

Xin Chao Vietnam

Market performance

	11 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,351.74	2.1	7.6	14.4	22.5
Turnover (VND bn)	23,452				
VN30 (pt, % chg.)	1,487.61	2.5	9.4	25.1	38.9

Major indicators

	11 Jun	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.52	0.0	(0.0)	0.0	0.1
3-yr gov't bonds (% bp chg.)	0.77	(0.1)	(0.2)	0.1	(0.1)
VND/USD (% chg.)	22,973	(0.0)	0.4	0.3	0.5
VND/JPY (% chg.)	20,980	0.1	1.1	1.3	6.6
VND/EUR (% chg.)	27,912	0.1	0.5	(1.2)	2.0
VND/CNY (% chg.)	3,595	(0.1)	(0.3)	(1.3)	(1.6)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.44	0.0	(0.2)	(0.1)	0.5
WTI (USD/bbl, % chg.)	70.41	0.2	7.9	6.6	45.1
Gold (USD/oz, % chg.)	72.66	0.2	6.0	4.4	40.3

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
RAL	69.2	SMC	(81.6)
NHA	44.9	VAF	(57.1)
TTB	42.2	NNC	(51.9)
HPG	37.4	ADG	(51.8)
TV2	31.2	LSS	(48.8)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
PLX	140.1	DXG	(133.4)
VHM	96.6	HPG	(75.8)
KDH	72.1	GEX	(44.0)
STB	67.6	LPB	(30.0)
PDR	48.1	VIC	(15.2)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.8	Health Care	(3.1)
Diversified Financials	4.2		
Technology	4.2		
Insurance	3.1		
Banks	3.0		

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Optimistic sentiment
- **U.S.:** Inflation climbed to a 13-year peak
- **Vietnam:** Domestic petroleum prices continue increasing after surging global energy prices

Macro & Strategy

- **Chart of the day:** Selling signal?

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	12.4	18.8	3.0	12.4	16.2
2021F	304,264	177,159	18.9	15.8	2.6	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

Optimistic sentiment

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The Vietnam stock market rebound last Friday thanks to optimistic market sentiment.

At the close, the VNIndex jumped 2.13% to close at 1,351 pts. Meanwhile, the trading volume was 720 million shares or VND23,452bn in value.

Foreigners continued to net buy VND612bn on HSX. They purchased PLX, VHM, and KDH the most with net values of VND140bn, VND96bn, and VND72bn, respectively.

Banking was the market leader driven by CTG (+6.9%), VCB (+1.0%), BID (+3.0%), HDB (+5.4%), TCB (+5.0%), ACB (+1.6%), MBB 4.0%, and STB (+5.5%).

SIP (+1.8%) released its AGM guidance with its target revenue of VND4tn (-19.3% YoY) and profit after tax of VND520bn (-53% YoY).

Some constituents of the VN30Index soar more than 3%, such as SSI (+6.6%), PDR (+5.0%), KDH (+4.0%), and BVH (+3.2%).

Seafood, namely ANV (+1.0%), MPC (+1.7%), IDI (+0.3%), and AGF (+8.8%), closed in green territory after VASEP's news. According to VASEP, the surge in demand in the U.S. is a positive signal. However, the raw material for processing might be shortage since the fish farming circle lasts for 7-8 months and cannot increase rapidly. Currently, the pangasius industry has more than 60% of raw material raised by a consistent supply source.

In contrast, VHC (-0.1%) announced export sales of VND743bn (+35% YoY) in May, of which the U.S. market increased 188% to VND314bn thanks to the COVID-19 epidemic under control. Accumulating five months, the firm recorded export sales of VND3,910bn (+24% YoY).

BOD of VCG approved that VCG (-0.7%) would buy all BDT (-3.9%) share of the divestment of Dong Thap Provincial People's Committee.

Market sentiment has become optimistic in the short term, implying the false of selling signals. However, the confirmation signal of uptrend is necessary to increase the long position because the volatility is increasing. Therefore, the traders should be careful and wait for more signals.

Breaking news

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► U.S.: Inflation climbed to a 13-year peak

U.S. inflation data released yesterday again rose more than forecast, although U.S. Federal Reserve said accelerating inflation was mainly because of transitory effect. More specifically, U.S. Consumer Price index continued to climb 0.6% MoM, which is the second-largest increase in a decade, while % YoY CPI growth reached 5%, the largest annual gain since August 2008, due to a base effect. The higher than anticipated level of CPI might slightly increase the chance for Fed to re-talk the tapering in meeting next week. (U.S. Bureau of Labor Statistics, U.S. Federal Reserve, KIS)

► Vietnam: Domestic petroleum prices continue increasing after surging global energy prices

On Friday last week, the Ministry of Industry and Trade announced the latest adjustment for domestic petroleum products for the second half of June. Following recently surging energy prices globally, the petroleum prices increased considerably, which put significant pressure on Vietnam's inflation conditions, especially for the traffic sector. More specifically, E5RON92 and RON95-III prices increased by about 3.4% and 3.2% from the late-May adjustment, to VND19,048 and VND20,164 per liter. (MoIT, KIS)

Macro & strategy

Chart of the day

Selling signal?

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► Market performance

The VNIndex recorded contraction last week as the profit-taking on large-cap stocks such as Banking stocks.

► Chart: Selling signal?

In the long-term, the uptrend is still intact as the VNIndex closes above medium- and long-term moving averages such as MA50 and MA100. Moreover, trend lines (red lines in Figure 1) are upward, implying the big trend.

However, in the short term, the VNIndex may form the contraction as the index crosses down the MA10 with decreasing volume. Besides, the MACD and Stochastic show the warning signals about the downtrend.

The index reaches the first target price of the triangle pattern at 1,380-pts thresholds. Therefore, the selling pressure appears.

The broken 1,300 pts area has turned around to act as the important short-term support. On the upside, the 1,380pts area is expected to be the weekly resistance.

→ The VNIndex may form the contraction in the short term as warning signals of Momentum indicators.

► Technical strategy: The correction will provide the buy zone

Despite the contraction, the long-term uptrend is in place. Hence, the short-term downtrend is opportunities to increase long position. 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

► 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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