

Xin Chao Vietnam

Market performance

	2 Jul	1D	1M	3M	YTD
VNIndex (pt, % chg.)	842.38	(0.1)	(3.7)	23.8	(12.3)
Turnover (VND bn)	3,719				
VN30 (pt, % chg.)	785.59	(0.2)	(4.0)	24.9	(10.6)

Major indicators

	2 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.)	23,205	0.0	0.2	1.7	(0.1)
VND/JPY (% chg.)	21,603	(0.0)	(0.9)	1.2	(1.3)
VND/EUR (% chg.)	26,104	(0.1)	(0.8)	(0.4)	(0.5)
VND/CNY (% chg.)	3,284	(0.1)	(0.3)	1.4	1.3
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.67	(0.0)	(0.0)	0.1	(1.2)
WTI (USD/bbl, % chg.)	40.08	0.7	8.9	58.3	(34.4)
Gold (USD/oz, % chg.)	42.32	0.7	6.9	41.3	(35.9)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
SRC	14.0	FLC	(39.2)
DHC	13.6	PLX	(16.8)
CTG	6.8	ROS	(14.3)
VCF	4.3	LGC	(5.4)
VNM	3.8	CII	(3.6)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
MSN	18.8	IBC	(56.3)
GEX	9.3	VIC	(20.9)
HPG	7.5	POW	(17.5)
NVL	6.6	DBC	(17.0)
NLG	4.3	VCB	(14.8)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Health Care	6.9	Telecommunication	(6.9)
Insurance	1.7	Utilities	(0.7)
Capital Goods	1.5	Real Estate	(0.6)
Household Products	1.1	Automobiles	(0.6)
Media & Entertainment	0.8	Consumer Services	(0.3)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Signals lose consensus
- **Vietnam:** Domestic petroleum prices climb higher in late June adjustment
- **VGC:** Massive shares will be sold for GEX

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)	13.6	1.9	10.0	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	2Q20	3Q20F	4Q20F	2019	2020F	2021F
GDP (% yoy)	3.8	0.4	4.1	5.0	7.0	4.3	5.9
Trade balance (USD bn)	1.7	0.6	5.7	5.1	10.4	7.9	1.8
CPI (% yoy, avg.)	5.6	2.8	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	23,335	23,300	23,317	23,231	23,304	23,296
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

Signals lose consensus

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Despite the rebound of Asian financial markets, Vietnam stock markets reversed to go down due to cautious market sentiment yesterday.

At the close, the VNIndex lost 0.13% to close at 842.3 pts. Meanwhile, trading volume decreased to 220 million shares or VND3,719bn.

Foreign investors reversed to sell with a net value of VND177bn on HSX. They sold IBC, VIC, and POW the most with net values of VND56bn, VND20bn, and VND17bn, respectively.

Real Estate was the worst sector because of VIC (-1.2%), VRE (-0.9%), DXG (-2.1%), ROS (-1.3%), and FLC (-6.2%).

Although oil prices resumed their uptrend, Energy underperformed the broad market driven by GAS (-0.7%), PVT (-0.9%), PVD (-1.0%), PVS (-0.8%), and POW (-1.9%).

Notably, CTD limited up the third session in a row as internal conflicts of interest between BOD and Kusto had been resolved after the 2020 AGM.

In contrast, some constituents of the VN30Index jumped more than 1% such as BVH (+2.0%), MSN (+3.0%), and SAB (+2.3%).

The market sentiment is still cautious as VNIndex closes in the red territory. Besides, trend signals of the VNIndex loses consensus. Therefore, investors should stay on the sidelines and wait for confirmation signals.

Breaking news

- ▶ Vietnam: Domestic petroleum prices climb higher in late June adjustment

Following a recent increase in global crude oil prices, on Saturday last week, the Ministry of Industry and Trade announced the latest adjustment for the domestic gasoline prices. Accordingly, the two most widely-used E5RON92 and RON95-III gasoline increased markedly than in the previous level, recording the fourth straight upward adjustments since the global oil crisis, due to a significant increase in global crude oil prices recently. In particular, the E5RON92 price rose by 6.48% compared to its previous level, selling at VND14,258 per liter, while the RON95-III also jumped up by 5.02%, selling at VND14,973 per liter. As a result, it will put massive upward pressure on the traffic price in July. (Ministry of Industry and Trade)

- ▶ VGC: Massive shares will be sold for GEX

Vietnam Electrical Equipment (HSX: GEX) has announced to buy 95mn shares of Viglacera Corporation (HSX: VGC), equivalent to 21.2% of VGC's charter capital. (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

- **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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