

# Xin Chao Vietnam

## Market performance

	8 Jul	1D	1M	3M	YTD
VNIndex (pt, % chg.)	864.50	0.1	(3.9)	15.6	(10.0)
Turnover (VND bn)	4,252				
VN30 (pt, % chg.)	805.06	(0.1)	(4.0)	16.5	(8.4)

## Major indicators

	8 Jul	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.84	(0.0)	(0.2)	(1.6)	(0.6)
3-yr govt bonds (% bp chg.)	1.45	(0.1)	(0.2)	(1.3)	(0.2)
VND/USD (% chg.)	23,192	(0.0)	0.2	1.4	(0.1)
VND/JPY (% chg.)	21,556	0.0	(0.6)	0.3	(1.1)
VND/EUR (% chg.)	26,140	0.5	0.6	(2.3)	(0.6)
VND/CNY (% chg.)	3,305	0.0	(0.6)	0.8	0.7
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.65	0.0	(0.2)	(0.1)	(1.3)
WTI (USD/bbl, % chg.)	40.56	(0.1)	6.2	61.7	(33.6)
Gold (USD/oz, % chg.)	43.08	0.0	5.6	31.2	(34.7)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
GTN	16.0	EIB	(170.4)
TRC	9.9	DHC	(101.1)
HPG	6.0	FPT	(10.9)
REE	5.9	HDG	(7.8)
VHM	5.6	CTD	(7.1)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
KDC	14.5	DHC	(182.7)
PLX	7.8	HPG	(87.3)
VRE	5.3	VCB	(14.4)
VNM	2.8	PHR	(11.8)
PDR	2.7	TRC	(10.1)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Diversified Financials	1.3	Software & Services	(2.9)
Automobiles	1.3	Media & Entertainment	(0.9)
Commercial Services	1.3	Consumer Services	(0.6)
Health Care	1.1	Materials	(0.3)
Capital Goods	1.0	Real Estate	(0.3)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Cautious market sentiment
- **Vietnam:** Export-related sectors drive industrial growth

### 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)	14.0	2.0	10.4	14.3
2021F	275,785	142,326	11.0	12.6	1.8	9.0	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

#### Cautious market sentiment

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Vietnam stock markets recorded the four gaining sessions in a row yesterday as cash flowed into SAB (+4.3%).

At the close, the VNIndex gained 0.13% to close at 864.5 pts. Meanwhile, trading volume decreased to 232 million shares or VND4,251bn.

Foreign investors reversed to sell with a net value of VND313bn on HSX. They sold DHC the most with a net value of VND182bn.

Financial sector was the market leaders thanks to SSI (+1.0%), HCM (+1.8%), VPB (+0.9%), STB (+0.4%), MBB (+0.3%), ACB (+0.8%), HDB (+0.2%), and CTG (+0.9%). Of whom, SSI continued to hold the largest brokerage market share in 1H20.

Moreover, some constituents of the VN30Index outperformed the benchmark index such as CTD (+0.5%), FPT (+0.5%), GAS (+0.6%), SBT (+0.7%), and REE (+0.4%).

In contrast, selling pressure some large-cap stocks down because of HPG (-1.0%), EIB (-0.8%), TCB (-0.7%), VHM (-0.5%), and VJC (-0.6%).

Besides, Real Estate stocks closed in red territory due to VIC (-0.2%), VHM (-0.5%), NVL (-0.3%), NLG (-0.8%), and FLC (-3.2%).

Despite the cautious market sentiment, the uptrend is still intact in the short term as the Falling Wedge pattern has been confirmed. Therefore, investors should hold long positions and focus on leading stocks.

### Breaking news

#### ► Vietnam: Export-related sectors drive industrial growth

In June, the expansion in the industrial sector was beyond our expectation as some major sub-sectors rebounded to even greater than pre-crisis levels thanks to re-opening economic activity both domestically and globally. It seemed downward pressure from weak global demand has been relieved as export-related industries were driving growth in the industrial sector. In particular, the IIP bounced back remarkably by 6.99% YoY after plunging in April and recovering modestly in May. This sharp recovery was mainly driven by the impressive growths in export-related industries, including the manufacture of textiles, garment, footwear and computers, mobile phones, and electronics. (KIS, GSO)

## 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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