

Xin Chao Vietnam

Market performance

	15 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	832.47	(3.6)	0.7	9.3	(13.4)
Turnover (VND bn)	22,734				
VN30 (pt, % chg.)	778.71	(3.6)	0.6	8.7	(11.4)

Major indicators

	15 Jun	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	1.00	(0.0)	(0.6)	(0.4)	(0.4)
3-yr gov't bonds (% bp chg.)	1.61	0.0	(0.3)	0.0	(0.1)
VND/USD (% chg.)	23,230	(0.1)	0.5	(0.0)	(0.2)
VND/JPY (% chg.)	21,637	(0.1)	0.8	1.3	(1.4)
VND/EUR (% chg.)	26,132	1.0	(3.4)	(0.4)	(0.6)
VND/CNY (% chg.)	3,274	0.1	0.5	1.5	1.7
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.68	(0.0)	0.0	(0.3)	(1.2)
WTI (USD/bbl, % chg.)	35.49	(2.1)	20.6	11.8	(41.9)
Gold (USD/oz, % chg.)	38.26	(1.2)	17.7	13.0	(42.0)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
DBD	28.1	VHM	(1,495.3)
E1VFN30	27.8	VNM	(30.9)
FLC	21.4	EIB	(28.2)
HVN	18.4	FUEVFVND	(17.0)
VCB	9.7	ROS	(13.1)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	15,073.9	VNM	(80.7)
CTG	48.1	VCB	(32.8)
POW	23.1	STB	(27.6)
FUEVFVND	16.8	HDB	(26.2)
STK	9.3	MSN	(21.7)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	7.0	Diversified Financials	(4.7)
Health Care	3.0	Banks	(4.2)
Others	1.8	F&B	(4.2)
Consumer Services	(0.6)	Retailing	(4.1)
Pharmaceuticals	(0.7)	Automobiles	(4.1)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Foreigners buy VHM heavily
- **Vietnam:** Trade activities were deep diving into contraction territory
- **MSN:** Establishing subsidiaries

Macro & strategy

- **Fundflow 8 – 12 Jun:** Vietnam attracts money inflow for four consecutive weeks

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)	13.3	1.9	9.6	14.3
2021F	275,785	142,326	11.0	12.0	1.7	8.3	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)	(35.0)	19.9	8.8	2.3	(5.7)	4.0
China GDP (% yoy)	(6.8)	1.2	5.0	5.7	6.1	1.8	8.0

Note: * Data compiled by Bloomberg

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Market commentary & News

Market commentary

Foreigners buy VHM heavily

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Vietnam stock markets tumbled yesterday due to the selling pressure on the Financial sector.

At the close, the VNIndex slumped 3.6% to close at 832.4 pts. Meanwhile, trading volume set a new higher high to 708 million shares or VND22,733bn.

Foreign investors reversed to buy with a net value of VND14,856bn on HSX. They purchase VHM the most with a net value of VND15,073bn via put-through.

Financial was the worst sector driven by CTG (-4.3%), VCB (-4.2%), BID (-6.1%), TCB (-5.0%), ACB (-4.9%), MBB (-3.7%), and VPB (-6.5%). Notably, SSI and HCM limited down.

Three members of Vingroup fell sharply, namely VIC (-3.1%), VHM (-6.7%), and VRE (-3.5%).

Moreover, some constituents of the VN30Index underperformed the benchmark index such as CTD (-6.9%), HPG (-4.1%), MWG (-4.0%), PNJ (-3.8%), VJC (-3.8%), and VNM (-5.0%),

In contrast, STB (+2.1%), POW (+0.4%), NVL (+0.5%), EIB (+1.6%), and HDB (+1.4%) closed in green territory.

The short-term downtrend may be formed because the VNIndex crosses its 20-period moving average going down. Besides, the downside risk increase. Therefore, investors should consider reducing the long positions and wait for the next signals.

Breaking news

- ▶ Vietnam: Trade activities were deep diving into contraction territory.

According to General Department of Vietnam Customs, the trade activity moved down deeper in a reduction in May 2020 as the total trade slumped by 17.15% YoY, 429bps-lower than April. In terms of trade type, the export value dropped by 12.41% YoY, posting USD19.19bn, while the import value also decreased by 21.64% YoY, recording USD18.18bn. The trade balance, hence, experienced a surplus of USD1.01bn. (KIS, GSO)

- ▶ MSN: Establishing subsidiaries

On June 12, Masan group (HSX: MSN) issued a resolution to establish The Sherpa Co., Ltd. and CrownX Joint Stock Company to complete the merger transaction between VCM and Masan Consumer Holdings (MCH) Ltd. (ndh.vn)

Macro & strategy

Fundflow 8 – 12 Jun

Vietnam attracts money inflow for four consecutive weeks

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- ▶ Vietnam foreign flow

Last week, foreign buying activities ticked up, recorded a net buy value of USD18.2mn, a one-month high.

Industrials and Materials continued to be sold the most, recorded net sell value of USD8mn and USD7mn, respectively. Specifically, Industrials and Materials' outflow mainly driven by high divestment away from HPG, CII, PC1 and VJC. Besides, Consumer Staples also experienced an outflow due to solid selling pressure on MSN, fading the sharp buying activities on KDC. On the contrary, Utilities, Financials and Energy were accumulated the most, mainly came from large buy orders on GAS, VCB, BID and PLX.

- ▶ South East Asia ETF flow

consecutive weeks with net inflow of USD50mn. Particularly, major countries such as Indonesia, Malaysia, Philippines and Thailand recorded no money outflow as well as money inflow remain at high level in Singapore.

Last week, Vietnam continued to attract money inflow, recorded the net inflow at USD3mn, up 50% WoW. Of which, VanEck Vietnam ETF and SSIAM VNFIN Lead ETF kept attracting money inflow whilst SSIAM VNX50 ETF experienced an 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
6/18/2020	DTP	Ha Noi CPC1 Pharmaceutical JSC	UPCoM	121.7	12,171,782	23,000
6/17/2020	PVX	Petro Vietnam Construction JS Corp.	UPCoM	4,000.0	400,000,000	1,000

► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
7/6/2020	DSINVEST	Dong Son Infrastructure Investment JSC	100.0	1,500,000	15,713	Whole lot sale; Local investors only
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

- **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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