

# Xin Chao Vietnam

## Market performance

	16 Jun	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,356.52	(0.8)	7.1	15.0	22.9
Turnover (VND bn)	23,130				
VN30 (pt, % chg.)	1,465.58	(1.4)	6.2	23.4	36.9

## Major indicators

	16 Jun	1D	1W	1M	YTD
1-yr govt bonds (% bp chg.)	0.55	0.0	0.0	0.1	0.1
3-yr govt bonds (% bp chg.)	0.93	0.2	(0.1)	0.2	0.1
VND/USD (% chg.)	22,999	(0.2)	0.2	0.3	0.4
VND/JPY (% chg.)	20,921	(0.3)	0.8	1.2	6.9
VND/EUR (% chg.)	27,852	(0.2)	0.7	(1.0)	2.2
VND/CNY (% chg.)	3,595	(0.4)	(0.5)	(1.3)	(1.6)
	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.)	72.15	0.0	10.4	11.3	48.7
Gold (USD/oz, % chg.)	74.08	0.1	7.8	8.3	43.0

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FLC	91.9	CTG	(79.6)
VPB	38.7	VHM	(66.9)
DIG	30.3	FPT	(54.9)
SAB	26.7	TCB	(54.7)
BMI	15.9	MBB	(40.5)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
PDR	90.6	MBB	(172.5)
VCB	76.5	KDC	(141.0)
STB	62.7	SSI	(114.7)
VRE	59.3	HPG	(98.1)
VNM	57.8	GEX	(30.5)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Health Care	4.0	Diversified Financials	(2.0)
Utilities	2.6	Household Products	(1.7)
Pharmaceuticals	1.9	Real Estate	(1.5)
Energy	1.9	Banks	(1.0)
Capital Goods	1.0	Insurance	(1.0)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Selling pressure on large-cap stocks
- **World:** Productions from copper users accelerate at the fastest since December 2017

### Macro & Strategy

- **ETF Review:** Foreigners' ETFs buy STB, POW, and HSG the most

### 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	18.6	3.0	12.5	16.2
2021F	304,264	177,159	18.9	15.7	2.6	11.2	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

#### Selling pressure on large-cap stocks

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The Vietnam stock market reversed because of the selling pressure on large-cap stocks.

At the close, the VNIndex lost 0.79% to close at 1,356 pts. Meanwhile, the trading volume was 760 million shares or VND23,130bn in value.

Foreigners reversed to net sell VND66bn on HSX. They sold MBB, KDC, and SSI the most with net values of VND172bn, VND141bn, and VND114bn, respectively.

Real Estate underperformed the benchmark index, namely VIC (-2.1%), VHM (-2.3%), NVL (-0.5%), DXG (-4.4%), NLG (-1.3%), SCR (-6.2%), and PDR (-0.5%) due to the circular 40/2021/TT-BTC, effective from Aug 1. The circular will regulate the tax on rent business reconfirms that tax agencies could impose 10% (including 5% of PIT and 5% of VAT) on rent income above VND100mn per year.

In addition, some constituents of the VN30Index slid more than 3%, such as SSI (-5.0%), CTG (-3.1%), TCB (-3.1%), and STB (-3.0%).

In contrast, GAS (+3.6%), SBT (+2.9%), PLX (+2.2%), and VCB (+1.2%) closed in green territory.

SCS (+1.3%) announced that the record day would be June 30, 2021, to pay 2020 cash dividend at a rate of 50%.

Market sentiment has become cautious in the short term because of selling pressure at a high price. Therefore, the traders should be careful and wait for more signals.

