

Xin Chao Vietnam

Market performance

| | 31 May | 1D | 1M | 3M | YTD |
|----------------------|----------|-----|------|------|------|
| VNIndex (pt, % chg.) | 1,328.05 | 0.6 | 7.2 | 13.7 | 20.3 |
| Turnover (VND bn) | 25,140 | | | | |
| VN30 (pt, % chg.) | 1,474.78 | 1.1 | 12.4 | 25.7 | 37.7 |

Major indicators

| | 31 May | 1D | 1W | 1M | YTD |
|-------------------------------|-------------|-------|-------|-------|-------|
| 1-yr govt bonds (% bp chg.) | 0.55 | 0.0 | 0.0 | 0.1 | 0.1 |
| 3-yr govt bonds (% bp chg.) | 0.96 | (0.0) | 0.2 | 0.1 | 0.1 |
| VND/USD (% chg.) | 23,048 | (0.0) | 0.0 | (0.1) | 0.2 |
| VND/JPY (% chg.) | 21,007 | (0.2) | 0.4 | 2.6 | 6.4 |
| VND/EUR (% chg.) | 28,085 | 0.1 | (0.4) | (1.3) | 1.4 |
| VND/CNY (% chg.) | 3,617 | 0.0 | (1.6) | (1.6) | (2.2) |
| | Prev. close | 1D | 1W | 1M | YTD |
| 10-yr US Treasury (% bp chg.) | 1.59 | 0.0 | (0.0) | 0.2 | 0.7 |
| WTI (USD/bbl, % chg.) | 67.00 | 1.0 | 5.4 | 8.9 | 38.1 |
| Gold (USD/oz, % chg.) | 69.41 | 1.0 | 3.2 | 5.0 | 34.0 |

Domestic institutions net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|----------|----------|----------|----------|
| FUEVFNVD | 91.6 | HPG | (145.1) |
| LPB | 49.8 | PLX | (80.5) |
| CTG | 45.2 | ACB | (73.4) |
| HPX | 30.0 | MBB | (70.1) |
| MWG | 22.5 | TSC | (68.4) |

Foreign net buy / sell

| Net buy | (VND bn) | Net sell | (VND bn) |
|---------|----------|----------|----------|
| PLX | 133.4 | HPG | (709.3) |
| NVL | 42.0 | MBB | (404.2) |
| DXG | 31.4 | VCB | (104.8) |
| KDH | 26.6 | FUEVFNVD | (91.3) |
| NKG | 17.3 | STB | (82.6) |

Daily performance by sector

| Top five sectors | % chg. | Bottom five sectors | % chg. |
|------------------------|--------|---------------------|--------|
| Diversified Financials | 6.0 | Technology | (4.7) |
| Software & Services | 3.0 | Retailing | (2.8) |
| Materials | 2.9 | Commercial Services | (2.8) |
| Health Care | 2.3 | F&B | (1.6) |
| Banks | 2.3 | Insurance | (1.5) |

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Banking in the spotlight
- **Vietnam:** FDI registration disrupts under stricter mobility
- **Vietnam:** Fitch Solutions lower Vietnam's economic recovery in 2021

Macro & Strategy

- **Fundflow 24 – 28 May:** Outflow starts to spread among major countries
- **Economic Flash:** CPI rebounds under global surging commodity prices

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 | 9.7 | 19.0 | 3.1 | 12.2 | 16.1 |
| 2021F | 304,264 | 177,159 | 19.0 | 16.0 | 2.6 | 10.9 | 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

Banking in the spotlight

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The Vietnam stock market resumed its uptrend, although COVID-19 disease spread rapidly in Ho Chi Minh City during the weekend. The city recorded 51 new infections on the evening of May 31, 2021.

At the close, the VNIndex gained 1.30% to close at 1,320 pts. Meanwhile, the trading volume was 720 million shares or VND25,139bn.

After three buying sessions, foreigners reversed to net sell VND1,690bn on HSX. They sold HPG, MBB, and VCB the most with net values of VND709bn, VND404bn, and VND104bn, respectively.

Banking was the market leader thanks to CTG (+3.7%), BID (+3.3%), HDB (+2.9%), TCB (+1.3%), ACB (+6.4%), STB (+6.1%), and EIB (+2.8%).

In April, revenue and net income of HSG (+6.4%) reached VND4,550bn and VND538bn because its consumption volume in April was 216,390 tonnes, a slight increase compared to the previous month. In seven months of the fiscal year, the firm posted revenue of VND24,496bn (reaching 74% of the year plan) and profit after tax of VND2,208bn (reach 147% of the year plan).

On May 28, 2021, the Australian Federal Foreign Investment Commission (FIRB) approved the contract to purchase 100% of the shares of the Roper Valley Iron Ore Mine Project by the subsidiary of HPG (+6.8%) in Australia. Roper Valley iron ore mine has an estimated reserves of 320 million tonnes.

Some constituents of the VN30Index jumped more than 1%, such as SSI (+6.2%), FPT (+3.3%), KDH (+1.2%), and SBT (+1.0%).

