

Xin Chao Vietnam

Market performance

	3 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,364.28	1.8	10.1	14.9	23.6
Turnover (VND bn)	29,020				
VN30 (pt, % chg.)	1,504.37	1.7	14.6	25.8	40.5

Major indicators

	3 Jun	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.53	0.0	0.0	0.0	0.1
3-yr govt bonds (% bp chg.)	0.93	0.2	0.2	0.0	0.1
VND/USD (% chg.)	23,046	0.0	0.0	(0.1)	0.2
VND/JPY (% chg.)	21,001	0.1	0.6	2.4	6.5
VND/EUR (% chg.)	28,089	(0.1)	(0.4)	(1.0)	1.4
VND/CNY (% chg.)	3,607	0.1	(1.3)	(1.3)	(1.9)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.60	0.0	0.0	0.1	0.7
WTI (USD/bbl, % chg.)	68.67	(0.2)	6.5	12.1	41.5
Gold (USD/oz, % chg.)	71.24	(0.2)	5.4	11.2	37.5

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VIC	62.7	PLX	(126.6)
IJC	51.7	HNG	(104.2)
VPB	51.0	STB	(74.9)
NKG	22.5	LPB	(70.6)
HPG	18.2	ACB	(66.3)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
OCB	57.5	HPG	(716.2)
SSI	56.8	MBB	(181.4)
FLC	42.4	VIC	(142.9)
NVL	37.6	STB	(42.3)
PLX	28.0	VCB	(42.1)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Diversified Financials	5.6	Technology	(1.2)
Health Care	4.7	Software & Services	(0.3)
Others	3.6		
Banks	2.8		
Capital Goods	2.7		

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Highest trading value
- **U.S.:** Federal Reserve plans to unwind corporate-bond purchase program

Macro & Strategy

- **June Macro view:** Domestic economy to face a COVID-19 stress test

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	19.6	3.1	12.3	16.1
2021F	304,264	177,159	19.0	16.4	2.7	11.0	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)	6.6
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

Highest trading value

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The Vietnam stock market maintained its uptrend, despite the trading congestion and excessive liquidity on HSX. Besides, the COVID-19 epidemic has spreaded fast in Ho Chi Minh city.

At the close, the VNIndex gained 1.75% to close at 1,364 pts. Meanwhile, the trading volume was 883 million shares or VND29,019bn.

Foreigners continued to net sell VND1,045bn on HSX. They sold HPG, MBB, and VIC the most with net values of VND716bn, VND181bn, and VND142bn, respectively.

Financial was the market leader thanks to CTG (+3.1%), BID (+3.0%), HDB (+5.3%), TCB (+3.8%), ACB (+2.9%), MBB (+6.9%), and STB (+1.7%). Notably, cash flowed into Brokerages, namely VND (+9.9%), HCM (+5.5%), SSI (+6.3%), and VCI (+5.4%) because of the high trading volume and value.

Some constituents of the VN30Index jumped more than 2%, such as POW (+6.7%), SBT (+6.5%), and REE (+3.2%).

In contrast, MSN (-0.7%), FPT (-0.4%), OIL (-2.1%), APH (-1.9%), and PVS (-1.5%) closed in red territory.

The VNIndex is near the first price target of the triangle pattern at the 1,380-pts threshold. Hence the selling pressure can appear. However, the uptrend is still intact, so the contraction is the opportunity to increase the long position.

Breaking news

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- ▶ U.S. Federal Reserve plans to unwind corporate-bond purchase program

According to the latest announcement from the U.S. central bank, the Federal Reserve Board plans to sell about USD13.7bn in corporate bonds and corporate-bond-tracking ETFs in the Secondary Market Corporate Credit Facility (SMCCF) program established in March last year. This program has already closed purchasing activity since December 31st, 2020. Under Fed's surveillance, the sales of the SMCCF portfolio will be gradual and orderly in order to protect corporate-bond market stability. (U.S. Federal Reserve)

Macro & strategy

June Macro view

Domestic economy to face a COVID-19 stress test

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- ▶ Surging commodities boost CPI

CPI in May rose by 0.16% MoM, marking a pick-up after a two-month decrease streak, mainly due to the upward momentum in the traffic and HCM indices. The rebound of CPI concentrates on traffic and HCM, whose components were affected mainly by external factors in global markets. In June, we suggest that F&Fs, leaning of the potential increase in the ASF-affected pork price, would put more upward pressure on the overall price index.

- ▶ FDI on a rough course amid the pandemic

The ongoing outbreak caused considerable limitations to the FDI registration under stricter international mobility restrictions. Furthermore, foreign investors likely put new investment on hold amid unstable business conditions. Looking forward, we believe, without any easing in the mandatory isolation and visa-granted progress for foreigners, FDI would remain depressed for the rest of 2Q21 and early 3Q21.

- ▶ IIP recovery to be thrown into uncertainty

From the supply side, the current outbreak is the most concern to the industrial outlook as it caused temporary supply-chain disruption and created unstable business conditions. The demand side is also not as bright as before with domestic demand being hurt under broad social distancing measures.

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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