

Xin Chao Vietnam

Market performance

	28 Apr	1D	1M	3M	YTD
VNIndex (pt, % chg.)	770.77	(0.76)	10.73	(22.26)	(19.79)
Turnover (VND bn)	4,705				
VN30 (pt, % chg.)	719.66	(0.74)	12.06	(20.84)	(18.13)

Major indicators

	28 Apr	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	1.95	0.01	0.10	0.86	0.52
3-yr gov't bonds (% bp chg.)	2.21	0.09	0.14	0.65	0.54
VND/USD (% chg.)	23,475	0.12	0.64	(1.30)	(1.29)
VND/JPY (% chg.)	21,893	(0.12)	(0.05)	(2.81)	(2.60)
VND/EUR (% chg.)	25,397	(0.38)	2.61	1.10	2.28
VND/CNY (% chg.)	3,313	0.17	0.48	1.20	0.44
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.63	0.03	(0.05)	(0.98)	(1.29)
WTI (USD/bbl, % chg.)	14.50	(14.40)	(32.59)	(72.71)	(76.25)
Gold (USD/oz, % chg.)	20.61	(3.87)	(17.33)	(65.26)	(68.77)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
Vietnam Electrical Equipment	40.23	VPBank	(16.21)
Vinamilk	24.98	Phu My Fertilizer	(10.27)
Mobile World Investment	17.68	Hoa Binh Construction Group	(7.05)
The PAN Group	16.39	SSI Securities Corp.	(6.82)
Vinhomes	12.48	Nam Kim Steel	(6.06)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
Vinhomes	9.56	Vietcombank	(106.87)
VinGroup	9.02	VPBank	(82.95)
SABECO	7.26	Vincom Retail	(57.83)
COTECCONS construction	5.16	Vinamilk	(53.42)
Hoa Phat Group	3.81	Sacombank	(37.39)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
NullGroup	6.41	Media & Entertainment	(5.45)
Capital Goods	2.03	Energy	(2.76)
Commercial & Professional Services	1.21	Banks	(1.89)
Health Care Equipment & Services	0.24	Software & Services	(1.54)
Household & Personal Products	0.19	Automobiles & Components	(1.53)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Mid-cap and small-cap in the spotlight
- **U.S. unemployment:** Numbers of U.S. unemployment filings increase to more than 26 million within 5 weeks
- **HPG:** Agriculture segment pushes HPG performance

New listing & Public offerings

KIS market view

	OP (VND bn)	NP (VND bn)	EPS growth (% yoy)	PE (x)	PB (x)	EV/EBITDA (x)	ROE (x)
2018	186,396	115,391	35.3	14.7	2.7	14.0	18.2
2019	231,781	139,009	23.3	13.3	2.4	11.1	17.7
2020F	239,645	133,501	(6.3)	11.6	1.7	8.9	14.7
2021F	294,159	164,644	24.9	9.3	1.5	6.4	15.8

Note: KIS Universe coverage of 35 companies that account for 58% of all listed (VNIndex) firms' earnings based on the past three-year average

Vietnam macro forecast

	2Q19	3Q19	4Q19	1Q20	2019	2020F	2021F
GDP (% yoy)	6.7	7.3	7.0	3.8	7.0	5.9	7.4
Current account (% of GDP)	n.a	n.a	n.a	n.a	4.0	1.8	2.1
CPI (% yoy)	2.1	2.0	5.2	4.9	5.2	4.0	3.5
Refinancing rate (% EoP)	6.25	6.00	6.00	5.00	6.00	5.85	5.75
VND/USD (avg.)	23,306	23,213	23,195	23,240	23,236	24,000	23,200
US GDP (% yoy, annualized)	2.0	2.1	2.1	1.0	2.3	-3.5	3.8
China GDP (% yoy)	6.2	6.0	6.0	-6.8	6.1	3.0	6.5

Source: Bloomberg

Analysts who prepared this report are registered as research analysts in Vietnam but not in any other jurisdiction, including the U.S. PLEASE SEE ANALYST CERTIFICATIONS AND GLOBAL DISCLAIMER AT THE END OF THIS REPORT.

Market commentary & News

Market commentary

Mid-cap and small-cap in the spotlight

Hieu Tran
hieu.ttm@kisvn.vn

After three bullish sessions in a row, Vietnam stock market reversed to closed in red territory as long holidays are coming, Reunification Day and International Labour Day.

At the close, the VNIndex lost 0.76% to close at 770.7 pts. Trading volume increased to 307 million shares or VND4,704bn.

Foreign investors continued to sell with a net value of VND462bn on HSX. They sold VCB, VPB, and VRE heavily with net values of VND106bn, VND82bn, and VND57bn, respectively.

Selling pressure pushed Banking sector down driven by VCB (-3.0%), CTG (-1.8%), BID (-2.5%), MBB (-2.2%), STB (-1.2%), and EIB (-1.3%) because investors expected that their revenue and net income in 2Q20 would go down.

