

Xin Chao Vietnam

Market performance

	27 Jul	1D	1M	3M	YTD
VNIndex (pt, % chg.)	785.17	(5.3)	(7.8)	1.9	(18.3)
Turnover (VND bn)	6,969				
VN30 (pt, % chg.)	729.93	(5.5)	(8.2)	1.4	(17.0)

Major indicators

	27 Jul	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.68	0.0	(0.1)	(1.2)	(0.8)
3-yr govt bonds (% bp chg.)	1.26	0.0	(0.1)	(0.8)	(0.4)
VND/USD (% chg.)	23,183	(0.1)	0.0	1.3	(0.0)
VND/JPY (% chg.)	21,994	(0.7)	(2.0)	(0.6)	(3.0)
VND/EUR (% chg.)	27,140	(0.6)	(4.0)	(6.4)	(4.3)
VND/CNY (% chg.)	3,310	(0.2)	(1.1)	0.0	0.5
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.57	(0.0)	(0.1)	(0.1)	(1.3)
WTI (USD/bbl, % chg.)	41.19	(0.2)	7.0	222.3	(32.5)
Gold (USD/oz, % chg.)	43.20	(0.3)	5.3	116.1	(34.5)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
STB	30.5	FUESSVFL	(25.2)
MWG	25.9	PTB	(7.6)
VJC	24.9	FUEVFNVD	(5.5)
GAS	24.8	CTG	(3.5)
FPT	22.2	VGC	(3.2)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VCB	38.0	VNM	(90.6)
VHM	30.6	NLG	(7.1)
VRE	25.9	DRC	(6.0)
POW	25.7	MSN	(4.9)
FUESSVFL	25.0	HCM	(4.6)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	(1.0)	Media & Entertainment	(7.0)
Pharmaceuticals	(2.2)	Energy	(6.8)
Automobiles	(2.6)	Retailing	(6.7)
Health Care	(2.9)	Insurance	(6.6)
Materials	(4.1)	Others	(6.4)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Panic session
- **Vietnam:** Record new COVID-19 cases
- **VHM:** NPAT Post-MI ups 8% YoY

Macro & strategy

- **Fundflow 20 – 24 Jul:** Inflow is maintained

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)	12.6	1.8	9.3	14.3
2021F	275,785	142,326	11.0	11.3	1.6	8.1	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)	(32.8)	18.0	6.5	2.3	(5.5)	3.9
China GDP (% yoy)	(6.8)	2.0	5.2	6.0	6.1	2.0	8.0

Source: KIS, Bloomberg

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Market commentary & News

Market commentary

Panic session

Hieu Tran
hieu.ttm@kisvn.vn

Vietnam stock markets continued to slide yesterday as the market sentiment became pessimistic after Vietnam recorded three new COVID-19 cases, infected in the community over the weekend.

At the close, the VNIndex tumbled by 5.31% to close at 785.1 pts. Meanwhile, trading volume decreased to 413 million shares or VND6,968bn.

Foreign investors maintained to buy with a net value of VND294bn on HSX. They purchased VCB, VHM, and VRE the most with net values of VND38bn, VND30bn, and VND25bn, respectively.

Sell-off pushed 16 out of 30 constituents of VN30Index to limit down such as BID, BVH, CTG, CTD, HDB, MBB, MWG, PLX, PNJ, ROS, SBT, SSI, STB, TCB, VNM, and VPB.

Moreover, Real Estate stocks underperformed the benchmark index due to VIC (-3.4%), VHM (-6.7%), VRE (-4.1%), DXG (-7.0%), ROS (-6.6%), and KDH (-5.7%).

In contrast, cash flowed into GIL (+6.8%), CSM (+2.8%), and SHI (+0.3%). Of whom, GIL's business result in 2Q20 was positive as its net income reached VND61bn (+101% YoY).

The VNIndex crosses down the lower line of the downward channel with a runaway gap, implying the short-term downtrend. The downside risk increases as a sharp reduction of large-cap stocks. Therefore, traders should reduce long positions and stay on the sidelines.

Breaking news

- ▶ Vietnam: Record new COVID-19 cases

Vietnam confirmed two additional community transmission COVID19 cases in Da Nang province on July 27th, increasing the recent total number to three after a long period of infection-absence. The government quickly react to the situation by re-applying the 19 Direction to conduct the social distancing in Da Nang. (Ministry of health)

- ▶ VHM: NPAT Post-MI ups 8% YoY

VHM: In the first 6 months of 2020, VHM's total consolidated net revenue recorded at VND35,610bn. Specifically, Real estate transfer revenue was VND34,061bn, accounting for 96%. Besides, total profit before tax reached VND15,154bn and NPAT Post-MI reached VND10,602bn, up 13% and 8% YoY, respectively. (ndh.vn)

Macro & strategy

Fundflow 20 – 24 Jul

Inflow is maintained

Dang Le
Dang.lh@kisvn.vn

- ▶ Vietnam foreign flow

Last week, foreign selling activities ticked up. Net sell value recorded at USD23mn, two times higher than the previous week.

Breaking down by sectors, Materials, Real Estate, and Consumer Staples were sold the most, recorded net sell value of USD9.2mn, USD4.5mn, and USD4.4mn, respectively. To be specific, Materials, Real Estate and Consumer Staples' outflow mainly driven by massive selling pressure on HPG, DXG, VHM, NVL, VNM, and MSN whilst VRE and NLG ended up to be net bought. Besides, Utilities and Financials also experienced strong outflow, mainly driven by large sell orders on GAS, SSI, and BID, fading the strong buying activities on VCB, VCI, and STB. On the contrary, Energy kept attracting foreign demand, focusing on PLX.

► South East Asia ETF flow

Last week, SEA kept attracting money inflow. Net inflow recorded at USD41mn. Particularly, major countries such as Indonesia, Philippines, and Singapore attracted the total of USD33mn money inflow. However, Thailand experienced an outflow, reaching the one-month high.

Vietnam, one of the main driver for the maintenance of money inflow across SEA, recorded the net inflow at USD13mn, up 20% WoW. Of which, VFMVN30 ETF, SSIAM VNFIN Lead, and VanEck Vietnam ETF were the main contributors which attracted the total of USD12mn 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
7/28/2020	DGC	Duc Giang Chemicals Group	HSX	1,293.6	129,363,616	39,700

► **Public offerings**

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
8/20/2020	BMF	Dong Nai Building Material and Fuel JSC	41.6	443,500	28,600	-
8/7/2020	FPT	FPT Corporation	7,839.9	46,019,295	49,400	Whole lot sale; Local investors only

- **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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