</b>	21.84%	22.10%	21.82%	41.62%	26.15%	22.01%	18.97%	18.13%	16.99%	16.66%	17.32%	16.29%	15.21%	14.50%	13.19%	9.18%	4.65%	8.38%	7.42%	7.20%	7.31%	8.16%	8.13%	8.46%	8.31%	8.01%	8.50%	-17.00%	8.21%	7.43%	2.05%	-0.90%	0.21%	1.46%	1.64%	4.22%	4.72%
<b>Import</b>	22.61%	22.23%	21.85%	53.10%	20.47%	13.33%	10.05%	11.39%	10.50%	11.74%	13.13%	12.44%	12.38%	12.15%	11.12%	6.09%	6.39%	8.66%	11.53%	10.80%	9.13%	9.21%	7.94%	8.29%	7.69%	6.66%	6.92%	-12.51%	3.01%	3.56%	-0.51%	-4.81%	-2.99%	-3.18%	-2.24%	-0.87%	0.44%
<b>PMI</b>	51.6	51.4	52.5	53.4	53.5	51.6	52.7	53.9	55.7	54.9	53.7	51.5	53.9	56.5	53.8	51.9	51.2	51.9	52.5	52.0	52.5	52.6	51.4	50.5	50.0	51.0	50.8	50.6	49.0	41.9	32.7	42.7	51.1	47.6	45.7	52.2	51.8
<b>Credit growth YTD difference</b>	1.06%	0.78%	-0.01%	-0.84%	-0.40%	-0.87%	-0.53%	-0.58%	-1.15%	-1.48%	-1.82%	-1.88%	-2.56%	-3.41%	-4.35%	0.94%	-0.30%	-0.37%	-0.67%	-0.44%	-0.50%	-0.62%	-0.82%	-0.93%	-1.13%	-1.30%	-0.24%	-1.80%	-0.90%	-1.82%	-3.05%	-3.78%	-3.71%	-3.43%	-3.34%		
<b>Total means of payment YTD difference</b>	-3.13%	-2.31%	-1.48%	-1.30%	0.77%	0.52%	1.83%	2.12%	1.50%	0.31%	-0.44%	-1.51%	-1.07%	-2.89%	-4.46%	1.73%	-0.76%	-1.12%	-2.09%	-1.53%	-1.28%	-0.89%	-0.49%	0.42%	0.24%	0.93%	2.34%	-1.26%	-0.85%	-1.17%	-1.68%	-2.01%	-1.96%	-1.46%	-0.98%		
<b>Interest O/N</b>	0.59	0.91	0.81	1.58	2.04	0.77	1.01	1.36	1.09	1.83	3.65	2.99	3.24	4.50	4.40	4.20	4.08	3.51	3.71	3.02	3.06	2.88	2.98	2.56	1.72	2.40	2.92	1.63	2.10	1.97	2.15	1.06	0.22	0.11	0.14	0.10	0.10

Source: Bloomberg, Fiinpro, GSO, BSC Research

## Market October

**The uptrend slowed down,  
the expectation consolidated  
after correction**



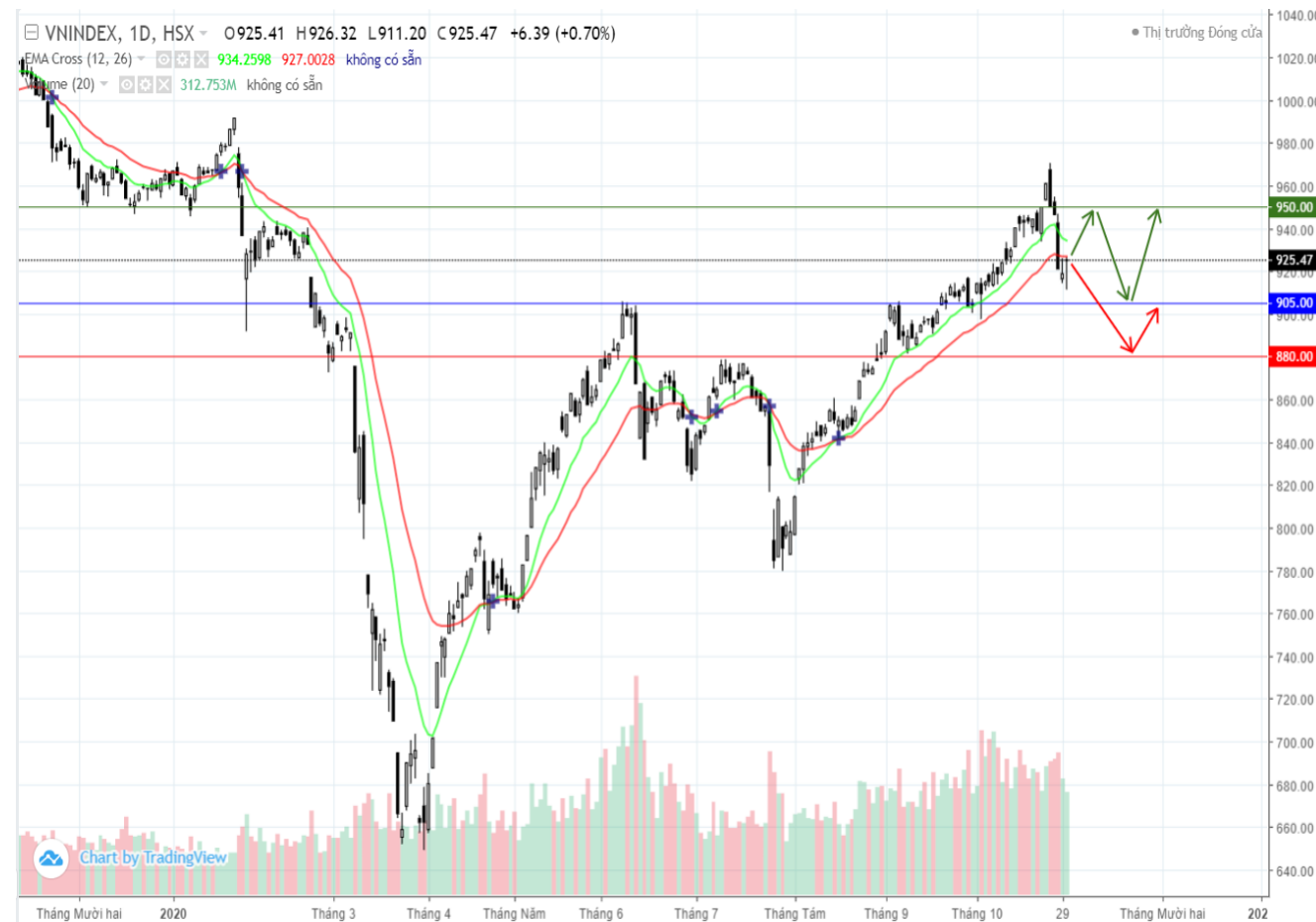
# MARKET: NOVEMBER 2020 FORECAST

## SCENARIO 1

VN-Index maintains its main position above the threshold of 900 points and is expected to move in the 905-950 area. World markets ended a state of adjustment. Foreign cash flow after MSCI announced to increase the proportion of Vietnam, creating a good effect on the market. Besides, the November National Assembly session going well can have a positive impact. This scenario is highly appreciated.

