

## Market report

# September 2024: VN-Index may rise to 1,350 with the return of foreign cash flows

VN-Index ended in September at 1,287 (+4.6% MoM) thanks to the positive impact of the Banking sector. However, VN-Index was not able to reach 1,300 showing that it is still a strong resistance.

Average market liquidity was flat in September, remaining around VND 16,001 billion/ session (-2.7% MoM). In contrast, market liquidity in each session showed signs of increasing at the end of the month, supporting the recovery of the VN-Index after it dropped to 1,240.

TVS Research suggests that foreign cash flows may return to the Vietnamese market based on some advantages:

- The interest rate differential between developed countries and Vietnam in the medium term when the FED begins to lower interest rates quickly along with developed countries also starting/continuing the process of lowering interest rates may have an impact on reducing net selling pressure in the Vietnamese stock market
- Vietnam's strong economic growth in 2024 is a bright spot that can attract foreign cash flows back to the market

**We expect that VN-Index will surpass the 1,300-resistance and head toward 1,350 at the end of 2024.**

International indices	Sep 24	% MoM	%YTD
DJI**	42,313	2.4%	12.2%
S&P500**	5,738	2.6%	20%
VIX**	17	11.1%	39%
FTSE100**	8,321	-0.7%	7.7%
Nikkei	<b>37,920</b>	-1.9%	13.3%

VN indices	Sep 24	%MoM	%YTD
VNI	1,288	0.3%	14.1%
VN30	1,353	1.6%	19.7%
VN MID	1,943	1.1%	12.8%
VN SMALL	1,426	-0.5%	4.1%
HNI	235	-1.1%	1.7%

Market cap	Sep 24	%MoM	%YTD
HSX	5,272	0.2%	17.1%
HNX	336	-1.5%	8.5%
UPCoM	1,460	-1.8%	36.1%
<b>Total</b>	<b>7,068</b>	-0.3%	20.0%

Liquidity	Sep 24	%MoM	%YTD
HSX	364	-3.2%	107.5%
HNX	26	-10.3%	72.5%
UPCoM	17	-24.6%	119.2%
<b>Total</b>	<b>407</b>	-4.1%	104.7%

P/E ratio	Sep 24	%MoM	%YTD
Vietnam	13.9	1.5%	2.2%
Thailand	17.4	-6.9%	-17.0%
Indonesia	19.9	5.6%	23.1%
Malaysia	15.2	-9.6%	0.7%
Singapore	13.1	4.3%	6.1%

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## Market Overview

### Demand for Banking stocks may help VN-Index reach 1,350 in October 2024.

VN-Index ended in September at 1,287 (+4.6% MoM) thanks to the positive impact of the Banking sector. However, VN-Index was not able to reach 1,300, showing that it is still a strong resistance.

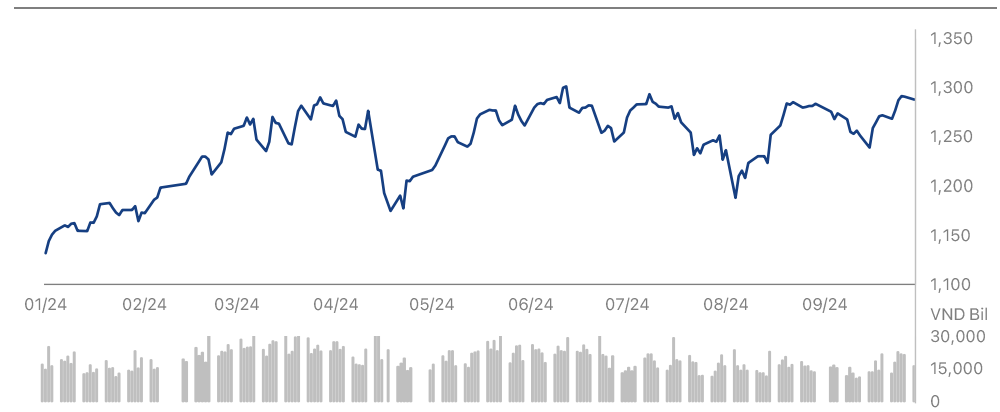
TVS Research suggests that foreign cash flows may return to the Vietnamese market based on some advantages:

