

Xin Chao Vietnam

Market performance

	29 Jul	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,293.60	1.3	(8.3)	4.4	17.2
Turnover (VND bn)	15,860				
VN30 (pt, % chg.)	1,427.55	1.4	(6.7)	8.8	33.3

Major indicators

	29 Jul	1D	1W	1M	YTD
1-yr gov't bonds (% bp chg.)	0.49	(0.1)	(0.0)	(0.0)	0.1
3-yr gov't bonds (% bp chg.)	0.89	(0.0)	(0.0)	0.1	0.0
VND/USD (% chg.)	22,980	0.1	0.2	0.3	0.5
VND/JPY (% chg.)	20,925	(0.2)	(0.5)	1.1	6.9
VND/EUR (% chg.)	27,298	(0.5)	0.4	2.5	4.3
VND/CNY (% chg.)	3,558	(0.4)	0.2	0.1	(0.5)
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.27	0.0	(0.2)	(0.4)	0.4
WTI (USD/bbl, % chg.)	72.81	0.6	(0.2)	12.0	50.1
Gold (USD/oz, % chg.)	75.00	0.3	0.3	9.4	44.8

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
FUEVFNVD	103.6	VHM	(331.5)
DXG	13.7	HPG	(122.1)
DGC	13.4	FPT	(90.1)
PVT	12.8	VNM	(89.4)
KBC	12.3	TCB	(84.1)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VHM	119.2	HPG	(144.4)
MBB	97.3	FUEVFNVD	(101.2)
MSN	52.0	VRE	(28.3)
SSI	46.2	KDH	(20.1)
NVL	23.3	NLG	(19.1)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Technology	4.8	Telecommunication	(2.2)
Retailing	3.5	Commercial Services	(0.8)
Diversified Financials	2.5	Health Care	(0.7)
Media & Entertainment	2.1	Household Products	(0.3)
Banks	1.8	Others	(0.3)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Bullish market?
- **Vietnam:** Industrial sector remains strong amid the COVID-19 outbreak

Macro & Strategy

- **Economic Flash:** Uncertain economic conditions under stricter COVID-19 restrictions

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	17.2	2.7	12.3	16.0
2021F	304,264	177,159	19.4	14.4	2.3	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	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

Bullish market?

Hieu Tran
hieu.ttm@kisvn.vn

Vietnam stock market resumed its uptrend yesterday thanks to the optimistic market sentiment of traders.

At the close, the VNIndex gained 1.29% to close at 1,293 pts. Meanwhile, the trading volume was 479 million shares or VND15,860bn.

Foreign investors reversed to net sell with a net value of VND72bn on HSX. They sold HPG, FUEVFVND, and VRE the most with net values of VND144bn, VND101bn, and VND28bn, respectively.

Banking was the market leader thanks to ACB (+3.02%), BID (+1.23%), CTG (+3.04%), EIB (+5.05%), HDB (+1.52%), MBB (+2.90%), NVB (+10%), STB (+1.38%), TCB (+1.81%), and VPB (+2.49%).

Moreover, cash flowed into Brokerages and Material, namely HPG (+0.86%), HSG (+2.79%), NKG (+3.75%), BVS (+3.32%), HCM (+2.29%), MBS (+2.56%), SHS (+3.76%), SSI (+3.05%), VCI (1.81%), and VND (+5.28%).

Moreover, some constituents of the VN30Index jumped more than 2%, such as MWG (+3.63%), PNJ (+3.22%), KDH (+2.71%), and MSN (+2.57%). Among these, MWG announced that its consolidated revenue and NPAT in 2Q21 reached VND31,983bn (+20% YoY) and VND1,214bn (+36% YoY).

VRE (+0.55%) released its 2Q21 results with some surprising numbers as revenue decreased by 17.3% YoY to VND1.5tn but net profit surged by 12.9% YoY to VND388bn due to the lower base in 2Q20. The tenant subsidy package disbursed in 2Q21 was VND350bn.

In contrast, VIC (-0.1%), NVL (-0.1%), VNM (-0.12%), and TCH (-1.31%) closed in red territory.

Despite the bullish market for the fourth gaining session in a row, the downside risk is still intact in the short term. Besides, the 1,300-pts zone is the significant resistance. Hence, the recovery may be the bull trap. Traders should be careful and reduce the position.

Breaking news

Tuan Doan
tuan.doan@kisvn.vn

- ▶ Vietnam: Industrial sector remains strong amid the COVID-19 outbreak

The latest update for July showed that the industrial sector remains very solid amid the worst outbreak in Vietnam. According to Vietnam's General Office of Statistic, the industrial production index reached the highest level since January this year, increasing by 1.83% MoM and 7.94% YoY, thanks to strong performance from export demand-driven such as the electronics, textiles, apparels, and footwear industries. (GSO)

Macro & strategy

Economic flash

Uncertain economic conditions under stricter COVID-19 restrictions

Y Nguyen
y.nt@kisvn.vn

- ▶ F&Fs pushes CPI up

According to GSO, the food and foodstuff index (F&Fs) emerged to add upward pressure on CPI under the temporary shortage in essential products along with the momentums of the traffic index and housing and construction materials (HCM) index. More specifically, CPI in June rose by 0.62% MoM, 44bps-higher than in June.

- ▶ Retail sales tumble under stricter restrictions

In July, the retail sales tumbled as the government generally tightened the restrictions by Directive No. 16 to deal with the

widespread transmission in the southern epicenters. According to GSO's estimates, the retail sales in July 2021 dropped strongly to VND339.36tn from the previous value of VND358.07tn, marking a notable reduction of 5.23% MoM or 13.30% YoY.

- ▶ FDI is worsening under lockdowns

The complicated COVID-19 outbreak and the ongoing strict social-distancing measures remained a real challenge for FDI investment activity in the near term. A main concern in the month was a significant slowdown in the FDI disbursement as it posted only USD1.26bn, the worst performance since February this year, and dropped by 14.3% YoY.

- ▶ Export industrial sectors reinforce industrial growth

Export- demand-driven industries become a spotlight in the month with solid growths when other industries serving domestic markets were under pressure. To be more specific, the industrial production level reached the highest level since January 2021 amid the severity of the social lockdowns, increasing by 1.83% versus last month and 7.94% compared to the same period last year

Event Calendar

▶ Event calendar

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value
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.

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