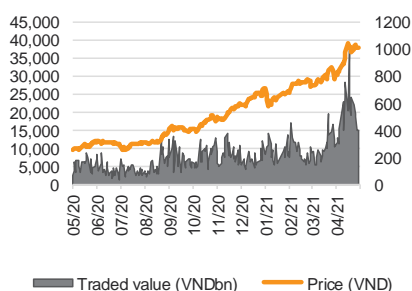


Market strategy

25 May 2021

Figure 1: HSG' daily trading value and price from May 2020 – May 2021



Source: Bloomberg

ETF MONITOR

All eyes on HSG and PDR

- FTSE ETF (FTSE VN Index) and V.N.M ETF (MVIS VN Index) will announce their portfolio review on 4 Jun and 11 Jun 2021, respectively.
- HSG is likely to be added in while DXG will be removed from FTSE Vietnam Index. For V.N.M ETF, PDR, HSG and KDH will be newly added.
- Major beneficiaries during this review could be HSG & PDR, in our view.

FTSE Vietnam Index: HSG in, DXG out

For FTSE ETF rebalancing, HSG is likely to be added into ETF's portfolio, as it met all FTSE Vietnam Index requirements. On the other hand, DXG will be removed from FTSE ETF after falling into warning status of HOSE due to negative net profit in FY20.

Per this change, we estimate FTSE ETF will buy about 2.7m HSG shares and sell 4.0m DXG shares in this review to rebalance ETF's portfolio.

Figure 2: New FTSE ETF portfolio based on our estimation

Stock	Current weight	New estimated weight	Net buy / sell volume	Net buy / sell value (VNDbn)	Average trading value 3 months (VNDbn)	Estimated transaction days	Comments
VIC	14.70%	15.00%	239,898	29.39	252.29	0.12	
HPG	16.00%	15.00%	(1,493,268)	(97.96)	1,200.76	0.08	
VHM	14.00%	12.93%	(1,008,811)	(104.82)	367.47	0.29	
VNM	10.00%	11.35%	1,482,554	132.24	370.93	0.36	
MSN	8.70%	10.29%	1,391,902	155.75	204.14	0.76	
NVL	7.90%	8.24%	242,577	33.31	243.50	0.14	
VRE	5.40%	5.17%	(742,353)	(22.53)	200.01	0.11	
VCB	4.50%	5.04%	546,462	52.90	164.47	0.32	
VJC	2.90%	2.85%	(43,460)	(4.90)	71.78	0.07	
STB	2.20%	2.45%	848,859	24.49	819.51	0.03	
PDR	2.70%	2.19%	(657,352)	(49.96)	236.95	0.21	
SSI	2.40%	2.08%	(803,761)	(31.35)	441.18	0.07	
PLX	1.60%	1.36%	(409,582)	(23.51)	121.30	0.19	
APH	0.90%	1.17%	449,809	26.45	55.96	0.47	
HSG	0.00%	1.06%	2,739,733	103.84	339.81	0.31	Newly added
POW	0.90%	0.83%	(586,076)	(6.86)	196.61	0.03	
SBT	0.90%	0.67%	(1,132,182)	(22.53)	75.77	0.30	
GEX	0.90%	0.66%	(931,090)	(23.51)	154.82	0.15	
KBC	1.10%	0.65%	(1,343,941)	(44.08)	198.23	0.22	
PVD	0.60%	0.53%	(351,645)	(6.86)	169.61	0.04	
TCH	0.60%	0.51%	(391,834)	(8.82)	142.15	0.06	
DXG	1.00%	0.00%	(4,022,931)	(97.96)	181.57	0.54	Removed from the FTSE ETF due to DXG fell into warning status of HOSE due to negative net profit in FY20

Source: FTSE, VNDIRECT RESEARCH

Analyst(s):



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V.N.M ETF: PDR, HSG and KDH are likely to be added

Based on data as of 21 May 2021, we estimate PDR, HSG and KDH will be included in V.N.M ETF in this rebalancing period since they met requirements to be constituents of MVIS Index, which is the based index of V.N.M ETF to track. We expect the country weight of Vietnam to stay at 70% of the index with the total number of Vietnam's stocks is 19.

We expect PDR, HSG and VNM to enjoy a stronger net-buying value from two ETFs, while HPG and NVL might experience the selling pressure in 2Q21 rebalancing.

