

# Xin Chao Vietnam

## Market performance

	24 May	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,297.98	1.1	4.0	11.7	17.6
Turnover (VND bn)	23,272				
VN30 (pt, % chg.)	1,430.48	0.4	9.9	22.6	33.6

## Major indicators

	24 May	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.52	(0.0)	0.0	0.0	0.1
3-yr gov't bonds (% bp chg.)	0.94	0.0	0.0	0.2	0.1
VND/USD (% chg.)	23,056	(0.0)	(0.0)	0.2	0.2
VND/JPY (% chg.)	21,171	(0.1)	0.7	3.1	5.6
VND/EUR (% chg.)	28,162	(0.3)	(1.0)	(0.2)	1.1
VND/CNY (% chg.)	3,586	(0.1)	(0.9)	(0.2)	(1.3)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.62	(0.0)	0.1	0.2	0.7
WTI (USD/bbl, % chg.)	64.88	2.0	4.4	2.6	33.7
Gold (USD/oz, % chg.)	67.82	2.1	2.6	1.2	30.9

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUEVFNVD	186.3	FLC	(125.9)
FUESSVFL	51.3	IJC	(43.6)
VCG	30.2	SSB	(31.0)
STB	29.2	MSN	(30.4)
GEX	27.2	FPT	(29.8)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNM	48.2	HPG	(290.4)
MSN	44.1	FUEVFNVD	(185.3)
STB	38.4	CTG	(183.7)
VHM	34.2	VIC	(80.1)
SSI	29.4	VCB	(54.1)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.9	Media & Entertainment	(1.3)
Technology	4.0	Energy	(1.2)
Others	2.2	Software & Services	(0.0)
Capital Goods	2.2		
Materials	2.0		

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** New highest peak
- **U.S.:** Economic growth speeds up at a record pace in May

### Macro & Strategy

- **Fundflow 17 – 21 May:** Vietnam records the third week of outflow

### 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	7.4	18.8	3.0	12.1	16.1
2021F	304,264	177,159	18.9	15.8	2.6	10.8	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

#### New highest peak

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The Vietnam stock market maintained its uptrend thanks to high demand on mid- and small-cap stocks.

At the close, the VNIndex gained 1.09% to close at 1,297 pts formed new highest peak. Meanwhile, trading volume was 684 million shares or VND23,271bn.

Foreigners continued to net sell VND617bn on HSX. They sold HPG, FUEVFN, and CTG the most with net values of VND290bn, VND185bn, and VND183bn, respectively.

Financial was the market leader driven by CTG (+6.1%), BID (+2.8%), BVH (+1.9%), SSI (+2.1%), VND (+1.8%), and HCM (+2.8%). Among which, SSI planned to increase charter capital to VND11tn in AGM by offering 442 million shares, including in (1) Free new 219 million shares from owner's equity, (2) Offering 109 million shares for an existing shareholder with a price of VND10,000 per share, (3) Offering 104 million shares for other investors, (4) 10 million ESOP shares for internal stakeholders.

Besides, cash flowed into mid- and small-cap stocks, namely, DXG (+7.0%), SCR (+7.0%), CTD (+5.9%), HBC (+3.4%), CTI (+6.8%), and KDC (+6.8%).

The oil price remained at the high level that pushed Energy up, such as BSR (+4.1%), GAS (+1.2%), PVT (+0.9%), PVS (+3.8%), PVD (+3.1%), OIL (+3.4%), and NT2 (+2.4%).

BOD of HSG (+0.3%) announced that June 15th, 2021 is the record date to pay the 2020 cash dividend at the rate of 10% or VND10,000 per share.

The Sherpa Company Limited, a subsidiary of MSN (+0.1%), signed the definitive agreements to acquire 20% stake in Phuc Long Heritage Joint Stock Company, which has owned the Phuc Long brand, with a purchase price of USD15mn. In addition, VinCommerce, another subsidiary of MSN, entered into an agreement with Phuc Long to jointly develop "Phuc Long Kiosk" through a network of more than 2,200 VinMart+ stores nationwide.

MCH (+0.0%) announced that the closing date of the list of shareholders to pay the 2020 cash dividend would be June 2nd, 2021 at a rate of 45%. The payment date is June 14th, 2021.

In contrast, PLX (-1.9%), NVL (-1.7%), VPB (-1.6%), and HDB (-0.5%) closed in red territory.

The VNIndex confirms the short-term uptrend again as the index breaks out the highest peak of 1,280 pts. Hence, traders can increase their long position and force on leading stocks.

### Breaking news

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#### ► U.S.: Economic growth speeds up at a record pace in May

Recent data pointed out that the U.S. economic growth continues to set a new record high in May. According to the latest report from the IHS Markit, 3 over 4 indexes measuring the business activity of the U.S. private sector recorded new fresh highs in May, including U.S. Composite Output Index, U.S. Services Business Activity, and U.S. Manufacturing PMI. More specifically, the Flash Composite Output PMI posted a record high of 68.1 in May, up from a previous high of 63.5 in April. Meanwhile, the Flash Manufacturing Index and the Flash Services Business Activity also surged to the highest levels since data collection began, at 61.5 and 70.1, respectively. (IHS Markit)

## Macro & strategy

### Fundflow 17 – 21 May

#### Vietnam records the third week of outflow

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##### ▶ Vietnam foreign flow

Relating to foreign activity, oversupply remained in the market last week. Net sell value was USD131mn.

Major sectors continued to be negatively impacted by selling pressure. Particularly, Financials, Real Estate, and Consumer Staples were divested the most, selling activity mainly focused on VPB, VND, VCB, VIC, KDH, NVL, and VNM, fading the strong demand on VHM, THD, SHS, OCB, MSN, and DGC. Besides, Materials and Energy continued to experience the outflow, mainly driven by large sell orders on HPG and PLX.

##### ▶ South East Asia ETF flow

Money inflow ticked up across SEA after experiencing two weeks of outflow. Net inflow was USD6mn. To be specific, the positive flow of money was mainly driven by the sharp demand across Singapore (USD9mn), reaching a 2-month high. However, outflow across Vietnam was maintained whilst other countries recorded no inflow/outflow activity last week.

Vietnam continued to be divested, net outflow was USD4mn, recording the third week of outflow. Particularly, the money outflow was mainly contributed by the divestment across X FTSE Vietnam and VFMVN30 ETF. Besides, demand on VFMVN Diamond was paused last week.

## New listing & Public offerings

### ▶ Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
6/17/2021	-	Vinacomin – Pilot Company Limited	20.2	404,400	15,550	IPO

- **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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