

# Xin Chao Vietnam

## Market performance

	27 May	1D	1M	3M	YTD
VNIndex (pt, % chg.)	857.48	(1.3)	11.2	(4.6)	(10.8)
Turnover (VND bn)	6,687				
VN30 (pt, % chg.)	801.36	(1.7)	11.4	(5.5)	(8.8)

## Major indicators

	27 May	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	1.22	0.0	(0.6)	(0.5)	(0.2)
3-yr gov't bonds (% bp chg.)	1.77	0.0	(0.3)	(0.2)	0.1
VND/USD (% chg.)	23,326	(0.0)	0.6	(0.4)	(0.7)
VND/JPY (% chg.)	21,659	0.1	1.0	(2.1)	(1.5)
VND/EUR (% chg.)	25,591	(0.7)	(0.8)	(0.7)	1.5
VND/CNY (% chg.)	3,260	0.3	1.6	1.8	2.1
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.69	(0.0)	0.0	(0.6)	(1.2)
WTI (USD/bbl, % chg.)	34.15	(0.6)	167.2	(27.5)	(44.1)
Gold (USD/oz, % chg.)	35.80	(1.0)	79.1	(31.4)	(45.8)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
E1VFN30	51.9	HPG	(19.5)
PHR	16.8	MWG	(13.7)
CRE	13.2	CTG	(13.3)
CTI	9.8	VPB	(12.9)
PLX	3.3	MBB	(12.8)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VCB	22.6	HPG	(83.2)
GAS	22.2	VRE	(27.6)
VIC	20.1	VJC	(18.2)
MSN	18.7	CII	(16.3)
MBB	7.6	CRE	(13.3)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Consumer Services	0.9	Materials	(2.9)
Household Products	0.9	Others	(2.7)
Commercial Services	0.4	Insurance	(2.6)
Transportation	0.4	Diversified Financials	(2.6)
Pharmaceuticals	0.1	Telecommunication	(2.4)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Selling pressure
- **PNJ:** Financial plan in 2020
- **Vietnam:** Excess liquidity drives down short-term interbank rates to a near 3-year low record

### 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	35.2	14.7	2.7	14.0	18.2
<b>2019</b>	231,781	139,038	23.9	13.3	2.3	11.0	17.7
<b>2020F</b>	238,766	129,763	(9.0)	13.7	2.0	10.0	14.3
<b>2021F</b>	275,785	142,326	11.0	12.3	1.7	8.7	14.1

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

#### Selling pressure

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Vietnam stock market recorded the significant contraction thanks to high selling pressure on large-cap stocks at the afternoon session.

At the close, the VNIndex lost 1.34% to close at 857 pts. Meanwhile, trading volume increased to 388 million shares or VND6,686bn.

Foreign investors continued to sell with a net value of VND115bn on HSX. They sold the most HPG, VRE, and VJC with net values of VND83bn, VND27bn, and VND18bn, respectively.

Profit-taking pushed Materials industry down driven by HPG (-4.2%) and NKG (-0.1%).

Banking stocks underperformed broad market due to BID (-5.2%), HDB (-2.7%), TCB (-1.2%), ACB (-2.1%), MBB (-1.7%), STB (-2.9%), VPB (-4.8%), and CTG (-3.2%).

In contrast, some constituents of the VN30Index closed in green territory such as EIB (+1.7%), GAS (+0.1%), NVL (+0.7%), and VCB (+0.4%). Especially, CTD (+6.9%) limited up.

Despite the sharp reduction, the short-term uptrend has been confirmed. Therefore, traders can hold long positions and focus on leading stocks.

### Breaking news

- ▶ Vietnam: Excess liquidity drives down short-term interbank rates to a near 3-year low record

According to the latest data, the overnight interest rate on the interbank market saw a sharp drop since late April from 230 basis points (bps) on 22nd April to just 40 bps on 26th May, which recorded the lowest level since August 2017. The reason for the shrink of the overnight interest rate is that the banking system are overflowing with liquidity at the time when more than VND110tn has been poured back into the market due to a series of 91-day Treasury bills expired without any intervention from State Bank of Vietnam (SBV). Besides, it is expected that about VND35tn will flow to banks in the next few days, and the short-term interbank interest rates probably will drop more than their current levels if the SBV continues not to take any action. (KIS, Bloomberg)

- ▶ PNJ: Financial plan in 2020

PNJ: PNJ has decreased its business targets in 2020. Specifically, the revenue target is VND14,486bn, down 15% YoY and down 31% compared to the original plan. Besides, profit after tax target is VND 832 billion, down 30% YoY and down 38% compared to the original plan. (ndh.vn)

## New listing & Public offerings

### ▶ Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
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6/12/2020	PTT	Indochina Petroleum Transportation JSC	100.0	1,000,000	31,931	Whole lot sale; local investors only
6/9/2020	HLENI	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	

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- **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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