- The shrinking interest rate differential between developed countries and Vietnam when the FED begins to lower interest rates quickly along with developed countries also starting/continuing the process of lowering interest rates may have an impact on reducing net selling pressure in the Vietnamese stock market
- Vietnam's above-consensus economic growth in 2024 may attract foreign cash flows back to the market

**We expect that VN-Index will surpass the 1,300-resistance and head toward 1,350 at the end of 2024.**

**Figure 1: VN-Index corrected after reaching 1,300**

VN-Index performance [points] and trading volume [VND billion]



Source: Fiinpro, TVS Research

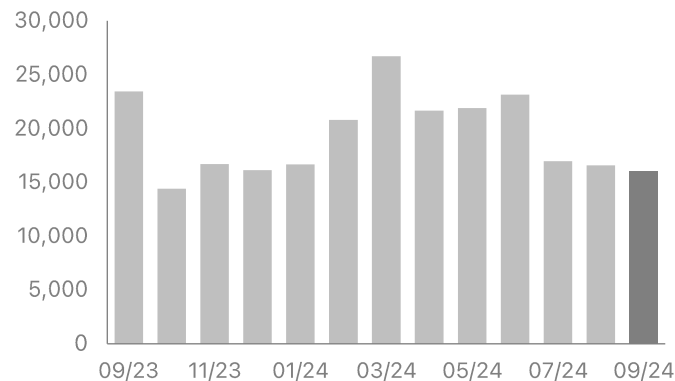
### Market liquidity improved at the end of September.

Average daily trading volume was flat in September, remaining at VND 16,001 billion/ session (-2.7% MoM). Average trading in each session showed signs of increasing at the end of the month, supporting VN-Index recovering from the 1,240 support.

As selling pressure from foreign investors dropped to the lowest level since the beginning of the year, TVS Research believes that foreign cash flows may soon return to the Vietnamese stock market. As foreign investors' inflow to Banking stocks supported VN-Index increase in September, we believe that cash flow will gradually spread to groups with positive business results in Q3 2024, thereby helping VN-Index increase.

**Figure 2: Trading value remained unchanged in September**

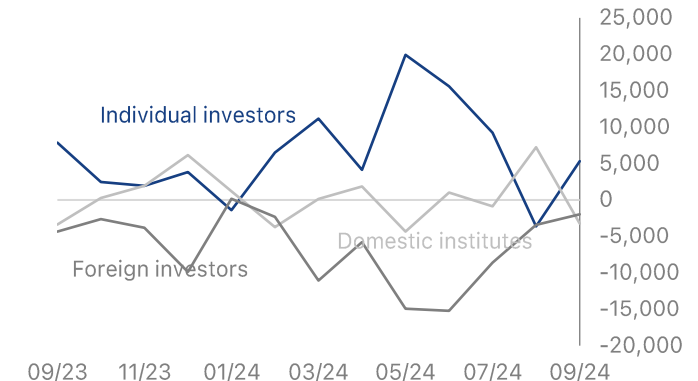
Average trading value of VN-Index by month [VND billion]



Source: FiinproX, TVS Research

**Figure 3: Selling pressure from foreign investors drops to the lowest level Ytd**

Net trading value by investor group by month [VND billion]



