

Xin Chao Vietnam

Market performance

	26 Jul	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,272.71	0.3	(8.4)	4.7	15.3
Turnover (VND bn)	15,485				
VN30 (pt, % chg.)	1,403.96	0.2	(6.4)	10.1	31.1

Major indicators

	26 Jul	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.)	0.90	(0.0)	(0.0)	(0.1)	0.1
VND/USD (% chg.)	23,012	(0.1)	0.0	0.2	0.4
VND/JPY (% chg.)	20,867	(0.3)	(0.2)	2.2	7.2
VND/EUR (% chg.)	27,145	(0.3)	1.3	2.7	4.9
VND/CNY (% chg.)	3,549	0.1	0.4	0.1	(0.3)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.25	(0.0)	(0.3)	(0.3)	0.3
WTI (USD/bbl, % chg.)	71.75	(0.4)	(3.1)	15.9	47.9
Gold (USD/oz, % chg.)	73.86	(0.3)	(3.0)	12.5	42.6

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
KOS	65.8	NVL	(81.4)
SGN	41.1	VHM	(70.9)
VNM	35.6	IJC	(43.6)
TCB	33.9	ACB	(23.9)
HPG	33.2	VIC	(19.0)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
MSB	136.3	MBB	(117.5)
NVL	81.0	KDH	(100.6)
VHM	69.3	VIC	(37.2)
DGC	33.9	STB	(27.2)
DGW	16.5	SSI	(26.5)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	6.0	Health Care	(3.1)
Automobiles	4.4	Banks	(1.2)
Software & Services	3.7	Diversified Financials	(0.7)
Pharmaceuticals	1.7	Retailing	(0.6)
Commercial Services	1.6	Others	(0.4)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Real Estate in the spotlight
- **U.S.:** Economic recovery to slow down amid manufacturing record expansion

Macro & Strategy

- **Fundflow 19 – 23 Jul:** Vietnam keeps leading the region
- **ETF Review:** Local ETFs buy 27 million ACB shares
- **Strategic Insight:** Fragile hope of recovery path under the worst outbreak

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	16.8	2.7	12.2	16.0
2021F	304,264	177,159	19.4	14.1	2.3	10.9	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	2Q21	2019	2020	2021F
GDP (% yoy)	2.6	4.5	4.5	6.6	7.0	2.9	6.4
Trade balance (USD bn)	10.7	3.3	2.8	(4.3)	10.4	19.8	1.8
CPI (% yoy, avg.)	3.2	1.4	0.3	2.6	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

Real Estate in the spotlight

Hieu Tran
hieu.ttm@kisvn.vn

Vietnam stock market rebounded yesterday thanks to bottom fishing at a low price. However, the volatility has increased.

At the close, the VNIndex gained 0.31% to close at 1,272 pts. Meanwhile, the trading volume was 496 million shares or VND15,484bn.

Foreigners continued to net sell VND70bn on HSX. They sold MBB, KDH, and VIC the most with net values of VND117bn, VND100bn, and VND37bn, respectively.

Real Estate was the market leader driven by DIG (+4.89%), DXG (+1.93%), HDG (+2.66%), KBC (+1.25%), KDH (+1.95%), NLG (+6.19%), NVL (+4.37%), PDR (+2.14%), SCR (+2.18%), VHM (+1.86%), and VIC (+0.19%).

NTL (+3.23%) released its 2Q21 results with a net profit of VND51.4bn (+21.2% YoY). However, the weak revenue rose by 7.9% YoY or VND190.5bn. The 1H21 business result also encouraged a net profit of VND64.8bn (+19.1% YoY), which fulfilled 23.1% of the company estimate.

Cash flowed into Energy because of GAS (+0.34%), NT2 (+0.54%), PVB (+1.52%), PVD (+1.16%), PVS (+1.72%), and VSH (+1.46%).

Moreover, some constituents of the VN30Index jumped more than 1%, such as FPT (+3.54%), SBT (+1.93%), MSN (+1.76%), and VNM (+1.48%).

In contrast, selling pressure pushed Banking down, namely VPB (-3.08%), VCB (-1.03%), TPB (-0.30%), TCB (-1.01%), MBB (-1.98%), CTG (-1.08%), BID (-0.50%), and ACB (-0.91%).

NBB (-1.89%) recorded a 37.6% YoY revenue growth to VND390.5bn in 2Q21, but a much higher net profit growth of 88% YoY to VND177bn, driven by the extraordinary growth of financial income (from VND2bn to VND121bn in 2Q21). The rosy financial income growth in 2Q21 also pushed the 1H21 net profit surge to VND210bn (+112% YoY) even though the revenue rose slower at 28% YoY or VND535bn in 1H21.

