

# Xin Chao Vietnam

## Market performance

	23 Jul	1D	1M	3M	YTD
VNIndex (pt, % chg.)	856.75	0.2	(1.3)	10.7	(10.8)
Turnover (VND bn)	3,815				
VN30 (pt, % chg.)	800.29	0.3	(0.9)	11.5	(9.0)

## Major indicators

	23 Jul	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.71	0.0	(0.1)	(1.2)	(0.7)
3-yr govt bonds (% bp chg.)	1.27	(0.0)	(0.1)	(0.9)	(0.4)
VND/USD (% chg.)	23,182	0.0	0.1	1.4	(0.0)
VND/JPY (% chg.)	21,634	0.0	0.7	0.9	(1.4)
VND/EUR (% chg.)	26,873	(0.4)	(2.7)	(5.6)	(3.3)
VND/CNY (% chg.)	3,313	(0.0)	(0.8)	0.4	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.)	42.34	1.1	4.9	156.6	(30.7)
Gold (USD/oz, % chg.)	44.77	1.1	5.0	109.9	(32.2)

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
EIB	28.0	FUESSVFL	(25.4)
VPB	26.1	HSG	(4.8)
CII	23.5	CTG	(4.5)
E1VFN30	21.1	STB	(3.7)
GAS	15.4	HNG	(3.6)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VRE	48.6	HPG	(22.2)
FUESSVFL	25.4	VPB	(21.5)
KDC	15.0	NVL	(20.9)
VHM	9.1	CII	(19.1)
PLX	5.2	MBB	(16.4)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Energy	1.3	Others	(1.9)
Real Estate	1.1	Media & Entertainment	(1.9)
Household Products	0.7	Diversified Financials	(1.4)
Utilities	0.7	Software & Services	(1.1)
Commercial Services	0.7	F&B	(0.4)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** VRE leads market gains
- **South Korea:** South Korea sees the worst contraction since 1998

### 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)	18.2	6.6	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

#### VRE leads market gains

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Vietnam stock markets reversed to closed in green territory as the bottom fishing in the afternoon session.

At the close, the VNIndex gained 0.20% to close at 856.7 pts. Meanwhile, trading volume decreased to 233 million shares or VND3,815bn.

Foreign investors continued to be net sellers for twelve consecutive sessions with a net value of VND82bn on HSX. They sold HPG, VPB, and NVL the most with net values of VND22bn, VND21bn, and VND20bn, respectively.

Real Estate was the market leaders, namely VIC (+0.2%), VHM (+1.7%), VRE (+5.0%), NVL (+0.5%), and NLG +0.2%).

The Brent crude oil price resumed its uptrend to close above VND44 per barrel, cash flowed into some Energy stocks, such as GAS (+1.3%), PVD (+1.0%), PVS (+1.6%), BSR (+1.5%), and PLX (+1.5%).

Moreover, a few of VN30 constituents outperformed the broad market such as FPT (+0.7%), HDB (+1.1%), HPG (+0.3%), PNJ (+0.6%), REE (+3.8%), and VJC (+0.4%). Of which, PNJ's revenue reached VND7,746bn, similar to the same period in 2019, but its profit after tax was VND440bn (-26% YoY), that was better than expected.

In contrast, some large-cap tickers, namely ROS (-5.8%), SAB (-1.2%), and SSI (-1.0%), slid more than 1%.

Although the recovery, the downside risk increased in the short term as the VNIndex closes below its 50-period moving average. Therefore, traders should be cautious and wait for confirmation signals of the next trend.

### Breaking news

#### ► South Korea: South Korea sees the worst contraction since 1998

As the COVID-19 pandemic still haunts one of the largest ASIA countries, South Korea's economy plummeted to a record low in 2Q20. According to the latest macroeconomic update from South Korea's department, the gross domestic product (GDP) in 2Q20 sunk by 3.3% seasonally adjusted QoQ or 2.9% YoY, which is the sharpest contraction since 1Q98. Exports, which accounted for nearly 40% of the economy, saw a historic slowdown of -16.6% QoQ since 1963. Besides, the manufacturing also fell sharply by 9% QoQ, while the service sector oppositely reduced modestly by 1.1% QoQ. However, "it's possible for us to see China-style rebound in the third quarter as the pandemic slows and activity in overseas production, schools and hospital resume", said the Finance Minister Hong Nam-ki. (Statistics Korea, Reuters)

## 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

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- 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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