

**Market strategy**

05 Apr 2021

**Figure 1: FTSE Vietnam 30 Index**

Index universe	FTSE Frontier Index
Index launch	11/22/2019
Base date	3/19/2010
Base value	1000
Investability screen	Free-float adjusted and liquidity screened
Index calculation	Real-time and end-of-day
Review dates	Semi-annually in March and September

Source: VND Research, FTSE

**ETF MONITOR**

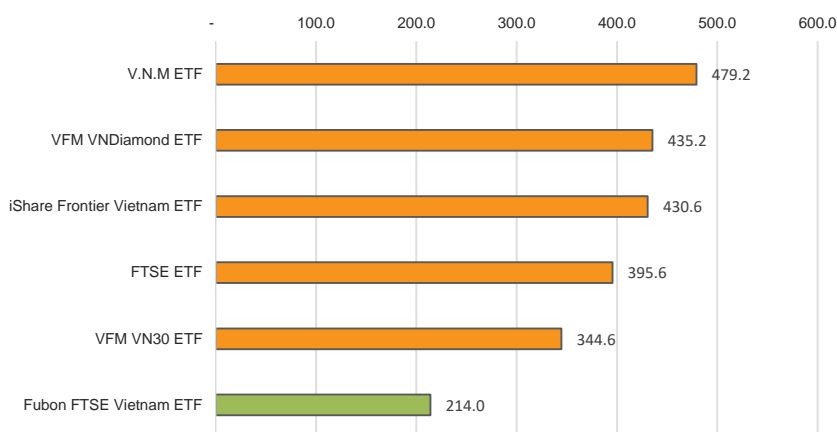
**Fubon FTSE ETF: What should we wait for?**

- Fubon FTSE Vietnam Index ETF, which tracks FTSE Vietnam 30 Index, has finished the IPO phase with a fund size of about VND4,279bn
- Fubon FTSE Vietnam Index ETF will buy the underlying shares in the next two weeks to list on Taiwan Stock Exchange on April 19, 2021.

Taiwan-based Fubon FTSE Vietnam Index, which tracks FTSE Vietnam 30 Index, has raised about VND4,279bn since Mar 24<sup>th</sup>. Fund management aims to scale up to more than VND8,000bn within six months of its listing.

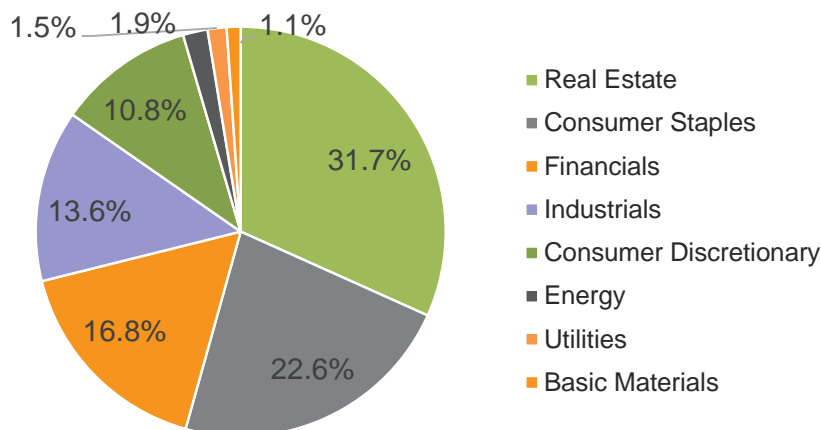
We expect this new ETF fund to start buying the underlying stocks within the next two weeks before listing on Taiwan Stock Exchange on 19<sup>th</sup> Apr 2021. We estimate that Fubon 's top largest constituents will be: VIC (3.9m shares); HPG (8.9m shares), and VHM (4.1m shares). Meanwhile, the top stocks that required the longest trading days will be VGC (7.4 days), SAB (5.3 days), and MSN (4.5 days).

