

Xin Chao Vietnam

Market performance

	10 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	900.00	0.1	10.6	7.5	(6.3)
Turnover (VND bn)	7,064				
VN30 (pt, % chg.)	839.11	0.2	10.4	6.3	(4.5)

Major indicators

	10 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	(0.0)	(0.1)
VND/JPY (% chg.)	21,616	(0.4)	0.2	1.6	(1.4)
VND/EUR (% chg.)	26,316	(0.1)	(3.8)	(0.1)	(1.3)
VND/CNY (% chg.)	3,285	(0.2)	0.1	1.5	1.3
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.80	(0.0)	0.1	(0.0)	(1.1)
WTI (USD/bbl, % chg.)	37.88	(2.7)	53.1	10.2	(38.0)
Gold (USD/oz, % chg.)	40.26	(2.2)	30.0	8.2	(39.0)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
POW	30.4	FUEVFNVD	(137.9)
TCB	4.6	HPG	(42.5)
DXG	4.3	ROS	(18.7)
NTL	4.1	KDH	(14.7)
MWG	3.5	VJC	(13.1)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUEVFNVD	138.0	PC1	(59.0)
VHM	41.6	TDH	(19.8)
NLG	37.6	HPG	(15.8)
VCB	25.3	CII	(11.9)
VNM	23.6	GVR	(11.0)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Health Care	6.9	Software & Services	(3.1)
Telecommunication	6.9	Others	(2.8)
Consumer Services	3.1	F&B	(0.8)
Automobiles	2.4	Utilities	(0.2)
Diversified Financials	1.3	Technology	(0.2)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Consolidation
- **Vietnam:** FDI numbers yet to pick up in May
- **PNJ:** Business plan for 2020

Macro & strategy

- **ETF Review:** VanEck Vectors Vietnam ETF (VNM ETF) review – 3Q2020

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	13.1	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

Consolidation

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Vietnam stock markets reversed to closed in green territory after HSX had fixed its technical problem and announced to open normally yesterday.

At the close, the VNIndex gained 0.06% to closed at 900 pts. Meanwhile, trading volume increased to 532 million shares or VND7,063bn.

Foreign investors reversed to buy with a net value of VND188bn on HSX. They purchased FUEVFNVD, VHM, and NLG the most with net values of VND138bn, VND41bn, and VND37bn, respectively.

Banking sector was the market leader thanks to CTG (+1.9%), VCB (+0.1%), BID (+0.3%), TCB (+1.4%), ACB (+0.4%), MBB (+2.8%), and VPB (+0.2%). Notably, STB limited up.

Some constituents of the VN30Index outperformed the benchmark index such as POW (+1.8%), BVH (+0.7%), MWG (+0.7%), and SSI (+0.9%).

In contrast, VNM (-1.6%), ROS (-5.9%), PNJ (-0.7%), and CTD (-1.5%) closed in red territory.

Although the consolidation, the short-term uptrend is still intact thanks to optimist market sentiment. Therefore, traders can hold long positions and focus on leading stocks.

Breaking news

- ▶ Vietnam: 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, Fiinpro)

- ▶ PNJ: Business plan for 2020

The BOD of Phu Nhuan Jewelry (HSX: PNJ) submitted shareholders a business plan in 2020, including VND14,486bn in revenue, down 15% YoY; profit after tax at VND832bn, down 30% YoY. This business plan has been adjusted down 31% in revenue and 38% in profit compared to the original plan. (ndh.vn)

Macro & strategy

ETF Review

VanEck Vectors Vietnam ETF (VNM ETF) review – 3Q2020

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- ▶ VanEck Vectors Vietnam ETF (VNM ETF) review – 3Q2020

Based on data of 29 May, we forecast that VanEck Vectors Vietnam ETF (VNM ETF) will be added STB and not excluded Vietnam stocks in this quarterly review.

We expect that STB will be bought the most with 13 million shares.

On the sell side, VRE, POW, and VCB is expected to sell heavily with a net million shares of 2.2, 1.5, and 1.1 million shares.

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.

- **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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