

# Xin Chao Vietnam

## Market performance

	12 May	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,269.09	1.0	1.3	13.8	15.0
Turnover (VND bn)	20,519				
VN30 (pt, % chg.)	1,380.17	1.5	8.0	22.2	28.9

## Major indicators

	12 May	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.49	(0.0)	(0.1)	(0.0)	0.1
3-yr gov't bonds (% bp chg.)	0.75	(0.2)	(0.2)	(0.2)	(0.1)
VND/USD (% chg.)	23,057	0.0	0.0	(0.3)	0.2
VND/JPY (% chg.)	21,202	0.1	(0.6)	3.4	5.5
VND/EUR (% chg.)	27,969	0.3	(1.9)	(0.4)	1.8
VND/CNY (% chg.)	3,580	0.2	(1.6)	(0.5)	(1.1)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.61	(0.0)	(0.1)	0.4	0.7
WTI (USD/bbl, % chg.)	65.67	0.6	10.0	10.4	35.3
Gold (USD/oz, % chg.)	68.90	0.5	8.9	10.4	33.0

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	220.3	MSB	(32.5)
STB	118.0	SSB	(27.1)
VPB	82.3	FLC	(26.6)
TCB	77.5	TPB	(14.0)
CTG	72.6	BVH	(8.6)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VPB	155.2	HPG	(229.8)
STB	41.5	NVL	(142.9)
GMD	26.1	VIC	(102.1)
BVH	18.5	MSN	(54.0)
SBT	17.5	PLX	(50.4)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	3.2	Pharmaceuticals	(0.4)
Materials	2.6		
Consumer Durables	2.5		
Diversified Financials	2.1		
Automobiles	2.1		

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Intraday rebound
- **Vietnam:** Higher bond yields lured bond investors in the primary market
- **Vietnam:** Ho Chi Minh city suggests increasing the higher budget retention rate to 23% for the period 2022-2025

## KIS market view

	OP	NP	EPS growth	PE	PB	EV/EBITDA	ROE
	(VND bn)	(VND bn)	(% yoy)	(x)	(x)	(x)	(%)
2018	191,785	119,519	29.7	15.2	2.7	13.6	17.7
2019	238,659	144,922	24.2	13.8	2.4	11.0	17.4
2020F	270,014	151,973	7.3	18.1	2.9	11.7	16.1
2021F	304,264	177,159	18.9	15.2	2.5	10.5	16.4

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

	3Q20	4Q20	1Q21	2Q21F	2019	2020	2021F
GDP (% yoy)	2.6	4.5	4.5	4.5	7.0	2.9	6.4
Trade balance (USD bn)	10.7	3.3	2.8	3.7	10.4	19.8	1.8
CPI (% yoy, avg.)	3.2	1.4	0.3	2.8	5.2	3.2	2.4
Discount rate (% EoP)	3.0	3.0	3.0	3.0	4.0	3.0	3.0
VND/USD (avg.)	23,179	23,159	23,054	23,252	23,231	23,252	23,174
US GDP (% qoq)	(4.8)	(31.7)	33.1	4.0	(3.5)	(3.5)	6.3
China GDP (% yoy)	(6.8)	3.2	4.9	5.8	2.3	2.3	8.5

Source: KIS, Bloomberg

## Market commentary & News

### Market commentary

#### Intraday rebound

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Although local fuel price rose yesterday, the Vietnam stock market resumed its uptrend thanks to high demand in the afternoon session.

At the close, the VNIndex gained 1.04% to close at 1,269 pts. Meanwhile, trading volume was 670 million shares or VND20,519bn.

Foreigners continued to net sell VND567bn on HSX. They sold HPG, NVL, and VIC the most with net values of VND229bn, VND142bn, and VND102bn, respectively.

Banking was the market leader thanks to CTG (+1.8%), BID (+1.3%), HDB (+0.7%), TCB (+4.8%), ACB (+1.0%), MBB (+1.5%), STB (+6.9%), and VPB (+1.6%).

Based on the uptrend of global oil price, cash flowed into Energy, namely GAS (+1.3%), PVD (+2.7%), and PVS (+3.3%).

Some constituents of VN30Index rose more than 2% such as SBT (+6.5%), PDR (+4.5%), and MSN (+2.5%).

In contrast, VHM (-0.3%), VCB (-0.6%), and VIC (-0.9%) closed in red territory.

In the short term, the 1,280-pts threshold is significant resistance. Hence, the selling pressure is still intact. The uptrend may reverse. Therefore, traders should be careful and wait for the next signal.

### Breaking news

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#### ▶ Vietnam: Higher bond yields lured bond investors in the primary market

In contrast to a quiet mood in the early months of 2021, the primary government bond market started accelerating from both supply and demand sides. From the supply side, Vietnam Treasury offered a total of VND31.5tn G-bonds throughout 16 auction sessions, concentrating on 10-year and 15-year tenors. More noticeably, they offered more attractive yields to lure bond investors after continuing failure in the G-bond auction in March and April. Yields of most offered G-bonds, including 5-year, 10-year, and 15-year maturity, saw significant increases, by 6.5 bps, 10 bps, and 8.5 bps, which is derived from final auction results. More specifically, 5-year, 10-year, 15-year, 20-year, and 30-year G-bond yields were recorded at 1.15%, 2.36%, 2.56%, 2.89%, and 3.05%, respectively. With higher yields being offered, G-bond demand also accelerated significantly compared to earlier months. All three indicators for G-bond demand, including the total registering value in the auction, the winning value also reached the highest levels in 2021. More specifically, the total registering value recorded up to USD94.59tn, increasing by 38.92% MoM, while the winning value also hit a 4-month high of VN26.30tn, rising by 115.70% MoM. As a result, the absorption rate ended at a 3-month high of 83.50%. (HNX, KIS)

#### ▶ Vietnam: Ho Chi Minh city suggests increasing the higher budget retention rate to 23% for the period 2022-2025

In the report of the socio-economic situation in the first quarter of 2021 to the Prime Minister, the Ho Chi Minh City People's Committee proposed to increase the budget retention rate to 23% in 2022-2025 vs. 18% in 2021. Based on the new budget retention rate, the city can meet the capital needs to spend on investment, infrastructure development, and more state budget revenue. (ndh.vn)

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- Sell: Expected total return will be -5% or less
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- 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.
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