

Xin Chao Vietnam

Market performance

	25 May	1D	1M	3M	YTD
VNIndex (pt, % chg.)	859.04	0.7	10.6	(5.6)	(10.6)
Turnover (VND bn)	5,868				
VN30 (pt, % chg.)	807.25	0.5	11.3	(5.0)	(8.2)

Major indicators

	25 May	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	1.28	(0.1)	(0.7)	(0.4)	(0.2)
3-yr govt bonds (% bp chg.)	1.79	0.0	(0.4)	(0.1)	0.1
VND/USD (% chg.)	23,301	(0.2)	0.7	(0.2)	(0.5)
VND/JPY (% chg.)	21,628	(0.1)	1.1	(2.4)	(1.4)
VND/EUR (% chg.)	25,420	0.2	(0.1)	(0.8)	2.2
VND/CNY (% chg.)	3,265	(0.1)	1.4	1.6	1.9
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.66	0.0	0.1	(0.7)	(1.3)
WTI (USD/bbl, % chg.)	33.42	0.5	97.3	(33.0)	(45.3)
Gold (USD/oz, % chg.)	35.06	(0.2)	63.5	(36.2)	(46.9)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
E1VFN30	76.2	SBT	(33.1)
CTI	33.3	GVR	(23.6)
DBD	27.0	VNM	(18.2)
VHM	11.4	MWG	(11.7)
KBC	7.2	HPG	(9.4)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNM	87.4	HPG	(99.1)
PHR	22.2	E1VFN30	(36.8)
VHM	19.4	MSN	(25.9)
VCB	14.2	CII	(11.9)
BMP	5.9	GAS	(10.4)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Others	4.3	Household Products	(6.4)
Capital Goods	2.1	Commercial Services	(0.5)
Consumer Durables	1.8	Health Care	(0.5)
Media & Entertainment	1.5	Transportation	(0.4)
Diversified Financials	1.5	Telecommunication	0.0

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Industrial park stocks jump
- **Vietnam credit rating:** Vietnam's sovereign credit rating remains stable amid the COVID-19 pandemic
- **MWG:** Profit after tax collapses

Macro & strategy

- **Fundflow 11 – 15 May:** Money inflow reaches one-year high

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)	13.3	2.0	9.9	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)	15.0	7.9	2.3	(5.7)	3.9
China GDP (% yoy)	(6.8)	1.1	5.0	6.0	6.1	1.8	8.0

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

Industrial park stocks jump

Hieu Tran
hieu.ttm@kisvn.vn

Vietnam stock market resumed its uptrend amid the rebound of the Asian financial market.

At the close, the VNIndex gained 0.74% to close at 859 pts. Meanwhile, trading volume recorded to 307 million shares or VND5,868bn.

Foreign investors reversed to sell with a net value of VND78bn on HSX. They sold the most HPG, E1VFN30, and MSN with net values of VND99bn, VND36bn, and VND25bn, respectively.

The industrial park was the market leader namely ITA (+6.9%), PHR (+6.9%), KBC (+6.6%), SZC (+6.9%), SZL (+4.9%), NTC (+2.4%), and LHG (+2.9%) as the investors expected that these companies would be benefited from the move to shift part of Chinese production facilities to Vietnam.

Moreover, Brokerages and Seafood stocks outperformed the benchmark index driven by IDI (+1.9%), ANV (+3.9%), VHC (+3.6%), SSI (+1.7%), HCM (+2.7%), and VND (+2.0%).

Some constituents of the VN30Index surged more than 1% such as CTG (+1.1%), MWG (+1.2%), PNJ (+1.2%), VNM (+2.8%), and VRE (+1.5%).

In contrast, CTD (-0.1%), GAS (-0.2%), MSN (-0.3%), PLX (-0.1%), ROS (-1.4%), SBT (-0.6%), VJC (-0.7%), and VPB (-0.6%) closed in red territory.

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

Breaking news

- ▶ Vietnam credit rating: Vietnam's sovereign credit rating remains stable amid the COVID-19 pandemic

One of the few bright points in the health crisis is that the S&P Global Ratings maintains the credit rating of Vietnam sovereign bond at BB with a stable outlook, according to the Ministry of Finance. The stable outlook from S&P's shows that it expects the Vietnam economy will see a strong and quick recovery, mainly driven by exports and aggregate domestic demand, after the global pandemic successfully contained. More specifically, the agency expects Vietnam's real GDP growth will rebound strongly in 2021 and return to a long-term growth rate of 6.0%-7.0% from 2022. Since early April, S&P's has downgraded a total of 10 nations and negatively adjusted the economic outlooks for the other 22 nations, respectively. (Ministry of Finance)

- ▶ MWG: Profit after tax collapses

In 4M2020, Mobile World Investment (HOSE: MWG) recorded the consolidated net revenue of VND37,187bn (+ 9% yoy) and net profit after tax of VND1,341bn (-6% yoy). The Company's performance began to reflect the significant impact of the Covid-19 pandemic, especially attributable to the interrupted business operation of some TGDD and DMX stores in April. Particularly, revenue growth of TGDD downed 12% yoy whilst DMX and BHX upped 3% yoy and 167% yoy, respectively. (MWG)

Macro & strategy

Fundflow 18 – 22 May

Money inflow reaches one-year high

Dang Le
dang.lh@kisvn.vn

- ▶ Vietnam foreign flow

Last week, foreign selling activities increased slightly, recorded a net sell value of USD7mn.

Materials, Industrials and Real Estate were sold the most, recorded net sell value of USD15mn, USD5mn and USD2.5mn,

respectively. Specifically, Materials and Industrials' outflow mainly driven by high divestment away from HPG, DPM, NKG, HSG, VJC and CII. For Real Estate, this group focus on VIC and VRE, fading strong buying on VHM and KBC. On the contrary, Financials and Consumer Staples were accumulated the most, mainly came from large buy orders on VCB, VPB, CTG and VNM. Utilities also attracted foreign activities due to sharp demand on GAS.

► South East Asia ETF flow

Money inflow across South East Asia ticked up strongly, recorded the net inflow of USD27mn, a one-month high. Particularly, major countries such as Malaysia, Singapore and Thailand attracted the flow of money as well as there was no country in SEA experienced the outflow last week.

Vietnam, the main contributor for this event with the net inflow recorded at USD17mn, reaching a one-year high. Of which, VFMVN Diamond - the new listed ETF was the main driver, attracting USD14mn last week, followed by SSIAM VNFIN Lead ETF, Premia MSCI Vietnam and VFMVN30 ETF.

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	HLENNI	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.

- **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..