Source: FiinproX, TVS Research

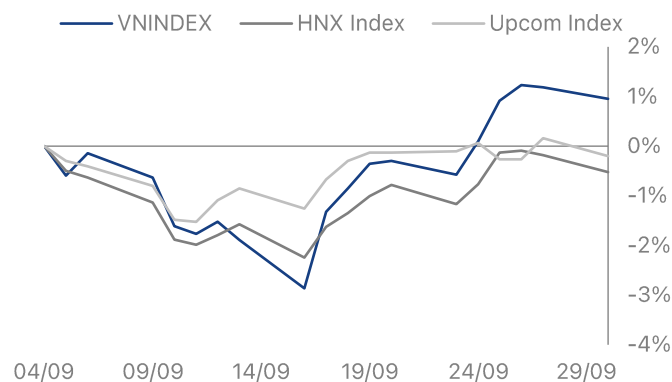
**VN-Index is the best performing index, mainly contributed by VN30.**

In September 2024, VN-Index continued to be the leader among the 3 main indexes (+1% MoM) mainly contributed by the VN30 (+2.6% MoM) and VNMID (+1.7% MoM).

In particular, the VN30 increased due to improved performance of the Banking, Financial Services, and Basic Resources sectors. On the contrary, Vingroup stocks have slowed down or decreased after the rally in August, weighting down VN30 performance

**Figure 5: VN-Index is the only index that increased in September**

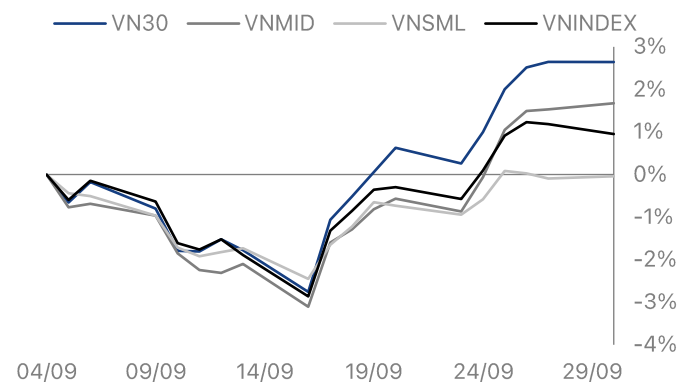
Performance of VN-Index, HNX and Upcom in September [%]



Source: FiinproX, TVS Research

**Figure 6: VN30 and VNMID are the main contributors to the recovery of VN-Index**

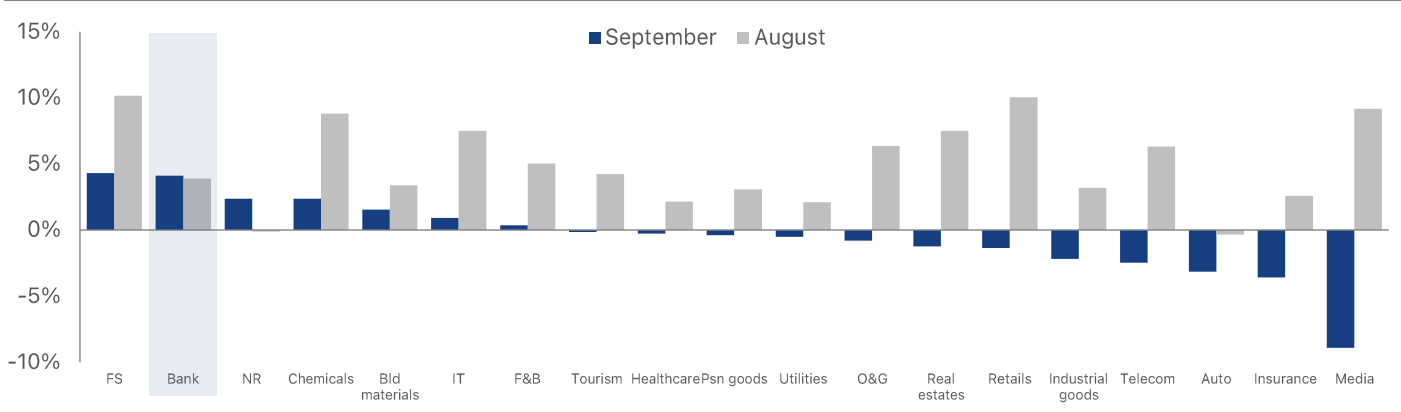
Performance of sub-index groups of VN-Index [%]



