

Xin Chao Vietnam

Market performance

	19 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	868.56	1.6	2.7	19.6	(9.6)
Turnover (VND bn)	6,146				
VN30 (pt, % chg.)	808.28	1.4	1.1	18.9	(8.1)

Major indicators

	19 Jun	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.77	(0.1)	(0.8)	(0.8)	(0.7)
3-yr govt bonds (% bp chg.)	1.37	(0.1)	(0.6)	(0.4)	(0.3)
VND/USD (% chg.)	23,219	(0.1)	0.4	0.7	(0.2)
VND/JPY (% chg.)	21,714	(0.1)	(0.4)	(2.8)	(1.8)
VND/EUR (% chg.)	26,013	0.3	(2.1)	(2.7)	(0.1)
VND/CNY (% chg.)	3,283	(0.3)	(0.0)	0.1	1.4
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.72	0.0	0.0	(0.4)	(1.2)
WTI (USD/bbl, % chg.)	40.04	3.1	23.2	58.8	(34.4)
Gold (USD/oz, % chg.)	42.61	2.6	23.0	49.7	(35.4)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FLC	42.8	CTF	(47.4)
EIB	13.8	MHC	(38.2)
VJC	10.8	GTN	(28.2)
VHM	8.2	FUEVFNVD	(20.0)
CTG	8.1	PLX	(19.5)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
BVH	24.0	DBC	(5.5)
DGW	9.6	DMC	(3.8)
DXG	6.3	CTG	(3.0)
BMP	2.3	BMI	(1.1)
DHG	1.9	DHC	(0.7)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Health Care	6.8	Telecommunication	(5.0)
Real Estate	3.3	Energy	(1.1)
Diversified Financials	3.1	Household Products	(1.0)
Insurance	2.7	Transportation	(0.4)
Software & Services	2.4	Media & Entertainment	0.2

WHAT'S NEW TODAY

Market commentary & News

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- **Vietnam:** Excess liquidity drives down short-term interbank rates to its record low
- **MWG:** YTD May 2020 performance

Macro & strategy

- **Chart of the day:** The next market leg is unclear

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)	13.9	2.0	10.0	14.3
2021F	275,785	142,326	11.0	12.5	1.8	8.7	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

KIS macro forecast

	1Q20	2Q20F	3Q20F	4Q20F	2019	2020F	2021F
GDP (% yoy)	3.8	3.9	4.1	5.0	7.0	4.3	5.9
Trade balance (USD bn)	1.7	(4.6)	5.7	5.1	10.4	7.9	1.8
CPI (% yoy, avg.)	5.6	2.4	1.3	0.7	2.8	2.5	2.6
Discount rate (% EoP)	3.5	3.0	3.0	3.0	4.0	3.0	3.0
VND/USD (avg.)	23,264	23,248	23,256	23,252	23,231	23,255	23,246
US GDP (% qoq)	(4.8)	(35.0)	19.9	8.5	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

VIC limits up at the ATC session

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Vietnam stock markets continued to go up last Friday thanks to VIC. Particularly, the high demand of foreign ETF pushed VIC to limit up in the rebalancing session.

At the close, the VNIndex jumped 1.55% to close at 868.5 pts. Meanwhile, trading volume increased to 435 million shares or VND6,145bn.

Foreign investors continued to sell with a net value of VND46bn on HSX. They sold DBC, DMC, and CTG the most with net values of VND5bn, VND3bn, and VND3bn, respectively.

Banking sector was the market leader namely CTG (+2.0%), VCB (+0.5%), BID (+2.3%), TCB (+1.5%), ACB (+2.5%), MBB (+1.2%), STB (+4.4%), and VPB (+2.2%) because their business results in 2Q20 could be better than expected.

After oil prices resumed its uptrend, cash flowed into Energy stocks due to GAS (+0.6%), PVT (+0.9%), PVD (+2.4%), PVS (+3.3%), and BSR (+5.7%).

In contrast, PLX (-1.5%), SBT (-1.6%), VJC (-0.9%), and VNM (-0.1%) closed in a red territory.

The market sentiment has become optimistic as a big rebound. The downside risk reduces in the short term, but the range of 880 to 900 pts is a strong significant resistance of the VNIndex. Therefore, investors wait for the breakout or more confirmation signals.

Breaking news

- ▶ Vietnam: Excess liquidity drives down short-term interbank rates to its record low

According to the latest data, the overnight interest rate on the interbank market saw a sharp drop since mid-May from 113 basis points (bps) on 18th May to just 15 bps a month later, which recorded its all-time low. The reason for the shrink of the overnight interest rate is that the banking system is overflowing with liquidity at the time when nearly VND150tn has been poured back into the market since 20th April due to a series of 91-day Treasury bills expired without any significant intervention from State Bank of Vietnam. From our perspective, the SBV intended to keep ample liquidity as well as extraordinarily low short-term rates on the interbank market in order to help banks reduce borrowing costs, which partly offset their revenue loss from lowering lending rates during the pandemic. (KIS, Bloomberg)

- ▶ MWG: YTD May 2020 performance

MWG: In cumulative 5M2020, MWG recorded the consolidated net revenue of VND47,492bn (+ 11% YoY) and net profit after tax (NPAT) of VND1,723bn (-4% YoY). Particularly, online revenue made up 9% of MWG's total sales in cumulative 5M2020. For TGDD and DMX only, proportion of online sales was about 11% of their respective combined top lines (equivalent to that at the end of 2019). (MWG)

Macro & strategy

Chart of the day

The next market leg is unclear

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- ▶ Market performance

The VNIndex consolidated last week as well as the next market leg is still unclear.

- ▶ Chart: Need bullish confirmation signals again

The medium-term uptrend is still active due to the maintenance of the upward crossover between MA20 and MA50 as well as

MA50 slopes upward.

The +DI stayed above –DI with the increasing ADX (above 25 level) as well as Stochastic went into upward alignment. Hence, the downward momentum is stalled.

However, downward crossover between MA50 and MA200 still takes place, signaling the unconfirmed long-term uptrend. Most notably, the benchmark for long-term trend direction – MA200 is approaching where outcomes still not provided for the next market leg.

On the upside, 900 pts zone plays as a strong resistance which overlaps with MA200. On the downside, 800 pts level acts as the key support zone.

→ Despite the current active uptrend, the long-term bull is not confirmed as well as consolidation phase is expected to be continued in this week.

- ▶ Technical strategy: Hold the position

In this context, there is no signal for the bear as well as outcomes for the next market leg are not confirmed. Thus, investors should hold the positions but proportion in leading stocks should not be increased.

New listing & Public offerings

▶ New listing

(VND bn, share, VND)

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
7/6/2020	DSINVEST	Dong Son Infrastructure Investment JSC	100.0	1,500,000	15,713	Whole lot sale; Local investors only
7/6/2020	LIBREXCO	Tien Giang Livestock Breeding Company	51.0	4,968,600	10,000	Whole lot sale
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	-

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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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