

# Xin Chao Vietnam

## Market performance

	11 May	1D	1M	3M	YTD
VNIndex (pt, % chg.)	828.33	1.8	9.3	(11.4)	(13.8)
Turnover (VND bn)	6,248				
VN30 (pt, % chg.)	777.13	2.2	11.7	(9.3)	(11.6)

## Major indicators

	11 May	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	1.60	(0.1)	(0.6)	(0.1)	0.2
3-yr govt bonds (% bp chg.)	1.95	(0.0)	(0.4)	0.0	0.3
VND/USD (% chg.)	23,326	0.3	0.5	(0.4)	(0.7)
VND/JPY (% chg.)	21,757	0.8	(0.0)	(2.7)	(2.0)
VND/EUR (% chg.)	25,318	(0.1)	1.2	0.2	2.6
VND/CNY (% chg.)	3,291	0.4	1.0	1.4	1.1
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.69	0.0	(0.0)	(0.9)	(1.2)
WTI (USD/bbl, % chg.)	24.15	(2.4)	6.1	(51.6)	(60.4)
Gold (USD/oz, % chg.)	30.22	(2.4)	(4.0)	(44.0)	(54.2)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
SVC	85.5	MBB	(85.4)
KDH	24.8	VIC	(46.7)
TCB	15.2	HDB	(20.3)
PTB	12.8	E1VFN30	(16.5)
PHR	6.8	BMP	(7.6)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNM	89.7	PC1	(415.3)
VHM	64.2	SVC	(85.9)
VPB	63.7	VCI	(84.5)
VCB	43.0	KDH	(45.5)
HPG	20.5	VIC	(40.5)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	7.0	Pharmaceuticals	(0.4)
Household Products	4.6	Health Care	(0.3)
Diversified Financials	4.2	Transportation	(0.2)
Commercial Services	3.6	Software & Services	0.0
Utilities	3.4	Automobiles	0.1

## WHAT'S NEW TODAY

### Market commentary & News

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- **Vietnam money market:** Further monetary easing measure is on the way
- **POW:** Increasing the proportion

### Macro & strategy

- **Fundflow 4 – 8 May:** Selling activities driven by large sell orders on VHM

### New listing & Public offerings

## Market view

	OP (VND bn)	NP (VND bn)	EPS growth (% yoy)	PE (x)	PB (x)	EV/EBITDA (x)	ROE (x)
<b>2018</b>	186,396	115,391	35.3	14.7	2.7	14.0	18.2
<b>2019</b>	231,781	139,009	23.3	13.3	2.4	11.1	17.7
<b>2020F</b>	239,645	133,501	(6.3)	12.6	1.9	9.4	14.7
<b>2021F</b>	294,159	164,644	24.9	10.1	1.6	6.8	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)	(3.2)	(27.3)	9.0	6.4	2.3	(4.5)	3.6
China GDP (% yoy)	(6.8)	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

#### Energy in the spotlight

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Vietnam stock market continued to go up, fourth consecutive gaining sessions, as reopening of some economies around the world.

At the close, the VNIndex gained 1.79% to close at 828.3 pts. Trading volume decreased to 353 million shares or VND6,247bn.

Foreign investors reversed to sell with a net value of VND428bn on HSX. They sold PC1 heavily with a net value of VND415bn by a put-through method.

After global oil prices has been stable, cash flowed into Energy namely GAS (+4.9%), PVT (+3.4%), PVS (+5.0%), BSR (+3.3%), PLX (+1.1%), and OIL (+1.2%). Notably, PVD limited up.

Moreover, Financial and Consumer Staple stocks outperformed the benchmark index driven by SAB (+0.6%), VNM (+3.3%), MSN (+3.4%), SSI (+4.8%), HCM (+5.5%), VPB (+5.7%), TCB (+6.9%), VCB (+1.4%), and CTG (+1.7%).

In contrast, ROS (-1.4%), VJC (-1.1%), and HVN (-0.2%) closed in red territory thanks to the taking profit.

Technically speaking, the short-term uptrend has been confirmed as the VNIndex closed above the significant resistance, 800 pts threshold. Therefore, traders can increase long positions and focus on leading stocks.

### Breaking news

- ▶ Vietnam money market: Further monetary easing measure is on the way

In the meeting between the Prime Minister Nguyen Xuan Phuc and businesses on the weekend, the state bank governor Le Minh Hung disclosed accomplishments of the Circular No.01/2020/TT-NHNN in early March about supporting households and businesses heavily affected by the COVID-19 pandemic. As of 8th May, the whole banking system restructured the repayment schedule for a loan balance of VND130 tn, reduced or exempted interest payment for loans of VND29 tn, lowered interest rate for the existing loan balance of more than VND1,000 tn, made more than VND630 tn with the preferential interest rates, and reduced or exempted payment fees over VND1,000 bn. Besides, the governor also opened about another possible official rates cut is on the table as an effort to help commercial banks to lower the borrowing cost to households and corporates. (State Bank of Vietnam)

- ▶ POW: Increasing the proportion

PYN Elite Fund has announced its April portfolio with some notable changes. Notably, proportion of PV Power (HSX: POW) has been increased significantly, accounting for 4.16% of net asset value (NAV). (ndh.vn)

## Macro & strategy

### Fundflow 4 – 8 May

#### Selling activities driven by large sell orders on VHM

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- ▶ Vietnam foreign flow

Last week, foreign selling activities kept rising, recorded a net sell value of USD118mn, two times higher than the previous week.

Real Estate, Financials and Industrials were sold the most, recorded net sell value of USD104mn, USD8mn and USD3mn, respectively. Particularly, Real Estate and Financials' outflow mainly driven by VHM, VIC, VRE, NVL, KDH, STB, BVH and SSI, fading strong buying on NLG, VPB and VCB. Most notably, foreigners sold a net 35.8mn shares of VHM via put-through method. Besides, Energy also experienced an outflow, mainly because of large sell orders on PVS, overwhelming high demand on PLX.

In contrast, foreign demand across Consumer Staples ticked up due to VNM and MSN.

► South East Asia ETF flow

Last week, South East Asia continued to experience an outflow, recorded the net outflow of USD5mn. Specifically, divestment away from Indonesia, Malaysia and Philippines rose strongly. In contrast, the flow of money came back to Singapore after one-week outflow, recorded the net inflow of USD22mn, a 1-month high.

In this context, money outflow across Vietnam also increased slightly, recorded the net outflow at USD1.5mn. Of which, X FTSE Vietnam continued to be the main driver which recorded an outflow at USD1.5mn last week.

## 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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