

# Xin Chao Vietnam

## Market performance

	24 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	859.71	(1.0)	0.8	30.4	(10.5)
Turnover (VND bn)	4,745				
VN30 (pt, % chg.)	801.62	(0.7)	(0.2)	28.2	(8.8)

## Major indicators

	24 Jun	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.81	(0.0)	(0.5)	(1.0)	(0.6)
3-yr govt bonds (% bp chg.)	1.54	0.1	(0.2)	(0.5)	(0.1)
VND/USD (% chg.)	23,203	0.0	0.4	1.7	(0.1)
VND/JPY (% chg.)	21,780	0.0	(0.7)	(2.6)	(2.1)
VND/EUR (% chg.)	26,149	(0.7)	(2.8)	(3.5)	(0.7)
VND/CNY (% chg.)	3,280	0.2	(0.5)	1.8	1.5
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.70	(0.0)	0.0	(0.1)	(1.2)
WTI (USD/bbl, % chg.)	39.67	(1.7)	19.3	65.2	(35.0)
Gold (USD/oz, % chg.)	41.98	(1.5)	19.5	54.6	(36.4)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
CTF	41.9	PLX	(56.9)
TRC	17.9	FUEVFNVD	(52.8)
MWG	6.0	FLC	(13.9)
VHM	5.6	HBC	(6.1)
SSI	4.8	BMP	(4.8)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUEVFNVD	53.3	DBC	(20.2)
PLX	46.4	TRC	(15.9)
NVL	15.3	VHM	(13.4)
HPG	12.8	CII	(8.3)
VCB	12.6	CTD	(7.6)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Consumer Durables	0.4	Household Products	(6.9)
Pharmaceuticals	0.4	Telecommunication	(6.8)
Technology	(0.4)	Health Care	(5.6)
Retailing	(0.5)	Others	(1.9)
Commercial Services	(0.6)	Diversified Financials	(1.6)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Profit-taking in the afternoon session
- **Vietnam:** Short-term government bond yields plunge to historical lows

### Sector & company report

- **Binh Minh Plastic (BMP):** 2020 AGM brief

### 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)	13.7	2.0	10.0	14.3
2021F	275,785	142,326	11.0	12.4	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

## 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

Source: KIS, Bloomberg

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## Market commentary & News

### Market commentary

#### Profit-taking in the afternoon session

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Vietnam stock markets resumed its downtrend yesterday as MSCI has not upgraded Vietnam stock market to an emerging market in this review.

At the close, the VNIndex dropped by 0.98% to close at 859.7 pts. Meanwhile, trading volume decreased to 363 million shares or VND4,745bn.

Foreign investors buy a net value of VND60bn on HSX. They bought FUEVFNVD, PLX, and NVL the most with net values of VND53bn, VND46bn, and VND15bn, respectively.

Banking was the worst sector driven by VCB (-1.5%), BID (-1.0%), HDB (-0.9%), ACB (-0.8%), STB (-3.0%), and VPB (-2.0%).

Moreover, profit-taking pushed Real Estates stocks down due to VHM (-2.6%), VRE (-1.3%), NLG (-1.6%), DXG (-4.3%), SCR (-5.8%), and ROS (-0.6%).

In particular, HBC limited down after its chairman said the company had no intention of raising capital due to low stock prices and denied the acquisition information at 2020 AGM.

Some constituents of the VN30 Index slumped more than 1%, such as BVH (-1.2%), MSN (-2.0%), SAB (-2.4%), SBT (-1.0%), and SSI (-2.1%),

Although the uptrend of oil prices was still intact, Energy tickers fell, namely GAS (-1.8%), PVT (-0.5%), PVD (-2.3%), PVS (-2.3%), PLX (-0.8%), and OIL (-3.4%) because of selling pressure.

In contrast, MBB (+0.2%), PNJ (+1.0%), VIC (+0.5%), VNM (+0.9%), and DHG (+0.2%) closed in green territory.

The downside risk has increased in the short term as the selling pressure at the afternoon session. Besides, the uptrend may be a reversal. Therefore, investors wait for the breakout or more confirmation signals.

### Breaking news

- ▶ Vietnam: Short-term government bond yields plunge to historical lows

According to the latest data, the government bond yields with short-and-medium maturity saw unprecedented low levels due to temporarily ample liquidity in the banking system, while long-term yields also dropped but at a slower pace. In particular, as of June 23th 2020, the 3-month and 6-month yields were just 0.69% and 0.72%, reducing by 12 basis points (bps) and 11 bps from early June, while most-quoted 10-year yield and 15-year yield dropped slightly by 8 bps and 1 bps to 3.00% and 3.38%, respectively. A reason for the freefall of the short-term yields is mainly due to excess short-term liquidity when the banking system is overflowing with liquidity at the time when nearly VND150 tn 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. (KIS, Bloomberg)

## Sector & company

### Binh Minh Plastic (BMP)

**HOLD (Maintain)**

**AGM Brief: Earnings stay in high gear**

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- ▶ 2020 AGM approves a promising plan
  - Binh Minh plans to sell 110k tonnes, up 4.8% YoY, and record VND4,560bn of revenue, up 5.1% YoY, and VND465bn of net profit, up 10.4% YoY.
  - Public investment may benefit the overall plastic pipe demand but Binh Minh does not expect to see a significant impact

this year.

- Shareholders approved 2019 dividend of VND5,000 and 2020 dividend plan of minimum 50% of NPAT
- ▶ Lower input price and better cost management lifts earnings
  - Lower input price will lift 2Q20 and 3Q20 earnings. Based on Bloomberg data, we see a recovery of input price in May to USD790 per tonne, up 14.5% MoM and down 6.0% YTD. The company shared that they had stocked up material for a few months.
  - Binh Minh continues applying new modern technology to replace its traditional production and management procedures, reducing cost and improving profitability. Specifically, 3P compensation management will be applied for the whole company and LEAN-5S system for Binh Duong factory.
- ▶ 5M20 business results
  - In 5M20, net revenue was reported at VND1,883bn, up 7.6% YoY. Sales volume were 44.8k tonnes, up 6.5% YoY. Thanks to lower input cost, NPAT was VND209bn, up 18.1% YoY

Please click on the underlined companies and sectors to see the full reports.

## New listing & Public offerings

### ▶ 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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