Despite the rebound, the downside risk is still intact in the short term as the pessimistic market sentiment. Moreover, the recovery may be the bull trap. Therefore, traders should be careful and reduce the position.

Breaking news

Tuan Doan
tuan.doan@kisvn.vn

► U.S.: Economic recovery to slow down amid manufacturing record expansion

The U.S. private sector continued to report solid growth in business activity in July, however, the pace of growth was eased at a 5-month low. More specifically, according to the latest update from IHS Markit, the Flash U.S. Composite Output Index, which measures business conditions in the private sector, recorded 59.7, declining from 63.7 in June and hitting a 4-month low. The U.S. Flash Manufacturing PMI continued to set a new record high of 63.1 point, while the Flash U.S. Services Business Activity PMI fell to a 5-month low, at 59.8. (IHS Markit)

Macro & strategy

Fundflow 19 – 23 Jul

Vietnam keeps leading the region

Dang Le
dang.lh@kisvn.vn

► Vietnam foreign flow

With foreign activity, market supply ticked up. Net sell value was USD100mn.

Foreign demand kept spreading to major sectors, such as Consumer Staples, Financials, and Industrials. Particularly, PVI, STB, MBB, VNM, DGC, and GEX attracted the most foreign demand, fading the sharp selling pressure on MSB, CTG, SSI, MSN, and SAB. Energy was also ended up to be net bought, mainly driven by PVT. In contrast, Real Estate absorbed the most foreign selling pressure due to large sell orders on VIC and KDH. Besides, Materials has turned around to be net sold driven by the high divestment on HPG.

► South East Asia ETF flow

SEA kept recording the positive flow of money, but the money inflow continued to be mainly driven by the massive flow of Vietnam. Net inflow was USD35mn. However, SEA's main driver – Singapore kept experiencing the outflow for 5 consecutive weeks whilst other countries just kept recording no inflow/outflow activity. The divergence of money inflow was maintained, giving signal for the unstable flow of money across SEA.

Net inflow across Vietnam was USD45mn. The money inflow was continued to drive by the strong demand on Fubon FTSE Vietnam ETF (USD45mn) whilst money inflow has started to slow down across other major ETFs. Notably, the massive inflow across Vietnam has been driven by Fubon alone for the second week, which means the flow of money across Vietnam is still diverged and it is not defined as the strong and stable inflow.

ETF Review

Local ETFs buy 27 million ACB shares

Hieu Tran
hieu.ttm@kisvn.vn

In this quarterly review, the VN DIAMOND Index rebalances its weight according to the new free-float rate. In comparison, VN30Index will add ACB, GVR and SAB and remove TCH, SBT and REE. Besides, VNFIN LEAD Index will add ACB, LPB, MSB, SSB, OCB and VIB, and exclude HCM.

We expect that local ETFs will buy the most ACB with 27.6 million shares. On the sell side, CTG and MBB will be sold heavily with 11.5 and 9.6 million shares.

The new weight will be effective on 2 Aug 2021.

Number of shares expected to buy/sell from ETFs

(%, shares)

No	Ticker	VFMVN30 ETF FUND			VFMVN DIAMOND ETF			SSIAM VNFIN LEAD ETF			Summary
		Current weighting	New weighting	Volume change	Current weighting	New weighting	Volume change	Current weighting	New weighting	Volume change	
1	ACB	-	6.04	17,166,055	6.52	6.29	(892,584)	-	14.41	11,328,209	27,601,679
2	BID	0.55	0.51	(81,744)	-	-	-	0.84	0.39	(292,491)	(374,235)
3	BVH	0.33	0.30	(59,755)	-	-	-	0.33	0.12	(106,865)	(166,620)
4	CTD	-	-	-	1.27	1.58	660,134	-	-	-	660,134
5	CTG	2.70	1.87	(2,410,013)	2.84	1.95	(3,570,684)	12.60	5.63	(5,560,373)	(11,541,070)
6	EIB	-	-	-	0.83	2.26	7,113,540	1.16	0.49	(672,444)	6,441,096
7	FPT	5.70	5.56	(146,610)	17.28	16.03	(1,786,219)	-	-	-	(1,932,829)
8	GAS	0.73	0.67	(63,377)	-	-	-	-	-	-	(63,377)
9	GMD	-	-	-	5.46	7.00	4,689,878	-	-	-	4,689,878
10	GVR	-	0.39	1,195,899	-	-	-	-	-	-	1,195,899
11	HCM	-	-	-	-	-	-	0.93	-	(533,173)	(533,173)
12	HDB	3.12	2.87	(714,165)	-	-	-	4.70	2.34	(1,890,346)	(2,604,511)
13	HPG	9.79	8.97	(1,676,463)	-	-	-	-	-	-	(1,676,463)

