

# Xin Chao Vietnam

## Market performance

	14 Jul	1D	1M	3M	YTD
VNIndex (pt, % chg.)	868.11	(0.1)	0.5	13.1	(9.7)
Turnover (VND bn)	3,799				
VN30 (pt, % chg.)	805.37	(0.1)	(0.3)	12.8	(8.4)

## Major indicators

	14 Jul	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.61	(0.1)	(0.4)	(1.5)	(0.8)
3-yr govt bonds (% bp chg.)	1.16	(0.1)	(0.5)	(1.2)	(0.5)
VND/USD (% chg.)	23,185	(0.1)	0.1	1.1	(0.1)
VND/JPY (% chg.)	21,606	(0.0)	0.1	1.3	(1.3)
VND/EUR (% chg.)	26,340	(0.2)	(0.8)	(2.8)	(1.4)
VND/CNY (% chg.)	3,304	0.2	(0.9)	0.8	0.7
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.63	0.0	(0.1)	(0.1)	(1.3)
WTI (USD/bbl, % chg.)	39.73	(0.9)	9.6	97.6	(34.9)
Gold (USD/oz, % chg.)	42.43	(0.7)	9.6	43.3	(35.7)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
BID	21.1	GEX	(35.0)
HDB	5.9	VNM	(27.7)
GTN	4.5	VIC	(19.2)
POW	4.2	VPB	(18.5)
GAB	4.0	TCB	(18.4)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	13.5	VRE	(21.5)
KDC	11.9	MBB	(15.6)
DHC	10.1	MSN	(12.5)
VCB	6.9	CTG	(10.9)
VIC	6.4	CII	(9.2)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	7.0	Household Products	(2.9)
Media & Entertainment	6.8	Utilities	(2.2)
Commercial Services	4.2	Health Care	(0.8)
Diversified Financials	2.0	F&B	(0.6)
Others	1.5	Transportation	(0.3)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Intraday rebound
- **POW:** Electricity output decreases
- **Singapore:** GDP shrinks to the deepest contraction

### 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)	14.1	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	6.9	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

#### Intraday rebound

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Vietnam stock markets recorded the third contraction session in a row. However, bottom fishing made the market to narrow its intraday loss.

At the close, the VNIndex closed almost unchanged at 868.1 pts. Meanwhile, trading volume decreased to 230 million shares or VND3,799bn.

Foreign investors continued to sell with a net value of VND72bn on HSX. They sold VRE, MBB, and MSN the most with net values of VND21bn, VND15bn, and VND12bn, respectively.

Selling pressure pushed few constituents of the VN30Index down more than 1% namely EIB (-2.3%), GAS (-3.6%), MSN (-1.0%), NVL (-1.1%), and SAB (-2.5%).

In contrast, Brokerage stocks outperformed the benchmark index namely SSI (+4.7%), HCM (+1.8%), and VND (+1.5%) as investors expected that their business results in 1H20 had been positive thanks to higher market liquidity.

Besides, cash flowed into some larger-cap stocks such as CTG (+0.4%), HPG (+0.9%), SBT (+1.0%), STB (+0.8%), VHM (+1.7%), and VNM (+0.3%).

Base on high demand at a low price, the uptrend is still intact in the short-term. Therefore, investors should hold long positions and focus on leading stocks.

### Breaking news

- ▶ Singapore: GDP shrinks to the deepest contraction

As the COVID-19 pandemic has still haunted the wealthiest ASEAN country, its economy plummeted to a record low in 2Q20, pushing it down into a recession territory. According to the latest data released from Singapore's statistics department, the GDP plunged by a record low of 41.2% annualized QoQ in 2Q20 or about 12.6% YoY, worse than most economists' expectations. The GDP growth already marked the second consecutive quarter of contractions in 2Q20, following a -0.7% reduction in 1Q20, meeting recession signals technically. (Department of Statistics Singapore, Reuters)

- ▶ POW: Electricity output decreases

POW: POW announced that electricity output in June 2020 reached nearly 1.86bn kWh, down 6% YoY. In the first 6 months, electricity output dropped by over 5% to 10.9bn kWh. The largest contributor is Vung Ang 1 with a recorded output over 4bn kWh. (ndh.vn)

## 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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