Source: FiinproX, TVS Research

Figure 7: Banking stocks are the main driving force for VN-Index to increase in September

Performance of industry groups in August and September 2024 [%]



Source: FiinproX, TVS Research

## Market Valuation

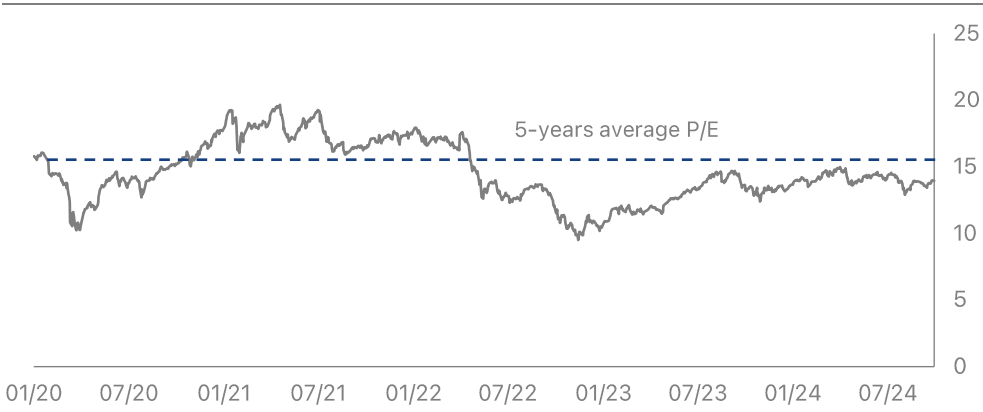
### VN-Index's P/E remained around 13.9x in September.

VN-Index's P/E in September was 13.9x, unchanged since August and approaching the 5-year average P/E.

We maintain VN-Index's year-end P/E at 13.4x after considering the 2024 profit growth expectation of enterprises of about 16.7% (TVS Research forecast). We will update the market valuation in the next report after the release of business results in Q3 2024 of the whole market.

**Figure 8: Market's P/E sideways around 13.9x**

VN-Index's P/E [points]



Source: Fiinpro, TVS Research

## Activities of ETF funds, derivatives, and covered warrants markets

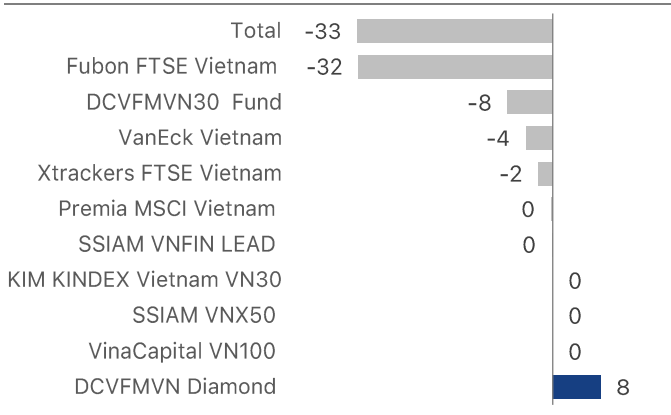
### ETFs saw September net sell at the lowest level since the beginning of the year.

In September 2024, ETFs continued to be sold, but the net selling level dropped sharply to only 33 million USD (-56% MoM). Fubon FTSE Fund continued to be the most sold while DCVFMVN Diamond Fund was the only fund with cash inflow in the month, this was also the first month that this fund had cash inflow after 9 months of consecutive outflow.

