

Xin Chao Vietnam

Market performance

	17 Aug	1D	1M	3M	YTD
VNIndex (pt, % chg.)	850.15	(0.1)	(2.5)	2.8	(11.5)
Turnover (VND bn)	3,770				
VN30 (pt, % chg.)	791.54	(0.1)	(2.8)	2.3	(10.0)

Major indicators

	17 Aug	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.71	0.1	0.1	(0.9)	(0.7)
3-yr govt bonds (% bp chg.)	1.31	0.1	0.1	(0.6)	(0.4)
VND/USD (% chg.)	23,175	0.0	0.0	0.7	(0.0)
VND/JPY (% chg.)	21,791	(0.2)	(0.6)	(0.2)	(2.1)
VND/EUR (% chg.)	27,496	(0.3)	(4.0)	(8.0)	(5.5)
VND/CNY (% chg.)	3,339	(0.1)	(0.7)	(1.7)	(0.3)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	0.69	(0.0)	0.1	0.1	(1.2)
WTI (USD/bbl, % chg.)	41.91	(0.2)	3.3	42.4	(31.4)
Gold (USD/oz, % chg.)	44.61	(0.4)	3.4	37.3	(32.4)

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
DBC	22.0	AAA	(22.5)
APH	19.1	VCB	(6.9)
CTD	18.9	HDG	(5.3)
DHC	7.2	GEX	(5.1)
POW	5.4	PHR	(3.2)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	8.0	VHM	(33.9)
SAB	6.9	MSN	(16.5)
VCB	6.5	VRE	(10.0)
HDB	4.4	HDC	(4.6)
BMP	1.9	VPI	(4.5)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Automobiles	1.1	Telecommunication	(7.0)
Capital Goods	0.8	Technology	(1.7)
Pharmaceuticals	0.8	Consumer Services	(1.1)
Materials	0.6	Retailing	(1.1)
Real Estate	0.1	Commercial Services	(0.9)

WHAT'S NEW TODAY

Market commentary & News

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- **Japan:** Economic growth sets a record low in 2Q20

Macro & strategy

- **Fundflow 10 - 14 Aug:** Inflow slows down

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	(7.9)	13.7	2.0	10.3	14.3
2021F	275,785	142,326	11.2	12.3	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)	(32.9)	20.0	6.1	2.2	(5.0)	3.7
China GDP (% yoy)	(6.8)	3.2	5.2	6.1	6.1	2.0	8.0

Source: KIS, Bloomberg

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Market commentary & News

Market commentary

Bottom fishing at low price

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Vietnam stock markets went down yesterday, but the loss narrowed thanks to bottom fishing.

At the close, the VNIndex closed almost unchanged at 850.1 pts. Meanwhile, trading volume decreased to 229 million shares or VND3,769bn.

Foreign investors continued to sell with a net value of VND83bn on HSX. They sold VHM, MSN, and VRE the most with net values of VND33bn, VND16bn, and VND9bn, respectively.

Energy was the market leader, namely PVT (+1.9%), PVD (+4.8%), and PVS (+0.8%), as the oil price was still at a high level, above USD 50 per barrel for Brent crude oil.

Moreover, Construction and Material stocks outperformed the broad market driven by CTD (+1.9%), HBC (+3.2%), HSG (+1.3%), HPG (+0.8%), and NKG (2.1%).

In contrast, selling pressure pushed some VN30 constituents down such as FPT (-1.6%), MWG (-1.0%), PNJ (-1.0%), POW (-1.3%), ROS (-2.2%), TCH (-1.9%), and VRE (-1.3%).

Despite the second contraction in a row, the uptrend of VN-Index is still intact in the short term. Therefore, traders should increase their long position and focus on leading stocks.

Breaking news

- ▶ Japan: Economic growth sets a record low in 2Q20

While the COVID-19 pandemic continues to spread widely in Japan, on Monday, its 2Q20 GDP growth plummeted to a record low since the data first being reported from 1980. According to the latest data released from the Bank of Japan, the GDP shrank at an annualized 27.8% in 2Q20, somewhat worse than economists' expectations of a 27.2% decline. The private consumption, which accounts for more than half of the total GDP, saw a historical plunge of 8.2% YoY due to measures being taken to constrain the pandemic spread. Other components, including capital expenditure and export-import activities, also declined markedly. (Bank of Japan, Reuters)

Macro & strategy

Fundflow 10 – 14 Aug

Inflow slows down

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- ▶ Vietnam foreign flow

Last week, foreign selling activities kept overwhelming. Net sell value recorded at USD36mn, a 3-month high.

Breaking down by sectors, Real Estate, Materials, and Financials were impacted the most by foreign selling activities, net sell value recorded at USD25mn, USD4mn, and USD3.4mn, respectively. Particularly, the outflow mainly driven by large sell orders on VHM, DXG, VRE, VCB, and HPG, fading the strong buying activities on HDB, DHC, and DPM. On the contrary, Utilities and Consumer Staples were accumulated the most by this group. The inflows focused on GAS, VNM, and SAB.

- ▶ South East Asia ETF flow

Last week, the flow of money across SEA remained positive, but the inflow has slowed down, recorded at USD33mn, a 1-month low. To be specific, major countries such as Indonesia, Malaysia, and Singapore recorded the decrease in money inflow. Most importantly, Thailand experienced the outflow of money after attracting inflow for 2 consecutive weeks as well as Philippines

recorded the first week of negative money flow since May 2020.

Vietnam maintained the positive flow of money, recorded at USD1mn. Of which, VFMVN Diamond ETF continued to be the main contributor which attracted the total of USD0.5mn money inflow. Besides, VFMVN30 ETF turned around to attract USD0.3mn last week.

New listing & Public offerings

► New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Charter	Listed Shares	Reference price
8/18/2020	CQN	Quang Ninh Port JSC	UPCoM	500.5	50,049,936	12,200
8/18/2020	DIC	DIC Investment and Trading JSC	UPCoM	265.9	26,585,840	1,000

► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
9/16/2020	VICOSA	Vinacomin Shipping Agency JSC	25.0	52,255	182,200	-
9/11/2020	IBD	Binh Duong General Printing JSC	90.0	4,514,300	12,600	Local investors only
9/10/2020	AFX	An Giang Agriculture and Foods Import-Export JSC	350.0	17,850,000	18,900	Whole lot sale; Local investors only
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	-

- **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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