## SCENARIO 2

VN-Index continues to correct to the zone 880-905 points if the world market maintains a short-term downtrend and the net withdrawal of foreign investors becomes more negative. This scenario evaluates the likelihood but the probability is lower than scenario 1.

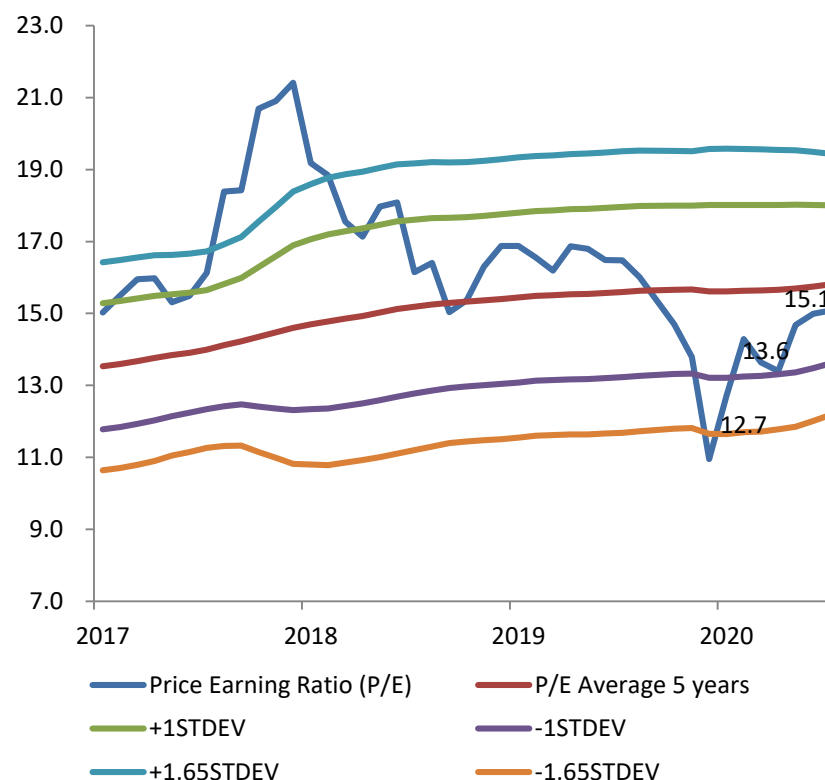


Source: FireAnt, BSC Research

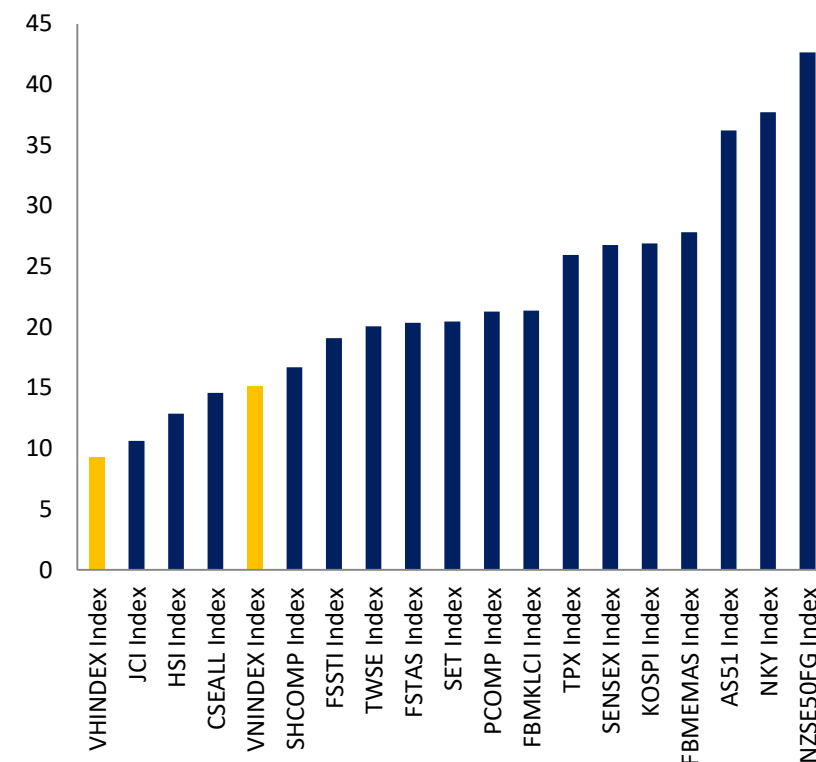
## MARKET: P/E OF VN-INDEX RETURNED TO THE 15TH ASIA

- ❖ The VNIndex rose 2.24% while the HNXIndex rose 1.81% in October.
- ❖ P/E at the end of October stood at 15.1, slightly higher than September 15, 4.43% lower than the 5-year average P/E (15.8x) and quite low compared to Asia.
- ❖ P/E VN-Index is forecasted to increase to 15.3 in November

