

# Xin Chao Vietnam

## Market performance

	13 Jul	1D	1M	3M	YTD
VNIndex (pt, % chg.)	868.72	(0.3)	0.6	13.4	(9.6)
Turnover (VND bn)	4,777				
VN30 (pt, % chg.)	806.17	(0.4)	(0.2)	14.1	(8.3)

## Major indicators

	13 Jul	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.67	(0.0)	(0.3)	(1.5)	(0.8)
3-yr govt bonds (% bp chg.)	1.26	(0.1)	(0.4)	(1.1)	(0.4)
VND/USD (% chg.)	23,181	(0.0)	0.2	1.1	(0.0)
VND/JPY (% chg.)	21,645	0.1	(0.1)	0.5	(1.5)
VND/EUR (% chg.)	26,289	(0.6)	(0.6)	(2.5)	(1.2)
VND/CNY (% chg.)	3,311	(0.0)	(1.1)	0.4	0.5
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.64	(0.0)	(0.1)	(0.1)	(1.3)
WTI (USD/bbl, % chg.)	39.81	(1.8)	9.8	77.6	(34.8)
Gold (USD/oz, % chg.)	42.59	(1.5)	10.0	34.2	(35.5)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
MWG	11.0	HMC	(11.6)
DIG	8.3	DHC	(10.0)
CII	4.3	VHM	(9.0)
FPT	4.1	HPG	(7.3)
CTG	3.6	GEX	(4.9)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
CTG	26.3	HPG	(51.7)
BID	15.3	VCB	(41.4)
PLX	7.4	SSI	(33.7)
KDC	5.8	VHM	(26.4)
LIX	5.3	SAB	(19.4)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Commercial Services	2.3	Telecommunication	(6.2)
Technology	1.5	Household Products	(2.2)
Capital Goods	0.8	Media & Entertainment	(1.3)
Pharmaceuticals	0.6	Health Care	(1.1)
Utilities	0.5	F&B	(1.0)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Close in red territory
- **Vietnam:** Domestic petroleum prices remain unchanged in mid-July adjustment
- **FPT:** 46mn shares are sold by SCIC

### Macro & strategy

- **Fundflow 06 – 10 Jul:** The flow of money stays positive for eight consecutive week

### 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	12.7	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)	(33.7)	18.0	7.0	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

#### Close in red territory

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Vietnam stock markets recorded the second contraction session in a row due to profit-taking on SAB (-2.9%) after eight gaining sessions.

At the close, the VNIndex lost 0.29% to close at 868.7 pts. Meanwhile, trading volume decreased to 238 million shares or VND4,180bn.

Foreign investors continued to sell with a net value of VND63bn on HSX. They sold HPG, VCB, and SSI the most with net values of VND51bn, VND41bn, and VND33bn, respectively.

Real Estate and Consumer Staple stocks underperformed the benchmark index because of VIC (-0.1%), VHM (-0.4%), VRE (-2.0%), NLG (-1.4%), VNM (-0.4%), and MSN (-0.5%).

In contrast, cash flowed into Energy stocks namely PLX (+0.1%), NT2 (+0.2%), GAS (+0.8%), and PVD (+1.4%).

Moreover, some large-cap stocks closed in the green territory such as CTD (+2.2%), CTG (+0.6%), FPT (+1.7%), REE (+2.8%), and VCB (+0.2%), in which, State Capital Investment Corporation (SCIC) will sell 46 million FPT shares at a starting price of VND49,400 per share in August 2020 by auction.

Although the market sentiment has become cautious, 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: Domestic petroleum prices remain unchanged in mid-July adjustment

Following the global crude oil prices remaining stable recently, on Monday 13th July, 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 saw no changes in this mid-July adjustment after increasing for the previous four straight months. In particular, the E5RON92 price is sold at VND14,258 per liter, while the RON95-III remains at VND14,973 per liter. As a result, it will somewhat dampen upward pressure on the traffic price in July. (Ministry of Industry and Trade)

- ▶ FPT: 46mn shares are sold by SCIC

The State Capital Investment Corporation (SCIC) announced the offer to sell 46mn sharers of FPT at VND49,400/share, equivalent to 5.87% of the charter capital at June 2020. (ndh.vn)t

## Macro & strategy

### Fundflow 06 – 10 Jul

#### The flow of money stays positive for eight consecutive week

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- ▶ Vietnam foreign flow

Last week, foreign selling activities ticked up with net sell value recorded at USD24.5mn.

Real Estate and Energy kept attracting most foreign demand across the market, recorded net buy value of USD8mn and USD2.8mn, respectively. To be specific, Real Estate and Energy's inflow mainly driven by massive demand on VHM, VRE, and PLX whilst VIC ended up to be net sold. In contrast, Materials and Industrials were sold the most, focusing on DHC, HPG, TRC, HDG, and VJC while PET attracted large buy orders from foreigners. Additionally, Financials continued to experience an outflow. VCB and SSI continued to be the main drivers.

► South East Asia ETF flow

The flow of money came back to South East Asia after the surge of money outflow. Net inflow recorded at USD15mn. Particularly, major countries such as Philippines, Singapore, and Thailand attracted money inflow despite the maintenance of money outflow across Indonesia and Malaysia.

Vietnam recorded the positive flow of money for eight consecutive weeks with the net inflow at USD1.5mn, up 15% WoW. Of which, VanEck Vietnam ETF and SSIAM VNFIN Lead were the main drivers which attracted the total of USD1.5mn money inflow.

## 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	-

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- Neutral: Recommend maintaining the sector's weighting in the portfolio in line with its respective weighting in the VNIndex based on market capitalization.
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