

# Xin Chao Vietnam

## Market performance

	23 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	868.20	(0.4)	1.8	30.2	(9.7)
Turnover (VND bn)	6,760				
VN30 (pt, % chg.)	807.61	(0.3)	0.6	27.6	(8.1)

## Major indicators

	23 Jun	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.81	(0.1)	(0.5)	(1.0)	(0.6)
3-yr govt bonds (% bp chg.)	1.39	(0.2)	(0.4)	(0.6)	(0.3)
VND/USD (% chg.)	23,211	0.0	0.4	1.5	(0.2)
VND/JPY (% chg.)	21,677	0.1	(0.2)	(2.4)	(1.6)
VND/EUR (% chg.)	26,149	(0.7)	(2.8)	(3.5)	(0.7)
VND/CNY (% chg.)	3,284	(0.1)	(0.6)	1.1	1.3
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.71	0.0	0.1	(0.1)	(1.2)
WTI (USD/bbl, % chg.)	41.05	0.8	23.5	75.7	(32.8)
Gold (USD/oz, % chg.)	43.42	0.8	23.6	60.6	(34.2)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
NHH	30.0	NLG	(37.4)
VPI	21.6	PLX	(28.3)
MWG	18.2	VNM	(11.2)
VHM	10.8	SSI	(6.5)
LDG	6.0	PET	(5.1)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
PLX	16.7	VNM	(36.9)
KDC	12.3	BID	(17.7)
NVL	11.0	HSG	(15.9)
DXG	9.2	HPG	(13.9)
VHC	5.4	VIC	(13.9)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Diversified Financials	4.9	Real Estate	(1.6)
Telecommunication	3.3	Automobiles	(0.9)
Health Care	3.0	Insurance	(0.7)
Household Products	2.5	Pharmaceuticals	(0.7)
Media & Entertainment	1.3	Retailing	(0.7)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Selling pressure on members of Vingroup
- **Japan:** Flash forecast shows some relieves for the economic downturn in Japan
- **MCH:** Business plan for 2020

### 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	10.1	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)	(34.7)	20.0	7.9	2.3	(5.7)	4.1
China GDP (% yoy)	(6.8)	1.8	5.0	6.0	6.1	1.8	8.0

Note: \* Data compiled by Bloomberg

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## Market commentary & News

### Market commentary

#### Selling pressure on members of Vingroup

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After three consecutive gaining sessions, Vietnam stock markets reversed to go down yesterday due to high selling pressure on Real Estate stocks such as VIC (-2.8%), VHM (-0.8%), VRE (-1.4%), NVL (-1.2%), and NLG (-1.4%).

At the close, the VNIndex fell by 0.35% to close at 868.2 pts. Meanwhile, trading volume increased to 448 million shares or VND6,760bn.

Foreign investors continued to sell with a net value of VND126bn on HSX. They sold VNM, BID, and HSG the most with net values of VND36bn, VND17bn, and VND15bn, respectively.

Some constituents of the VN30Index dropped more than 1%, namely BID (-1.4%), EIB (-1.1%), HPG (-1.1%), SAB (-1.2%), and STB (-1.2%).

In contrast, Energy was the market leader thanks to GAS (+1.1%), PVD (+1.9%), PVS (+0.8%), and PLX (+0.5%) because global oil prices resumed their uptrend.

Moreover, cash flowed into Brokerage stocks as SSI (+5.9%), HCM (+5.2%), and VND (+4.5%).

Market sentiment has become cautious as the selling pressure at the afternoon session. That is a warning signal about the short-term uptrend. Besides, 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

- ▶ Japan: Flash forecast shows some relieves for the economic downturn in Japan

The current time is a challenging time for Japan's economy to recover after the COVID-19 pandemic somewhat contained domestically. According to the latest release of the au Jibun Bank Flash Japan Composite PMI report, the Flash Composite Output PMI index of Japan continued to record just 37.9, indicating a monthly reduction in overall output from respondents, although the pace of the reduction markedly slowed down thanks to the re-opening of the economic activity. Noticeably, while the service downturn eased significantly, up to 42.3 from just 26.5 in the previous month, the rate of the reduction in goods production continued to accelerated, at 28.9 compared to May's 30.3. (au Jibun Bank, IHS Markit)

- ▶ MCH: Business plan for 2020

Masan Consumer (UpCOM: MCH), subsidiary of MSN, plans its revenue from VND23,000bn to VND24,500billion, up 24-33% YoY. Besides, profit after tax allocated to shareholders of the company is expected to range from VND4,600bn to VND4,900bn, up 14-22% YoY. (ndh.vn)

## 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

- **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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