

Xin Chao Vietnam

Market performance

	7 Aug	1D	1M	3M	YTD
VNIndex (pt, % chg.)	841.46	0.2	(2.5)	5.6	(12.4)
Turnover (VND bn)	4,254				
VN30 (pt, % chg.)	782.15	0.1	(2.9)	5.7	(11.0)

Major indicators

	7 Aug	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.77	0.1	(0.1)	(1.0)	(0.7)
3-yr govt bonds (% bp chg.)	1.28	0.2	(0.2)	(0.8)	(0.4)
VND/USD (% chg.)	23,177	(0.0)	0.1	1.0	(0.0)
VND/JPY (% chg.)	21,939	0.0	(1.7)	0.5	(2.8)
VND/EUR (% chg.)	27,543	0.1	(4.6)	(8.2)	(5.7)
VND/CNY (% chg.)	3,331	0.0	(0.8)	(0.7)	(0.1)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.52	(0.0)	(0.1)	(0.1)	(1.4)
WTI (USD/bbl, % chg.)	41.52	(1.0)	2.2	76.3	(32.0)
Gold (USD/oz, % chg.)	44.68	(0.9)	3.7	51.7	(32.3)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
LDG	24.2	VGC	(99.7)
HPG	14.0	DBC	(15.8)
MWG	9.4	VHM	(6.1)
POW	5.2	SZC	(5.2)
PLX	4.8	ROS	(5.0)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNM	41.5	AGG	(86.4)
HPG	27.9	VIC	(67.2)
CTD	15.2	NVL	(45.5)
SAB	15.1	PAC	(31.5)
VCB	14.8	PVT	(8.5)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.6	Health Care	(1.1)
Capital Goods	1.7	Transportation	(0.8)
Automobiles	1.1	Insurance	(0.8)
Materials	0.7	Diversified Financials	(0.6)
Technology	0.6	Retailing	(0.5)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Fifth gaining session in a row
- **Vietnam:** G-bond issuance sets a record high

Macro & strategy report

- **Chart of the day:** Retest 50-period moving average

New listing & Public offerings

KIS market view

	OP (VND bn)	NP (VND bn)	EPS growth (% yoy)	PE (x)	PB (x)	EV/EBITDA (x)	ROE (x)
2018	186,396	115,391	35.3	14.7	2.7	14.0	18.2
2019	231,781	139,009	23.3	13.3	2.4	11.1	17.7
2020F	239,645	133,501	(5.4)	13.2	1.9	10.0	14.6
2021F	294,159	164,644	25.3	10.6	1.7	7.2	15.8

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)	18.0	6.5	2.2	(5.5)	3.9
China GDP (% yoy)	(6.8)	1.6	5.2	6.1	6.1	2.0	7.9

Note: * Data compiled by Bloomberg

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Market commentary & News

Market commentary

Fifth gaining session in a row

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Vietnam stock markets recorded the fifth gaining session in a row. At the close, the VNIndex gained 0.17% to close at 841.4 pts. Meanwhile, trading volume recorded to 248 million shares or VND4,254bn.

Foreign investors reversed to sell with a net value of VND89bn on HSX. They sold AGG, VIC, and NVL the most with net values of VND86bn, VND67bn, and VND45bn, respectively.

Consumer Staples tickers were the market leaders because of SAB (+0.8%), VNM (+0.6%), and MSN (+0.4%).

Moreover, cash flowed into some constituents of VN30 such as CTG (+1.5%), GAS (+1.0%), REE (+1.3%), ROS (+5.0%), and TCH (+1.2%).

In contrast, Banking stocks, such as TCB (-0.3%), BID (-0.4%), MBB (-0.3%), STB (-0.5%), VPB (-0.5%), and EIB (-0.3%), closed in red territory.

The short-term uptrend is still intact due to the confirmation of the island reversal pattern. Therefore, traders should increase their long position and focus on leading stocks.

Breaking news

- ▶ Vietnam: G-bond issuance sets a record high

In July, participants from both buy and sell sides were rushing to take actions in the G-bond bidding sessions as G-bond issuance set a record high. According to HNX, a total of VND74.5tn government bonds was being offered in July, more than double from the previous high in June, while the bidding value reached to VND170.1tn, which is the highest level so far. As a result, VND58.7 was successfully issued during the month, which was more than a total of 3 prior months. High demand for G-bond drives its yields down to low levels both in the primary and secondary markets. Looking forward to August, we expect the downward transmission from short-term yields to longer-term yields to continue to materialize. (KIS, HNX)

Macro & strategy

Chart of the day

Retest 50-period moving average

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- ▶ Market performance

The VNIndex continued to go up thanks to the cash flowed into the large-cap stocks, especially Banking and Consumer Staple.

- ▶ Chart: Island Reversal Pattern

In the long term, the uptrend is still intact as long-term moving averages go up. Also, the VNIndex closed above the 100-period moving average.

In the short term, the downtrend is inactive because the Island Reversal pattern forms. In particular, the pattern confirms in early August, pushing stocks market bullish. Besides, the VN-Index crosses the 10- and 20-period moving averages going up, supporting the current trend.

800-820 pts zone plays as solid support. On the upside, the 50-period moving average, 850-860 pts, is the significant resistance.

→ In the short-term, the uptrend is confirmed thanks to Island Reversal pattern.

- Technical strategy: Increase long position

Base on the Island Reversal pattern, the bullish market is dominant in the short term. Besides, market sentiment has become optimistic. Therefore, investors should increase their long position and focus on leading stocks such as Banking and Energy.

New listing & Public offerings

► New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
8/13/2020	HVG	Hung Vuong Corporation	UpCoM	2,270	227,038,291	5,400

► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
8/31/2020	HDLB	Hai Duong livestock genetics one member Co., Ltd	37.8	2,414,700	13,800	IPO
8/21/2020	TSCC	Truong Son Advisory JSC	27.3	1,389,750	12,300	-
8/20/2020	BMF	Dong Nai Building Material and Fuel JSC	41.6	443,500	28,600	-

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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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