

# Xin Chao Vietnam

## Market performance

	26 May	1D	1M	3M	YTD
VNIndex (pt, % chg.)	869.13	1.2	11.9	(3.0)	(9.6)
Turnover (VND bn)	5,546				
VN30 (pt, % chg.)	815.01	1.0	12.4	(3.2)	(7.3)

## Major indicators

	26 May	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	1.20	(0.1)	(0.8)	(0.5)	(0.2)
3-yr govt bonds (% bp chg.)	1.72	(0.0)	(0.5)	(0.2)	0.1
VND/USD (% chg.)	23,321	(0.1)	0.7	(0.3)	(0.6)
VND/JPY (% chg.)	21,647	(0.1)	1.0	(2.8)	(1.5)
VND/EUR (% chg.)	25,422	(0.0)	(0.1)	(0.6)	2.2
VND/CNY (% chg.)	3,270	(0.2)	1.3	1.2	1.8
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.69	0.0	0.1	(0.6)	(1.2)
WTI (USD/bbl, % chg.)	34.13	2.6	101.5	(30.0)	(44.1)
Gold (USD/oz, % chg.)	36.14	1.7	68.6	(32.4)	(45.2)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
CTI	9.1	VNM	(19.5)
CRE	7.3	HPG	(18.2)
LDG	6.1	ROS	(14.4)
GAB	5.5	VCB	(12.8)
E1VFN30	5.3	TCB	(12.8)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNM	42.8	VSC	(20.7)
PHR	25.7	DBC	(19.1)
VCB	12.5	CRE	(17.3)
FUEVFVND	10.8	VJC	(15.6)
SBT	8.5	VRE	(14.9)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Automobiles	4.8	Telecommunication	(5.8)
Insurance	4.5	Household Products	(1.8)
Diversified Financials	3.4	Media & Entertainment	(0.7)
Materials	3.1	Health Care	(0.5)
Banks	2.2	Pharmaceuticals	(0.4)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** New higher high
- **China:** Chinese renminbi slumps to a low record since 2008
- **REE:** Insider transaction
- **VRE:** Business plan in 2020

### New listing & Public offerings

## KIS market view

	OP (VND bn)	NP (VND bn)	EPS growth (% yoy)	PE (x)	PB (x)	EV/EBITDA (x)	ROE (%)
<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)	13.5	2.0	9.9	14.7
<b>2021F</b>	294,159	164,644	24.9	10.8	1.7	7.2	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)	(34.2)	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

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## Market commentary & News

### Market commentary

#### New higher high

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Vietnam stock market maintained its uptrend thanks to the recovery of the Asian financial market and oil prices.

At the close, the VNIndex gained 1.17% to close at 869 pts. Meanwhile, trading volume increased to 328 million shares or VND5,545bn.

Foreign investors continued to sell with a net value of VND39bn on HSX. They sold the most VSC, DBC, and CRE with net values of VND20bn, VND19bn, and VND19bn, respectively.

The industrial park was still the market leader driven by ITA (+6.8%), KBC (+4.0%), PHR (+5.4%), SZC (+4.2%), SZL (+2.7%), NTC (+2.5%), and LHG (+2.2%). Their business results are expected positive because of the move to shift part of Chinese production facilities to Vietnam.

After the rebound of oil prices, Energy stocks outperformed the benchmark index namely GAS (+1.6%), PVT (+5.2%), PVD (+1.8%), PVS (+3.2%), POW (+3.9%), BSR (+1.6%), and PLX (+1.2%).

Moreover, some constituents of the VN30Index surged more than 2% such as BID (+5.9%), BVH (+5.0%), HPG (+4.0%), REE (+4.1%), and SSI (+5.5%).

In contrast, VHM (-0.5%), VIC (-0.2%), VJC (-0.1%), and ROS (-0.9%) closed in red territory.

The downside risk is still low due to the optimistic market sentiment. Besides, short-term uptrend has been confirmed. Therefore, traders can hold long positions and focus on leading stocks.

### Breaking news

- ▶ China: Chinese renminbi slumps to a low record since 2008

According to the latest data, since the outbreak started in the central Hubei of China and spread globally, the China's official currency has seen a sharp drop against the U.S. dollar as global investors have preferred to hold the USD under heightened uncertainties due to the pandemic. Recently, the tension between Hong Kong and China about the security law has dragged down the CNY further to the lowest level since 2008. More specifically, the CNY was traded at 7.14 a dollar on Monday, equivalent to a loss of about 4% since the beginning of the pandemic, according to Bloomberg. (Bloomberg))

- ▶ REE: Insider transaction

Platinum Victory Pte. Ltd. has registered to buy 3.1 million shares of Refrigeration Electrical Engineering (HSX: REE) to increase its holding to 93 million shares, equivalent to 30% of the capital. The transaction is expected to be carried out via order matching or put-through method from May 28 to June 26. (ndh.vn)

- ▶ VRE: Business plan in 2020

Vincom Retail (HSX: VRE) held an Annual general meeting to submit a plan of 7% increase in its revenue, reaching VND9,900bn, while its profit after tax decreased 12% to VND2,500bn. Specifically, in 2020, VRE will focus on increasing demand through stimulus programs to bring customers back to the market, thus affecting profitability. (ndh.vn)

## 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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