

Xin Chao Vietnam

Market performance

	4 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,374.05	0.7	10.6	17.6	24.5
Turnover (VND bn)	30,883				
VN30 (pt, % chg.)	1,508.35	0.3	12.5	28.5	40.9

Major indicators

	4 Jun	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.52	(0.0)	0.0	0.0	0.1
3-yr govt bonds (% bp chg.)	0.91	(0.0)	0.1	(0.0)	0.1
VND/USD (% chg.)	23,038	0.0	0.1	(0.1)	0.3
VND/JPY (% chg.)	21,025	0.0	1.0	0.6	6.3
VND/EUR (% chg.)	28,042	0.2	(1.2)	(1.1)	1.5
VND/CNY (% chg.)	3,602	(0.1)	(1.2)	(1.2)	(1.8)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.57	0.0	(0.0)	0.0	0.7
WTI (USD/bbl, % chg.)	69.74	0.2	7.5	5.5	43.7
Gold (USD/oz, % chg.)	71.97	0.1	5.4	3.8	38.9

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VSC	319.8	HNG	(204.3)
VIC	139.3	PLX	(134.6)
VCB	54.5	FUESSVFL	(73.4)
GAS	44.1	FPT	(64.4)
POW	40.1	STB	(49.4)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VRE	127.7	MBB	(508.8)
FUESSVFL	73.2	HPG	(427.6)
PLX	69.5	VSC	(383.0)
OCB	67.1	VIC	(217.9)
VIX	33.6	VNM	(171.8)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Health Care	6.8	Technology	(2.4)
Telecommunication	5.3	Retailing	(1.0)
Energy	3.8	Consumer Durables	(0.5)
Insurance	3.4	Household Products	(0.5)
Utilities	2.7	Transportation	(0.4)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Trading value is over VND31tn
- **Vietnam:** Third support electricity reduction for affected business due to COVID-19 outbreak
- **Vietnam:** FTSE adds HSG and removes DXG

Macro & Strategy

- **Chart of the day:** Correction is unavoided

New listing & Public offerings

KIS market view

	OP (VND bn)	NP (VND bn)	EPS growth (% yoy)	PE (x)	PB (x)	EV/EBITDA (x)	ROE (%)
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	19.5	3.1	12.3	16.1
2021F	304,264	177,159	19.0	16.4	2.7	11.1	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

Trading value is over VND31tn

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The Vietnam stock market maintained its uptrend as the cash flowed into the stock on HSX. That pushed trading value and trading volume to VND30,882bn and 926 million shares, record a new highest. At the close, the VNIndex gained 0.72% to close at 1,374 pts.

Foreigners continued to net sell VND1,511bn on HSX. They sold MBB, HPG, and VSC the most with net values of VND508bn, VND427bn, and VND382bn, respectively.

Based on the high price of global oil, Oil and Gas was the market leader driven by GAS (+3.5%), BSR (+9.7%), PLX (+3.2%), and OIL (+8.4%). Notably, PVT, PVD, PXS, and PVS limited up.

Some constituents of the VN30Index jumped more than 2%, such as VRE (+5.6%), PDR (+4.5%), BVH (+4.0%), and POW (+3.1%).

KBC (+5.7%) announced to offer VND1,500bn of bonds with a maturity of 24 months, at a fixed rate of 10.8% per year. This bond is a non-convertible bond without warrants and collateral.

In contrast, profit-taking pushed Banking stocks down, namely STB (-1.8%), VCB (-1.7%), HDB (-1.0%), TCB (-0.4%), and ACB (-1.3%).

In the short term, the VNIndex almost reaches the first price target of the triangle pattern at the 1,380-pts threshold. Therefore, the selling pressure can appear. However, the short- and long-term uptrend is still intact, so the contraction is the opportunity to increase the long position.

Breaking news

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- ▶ Vietnam: Third support electricity reduction for affected business due to COVID-19 outbreak

The government already passed Resolution No. 55/NQ-CP on Wednesday last week, directing Vietnam Electricity Corporation (EVN) to support electricity bill reduction for businesses that are impacted severely by the COVID-19 pandemic. Only tourist accommodation businesses and COVID-19 prevention facilities are eligible for this support package. The electricity bill reduction would be applied in 7 months from June to December 2021. The support is estimated to be about VND1,570bn. (EVN, MoIT)

Breaking news

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- ▶ Vietnam: FTSE adds HSG and removes DXG

Based on data of 31 May, FTSE Vietnam ETF announces to add HSG in the 3Q21, while it will exclude DXG in the 3Q21. Besides, FTSE All-Share Index will remove DXG, CII, and CTD, while add ACB, VIB, MSB, OCB, and VCI in this quarterly review. The new weight will be effective on 21 June 2021. (FTSE Russell)

Macro & strategy

Chart of the day

Correction is unavioded

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► Market performance

The VNIndex kept following the bullish swing thanks to the surge of demand on large-cap stocks.

► Chart: Uptrend is in place, but correction is unavoidable

The long-term bull is active as the breakout is confirmed (at 1,280 pts area), turning on the green light for testing 1,400 pts area.

Subsequent bullish candles occurred with above average volume, implying the increasing of buying activities.

The broken 1,280 pts area has turned around to act as the important short-term support. On the upside, the 1,400-pts area is expected to be the weekly resistance.

However, price movement is quite steep which is not stable and there is the tendency for the correction to occur.

→ The VNIndex is expected to step in the consolidation phase or even the first correction (after the breakout).

► Technical strategy: The correction will provide the buy zone

As mentioned above, the long-term uptrend is in place. However, in the short term, trading activities is surging and the correction is unavioded. In this case, investors should hold the current positions on leading stocks and add more or re-enter the market at the short-term support (1,300 pts area).

New listing & Public offerings

► New listing

(VND bn, share, VND)

Date of Listing	Ticker	Company	Exchange	Listed Value	Listed Shares	Reference Price
6/9/2021	PXT	Petroleum Pipeline & Tank Construction JSC	UPCoM	200.0	20,000,000	2,200

► 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

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- 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.

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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.
- 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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