

Xin Chao Vietnam

Market performance

	9 Jul	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,347.14	(2.0)	1.1	9.4	22.0
Turnover (VND bn)	24,888				
VN30 (pt, % chg.)	1,494.43	(1.8)	2.5	19.2	39.6

Major indicators

	9 Jul	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.54	0.1	0.0	0.1	0.1
3-yr gov't bonds (% bp chg.)	0.79	(0.1)	(0.0)	0.1	(0.1)
VND/USD (% chg.)	23,002	0.1	(0.1)	0.3	0.4
VND/JPY (% chg.)	20,923	0.2	0.2	0.5	6.9
VND/EUR (% chg.)	27,280	(0.1)	2.7	0.5	4.4
VND/CNY (% chg.)	3,548	(0.1)	1.4	(0.8)	(0.3)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.33	0.0	(0.2)	(0.3)	0.4
WTI (USD/bbl, % chg.)	73.72	1.1	5.4	24.3	51.9
Gold (USD/oz, % chg.)	74.76	0.9	3.5	18.8	44.3

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
E1VFN30	78.4	GEX	(222.6)
HPG	47.6	CTG	(138.4)
HSG	21.3	STB	(131.6)
SSB	18.8	NVL	(71.4)
MBB	17.7	VRE	(47.4)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
MBB	377.9	NVL	(180.9)
HPG	181.2	E1VFN30	(67.3)
VHM	78.0	VPB	(39.0)
STB	62.3	MSB	(24.3)
KDH	61.2	FUEVFVND	(19.3)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Retailing	2.2	Telecommunication	(4.1)
Technology	1.0	Materials	(4.0)
		Diversified Financials	(3.6)
		Energy	(3.1)
		Real Estate	(2.6)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Confirm short-term downtrend
- **World:** Steel demand accelerates at a record pace under fast global economic recovery

Macro & Strategy

- **Chart of the day:** Time to sell?
- **July Fixed-Income view:** Excess liquidity to set lower-interest-rate conditions

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	18.5	3.0	12.3	16.0
2021F	304,264	177,159	19.6	15.5	2.5	11.0	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

Confirm short-term downtrend

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Vietnam stock market maintained its downtrend as the sell-off appeared at the afternoon session. Ho Chi Minh City applied Directive 16 last Friday to fight the spread of the COVID-19 epidemic. Accordingly, the number of COVID-19 cases in the city was over 12,000 cases.

At the close, the VNIndex lost 2.00% to close at 1,347 pts. Meanwhile, the trading volume was 745 million shares or VND24,887bn.

Foreigners reversed to net buy VND789bn on HSX. They purchased MBB, HPG, and VHM the most with net values of VND377bn, VND181bn, and VND77bn, respectively.

Energy was the worst sector driven by GAS (-1.04%), NT2 (-2.27%), OIL (-6.72%), PLX (-2.87%), POW (-4.85%), PVB (-4.73%), PVD (-4.39%), and PVS (-5.65%).

Moreover, high selling pressure pushed Brokerages down, namely BSI (-8.12%), BVS (-9.54%), FTS (-6.58%), HCM (-4.94%), MBS (-5.60%), SHS (-4.55%), SSI (-3.31%), VDS (-4.58%), and VND (-4.13%).

In addition, some constituents of the VN30Index slid more than 4% such as NVL (-6.59%), VRE (-6.35%), SBT (-6.22%), TCH (-4.99%), and POW (-4.85%).

In contrast, MWG (+2.32%), HDG (+4.33%), VIB (+1.95%), VCI (+1.29%), and E1VFN30 (+0.75%) closed in red territory.

Based on the second crash, the uptrend of the VNIndex is reversed. Besides, the market sentiment has become pessimistic as the volatility increases. Therefore, traders should be careful and reduce the position.

Breaking news

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- World: Steel demand accelerates at a record pace under fast global economic recovery

According to the latest Global Steel Users PMI update from IHS Markit for June, business conditions in the steel consumption side accelerated at a record pace in more than a decade thanks to a fast economic recovery globally. More specifically, the Global Steel Users PMI index, which measures the operating conditions of global manufacturers using steel heavily as input material, set up a new peak of 56.3 in June from 55.9 in May, which is the highest level since December 2010. Besides, production at global steel users also expanded at the fastest pace since December 2010, while new orders grew at an 8-month high. (IHS Markit)

Macro & strategy

Chart of the day

Time to sell?

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- Market performance

The VNIndex fell by 5.15% last week as the market sentiment has become cautious, of which the index recorded two crash sessions, decreasing more than 2%.

- Chart: Time to sell?

The uptrend is still intact in the long-term 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, the VNIndex confirmed the contraction in the short term as the index crosses down the MA10 and the MA20 with

higher volume. Besides, the MACD and Stochastic show the selling signals. Therefore, the down side trend was formed.

The 1,300-pts area has turned around to act as the important short-term support. On the upside, the 1,400pts area is expected to be the weekly resistance.

→ The VNIndex forms the downtrend in the short term due to selling signals of trend indicators.

