

Xin Chao Vietnam

Market performance

	6 Jul	1D	1M	3M	YTD
VNIndex (pt, % chg.)	861.16	1.6	(2.8)	16.9	(10.4)
Turnover (VND bn)	3,731				
VN30 (pt, % chg.)	803.46	1.7	(2.8)	17.7	(8.6)

Major indicators

	6 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.)	23,203	(0.0)	0.2	1.1	(0.1)
VND/JPY (% chg.)	21,567	0.1	(0.6)	(0.4)	(1.1)
VND/EUR (% chg.)	26,132	(0.2)	0.6	(2.9)	(0.6)
VND/CNY (% chg.)	3,300	(0.5)	(0.4)	0.2	0.8
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.69	0.0	(0.2)	0.0	(1.2)
WTI (USD/bbl, % chg.)	40.77	0.3	3.1	56.3	(33.2)
Gold (USD/oz, % chg.)	43.40	1.4	2.6	31.3	(34.2)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	13.3	CII	(19.3)
MBB	5.7	HQC	(8.6)
MWG	5.3	FUEVFVND	(8.4)
SSI	5.2	PLX	(7.3)
CTD	4.6	STB	(7.0)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	153.2	VCB	(62.6)
VNM	33.6	HPG	(33.5)
SSI	10.1	CTG	(12.1)
FUEVFVND	9.2	VIC	(11.8)
PLX	5.1	DHC	(10.0)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.5	Health Care	(4.2)
Utilities	2.4	Household Products	0.0
Real Estate	2.3	Software & Services	0.0
Retailing	2.2	Commercial Services	0.1
F&B	1.8	Automobiles	0.1

WHAT'S NEW TODAY

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- **Vietnam:** Signs of FDI bottoming out in June
- **VHM:** Bond issuing

Macro & strategy

- **Fundflow 29 Jun – 03 Jul:** Money outflow ticks up across SEA

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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)	13.9	2.0	10.3	14.3
2021F	275,785	142,326	11.0	12.5	1.8	8.9	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)	(34.7)	19.9	7.8	2.3	(5.6)	4.0
China GDP (% yoy)	(6.8)	1.9	5.0	6.0	6.1	1.8	8.0

Source: KIS, Bloomberg

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Market commentary & News

Market commentary Confirm the Falling Wedge

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Vietnam stock markets resumed its uptrend as the U.S. financial market went up amid the U.S. employment data.

At the close, the VNIndex gained 1.6% to close at 861.1 pts. Meanwhile, trading volume recorded to 202 million shares or VND3,731bn.

Foreign investors continued to buy with a net value of VND24bn on HSX. They purchased VHM the most with a net value of VND153bn.

Real Estate sector was the market leaders thanks to VIC (+1.3%), VHM (+3.9%), VRE (+2.3%), NVL (+2.9%), and DXG (+1.7%). Of whom, VHM has successfully issued VND12,000mn of bonds to finance its business activities.

Energy stocks outperformed the benchmark index, namely GAS (+3.0%), PVS (+2.5%), PVT (+1.4%), POW (+3.3%), and BSR (+1.4%) because Brent crude oil price has sharply jumped above the USD43 per barrel.

Besides, cash flowed into banking tickers driven by BID (+2.6%), CTG (+3.4%), TCB (+2.3%), ACB (+2.6%), STB (+5.0%), and VPB (+3.3%) as traders expected that their results in 2H20 would recover.

Moreover, some constituents of the VN30Index surged more than 2%, such as MWG (+2.2%), SAB (+3.1%), SSI (+2.9%), and VNM (+2.1%).

Falling Wedge is confirmed as the VNIndex closes above the upper line of the pattern, 850-860 pts. The signal confirms that the short-term uptrend is still intact. Therefore, investors should hold long positions and focus on leading stocks.

Breaking news

▶ Vietnam: Signs of FDI bottoming out in June

Following a fast recovery in most macroeconomic indicators from the latest data for the 2nd quarter of 2020 released, there was an early signal that the worst may be behind for the foreign investment flows to Vietnam. As of 20th June 2020, registered FDI saw a modest recovery when receiving about USD1.79bn in June from just USD1.55bn in May, increasing 3.11% YoY for the first time since January. Meanwhile, foreign investors started to accelerate capital disbursement as economic conditions improved much better than previous months, boosting the disbursed FDI to reach USD1.95bn in the month. (KIS, MPI)

▶ VHM: Bond issuing

According Hanoi Stock Exchange, Vinhomes (HSX: VHM) has successfully issued VND12,000mn bonds, divided into 2 terms of VND6,530bn and VND5,470bn with 18 months and 36 months, respectively. All of them are non-convertible bonds, without warrants and established direct repayment obligations of the Company. Notably, bonds are guaranteed by shares of VinGroup (HSX: VIC) and Vincom Retail (HSX: VRE). (ndh.vn)

Macro & strategy

Fundflow 29 Jun – 3 Jul Money outflow ticks up across SEA

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▶ Vietnam foreign flow

Last week, foreign selling activities kept overwhelming across the market, but with lower pressure. Net sell value recorded at USD4.3mn, two times lower than the previous week.

Energy and Materials attracted most foreign demand across the market, recorded net buy value of USD11.4mn and USD4.4mn, respectively. To be specific, Energy and Materials' inflow mainly driven by massive demand on PLX and HPG. Besides, Real

Estate kept attracting foreign buying activities thanks to large buy orders on VHM, NVL, NLG, and HPX, fading strong selling on VIC. In contrast, Financials and Utilities were sold the most, focusing on VCB, HDB, BID, SSI, POW, and GAS. Additionally, Consumer Staples continued to experience an outflow due to high divestment away from DBC whilst MSN ended up to be net bought.

► South East Asia ETF flow

Money outflow across South East Asia ticked up last week. Net outflow recorded at USD25mn, a four-month high. Particularly, Malaysia and Singapore were the main drivers for the money outflow across SEA. Notably, Singapore recorded the negative flow of money, reaching a one-year high after 2 months attracting money inflow. Besides, Thailand continued to experience an outflow.

However, Vietnam continued to attract money inflow, recorded the net inflow at USD1.3mn. Of which, VFMVN Diamond ETF and Premia MSCI Vietnam were the main drivers which attracted the total of USD2.7mn money inflow. Nevertheless, VFMVN30 ETF experienced an outflow last week.

New listing & Public offerings

► **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
7/22/2020	KSE	Khanh Hoa Seafoods Exporting JSC	14.8	200	32,200	-

- **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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