We believe that the decline in ETF selling momentum is mainly due to the stable USD/VND exchange rate. In addition, the FED's initiation of the easing cycle will also promote cash flow from developed markets to return to emerging markets, including Vietnam. According to TVS Research's observations, foreign investors' net buy has risen again in September in some Asia-Pacific markets such as China, Taiwan, Malaysia, ...

Figure 9: ETFs net-sell volume has decreased in September

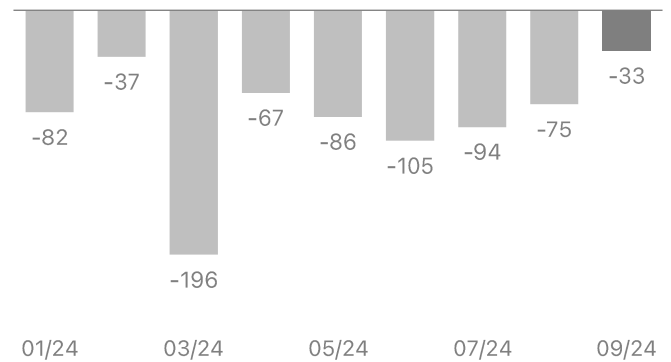
ETFs trading performance in September 2024 [USD million]



Source: Bloomberg, TVS Research

Figure 10: ETF selling pressure is gradually decreasing as of September

Net trading performance of ETFs since the beginning of the year [USD million]

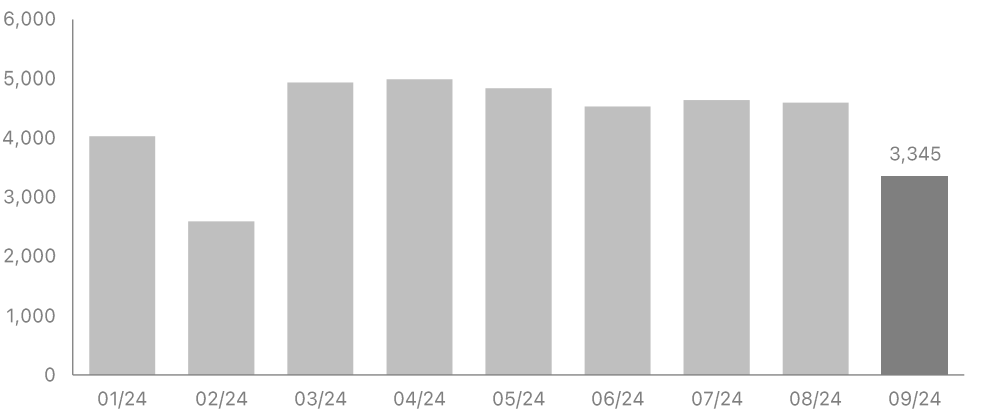


Source: Bloomberg, TVS Research

### Transaction in the derivatives market decreased in September.

Transactions on the derivatives market in September continued to decline sharply to 3.3 million contracts traded, the lowest level in the past 6 months. The decrease in transactions during the month may have been due to the impact of the VN-Index fluctuating in the 1,240 - 1,300 range along with the unclear trend, reducing its attractiveness to investors.

**Figure 12: Liquidity in the derivatives market decreased in September**  
Number of derivative contracts traded per month [thousand of contracts]

