

# Xin Chao Vietnam

## Market performance

	15 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,367.36	0.4	8.0	15.4	23.9
Turnover (VND bn)	24,132				
VN30 (pt, % chg.)	1,487.04	(0.6)	7.8	24.9	38.9

## Major indicators

	15 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.)	0.76	(0.0)	(0.2)	0.0	(0.1)
VND/USD (% chg.)	22,951	0.2	0.4	0.5	0.6
VND/JPY (% chg.)	20,859	0.2	1.1	1.3	7.2
VND/EUR (% chg.)	27,831	(0.2)	0.7	(1.1)	2.3
VND/CNY (% chg.)	3,586	0.2	(0.2)	(1.1)	(1.3)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.49	(0.0)	(0.1)	(0.1)	0.6
WTI (USD/bbl, % chg.)	71.21	0.5	8.9	8.9	46.8
Gold (USD/oz, % chg.)	73.20	0.5	6.5	6.3	41.3

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VPB	366.0	CTG	(98.7)
VHM	28.1	PLX	(76.2)
NVL	26.4	AAA	(73.8)
VCI	25.4	VIC	(55.5)
BMI	16.1	MBB	(36.6)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VIC	104.6	KDC	(307.9)
PLX	97.5	VPB	(95.1)
VRE	84.9	KBC	(72.1)
VHM	70.2	MBB	(68.8)
PDR	64.8	LPB	(37.2)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Automobiles	4.0	Health Care	(2.6)
Others	3.5	Banks	(0.8)
Telecommunication	2.6	Media & Entertainment	(0.8)
Insurance	2.3	Software & Services	(0.6)
Materials	2.1	Consumer Durables	(0.6)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Members of Vingroup make market gains
- **Vietnam:** High demand to pressure on G-bond yields

### 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	18.9	3.0	12.7	16.2
2021F	304,264	177,159	18.9	15.9	2.6	11.4	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

#### Members of Vingroup make market gains

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The Vietnam stock market maintained its uptrend thanks to the high demand on members of Vingroup.

At the close, the VNIndex gained 0.74% to close at 1,361 pts. Meanwhile, the trading volume was 719 million shares or VND24,131bn in value.

Foreigners reversed to net buy VND112bn on HSX. They purchased VIC, PLX, and VRE the most with net values of VND104bn, VND97bn, and VND84bn, respectively.

Members of Vingroup were the market leaders thanks to VIC (+1.4%), VHM (+2.5%), and VRE (+2.8%).

Cash flowed into Brokerages, namely FTS (+7.0%), BSI (+1.4%), VCI (+4.1%), HCM (+6.5%), and VND (+2.8%).

In addition, some constituents of the VN30Index rose more than 1%, such as REE (+2.5%), BVH (+2.0%), HDB (+1.9%), PDR (+1.2%), and VJC (+1.1%).

In contrast, VPB (-6.2%), SBT (-3.8%), STB (-2.3%), and POW (-1.2%) closed in red territory.

In AGM, PVT (+0.0%) planned its revenue of VND6,000bn (-22% YoY) and net income of VND404bn (-51% YoY) due to the negative impact of COVID-19 and the high global oil price. Meanwhile, the firm will pay cash dividends at a rate of 10%.

FPT (-0.7%) announced revenue of VND13,279bn (+18.6% YoY) and net income of VND2,428bn (+21.8% YoY) in first five months of 2021.

Cash flows into members of Vingroup, which pushes the market up. 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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#### ► Vietnam: 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. Throughout 16 auction sessions, Vietnam State Treasury offered a total of VND48tn G-bonds from 5-year to 30-year tenors (+ 52.38% MoM), which is the highest level in 2021. From the demand side, bidding value also climbed to above VND100tn for the first time in 2021, to VND137.4tn (+ 45.25% MoM). But most notably, the auction result illustrated strong demand for G-bond in the month as over 90% of total G-bond offers were absorbed, driving the G-bond issuing up to VND44.2tn (+ 67.98% MoM) and the absorption rate to 92.1%. "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. (HNX, KIS)

## 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

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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.
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