► Technical strategy: Reduce long position

In the short term, investors should reduce short-term speculative positions to preserve profits. However, the long-term trend is intact. Therefore, the contraction is the opportunity to accumulate stocks at low prices.

July Fixed-Income view

Excess liquidity to set lower-interest-rate conditions

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► ON rate to reduce

Interbank market in June recorded a slight increase in interest rate, providing more evidence that the super-low interest rate environment existing in the pandemic era would be over. Lending costs for loans generally increase for short tenors, including ON and 1-week, while interest rates for longer terms, such as 2-week, 1-month, move in the opposite directions. For July, we predict that the ON rate to reduce due to the slower lending activities and the excessive short-term liquidity in the banking system coming from the government relief package of VND26tn.

► Bond yields to find new record lows

Statistics in June pointed out demand for G-bond was gaining steam as the G-bond trading returned to its high level that was seen in late-2020. Increasing demand again helped to push medium-term and long-term yields to nearly their all-time lows, just a few basis points above. However, looking forward to July, we expect that high demand for G-bonds is not likely to persist under the currently low-yield levels, as investors are signaling of being cautious with G-bond investment in the primary market. As a result, we forecast the G-bond yields would remain around the low levels for a while or even increased back modestly.

Event Calendar

► New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Listed Value	Listed Shares	Reference Price
7/14/2021	PAP	Petro Vietnam Phuoc An Port Investment & Operation JSC	UPCoM	1,500.0	150,000,000	10,100

► 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
12/07/2021	02/08/2021	BBH	UPCOM	Cash Dividend	10%	1,000
12/07/2021	27/07/2021	CX8	HNX	Extraordinary General Meeting		
12/07/2021	26/07/2021	X20	HNX	Cash Dividend	5%	500
12/07/2021	12/07/2021	MBB	HOSE	Share Issue	35%	
12/07/2021		G20	UPCOM	Annual General Meeting		
13/07/2021	12/08/2021	NCT	HOSE	Cash Dividend	20%	2,000
13/07/2021	02/08/2021	STK	HOSE	Cash Dividend	15%	1,500

13/07/2021	28/07/2021	PMP	HNX	Cash Dividend	10%	1,030
13/07/2021	13/07/2021	L14	HNX	Share Issue	10%	
13/07/2021		SPI	HNX	Extraordinary General Meeting		
14/07/2021	06/09/2021	IJC	HOSE	Cash Dividend	15%	1,500
14/07/2021	10/08/2021	NBC	HNX	Cash Dividend	6%	600
14/07/2021	04/08/2021	THG	HOSE	Cash Dividend	10%	1,000
14/07/2021	30/07/2021	SKV	UPCOM	Cash Dividend	24%	2,377
14/07/2021	29/07/2021	DPG	HOSE	Cash Dividend	10%	1,000
14/07/2021	27/07/2021	PME	HOSE	Cash Dividend	20%	2,000
14/07/2021	26/07/2021	TCW	UPCOM	Cash Dividend	26%	2,600
14/07/2021	26/07/2021	PMW	UPCOM	Cash Dividend	6%	600
14/07/2021	26/07/2021	PMW	UPCOM	Cash Dividend	4%	400
14/07/2021	14/07/2021	DPG	HOSE	Share Issue	40%	
14/07/2021	14/07/2021	VNR	HNX	Share Issue	15%	
14/07/2021	14/07/2021	THG	HOSE	Share Issue	10%	
15/07/2021	30/09/2021	PSL	UPCOM	Cash Dividend	20%	2,000
15/07/2021	26/08/2021	BCE	HOSE	Cash Dividend	9%	900
15/07/2021	13/08/2021	TDC	HOSE	Cash Dividend	10%	1,000
15/07/2021	10/08/2021	TCL	HOSE	Cash Dividend	50%	5,000
15/07/2021	04/08/2021	PPC	HOSE	Cash Dividend	13%	1,250
15/07/2021	30/07/2021	DOP	UPCOM	Cash Dividend	15%	1,500
15/07/2021	30/07/2021	HAD	HNX	Cash Dividend	10%	1,000
15/07/2021	28/07/2021	HWS	UPCOM	Cash Dividend	9%	875
15/07/2021	28/07/2021	LBC	UPCOM	Cash Dividend	10%	950
15/07/2021	28/07/2021	BWS	UPCOM	Cash Dividend	8%	800
15/07/2021	27/07/2021	NAP	HNX	Cash Dividend	8%	800
16/07/2021	22/10/2021	TV2	HOSE	Cash Dividend	10%	1,000
16/07/2021	10/08/2021	IST	UPCOM	Cash Dividend	20%	2,000
16/07/2021	03/08/2021	SGN	HOSE	Cash Dividend	15%	1,500
16/07/2021	30/07/2021	NSS	UPCOM	Cash Dividend	83%	8,296
16/07/2021	30/07/2021	BRC	HOSE	Cash Dividend	10%	1,000
16/07/2021	26/07/2021	PCE	HNX	Cash Dividend	12%	1,200
16/07/2021	16/07/2021	TV2	HOSE	Share Issue	25%	

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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.

■ 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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