### P/E ratio VNindex



### Vietnam P/E compared to region



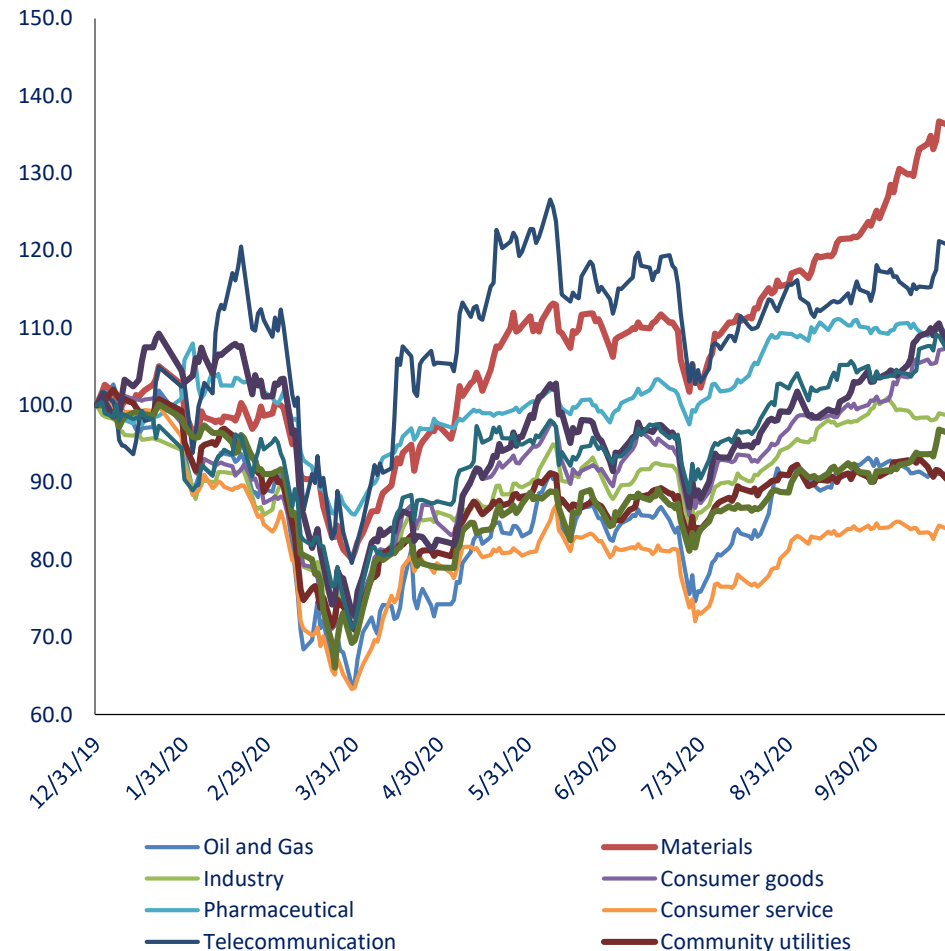
Source: Bloomberg, BSC Research



## MARKET: RAW MATERIALS INDUSTRY INCREASED OUTPERFORM THE MARKET

- ❖ The VN-Index increased by 2.2% but the market was strongly differentiated with 7 out of 11 primary sectors falling.
- ❖ Raw materials industry led the market with an increase of 33.8%.
- ❖ In terms of P/E, most P/E of sectors decreased compared to the beginning of the year. Some sectors with the growth/decrease of prices slower than the increase/decrease of P/E include Consumer Goods, Medicine, Telecommunication, finance, and information technology. This shows that these industries are improving in business results.
- ❖ Major industry groups with P/E value below 15.
- ❖ Most industries have P/B lower than the beginning of the year.

### INDUSTRY DEVELOPMENT

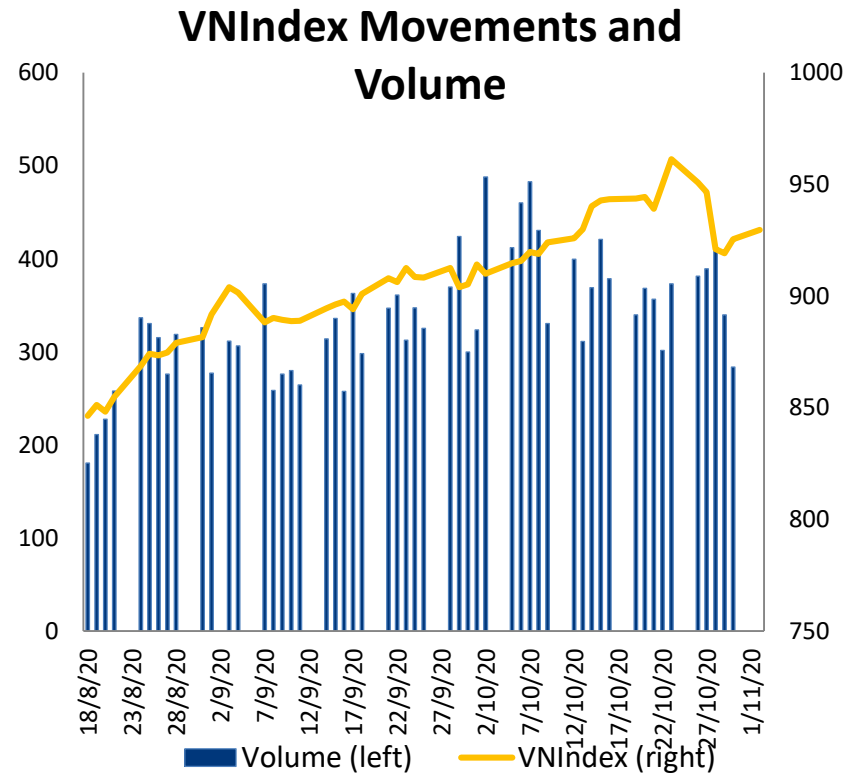


Sector	Change	P/E	± %	P/B	± %
Oil & Gas	-11.4%	-	-	1.15	-8.7%
Materials	33.8%	14.81	15.9%	1.29	24.0%
Industry	-3.2%	13.79	-0.9%	1.64	-8.9%
Consumer Goods	4.6%	18.18	-1.1%	2.89	1.8%
Pharmacy and Health	8.8%	14.06	1.5%	1.94	-3.0%
Consumer Services	-18.5%	104.22	520.0%	2.65	-15.9%
Telecommunication	14.5%	33.73	-12.0%	2.71	3.4%
Community Utility	-10.9%	12.99	-3.2%	1.69	-17.2%
Financial Services	-5.0%	17.57	-13.5%	2.24	-13.2%
Bank	2.9%	10.2	-13.8%	1.54	-18.1%
Information Technology	4.6%	12.68	-0.2%	2.00	-4.3%

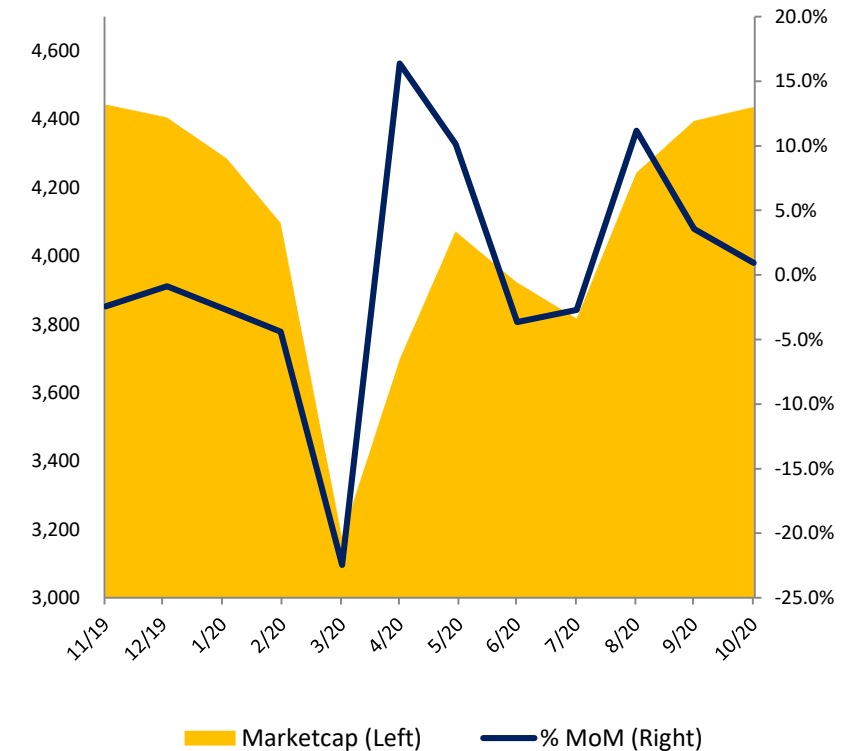
## MARKET: MARKETCAP REACHED 4.46 MIL. BIL. VND

- ❖ Capitalization continued to increase compared to the end of September
- ❖ Market movements went to the end of the mid-term uptrend and moved into correcting status
- ❖ Liquidity tended to decline also reflected the cautious trading sentiment at the moment
- ❖ With the scenario of VN-Index reaching 950 points by the end of November, market cap is forecasted to increase by 2.7% and liquidity will remain stable

