

Xin Chao Vietnam

Market performance

	21 May	1D	1M	3M	YTD
VNIndex (pt, % chg.)	862.73	1.2	12.5	(7.5)	(10.2)
Turnover (VND bn)	5,469				
VN30 (pt, % chg.)	815.55	1.5	15.4	(6.1)	(7.2)

Major indicators

	21 May	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	1.36	(0.1)	(0.7)	(0.3)	(0.1)
3-yr govt bonds (% bp chg.)	1.75	(0.1)	(0.6)	(0.2)	0.1
VND/USD (% chg.)	23,262	0.1	0.9	(0.1)	(0.4)
VND/JPY (% chg.)	21,588	0.3	0.9	(3.5)	(1.2)
VND/EUR (% chg.)	25,464	(0.0)	0.0	(1.5)	2.0
VND/CNY (% chg.)	3,275	0.2	1.0	1.0	1.6
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.66	(0.0)	0.1	(0.8)	(1.3)
WTI (USD/bbl, % chg.)	34.15	2.0	241.2	(36.0)	(44.1)
Gold (USD/oz, % chg.)	36.35	1.7	88.0	(37.9)	(44.9)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VPB	56.9	FUEVFNVD	(34.7)
SBT	43.7	DBC	(3.4)
TCB	38.5	NKG	(3.1)
CTG	32.9	KDH	(3.0)
HPG	32.7	GVR	(2.8)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNM	66.3	HPG	(77.7)
FUEVFNVD	34.6	DBC	(27.5)
VCB	25.4	VRE	(27.3)
CTG	24.7	VIC	(24.0)
VHM	17.7	HSG	(19.9)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Banks	2.3	Media & Entertainment	(2.9)
Automobiles	1.7	Household Products	(2.4)
F&B	1.1	Telecommunication	(1.6)
Real Estate	1.0	Consumer Services	(0.5)
Insurance	0.9	Diversified Financials	(0.4)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Impact of futures contract expiring
- **Japan:** Japan's economy is in a severe situation due to the COVID-19 pandemic
- **VHM:** Financial plan for 2020
- **MWG:** Adjusted financial plan for 2020

Sector & company

- **Property Development:** 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 (%)
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)	13.4	2.0	9.8	14.7
2021F	294,159	164,644	24.9	10.7	1.7	7.1	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)	(4.8)	(34.0)	15.2	8.0	2.3	(5.7)	4.0
China GDP (% yoy)	(6.8)	1.1	5.0	6.0	6.1	1.8	8.0

Note: * Data compiled by Bloomberg

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Market commentary & News

Market commentary

Impact of futures contract expiring

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Vietnam stock market recorded four consecutive gaining sessions thanks to the impact of a futures contract expiring yesterday. Of which, cash flowed into the one-month futures contract, pushing the contract up at the ATC session.

At the close, the VNIndex gained 1.15% to close at 862.7 pts. Meanwhile, trading volume increased to 331 million shares or VND5,468bn.

Foreign investors reversed to sell with a net value of VND67bn on HSX. They sold the most HPG, DBC, and VRE with net values of VND77bn, VND27bn, and VND27bn, respectively.

Some constituents of the VN30Index surged more than 1% such as BID (+1.4%), BVH (+1.2%), CTG (+2.9%), GAS (+1.0%), EIB (+6.7%), HDB (+6.8%), MBB (+1.7%), REE (+1.2%), SAB (+2.0%), SBT (+1.0%), TCB (+4.5%), VCB (+2.0%), VHM (+1.1%), VIC (+1.4%), and VJC (+1.1%) as the VN30F2005 limited up.

In contrast, CTD (-0.2%), VRE (-0.9%), PVT (-0.5%), PVD (-1.4%), and HSG (-2.7%) closed in red territory.

In the short term, the VNIndex has confirmed the uptrend as the market sentiment has become optimistic. Therefore, traders can hold long positions and focus on leading stocks.

Breaking news

- ▶ Japan: Japan's economy is in a severe situation due to the COVID-19 pandemic

From the latest macroeconomic data released on Thursday, the third-largest economy is taking the hardest hit since a global financial crisis in 2008 due to the health crisis. In particular, the exports in April saw the biggest drop of 21.9% yoy since 2009, while the number for imports also fell but with a less severe extent, by 7.2% yoy. It is largely due to weak global demand when the two largest markets, including the U.S. and Europe, impose social-distancing orders and close most business activities during April. Furthermore, the widely-used manufacturing purchasing managers' index (PMI) fell to a record low of 38.4 since March 2009 as output, new orders, and a backlog of work declined at the fastest pace. (Reuters, Trade Statistics of Japan, IHS Markit)

- ▶ VHM: Financial plan for 2020

Vinhomes (HOSE: VHM) will hold the Annual General Meeting of Shareholders 2020 on May 29. Specifically, the Board of Directors will submit to shareholders the plan for 2020 with the revenue of VND97,000bn, profit after tax of VND31,000bn, up 88% yoy and 27% yoy, respectively. (ndh.vn)

- ▶ MWG: Adjusted financial plan for 2020

Mobile World Investment (HOSE: MWG) has revised down the business plan in 2020. Specifically, the revenue plan is VND110,000bn, down 10% compared to the original. Besides, profit targets at VND3,450bn, down 28.6% compared to the original plan and down 10% compared to 2019. (ndh.vn)

Sector & company

Property Development

Neutral

1Q20 review: Ramping up launches, intensive promotional packages

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- ▶ Condo: 1Q20 pandemic performance

Both the major condo markets in Vietnam delivered a staggering performance in 1Q20 in a swirly COVID-19 outbreak. HCMC

market was double attacked while Hanoi market braked

- ▶ Landed property: A 1Q20 painful result

HCMC witnessed a slight impact of COVID-19 in 1Q20 as the market has been dim since 2018 due to supply shortage with a 3% yoy fall in volume transactions and 6% yoy decrease in new supply. In contrast, Hanoi with the high base in 1Q19 was severely hit with the drop of 75% yoy and 56% yoy, respectively. However, we expect positive quarters ahead since landed property is traditionally preferred as a long-term investment compared to stock markets or bank yield.

- ▶ Action: Maintain NEUTRAL on conservatively unexciting outlook

We maintain our Neutral rating on Vietnam's residential property sector due to a lack of significant improvement in the regulatory approval process, which might continue to bottleneck the market's new supply over the next 12 months. Furthermore, the slower economic growth could threaten the homebuyers' affordability.

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

New listing & Public offerings

► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
6/12/2020	PTT	Indochina Petroleum Transportation JSC	100.0	1,000,000	31,931	Whole lot sale; local investors only
6/9/2020	HLENNV	Ha Long Urban Environment Company	25.7	2,208,105	18,079	
6/8/2020	BTU	Ben Tre Urban Project JSC	36.0	864,000	14,630	

- **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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