

Xin Chao Vietnam

Market performance

	9 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	899.43	(0.1)	10.5	7.4	(6.4)
Turnover (VND bn)	7,099				
VN30 (pt, % chg.)	837.02	(0.2)	10.1	6.0	(4.8)

Major indicators

	9 Jun	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.98	(0.1)	(0.7)	(0.5)	(0.5)
3-yr govt bonds (% bp chg.)	1.66	0.0	(0.3)	0.1	(0.0)
VND/USD (% chg.)	23,205	0.2	0.5	(0.1)	(0.1)
VND/JPY (% chg.)	21,518	0.1	0.7	2.1	(0.9)
VND/EUR (% chg.)	26,298	0.2	(3.8)	1.0	(1.2)
VND/CNY (% chg.)	3,279	0.2	0.2	1.9	1.5
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.83	0.0	0.1	0.0	(1.1)
WTI (USD/bbl, % chg.)	38.13	(2.1)	54.1	11.0	(37.6)
Gold (USD/oz, % chg.)	40.51	(1.6)	30.8	8.8	(38.6)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HDB	56.1	FUEVFNVD	(151.3)
POW	12.2	HSG	(105.6)
CII	12.0	GVR	(17.4)
STB	10.3	VNM	(13.2)
VSC	4.8	CTG	(10.0)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUEVFNVD	151.4	HPG	(230.6)
KDC	38.9	CII	(41.2)
VCB	17.2	MSN	(34.4)
HCM	9.7	VRE	(31.4)
VHC	6.8	VNM	(14.8)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.9	Retailing	(1.5)
Others	4.8	Diversified Financials	(1.5)
Software & Services	4.6	Media & Entertainment	(1.0)
Health Care	4.3	Energy	(1.0)
Insurance	3.2	Materials	(1.0)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Liquidity remains extraordinarily high recovery
- **FDI:** FDI numbers yet to pick up in May

Macro & strategy

- **Fundflow 1 – 5 Jun:** Money inflow has slowed down

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)	14.5	2.1	10.4	14.3
2021F	275,785	142,326	11.0	13.0	1.8	9.0	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)	(34.4)	15.4	7.9	2.3	(5.7)	4.0
China GDP (% yoy)	(6.8)	1.1	5.1	5.9	6.1	1.7	8.0

Note: * Data compiled by Bloomberg

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Market commentary & News

Market commentary

Liquidity remains extraordinarily high

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The VNIndex pared Monday's gain as selling pressure mounted at resistance 900 yesterday. Liquidity remained near record high although a technical issue prevented HSX to finish its ATC session.

At the close (which is the close of the second order-matching session), the VNIndex inched down 0.05% to 899.43. Near 500 million shares worth around VND7.1tn were changed hands yesterday.

Foreigners resumed its selling activities with a net of VND148bn on HSX, focusing on HPG, CII, MSN, VRE and VNM despite keeping buying VFM Diamond ETF.

HSX has fixed its technical problem and announced to open normally today. The problem may have been an unexpected lucky circuit breaker halting selling pressure which seemed to accelerate by the end of yesterday's session. However, we maintain our cautious view for the time being as 900 is an important technical level.

Breaking news

- ▶ FDI: FDI numbers yet to pick up in May

Although some other macroeconomic indicators show resilience along with economic activities re-opening, the economy still finds it struggling to attract foreign investment as a mandatory two-week quarantine remains effective for outsiders. As of 20th May 2020, registered FDI recorded the second-lowest level of just USD1.55bn, reducing by 27.61% YoY, while the amount for disbursed capital was USD1.55bn, down by 3.13% YoY. Based on the current information in hand, June is not likely to see any surprises in FDI numbers. From our perspective, the timing for the recovery in FDI will likely place in 3Q20. (KIS, MPI, Fiipro)

Macro & strategy

Fundflow 1 – 5 Jun

Money inflow has slowed down

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- ▶ Vietnam foreign flow

Last week, foreign selling activities increased slightly, recorded a net sell value of USD13.5mn.

Materials and Industrials continued to be sold the most, recorded net sell value of USD13mn and USD5mn, respectively. Specifically, Materials and Industrials' outflow mainly driven by high divestment away from HPG, HSG and CII. Besides, Energy also experienced an outflow due to sharp selling pressure on PVS. On the contrary, Consumer Staples, Utilities and Real Estate were accumulated the most, mainly came from large buy orders on VNM, KDC, GAS, VHM and VRE, fading the strong selling pressure on MSN, VIC and TDH. Additionally, Financials kept attracting foreign activities due to high demand on VCB and CTG despite SHB and BVH ended up to be net sold.

- ▶ South East Asia ETF flow

Money inflow across South East Asia recorded at nine-month high with the net inflow of USD91mn, three times higher than the previous week. Particularly, money inflow across major countries such as Indonesia, Singapore, Philippines and Thailand increased significantly whilst Malaysia experienced the outflow.

Last week, Vietnam continued to attract money inflow, but with lower pressure, recorded the net inflow at USD2mn, four times lower compared to the previous week. Of which, VanEck Vietnam ETF, SSIAM VNFN Lead ETF, Premia MSCI Vietnam and VFMVN Diamond attracted the total of USD8mn money inflow whilst X FTSE Vietnam and VFMVN30 ETF experienced the outflow.

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

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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.

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- 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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