

Xin Chao Vietnam

Market performance

	4 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	883.90	0.3	15.9	(0.6)	(8.0)
Turnover (VND bn)	6,592				
VN30 (pt, % chg.)	823.77	(0.1)	16.1	(1.7)	(6.3)

Major indicators

	4 Jun	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	1.02	0.1	(0.9)	(0.5)	(0.4)
3-yr govt bonds (% bp chg.)	1.69	0.1	(0.5)	(0.1)	0.0
VND/USD (% chg.)	23,268	(0.1)	0.8	(0.2)	(0.4)
VND/JPY (% chg.)	21,356	0.0	2.9	1.1	(0.1)
VND/EUR (% chg.)	26,107	(0.3)	(2.6)	(0.9)	(0.5)
VND/CNY (% chg.)	3,266	0.1	1.7	2.6	1.9
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.75	0.0	0.1	(0.3)	(1.2)
WTI (USD/bbl, % chg.)	36.49	(2.1)	79.0	(22.0)	(40.2)
Gold (USD/oz, % chg.)	39.15	(1.6)	43.9	(23.4)	(40.7)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
E1VFN30	149.0	VIC	(578.3)
CTG	28.9	EIB	(92.5)
MWG	15.8	HPG	(23.0)
FPT	14.1	DBC	(12.3)
KDH	12.7	GEX	(10.7)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
CTG	53.3	E1VFN30	(141.0)
VHM	43.9	HPG	(137.4)
VNM	39.6	MSN	(35.6)
VRE	31.2	VIC	(26.1)
POW	17.2	CII	(16.6)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.8	Others	(2.2)
Diversified Financials	3.8	Materials	(0.7)
Commercial Services	3.7	Automobiles	(0.5)
Health Care	3.4	Real Estate	(0.3)
Capital Goods	1.8	Technology	(0.2)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Banking stocks in the spotlight
- **China:** Economy ready to pick up after the COVID-19 pandemic
- **HPG:** HPG consumed 1.26mn tons of steel in 5 months

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)	14.3	2.0	10.2	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

Banking stocks in the spotlight

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Vietnam stock markets maintained its uptrend yesterday thanks to high demand on three banking tickers such as VCB (+1.3%), BID (+2.0%), CTG (+2.7%).

At the close, the VNIndex gained 0.31% to closed at 883.9 pts. Meanwhile, trading volume increased to 430 million shares or VND6,591bn.

Foreign investors continued to sell with a net value of VND163bn on HSX. They sold E1VFN30, HPG, and MSN the most with net values of VND141bn, VND137bn, and VND35bn, respectively.

Some constituents of the VN30Index outperformed the benchmark index such as PLX (+0.9%), PNJ (+0.4%), REE (+0.9%), SBT (+0.6%), SSI (+3.2%), VJC (+0.4%), and VNM (+1.0%). Notably, ROS and CTD limited up.

In contrast, profit-taking pushed Material tickers down namely HSG (-0.2%), HPG (-1.3%), and NKG (-1.4%).

Moreover, some large-cap stocks slumped more than 1% due to HDB (-2.4%) and VPB (-1.2%).

Although the VNIndex reaches the significant resistance of 880 to 900 pts, the short-term uptrend is still intact. Therefore, traders can hold long positions and focus on leading stocks.

Breaking news

- ▶ China: Economy ready to pick up after the COVID-19 pandemic

The latest macro data for the second-largest economy seem to indicate that the worst about the pandemic was likely left behind as indices of both industrial production and consumption showed a strong recovery in May. In particular, the Caixin/Markit services purchasing manager's index (PMI) soared up to 55.0 in May, which is the highest level since late 2010, from its low level of just 44.4 in April, primarily driven by an impressive expansion of new businesses. Furthermore, the Caixin manufacturing PMI index also rose above a neutral level of 50.0, posting 50.8, which is the first positive growth on a month-over-month basis since the outbreak started. (IHS Markit, South China Morning Post)

- ▶ HPG: HPG consumed 1.26mn tons of steel in 5 months

In 5 months, Hoa Phat Group (HSX: HPG) has provided domestic and foreign markets with 1.26 million tons of construction steel, up 8.6% YoY. Besides, export of finished steel products in 5 months reached 160,000 tons, up 50% YoY. (ndh.vn)

New listing & Public offerings

▶ 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	-

- **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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