In contrast, selling pressure pushed Real Estate down, namely VRE (-3.8%), VHM (-1.9%), VIC (-1.9%), ROS (-2.2%), SCR (-2.4%), TCH (-0.9%), and PDR (-1.0%).

In the short term, the uptrend is still intact thanks to the high demand on Banking stocks. Hence, traders can hold their long position and focus on leading stocks.

Breaking news

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► Vietnam: FDI registration disrupts under stricter mobility

Data in May illustrated well about the severe impact of the outbreak to FDI activity. The amount of new FDI registration plunged to the second-lowest level in 33 months, at just USD0.37bn and down by 43.7% YoY. The amount recorded in M&A and share purchase activity remained subdued in May as it dropped nearly a half of its value in May last year, at only USD0.26bn (-49.1% YoY). On the contrary, the additional capital registered for existing projects climbed to the second highest since April 2020, posting USD1.11bn and increasing by 191.7% YoY. Total registered FDI, as a result, plunged to a low level not seen since October last year, at USD1.74bn (+12.28% YoY). On the other hand, FDI disbursement recorded a new high in this year with USD1.65bn in total and rising 6.45% YoY. (MPI, KIS)

► Vietnam: Fitch Solutions lower Vietnam's economic recovery in 2021

From the latest update from Fitch Solutions, 2021 projected economic growth was downgraded from 8.6% in the previous forecast to just 5.8%. Reasons behind this big downgrade were the subdued outlook for tourism and slowing vaccination progress. However, the credit-rating institution Fitch expects credit growth to accelerate to 14% YTD in 2021 compared to its prior forecast of 12%, driven by improved optimism for business outlook under low interest-rate environment. Fitch Solutions also expects SBV to maintain low policy rates. (Fitch Solutions)

Macro & strategy

Fundflow 24 – 28 May

Outflow starts to spread among major countries

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▶ Vietnam foreign flow

Relating to foreign activity, selling activities continued to overwhelm but selling pressure has started to drop. Net sell value was USD12mn, down 90% WoW.

Selling activity mainly focused on Materials, Financials, and Real Estate. To be specific, HPG, CTG, VPB, LPB, VIC, NVL, and DXG were divested the most, fading the strong demand on STB, SSI, THD, VRE, and VHM. On the contrary, Energy and Consumer Staples absorbed the most foreign demand thanks to large buy orders on PLX, VNM, and MSN.

▶ South East Asia ETF flow

SEA experienced the negative flow of money. Net outflow was USD25mn. To be specific, the surge in outflow was mainly driven by the strong divestment across Singapore and Vietnam. Singapore recorded the net outflow of USD17mn whilst the other countries recorded no money inflow/outflow last week.

Vietnam continued to be divested, net outflow was USD7mn, recording the fourth week of outflow. Particularly, the money outflow was mainly contributed by the divestment across VFMVN Diamond (USD8.7mn) and SSIAM VNFN Lead ETF (USD2mn). However, the outflow was partially recovered by the increase of interested on VFMVN30 ETF which attracted the total inflow of USD4mn last week.

Economic Flash

CPI rebounds under global surging commodity prices

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▶ Trade turnover remains high

GSO's estimate shows that the trade value kept staying at high value relative to the low base in the same period last year. In detail, export and import values posted USD26.00bn and USD28.00bn, growing by 35.51% YoY and 54.05% YoY in this period, respectively. Besides, the trade balance recorded a deficit of USD2.00bn this month, marking the 2-month streak of the low export turnover relative to import turnover.

▶ Gasoline pushes CPI up

According to GSO, the consumer price index (CPI) slightly increased this month due to the upward momentum in the traffic index and housing and construction materials (HCM) index. More specifically, CPI in May rose by 0.16% MoM, breaking the 2-month declining streak from March. The rebound of CPI concentrates on traffic and HCM, whose components were affected mainly by external factors in global markets.

▶ FDI disrupts under stricter mobility restrictions

The ongoing outbreak caused considerable limitations to FDI activity as the government implemented stricter measures for international travelers. Total registered FDI, as a result, plunged to the lowest level in 8 months, at USD1.74bn (+12.28% YoY). Besides, FDI disbursement recorded a new high this year with USD1.65bn, up by 6.45% YoY.

▶ Modest recovery in IIP after months of contraction

Overall, the industrial sector saw a modest recovery with more than 75% of sub-industries recording expansion in May, showing some positive signs after months of contraction. According to the latest update for May from GSO, IIP just saw the best month since November 2020 as the industrial output improved at the fastest pace in 7 months, by 1.63% MoM and 11.56% YoY.

New listing & Public offerings

► New listing

(VND bn, share, VND)

| Date of Listing | Ticker | Company | Exchange | Listed Value | Listed Shares | Reference Price |
|-----------------|--------|-----------------------|----------|--------------|---------------|-----------------|
| 6/2/2021 | MPT | Truong Tien Group JSC | UPCoM | 171.1 | 17,107,164 | 2,300 |

► 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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