

Xin Chao Vietnam

Market performance

	17 May	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,258.70	(0.6)	1.6	8.9	14.0
Turnover (VND bn)	22,407				
VN30 (pt, % chg.)	1,371.36	(0.6)	7.4	16.7	28.1

Major indicators

	17 May	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.56	0.0	0.0	0.0	0.1
3-yr gov't bonds (% bp chg.)	0.95	(0.0)	(0.0)	0.0	0.1
VND/USD (% chg.)	23,045	(0.0)	0.1	(0.1)	0.2
VND/JPY (% chg.)	21,121	(0.2)	1.0	2.9	5.9
VND/EUR (% chg.)	28,022	(0.1)	(1.4)	(0.9)	1.6
VND/CNY (% chg.)	3,579	0.0	(1.0)	(0.4)	(1.1)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.62	(0.0)	0.0	0.4	0.7
WTI (USD/bbl, % chg.)	65.51	0.2	3.8	7.1	35.0
Gold (USD/oz, % chg.)	68.83	0.2	3.1	7.0	32.9

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
GAS	15.3	FPT	(250.0)
VHM	14.8	HPG	(178.8)
SSI	7.8	TPB	(71.4)
TCH	7.1	SSB	(69.9)
KDC	5.1	VIC	(55.2)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FPT	229.9	VPB	(292.3)
GMD	21.3	VNM	(176.1)
DHC	20.3	VIC	(165.2)
VHM	17.2	HPG	(136.0)
DGC	13.0	CTG	(91.0)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	2.7	F&B	(2.2)
Health Care	1.1	Consumer Services	(2.1)
Software & Services	1.0	Insurance	(2.1)
Real Estate	0.8	Utilities	(1.7)
Pharmaceuticals	0.5	Technology	(1.7)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Selling pressure of foreigners
- **World:** Productions from copper users accelerate at the fastest since December 2017

Macro & Strategy

- **Fundflow 10 – 14 May:** Outflow maintains across major countries

New listing & Public offerings

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	18.0	2.9	11.6	16.1
2021F	304,264	177,159	18.9	15.2	2.5	10.4	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)	6.5
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

Selling pressure of foreigners

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The Vietnam stock market reversed to go down due to the selling pressure of foreign investors. Of which, foreigners continued to net sell VND1,251bn on HSX. They sold VPB, VNM, and VIC the most with net values of VND292bn, VND176bn, and VND165bn, respectively.

At the close, the VNIndex lost 0.60% to close at 1,258 pts. Meanwhile, trading volume was 724 million shares or VND22,407bn.

Energy was the market leader driven by GAS (-1.9%), PVD (-1.5%), PVS (-2.3%), POW (-0.8%), BSR (-1.3%), PLX (-1.5%), and OIL (-1.6%).

Some constituents of VN30Index slid more than 2% such as MSN (-3.6%), VJC (-3.3%), SBT (-3.0%), VNM (-2.6%), PDR (-2.5%), BVH (-2.2%), and KDH (-2.0%).

In AGM, MWG (-0.7%) planned to reach a VND125,000bn (+15% YoY) revenue and a VND4,750bn (+21% YoY) NPAT in 2021. The company would pay a maximum 15% cash dividend of 2020 and offer stock dividend at par with a 2:1 ratio in 2021.

In contrast, NVL (+2.6%), TPB (+2.0%), TCH (+1.8%), and FPT (+1.1%) closed in green territory.

Based on AGM materials, VHM (+3.7%) planned a profit after tax of VND35tn (+21% YoY) and revenue of VND90tn (+28% YoY) in FY21.

VRE (+0.2%) targeted revenue of VND9,000bn (+8% YoY) and net income of VND2,500bn (+5% YoY) in 2021.

In the short term, the net selling pressure of foreigners pushes market sentiment cautious. The downside risk may increase. Hence, traders should be careful and wait for the next signal.

Breaking news

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- ▶ World: Productions from copper users accelerate at the fastest since December 2017

According to the update from IHS Markit, the Global Copper Users Purchasing Managers Index (PMI), which measures operating conditions at manufacturers using copper heavily, reached the highest level of 55.7 in April since December 2017, up from 54.9 in March. Output growth from Copper users also grew at the fastest pace since late-2017. New orders also recorded a tenth month continuing increase at a sharp pace, especially in ASIA's and Europe's copper-consuming manufacturers. On the other side, it is reported that copper input prices continued to increase for the eleventh month in April, and the increasing input price pace was the fastest since February 2011. (IHS Markit)

Macro & strategy

Fundflow 10 – 14 May

Outflow maintains across major countries

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- ▶ Vietnam foreign flow

Last week, foreign selling activity kept overwhelming with high pressure. Net sell value was USD157mn, up 25% WoW.

Foreign selling pressure continued to spread to all major sectors. Particularly, Real Estate, Financials, and Materials were divested the most, mainly focus on NVL, VIC, KBC, CTG, VCB, LPB, and HPG, fading the sharp demand on VHM, VPB, MSB, BVH, and NKG. Besides, Consumer Staples kept experiencing the sharp selling activity due to large sell orders on MSN.

- ▶ South East Asia ETF flow

SEA experienced the second week of outflow but the selling pressure has slowed down. Net outflow was USD26mn, down 60% WoW. To be specific, the maintenance of outflow mainly driven by the negative flow of money across major countries, such as Vietnam, Thailand, and Philippines. However, outflow across Vietnam and Thailand has slowed down whilst divestment across Philippines reached a yearly high.

Vietnam continued to be divested, net outflow was USD3mn, down 75% WoW. Particularly, the money outflow was mainly contributed by the divestment across X FTSE Vietnam and VFMVN30 ETF. However, the outflow was partially recovered by the money inflow across VFMVN Diamond (USD11mn).

New listing & Public offerings

► New listing

(VND bn, share, VND)

Date of Listing	Ticker	Company	Exchange	Listed Value	Listed Shares	Reference Price
5/19/2021	LYF	Luong Yen Food JSC	UPCoM	0.0	300	16,800
5/19/2021	SCV	Vietnam Salt JSC	UPCoM	12.8	1,279,392	23,500

- **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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