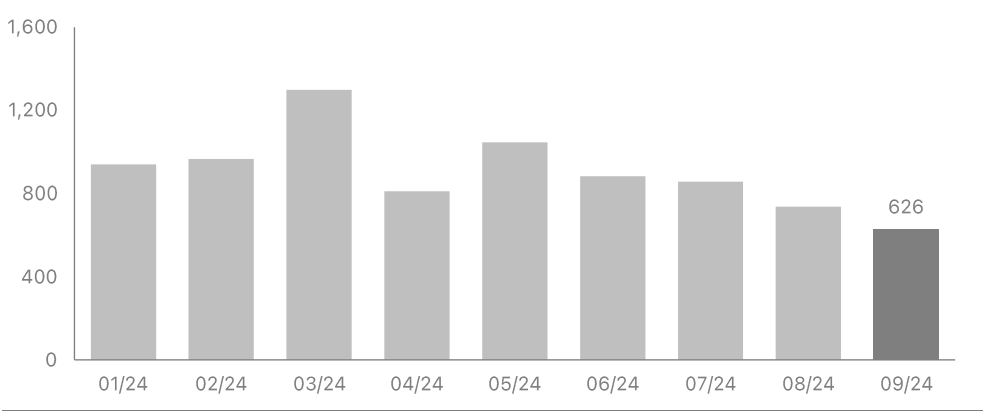


Sources: Fiinpro, TVS Research

**Trading value on the covered warrant market decreased.**

The transaction value on the covered warrant market in September decreased to VND 626 billion (-15% MoM). Similar to the derivatives market, the decrease in transactions in the month may be due to the impact of VN-Index fluctuating in the 1,240 - 1,300 range along with the unclear trend, reducing the market’s attractiveness to investors.

**Figure 13: Trading value on the warrant market decreased in September**  
Trading value on covered warrant market by month [VND billion]

