

Xin Chao Vietnam

Market performance

	20 Jul	1D	1M	3M	YTD
VNIndex (pt, % chg.)	861.40	(1.2)	(0.8)	8.4	(10.4)
Turnover (VND bn)	4,577				
VN30 (pt, % chg.)	803.36	(1.3)	(0.6)	9.1	(8.6)

Major indicators

	20 Jul	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.70	0.0	(0.1)	(1.3)	(0.7)
3-yr govt bonds (% bp chg.)	1.16	(0.0)	(0.3)	(1.2)	(0.5)
VND/USD (% chg.)	23,179	0.0	0.1	1.2	(0.0)
VND/JPY (% chg.)	21,634	0.1	0.3	0.7	(1.4)
VND/EUR (% chg.)	26,524	(0.5)	(2.1)	(4.0)	(2.1)
VND/CNY (% chg.)	3,318	(0.1)	(1.1)	(0.1)	0.3
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.62	(0.0)	(0.1)	0.0	(1.3)
WTI (USD/bbl, % chg.)	40.22	(0.9)	1.2	206.9	(34.1)
Gold (USD/oz, % chg.)	42.75	(0.9)	1.3	67.2	(35.2)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
REE	4.9	HNG	(17.8)
VHM	4.8	VNM	(9.5)
CTG	4.4	GEX	(6.5)
MWG	3.6	HPG	(5.6)
ITA	2.4	AAA	(5.1)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
SAB	6.8	HPG	(79.6)
VCI	2.9	VHM	(26.8)
KDC	2.5	DXG	(17.3)
LIX	2.3	STB	(14.3)
BFC	2.3	VRE	(10.5)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.2	Household Products	(6.0)
Software & Services	2.9	Diversified Financials	(3.2)
Health Care	1.0	Insurance	(2.3)
Automobiles	0.8	Energy	(2.2)
		Consumer Durables	(1.7)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Foreigners resume strong divestment
- **CTD:** Profit after tax increases by 28% YoY
- **ECB:** Europe's central bank holds off further economic stimulus

Macro & strategy

- **Fundflow 13 – 17 Jul:** Money inflow reaches 2-month high

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	10.3	14.3
2021F	275,785	142,326	11.0	12.6	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)	(33.0)	18.4	6.5	2.3	(5.5)	3.9
China GDP (% yoy)	(6.8)	1.8	5.0	6.0	6.1	1.8	8.0

Source: KIS, Bloomberg

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Market commentary & News

Market commentary

Foreigners resume strong divestment

Hieu Tran
hieu.ttm@kisvn.vn

The VNIndex slid for the second session although some initial earnings releases beat estimates, especially banks. At the close, the VNIndex lost 1.22% to 861.40 with volume increasing to 285 million shares worth VND4,768bn. On HSX, every 2 decliners came with 1 advancer.

Foreigners resumed its divestment, selling a net of VND239bn on HSX, focusing on HPG (VND80bn), VHM (VND27bn) and DXG (VND17bn). On the opposite side, this group net bought slightly SAB (VND6.8bn), VCI (VND2.9bn), and KDC (VND2.5bn).

As the VNIndex failed to break its resistance 880 and is testing support 860, traders should be more cautious in today's session.

Breaking news

- ▶ ECB: Europe's central bank holds off further economic stimulus

In the latest regular Governing Council meeting taking place on Thursday, the ECB decided to pause further monetary easing as the economic and financial conditions of the European economy, from the ECB's perspective, have eased significantly. Meanwhile, a huge quantitative easing package (PEPP program) with up to USD1.49tn for buying financial assets is still deployed, which played a key role in supporting households, corporates, and governments with liquidity during the health crisis. However, risks of the second wave of infection and another potential lockdown are still out there as the ECB President Lagarde commented that "uncertainty over the scale of the rebound remains high. The balance of the risks remains on the downside". (Europe Central Bank, Reuters)

- ▶ CTD: Profit after tax increases by 28% YoY

CTD: CTD has released its consolidated financial statements for the second quarter of 2020. Specifically, gross profit margin reached 6%, the highest in 5 consecutive quarters and two times higher than the same period. Profit after tax reached VND158bn, up 28% YoY. In the first half, profit after tax reached VND282bn, fulfilling 47% of the year plan. (ndh.vn)

Macro & strategy

Fundflow 13 – 17 Jul

Money inflow reaches 2-month high

Dang Le
Dang.lh@kisvn.vn

- ▶ Vietnam foreign flow

Last week, foreign selling activities slowed down. Net sell value recorded at USD12.8mn, 2 times lower than the previous week.

Materials and Energy attracted most foreign demand across the market, recorded net buy value of USD0.8mn and USD0.3mn, respectively. To be specific, Materials and Energy's inflow mainly driven by massive demand on DHC, HPG, and PLX whilst HSG ended up to be net sold. In contrast, Real Estate and Industrials were sold the most, focusing on VRE, VHM, DXG, CII, and HDG while NVL attracted large buy orders from foreigners. Additionally, Financials kept experiencing an outflow. VCB and SSI continued to be the main drivers.

- ▶ South East Asia ETF flow

Money inflow increased dramatically across SEA. Net inflow recorded at USD63mn, four times higher compared to the previous week. Particularly, major countries such as Indonesia, Malaysia, and Philippines recorded no money outflow. Notably, Singapore, and Thailand attracted the total of USD51mn money inflow last week.

Vietnam, one of the main driver for the surge of money inflow across SEA, recorded the net inflow at USD11mn, a 2-month high. Of which, VFMVN30 ETF, X FTSE Vietnam, and VanEck Vietnam ETF were the main contributors which attracted the total of USD11mn money inflow.

New listing & Public offerings

► New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
7/28/2020	APH	An Phat Holdings JSC	HSX	1,325.6	132,562,459	41,500
7/23/2020	AAS	SmartInvest Securities JSC	UPCoM	310.0	31,000,000	12,500

► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
8/7/2020	FPT	FPT Corporation	7,839.9	46,019,295	49,400	Whole lot sale; Local investors only
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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