### Liquidity tended to decrease in October



### Marketcap increased 1.6% in October

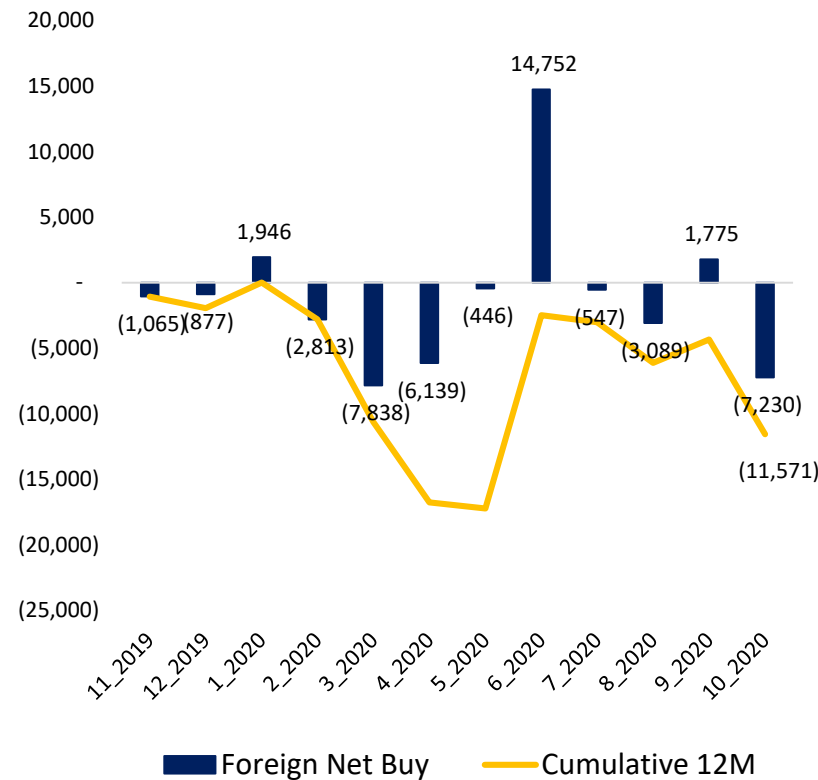


Source: FiinPro, BSC Research

## MARKET: FOREIGN INVESTORS SELL STRONGLY IN OCTOBER

- ❖ Foreign investors net sold somewhat negatively affected traders sentiment and caused VN-Index to turn to correction state.
- ❖ Foreign investors net sold 7,230 billion in October, of which MSN was the most net sold stock with value of 2,944 billion dong.
- ❖ Diamond ETFs are still attracting foreign capital while ETF E1 is being net withdrawn.
- ❖ The divestment trend in emerging and potential frontier markets will continue to be maintained in November. However, the market has a chance to welcome new cash flows when MSCI increases the proportion of Vietnam when Kuwait is promoted.

### Foreigners net sold a cumulative 11,571 billion in 12M



Stock	Value (Billion)	Stock	Value (Billion)
VCB	153.08	MSN	(2,944.68)
HPG	138.58	CTG	(728.89)
DXG	122.34	VNM	(630.91)
DCM	101.71	DIG	(575.45)
FUEVFNVD	100.99	VRE	(412.09)
GVR	99.18	VHM	(274.01)
VHC	65.95	BID	(196.01)
BVH	64.08	HDB	(186.07)
GIL	35.00	POW	(179.05)
STB	32.25	KDH	(174.49)

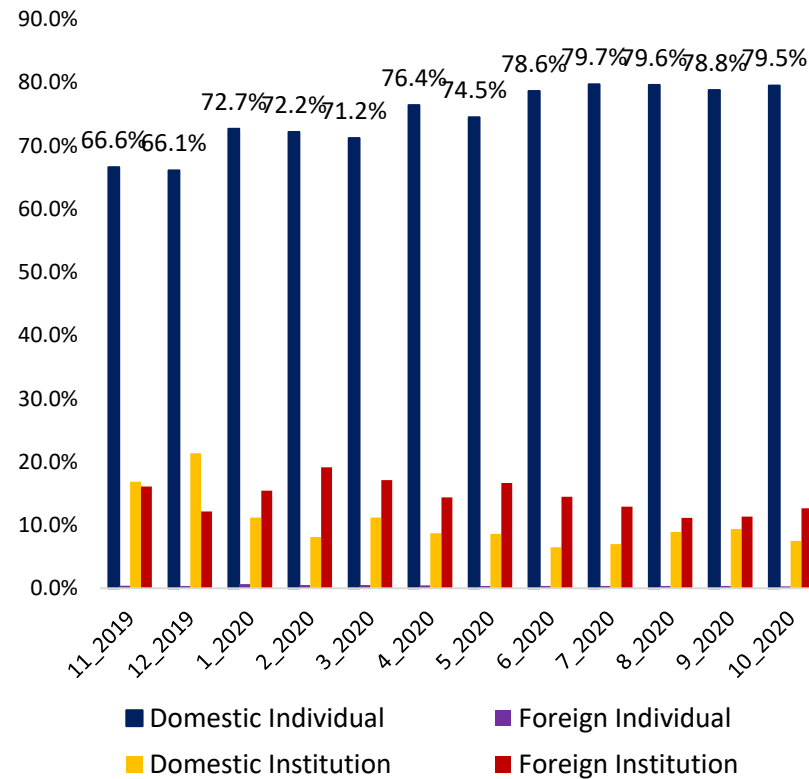
Net buying and selling value of foreign investors in M10/2020

