

Xin Chao Vietnam

Market performance

	21 Jul	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,270.79	(0.2)	(7.4)	0.2	15.1
Turnover (VND bn)	15,699				
VN30 (pt, % chg.)	1,406.54	(0.3)	(4.9)	7.2	31.4

Major indicators

	21 Jul	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.53	(0.0)	(0.0)	(0.0)	0.1
3-yr gov't bonds (% bp chg.)	0.77	0.0	0.0	0.0	(0.1)
VND/USD (% chg.)	23,024	(0.0)	(0.0)	0.2	0.3
VND/JPY (% chg.)	20,909	0.2	(0.0)	2.1	6.9
VND/EUR (% chg.)	27,106	(0.0)	1.0	2.5	5.0
VND/CNY (% chg.)	3,557	(0.2)	0.0	(0.1)	(0.5)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.24	0.0	(0.2)	(0.3)	0.3
WTI (USD/bbl, % chg.)	68.14	1.4	(7.5)	11.1	40.4
Gold (USD/oz, % chg.)	70.34	1.4	(6.1)	7.7	35.8

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
OCB	47.8	FPT	(84.2)
IJC	46.1	TCB	(79.7)
ACB	27.9	HPG	(49.3)
DXG	13.2	VIC	(42.9)
DPM	8.0	SGN	(39.1)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	76.7	VIC	(1,251.7)
VRE	58.0	MSB	(136.7)
HSG	32.3	CTG	(73.9)
HPG	31.7	HDB	(45.6)
VCB	24.2	STB	(34.2)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	7.0	Telecommunication	(7.0)
Health Care	2.9	Household Products	(2.2)
Media & Entertainment	1.3	Diversified Financials	(1.6)
Energy	0.9	Utilities	(1.1)
Consumer Services	0.7	Materials	(1.0)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Divergence
- **Vietnam:** U.S. and Vietnam authorities to reach a new accord on currency dispute

Sector & Company

- **Nam Long Investment (NLG):** 2Q21 review

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	16.3	17.0	2.7	12.1	16.0
2021F	304,264	177,159	19.4	14.3	2.3	10.8	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

Divergence

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Vietnam stock market resumed its downtrend due to cautious market sentiment.

At the close, the VNIndex fell by 0.20% to close at 1,270 pts. Meanwhile, the trading volume was 444 million shares or VND15,699bn.

Foreigners continued to net sell VND1,450bn on HSX. They sold VIC, MSB, and CTG the most with net values of VND1,251bn, VND136bn, and VND73bn, respectively.

Selling pressure pushed Banking and Brokerage down such as ACB (-0.29%), BID (-0.73%), CTG (-1.20%), HDB (-3.59%), SHB (-1.48%), VCB (-1.20%), VPB (-0.50%), BVS (-1.49%), HCM (-2.95%), SSI (-2.28%), and VCI (-2.78%).

Moreover, some constituents of the VN30Index slid more than 1%, such as GAS (-1.80%) and HPG (-1.16%).

In contrast, cash flowed into Real Estate, namely DXG (+1.48%), HDG (+4.88%), NDN (+0.89%), NLG (+0.13%), SCR (+3.56%), VHM (+1.31%), VIC (+0.97%), and VRE (+2.62%).

DGC (+0.74%) released its 1H21 business results with a net profit of VND625bn (+33% YoY) amid the encouraging revenue of VND3.9tn (+29% YoY).

The market sentiment has become cautious, implying the downside risk. Therefore, traders should be careful and reduce the position.

