

**Market strategy**

01 Jul 2022

**ETF MONITOR**

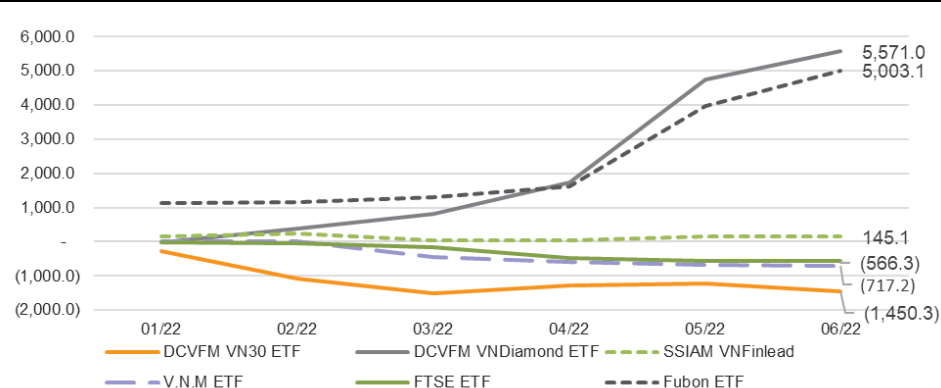
**VN30 Index 2H22 review: VIB in, PNJ out**

- New HOSE-index basket, including the VN30 index will be announced on 18 Jul 2022, which will come into effect on 01 Aug 2022.
- According to our estimates, VIB will be included into VN30 basket, while PNJ to be removed out of the index.

**DCVFM VN30 ETF has the largest capital outflow in 1H22**

In 1H22, capital outflow from DCVFM VN30 ETF ranks first among ETFs invested in Vietnam. According to data from Bloomberg, 1H22 capital outflow of DCVFM VN30 ETF reached VND1,450bn, larger than V.N.M ETF at VND717bn and FTSE ETF at VND566bn. We believe this come from the shifting of domestic ETFs capital flows from VN30 ETF to VNDiamond ETF, when this ETF achieved the largest inflow among ETFs in Vietnam with a value of VND5,571bn in 1H22.

Figure 1: Fund flow of highlighted ETFs in Vietnam in 1H22 (Unit: VNDbn)

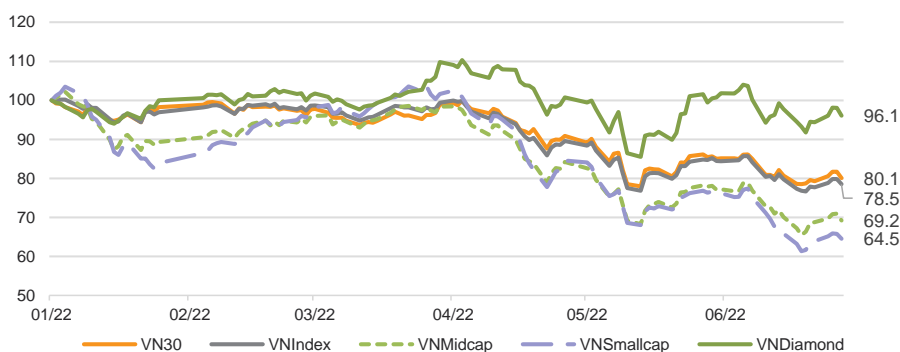


Source: HOSE

SOURCES: VNDIRECT RESEARCH, Bloomberg

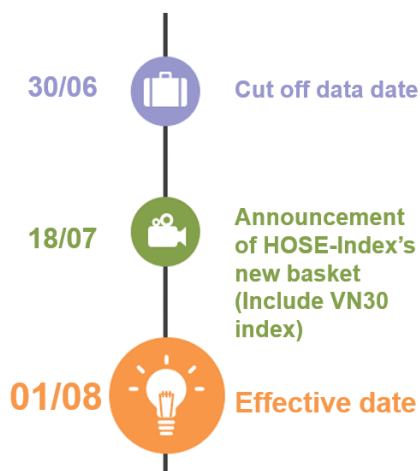
Although VN30 Index outperformed VNIndex and other marketcap weighted indexes (VNMidcap index, VNSmallcap index) in 1H22 with a lower reduction, at -19.9% ytd, but as of strong market correction, ETFs based on marketcap weighted index become less attractive than ETFs based on typical indexes such as VNDiamond ETF. Therefore, as the market's correction is still on, we believe that capital flow is shifting from VN30 ETFs to typical based indexes ETFs like VNDiamond, VNFinlead ETF will continue in 2H22.

Figure 2: Performance of marketcap weighted indexes, VNDiamond and VNIndex in 1H22 (rebased to 100 in 04 Jan 22)



SOURCES: VNDIRECT Research, BLOOMBERG

Figure 1: Aug 2022's Index review calendar



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### VN30 Index 2H22 review: VIB in, PNJ out

A New HOSE-index basket, including the VN30 index, will be announced on 18 Jul 2022, which will come into effect on 01 Aug 2022. We estimate that VIB will be included in the VN30 basket, while PNJ to be removed from the index.

- **For PNJ:** based on our data, the average 1-year market capitalization of PNJ is VND23,700bn, ranking 42nd in the list of eligible stocks to enter VN30. With being outside the top 21-40 in terms of market capitalization to be maintained as a component of the VN30 basket, we estimate that PNJ will be eliminated in this review.
- **For VIB:** VIB has the largest market capitalization among the current non-VN30 stocks and meets all criteria to replace PNJ in VN30 Index. Based on our data, VIB has an average 1-year market capitalization of about VND63,000bn, ranking 22nd in the list of eligible stocks to enter VN30.