Energy stocks underperformed the benchmark index, such as GAS (-1.4%), PVT (-2.4%), PVD (-3.9%), PLX (-2.8%), and BSR (-3.3%) due to the high volatility of the global oil price.

Short-term speculative flows went into mid- and small-cap tickers namely KBC (+6.7%), VHC (+7.0%), TCH (+3.7%), NKG (+6.9%), SZC (+6.9%), HHS (+6.9%), HAG (+3.6%), and HNG (+1.2%).

News

- U.S. unemployment: Numbers of U.S. unemployment filings increase to more than 26 million within 5 weeks

On the latest number from the U.S. Department of Labor, about 4.4 million U.S. citizens filed for unemployment benefits in the week ended 18th April, taking the total of more than 33 million considered unemployed or the unemployment rate of about 20.6%. Therefore, the COVID-19 pandemic has wiped out all the job gains since the 2008 financial crisis in just 2 months, pushing the unemployment rate to the highest since 1934. However, the worst seemed to be behind when several states have been on the way to re-open businesses, which may help the unemployment rate reduce to 16% by the end of April. (U.S. Department of Labor, Bloomberg)

- HPG: Agriculture segment pushes HPG performance

Hoa Phat Group (HOSE: HPG) announced the Consolidated Financial Statements for the first quarter of 2020 with revenue of VND19,232bn, up 29% YoY. Particularly, steel production and trading segment recorded the revenue of VND15,591bn, up 31% YoY; notably, agriculture segment increased by 59% YoY, recorded at VND2,779bn. (ndh.vn)

New listing & Public offerings

Public offerings

Date of auction	Ticker	Company	Charter capital (VND bn)	Offered shares	Min Bid (VND)	Note
05/04/2020	TIIDC	Thanh Hoa Investment Development Infrastructure Limited	26	1,143,633	45,300	Whole lot sale
05/04/2020	PTHTPQ	Phu Quoc Investment Development Infrastructure Corporation	21	280,000	14,300	-
04/29/2020	TMPC	Tan Mai Group	890	7,220,000	11,500	-

■ Guide to KIS Vietnam Securities Corp. stock ratings based on 12-month forward performance

- BUY: Expected total return will be 15%p or more
- Hold: Expected total return will be between -5%p and 15%p
- Sell: Expected total return will be -5%p or less
- KIS Vietnam Securities Corp. does not offer target prices for stocks with Hold or Sell ratings

■ Guide to KIS Vietnam Securities Corp. sector ratings for the next 12 months

- Overweight: Recommend increasing the sector's weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.
- Neutral: Recommend maintaining the sector's weighting in the portfolio in line with its respective weighting in the VNIndex based on market capitalization.
- Underweight: Recommend reducing the sector's weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.

■ Analyst Certification

I/We, as the research analyst/analysts who prepared this report, do hereby certify that the views expressed in this research report accurately reflect my/our personal views about the subject securities and issuers discussed in this report. I/We do hereby also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

Global Disclaimer

■ General

This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of KIS Vietnam Securities Corp., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of KIS Vietnam Securities Corp..

This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. KIS Vietnam Securities Corp. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. KIS Vietnam Securities Corp., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or KIS Vietnam Securities Corp. The final investment decision is based on the client's judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.

■ Country-specific disclaimer

United States: This report is distributed in the U.S. by Korea Investment & Securities America, Inc., a member of FINRA/SIPC, and is only intended for major U.S. institutional investors as defined in Rule 15a-6(a)(2) under the U.S. Securities Exchange Act of 1934. All U.S. persons that receive this document by their acceptance thereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Korea Investment & Securities, Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Korea Investment & Securities America, Inc., which accepts responsibility for the contents of this report in the U.S. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. person absent registration or an applicable exemption from the registration requirement.

United Kingdom: This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

Hong Kong: This research report and marketing materials may be distributed in Hong Kong to institutional clients by Korea Investment & Securities Asia Limited (KISA), a Hong Kong representative subsidiary of Korea Investment & Securities Co., Ltd., and may not otherwise be distributed to any other party. KISA provides equity sales service to institutional clients in Hong Kong for Korean securities under its sole discretion, and is thus solely responsible for provision of the aforementioned equity selling activities in Hong Kong. All requests by and correspondence with Hong Kong investors involving securities discussed in this report and marketing materials must be effected through KISA, which is registered with The Securities & Futures Commission (SFC) of Hong Kong. Korea Investment & Securities Co., Ltd. is not a registered financial institution under Hong Kong's SFC.

Singapore: This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Korea Investment & Securities Co., Ltd. has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person. Please contact Korea Investment & Securities Singapore Pte Ltd in respect of any matters arising from, or in connection with, the analysis or report (Contact Number: 65 6501 5600).

Copyright © 2020 KIS Vietnam Securities Corp.. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of KIS Vietnam Securities Corp..