

Xin Chao Vietnam

Market performance

	10 Aug	1D	1M	3M	YTD
VNIndex (pt, % chg.)	843.20	0.2	(3.2)	3.6	(12.3)
Turnover (VND bn)	4,785				
VN30 (pt, % chg.)	784.30	0.3	(3.1)	3.2	(10.8)

Major indicators

	10 Aug	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.77	0.1	(0.1)	(1.0)	(0.7)
3-yr gov't bonds (% bp chg.)	1.28	0.2	(0.2)	(0.8)	(0.4)
VND/USD (% chg.)	23,177	(0.0)	(0.0)	0.6	(0.0)
VND/JPY (% chg.)	21,866	0.0	(0.9)	(0.9)	(2.5)
VND/EUR (% chg.)	27,280	1.0	(4.2)	(7.2)	(4.8)
VND/CNY (% chg.)	3,325	(0.0)	(0.4)	(1.2)	0.1
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.56	(0.0)	(0.1)	(0.1)	(1.4)
WTI (USD/bbl, % chg.)	41.91	1.7	3.4	69.4	(31.4)
Gold (USD/oz, % chg.)	44.94	1.2	3.9	45.1	(31.9)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	31.6	E1VFN30	(18.1)
VNM	30.1	HDG	(8.5)
VIC	26.0	CTD	(6.5)
TCB	16.8	SZC	(4.4)
CTG	15.1	DPM	(3.9)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HDB	9.1	VHM	(54.3)
FUEFVN	7.3	AGG	(42.0)
PHR	6.7	VNM	(33.8)
E1VFN30	6.7	NLG	(29.2)
STB	5.5	VIC	(14.1)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Media & Entertainment	3.7	F&B	(0.6)
Others	3.1	Transportation	(0.3)
Software & Services	2.3	Pharmaceuticals	(0.2)
Automobiles	2.1	Banks	(0.2)
Energy	1.3	Household Products	(0.1)

WHAT'S NEW TODAY

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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	(7.9)	13.5	1.9	10.2	14.3
2021F	275,785	142,326	11.2	12.2	1.7	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)	18.0	6.5	2.2	(5.5)	3.9
China GDP (% yoy)	(6.8)	2.1	5.2	6.1	6.1	2.0	7.9

Source: KIS, Bloomberg

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Market commentary & News

Market commentary

Narrow intraday gains

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Vietnam stock markets recorded the sixth gaining session in a row as concerns about the spread of COVID-19 has been declining. However, profit-taking made gains to narrow at the afternoon session.

At the close, the VNIndex gained 0.21% to close at 843.2 pts. Meanwhile, trading volume increased to 299 million shares or VND4,785bn.

Foreign investors continued to sell with a net value of VND188bn on HSX. They sold VHM, AGG, and VNM the most with net values of VND54bn, VND42bn, and VND33bn, respectively.

Real Estate was the market leaders driven by VIC (+0.8%), VRE (+0.9%), NVL (+0.3%), NLG (+2.9%), DXG (+2.3%), ROS (+3.5%), FLC (+2.1%), SCR (+3.7%), and TCH (+1.2%). Among which, TCH will set up a subsidiary, specializing in the real estate business. The company has a charter capital of VND310bn, and TCH holds 99.99%.

Global oil price was still intall at high level, that pushed Energy stocks up, namely GAS (+0.4%), PVT (+0.5%), PVD (+2.5%), PVS (+0.8%), BSR (+1.6%), and PLX (+1.3%).

Besides, some VN30 constituents, such as HDB (+1.7%), POW (+2.7%), SSI (+1.0%), STB (+1.4%), and TCB (+1.3%), jumped more than 1%.

