

Xin Chao Vietnam

Market performance

	05 May	1D	1M	3M	YTD
VNIndex (pt, % chg.)	762.47	(0.86)	15.08	(18.59)	(20.66)
Turnover (VND bn)	4.001				
VN30 (pt, % chg.)	709.35	(0.84)	16.14	(16.41)	(19.31)

Major indicators

	05 May	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	1.90	0.02	(0.55)	0.36	0.47
3-yr gov't bonds (% bp chg.)	2.18	0.00	(0.50)	0.17	0.51
VND/USD (% chg.)	23,451	(0.10)	0.01	(0.90)	(1.19)
VND/JPY (% chg.)	21,966	(0.20)	(2.23)	(3.40)	(2.92)
VND/EUR (% chg.)	25,417	0.00	(0.16)	1.05	2.20
VND/CNY (% chg.)	3,320	(0.06)	(0.35)	0.03	0.25
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.60	(0.02)	0.00	(1.00)	(1.32)
WTI (USD/bbl, % chg.)	18.25	(7.74)	(35.60)	(63.21)	(70.11)
Gold (USD/oz, % chg.)	25.65	(2.99)	(24.80)	(52.46)	(61.14)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
Eximbank	49.91	Refrigeration Electrical Engineering	(8.63)
HCM Infrastructure	37.11	FPT Corp	(8.01)
FLC Group	10.46	SABECO	(7.64)
VietinBank	10.34	Petrolimex	(5.40)
Khang Dien House	9.79	Nam Kim Steel	(4.55)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
Vinhomes	20.18	Sacombank	(15.41)
Masan Group	19.97	SSI Securities Corp.	(13.98)
HDBank	17.81	PV Drilling	(13.42)
VietinBank	14.81	Novaland	(10.91)
VPBank	14.76	Kinh Bac City	(10.00)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	4.88	Insurance	(4.17)
Automobiles & Components	3.49	Media & Entertainment	(4.05)
Health Care	0.71	NullGroup	(3.75)
Real Estate	0.53	Commercial & Professional Services	(2.74)
Energy	(0.43)	Diversified Financials	(2.62)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** POW limits down
- **Vietnam yield curve:** Correction in government-bond yields
- **MSN:** Profit after tax of MML goes down 60% YoY
- **VJC:** Revenue slumps by 30% in 1Q20

Macro & strategy report

- **Fundflow:** Better to see a bigger picture

Sector & company report

- **Dat Xanh Group:** 1Q20 review

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)	11.4	1.7	8.5	14.7
2021F	294,159	164,644	24.9	9.1	1.4	6.2	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

KIS 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 (USD bn)	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) *	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

Note: * Data compiled by 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

POW limits down

Hieu Tran
hieu.ttm@kisvn.vn

Vietnam stock market reversed to go down thanks to the business results in 1Q20. Mainly, most companies recorded negative business results due to the effects of COVID-19. Besides, Vietnam PMI hit 32.7 in April, the lowest low since the index was published.

At the close, the VNIndex lost 0.86% to close at 762.4 pts. Trading volume increased to 285 million shares or VND4,001bn.

Foreign investors continued to sell with a net value of VND87bn on HSX. STB, SSI, and PVD were sold the most with net values of VND15bn, VND14bn, and VND13bn, respectively.

Consumer Staples stocks underperformed the benchmark index, namely SAB (-4.9%), VNM (-1.4%), and MSN (-2.6%) because of the negative business results in 1Q20.

Notably, POW limited down.

In contrast, some constituents of the VN30-Index such as CTG (+0.2%), EIB (+0.3%), GAS (+0.6%), HDB (+4.3%), SBT (+2.9%), TCB (+1.1%), VHM (+2.0%), and VRE (+1.5%) went against the broad market. In which, most of them recorded better-than-expected earnings in 1Q20.

Selling pressure on large-cap stocks pushes downside risk high in the short term. Hence, traders should stay on the sidelines and wait for confirmation signals of a trend.