Source: FiinPro, BSC Research

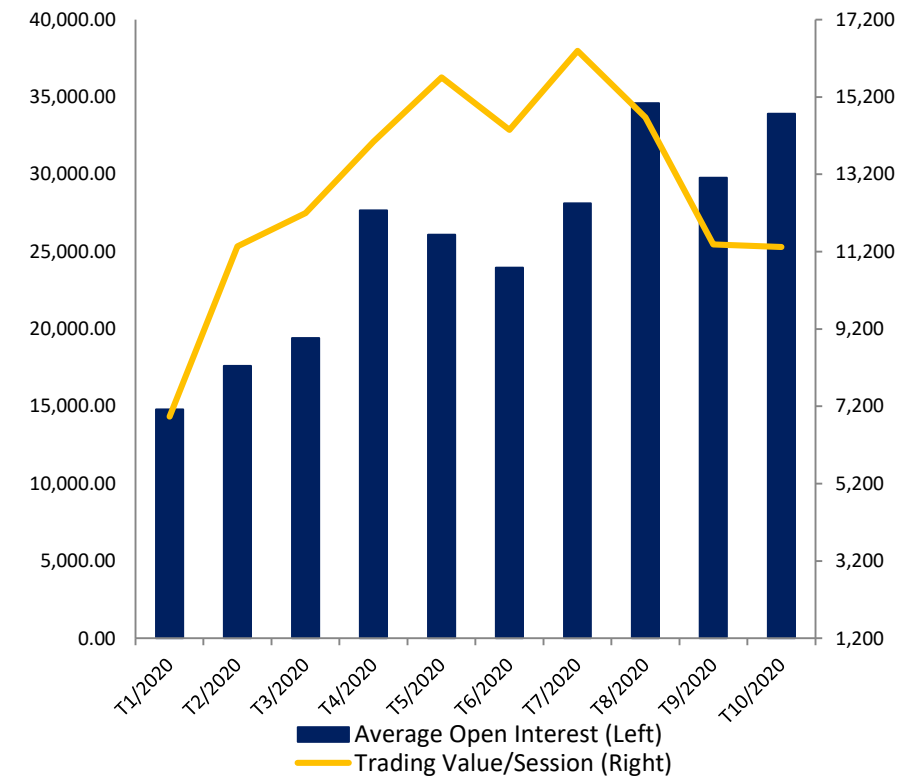
## MARKET: DOMESTIC TRADERS MAKES POSITIVE OPERATIONS IN OCTOBER

- ❖ Domestic investors are still increasing their trading activities.
- ❖ Local individual investors traded 79.5% of the market compared with the average of 74.1% in 1 year.
- ❖ Selling pressure appeared in the area around 960 points but the decreasing liquidity in the correction showed that the cash flow is still waiting to return in the low areas.
- ❖ The number of open interest in futures has increased but the derivative market's trading value is not much different from September, showing that traders are now relatively cautious.

### Domestic investors traded more than 5% compared to 12M average



### The number of open interest in futures increases by 14% MoM



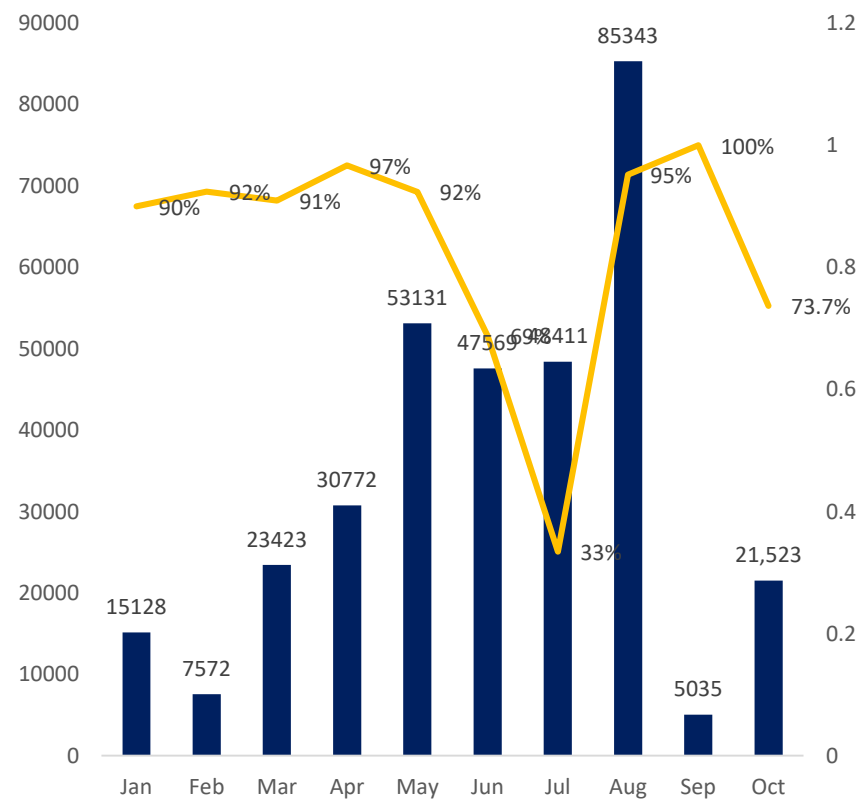
Source: FiinPro, BSC Research



- ❖ Corporate bond issuance value reached 29,200 billion, an increase of 580% compared to September. The number of issued bonds and the average maturity date increased to the average level of the first 4 months after a sharp decrease in 1 month due to the effect of Decree 81 September 1.
- ❖ 161 bonds were issued with the ratio of buying / offering down to 73.7%.
- ❖ The average maturity of bonds after falling to 3.7 years in September increased to 5.1 years. The maturity is 1 year higher than the average of 4.2 years in 10 months.
- ❖ The movements of the corporate bond market in October are reflecting the real needs of the market.

## MARKET: VALUE OF ENTERPRISE BOND ISSUE RECOVERY, REJECTING THE MARKET NEEDS

### The issue value gained, the bond buying/offering ratio dropped



2020	Number of bonds issued	Average maturity	Issued value
January	97	4.7	15,128
February	32	3.0	7,572
March	76	5.8	23,423
April	116	4.2	30,772
May	329	3.8	53,131
June	163	3.8	47,569
July	194	4.1	48,411
August	501	3.9	85,343
September	17	3.7	5,035
October	161	5.1	29,200
Total	1,686		345,584

Source: FiinPro, BSC Research

# FACTORS AFFECTING THE MARKET NOVEMBER

Events	Impact to Market
❖ Promote public investment disbursement to support growth	❖ Positive
❖ Market valuations remain at a reasonable level relative to the past and to the region	❖ Help the market to stabilize and establish reasonable price zones
❖ New capital flow when MSCI upgraded Kuwait, helping to increase the share of Vietnam in the frontier market group	❖ Positive influence on sentiment and helps to increase market liquidity
❖ The ETFs announce adjustments and implement a portfolio structure	❖ Increasing market liquidity
❖ Vaccine trials are still underway in many parts of the world	❖ Positive Impact
❖ The risk of recession is high in key countries and regions of the world	❖ Medium-term negative, depending on the speed of economic recovery
❖ Psychology of international investors is afraid of risks and shelter in precious metals such as gold and silver	❖ Cash flow effects
❖ Oil prices fluctuate, along with regional conflicts in the Middle East	❖ Difficult to forecast to stabilize inflation

## INVESTING STRATEGY NOVEMBER 2020

- ❖ Investors can take advantage of the corrections to the support area around 905 points to accumulate more stocks in stocks with good profit growth such as Banking, Retail, Real Estate.
- ❖ Be cautious in stock trading decisions when the current correcting trend is dominant.
- ❖ Investors can refer to the list of stocks that will welcome new cash flow when Vietnam is increased proportion in the frontier market group of MSCI.
- ❖ Be cautious when trading derivatives, should keep the number of open positions moderate.

