

Xin Chao Vietnam

Market performance

	29 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	829.36	(2.7)	(4.1)	19.2	(13.7)
Turnover (VND bn)	5,383				
VN30 (pt, % chg.)	774.81	(2.6)	(3.9)	20.6	(11.9)

Major indicators

	29 Jun	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.81	0.1	(0.3)	(1.2)	(0.6)
3-yr govt bonds (% bp chg.)	1.43	0.1	(0.3)	(0.9)	(0.2)
VND/USD (% chg.)	23,202	0.0	0.3	1.9	(0.1)
VND/JPY (% chg.)	21,638	0.1	(0.2)	1.3	(1.4)
VND/EUR (% chg.)	26,062	(0.1)	(1.0)	0.7	(0.3)
VND/CNY (% chg.)	3,279	0.0	(0.5)	1.5	1.5
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.64	0.0	(0.0)	(0.0)	(1.3)
WTI (USD/bbl, % chg.)	38.11	(1.0)	7.4	77.2	(37.6)
Gold (USD/oz, % chg.)	40.57	(1.1)	14.8	62.7	(38.5)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
KDC	29.7	GEX	(32.5)
TCB	23.6	FUEVFNVD	(27.7)
VGC	23.2	FLC	(12.2)
PLX	13.7	LDG	(6.3)
STB	11.2	SJF	(4.7)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUEVFNVD	25.7	VNM	(66.1)
VHM	25.5	SSI	(36.1)
GEX	20.0	VIC	(19.5)
HPG	6.6	HSG	(13.9)
HBC	4.6	HDB	(12.3)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
		Telecommunication	(6.9)
		Health Care	(4.7)
		Media & Entertainment	(3.7)
		Diversified Financials	(3.7)
		Household Products	(3.6)

WHAT'S NEW TODAY

Market commentary & News

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- **Vietnam:** Vietnam's GDP slows down under tremendous strains due to the COVID-19 pandemic
- **SSI:** Business plan for 2020

Macro & strategy

- **Fundflow 22 – 26 Jun:** Money inflow across Vietnam slows down

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)	13.3	1.9	9.7	14.3
2021F	275,785	142,326	11.0	12.0	1.7	8.4	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)	(34.5)	20.0	7.8	2.3	(5.7)	4.1
China GDP (% yoy)	(6.8)	2.0	5.0	6.0	6.1	1.8	8.0

Source: KIS, Bloomberg

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Market commentary & News

Market commentary

Big contraction

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Vietnam stock markets slid yesterday because Vietnam's GDP in 2Q20 recorded a new low since 2011.

At the close, the VNIndex fell by 2.65% to close at 829.3 pts. Meanwhile, trading volume increased to 380 million shares or VND5,383bn.

Foreign investors continued to sell with a net value of VND146bn on HSX. They sold VNM, SSI, and VIC the most with net values of VND66bn, VND36bn, and VND19bn, respectively.

Selling pressure pushed Banking and Real Estates stocks down due to VCB (-2.2%), CTG (-2.9%), BID (-3.5%), HDB (-2.6%), TCB (-3.4%), MBB (-2.9%), STB (-3.1%), VPB (-4.5%), VIC (-2.7%), VHM (-2.1%), and VRE (-3.1%).

28 out of 30 constituents of the VN30Index closed in red territory such as BVH (-3.6%), MWG (-3.2%), PNJ (-3.5%), SBT (-4.4%), SSI (-4.5%), and VNM (-3.4%) tumbled more than 3%.

Although oil prices were still intact at high level, Energy tickers underperformed the benchmark index due to GAS (-3.4%), POW (-3.9%), PVD (-3.3%), PVS (-3.2%), and BSR (-4.2%).

In contrast, HNG (+0.7%), HAG (+1.8%), EIB (+1.4%), TCH (+5.5%), and CTD (+4.8%) closed in green territory.

The downtrend may be confirmed in the short term as the VNIndex crosses its 50-period moving average going down. The downside risk increases due to high selloff. Hence, investors should reduce their long position and stay on the sidelines.

Breaking news

- ▶ Vietnam: Vietnam's GDP slows down under tremendous strains due to the COVID-19 pandemic

More than three months since the pandemic wiped out the country, its effects still remain on the surface of the Vietnam economy. According to the latest data from GSO, the economic growth in the second quarter plunged to a record low in more than a decade, estimated at just 0.36% YoY, which is severely affected by the measures taken to protect the public health from the deadly pandemic. Particularly, the agriculture & forestry & fishery sector increased by 1.72% YoY, construction & industry sector expanded by 1.38% YoY. Oppositely, the service sector was taking the hardest hit among others when declining by -1.76% YoY. (GSO)

- ▶ SSI: Business plan for 2020

SSI: SSI reported a cautious business plan for 2020 with consolidated revenue of VND2,750bn and consolidated profit before tax of VND868bn. In the first 6 months, total revenue and other income are about VND2,370bn, up by 58% YoY and fulfilling 86% year target. Besides, profit before tax for 6 months was estimated at VND660bn, up 29.4 YoY and reached 76% of the whole year plan for 2020. (ndh.vn)

Macro & strategy

Fundflow 22 – 26 Jun

Money inflow across Vietnam slows down

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- ▶ Vietnam foreign flow

Last week, foreign selling activities overwhelmed across the market, recorded a net sell value of USD10mn.

Energy and Real Estate kept attracting most foreign demand, recorded net buy value of USD6.7mn and USD1.5mn, respectively. Particularly, Energy and Real Estate's inflow mainly driven PLX, VHM, NVL and DXG, fading strong selling on VRE. Besides, IT also attracted foreign buying activities thanks to large buy orders on DGW. On the contrary, Consumer Staples,

Financials and Materials experienced an outflow, mainly driven by strong selling pressure on VNM, DBC, MSN, BID, HSG and TRC whilst KDC, and VCB ended up to be net bought. Additionally, Industrials also experienced high selling activities, mainly driven by high divestment away from CII, VJC and HBC despite sharp demand on GEX and BMP.

► South East Asia ETF flow

Money inflow across South East Asia ticked up last week, accounted a net inflow of USD5mn. Particularly, major countries such as Malaysia, Philippines and Singapore kept attracting money inflow, especially Singapore where money inflow recorded at two figures for 5 consecutive weeks. In contrast, Indonesia and Thailand continued to experience the strong outflow.

Last week, Vietnam continued to attract money inflow, but with lower pressure, recorded the net inflow at USD0.4mn, the lowest level since mid-May 2020. Of which, SSIAM VNFIN Lead ETF was the main driver which attracted the total of USD0.4mn money inflow.

New listing & Public offerings

► **New listing**

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
7/3/2020	SCA	Song Con Agriculture JSC	UPCoM	20.8	2,076,000	10,000
7/1/2020	VFS	Viet First Securities Corporation	UPCoM	410.0	41,000,000	10,300

► **Public offerings**

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
7/23/2020		Vinh Son JSC	1,150.0	4,588,500	201,042	Whole lot sale
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

- **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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