

Xin Chao Vietnam

Market performance

	22 Jul	1D	1M	3M	YTD
VNIndex (pt, % chg.)	855.08	(0.8)	(1.9)	11.2	(11.0)
Turnover (VND bn)	4,280				
VN30 (pt, % chg.)	797.85	(0.9)	(1.5)	11.7	(9.2)

Major indicators

	22 Jul	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.70	(0.0)	(0.2)	(1.3)	(0.7)
3-yr gov't bonds (% bp chg.)	1.29	(0.0)	(0.3)	(0.9)	(0.4)
VND/USD (% chg.)	23,184	(0.0)	0.1	1.3	(0.0)
VND/JPY (% chg.)	21,664	0.2	0.2	0.6	(1.6)
VND/EUR (% chg.)	26,775	(0.6)	(3.0)	(5.0)	(3.0)
VND/CNY (% chg.)	3,310	0.3	(0.8)	0.2	0.5
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.59	(0.0)	(0.1)	(0.0)	(1.3)
WTI (USD/bbl, % chg.)	41.30	(1.5)	2.1	199.7	(32.4)
Gold (USD/oz, % chg.)	43.79	(1.2)	1.6	115.0	(33.7)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VRE	12.0	LDG	(250.1)
E1VFN30	11.4	SSI	(63.9)
CII	7.3	GEX	(8.6)
MBB	4.4	HNG	(4.6)
CTG	4.1	FPT	(3.8)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VCB	21.1	VNM	(40.1)
CMX	9.0	HPG	(26.9)
KDC	5.9	VHM	(25.2)
DHC	3.1	DXG	(14.8)
TLG	3.0	NVL	(11.7)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
		Media & Entertainment	(6.9)
		Household Products	(2.5)
		Commercial Services	(1.5)
		Others	(1.5)
		Capital Goods	(1.2)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Crosses down through a 50-period moving average
- **Japan:** Further contraction in Japanese economic activity

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)	13.9	2.0	10.2	14.3
2021F	275,785	142,326	11.0	12.5	1.8	8.8	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

Crosses down through a 50-period moving average

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Vietnam stock markets resumed its downtrend yesterday because the tensions between the U.S. and China increased after the U.S requested to close the Chinese consulate in Houston.

At the close, the VNIndex lost 0.77% to close at 855 pts. Meanwhile, trading volume increased to 273 million shares or VND4,279bn.

Foreign investors continued to be net sellers for eleven consecutive sessions with a net value of VND148bn on HSX. They sold VNM, HPG, and VHM the most with net values of VND40bn, VND26bn, and VND25bn, respectively.

Selling pressure pushed Banking sector down, namely CTG (-2.1%), BID (-2.0%), HDB (-0.9%), TCB (-1.2%), MBB (-0.9%), STB (-1.7%), and VPB (-1.3%).

Moreover, a few of the VN30 Index constituents, such as BVH (-1.5%), CTD (-4.2%), GAS (-1.1%), PLX (-1.3%), PNJ (-1.3%), ROS (-4.1%), SBT (-1.0%), SSI (-1.3%), VHM (-1.6%), and VNM (-1.6%) underperformed the benchmark index. Of which, CTD and BVH will be excluded by VN30Index in this review, and the effective day is 03 August.

In contrast, cash flowed into NVL (+0.6%), VRE (+2.4%), NLG (+0.4%), and DXG (+2.0%).

The VNIndex closes below its 50-period moving average, implying initial negative signal about the short term downtrend. Therefore, traders should be cautious and wait for confirmation signals of the next trend.

Breaking news

- ▶ Japan: Further contraction in Japanese economic activity

The current time is a challenging time for Japan's economy to recover amid the COVID-19 pandemic. According to the latest release from the au Jibun Bank Flash Japan Composite PMI report, the Flash Composite Output PMI index of Japan continued to stay well below a no-change level of 50.0 index point, at just 43.9, although it was the highest level since February. This poor result indicated that there would likely be a further downturn for Japan's economy in the third quarter. (au Jibun Bank, IHS Markit)

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

- **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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