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

Breaking news

- Globe: Global consumer confidence slumps near its historic low

As the world is continuously suffered the so-called worst pandemic in the 21st century, the global consumer confidence has seen an unprecedented level to even lower than in the 2008 financial crisis due to measures taken to control the pandemic. According to the global data analytics company Nielsen, the Conference Board Global Consumer Confidence Index plummeted from a near historic high of 106 in 1Q20 to just 92 in 2Q20, which is indicating that consumers around the world have been pessimistic about the future job prospect, their personal finances, and also intentionally cut out their spending in the near term. On the bright side, it is surprising that Vietnam consumer confidence in 2Q20 ranked the third-highest among other 67 markets, although still declining 9 index points to 117. (Nielsen)

Macro & strategy

Fundflow 03 – 07 Aug

Five consecutive weeks of inflow into SEA

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- Vietnam foreign flow

Last week, foreign selling activities overwhelmed. Net sell value recorded at USD8mn.

Breaking down by sectors, Real Estate and Utilities were impacted the most by foreign selling activities, net sell value recorded at USD17mn and USD1mn, respectively. Particularly, the outflow mainly driven by large sell orders on AGG, NVL, VIC, and POW. Besides, Consumer Staples also ended up to be net sold due to the sharp selling pressure on SAB, fading the high demand on VNM and MSN. On the contrary, Financials, Materials, and Industrials were accumulated the most by this group, net buy value recorded at USD5mn, USD4mn, and USD1mn, respectively. The inflows focused on VCB, STB, HDB, HPG, and CTD.

- South East Asia ETF flow

Last week, the flow of money across SEA remained positive, recorded at USD64mn. To be specific, major countries such as Indonesia, Malaysia, and Singapore attracted the total of USD32mn money inflow. Most importantly, money inflow across Thailand maintained at high level, recorded at USD31mn.

Vietnam maintained the positive flow of money but the inflow has slowed down, recorded at USD1mn. Of which, VFMVN Diamond ETF continued to be the main contributors which attracted the total of USD1.3mn money inflow. However, VFMVN30 ETF ended up to be net sold, recorded at USD0.7mn.

Sector & company

Khang Dien House (KDH)

BUY (Maintain), TP VND28,200

2Q20 review: Strong earnings visibility

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► **Facts:** Exciting 2Q20 net profit growth

KDH reported a stellar 2Q20 net profit growth of 125% yoy to VND253bn on the back of delivery of 57 units of Verosa landed property project. Thanks to the high-value Verosa units, 2Q20 revenue inched by 92.3% yoy to VND785bn. Gross margin remained at 53% in 2Q20. Overall, 1H20 net profit reached VND408bn, 89.7% yoy, forming 37% our forecast.

► **Pros & cons:** A strong rebound in 2H20F net profit

We raise our net profit by 3% to VND1,104bn and revenue to VND3,602bn to factor in the faster-than-expected delivery of Verosa project as we believe 20 units booked in July could be transferred to revenue in 4Q20F. We expect KDH could maintain quarterly momentum growth in 2H20F backed by the starting of delivery from Safira condo project.

We still keep our concern that buying sentiment would not be relaxed until 4Q20F given the second wave of COVID-19 transmission fear could postpone the sales events and deter the traffic for show flats. However, KDH has established firm footprint to weather the storm and could get the FY20F presale value of VND1,958bn, -52.3% yoy.

► **Action:** Maintain BUY at new TP of VND28,200

We adjust upward our RNAV-based TP to VND28,200 thanks to RNAV contribution from two new landed property projects including Amerna (Dist 9) and Clarita (in Dist 2) as we have much clearer launching plan. Launched in late 4Q20F-1Q21F, these projects are expected to supplement 30% to FY21F-22F revenue stream, in our view. We believe the strong promotion packages offered to homebuyers' of Amerna and Clarita projects will partially remove the shadow over KDH which has emerged due to the slower demand for real estate.

Please click on the underlined companies and sectors to see the full reports.

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	2,270.4	227,038,291	5,400

► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
9/4/2020	TEL	Telecommunication Project Construction Development JSC	50.0	2,450,000	21,801	-
9/1/2020	CC4	Investment and Construction JSC nO.4	160.0	4,137,500	16,100	Local investors only
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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