

Market strategy

30 Mar 2022

ETF MONITOR

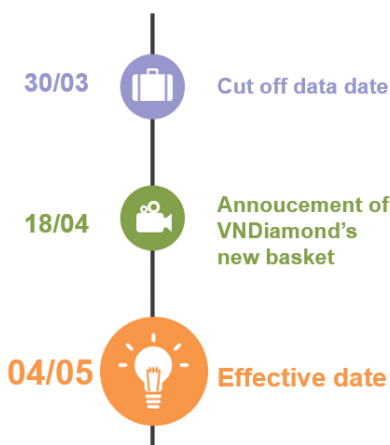
OCB likely to be added in VNDiamond next review

- According to our estimates, OCB will likely be added into VNDiamond index, while KDH, NLG and CTD might be excluded.
- We estimate DCVFM VNDiamond ETF will buy 9.6m shares of OCB while selling CTD, KDH and NLG with 4.1m, 5.7m and 6.2m shares.

We expect a strong capital inflow into VNDiamond in 2022

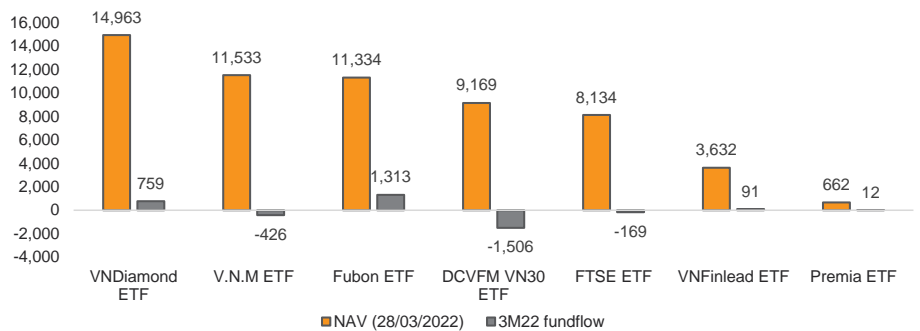
As of Mar 22, DCVFM VNDiamond ETF (Exchange traded fund) stayed firm as at the largest ETF in term of NAV (net asset value) with VND14,963bn. Since beginning of 2022, the VNDiamond ETF has enjoyed about VND759bn inflow, just behind Fubon ETF with VND1,313bn inflow.

Figure 1: Apr 2022's VNDiamond Index review calendar



Source: VND RESEARCH, HOSE

Figure 2: NAV and ytd fund flow of ETFs (Data as at 28 Mar 22 – Unit: VNDbn)



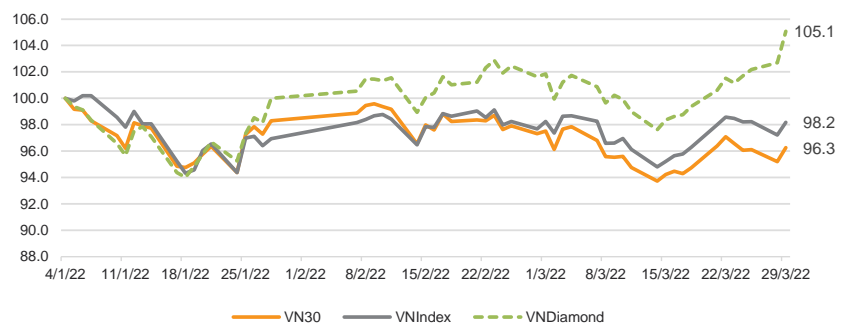
SOURCES: VND RESEARCH, Bloomberg

In 2022, we expect a strong capital inflow from Thai investors into VNDiamond thanks to the launching of DR (Depository Receipt) Diamond fund. According to Bualuang Securities, one of Thailand largest securities firms, they are going to launch DR Diamond fund based on the DCVFM VNDiamond ETF fund certificate. IPO registration schedule was during 22 Mar to 24 Mar, then the DR will be listed in the near future.

DR Diamond is the second DR of Bualuang Securities, after the first DR VN30 based on the DCVFM VN30 ETF (E1VFN30) was launched in 2018. Bualuang Securities reported to raise about VND3,500bn in DR VN30 to buy DCVFM VN30 ETF fund certificates in 2018.

In term of indexes, VN Diamond grew 5.1% ytd, outperforming the performance of VNIndex (-1.8% ytd) and VN30 (-3.7% ytd).

Figure 3: performance ytd of VNIndex, VN30 and VNDiamond (rebased to 100 at 4/1/22)



SOURCES: VND RESEARCH, Bloomberg

Analyst(s):



Bach Phan Nhu

bach.phannhu@vndirect.com.vn

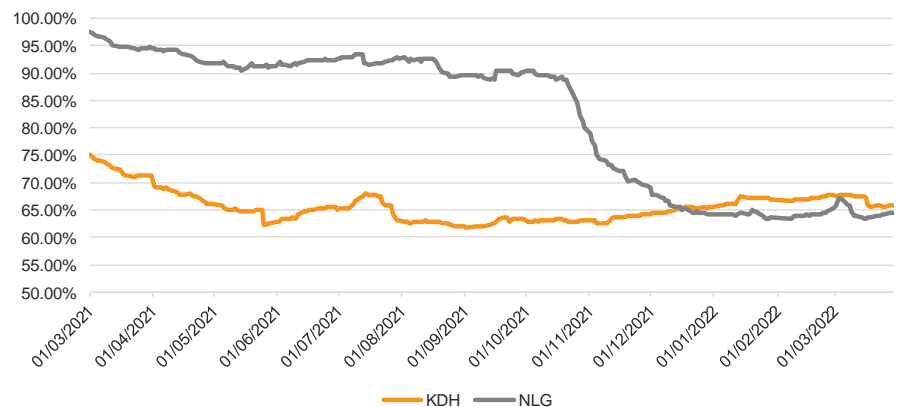
OCB will likely be in; while KDH, NLG and CTD might be out

The new VNDiamond index basket will be announced on 18 Apr 2022, and then come into effect since 04 May 2022.

