

# Xin Chao Vietnam

## Market performance

	17 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	854.44	(0.2)	3.3	14.6	(11.1)
Turnover (VND bn)	4,267				
VN30 (pt, % chg.)	796.43	(0.3)	2.9	13.8	(9.4)

## Major indicators

	17 Jun	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.87	(0.1)	(0.7)	(0.7)	(0.6)
3-yr govt bonds (% bp chg.)	1.50	(0.1)	(0.4)	(0.2)	(0.2)
VND/USD (% chg.)	23,208	0.0	0.6	0.2	(0.2)
VND/JPY (% chg.)	21,616	0.0	0.6	(0.1)	(1.3)
VND/EUR (% chg.)	26,147	0.6	(3.3)	(0.5)	(0.7)
VND/CNY (% chg.)	3,275	0.0	0.3	1.3	1.6
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.75	(0.0)	0.1	(0.3)	(1.2)
WTI (USD/bbl, % chg.)	38.01	(1.0)	29.2	41.0	(37.7)
Gold (USD/oz, % chg.)	40.69	(0.7)	25.2	41.6	(38.3)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HVN	21.4	PLX	(65.6)
PTB	13.0	FUEVFNVD	(28.3)
MWG	9.2	MBB	(20.9)
HCM	6.4	VNM	(18.6)
HSG	5.8	TCB	(18.3)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
PLX	53.8	VCB	(13.6)
VHM	50.6	DBC	(10.1)
VRE	36.5	MSN	(9.8)
FUEVFNVD	30.3	HBC	(9.8)
HPG	12.2	GAS	(7.6)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Health Care	6.8	Others	(2.6)
Energy	2.7	Insurance	(2.2)
Transportation	0.8	Telecommunication	(1.9)
Software & Services	0.5	Household Products	(1.7)
Materials	0.4	Media & Entertainment	(1.3)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Liquidity decreases
- **Vietnam:** Credit growth slows down due to weak business activity
- **FPT:** Business results in a first 5 months of 2020

### Macro & strategy

- **Local Vietnam ETFs' review – 3Q20:** VN30, VNFIN LEAD, VN DIAMOND

### New listing & Public offerings

## KIS market view

	OP (VND bn)	NP (VND bn)	EPS growth (% yoy)	PE (x)	PB (x)	EV/EBITDA (x)	ROE (%)
<b>2018</b>	186,396	115,391	35.2	14.7	2.7	14.0	18.2
<b>2019</b>	231,781	139,038	23.9	13.3	2.3	11.0	17.7
<b>2020F</b>	238,766	129,763	(9.0)	13.7	2.0	9.9	14.3
<b>2021F</b>	275,785	142,326	11.0	12.3	1.7	8.6	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	8.7	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

#### Liquidity decreases

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Vietnam stock markets recorded contraction session yesterday amid a reduce of the liquidity.

At the close, the VNIndex closed in a red territory at 854.4 pts. Meanwhile, trading volume decreased to 346 million shares or VND4,267bn.

Foreign investors continued to buy with a net value of VND99bn on HSX. They purchase PLX, VHM, and VRE the most with net values of VND53bn, VND50bn, and VND36bn, respectively.

Selling pressure pushed Banking down because of BID (-1.0%), HDB (-1.6%), TCB (-1.5%), STB (-2.5%), and CTG (-1.1%).

In contrast, Energy stocks were the market leader thanks to PLX (+3.3%), NT2 (+5.2%), PVS (+0.8%), and PVT (+0.5%). In the 2020 AGM, CEO of NT2 expected positive results in the first half of the year as its net income could reach VND400bn.

In addition, some large-cap stocks surged more than 1% such as EIB (+1.1%), ROS (+1.6%), VHM (+1.4%), VRE (+2.8%), and VJC (+1.9%).

In the short term, the market sentiment has become cautious as the VNIndex closes below the 20-period moving average. Moreover, the downside risk is intact. Therefore, investors should consider reducing the long positions and wait for the next signals.

### Breaking news

- ▶ Vietnam: Credit growth slows down due to weak business activity

Recently, the Director of the Credit Department of the State Bank of Vietnam Nguyen Quoc Hung disclosed a poor result of credit growth in the first half of 2020. As of 16th June 2020, the total credit increased by just 2.13% although increasing from its level of 1.2% in mid-May. By sector, credit for export sector expanded impressively by 4.94% year-to-date, while credit for technology sector and supporting industry sector rose by 2.92% and 2.27%. Oppositely, Businesses in agriculture sector cannot absorb cheap funding available on the market, increasing by only 0.3%. Furthermore, the figures for consumer credit and credit for small-and-medium-sized enterprises even declined compared to its end-2019 level. (State Bank of Vietnam)

- ▶ FPT: Business results in a first 5 months of 2020

FPT Corp (HSX: FPT) announced its net revenue and profit before tax in the first 5 months reached VND11,199bn and VND1,993bn; up 12.4%YoY and 16% YoY, respectively. Thus, the company implements 34.5% of revenue plan and 36% of profit before tax plan after 5 months. (ndh.vn)

## Macro & strategy

### ETF Review

#### Local Vietnam ETFs' review – 3Q20

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- ▶ VN30-Index review

Based on data as of 16 June 2020, we forecast that VN30Index will add HVN and remove CTD in this quarterly review. We expect that E1VFN30 ETF will buy EIB the most with 2.6 million shares.

On the sell side, POW and STB will be sold heavily with net million shares of 3.8 and 1 million shares.

The results will be announced on 17 July 2020, the new weight will be effective on 20 July 2020.

► VNFIN LEAD Index review

We forecast that VNFIN LEAD Index will not add or remove stock in this quarterly review.

SSIAM VNFIN LEAD ETF is expected to buy 1.4 million EIB shares and sell 1.5 million CTG shares.

The results will be announced on 17 July 2020, the new weight will be effective on 20 July 2020.

► VN DIAMOND Index review

In this quarterly review, VN DIAMOND Index rebalances its weight. We expect VFMVN DIAMOND ETF will buy the most TCB with 1 million shares. On the sell side, MBB will be sold heavily with 0.9 million shares.

The results will be announced on 17 July 2020, the new weight will be effective on 20 July 2020

## 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	-

- **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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