Breaking news

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- ▶ Vietnam: U.S. and Vietnam authorities to reach a new accord on currency dispute

Recently, the U.S. Treasury Department, which is in charge of dealing with fair trade matters, and Vietnam state bank have announced that they reached a joint agreement in resolving an accusation of currency manipulation last year. As a result, SBV will continue to improve foreign exchange-rate management towards flexibility in the future, in line with underlying macroeconomic conditions and financial market stability. (Bloomberg)

Sector & Company

Nam Long Investment (NLG)

BUY (Maintain), TP VND45,3000

2Q21 review: Still going strong

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- ▶ Facts: Tepid 1H21 earnings trailed our forecast

NLG's revenue rose by 65.7% yoy to VND401bn in 2Q21 due to: 1) a 62.7% yoy hike in construction revenue to VND161.2bn; and 2) a 56.3% yoy growth in contractor service revenue to VND150bn. In 2Q21, only a few villas from the Nguyen Son project and land lots in Phu Huu project were handed over to buyers, resulting to a VND24bn property revenue.

However, the blended gross margin contracted by 28.2% yoy pts to 29% in 2Q21, driving the operating profit to a minor loss of VND3bn vs VND40bn booked in 2Q20. Hence, 2Q21 net profit plunged by 31.1% yoy to VND47bn.

1H21 revenue slightly subdued by -3.4% yoy to VND636bn, due to fewer property handovers and no land transfers. Despite the flattish 1H21 revenue growth, the net profit jumped by 130.8% yoy driven by a VND429bn goodwill income booked in 1Q21 thanks to a further 30.1% stake acquisition to 65.1% of Waterfront (Izumi) project. Overall, 1H21 net profit formed c.35.7% of

NLG's FY21F target and at c.35.4% of our FY21F forecast.

- Pros and cons: Akari condo project lead 2H21F

We estimate that 3Q21 revenue will record the first batch of Akari condo project with total 1,700 units could be handed in FY21F. In addition, we believe that the company could book a VND310bn financial income from 50% divestment in Dai Phuoc project instead of 100% stake transfer in late 4Q21F. We maintain the net profit of VND1,236bn and revenue of VND4.9tn in FY21F.

The fourth wave of COVID-19 in Vietnam has been impeding the launching events of NLG in 2Q21, resulting in only VND4tn contract value being achieved in the 1H21, per management. We will revisit our forecast on the full-year presale value of which we projected a VND15.4tn could be completed thanks to a lengthen pipeline of launching projects in 4Q21F. However, we believe this bottleneck is temporary, and NLG sets a firm footprint to ride on the resilient property markets in neighboring provinces.

- Actions: Reiterate BUY with unchanged TP of VND45,300

We maintain our Add rating as presales of Akari, Mizuki, Waterfront, VSIP Quang Ninh and Waterpoint projects should be on track in FY21-22F. Key risk in our model is worse-than-expected COVID-19 which could dampen the homebuyers'demand.

Event Calendar

► Event calendar

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value
22/07/2021	06/09/2021	BCM	HOSE	Cash Dividend	4%	400
22/07/2021	03/08/2021	BLT	UPCOM	Cash Dividend	34%	3,400
22/07/2021	16/08/2021	DAN	UPCOM	Cash Dividend	10%	1,000
22/07/2021	06/08/2021	DDH	UPCOM	Cash Dividend	5%	500
22/07/2021	23/08/2021	LKW	UPCOM	Cash Dividend	15%	1,500
22/07/2021	23/08/2021	TLT	UPCOM	Cash Dividend	10%	1,000
22/07/2021	14/08/2021	VLA	HNX	Annual General Meeting		
23/07/2021	30/07/2021	BRR	UPCOM	Cash Dividend	2%	200
23/07/2021	13/08/2021	CSV	HOSE	Cash Dividend	10%	1,000
23/07/2021	10/08/2021	NAU	UPCOM	Cash Dividend	1%	81
23/07/2021	05/08/2021	SIP	UPCOM	Cash Dividend	10%	1,000
23/07/2021	23/07/2021	SSB	HOSE	Share Issue	9%	
23/07/2021	11/08/2021	TN1	HOSE	Cash Dividend	5%	500
23/07/2021	23/07/2021	TN1	HOSE	Share Issue	45%	
23/07/2021	11/08/2021	VLW	UPCOM	Cash Dividend	10%	1,000

- **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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