Breaking news

► Vietnam yield curve: Correction in government-bond yields

In April, the G-bond yield curve shifted downward for all tenors after a sharp re-bounce in March, showing modest correction in the G-bond yields rather than any worrisome signs of the weak economy. In contrast to high uncertainties in the prior two months, the current situation of the pandemic has been somewhat controlled and predictable, which in turn helps bring stability into the global financial markets. By the end of April, the 3-month, 6-month, and 1-year G-bond yields dropped by 42 basis points (bps), 41 bps, and 40 bps, to 3.13%, 3.16%, and 3.24%, respectively. Meanwhile, for the medium-term, the 2-year, 3-year, 5-year, and 7-year G-bond yields reduced modestly by 38 bps, 36 bps, 35 bps, and 34 bps to 2.05%, 2.19%, 2.50%, and 2.78%, respectively. A similar downward trend took place in the long-term G-bond yields with maturities from 10-year, 15-year to 20-year, particularly those yields dropped by 34 bps, 34 bps, and 29 bps to 2.90%, 3.22%, and 3.46%, respectively. (KIS, Bloomberg)

► MSN: Profit after tax of MML goes down 60% YoY

Masan Meatlife (UpCOM: MML), a subsidiary of Masan Group (HOSE: MSN), has announced its consolidated revenue in 1Q20, which increased by over 6% YoY to VND3,397bn. Of these, the meat segment was worth VND278bn, accounting for over 8%. However, MML's profit after tax recorded at VND14bn, down 60% YoY due to the sharp increase in financial expenses and selling expenses. (ndh.vn)

► VJC: Revenue slumps by 30% in 1Q20

Vietjet Air (HOSE: VJC) operated 29,401 flights, carrying nearly 4.5mn passengers, down 22% YoY. In the context of the pandemic, the airline recorded revenue of VND7,222bn, down 30% YoY and a loss of VND989bn. (ndh.vn)

Macro & strategy

Fundflow 27 – 29 April

Divestment away from SEA

Dang Le
dang.lh@kisvn.vn

► Vietnam foreign flow

Last week, foreign selling activities kept overwhelming, recorded a net sell value of USD58mn.

Financials, Industrials and Consumer Staples were sold the most, recorded net sell value of USD21mn, USD14mn and USD10mn, respectively. Particularly, Financials and Industrials' outflow mainly driven by VCB, VPB, STB, HDB and VGC, overwhelming strong buying on VJC and CTD. For Consumer Staples, this group focused on VNM and DBC whilst SAB ended up to be net bought. Besides, Real Estate continued to experience an outflow, mainly because of large sell orders on VRE. In contrast, demand across IT ticked up due to DGW.

► South East Asia ETF flow

Last week, ETF money outflow across South East Asia increased significantly, recorded the net outflow of USD14mn. Specifically, divestment away from Thailand rose strongly, a 2-month high. Besides, Singapore experienced USD3mn outflow, finishing the series of inflow.

In this context, money outflow across Vietnam also increased slightly, recorded the net outflow at USD1.4mn. Of which, X FTSE Vietnam was the main driver which recorded an outflow at USD1.2mn last week.

Sector & company

Dat Xanh Group (DXG)

BUY [+36.9%], TP VND12,800

1Q20 review: Time to appear on investor's radar

Nhan Lai
nhan.lt@kisvn.vn

► Facts: Net profit slips due to lackluster property handover

DXG reported a sharp 59.8% yoy decrease in 1Q20 revenue to VND602bn amid weaker handovers (-97.2% yoy) and moderated brokerage revenue (-11.3% yoy). Notably, associate income was not booked in 1Q20. Overall, net profit dropped 78% yoy to come it at VND68bn, the lowest quarterly result in FY13-19.

► Pros & cons: Headwinds in 2020F priced in

We believe the current bottlenecks in the approval of projects in HCMC owned by DXG and other developers would last until end-FY20F. Coupled with the serious damage of the COVID-19 outbreak, we project a 14.3% yoy decrease in FY20F DXG's brokerage revenue. To strike back, in 2020, DXG would be launching projects in other provinces surrounding HCMC, including the Long Duc township project (92ha) in Long Thanh (Dong Nai province), and two condo projects (c.1,200 units total) in Thu Dau Mot city and Thu Duc Dist. We think total estimated GDV from three projects could reach VND3,499bn, helping secure DXG's property revenue in FY21-22F

► Action: Time to appear on investor's radar

DXG's market price has plunged sharply in the FY18-19 as the investors are doubtful on the possibility of getting license to launch Gem Riverside project. The COVID-19 impact toward brokerage segment has dragged more the price down. We believe those concerns have priced in and we think market sentiment would improve given the successful launch of Long Duc township (land lots) in 2H20F. We maintain BUY rating and a RNAV-based target price of VND12,800 with 10-50% discounts applied to the fair value of each project based on the respective project's execution period and land acquisition

Please click on the underlined companies and sectors to see the full reports.

New listing & Public offerings

► Public offerings

Date of auction	Ticker	Company	Charter (VND bn)	Offered Shares	Min Bid (VND)	Note
05/04/2020	PHTHPQ	Phu Quoc Investment Development Infrastructure Corporation	21	280,000	14,300	-

■ 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..