Figure 3: New V.N.M ETF portfolio based on our estimation

Stock	Current weight	New estimated weight	Net buy / sell volume	Net buy / sell value (VNDbn)	Average trading value 3 months (VNDbn)	Estimated transaction days	Comments
PDR	0.00%	4.50%	7,222,832	548.94	236.95	2.32	Newly added
HSG	0.00%	2.00%	6,437,235	243.97	339.81	0.72	Newly added
VHM	6.63%	8.00%	1,608,472	167.12	367.47	0.45	
KDH	0.00%	1.00%	3,261,647	121.99	101.92	1.20	Newly added
VNM	6.42%	7.00%	793,180	70.75	370.93	0.19	
VRE	3.37%	3.80%	1,728,297	52.45	200.01	0.26	
SSI	3.61%	4.00%	1,219,856	47.57	441.18	0.11	
MSN	5.71%	6.00%	316,138	35.38	204.14	0.17	
VJC	1.76%	2.00%	259,774	29.28	71.78	0.41	
KBC	1.17%	1.30%	483,480	15.86	198.23	0.08	
POW	1.49%	1.60%	1,146,873	13.42	196.61	0.07	
GEX	1.26%	1.30%	193,245	4.88	154.82	0.03	
TCH	0.97%	1.00%	162,647	3.66	142.15	0.03	
VCB	5.07%	5.00%	(88,213)	(8.54)	164.47	0.05	
BVH	1.40%	1.20%	(457,732)	(24.40)	53.23	0.46	
SBT	1.60%	1.30%	(1,838,979)	(36.60)	75.77	0.48	
VIC	8.42%	8.00%	(418,236)	(51.23)	252.29	0.20	
NVL	9.09%	6.50%	(2,301,112)	(315.94)	243.50	1.30	
HPG	8.51%	5.50%	(5,597,205)	(367.18)	1,200.76	0.31	

Source: V.N.M ETF, MVIS Index, VNDIRECT RESEARCH

Figure 4: Expected buy/sell value by the two ETFs in 2Q21 rebalancing

Stock	FTSE ETF Net buy / sell volume	FTSE ETF Net buy / sell value (VNDbn)	V.N.M ETF Net buy / sell volume	V.N.M ETF Net buy / sell value (VNDbn)	Total net buy/sell volume	Total net buy/sell value (VNDbn)	Average trading value 3 months (VNDbn)	Estimated transaction days
PDR	(657,352)	(49.96)	7,222,832	548.94	6,565,480	498.98	236.95	2.11
HSG	2,739,733	103.84	6,437,235	243.97	9,176,968	347.81	339.81	1.02
VNM	1,482,554	132.24	793,180	70.75	2,275,734	202.99	370.93	0.55
MSN	1,391,902	155.75	316,138	35.38	1,708,040	191.13	204.14	0.94
KDH	0	0.00	3,261,647	121.99	3,261,647	121.99	101.92	1.20
VHM	(1,008,811)	(104.82)	1,608,472	167.12	599,661	62.30	367.47	0.17
VCB	546,462	52.90	(88,213)	(8.54)	458,249	44.36	164.47	0.27
VRE	(742,353)	(22.53)	1,728,297	52.45	985,944	29.92	200.01	0.15
APH	449,809	26.45	0	0.00	449,809	26.45	55.96	0.47
STB	848,859	24.49	0	0.00	848,859	24.49	819.51	0.03
VJC	(43,460)	(4.90)	259,774	29.28	216,314	24.38	71.78	0.34
SSI	(803,761)	(31.35)	1,219,856	47.57	416,095	16.22	441.18	0.04
POW	(586,076)	(6.86)	1,146,873	13.42	560,797	6.56	196.61	0.03
TCH	(391,834)	(8.82)	162,647	3.66	(229,187)	(5.16)	142.15	0.04
PVD	(351,645)	(6.86)	0	0.00	(351,645)	(6.86)	169.61	0.04
GEX	(931,090)	(23.51)	193,245	4.88	(737,845)	(18.63)	154.82	0.12
VIC	239,898	29.39	(418,236)	(51.23)	(178,338)	(21.84)	252.29	0.09
PLX	(409,582)	(23.51)	0	0.00	(409,582)	(23.51)	121.30	0.19
BVH	0	0.00	(457,732)	(24.40)	(457,732)	(24.40)	53.23	0.46
KBC	(1,343,941)	(44.08)	483,480	15.86	(860,461)	(28.22)	198.23	0.14
SBT	(1,132,182)	(22.53)	(1,838,979)	(36.60)	(2,971,161)	(59.13)	75.77	0.78
DXG	(4,022,931)	(97.96)	0	0.00	(4,022,931)	(97.96)	181.57	0.54
NVL	242,577	33.31	(2,301,112)	(315.94)	(2,058,535)	(282.63)	243.50	1.16
HPG	(1,493,268)	(97.96)	(5,597,205)	(367.18)	(7,090,473)	(465.14)	1200.76	0.39

Source: MVIS Index, FTSE, VNDIRECT RESEARCH

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Stock Ratings

Definition:

Add	The stock's total return is expected to reach 15% or higher over the next 12 months.
Hold	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 10% over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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