### Breaking news

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► World: Productions from copper users accelerate at the fastest since December 2017

According to the update from IHS Markit, the Global Copper Users Purchasing Managers Index (PMI), which measures operating conditions at manufacturers using copper heavily, reached the highest level of 56.4 in May since December 2017, up from 55.9 in April. Output growth from Copper users also grew at the fastest pace since late-2017. New orders also recorded a tenth-month continuing increase at a sharp pace, especially in ASIA's and Europe's copper-consuming manufacturers. On the other side, it is reported that copper input prices continued to increase for the twelfth month in May, and the increasing input price pace was the fastest since July 2008. (IHS Markit)

## Macro & strategy

### ETF Review

#### Foreigners' ETFs buy STB, POW, and HSG the most

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In the 3Q21 review, FTSE Vietnam Index will add HSG and remove DXG, while VanEck Vectors Vietnam ETF (VNM ETF) will add PDR, STB, VCI, APH, HSG, and HNG and not exclude Vietnam stocks in this quarterly review.

Based on data as of 16 Jun 2021, we expect that foreign ETFs will sell HPG, VRE, and SBT the most with 11.4 million, 8.2 million and 7.1 million shares. On the buy-side, STB, POW, and HSG will be bought heavily with 22.8 million, 9.6 million, and 5.3 million shares.

## Number of shares expected to buy from two ETFs

(VND bn, %, shares)

No	Ticker	Market value	FTSE			VNM			Total volume change
			Current weighting	New weighting	Volume change	Current weighting	New weighting	Volume change	
1	APH	12,194	0.89	1.08	313,649	-	1.48	3,063,257	3,376,906
2	BVH	45,430	-	-	-	1.50	1.86	771,693	771,693
3	DXG	12,957	0.93	-	(4,194,501)	-	-	-	(4,194,501)
4	GEX	17,889	1.26	1.57	1,416,248	2.13	1.27	(4,949,819)	(3,533,571)
5	HNG	11,972	-	-	-	-	0.01	121,385	121,385
6	HPG	237,959	17.04	15.00	(4,081,727)	8.72	5.76	(7,400,774)	(11,482,501)
7	HSG	20,468	-	2.05	5,245,232	-	0.03	95,208	5,340,440
8	KBC	17,780	1.17	1.56	1,073,568	1.26	0.97	(995,735)	77,834
9	MSN	125,727	8.19	5.51	(2,667,604)	5.08	5.24	199,852	(2,467,752)
10	NVL	152,636	7.46	6.69	(774,097)	8.74	4.72	(5,042,605)	(5,816,702)
11	PDR	45,026	3.22	2.25	(1,087,808)	-	3.16	4,459,535	3,371,726
12	PLX	68,161	1.49	1.11	(704,905)	-	-	-	(704,905)
13	POW	28,220	0.83	0.71	(1,062,634)	1.43	2.43	10,735,800	9,673,165
14	PVD	9,454	0.64	0.59	(218,573)	-	-	-	(218,573)
15	SBT	13,095	0.85	0.57	(1,357,290)	1.54	0.60	(5,769,810)	(7,127,100)
16	SSI	33,975	3.29	2.55	(1,549,212)	4.51	3.35	(3,053,137)	(4,602,349)
17	STB	54,290	2.38	6.46	14,466,684	-	1.88	8,336,275	22,802,959
18	TCH	8,902	0.56	0.61	243,328	0.90	0.58	(1,822,390)	(1,579,063)
19	VCB	381,273	4.40	5.25	846,764	5.04	4.72	(403,504)	443,259
20	VCI	16,983	-	-	-	-	0.02	28,352	28,352
21	VHM	370,399	14.32	11.59	(2,571,480)	6.72	7.34	727,297	(1,844,184)
22	VIC	411,642	13.24	15.00	1,531,597	7.82	8.38	615,210	2,146,807
23	VJC	63,369	2.69	3.97	1,135,148	1.71	1.39	(354,712)	780,436
24	VNM	194,157	9.82	12.15	2,632,206	6.26	6.29	40,482	2,672,688
25	VRE	74,646	5.35	3.74	(5,095,640)	3.41	2.60	(3,201,139)	(8,296,780)

Source: Bloomberg, Fiinpro, KIS

Note: Data as of 16 Jun 2021

## 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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