14	KDH	1.23	1.24	20,544	-	-	-	-	-	-	20,544
15	LPB	-	-	-	2.09	1.90	(1,070,510)	-	3.21	3,533,044	2,462,534
16	MBB	5.43	4.59	(2,834,837)	5.99	4.79	(5,617,435)	15.65	14.40	(1,170,253)	(9,622,524)
17	MSB	-	-	-	1.72	2.03	1,420,089	-	2.25	2,076,798	3,496,887
18	MSN	4.20	3.92	(224,579)	-	-	-	-	-	-	(224,579)
19	MWG	4.30	3.98	(186,888)	15.65	14.79	(689,016)	-	-	-	(875,904)
20	NLG	-	-	-	4.16	5.08	3,019,562	-	-	-	3,019,562
21	NVL	4.58	4.21	(334,390)	-	-	-	-	-	-	(334,390)
22	OCB	-	-	-	-	-	-	-	1.14	1,042,963	1,042,963
23	PDR	1.49	1.37	(123,222)	-	-	-	-	-	-	(123,222)
24	PLX	0.69	0.65	(81,607)	-	-	-	-	-	-	(81,607)
25	PNJ	1.44	1.32	(125,803)	9.66	10.64	1,393,095	-	-	-	1,267,292
26	POW	0.42	0.39	(253,808)	-	-	-	-	-	-	(253,808)
27	REE	0.62	-	(1,130,029)	4.09	4.60	1,291,623	-	-	-	161,595
28	SAB	-	0.86	527,249	-	-	-	-	-	-	527,249
29	SBT	0.33	-	(1,706,641)	-	-	-	-	-	-	(1,706,641)
30	SSB	-	-	-	-	-	-	-	1.43	985,671	985,671
31	SSI	1.67	1.72	83,873	-	-	-	6.76	4.18	(1,323,709)	(1,239,836)
32	STB	4.24	3.92	(1,060,091)	-	-	-	16.38	14.83	(1,401,417)	(2,461,508)
33	TCB	9.74	8.98	(1,441,626)	9.48	7.89	(4,160,226)	15.44	15.05	(202,754)	(5,804,606)
34	TCH	0.32	-	(1,623,616)	-	-	-	-	-	-	(1,623,616)
35	TCM	-	-	-	0.36	1.63	2,081,096	-	-	-	2,081,096
36	TPB	1.75	1.69	(171,662)	1.95	1.76	(739,508)	1.67	1.20	(366,459)	(1,277,628)
37	VCB	3.40	3.15	(240,756)	-	-	-	7.65	3.21	(1,188,536)	(1,429,292)
38	VCI	-	-	-	-	-	-	0.83	0.47	(198,830)	(198,830)
39	VHM	4.61	5.67	922,903	-	-	-	-	-	-	922,903
40	VIB	-	-	-	-	2.33	7,526,728	-	1.02	657,968	8,184,696
41	VIC	5.52	7.89	2,135,684	-	-	-	-	-	-	2,135,684
42	VJC	2.53	2.45	(70,071)	-	-	-	-	-	-	(70,071)
43	VNM	7.89	5.83	(2,205,864)	-	-	-	-	-	-	(2,205,864)
44	VPB	8.07	7.43	(1,022,592)	9.01	7.46	(3,431,326)	15.08	14.23	(376,652)	(4,830,570)
45	VRE	1.28	1.57	1,014,910	-	-	-	-	-	-	1,014,910

Source: Bloomberg, Fiiipro, KIS

Note: Data as of 23 Jul 2021

Strategic Insight

Fragile hope of recovery path under the worst outbreak

Y Nguyen
y.nt@kisvn.vn

► Vietnam under the worst outbreak

In the context of widespread outbreak in the Southeast Asia region, Vietnam is stepping into the worst outbreak with an unfavorable epidemiological situation of high transmission and concerning severity since the first time that the coronavirus occurred and threatened global health and prosperity. Although the Vietnam government actively deployed various solutions to follow the twin targets that effectively controls the pandemic and promotes socio-economic development, the negative impact of economic recovery is inevitable. We predict that domestic consumption and production levels would reduce significantly in the next month under stricter restrictions for preventing infection within the country.

► Economic impact of the outbreak on production activity

Looking back from the first lockdown, manufacturing activity once saw a sharp drop of nearly 20% in just a month under lockdown. This time, the coronavirus comes back with a much worse impact on the health system and the economy. Risks of broken supply chains are visible for some industries, while a few industries are expected to be immune to the outbreak. We examine the health of key industries from both domestic consumption-driven and export-driven industries under the COVID-19 stress test to get a clearer picture of its damage to domestic production.

► Vietnam stock market

Because of the crash in early July, we expect that the short-term downtrend has been confirmed and may continue in the next one or two months. The significant support is a range of 1,150 to 1,200 pts. However, the long-term uptrend is still maintained

as (1) the attention of retail investors on the stock market (2) cash flows into ETFs (3) the 3-year upside cycle. Hence, the current correction is an opportunity for investors to accumulate stocks at low prices for medium- and long-term positions.