ETFs tracks on VN30 Index, with a total net asset value of VND8,712bn (including ETF DCVFM VN30, ETF SSIAM VN30, ETF FUEMAV30 and ETF KIM Growth VN30), will rebalance their portfolio on the previous trading date (29 Jul 2022).

We estimate ETFs will buy about 8.3m VIB shares, equivalent to about VND187bn while selling about 1.5m PNJ shares, equivalent to VND193bn in this review.

Figure 3: New VN30 portfolio and ETFs adjustment based on our estimation (data as at 29 Jun 2022)

Stock	Current weight (%)	Current value (VNDbn)	Current shares	New weight (%)	New value (VNDbn)	New shares	Net weight change (%)	Net buy/sell value (VNDbn)	Net buy/sell shares	Median daily trading value in Jun 22 (VNDbn)	Estimated transaction days
VIB	-	-	-	2.15%	187.3	8,344,460	2.15%	187.33	8,344,460	31.5	5.95
VPB	7.55%	658.0	22,005,730	7.73%	673.5	22,525,110	0.18%	15.53	519,380	268.8	0.06
STB	3.22%	280.7	12,450,010	3.35%	292.0	12,949,330	0.13%	11.26	499,320	314.1	0.04
TCB	6.79%	591.5	16,183,740	6.94%	605.1	16,554,050	0.16%	13.54	370,310	164.5	0.08
SSI	1.64%	142.9	7,253,040	1.71%	148.6	7,544,420	0.07%	5.74	291,380	425.7	0.01
FPT	6.73%	586.1	6,548,120	6.95%	605.5	6,764,820	0.22%	19.39	216,700	224.9	0.09
HPG	5.97%	520.0	22,707,000	6.02%	524.9	22,921,500	0.06%	4.91	214,500	687.4	0.01
HDB	2.80%	244.0	9,919,780	2.85%	247.9	10,079,220	0.05%	3.92	159,440	49.6	0.08
MBB	4.21%	366.7	14,814,770	4.25%	370.3	14,961,810	0.04%	3.64	147,040	178.9	0.02
CTG	1.58%	137.4	5,128,410	1.60%	139.6	5,210,300	0.03%	2.19	81,890	98.7	0.02
MWG	6.13%	534.3	7,308,620	6.19%	539.6	7,381,750	0.06%	5.35	73,130	277.7	0.02
BID	0.57%	49.4	1,412,060	0.58%	50.9	1,455,600	0.02%	1.52	43,540	38.0	0.04
MSN	5.34%	465.0	4,144,810	5.38%	468.4	4,174,450	0.04%	3.33	29,640	106.1	0.03
BVH	0.33%	28.4	516,640	0.34%	29.5	535,550	0.01%	1.04	18,910	63.5	0.02
VJC	2.95%	256.7	1,947,510	2.97%	258.5	1,961,120	0.02%	1.79	13,610	84.6	0.02
PLX	0.43%	37.3	912,820	0.43%	37.6	918,900	0.00%	0.25	6,080	45.7	0.01
GVR	0.30%	26.3	1,143,760	0.30%	26.4	1,149,290	0.00%	0.13	5,530	42.0	0.00
PDR	1.16%	101.5	1,943,820	1.17%	101.6	1,945,640	0.00%	0.10	1,820	99.1	0.00
POW	0.67%	58.1	4,176,580	0.67%	58.1	4,178,230	0.00%	0.02	1,650	351.9	0.00
GAS	0.93%	80.6	691,760	0.93%	80.8	693,370	0.00%	0.19	1,610	211.3	0.00
KDH	1.36%	118.5	3,023,700	1.36%	118.5	3,022,660	0.00%	(0.04)	(1,040)	30.9	0.00
VCB	3.26%	283.9	3,760,390	3.25%	283.6	3,755,660	0.00%	(0.36)	(4,730)	74.4	0.00
SAB	0.91%	79.5	516,330	0.90%	78.4	508,920	-0.01%	(1.14)	(7,410)	21.1	0.05
TPB	1.98%	172.2	6,331,350	1.97%	172.0	6,322,440	0.00%	(0.24)	(8,910)	63.6	0.00
NVL	4.25%	370.7	4,877,280	4.24%	369.7	4,864,980	-0.01%	(0.93)	(12,300)	205.3	0.00
ACB	5.77%	502.4	20,504,260	5.75%	501.2	20,457,660	-0.01%	(1.14)	(46,600)	59.8	0.02
VNM	5.05%	440.1	6,086,800	5.01%	436.0	6,031,120	-0.05%	(4.03)	(55,680)	121.0	0.03
VHM	6.29%	548.4	8,663,650	6.01%	523.2	8,265,880	-0.29%	(25.18)	(397,770)	198.0	0.13
VRE	2.01%	175.4	6,155,410	1.88%	163.6	5,741,290	-0.14%	(11.80)	(414,120)	58.3	0.20
VIC	7.61%	663.3	9,123,490	7.12%	620.0	8,527,980	-0.50%	(43.29)	(595,510)	121.8	0.36
PNJ	2.22%	193.0	1,485,870	-	-	-	-2.22%	(193.01)	(1,485,870)	134.5	1.43

Source: VNDIRECT RESEARCH, 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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