

Xin Chao Vietnam

Market performance

	30 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	825.11	(0.5)	(4.6)	24.5	(14.1)
Turnover (VND bn)	4,851				
VN30 (pt, % chg.)	770.53	(0.6)	(4.4)	26.2	(12.3)

Major indicators

	30 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.)	23,206	(0.0)	0.3	1.9	(0.1)
VND/JPY (% chg.)	21,529	0.1	0.4	2.0	(0.9)
VND/EUR (% chg.)	26,082	(0.1)	(0.7)	(0.0)	(0.4)
VND/CNY (% chg.)	3,279	(0.1)	(0.5)	1.7	1.5
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.63	0.0	(0.0)	(0.1)	(1.3)
WTI (USD/bbl, % chg.)	39.12	(1.5)	10.2	91.0	(35.9)
Gold (USD/oz, % chg.)	41.06	(1.6)	16.2	80.6	(37.8)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
SRC	60.8	FUEVFNVD	(31.6)
DIG	9.8	FLC	(19.8)
STB	9.3	HPG	(18.1)
MWG	7.8	HRC	(13.5)
E1VFN30	6.6	MBB	(12.8)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	106.3	PDR	(26.1)
FUEVFNVD	32.7	VCB	(22.5)
VHM	21.0	VRE	(19.8)
NVL	18.4	VIC	(16.9)
VNM	3.9	GAS	(13.5)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.3	Health Care	(6.5)
Commercial Services	4.2	Others	(2.8)
Consumer Services	1.5	Banks	(1.4)
Pharmaceuticals	1.1	Automobiles	(1.4)
Household Products	0.9	Capital Goods	(1.4)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Confirm a short-term downtrend?
- **Vietnam:** External demand leads to the expansion of the industrial sector
- **MSN:** Business plan for 2020
- **CTD:** 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)	13.2	1.9	9.7	14.3
2021F	275,785	142,326	11.0	11.9	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	(5.6)	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

Confirm a short-term downtrend?

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Although a rebound at the morning session, Vietnam stock markets recorded the third contraction session in a row as investors worried about the GDP growth in 2Q20.

At the close, the VNIndex lost 0.51% to close at 825.1 pts. Meanwhile, trading volume decreased to 353 million shares or VND4,851bn.

Foreign investors continued to sell with a net value of VND31bn on HSX. They sold PDR, VCB, and VRE the most with net values of VND26bn, VND22bn, and VND19bn, respectively.

Banking was the worst sector due to CTG (-1.6%), VCB (-1.5%), BID (-1.6%), MBB (-1.5%), STB (-1.8%), VPB (-2.6%), and EIB (-1.1%).

22 out of 30 constituents of the VN30Index closed in red territory. Of whom, NVL (-1.1%), SAB (-2.1%), and SBT (-3.9%) slid more than 1%. Notable, although positive news at 2020 AGM, MSN fell by 1.8%.

Despite rebound of oil prices, few Energy stocks slumped because of GAS (-1.0%), PVD (-1.2%), PVS (-0.8%), and POW (-1.0%).

In contrast, HDB (+0.4%), HPG (+0.5%), VHM (+2.0%), VJC (+1.1%), and VNM (+0.7%) outperformed the benchmark index.

The market sentiment has become cautious as the VNIndex closes below its 50-period moving average, the second session in a row. The selling pressure pushes the downside risk high. Hence, investors should reduce their long position and stay on the sidelines.

Breaking news

► Vietnam: External demand leads to the expansion of the industrial sector

In June, business conditions improved much better thanks to a strong recovery in major export-related manufacturing sectors. According to the latest data from GSO, the IIP impressively expanded by 6.99% YoY, reversed from a severe contraction in the prior two months. The biggest component, the manufacturing sector, went up significantly by 10.26% YoY compared to -2.44% in April and -11.31% YoY in March. Noticeably, the manufacture of computers and electronics surged by 21.66% YoY, resulted from the acceleration of the telephone manufacture. (KIS, GSO)

► MSN: Business plan for 2020

MSN: MSN plans revenue for 2020 from VND75,000bn to VND85,000bn thanks to the consolidation with VCM. In addition, CrownX could achieve a revenue from VND200,000bn to VND250,000bn due to the network of over 10,000 stores and 20,000 franchise stores. Besides, MSN plans to buy an additional of 15% stake in CrownX in 2020. (ndh.vn)

► CTD: Business plan for 2020

CTD: The Board of Directors submitted the business plan for 2020 with the revenue of VND16,000bn, NPAT post-MI at VND600bn, down 33% and 16% YoY, respectively. (ndh.vn)

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

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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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