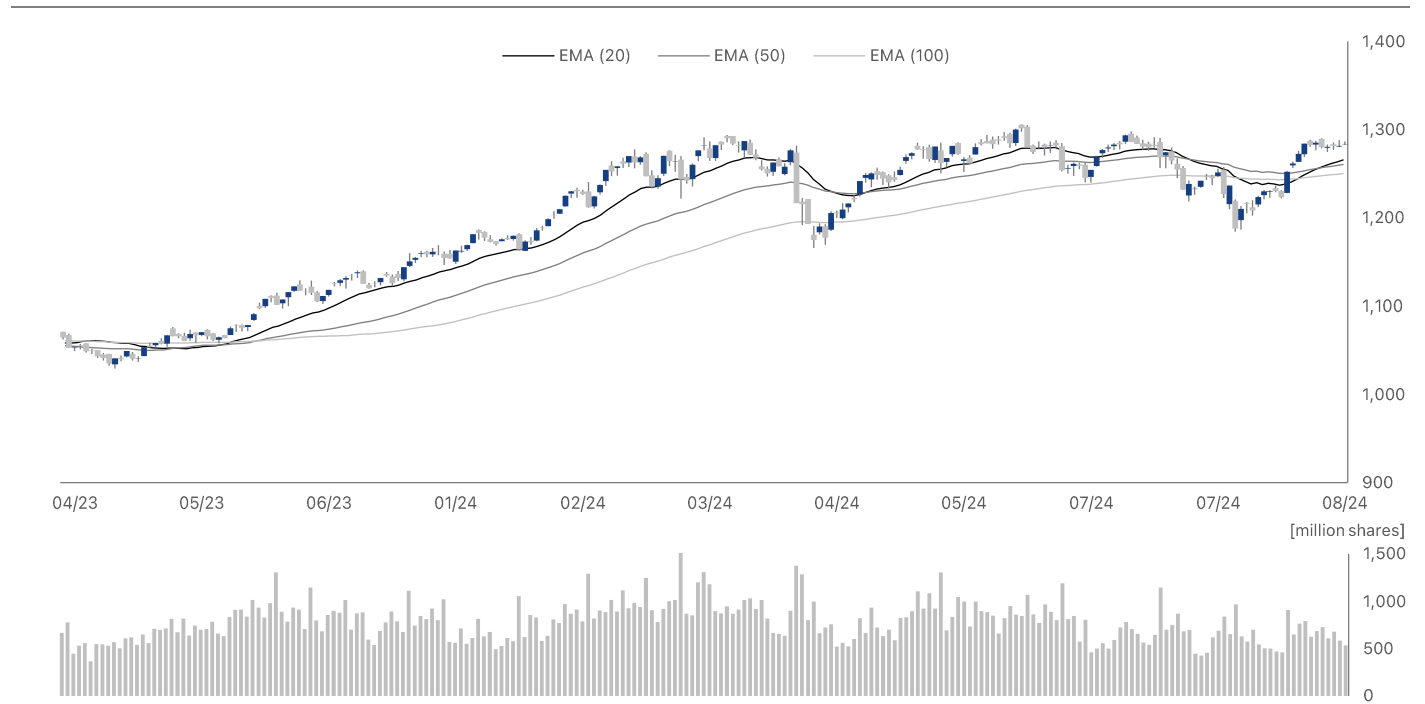


Source: Fiinpro, TVS Research

## Technical Analysis

**Figure 14: Technical Chart of VN-Index**

Technical Chart of VN-Index on the daily timeframe



Source: Fiinpro, TVS Research

### Technical Analysis

In September, the VN-Index recovered into the box of 1,290 – 1,300, but we noticed no improvement in market inflows. Additionally, the VN-Index's upward momentum slowed as it approached the 1,290 – 1,300 resistance due to increased selling pressure. TVS Research believes the VN-Index may consolidate around the 1,270 – 1,280 support level before breaking through 1,300 and targeting the 1,340 – 1,350 range.

### Action

We recommend that investors buy more around the 1,270 – 1,280 range and partially take profits when the VN-Index reaches 1,300 and further at the 1,340 – 1,350 range.



## Notable economic events in October

Date	Event	Level of Impact
02/10/2024	Vietnam PMI report announcement	Moderate
6/10/2024	US August jobs report	High
	Vietnam August macroeconomic report	High
11/10/2024	US September CPI report	Moderate
12/10/2024	ECB's October policy meeting	Moderate
17/10/2024	Maturity date of VN30 Index future contract	High
18/10/2024	EU's September CPI report	Moderate

## Statistical data on transactions in October

### 10 most purchased stocks by investor category [VND billion]

Ticker	Stock exchange	FI purchased	Ticker	Stock exchange	PT purchased	Ticker	Stock exchange	II purchased
FPT	HOSE	272	VHM	HOSE	53	HPG	HOSE	842
TCB	HOSE	167	PNJ	HOSE	41	TPB	HOSE	682
MWG	HOSE	152	HPG	HOSE	40	VPB	HOSE	483
VCB	HOSE	63	FRT	HOSE	30	VCI	HOSE	376
VPB	HOSE	62	STB	HOSE	27	STB	HOSE	373
VHM	HOSE	50	MBB	HOSE	23	ACB	HOSE	362
HPG	HOSE	48	VPB	HOSE	17	EIB	HOSE	361
SSI	HOSE	48	VNM	HOSE	16	MBB	HOSE	339
KDH	HOSE	41	MWG	HOSE	15	TCB	HOSE	323
FRT	HOSE	38	ACB	HOSE	12	NVL	HOSE	321

### 10 most sold stocks by investor category [VND billion]

Ticker	Stock exchange	FI sold	Ticker	Stock exchange	PT sold	Ticker	Stock exchange	II sold
HPG	HOSE	-340	VIB	HOSE	-49	TPB	HOSE	-657
FPT	HOSE	-227	STB	HOSE	-31	HPG	HOSE	-624
TCB	HOSE	-176	HPG	HOSE	-30	VPB	HOSE	-468
MWG	HOSE	-135	TPB	HOSE	-29	VCI	HOSE	-386
STB	HOSE	-114	TCB	HOSE	-22	ACB	HOSE	-366
VPB	HOSE	-107	VPB	HOSE	-20	VHM	HOSE	-356
GMD	HOSE	-61	FPT	HOSE	-19	MBB	HOSE	-349
VRE	HOSE	-53	FUEVFVND	HOSE	-17	EIB	HOSE	-338
VCB	HOSE	-51	VHM	HOSE	-17	SSI	HOSE	-327
FRT	HOSE	-35	MBB	HOSE	-16	MSB	HOSE	-317

