

Xin Chao Vietnam

Market performance

	22 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	871.28	0.3	2.2	22.8	(9.3)
Turnover (VND bn)	3,605				
VN30 (pt, % chg.)	809.97	0.2	0.9	20.2	(7.9)

Major indicators

	22 Jun	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.79	0.0	(0.7)	(1.0)	(0.6)
3-yr gov't bonds (% bp chg.)	1.42	0.0	(0.5)	(0.4)	(0.3)
VND/USD (% chg.)	23,213	(0.0)	0.2	1.5	(0.2)
VND/JPY (% chg.)	21,710	0.0	(0.4)	(2.5)	(1.8)
VND/EUR (% chg.)	25,961	0.2	(1.9)	(2.8)	0.1
VND/CNY (% chg.)	3,280	0.1	(0.5)	1.2	1.5
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.69	0.0	0.0	(0.2)	(1.2)
WTI (USD/bbl, % chg.)	39.75	0.0	19.5	77.2	(34.9)
Gold (USD/oz, % chg.)	42.36	0.4	20.6	57.0	(35.8)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FLC	19.1	PLX	(10.2)
NHH	15.0	HCM	(10.0)
DAH	13.2	SJF	(6.7)
HPG	11.0	GEX	(5.2)
VHM	5.9	STB	(4.4)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	51.0	VNM	(33.5)
VIC	29.0	DBC	(12.4)
DPM	14.2	PDR	(11.3)
DGW	8.8	CII	(9.7)
VCB	7.0	VJC	(8.3)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Automobiles	1.8	Health Care	(6.1)
Retailing	1.7	Others	(1.0)
Telecommunication	1.7	Insurance	(1.0)
Household Products	1.4	Transportation	(0.8)
Capital Goods	1.1	Consumer Durables	(0.3)

WHAT'S NEW TODAY

Market commentary & News

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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	10.1	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

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)	20.0	8.5	2.3	(5.7)	4.1
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

CTD in the spotlight

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Although the global number of new COVID infections has been a record high, Vietnam stock markets recorded third gaining session in a row yesterday.

At the close, the VNIndex rose by 0.31% to close at 871.2 pts. Meanwhile, trading volume decreased to 265 million shares or VND3,604bn.

Foreign investors continued to sell with a net value of VND22bn on HSX. They sold VNM, DBC, and PDR the most with net values of VND33bn, VND12bn, and VND11bn, respectively.

Some large-cap stocks led market gains such as MSN (+2.2%), MWG (+1.6%), SBT (+1.7%), TCB (+1.2%), and VHM (+2.3%).

Especially, CTD limited up because the internal conflict of interest between the Kusto and current BOD would be resolved when the two board members would be replaced by personnel of the Kusto.

Moreover, Energy stocks outperformed the broad market, namely GAS (+0.7%), PVT (+3.7%), and OIL (+1.1%), due to high oil prices.

In contrast, STB (-1.6%), HDB (-1.1%), BVH (-1.0%), and HVN (-1.3%) closed in a red territory.

In the short term, the downside risk reduces. However, 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: Vietnam dong rebounds to a pre-crisis level

In mid-March, when the outbreak spread globally and posed tremendous hardship to the global economy, VND saw a sharp drop against the USD when investors switched away from other currencies and risky assets, depreciating more than 2% at some times. However, VND continues to strengthen against the greenback in three consecutive months, rebounding close to the pre-crisis level, when the country successfully contained the pandemic and market participants again found their interests on more-risky assets. As recorded on Monday, the exchange rate VND/USD was 23,213 compared to around 23,180-23,200 in early March. (Bloomberg)

▶ VinaCapital: Establishing VinaCapital VN100 ETF

On June 16, the State Securities Commission (SSC) issued a certificate of registration for setting up a public fund for VinaCapital VN100 ETF Fund managed by VinaCapital Fund Management JSC. Accordingly, VinaCapital VN100 ETF has a charter capital of VND53bn, equivalent to the number of fund certificates of 5.3mn. Notably, VinaCapital VN100 ETF operates based on the VN100Index, including 100 large- and medium-cap stocks listed on the HSX.

▶ CTD: New BOD members

BOD of COTECCONS construction (HSX: CTD) approved the resignation of the Board of Directors members for the 2017-2022 term of Mr. Nguyen Sy Cong and Mr. Tran Quyet Thang from June 20 and June 21. Mr. Cong also assumed the position of General Director of CTD. Notably, the BOD appoints two new members, Mr. Bolat Duisenov and Mr. Herwig Guido H. Van Hove. (ndh.vn)

Macro & strategy

Fundflow 15 – 19 Jun

Large buy orders on VHM

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► Vietnam foreign flow

Last week, foreign buying activities increased dramatically, recorded a net buy value of USD634mn.

Real Estate, Energy and Materials attracted most foreign demand, recorded net buy value of USD658mn, USD4mn and USD2.8mn, respectively. Particularly, Real Estate and Energy's inflow was mainly driven by VHM, VRE, NVL, DXG and PLX, fading strong selling on VIC and PDR. Most importantly, foreigners accumulated the net 201mn shares of VHM via put-through method. Besides, Materials also attracted foreign buying activities thanks to large buy orders on HPG. On the contrary, Consumer Staples, Financials and Industrials experienced an outflow, mainly driven by selling pressure on VNM, MSN, VCB, STB, HDB, VJC and HDG whilst CTG and BVH ended up to be net bought.

► South East Asia ETF flow

The flow of money across South East Asia recorded at the negative number after four consecutive weeks attracted money inflow, accounted a net outflow of USD1mn. Particularly, major countries such as Malaysia, Philippines and Singapore kept attracting money inflow whilst Indonesia and Thailand experienced the dramatic outflow.

Vietnam continued to attract money inflow, recorded the net inflow at USD6mn, two times higher than the previous week. Of which, VanEck Vietnam ETF, SSIAM VNFIN Lead ETF and VFMVN Diamond ETF attracted the total of USD8.4mn money inflow whilst VFMVN30 ETF experienced an outflow.

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

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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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