

Xin Chao Vietnam

Market performance

	7 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,358.78	(1.1)	9.4	16.3	23.1
Turnover (VND bn)	28,620				
VN30 (pt, % chg.)	1,484.10	(1.6)	10.7	26.8	38.6

Major indicators

	7 Jun	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.53	0.0	0.1	0.1	0.1
3-yr gov't bonds (% bp chg.)	0.92	0.0	0.0	0.2	0.1
VND/USD (% chg.)	23,026	0.1	0.1	0.1	0.3
VND/JPY (% chg.)	21,051	0.1	0.6	0.5	6.2
VND/EUR (% chg.)	28,082	(0.2)	(0.1)	(2.5)	1.4
VND/CNY (% chg.)	3,599	0.1	(0.4)	(1.9)	(1.7)
	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.)	69.05	(0.3)	6.4	6.1	42.3
Gold (USD/oz, % chg.)	71.33	(0.2)	4.5	4.5	37.7

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
GEX	64.3	PLX	(192.5)
HPG	58.2	ACB	(52.9)
VCB	48.1	FIT	(42.8)
VPB	47.8	STB	(40.2)
GVR	44.7	NVL	(38.9)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VRE	156.8	HPG	(524.7)
NVL	95.0	VIC	(224.8)
OCB	82.9	VPB	(124.5)
PLX	73.8	DCM	(64.4)
VHM	46.4	MBB	(51.4)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Health Care	4.7	Diversified Financials	(3.8)
Insurance	2.1	Banks	(3.1)
Transportation	1.5	Automobiles	(2.9)
Media & Entertainment	1.4	Software & Services	(2.3)
Consumer Services	1.0	Technology	(1.8)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Profit-taking on Banking stocks
- **G7:** Finance leaders from G7 back a new global tax scheme

Macro & Strategy

- **Fundflow 31 May – 04 Jun:** The laggard of SEA

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	19.1	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)	6.6
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

Profit-taking on Banking stocks

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The Vietnam stock market reversed to go down due to selling pressure on Banking stocks. Trading congestion and excessive liquidity were still intact yesterday. At the close, the VNIndex lost 1.11% to close at 1,358 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.

Banking was the worst sector driven by EIB (-1.9%), STB (-4.5%), MBB (-4.3%), ACB (-5.1%), TCB (-4.0%), HDB (-2.3%), BID (-4.5%), VCB (-1.8%), and CTG (-3.7%).

Some constituents of the VN30Index slid more than 2%, such as SSI (-3.3%), REE (-2.8%), MSN (-2.6%), and FPT (-2.4%).

In May 2021, HPG (-3.3%) posted sales of steel 695,000 tonnes, including in (1) finished construction steel of 324,000 tonnes (+25% YoY) and (2) Hot rolled coil (HRC) of 225,000 tonnes.

In contrast, members of Vingroup, such as VIC (+1.7%), VHM (+1.4%), and VRE (+3.6%), outperformed the benchmark index.

Based on the high price of global oil, cash flowed still into Oil and Gas, namely PVT (+4.5%), PVD (+4.7%), PVS (+1.0%), BSR (+5.7%), and OIL (+3.4%).

Based on AGM guidance, GVR (+5.0%) planned its profit after tax of VND4.6tn (-8% YoY) in 2021.

The profit-taking at the first target price of the triangle pattern pushed the market sentiment cautious in the short term. The VNIndex may record some losing sessions. However, the long-term uptrend is still intact thanks to the significant cash flow of local individual investors. Therefore, the contraction period is the opportunity to increase the long position.

Breaking news

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- ▶ G7: Finance leaders from G7 back a new global tax scheme

On Saturday, finance leaders from the G7 organization agreed to back a global minimum taxation law that charges multinationals at least a 15% tax rate regardless of where their holding companies are based, preventing multinational companies from shifting profits to tax havens. In the next progress, the proposal will be presented in the meeting of the Group of 20 nations next month, then it would be considered going into law if being passed in the next meeting of G20 in October this year. (G7, New York Times)

Macro & strategy

Fundflow 31 May – 04 Jun

The laggard of SEA

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- ▶ Vietnam foreign flow

Relating to foreign activity, selling activities skyrocketed. Net sell value was USD270mn, reaching the highest level since 2018.

Selling activity mainly focused on Materials and Financials. To be specific, HPG, MBB, STB, and VCB were divested the most, fading the strong demand on NKG, OCB, SSI, and VIX. Besides, selling pressure also focus on Industrials and Real Estate due to large sell orders on VSC and VIC. On the contrary, Energy kept absorbing the most foreign demand thanks to large buy orders on PLX.

- ▶ South East Asia ETF flow

Money inflow overweighted outflow across SEA las week. Net inflow was USD23mn. To be specific, the positive flow of money

was mainly driven by the strong inflow across Thailand, Philippines, and Indonesia. Singapore recorded no inflow/outflow whilst outflow maintained in Vietnam.

Vietnam became the laggard of SEA with net outflow was USD1.5mn, recording the fifth week of outflow. Particularly, the money outflow was mainly contributed by the divestment across VFMVN Diamond (4mn). However, the outflow was partially recovered by high demand on VFMVN30 ETF which attracted the total inflow of USD4mn last week.

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

- **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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