Based on data until 28/03/2022, we estimate OCB will be included into VNDiamond in this review as OCB meets all VNDiamond's criteria.

On the other hand, KDH and NLG miss the VNDiamond's foreign ownership requirements. The average foreign owned ratio/max foreign ownership limit should be greater than 80% to stay in VNDiamond index. CTD also will likely be excluded as its FY21 P/E ratio is greater than 3.0x of average market P/E.

Figure 4: Foreign ownership ratio of KDH and NLG from Mar 21 to Mar 22



The FOR is calculated by the percentage of shares owned by foreigner investors / Foreigner ownership limit (%).

SOURCES: VNDirect research, Dstock

Per our estimates, DCFVM VNDiamond ETF, with a total net asset value of VND14,963bn will rebalance its portfolio on 29 Apr 2022. In this review, we estimate DCFVM VNDiamond ETF will newly buy OCB with about 9.6m shares and also net buy REE, PNJ with about 6.7m and 2.7m, respectively.

On the other hand, CTD, KDH and NLG will be offloaded about 4.1m, 5.7m and 6.2m shares, respectively.

Figure 5: New VNDiamond portfolio and ETFs adjustment based on our estimation (data as at 28 Mar 2022)

Stock	Current weight (28/03/22)	Current value (28/03/22 - VNDbn)	New weight (%)	New value (VNDbn)	Net weight change (%)	Net buy/sell value (VNDbn)	Net buy/sell shares	Median daily trading share in Mar 22 (VNDbn)	Estimated transaction days	Comments
REE	7.7%	1,155.2	11.33%	1,694.6	3.61%	539.5	6,751,737.7	29.2	18.49	
PNJ	13.1%	1,954.2	15.00%	2,244.5	1.94%	290.3	2,682,926.1	120.0	2.42	
OCB	0.0%	-	1.64%	245.9	1.64%	245.9	9,568,537.9	35.2	6.99	Newly added
TCB	7.9%	1,183.6	9.45%	1,414.3	1.54%	230.7	4,727,896.1	314.2	0.73	
VIB	1.5%	227.4	2.61%	390.1	1.09%	162.7	3,701,022.6	59.2	2.75	
GMD	2.7%	407.0	3.67%	549.9	0.95%	142.9	2,537,716.1	198.7	0.72	
EIB	0.9%	133.2	0.81%	121.9	-0.08%	(11.2)	(305,923.0)	22.0	0.51	
TPB	3.3%	489.3	3.18%	475.5	-0.09%	(13.8)	(350,377.1)	153.9	0.09	
MSB	2.9%	429.5	2.78%	415.5	-0.09%	(13.9)	(552,604.9)	96.1	0.14	
FPT	15.2%	2,278.9	15.00%	2,244.5	-0.23%	(34.4)	(350,827.1)	125.6	0.27	
ACB	6.6%	984.6	6.31%	943.6	-0.27%	(41.0)	(1,268,636.6)	108.4	0.38	
MBB	5.9%	878.4	5.56%	831.3	-0.31%	(47.0)	(1,493,113.1)	374.3	0.13	
VPB	7.5%	1,122.3	7.18%	1,074.4	-0.32%	(47.8)	(1,319,138.4)	506.0	0.09	
CTG	1.1%	164.6	0.49%	72.8	-0.61%	(91.8)	(2,887,349.8)	183.7	0.50	
MWG	16.4%	2,452.5	15.00%	2,244.5	-1.39%	(208.0)	(1,444,396.9)	142.8	1.46	
CTD	2.5%	375.6	0.00%	-	-2.51%	(375.6)	(4,136,396.1)	47.6	7.89	Excluded due to P/E requirement
KDH	2.0%	300.8	0.00%	-	-2.01%	(300.8)	(5,685,578.1)	69.9	4.30	Excluded due to foreign ownership requirement
NLG	2.4%	360.6	0.00%	-	-2.41%	(360.6)	(6,196,241.0)	293.3	1.23	Excluded due to foreign ownership requirement

Source: VNDIRECT RESEARCH

DISCLAIMER

This report has been written and distributed by Research Department, VNDIRECT Securities Corporation. The information contained in this report is prepared from data believed to be correct and reliable at the time of issuance of this report. Unless otherwise stated, this report is based upon sources that VNDIRECT considers to be reliable. These sources may include but are not limited to data from the stock exchange or market where the subject security is listed, or, where appropriate, any other market. Information on the company(ies) are based on published statements, information disclosure and announcements of the company(ies), and information resulting from our research. VNDIRECT has no responsibility for the accuracy, adequacy or completeness of such information.

All estimates, projections, forecasts and expression of opinions contained in this report reflect the personal views and opinions of the analyst(s) responsible for the production of this report. These opinions may not represent the views and position of VNDIRECT and may change without notice.

This report has been prepared for information purposes only. The information and opinions in this report should not be considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments. VNDIRECT takes no responsibility for any consequences arising from using the content of this report in any form.

This report and all of its content belongs to VNDIRECT. No part of this report may be copied or reproduced in any form or redistributed in whole or in part, for any purpose without the prior written consent of VNDIRECT.

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 – Research Director

Email: hien.trankhanh@vndirect.com.vn

Bach Phan Nhu – Analyst

Email: 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

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