# THE LIST OF STOCKS IS EXPECTED TO BE BOUGHT BY iSHARES

Ticker	Probability 30/8/2020 (%)	New Probability (%)	Buying Value (Mil. USD)
VNM	1.96	4.86	10.97
VIC	1.87	4.63	10.44
VHM	1.56	3.85	8.70
HPG	1.07	2.66	6.00
VCB	0.85	2.11	4.76
MSN	0.67	1.65	3.73
VRE	0.50	1.25	2.82
VJC	0.43	1.06	2.40
NVL	0.41	1.01	2.27
SAB	0.32	0.79	1.79
HDB	0.23	0.57	1.28
BID	0.19	0.46	1.04
SHB	0.17	0.43	0.96
GEX	0.16	0.40	0.91
SSI	0.16	0.40	0.90
PLX	0.16	0.40	0.89
STB	0.15	0.37	0.83

Ticker	Probability 30/8/2020 (%)	New Probability (%)	Buying Value (Mil. USD)
GAS	0.14	0.35	0.80
VGC	0.13	0.33	0.73
POW	0.13	0.32	0.73
SBT	0.11	0.27	0.61
TCH	0.11	0.27	0.60
VHC	0.09	0.23	0.52
PVS	0.09	0.22	0.49
KBC	0.08	0.21	0.47
PDR	-	0.20	0.76
CII	-	0.20	0.76
BVH	0.08	0.19	0.43
VPI		0.17	0.64
PVD		0.15	0.57
VND	0.06	-	-
Probability	11.87	30.00	
<b>Total (mil. USD)</b>	<b>44.91</b>	<b>113.49</b>	<b>68.80</b>

Source: MSCI, BSC Research

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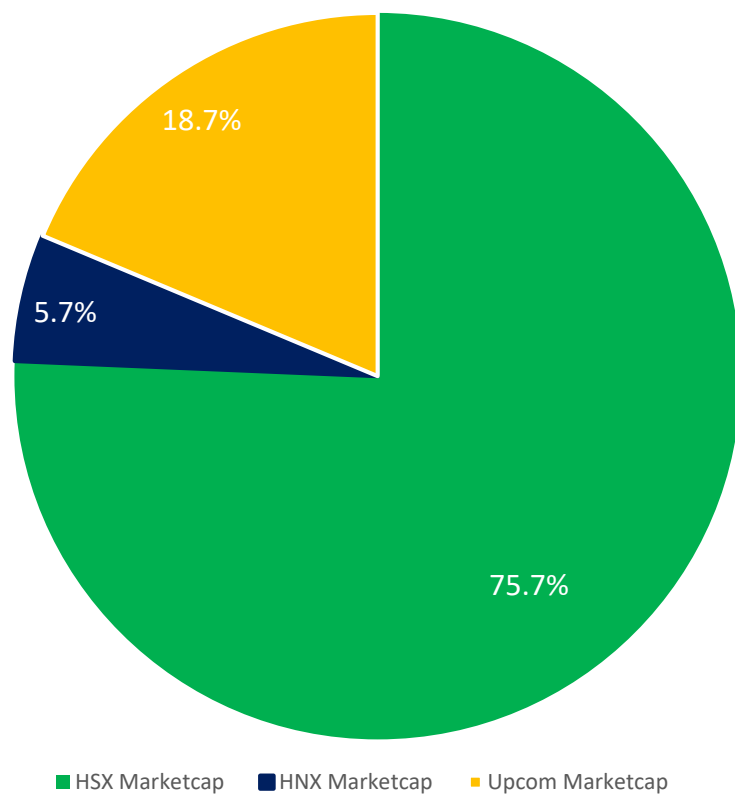
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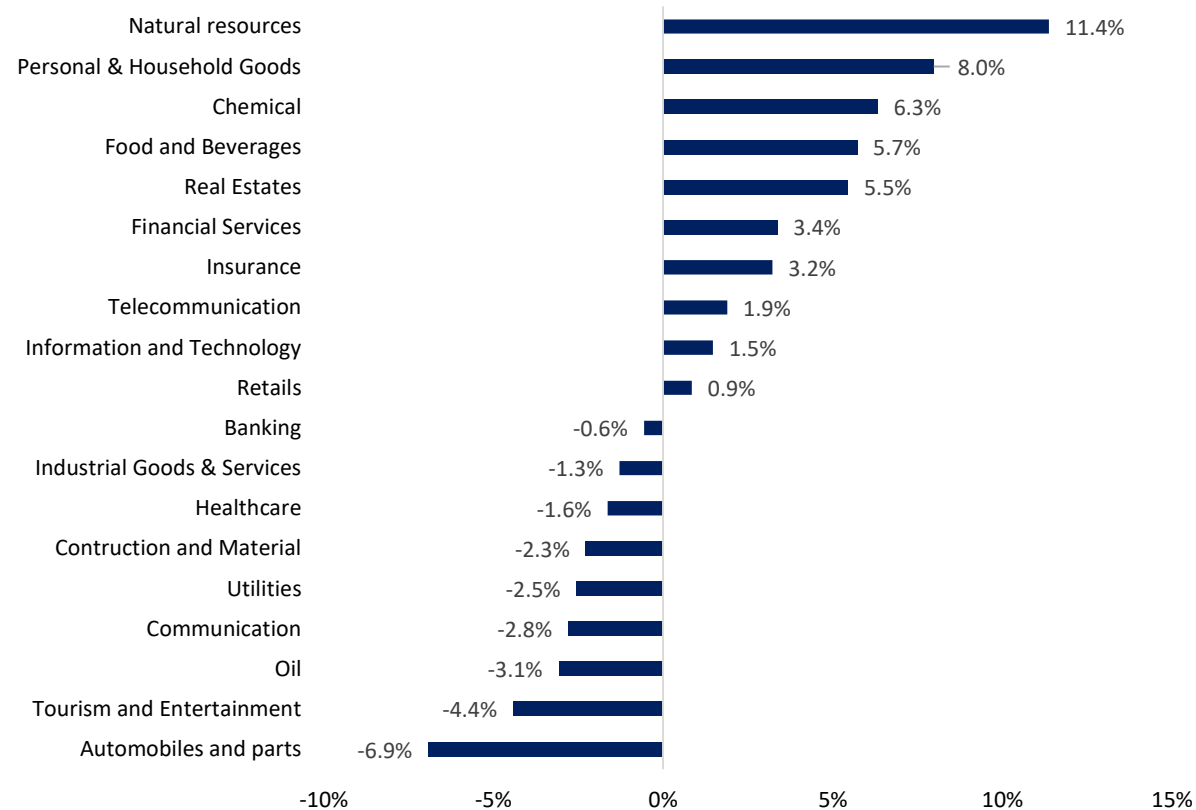


