

# Xin Chao Vietnam

## Market performance

	1 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	878.67	1.6	14.2	(0.4)	(8.6)
Turnover (VND bn)	7,354				
VN30 (pt, % chg.)	821.47	1.9	14.8	(1.3)	(6.6)

## Major indicators

	1 Jun	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.91	(0.2)	(1.0)	(0.7)	(0.5)
3-yr govt bonds (% bp chg.)	1.61	(0.1)	(0.6)	(0.3)	(0.1)
VND/USD (% chg.)	23,265	0.1	0.7	(0.1)	(0.4)
VND/JPY (% chg.)	21,633	(0.2)	1.3	(0.8)	(1.4)
VND/EUR (% chg.)	25,902	(0.4)	(1.9)	(0.5)	0.3
VND/CNY (% chg.)	3,261	0.0	1.7	2.4	2.1
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.66	0.0	0.0	(0.5)	(1.3)
WTI (USD/bbl, % chg.)	35.29	(0.6)	78.4	(21.2)	(42.2)
Gold (USD/oz, % chg.)	37.88	0.1	43.3	(25.0)	(42.6)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	29.3	GAB	(120.0)
CTI	24.3	FUESSVFL	(48.1)
STB	14.3	FUEVFVND	(16.8)
VPB	9.0	CII	(9.7)
TCB	8.7	NKG	(6.8)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUESSVFL	48.0	VRE	(32.6)
VNM	36.7	CTI	(30.2)
VHM	24.8	MSN	(18.0)
HPG	21.9	HSG	(17.7)
FUEVFVND	17.2	VIC	(13.6)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	7.0	Commercial Services	(0.4)
Health Care	3.6	Software & Services	(0.1)
Banks	2.8	Household Products	0.2
Diversified Financials	2.5	Transportation	0.5
Real Estate	1.6	Consumer Services	0.5

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** ACB drives market up
- **Vietnam:** Vietnam Manufacturing PMI fell but at a slower pace in May

### Macro & strategy

- **Fundflow 25 – 29 May:** Vietnam – The main driver of money inflow across SEA

### 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	35.2	14.7	2.7	14.0	18.2
2019	231,781	139,038	23.9	13.3	2.3	11.0	17.7
2020F	238,766	129,763	(9.0)	14.2	2.0	10.3	14.3
2021F	275,785	142,326	11.0	12.8	1.8	8.9	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)	1.2	5.0	5.7	6.1	1.7	8.0

Note: \* Data compiled by Bloomberg

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## Market commentary & News

### Market commentary

#### ACB drives market up

**Hieu Tran**  
hieu.ttm@kisvn.vn

Vietnam stock markets jumped in the first trading day of June thanks to the promising 2020 plan of ACB. Specifically, ACB has just released its 2020 plans proposal, seeking the approval of its shareholders in the annual meeting on 16 Jun for VND7,636bn EBT target, up 1.6% YoY amid COVID-19-caused bad debt concerns, 30% stock dividend and listing on HSX.

At the close, the VNIndex increased 1.64% to 878.67 with volume setting a new record of 476 million shares thanks to 82 million shares of ROS and 25 million shares of FLC.

As traders rushed to buy as much as possible, two third of listed stocks on HSX posted gains. Health Care, Banks and Real Estate were among the best performers yesterday.

Foreigners resuming their buying activities with VND94bn net of shares, focusing on SSIAM ETF Fin Lead, VNM, VHM, HPG and VFM ETF Diamond. On the other side, this group sold markedly VRE, CTI, MSN, HSG and VIC.

As the market has been driven by liquidity recently, valuation is becoming expensive. We recommend traders and investors to keep a cautious stance in the coming weeks.

### Breaking news

- ▶ Vietnam: Vietnam Manufacturing PMI fell but at a slower pace in May

As the COVID-19 pandemic has been under control in Vietnam, the negative impact of the health crisis was somewhat eased than in the prior month. According to the leading IHS Markit, the manufacturing PMI index posted 42.7 in April, up from a record low of just 32.7 in April, although output, new orders, and employment continued to fall sharply. A further sharp reduction in new orders, especially export orders, continued to hamper the employment and purchasing activities of the manufacturers. Also, the business sentiment recorded the second-lowest since being surveyed, which indicated that the recovery in the manufacturing sector would not likely come in the near term. (IHS Markit)

## Macro & strategy

### Fundflow 25 – 29 May

#### Vietnam – The main driver of money inflow across SEA

**Dang Le**  
dang.lh@kisvn.vn

- ▶ Vietnam foreign flow

Last week, foreign selling activities slowed down, recorded a net sell value of USD4.7mn, down 32% WoW.

Materials and Industrials continued to be sold the most, recorded net sell value of USD13mn and USD9.4mn, respectively. Specifically, Materials and Industrials' outflow mainly driven by high divestment away from HPG, HSG, VJC, CII and PC1. On the contrary, Consumer Staples, Financials and Real Estate were accumulated the most, mainly came from large buy orders on VNM, SAB, VCB, CTG, VHM, VRE and DXG, fading the strong selling pressure on CRE, SHB and VCI. Besides, Utilities kept attracting foreign activities due to sharp demand on POW.

- ▶ South East Asia ETF flow

Money inflow across South East Asia kept increasing, recorded the net inflow of USD30mn, up 11% WoW. Particularly, major countries such as Indonesia, Malaysia, Philippines and Thailand recorded no money outflow as well as money inflow remained at high level in Singapore and Vietnam.

Vietnam, one of the main contributor for this event with the net inflow recorded at USD9mn. Of which, VFMVN30 ETF and SSIAM VNFIN Lead ETF were the main drivers, attracting USD3.9mn and USD3.7mn last week, respectively. Furthermore,

VFMVN Diamond and VanEck Vietnam ETF also attracted money inflow during this period.

## New listing & Public offerings

### ► New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
6/4/2020	DID	DIC - Dong Tien JSC	UPCoM	80.0	8,000,000	5,000
6/3/2020	TKA	Tan Khanh An Packaging JSC	UPCoM	38.0	3,800,000	12,700
6/2/2020	MEC	Song Da Mechanical - Assembling JSC	UPCoM	83.5	8,353,620	500

### ► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
6/22/2020	APH	An Phat Holdings JSC	1,423.8	4,300,000	25,000	-
6/15/2020	HAB	Hanoi School Books and Equipment JSC	20.0	751,800	49,800	Local investors only
6/12/2020	PTT	Indochina Petroleum Transportation JSC	100.0	1,000,000	31,931	Whole lot sale; local investors only
6/9/2020	HLENNVI	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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