► Bond market in 1Q21 is less attractive than 1Q20

Particularly, both Government Bond and Corporate bond experienced the drop in total issued value. However, we expected the Corporate bond market to be more attractive in 2021 thanks to the significant drop in deposit rate and there is the high demand for medium- and long- term capital demand for businesses.

Event Calendar

► New listing

(VND bn, share, VND)

Date of listing	Ticker	Company	Exchange	Listed Value	Listed Shares	Reference Price
7/28/2021	HKB	Ha Noi – Kinh Bac Agriculture and Food	UPCoM	516.0	51,599,999	800

► Event calendar

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value
27/07/2021	06/08/2021	CMN	UPCOM	Cash Dividend	28%	2,800
27/07/2021	16/08/2021	HLR	UPCOM	Cash Dividend	11%	1,100
27/07/2021	05/08/2021	SSU	UPCOM	Cash Dividend	2%	200
27/07/2021	12/08/2021	TLG	HOSE	Cash Dividend	15%	1,500
27/07/2021	28/08/2021	TTB	HOSE	Annual General Meeting		
28/07/2021	28/07/2021	ADC	HNX	Share Issue	30%	
28/07/2021	08/09/2021	NDN	HNX	Cash Dividend	15%	1,500
28/07/2021	28/07/2021	NDN	HNX	Share Issue	15%	
28/07/2021	11/08/2021	NSL	UPCOM	Cash Dividend	10%	1,000
29/07/2021	29/07/2021	BMS	UPCOM	Share Issue	14%	
29/07/2021	30/08/2021	DNE	UPCOM	Cash Dividend	9%	850
29/07/2021	30/08/2021	DPR	HOSE	Cash Dividend	15%	1,500
29/07/2021		GLW	UPCOM	Annual General Meeting		
29/07/2021	29/07/2021	GMX	HNX	Share Issue	20%	
29/07/2021	29/07/2021	GMX	HNX	Share Issue	50%	
29/07/2021	16/08/2021	NTW	UPCOM	Cash Dividend	12%	1,200
29/07/2021	30/08/2021	NVP	UPCOM	Cash Dividend	2%	180
29/07/2021	29/07/2021	VC3	HNX	Share Issue	10%	
29/07/2021	20/08/2021	VIP	HOSE	Cash Dividend	6%	600
30/07/2021		BII	HNX	Extraordinary General Meeting		
30/07/2021	31/08/2021	VLP	UPCOM	Cash Dividend	8%	800

- **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.

- **Analyst Certification**

I/We, as the research analyst/analysts who prepared this report, do hereby certify that the views expressed in this research report accurately reflect my/our personal views about the subject securities and issuers discussed in this report. I/We do hereby also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

Global Disclaimer

- **General**

This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of KIS Vietnam Securities Corp., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of KIS Vietnam Securities Corp..

This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. KIS Vietnam Securities Corp. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. KIS Vietnam Securities Corp., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or KIS Vietnam Securities Corp. The final investment decision is based on the client's judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.

- **Country-specific disclaimer**

United States: This report is distributed in the U.S. by Korea Investment & Securities America, Inc., a member of FINRA/SIPC, and is only intended for major U.S. institutional investors as defined in Rule 15a-6(a)(2) under the U.S. Securities Exchange Act of 1934. All U.S. persons that receive this document by their acceptance thereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Korea Investment & Securities, Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Korea Investment & Securities America, Inc., which accepts responsibility for the contents of this report in the U.S. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. person absent registration or an applicable exemption from the registration requirement.

United Kingdom: This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

Hong Kong: This research report and marketing materials may be distributed in Hong Kong to institutional clients by Korea Investment & Securities Asia Limited (KISA), a Hong Kong representative subsidiary of Korea Investment & Securities Co., Ltd., and may not otherwise be distributed to any other party. KISA provides equity sales service to institutional clients in Hong Kong for Korean securities under its sole discretion, and is thus solely responsible for provision of the aforementioned equity selling activities in Hong Kong. All requests by and correspondence with Hong Kong investors involving securities discussed in this report and marketing materials must be effected through KISA, which is registered with The Securities & Futures Commission (SFC) of Hong Kong. Korea Investment & Securities Co., Ltd. is not a registered financial institution under Hong Kong's SFC.

Singapore: This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Korea Investment & Securities Co., Ltd. has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person. Please contact Korea Investment & Securities Singapore Pte Ltd in respect of any matters arising from, or in connection with, the analysis or report (Contact Number: 65 6501 5600).

Copyright © 2021 KIS Vietnam Securities Corp.. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of KIS Vietnam Securities Corp..