# APPENDIX

## Capitalization structure



## 10/19 sectors increased in October





# APPENDIX

## VN-Index median 983.7 points, identified by financial institutions

No	Stock	Weight	30/10/2020	Mean	Max	Min	P/E	P/B	No	Stock	Weight	31/10/2020	Mean	Max	Min	P/E	P/B
1	VIC	10.98%	106,500	106,260	116,000	95,000	39.8	4.2	19	MBB	1.34%	17,800	20,141	22,900	16,000	6.0	1.1
2	VCB	9.47%	83,000	87,258	97,300	75,140	18.1	3.3	20	BCM	1.27%	39,500	40,600	40,600	40,600	-	2.7
3	VHM	7.81%	76,000	102,806	113,000	93,500	11.0	3.3	21	FPT	1.24%	51,500	61,564	84,300	55,000	12.1	2.7
4	VNM	5.76%	108,000	110,324	140,000	89,105	23.3	7.5	22	BVH	1.16%	50,500	60,225	63,000	58,400	29.3	1.9
5	BID	4.79%	38,500	38,792	43,650	34,200	18.2	2.0	23	HVN	1.08%	24,850	19,000	19,400	18,600	-	3.1
6	GAS	4.16%	70,400	74,900	76,800	73,900	14.7	2.9	24	STB	0.77%	13,300	14,427	16,500	12,950	10.1	0.9
7	SAB	3.64%	184,300	203,750	206,500	201,000	29.3	6.0	25	HDB	0.73%	24,200	25,037	26,800	23,600	7.0	1.4
8	CTG	3.36%	29,000	25,780	30,000	23,500	10.0	1.3	26	POW	0.69%	9,400	13,603	17,457	12,000	14.0	0.8
9	HPG	3.10%	30,550	32,204	42,335	27,300	9.4	1.8	27	EIB	0.65%	17,200	17,000	17,000	17,000	24.6	1.3
10	MSN	2.97%	84,000	67,934	84,908	51,000	40.6	4.8	28	TPB	0.60%	22,800	24,650	25,600	24,000	5.3	1.2
11	TCB	2.32%	21,350	25,772	31,403	21,500	6.6	1.1	29	BHN	0.49%	69,200	69,200	69,200	69,200	31.4	3.2
12	PLX	1.93%	49,000	50,650	53,600	47,500	71.0	2.9	30	PNJ	0.49%	69,500	77,131	95,700	65,000	15.4	3.3
13	NVL	1.88%	62,000	62,141	65,073	57,000	10.6	2.4	31	PDR	0.46%	41,000	40,700	40,700	40,700	13.6	3.5
14	VRE	1.82%	25,300	32,944	39,500	28,450	25.4	2.0	32	KDH	0.44%	25,000	29,107	29,810	26,850	11.8	1.8
15	VPB	1.78%	23,600	26,710	30,400	22,088	5.7	1.2	33	DHG	0.41%	102,000	94,167	107,700	86,800	19.2	4.1
16	GVR	1.76%	14,150	14,000	14,000	14,000	19.2	1.3	34	REE	0.39%	41,900	41,733	45,400	38,100	9.0	1.2
17	VJC	1.68%	101,200	96,650	103,400	89,900	29.2	3.6	35	LGC	0.37%	63,000	63,000	63,000	63,000	35.9	4.2
18	MWG	1.46%	104,700	133,843	158,300	104,900	12.4	3.1		<b>VNIndex</b>	<b>83.3%</b>	<b>925.5</b>	<b>983.77</b>	<b>1,092.97</b>	<b>890.04</b>	<b>18.3</b>	<b>2.6</b>

