

Xin Chao Vietnam

Market performance

	11 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	867.37	(3.6)	4.7	6.9	(9.7)
Turnover (VND bn)	9,930				
VN30 (pt, % chg.)	806.87	(3.8)	3.8	6.4	(8.2)

Major indicators

	11 Jun	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	1.00	(0.0)	(0.6)	(0.4)	(0.4)
3-yr govt bonds (% bp chg.)	1.60	(0.0)	(0.3)	0.0	(0.1)
VND/USD (% chg.)	23,209	(0.1)	0.5	(0.1)	(0.2)
VND/JPY (% chg.)	21,703	(0.3)	(0.2)	2.2	(1.7)
VND/EUR (% chg.)	26,406	(0.3)	(4.1)	(0.7)	(1.6)
VND/CNY (% chg.)	3,284	(0.0)	0.1	1.4	1.3
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.70	(0.0)	(0.0)	(0.2)	(1.2)
WTI (USD/bbl, % chg.)	38.48	(2.8)	59.4	16.7	(37.0)
Gold (USD/oz, % chg.)	40.64	(2.6)	37.2	13.6	(38.4)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
E1VFVN30	15.2	FUESSVFL	(104.0)
MWG	15.0	FUEVFNVD	(38.3)
VHM	12.1	HPG	(34.1)
PNJ	8.5	ROS	(16.1)
ITA	6.7	VNM	(9.5)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	195.4	KBC	(54.0)
FUESSVFL	103.7	VRE	(32.6)
VCB	40.4	VJC	(18.5)
FUEVFNVD	37.4	HCM	(16.5)
GAS	21.1	IBC	(14.5)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.9	Energy	(6.8)
Health Care	0.6	Retailing	(6.5)
Household Products	0.5	Software & Services	(6.2)
Commercial Services	(1.4)	Diversified Financials	(5.9)
Pharmaceuticals	(1.5)	Consumer Durables	(5.9)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** High pressure of profit-taking activities
- **Fed:** The U.S. central bank maintains its key interest rate near zero
- **MWG:** Increase capital for subsidiaries

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)	14.0	2.0	10.2	14.3
2021F	275,785	142,326	11.0	12.6	1.8	8.8	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

Analysts who prepared this report are registered as research analysts in Vietnam but not in any other jurisdiction, including the U.S. PLEASE SEE ANALYST CERTIFICATIONS AND GLOBAL DISCLAIMER AT THE END OF THIS REPORT.

Market commentary & News

Market commentary

High pressure of profit-taking activities

Hieu Tran
hieu.ttm@kisvn.vn

Vietnam stock markets slumped yesterday due to the selling pressure on large-cap stocks.

At the close, the VNIndex tumbled by 3.63% to closed at 867.3 pts. Meanwhile, trading volume increased to 695 million shares or VND9,930bn.

Foreign investors continued to buy with a net value of VND259bn on HSX. They purchased VHM, FUESSVFL, and VCB the most with net values of VND195bn, VND103bn, and VND40bn, respectively.

Banking was the worst sector due to CTG (-6.9%), VCB (-1.8%), BID (-6.9%), HDB (-2.9%), TCB (-4.3%), MBB (-5.9%), STB (-3.9%), and VPB (-4.3%).

Profit-taking pushed the Energy industry down driven by PVS (-8.1%), BSR (-5.3%), and OIL (-6.5%). Notably, GAS, PVT, PVD, and PLX limited down.

Moreover, some constituents of the VN30Index underperformed such as BVH (-6.8%), FPT (-5.7%), HPG (-5.5%), MSN (-7.0%), MWG (-6.9%), PNJ (6.9%), REE (-4.5%), ROS (-6.9%), and VRE (-6.6%).

In contrast, BIC (+5.2%), TDH (+2.4%), and VSH (+0.6%) closed in green territory.

The market sentiment has become cautious as a significant loss of the VNIndex. In the short term, the downside risk begins to increase. Therefore, traders should consider reducing long positions.

Breaking news

- Fed: The U.S. central bank maintains its key interest rate near zero

According to a statement after a two-day policy meeting, the U.S. Federal Reserve decided to remain its policy rate, a fed funds rate, in an unprecedented low range of 0%-0.25% until the economy has fully weathered the economic fallout caused by the pandemic. Also in the press conference, the Fed also revealed its latest projection of major macroeconomic indicators, in which the Fed projects the economic growth to shrink 6.5% and the unemployment rate to accelerate at 9.3% by the end of 2020. The decision of remaining the current policy interest rate was unanimous with all 17 current Fed policymakers seeing no change in the key overnight interest rate through next year, and 15 out of 17 see no change through 2022. (U.S. Federal Reserve, Reuters)

- MWG: Increase capital for subsidiaries

Mobile World Investment (HSX: MWG) has just approved a plan to increase charter capital for two subsidiaries. Specifically, the capital increase for Bach Hoa Xanh is VND3,000bn and Mobile World is VND800bn. (ndh.vn)

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

■ 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.

■ Analyst Certification

I/We, as the research analyst/analysts who prepared this report, do hereby certify that the views expressed in this research report accurately reflect my/our personal views about the subject securities and issuers discussed in this report. I/We do hereby also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

Global Disclaimer

■ General

This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of KIS Vietnam Securities Corp., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of KIS Vietnam Securities Corp..

This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. KIS Vietnam Securities Corp. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. KIS Vietnam Securities Corp., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or KIS Vietnam Securities Corp. The final investment decision is based on the client's judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.

■ Country-specific disclaimer

United States: This report is distributed in the U.S. by Korea Investment & Securities America, Inc., a member of FINRA/SIPC, and is only intended for major U.S. institutional investors as defined in Rule 15a-6(a)(2) under the U.S. Securities Exchange Act of 1934. All U.S. persons that receive this document by their acceptance thereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Korea Investment & Securities, Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Korea Investment & Securities America, Inc., which accepts responsibility for the contents of this report in the U.S. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. person absent registration or an applicable exemption from the registration requirement.

United Kingdom: This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

Hong Kong: This research report and marketing materials may be distributed in Hong Kong to institutional clients by Korea Investment & Securities Asia Limited (KISA), a Hong Kong representative subsidiary of Korea Investment & Securities Co., Ltd., and may not otherwise be distributed to any other party. KISA provides equity sales service to institutional clients in Hong Kong for Korean securities under its sole discretion, and is thus solely responsible for provision of the aforementioned equity selling activities in Hong Kong. All requests by and correspondence with Hong Kong investors involving securities discussed in this report and marketing materials must be effected through KISA, which is registered with The Securities & Futures Commission (SFC) of Hong Kong. Korea Investment & Securities Co., Ltd. is not a registered financial institution under Hong Kong's SFC.

Singapore: This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Korea Investment & Securities Co., Ltd. has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person. Please contact Korea Investment & Securities Singapore Pte Ltd in respect of any matters arising from, or in connection with, the analysis or report (Contact Number: 65 6501 5600).

Copyright © 2020 KIS Vietnam Securities Corp.. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of KIS Vietnam Securities Corp..