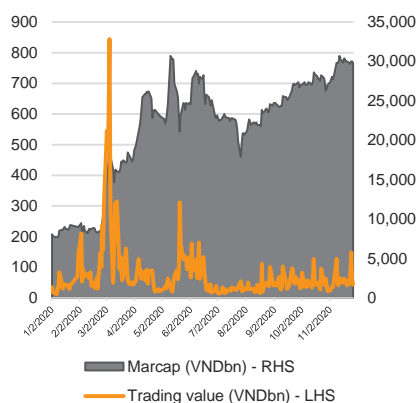


## Market strategy

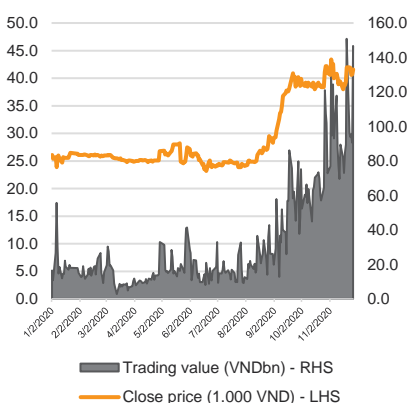
30 Nov 2020

Figure 1: SHB's trading value and market cap in 2020



Source: Bloomberg

Figure 2: PDR's price and trading value in 2020



Source: Bloomberg

### Analyst(s):



Bach Phan Nhu

[bach.phannhu@vndirect.com.vn](mailto:bach.phannhu@vndirect.com.vn)

## ETF MONITOR

### SHB likely to be added in V.N.M ETF

- FTSE ETF (FTSE VN Index) and V.N.M ETF (MVIS VN Index) will conduct 4Q20 review and announce their portfolio review on 4 Dec and 11 Dec 2020, respectively.
- SHB is likely to be added in MVIS Vietnam Index while FTSE VN portfolio has no change.

#### MVIS Vietnam Index: SHB to move in

For V.N.M ETF rebalancing, SHB is likely to be added into V.N.M ETF's portfolio, as it met all the MVIS Vietnam Index requirements and fell into top 85% of the free-float market capitalisation of the investable universe qualified for selection.

We expect the country weight of Vietnam to stay at 67% of the index with the total number of Vietnam stocks at 16.

By this change, we estimate V.N.M ETF will buy about 22m SHB shares in this review, equivalent to 4% of V.N.M ETF's NAV.

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
VNM	7.97%	8.00%	27,011	2.90	182.01	0.02
VIC	8.69%	8.00%	-621,242	-66.72	60.88	1.10
VHM	6.92%	7.00%	98,797	7.74	166.06	0.05
VCB	6.35%	6.50%	166,912	14.50	89.05	0.16
NVL	5.92%	6.00%	124,771	7.74	84.32	0.09
HPG	6.76%	5.50%	-3,813,426	-121.84	410.50	0.30
MSN	4.55%	5.00%	482,951	43.51	175.31	0.25
VRE	5.08%	4.50%	-2,061,934	-56.08	99.47	0.56
SHB	0.00%	4.00%	22,357,827	386.79	51.64	7.49
VJC	3.47%	3.80%	283,143	31.91	48.89	0.65
SSI	2.56%	2.80%	1,303,788	23.21	89.36	0.26
POW	1.97%	2.40%	4,157,997	41.58	49.83	0.83
BVH	2.27%	2.10%	-297,801	-16.44	50.12	0.33
SBT	2.03%	2.00%	-179,624	-2.90	54.35	0.05
GEX	1.47%	1.80%	1,595,510	31.91	168.48	0.19
TCH	1.40%	1.60%	1,036,972	19.34	149.71	0.13

Source: V.N.M ETF, VNDIRECT RESEARCH

#### FTSE Vietnam Index: No change

Based on data as at 26 Nov 2020, we estimate FTSE VN portfolio has no change in this review.

PDR passed the liquidity criteria in this review, but PDR needs to pass the liquidity rule for two consecutive reviews before being a constituent of FTSE VN ETF again as it was removed from FTSE VN in 2Q20 review.

Figure 4: 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
VIC	14.52%	15.00%	275,380	29.58	60.88	0.49
VNM	15.70%	15.00%	-401,596	-43.13	182.01	0.24
VHM	14.17%	15.00%	653,148	51.14	166.06	0.31
HPG	11.24%	11.76%	1,002,831	32.04	410.50	0.08
MSN	7.53%	10.58%	2,085,789	187.93	175.31	1.07
VRE	8.06%	7.55%	-1,155,305	-31.42	99.47	0.32
VCB	6.45%	5.73%	-510,514	-44.36	89.05	0.50
NVL	5.52%	4.75%	-765,234	-47.44	84.32	0.56
VJC	4.31%	3.93%	-207,757	-23.41	48.89	0.48
PLX	2.43%	1.98%	-568,183	-27.73	37.85	0.73
STB	1.96%	1.68%	-1,241,191	-17.25	191.37	0.09
SSI	1.92%	1.66%	-900,013	-16.02	89.36	0.18
GEX	1.43%	1.57%	431,314	8.63	168.48	4.54
POW	1.26%	1.04%	-1,355,558	-13.56	49.83	0.27
KBC	0.79%	0.75%	-171,753	-2.46	30.29	0.08
TCH	0.98%	0.73%	-825,955	-15.40	149.71	0.10
SBT	1.04%	0.66%	-1,449,794	-23.41	54.35	0.43
PVD	0.59%	0.55%	-207,987	-2.46	67.86	0.04

Sources: FTSE ETF, VNDIRECT RESEARCH

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### RECOMMENDATION FRAMEWORK

#### 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.

#### Hien Tran Khanh – Deputy Head of Research

Email: [hien.trankhanh@vndirect.com.vn](mailto:hien.trankhanh@vndirect.com.vn)

#### Bach Phan Nhu – Analyst

Email: [bach.phannhu@vndirect.com.vn](mailto:bach.phannhu@vndirect.com.vn)

#### VNDIRECT Securities Corporation

1 Nguyen Thuong Hien Str – Hai Ba Trung Dist – Ha Noi

Tel: +84 2439724568

Email: [research@vndirect.com.vn](mailto:research@vndirect.com.vn)

Website: <https://vndirect.com.vn>