**Figure 2: Fubon FTSE Vietnam currently the 6<sup>th</sup> largest ETF in Vietnam (as at Apr 5<sup>th</sup> - US\$mn)**



Sources: VND RESEARCH, ETF's website

**Figure 3: ETF Fubon FTSE Vietnam breakdown by sectors**



Sources: VND RESEARCH, ETF's website

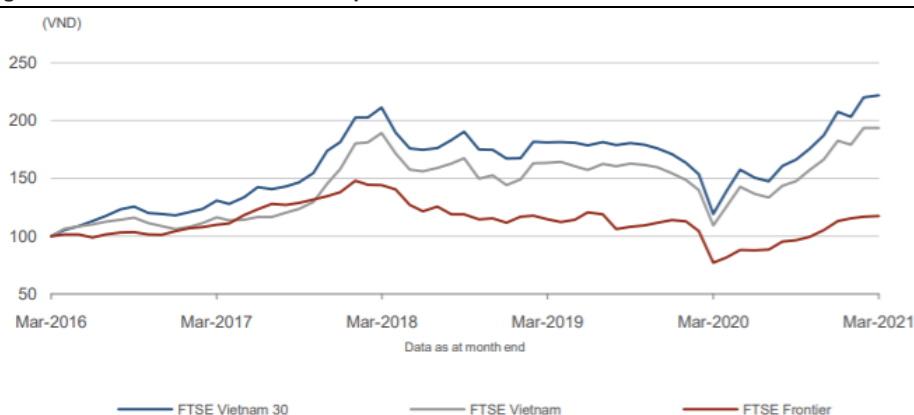
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**Figure 4: FTSE Vietnam 30 Index outperformed others since 2016**



Index (VND)	Return %						Return pa %*		Volatility %**		
	3M	6M	YTD	12M	3YR	5YR	3YR	5YR	1YR	3YR	5YR
FTSE Vietnam 30	6.9	33.2	6.9	85.9	5.0	121.6	1.6	17.3	22.7	20.8	21.5
FTSE Vietnam	6.0	31.1	6.0	77.0	2.3	93.6	0.8	14.1	23.2	21.0	21.5
FTSE Frontier	4.0	21.7	4.0	52.5	-18.5	17.5	-6.6	3.3	8.7	16.1	19.2

Sources: VND RESEARCH, FTSE Vietnam factsheet

**Figure 5: ETF Fubon Vietnam Index's portfolio based on our estimation (data as at 02 Apr 2021)**

Stock	Weight	Value in ETF (VNDbn)	Price (As at 02/04/2021)	Number of shares in ETF (shares)	Median trading volume (Mar 21 - Shares)	Estimated trading days
VIC	11.21%	479.72	123	3,900,190	1,294,800	3.01
HPG	10.19%	436.15	49.05	8,891,929	16,289,800	0.55
VHM	9.73%	416.34	100.7	4,134,436	2,196,300	1.88
VNM	9.70%	415.05	102.7	4,041,391	3,152,700	1.28
MSN	9.00%	385.08	92.7	4,154,015	918,800	4.52
VRE	6.96%	297.64	33.85	8,792,781	4,501,400	1.95
NVL	5.47%	234.09	82	2,854,782	2,034,100	1.40
VCB	5.28%	226.01	97.8	2,310,896	1,196,800	1.93
VJC	3.84%	164.19	132.3	1,241,023	507,300	2.45
ACB	2.76%	118.29	34.65	3,413,957	8,819,900	0.39
SSI	2.74%	117.29	34.3	3,419,429	10,817,400	0.32
PDR	2.55%	108.93	64.6	1,686,292	3,428,300	0.49
HDB	2.40%	102.89	27.25	3,775,793	4,051,500	0.93
SAB	2.34%	100.27	180	557,060	105,500	5.28
STB	2.26%	96.57	22.6	4,273,025	23,543,500	0.18
PLX	1.94%	83.15	56.5	1,471,653	3,858,000	0.38
VCG	1.89%	81.02	47.4	1,709,208	231,000	7.40
KBC	1.54%	65.82	39.4	1,670,472	4,854,200	0.34
SBT	1.19%	51.03	22.9	2,228,602	3,824,100	0.58
POW	1.18%	50.45	13.6	3,709,449	14,529,800	0.26
GEX	1.05%	44.95	24.1	1,864,989	5,285,900	0.35
TCH	0.77%	33.08	24.2	1,366,992	4,200,500	0.33
HCM	0.67%	28.53	32.7	872,441	3,887,700	0.22
BVH	0.66%	28.37	61.8	459,003	675,600	0.68
DPM	0.59%	25.16	20.35	1,236,143	2,522,300	0.49
PHR	0.51%	21.76	59.8	363,812	721,600	0.50
DXG	0.45%	19.07	24.5	778,415	6,648,900	0.12
VGC	0.43%	18.30	35.2	520,020	219,300	2.37
VHC	0.38%	16.31	39.15	416,678	1,116,800	0.37
PPC	0.32%	13.51	26.1	517,515	435,700	1.19

Sources: VNDIRECT RESEARCH, FTSE, Fiiipro

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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.

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