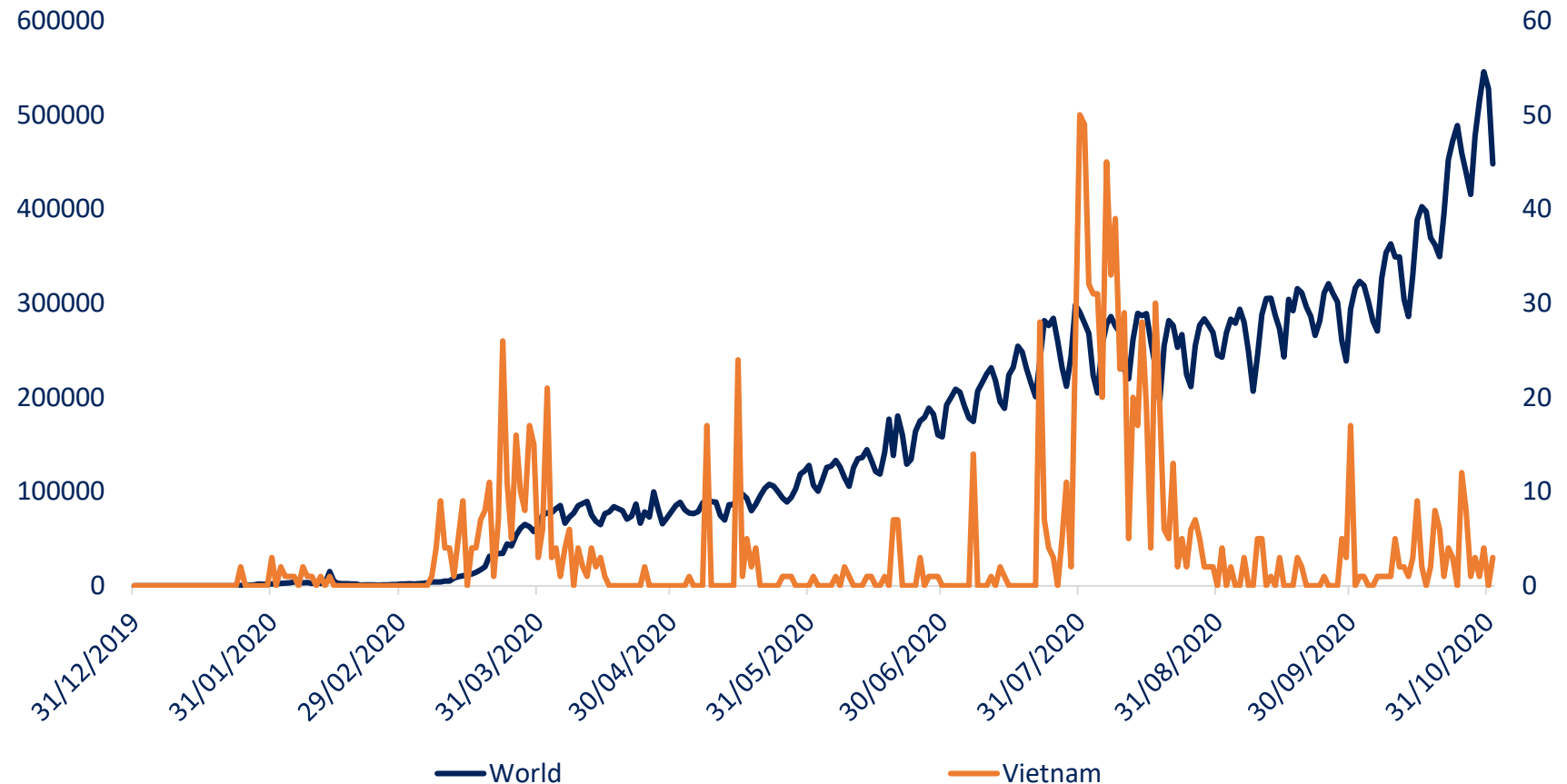
Source: Bloomberg, BSC Research

# Heatmap VNIndex performance by month

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YP (*)
2000							1.55%	13.39%	4.83%	16.68%	19.80%	22.58%	106.83%
2001	18.84%	2.69%	6.70%	19.22%	25.91%	23.75%	-15.56%	-34.34%	-11.87%	6.48%	10.85%	-18.41%	13.81%
2002	-11.83%	-7.93%	4.74%	4.16%	-0.65%	-2.44%	-2.22%	-2.99%	-4.97%	-2.48%	0.15%	3.07%	-22.12%
2003	-5.97%	-4.51%	-11.66%	4.90%	-0.20%	0.02%	-3.91%	-2.47%	-2.38%	-2.23%	20.31%	1.87%	-8.94%
2004	28.38%	21.59%	6.46%	-4.69%	-4.70%	-0.91%	-4.51%	-2.54%	0.35%	-0.26%	-1.30%	4.24%	43.34%
2005	-2.49%	0.76%	4.85%	-0.11%	-0.82%	1.05%	2.65%	0.45%	13.69%	6.25%	1.28%	-1.23%	28.51%
2006	1.57%	25.08%	28.90%	18.25%	-9.50%	-4.33%	-18.07%	16.28%	7.24%	-2.88%	23.75%	18.75%	144.48%
2007	38.52%	9.25%	-5.83%	-13.76%	17.06%	-5.25%	-11.39%	0.05%	15.25%	1.74%	-8.71%	-4.66%	23.31%
2008	-8.94%	-21.42%	-22.08%	1.07%	-20.73%	-3.55%	13.01%	19.44%	-15.28%	-24.01%	-9.31%	0.28%	-65.95%
2009	-3.93%	-18.95%	14.21%	14.59%	27.99%	8.90%	4.12%	17.14%	6.24%	1.07%	-14.14%	-1.85%	56.76%
2010	-2.59%	3.10%	0.47%	8.64%	-6.44%	-0.06%	-2.61%	-7.86%	-0.12%	-0.42%	-0.23%	7.32%	-2.04%
2011	5.35%	-9.64%	-0.05%	4.11%	-12.23%	2.65%	-6.21%	4.69%	0.68%	-1.59%	-9.53%	-7.65%	-27.46%
2012	10.36%	9.19%	4.10%	7.42%	-9.41%	-1.59%	-1.87%	-4.45%	-0.87%	-1.06%	-2.73%	9.50%	17.69%
2013	15.97%	-1.09%	3.47%	-3.37%	9.25%	-7.19%	2.23%	-3.89%	4.22%	0.97%	2.08%	-0.62%	21.97%
2014	10.28%	5.38%	0.87%	-2.29%	-2.76%	2.87%	3.10%	6.81%	-5.95%	0.34%	-5.70%	-3.70%	8.12%
2015	5.58%	2.86%	-6.99%	2.04%	1.27%	4.12%	4.72%	-9.07%	-0.37%	7.95%	-5.63%	1.02%	6.12%
2016	-5.83%	2.59%	0.33%	6.62%	3.35%	2.23%	3.16%	3.43%	1.65%	-1.45%	-1.59%	-0.03%	14.82%
2017	4.87%	1.94%	1.62%	-0.63%	2.80%	5.24%	0.91%	-0.10%	2.77%	4.08%	13.45%	3.61%	48.03%
2018	12.81%	1.01%	4.72%	-10.58%	-7.52%	-1.08%	-0.46%	3.47%	2.79%	-10.06%	1.29%	-3.67%	-9.32%
2019	2.03%	6.02%	1.58%	-0.11%	-2.02%	-1.04%	4.39%	-0.77%	1.27%	0.23%	-2.81%	-1.01%	7.67%
2020	-2.54%	-5.81%	-24.90%	16.09%	12.40%	-4.55%	-3.24%	10.43%	2.67%	2.24%			-3.70%
Average	5.52%	1.11%	0.58%	3.58%	1.15%	0.94%	-1.44%	1.29%	1.04%	0.08%	1.56%	1.47%	11.13%

## APPENDIX: COVID-19 EPIDEMIC INCREASES AGAIN IN THE WORLD WHEN EUROPE AND AMERICA ENTERING THE COLD SEASON

### Disease history of COVID-19 (number of new cases by day)



Source: WHO, BSC Research

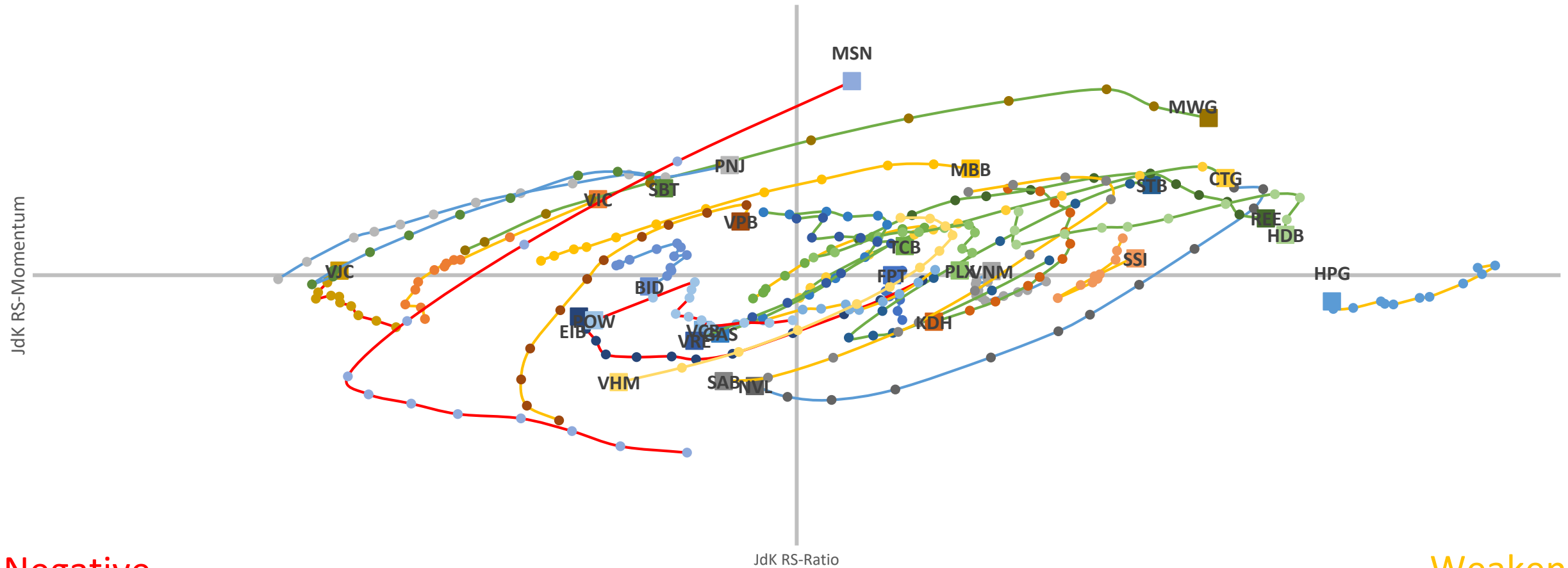
- ❖ **WORLD:** There were 46,156,540 cases in the world on 11/01/2020. The rate of infection is strongly increasing again in the world as European countries (France, Spain, UK, Poland and the Netherlands) are facing the second outbreak of COVID-19.
- ❖ **VIETNAM:** There were 1,180 cases of COVID-19 on November 1, 2020. The COVID-19 epidemic has entered a controlled phase. All new cases are the number of foreign visitors to Vietnam.
- ❖ **COVID-19 VACCINE:** 8/24 has entered phase III testing. Sputnik V (Russia) and AZD122 (United States) vaccine will be put into use on a large scale in October and November. (Appendix 01)

# Appendix: Market movement

Recover

Correlation of VN30 stocks vs. VN-Index

Positive



Negative

Weaken

Note: stocks in the corner:

- **Positive** → recommended in the buy list
- **Weaken** → should be on watch list for a downward correction
- **Negative** → should be on the avoid list
- **Recover** → should be on the watchlist for a boost run

Source: Bloomberg, BSC Research