

Xin Chao Vietnam

Market performance

	5 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	886.22	0.3	16.0	(0.8)	(7.8)
Turnover (VND bn)	6,367				
VN30 (pt, % chg.)	826.47	0.3	16.2	(1.5)	(6.0)

Major indicators

	5 Jun	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	1.07	0.0	(0.7)	(0.4)	(0.4)
3-yr govt bonds (% bp chg.)	1.61	(0.1)	(0.4)	(0.2)	(0.1)
VND/USD (% chg.)	23,260	0.0	0.7	(0.2)	(0.4)
VND/JPY (% chg.)	21,290	0.1	3.3	2.7	0.2
VND/EUR (% chg.)	26,359	(1.0)	(3.0)	(1.7)	(1.4)
VND/CNY (% chg.)	3,278	(0.2)	1.2	2.1	1.5
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.86	0.0	0.2	(0.1)	(1.1)
WTI (USD/bbl, % chg.)	38.24	2.2	55.7	(16.7)	(37.4)
Gold (USD/oz, % chg.)	41.18	3.0	33.0	(17.6)	(37.6)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
E1VFN30	133.5	VNM	(16.5)
KOS	60.4	VCB	(12.9)
MWG	19.9	FUEVFN30	(12.4)
SBT	18.4	FUESSVFL	(9.7)
VPB	17.5	GEX	(7.0)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNM	65.4	E1VFN30	(130.9)
VCB	38.4	HPG	(111.2)
VRE	15.8	TDH	(30.7)
FUEVFN30	12.6	VIC	(24.3)
VHM	12.0	MSN	(16.6)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.8	Utilities	(0.6)
Health Care	3.3	Real Estate	(0.4)
Capital Goods	1.7	Energy	(0.2)
Materials	1.7	Household Products	(0.2)
Others	1.5	Insurance	(0.1)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Cautious gains
- **ECB:** Further stimulus package from Europe Central Bank to support the European economy
- **NVL:** Business plan for 2020

Macro & strategy

- **Chart of the day:** Sensitive scenario

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	2.1	10.3	14.3
2021F	275,785	142,326	11.0	12.9	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)	(34.3)	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

Cautious gains

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Vietnam stock markets continued to go up thanks to bottom fishing on mid- and small-cap at the afternoon session.

At the close, the VNIndex gained 0.26% to closed at 886.2 pts. Meanwhile, trading volume increased to 499 million shares or VND6,367bn.

Foreign investors continued to sell with a net value of VND150bn on HSX. They sold E1VFN30, HPG, and TDH the most with net values of VND130bn, VND111bn, and VND30bn, respectively.

Materials tickers outperformed the benchmark index driven HPG (+1.7%) and NKG (+4.0%). Notably, HSG limited up as investors expected that its business results would be positive in 2Q2020.

Cash flowed into mid- and small-cap stocks such as FTS (+6.7%), HQC (+7.0%), HHS (+5.7%), AMD (+6.9%), HAI (+6.6%), THG (+5.9%), IDI (+6.4%), VHC (+6.6%), HAG (+6.7%), and GMD (+5.0%).

In contrast, some constituents of the VN30Index closed in red territory namely GAS (-1.2%), HDB (-1.0%), VIC (-1.0%), MSN (-0.7%), MBB (-0.5%), and CTG (-0.8%).

The short-term uptrend is still intact thanks to high demand at the red price. Therefore, traders can hold long positions and focus on leading stocks.

Breaking news

- ▶ ECB: Further stimulus package from Europe Central Bank to support the European economy

In the latest press conference, the ECB President Christine Lagarde unveiled a decision of increasing the asset purchase program, specifically the pandemic emergency asset purchase program (PEPP), by EUR600bn to an unprecedented scale of EUR1,350bn. The horizon for net purchases under the PEPP will last at least the end of June 2021 as the policymakers expect the medium-and-long-term inflation measures to return to a pre-crisis path, which defined as close but under 2% target. Besides, the newest projected macroeconomic numbers in June 2020 showed explicitly the severe impact of the pandemic on the sluggish economy as the 2020 projected annual real GDP growth is revised down to -8.7% YoY from the previous projection of 0.8% YoY in March report. (European Central Bank, KIS)

- ▶ NVL: Business plan for 2020

The Board of Directors of Novaland (HSX: NVL) submitted the plan this year with a net revenue of VND14,877bn, an increase of 36% YoY; profit after tax of VND3,650bn, an increase of 8% YoY. (ndh.vn)

Chart of the day

Sensitive scenario

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- ▶ Market performance

The VNIndex recorded five consecutive gaining weeks, but the rate of increase is lower due to profit-taking.

- ▶ Chart: Need bullish confirmation signals again

The medium-term uptrend is still active due to the maintenance of the upward crossover between MA20 and MA50 as well as both MAs slope upward.

The +DI stayed above -DI with the increasing ADX (above 30 level) as well as Stochastic has stayed above 80 level. Hence, the upward trend is still intact.

However, downward crossover between MA50 and MA200 still takes place, signaling the unconfirmed long-term uptrend. Most

notably, the benchmark for long-term trend direction – MA200 is approaching where outcomes still not provided for the next market leg.

On the upside, 900 pts zone plays as a strong resistance which overlaps with MA200. On the downside, 800 pts level acts as the key support zone.

→ Despite the current active uptrend, the long-term bull is not confirmed as well as consolidation is expected to be occurred in this week.

- ▶ Technical strategy: Hold the position, force on leading stocks

In this context, there is no signal for the bear as well as outcomes for the next market leg are not confirmed. Thus, investors should hold the positions but proportion in leading stocks should not be increased.

New listing & Public offerings

▶ New listing

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
6/24/2020	PSH	Nam Song Hau Trading Investing Petroleum JSC	HSX	1,262.0	126,196,780	16,000

▶ Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
6/26/2020	GCB	Petec Binh Dinh JSC	40.4	1,274,064	30,810	Whole lot sale; Local investors only
6/22/2020	APH	An Phat Holdings JSC	1,423.8	4,300,000	25,000	-
6/18/2020	HND	Hai Phong Thermal Power JSC	5,000.0	45,000,000	26,000	Whole lot sale
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	HLE NVI	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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