### 10 best performing stocks on HSX and HNX

Ticker	Closing price	Price changes 1M	Market cap	Ticker	Closing price	Price changes 1M	Market cap
TTE	21,000	44.3%	598	SPI	4,400	131.6%	74
AGM	3,880	36.6%	71	CTP	37,500	62.3%	454
ABR	15,200	27.7%	304	PCG	7,100	44.9%	134
TCO	17,200	26.5%	322	MCO	11,500	43.8%	47
HTL	22,950	24.7%	275	HMR	13,500	37.8%	76
D2D	49,300	22.9%	1,492	KSQ	3,500	29.6%	105
HRC	49,300	20.0%	1,489	TXM	5,300	23.3%	37
BAF	21,450	17.9%	5,127	VLA	14,600	21.7%	58
SVD	3,300	16.6%	91	VNT	38,200	20.5%	636
PNC	12,500	15.7%	135	L40	29,600	18.9%	107

### 10 worst performing stocks on HSX and HNX

Ticker	Closing price	Price changes 1M	Market cap	Ticker	Closing price	Price changes 1M	Market cap
IMP	50,000	-43.1%	7,700	GKM	13,200	-63.2%	415
ITA	2,350	-33.0%	2,205	KKC	5,100	-25.0%	27
SMC	7,880	-27.4%	580	KSD	4,800	-23.8%	58
DGW	46,850	-24.3%	10,174	VMS	18,700	-23.4%	168
VCI	36,700	-21.0%	21,083	VC6	22,000	-22.5%	213
VCF	211,100	-20.9%	5,611	NRC	2,900	-21.6%	269
TDW	44,000	-20.9%	374	PPE	11,000	-21.4%	22
DRH	1,900	-20.2%	235	HBS	8,100	-16.5%	267
SVT	11,100	-19.6%	192	SJE	23,100	-16.0%	558
APG	9,390	-17.3%	2,100	VCM	16,800	-16.0%	50

Note: Market Capitalization denoted in VND Bn

## List of issued reports

Categories	Titles	Company/Industry	Release Date
Company report	Initial report	DGC	<a href="#">10/9/2024</a>
Company report	Follow-up report Q1 2024	VIB	<a href="#">07/8/2024</a>
Macroeconomic update	Macroeconomics report July 2024	Macroeconomics	<a href="#">06/8/2024</a>
Market update	Equity market report in July 2024	Market	<a href="#">06/8/2024</a>
Macroeconomic update	Macroeconomics report June 2024	Macroeconomics	<a href="#">08/7/2024</a>
Market Update	Equity market report in June 2024	Market	<a href="#">08/7/2024</a>
Company report	Follow-up report	KBC	<a href="#">19/6/2024</a>
Company report	Equity market report May 2024	Market	<a href="#">07/6/2024</a>
Company report	Macroeconomics report May 2024	Macroeconomics	<a href="#">07/6/2024</a>
Company report	Equity market report in April 2024	Market	<a href="#">08/5/2024</a>
Company report	Macroeconomic in April 2024	Macroeconomics	<a href="#">08/5/2024</a>
Company report	Shareholders meeting update 2024	NLG	<a href="#">08/5/2024</a>
Company report	Shareholders meeting update 2024	DXG	<a href="#">08/5/2024</a>
Market update	Shareholders meeting update 2024	VHM	<a href="#">08/5/2024</a>

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The recommendations of Buy, Sell, or Hold for stocks are determined based on the expected total return, which is the sum of the difference between the target price and the current market price of the stock, plus the expected dividend yield. Specific definitions for each recommendation level are as follows:

Recommendation ratings	Definition
BUY	Expected stock total return over 1 year > 20%
HOLD	Expected stock total return over 1 year is between -10% to 20%
SELL	Expected stock total return over 1 year < -10%

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