

# Xin Chao Vietnam

## Market performance

	8 Jul	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,374.68	(1.0)	4.2	11.3	24.5
Turnover (VND bn)	19,912				
VN30 (pt, % chg.)	1,521.21	(1.1)	5.7	21.5	42.1

## Major indicators

	8 Jul	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.48	0.0	(0.1)	(0.0)	0.1
3-yr gov't bonds (% bp chg.)	0.86	(0.0)	0.0	(0.1)	0.0
VND/USD (% chg.)	23,017	(0.0)	(0.2)	0.3	0.4
VND/JPY (% chg.)	20,970	(0.9)	0.0	0.7	6.6
VND/EUR (% chg.)	27,257	(0.0)	2.8	0.6	4.4
VND/CNY (% chg.)	3,546	0.4	1.2	(0.6)	(0.2)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.26	(0.1)	(0.3)	(0.4)	0.3
WTI (USD/bbl, % chg.)	71.85	(0.5)	2.6	20.6	48.1
Gold (USD/oz, % chg.)	73.16	(0.4)	1.3	15.8	41.2

## Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
E1VFN30	67.8	STB	(253.7)
SGT	21.4	TCB	(64.1)
FLC	19.3	HPG	(56.0)
KDH	18.1	VPB	(54.9)
GMD	15.4	VNM	(52.1)

## Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	173.5	NVL	(625.0)
HPG	116.2	CTG	(98.4)
MBB	110.1	E1VFN30	(67.0)
GEX	102.5	VPB	(52.2)
MSN	83.1	VRE	(41.0)

## Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	6.7	Real Estate	(2.2)
Health Care	5.2	Materials	(1.7)
Retailing	3.8	Energy	(1.6)
Utilities	1.1	Telecommunication	(1.2)
Insurance	0.7	Banks	(1.0)

## WHAT'S NEW TODAY

### Market commentary & News

- **Market commentary:** Resume downtrend?
- **U.S.:** Government considers a tougher stance on Vietnam

### Event Calendar

## 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	14.2	18.9	3.0	12.5	16.0
2021F	304,264	177,159	19.6	15.8	2.6	11.2	16.3

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

#### Resume downtrend?

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Vietnam stock market reversed to go down after Ho Chi Minh City accepted to apply Directive 16. Whereby, the city will apply the Prime Minister's Directive 16 from 0:00 on July 9, 2021, to fight the spread of the COVID-19 epidemic.

At the close, the VNIndex lost 1.00% to close at 1,374 pts. Meanwhile, the trading volume was 543 million shares or VND19,912bn.

Foreigners reversed to net sell VND234bn on HSX. They sold NVL, CTG, and E1VFN30 the most with net values of VND625bn, VND98bn, and VND67bn, respectively.

Real Estate was the worst sector driven by NVL (-6.1%), VRE (-3.24%), VIC (-2.63%), KBC (-2.13%), VHM (-1.71%), PDR (-1.56%), and SCR (-0.98%).

Moreover, selling pressure pushed Banking down, namely SHB (-5.39%), EIB (-3.77%), STB (-2.74%), VPB (-1.98%), VCB (-2.12%), HDB (-1.51%), and ACB (-0.96%).

In addition, some constituents of the VN30Index slid more than 1% such as HPG (-1.80%), PLX (-1.69%), REE (-1.67%), VNM (-1.56%), and VJC (-1.23%).

In the short term, the volatility increases due to cautious market sentiment. Besides, the market may appear some crash sessions. Therefore, traders should be careful and wait for the next signal. If the selling signal is confirmed, the traders should reduce the position.

### Breaking news

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- ▶ U.S.: Government considers a tougher stance on Vietnam

According to Bloomberg, U.S. President Biden and his administration team will discuss whether to impose any tariff for Vietnam export or not due to an accusation of a currency manipulator last year during Trump's era. Biden's administration so far has a softer stance on this issue as the U.S. already dropped Vietnam out of a currency-manipulator label in April. On the other hand, Vietnam's state bank maintained its stance that it does not interfere with the foreign exchange rate to create unfair competition in a bilateral trade relationship. Furthermore, SBV also changed its USD-purchasing operation from the spot market to a 6-month forwards. (Bloomberg, SBV)

## Event Calendar

### ► Public offerings

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
7/22/2021	BVB	Viet Capital Commercial JSB	3,670.9	8,261,611	22,800	-
7/12/2021	-	Viet Thanh Plastic Manufacturing & Trading	150.0	5,000,000	11,000	IPO

### ► Event calendar

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value
09/07/2021	11/08/2021	NCP	UPCOM	Extraordinary General Meeting		
09/07/2021	10/08/2021	DTK	HNX	Extraordinary General Meeting		
09/07/2021	05/08/2021	KSQ	HNX	Extraordinary General Meeting		
09/07/2021	28/07/2021	HVT	HNX	Cash Dividend	5%	500
09/07/2021	22/07/2021	HLC	HNX	Cash Dividend	6%	600
09/07/2021	09/07/2021	DC4	HOSE	Share Issue	5%	

- **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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