

# Xin Chao Vietnam

## Market performance

	14 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,361.72	0.7	7.5	15.2	23.4
Turnover (VND bn)	24,957				
VN30 (pt, % chg.)	1,495.51	0.5	8.4	25.9	39.7

## Major indicators

	14 Jun	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.53	0.0	(0.0)	0.1	0.1
3-yr gov't bonds (% bp chg.)	0.78	0.0	(0.2)	0.1	(0.1)
VND/USD (% chg.)	22,998	(0.2)	0.2	0.3	0.4
VND/JPY (% chg.)	20,974	(0.3)	0.5	0.8	6.6
VND/EUR (% chg.)	27,784	(0.1)	0.7	(0.9)	2.5
VND/CNY (% chg.)	3,594	(0.2)	(0.4)	(1.3)	(1.5)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.46	0.0	(0.2)	(0.2)	0.5
WTI (USD/bbl, % chg.)	71.37	0.6	9.2	8.8	47.1
Gold (USD/oz, % chg.)	73.22	0.7	6.6	5.8	41.4

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUEVFNVD	195.6	HPG	(310.1)
FLC	44.9	PLX	(102.6)
VHM	27.3	TCB	(87.2)
VNM	22.1	VIC	(77.0)
CTD	19.9	FPT	(55.7)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
APH	120.9	FUEVFNVD	(208.5)
DXG	65.5	KDC	(149.1)
PLX	55.2	MBB	(102.9)
PDR	50.0	HPG	(38.5)
HSG	41.1	VCB	(33.0)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Diversified Financials	5.6	Health Care	(6.5)
Insurance	4.7	Telecommunication	(3.9)
Utilities	2.3	Others	(0.8)
Energy	2.0	Banks	(0.7)
Real Estate	2.0	Media & Entertainment	(0.6)

## WHAT'S NEW TODAY

### Market commentary & News

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

### Macro & Strategy

- **Fundflow 07 – 11 Jun:** Inflow comes back
- **June Fixed Income view:** Rise in fixed-income rates to reverse

### 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	12.4	18.8	3.0	12.6	16.2
2021F	304,264	177,159	18.9	15.8	2.6	11.3	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

#### Cash flows into Brokerages

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The Vietnam stock market resumed its uptrend, although the COVID-19 has spread rapidly in Ho Chi Minh City. Besides, the city also extended the social distancing period according to Directive 15 for two more weeks.

At the close, the VNIndex gained 0.74% to close at 1,361 pts. Meanwhile, the trading volume was 763 million shares or VND24,956bn in value.

Foreigners reversed to net sell VND78bn on HSX. They sold FUEVFNVD, KDC, and MBB the most with net values of VND208bn, VND149bn, and VND102bn, respectively.

Members of Vingroup were the market leader thanks to VIC (+1.7%), VHM (+3.7%), and VRE (+1.4%).

Cash flowed into Brokerages, namely SSI (+5.8%), HCM (+7.0%), VND (+9.3%), BSI (+5.9%), and VCI (+6.8%).

In addition, some constituents of the VN30-Index rose more than 2%, such as BVH (+4.7%), PDR (+4.6%), and GAS (+2.9%).

In construct, VPB (-1.1%), NVL (-1.0%), HDB (-1.0%), VCB (-0.8%), and TPB (-0.8%) closed in red territory.

In the short term, the uptrend is still intact. However, the confirmation signal of uptrend is necessary to increase the long position because of selling pressure at the high price. 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

### Fundflow 07 – 11 Jun

#### Inflow comes back

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#### ► Vietnam foreign flow

Relating to foreign activity, selling activity has started to slow down. Net sell value was USD32mn, down 90% WoW.

Selling activity kept focusing on Materials and Real Estate. To be specific, HPG, DCM, DXG, VIC, and NVL were divested the most, fading the strong demand on VHM, VRE, and KDH. Besides, Industrials continued to be negatively impacted by foreign selling pressure due to large sell orders on CII. On the contrary, Financials has turned around to be net bought, thanks to high

demand on OCB, SSI, and CTG. Notably, Energy kept absorbing foreign demand due to large buy orders on PLX.

► South East Asia ETF flow

Money inflow continued to overweight outflow across SEA las week. Net inflow was USD13mn. To be specific, the positive flow of money was mainly driven by the inflow across Indonesia, Singapore, and Vietnam. Notably, there is no outflow across major SEA's countries last week.

Money inflow ticked up across Vietnam after experiencing five consecutive weeks of outflow. Net inflow was USD4mn. Particularly, the money inflow was mainly contributed by high demand on VFMVN Diamond (USD5.3mn) and SSIAM VNFIN Lead ETF (USD2.3mn). However, Fubon FTSE Vietnam was divested last week.

## June Fixed Income view

### Rise in fixed-income rates to reverse

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► ON rate to retreat

The ON rate made a slightly increase in May when the credit activity improved further. However, deposit rates generally remain stable at a low level, implying that commercial banks could mobilize capital at a low cost and loosen their liquidity pressure in the interbank market. Furthermore, the deposit of Vietnam state treasury successfully auctioned and seems to provide more significant short-term liquidity for the banking system, indicating that the interbank rates would return to a lower level in June.

► High demand to pressure on G-bond yields

Statistics in May showed that G-bond investment activity was getting very excited in the month and marked May as the best month for the G-bond primary market in 2021. "What happened in May will likely continue to happen in June" is our forecast for G-bond yields for the next month. Demand for G-bond yields in both the primary market and secondary market will likely remain strong in June as banks have to absorb a proportion of VND33tn expired G-bonds. For that reason, we expect mid-and-long-term yields to drop further in June.

## 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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