

Xin Chao Vietnam

Market performance

	8 May	1D	1M	3M	YTD
VNIndex (pt, % chg.)	813.73	2.2	8.8	(13.5)	(15.3)
Turnover (VND bn)	7,026				
VN30 (pt, % chg.)	760.15	2.7	10.0	(12.0)	(13.5)

Major indicators

	8 May	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	1.68	(0.1)	(0.8)	0.0	0.2
3-yr govt bonds (% bp chg.)	1.99	(0.1)	(0.7)	0.0	0.3
VND/USD (% chg.)	23,392	0.1	0.6	(0.6)	(0.9)
VND/JPY (% chg.)	21,975	0.3	(1.6)	(3.6)	(3.0)
VND/EUR (% chg.)	25,296	0.4	0.3	0.6	2.7
VND/CNY (% chg.)	3,304	0.1	0.8	0.8	0.7
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.63	(0.0)	(0.1)	(1.0)	(1.3)
WTI (USD/bbl, % chg.)	24.31	3.2	(3.1)	(51.7)	(60.2)
Gold (USD/oz, % chg.)	30.00	1.8	(8.6)	(44.9)	(54.5)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNM	143.6	E1VFN30	(27.2)
VIC	108.3	DRC	(9.1)
HPG	96.8	DBC	(5.4)
VPB	88.5	GAB	(3.6)
MWG	72.2	HSG	(3.0)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VCB	73.9	VIC	(103.1)
VNM	53.6	KDH	(38.3)
VHM	48.9	SAB	(12.2)
VPB	48.1	SVC	(11.1)
PLX	34.7	GAS	(9.7)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Banks	3.9	Telecommunication	(4.8)
Energy	3.7	Others	(3.7)
Real Estate	2.5	Automobiles	(1.3)
Transportation	2.4	Software & Services	(0.9)
Health Care	2.3	Materials	(0.6)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Breakout the 800 pts threshold
- **Trade war:** U.S. and China agree to ease the trade war
- **VNM:** There is no transaction occurred

Macro & strategy

- **Chart of the day:** Inviting the bull back to the market

New listing & Public offerings

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)	12.3	1.8	9.2	14.7
2021F	294,159	164,644	24.9	9.9	1.6	6.6	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	(4.5)	3.7
China GDP (% yoy)	(6.0)	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

Breakout the 800 pts threshold

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Vietnam stock market recorded three consecutive gaining sessions amid the global financial market resumed its short-term uptrend. Moreover, Vietnam economic have reopened.

At the close, the VNIndex gained 2.16% to close at 813.7 pts. Trading volume increased to 371 million shares or VND7,026bn.

Foreign investors reversed to buy with a net value of VND72bn on HSX. They purchased VCB, VNM, and VHM heavily with net values of VND73bn, VND53bn, and VND48bn, respectively. On the sell side, VIC was sold the most with a net value of VND103bn.

Banking maintained to been the market leader namely CTG (+2.5%), VCB (+5.5%), BID (+1.2%), HDB (+5.2%), MBB (+1.8%), and VPB (+6.5%). Notably, TCB limited up driven by the positive business results in 1Q20.

Due to reopening of Vietnam business, short-term speculative flowed into Real Estate and Consumer Staple stocks as SAB (+1.8%), VNM (+1.5%), MSN (+3.7%), VIC (+1.6%), VHM (+4.9%), VRE (+2.0%), and NLG (+3.1%).

In contrast, CTD (-2.2%), HPG (-0.8%), POW (-0.9%), and ROS (-0.8%) closed in red territory thanks to the taking profit.

Due to an optimistic market sentiment, the short-term uptrend can be still in this week. Therefore, traders can increase long positions and focus on leading stocks.

Breaking news

- ▶ Trade war: U.S. and China agree to ease the trade war

Recently, the trade dispute between the two largest economies has become heightened due to the COVID-19 pandemic as U.S. President Donald Trump and other top officials have asked an investigation of the origin of COVID-19 and threatened a harsh punishment on China, including possible tariffs on made-in China goods. However, on Friday, Chinese Vice Premier Liu He and U.S. Treasury Secretary Steven Mnuchin and other top officials from both sides, in the call, agreed to strengthen their bilateral trade cooperation and also maintained the implementation of the Phase-1 trade deal. Good progress in the trade relationship between the U.S. and China will no doubt alleviate the severe impact of the pandemic on the global economy. (Bloomberg, Reuters)

- ▶ VNM: There is no transaction occurred

From 8 April to 7 May 2020, F&N Dairy Investments Pte. Ltd did not buy any share of the 17.4mn registered shares due to unfavorable market conditions. (ndh.vn)

Macro & strategy

Chart of the day

Inviting the bull back to the market

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- ▶ Market performance

The VNIndex broke the line in the sand at 800 pts level, inviting the bull back to the market.

- ▶ Chart: Bullish market is confirmed

Upward crossover occurred between MA20 and MA50 accompanied with the expansion of Bollinger bands, bullish market is confirmed. Besides, the Stochastic went into upward alignment, signaling the outperformance of bullish momentum.

On the upside, 900 pts level is the objective of VNIndex which overlaps with the benchmark for trend direction – MA200. However, massive volume occurred on the previous trading day, giving the earliest signal for the consolidation phase on this week.

→ The medium-term bullish market comes back.

► Technical strategy: Hold the position

In this scenario, the resumption of the uptrend is confirmed. Besides, tightening phase or correction period this week will provide the opportunities for investors to earn price advantages or re-enter the market. Therefore, investors can hold their long positions and focus on leading stocks.

New listing & Public offerings

► New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
5/14/2020	BBH	Hoang Thach Joint Stock Bagging Company	UPCoM	20.5	2,047,932	26,800
5/12/2020	TDF	Trung Do JSC	UPCoM	150.0	15,000,000	19,000
5/12/2020	FUEVFNVD	VFMVN DIAMOND ETF	HSX	102.0	10,200,000	n/a
5/12/2020	VCR	Vinaconex Investment and Tourism Development JSC	UPCoM	360.0	36,000,000	8,200

► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
5/15/2020	VIRESCO	Vinh Long Real Estate JSC	26.5	1,937,770	24,700	Whole lot sale
5/14/2020	DETESCO	Vietnam Economic and Technical Development JSC	53.0	5,269,432	10,800	Whole lot sale

■ 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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