

Xin Chao Vietnam

Market performance

	2 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	874.80	(0.4)	13.7	(1.1)	(9.0)
Turnover (VND bn)	6,926				
VN30 (pt, % chg.)	818.70	(0.3)	14.5	(2.0)	(6.9)

Major indicators

	2 Jun	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.99	0.1	(0.9)	(0.7)	(0.4)
3-yr gov't bonds (% bp chg.)	1.68	0.1	(0.5)	(0.3)	0.0
VND/USD (% chg.)	23,256	0.0	0.8	(0.1)	(0.4)
VND/JPY (% chg.)	21,585	0.1	1.8	(0.6)	(1.2)
VND/EUR (% chg.)	25,892	0.0	(1.8)	(0.5)	0.3
VND/CNY (% chg.)	3,275	(0.4)	1.4	1.9	1.6
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.67	0.0	0.1	(0.5)	(1.2)
WTI (USD/bbl, % chg.)	36.35	2.6	83.8	(22.2)	(40.5)
Gold (USD/oz, % chg.)	39.38	2.8	48.9	(24.1)	(40.3)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
TNI	27.8	SBT	(19.5)
CTF	25.7	VJC	(10.2)
MWG	23.2	TCM	(7.0)
VHM	21.6	DPM	(5.1)
HPG	15.3	PLX	(4.7)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	54.6	MSN	(47.0)
VCB	35.9	DBC	(18.9)
VNM	33.7	VIC	(17.0)
CTG	31.5	HSG	(14.4)
POW	31.2	PVD	(14.3)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	1.4	Others	(2.2)
Pharmaceuticals	1.0	Materials	(2.0)
Utilities	0.9	Commercial Services	(1.4)
F&B	0.6	Insurance	(1.3)
Household Products	0.6	Diversified Financials	(1.2)

WHAT'S NEW TODAY

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- **Market commentary:** CTD limits down
- **South Korea:** Manufacturing PMI fell to a record low in May
- **HPG:** Export surges 78% YoY

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)	14.1	2.0	10.2	14.3
2021F	275,785	142,326	11.0	12.7	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

CTD limits down

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Vietnam stock markets reversed to go down as the selling pressure on CTD. Of which, Kustocem Pte. Ltd., a major shareholder of CTD, wanted to hold an extraordinary general meeting to elect a new Board of Directors and a special audit to clarify issues of conflict of interest.

At the close, the VNIndex lost 0.44% to closed at 874.8 pts with the volume setting a new record of 484 million shares or VND6,926 in a value.

Foreign investors continued to buy with a net value of VND32bn on HSX. They purchased VHM, VCB, and VNM the most with net values of VND54bn, VND35bn, and VND33bn, respectively.

Profit-taking pushed Materials tickers down driven by HSG (-3.0%), HPG (-2.2%), and NKG (-1.1%).

After oil prices recorded new higher high since April 2020, Energy stocks were the market leaders due to GAS (+1.5%), PVT (+2.3%), PVD (+2.8%), PVS (+2.3%), BSR (+4.8%), PLX (+0.2%), and OIL (+1.3%).

Moreover, some constituents of the VN30Index surged more than 1% such as MSN (+1.2%), HDB (+6.8%) SAB (+2.9%), and VJC (+1.2%).

As the valuation is becoming expensive, we recommend traders and investors to keep a cautious stance in the coming weeks.

Breaking news

- ▶ South Korea: Manufacturing PMI fell to a record low in May

The current time is a challenging time for South Korea's economy, especially the manufacturing sector, to recover after the COVID-19 pandemic somewhat contained domestically. According to the leading IHS Markit, the manufacturing PMI index of South Korea recorded the lowest level of just 41.3 for the second month straight, down from April's level of 41.6, indicating a further deterioration in the business conditions in the manufacturing sector. In addition, production level continued to decline sharply as leading manufacturers run their factories well below potential operating levels due to weak global and domestic demand. (IHS Markit)

- ▶ HPG: Export surges 78% YoY

Hoa Phat Group (HSX: HPG) has reported that the export of steel pipe products produced by its subsidiary - Hoa Phat Steel Pipe Co., Ltd - in the first five months of 2020 surged by 78 percent year-on-year despite the COVID-19 pandemic. (Fiinpro)

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

► 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	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	-

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- 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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