

# Xin Chao Vietnam

## Market performance

	9 Jul	1D	1M	3M	YTD
VNIndex (pt, % chg.)	876.46	1.4	(2.6)	15.3	(8.8)
Turnover (VND bn)	5,161				
VN30 (pt, % chg.)	817.08	1.5	(2.4)	17.1	(7.1)

## Major indicators

	9 Jul	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.83	(0.0)	(0.1)	(1.3)	(0.6)
3-yr gov't bonds (% bp chg.)	1.48	0.1	(0.2)	(0.8)	(0.2)
VND/USD (% chg.)	23,190	(0.0)	0.1	1.5	(0.1)
VND/JPY (% chg.)	21,609	0.0	(0.3)	0.3	(1.3)
VND/EUR (% chg.)	26,140	0.5	0.6	(2.3)	(0.6)
VND/CNY (% chg.)	3,319	(0.3)	(1.2)	0.6	0.3
	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.)	40.71	(0.5)	4.5	78.9	(33.3)
Gold (USD/oz, % chg.)	43.27	(0.0)	5.1	37.5	(34.4)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HDG	38.2	CTD	(11.3)
TRC	22.2	KDC	(4.8)
VNM	17.4	PNJ	(3.8)
FPT	17.3	SSI	(3.3)
VPB	16.4	GEX	(3.1)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
CTG	33.8	HDG	(42.9)
BID	16.7	HPG	(28.6)
MSN	10.0	VCB	(25.2)
MBB	8.1	TRC	(22.2)
VRE	7.8	SAB	(21.9)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Health Care	4.4	Consumer Services	(0.2)
Media & Entertainment	3.8		
Utilities	2.4		
F&B	2.2		
Capital Goods	2.1		

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** SAB leads market gains
- **Vietnam:** Bright spots for FDI inflows

### 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)	14.2	2.0	10.5	14.3
2021F	275,785	142,326	11.0	12.8	1.8	9.1	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

#### SAB leads market gains

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Vietnam stock markets resumed its uptrend the five gaining sessions in a row yesterday thanks to SAB (+6.2%). In particular, state shareholders of SAB have planned to divest 231 million shares or 36% stake this year.

At the close, the VNIndex gained 1.38% to close at 876.4 pts. Meanwhile, trading volume decreased to 300 million shares or VND5,161bn.

Foreign investors continued to sell with a net value of VND162bn on HSX. They sold HDG, HPG, and VCB the most with net values of VND42bn, VND28bn, and VND25bn, respectively.

Banking sector was the market leaders due to CTG (+1.9%), VCB (+0.7%), BID (+2.6%), HDB (+4.4%), TCB (+4.2%), ACB (+1.7%), MBB (+1.7%), STB (+2.6%), and VPB (+4.3%).

Because oil prices maintained at a high level, Energy stocks outperformed the benchmark index namely GAS (+3.2%), PVD (+2.9%), PVS (+1.6%), POW (+1.2%), and BSR (+4.3%).

Besides, some constituents of the VN30Index jumped more than 1% such as PNJ (+2.3%), SBT (+1.0%), ROS (+1.6%), BVH (+1.1%), and FPT (+1.3%).

In contrast, CTD (-0.8%), NT2 (-0.2%), and PHR (-0.6%) closed in red territory.

Market sentiment has become optimistic as cash flows into large-cap tickers. Besides, 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: Bright spots for FDI inflows

In 2Q20, solid-growth industries remain attractive to foreign investors even under tremendous challenges in international mobility into Vietnam. As of 2Q20, registered FDI saw a modest reduction of -7.11% YoY, posting USD7.12bn, while the capital disbursement started picking up to reach USD4.8bn, dropping slightly by 3.61% YoY. The spotlight in 2Q20 was a fast recovery in the manufacturing sector driving foreign capital flows into this sector increasing remarkably. In particular, the FDI registered in manufacturing was nearly doubled from its 1Q20 level, reaching USD5.28bn or about 74% of the total. Meanwhile, FDI registered in real estate started to accelerate after plummeting in the first quarter, achieving USD0.59bn. Looking forward to 3Q20, a strong recovery in economic activities may blow a big tailwind to FDI in the manufacturing, retail, and real estate sectors. (KIS, MPI)

## 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.

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- 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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