

Xin Chao Vietnam

Market performance

	1 Jul	1D	1M	3M	YTD
VNIndex (pt, % chg.)	843.49	2.2	(4.0)	24.0	(12.2)
Turnover (VND bn)	4,597				
VN30 (pt, % chg.)	786.82	2.1	(4.2)	25.1	(10.5)

Major indicators

	1 Jul	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.72	(0.0)	(0.2)	(1.6)	(0.7)
3-yr govt bonds (% bp chg.)	1.32	(0.0)	(0.3)	(1.3)	(0.4)
VND/USD (% chg.)	23,204	0.0	0.3	1.7	(0.1)
VND/JPY (% chg.)	21,576	(0.4)	0.2	2.0	(1.2)
VND/EUR (% chg.)	26,078	0.0	(0.7)	(0.3)	(0.4)
VND/CNY (% chg.)	3,286	(0.1)	(0.7)	1.1	1.3
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.68	0.0	0.0	0.1	(1.2)
WTI (USD/bbl, % chg.)	40.50	3.1	14.3	99.4	(33.7)
Gold (USD/oz, % chg.)	42.55	3.1	11.0	72.0	(35.5)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
DBD	29.2	GAB	(197.9)
E1VFN30	23.0	PLX	(154.1)
HDG	19.7	EIB	(27.8)
CTD	13.7	FLC	(18.7)
STB	5.3	VHM	(5.2)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
PLX	180.1	HDG	(22.0)
VNM	25.3	E1VFN30	(21.7)
VRE	15.0	DBC	(20.6)
MSN	10.1	POW	(15.8)
VHM	9.2	HDB	(15.7)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.6	Health Care	(3.5)
Others	4.0	Commercial Services	(1.6)
Diversified Financials	3.3	Pharmaceuticals	(0.0)
Media & Entertainment	3.1	Software & Services	0.1
Banks	2.9	Consumer Services	0.9

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Big recovery
- **Vietnam:** Vietnam Manufacturing PMI backs into positive territory
- **SAB:** 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)	13.5	1.9	9.9	14.3
2021F	275,785	142,326	11.0	12.2	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)	(34.5)	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

Big recovery

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Vietnam stock markets reversed to go up yesterday thanks to high demand on some large-cap tickers.

At the close, the VNIndex gained 2.23% to close at 843.4 pts. Meanwhile, trading volume decreased to 298 million shares or VND4,596bn.

Foreign investors reversed to buy with a net value of VND117bn on HSX. They purchased PLX, VNM, and VRE the most with net values of VND180bn, VND25bn, and VND15bn, respectively.

Banking and Real Estate were the market leaders driven by BID (+3.4%), VCB (+3.0%), CTG (+3.5%), VIC (+2.2%), VHM (+1.9%), and VRE (+6.7%).

26 out of 30 constituents of the VN30Index closed in green territory. Of whom, SAB (+3.8%), SBT (+3.7%), and SSI (+3.3%) surged more than 3%. Notably, CTD limited up because investors expected that internal conflicts of interest between BOD and Kusto had been resolved after the 2020 AGM.

Cash flowed into Energy stocks thanks to GAS (+2.9%), PVD (+3.2%), PVS (+2.5%), and BSR (+2.9%).

In contrast, EIB (-0.2%), HDB (-1.0%), NVL (-0.3%), TCH (-3.8%), and DHG (-1.1%) underperformed the broad market.

Despite the rebound, the market sentiment is still cautious as signals of the VNIndex loses consensus. Besides, the downside risk is intact. Therefore, investors should reduce their long position and stay on the sidelines.

Breaking news

► Vietnam: Vietnam Manufacturing PMI backs into positive territory

As the COVID-19 pandemic is brought under control in Vietnam, the negative impact of the health crisis on the economic activity is faded away. According to the latest report from IHS Markit, the overall Vietnam manufacturing sector saw the first expansion in five months, particularly posting 51.1. This was driven by increases in new businesses and total new orders, improvement in business confidence, and the expansion in manufacturing output, which means both demand side and supply side in manufacturing sector improved significantly compared to prior months. Oppositely, the staffing levels still showed weakness but at the slowest pace since February, while new export business remained subdued amid restrictions on international movement and customer closures in some major export markets. (IHS Markit)

► SAB: Business plan for 2020

SAB: SAB's targets for 2020 include net revenue of VND23,800bn, down 37% YoY. Besides, profit after tax is expected to reach VND3,252bn, down by 39% YoY. Additionally, cash dividend maintained at 35%. (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

► 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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