

# Xin Chao Vietnam

## Market performance

	7 May	1D	1M	3M	YTD
VNIndex (pt, % chg.)	796.54	1.8	6.7	(15.3)	(17.1)
Turnover (VND bn)	4,372				
VN30 (pt, % chg.)	739.98	1.9	6.7	(14.3)	(15.8)

## Major indicators

	7 May	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	1.81	0.1	(0.6)	0.2	0.4
3-yr gov't bonds (% bp chg.)	2.07	0.0	(0.6)	0.1	0.4
VND/USD (% chg.)	23,428	(0.1)	0.2	(0.8)	(1.1)
VND/JPY (% chg.)	22,000	0.3	(2.0)	(3.8)	(3.1)
VND/EUR (% chg.)	25,296	0.4	0.3	0.6	2.7
VND/CNY (% chg.)	3,303	(0.2)	0.8	0.4	0.8
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.70	0.0	(0.0)	(0.9)	(1.2)
WTI (USD/bbl, % chg.)	24.46	2.0	3.5	(51.4)	(59.9)
Gold (USD/oz, % chg.)	30.26	1.8	(5.1)	(44.4)	(54.2)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
KDH	49.7	GAB	(21.0)
HPG	31.2	E1VFN30	(5.5)
VCB	25.4	VJC	(3.3)
POW	19.3	NKG	(2.9)
FPT	18.7	GEX	(2.7)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	40.4	SVC	(28.0)
VNM	40.0	VIC	(22.6)
VPB	14.4	VRE	(20.5)
PLX	13.8	BVH	(19.1)
BID	9.2	VCB	(17.2)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Others	5.3	Telecommunication	(6.7)
Materials	3.7	Health Care	(0.9)
F&B	3.0	Household Products	0.0
Banks	2.6	Automobiles	0.1
Media & Entertainment	2.2	Energy	0.2

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** SAB limits up
- **Vietnam IIP:** Weak global and domestic demand hits the industrial sector severely
- **HDB:** An additional 4.6mn shares will be bought by Sovico

## 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)	12.0	1.8	9.0	14.7
2021F	294,159	164,644	24.9	9.6	1.5	6.5	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

## 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)	6.3	6.0	6.0	5.0	6.0	5.9	5.8
VND/USD (avg.)	23,306	23,213	23,195	23,240	23,236	24,000	23,200
US GDP (% qoq)	(3.3)	(27.5)	9.5	6.9	2.3	(4.2)	3.8
China GDP (% yoy)	(5.8)	1.2	5.1	6.0	6.1	1.8	8.0

Note: \* Data compiled by Bloomberg

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## Market commentary & News

### Market commentary

#### SAB limits up

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Vietnam stock market maintained to go up amid Vietnam restart economy. In which, The Prime Minister agreed that non-essential businesses have reopened, except discos and karaoke parlors.

At the close, the VNIndex gained 1.78% to close at 796.5 pts. Trading volume decreased to 240 million shares or VND4,372bn.

Foreign investors continued to sell with a net value of VND120bn on HSX. They sold SVC, VIC, and VRE heavily with net values of VND28bn, VND22bn, and VND20bn, respectively.

Banking was the market leader namely CTG (+1.0%), VCB (+3.1%), BID (+4.3%), TCB (+0.9%), ACB (+1.9%), MBB (+2.2%), STB (+2.2%), and VPB (+2.6%).

Especially, SAB limited up thanks to the high buying force after reopening of Vietnam business.

In contrast, selling pressure pushed some large-cap stocks down, such as HDB (-0.4%), ROS (-1.1%), and VRE (-0.8%).

The market sentiment has become optimistic due to confirmation of the short-term uptrend. Therefore, traders can increase long positions and focus on leading stocks.

### Breaking news

- ▶ Vietnam IIP: Weak global and domestic demand hits the industrial sector severely.

In 4M20, the production index for the whole industrial sector (IIP) surprisingly plunged by 10.55% yoy, which was considered the worst monthly performance since the index had been established. Manufacturing was the one to be blamed for driving down the industrial sector in the month when slumping to its record low of -11.30% yoy. Meanwhile, the mining sector has been under massive downward pressure due to a glut in the domestic and global crude oil supply, which affected negatively the extraction of crude oil and natural gas. Besides, the output of the electricity sector declined markedly by 6.90% yoy, while that of the supply water sector increased modestly by 2.00% YoY. (KIS, GSO)

- ▶ HDB: An additional 4.6mn shares will be bought by Sovico

From 03 April to 29 April 2020, Sovico bought 5.5mn shares of HDBank (HSX: HDB) via orders matching and put-through method. Notably, Sovico has registered to buy an additional 4.6mn share of HDB under investment purpose. The transaction is expected to be conducted from 11 May to 09 June 2020. (HSX)

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

- BUY: Expected total return will be 15% or more
- Hold: Expected total return will be between -5% and 15%
- Sell: Expected total return will be -5% 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.

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