

Xin Chao Vietnam

Market performance

	9 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,332.90	1.0	7.3	14.7	20.7
Turnover (VND bn)	25,329				
VN30 (pt, % chg.)	1,457.76	1.3	8.7	25.3	36.1

Major indicators

	9 Jun	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.54	(0.0)	0.1	0.0	0.1
3-yr govt bonds (% bp chg.)	0.79	(0.0)	(0.1)	(0.2)	(0.1)
VND/USD (% chg.)	22,990	(0.1)	0.3	0.3	0.5
VND/JPY (% chg.)	21,007	(0.2)	0.8	1.1	6.4
VND/EUR (% chg.)	28,015	(0.2)	0.1	(2.1)	1.6
VND/CNY (% chg.)	3,599	(0.3)	(0.2)	(1.6)	(1.7)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.51	(0.0)	(0.1)	(0.0)	0.6
WTI (USD/bbl, % chg.)	70.28	0.3	8.3	9.8	44.8
Gold (USD/oz, % chg.)	72.48	0.4	6.2	7.3	39.9

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VCI	55.9	PLX	(73.2)
VCB	43.6	VPB	(71.0)
IJC	33.5	STB	(39.8)
HPG	27.0	TCB	(37.3)
DXG	23.1	KBC	(37.1)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	71.5	HPG	(517.7)
CTG	57.2	DXG	(427.6)
OCB	56.4	NVL	(135.7)
STB	56.3	GEX	(56.2)
HDB	53.6	VIC	(32.9)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Diversified Financials	4.7	Others	(2.1)
Health Care	2.6	Media & Entertainment	(1.4)
Banks	2.4	Energy	(1.1)
Software & Services	1.2	Household Products	(0.9)
Consumer Services	1.2	Commercial Services	(0.6)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Rebound
- **Vietnam:** Surging commodities boost CPI

Sector & Company

- **Century Synthetic Fiber (STK):** Company brief

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	11.0	18.7	3.0	12.1	16.1
2021F	304,264	177,159	18.9	15.7	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

Rebound

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The Vietnam stock market rebounded yesterday after the two losing sessions thanks to bottom fishing.

At the close, the VNIndex gained 0.99% to close at 1,332 pts. Meanwhile, the trading volume was 800 million shares or VND25,328bn in value.

Foreigners continued to net sell VND642bn on HSX. They sold HPG, DXG and NVL the most with net values of VND517bn, VND427bn, and VND135bn, respectively.

Banking was the market leader driven by CTG (+3.1%), VCB (+2.0%), BID (+1.5%), HDB (+3.4%), TCB (+2.6%), MBB (+3.4%), STB (+3.5%), and EIB (+1.3%).

BOD of ACB Securities Company Limited (ACBS) approved a plan to increase charter capital to VND3,000bn from VND1,500bn. Accordingly, ACB (+5.6%), the owner of ACBS, will invest VND1,500bn.

Besides, cash flowed into Brokerages, namely VND (+9.9%), HCM (+2.8%), SSI (+6.1%), VCI (+6.3%), and BSI (+9.9%).

NLG (+1.9%) reported having investors registering to buy 60 million shares in a private placement. GELEX, which registers to buy NLG for the first time, has the highest portion of 15 million shares. The selling price ranges of VND30,700 to VND37,500.

Some constituents of the VN30Index jumped more than 1%, such as NVL (+6.0%) and FPT (+1.1%).

In contrast, VJC (-1.6%), PLX (-1.6%), BVH (-1.1%), SBT (-0.9%), and REE (-0.9%) closed in red territory.

Based on the recovery, the market sentiment has become optimistic. However, the selling pressure at a high-level price is still intact and the recovery may be a pull trap. Therefore, the traders should be careful and wait for more signals.

Breaking news

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► Vietnam: Surging commodities boost CPI

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. 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. (GSO, KIS)

Sector & Company

Century Synthetic Fiber (STK)

Hold (Maintain)

Modest headwind from U.S. anti-dumping tax

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► Trivial US anti-dumping tax

On June 2, US Department of Commerce (DOC) made preliminary conclusions on anti-dumping investigation into Polyester

Textured yarn (PTY) products from Vietnam and other countries. According to details given by the Trade Remedies Authority, Vietnamese enterprises were determined to have a dumping margin of between 2.67% and 22.82%. Due to the impact of the COVID-19 pandemic, the DOC will not conduct on-site verification, but will instead require businesses to provide additional information in order to verify data before making a final conclusion due on Oct 9.

Per management, STK completed providing required information and documentation in 1Q21 and co-operated closely with the investigation agency and the Trade Remedies Authority as a means of ensuring positive results. However, STK believes this action slightly hit its business, given by 1) the US market contributed a VND46bn revenue, accounting about 2.6% in FY20 and could be still minimal in FY21F, and 2) low anti-dumping tax rate is expected by STK.

► Bright outlook on demand recovery

In 1Q21, STK recorded a VND567bn net revenue, (-8% yoy) and a VND112bn gross profit (+18% yoy), assisted by rising yarn price. NPAT also spiked VND70.6bn (+36% yoy) on lower financial expense and operating cost, making up 28.5% company guidance. We believe that STK could complete its full-year net profit target given the healthy recovery on yarn demand. The resumption of textile and garment industry in the EU and US are boosting the demand for yarn in Vietnam which witness a 36% yoy growth in volume to 71,000 tonnes in 1Q21.

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.

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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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