

Xin Chao Vietnam

Market performance

	25 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	854.59	(0.6)	(0.5)	23.8	(11.1)
Turnover (VND bn)	4,503				
VN30 (pt, % chg.)	796.51	(0.6)	(1.3)	22.1	(9.4)

Major indicators

	25 Jun	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.84	0.0	(0.5)	(1.0)	(0.6)
3-yr govt bonds (% bp chg.)	1.43	(0.1)	(0.3)	(0.5)	(0.2)
VND/USD (% chg.)	23,208	(0.0)	0.4	1.7	(0.2)
VND/JPY (% chg.)	21,644	0.1	(0.1)	(1.9)	(1.5)
VND/EUR (% chg.)	26,125	0.1	(2.7)	(2.4)	(0.6)
VND/CNY (% chg.)	3,279	(0.0)	(0.4)	1.2	1.5
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.67	(0.0)	0.0	(0.2)	(1.2)
WTI (USD/bbl, % chg.)	37.95	(0.2)	14.1	55.0	(37.8)
Gold (USD/oz, % chg.)	40.38	0.2	13.7	47.4	(38.8)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
E1VFN30	19.7	VGC	(89.3)
EIB	7.6	FUEVFNVD	(24.3)
CTD	5.0	DBD	(17.1)
CII	4.9	PLX	(9.8)
MWG	3.8	FLC	(8.9)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
KDC	35.7	HPG	(58.5)
FUEVFNVD	26.3	VRE	(20.4)
VHM	23.2	MSN	(18.4)
DXG	19.6	VNM	(17.9)
NVL	14.1	BID	(12.1)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Materials	0.8	Retailing	(1.6)
Diversified Financials	0.4	Software & Services	(1.5)
Consumer Services	0.1	Others	(1.4)
Media & Entertainment	0.0	Household Products	(1.4)
Telecommunication	0.0	Automobiles	(1.4)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Cash flows into Material stocks
- **Oil prices:** Global oil prices slumped due to worse-than-expected U.S. crude stock
- **PNJ:** May and YTD 2020 business performance

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	9.9	14.3
2021F	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

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

Cash flows into Material stocks

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Vietnam stock markets recorded a third correction session in a row yesterday amid a sharp decline of the U.S. market.

At the close, the VNIndex dropped by 0.6% to close at 854.5 pts. Meanwhile, trading volume decreased to 304 million shares or VND4,503bn.

Foreign investors resumed selling with a net value of VND52bn on HSX. They sold HPG, VRE, and MSN the most with net values of VND58bn, VND20bn, and VND18bn, respectively.

Selling pressure pushed Banking and Real Estates stocks down because of VIC (-1.4%), VRE (-1.3%), CTG (-0.4%), VCB (-1.2%), BID (-0.7%), HDB (-2.1%), TCB (-1.5%), EIB (-1.4%), VPB (-1.3%), and MBB (-1.1%).

Moreover, some constituents of the VN30Index slumped more than 1%, such as CTD (-6.1%), SBT (-1.6%), PNJ (-1.3%), and MWG (-1.6%).

After sharp reduction of oil prices, Energy tickers fell in red territory driven by GAS (-0.3%), PVT (-0.5%), PVD (-1.9%), PVS (-0.8%), POW (-1.0%), and BSR (-1.4%).

In contrast, Material stocks jumped, namely HSG (+5.1%), HPG (+1.1%), and NKG (+1.9%) because their business results in 2Q20 would be positive. In particular, at 2020 AGM, HPG expected its net income in 2Q20 could reach VND2,700bn (+32% YoY).

The market sentiment maintains cautious in the short term due to selling pressure. The uptrend may be a reversal as the VNIndex closes below its 20-period moving average. Therefore, investors should wait for the breakout or more confirmation signals.

Breaking news

- Oil prices: Global oil prices slumped due to worse-than-expected U.S. crude stock

According to the latest data, the global oil prices slid by more than 10% from a recent high due to a recent surge in U.S. crude stockpile and fears of a second wave of the COVID-19 pandemic in major economies. Notably, according to the U.S. Energy Information Administration (EIA), the weekly crude inventory in the week ended on Wednesday, 24th June recorded an increase of 1.4 million barrels, much greater than market expectations of just 0.3 million barrels. As a result, the West Texas Intermediate crude (WTI) futures plunged from a 3-month high of USD41.63 a barrel on 23rd June to a low of 37.31 a barrel a day later. (Energy Information Administration, Intercontinental Exchange)

- PNJ: May and YTD 2020 business performance

In May, Phu Nhuan Jewelry (HSX: PNJ) recorded a net revenue of VND1,019bn (+20% YoY) and a net profit of VND47bn (+22% YoY). Cumulatively, PNJ's net revenue reached VND6,521bn (-1% YoY) and net profit reached VND364bn (-30% YoY), accomplishing 45% and 44% the FY 2020 guidance, respectively. Breaking down by channels, after the social distancing, retail sales jumped by 20% YoY, gold bar sales soared 42% YoY and wholesale business improved significantly in May, with its growth of 18% YoY. (PNJ)

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

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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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