

Xin Chao Vietnam

Market performance

	12 Aug	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,353.05	(0.3)	4.4	6.6	22.6
Turnover (VND bn)	22,472				
VN30 (pt, % chg.)	1,477.06	(0.7)	2.4	7.0	37.9

Major indicators

	12 Aug	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.)	0.70	(0.2)	(0.1)	(0.1)	(0.2)
VND/USD (% chg.)	22,805	0.4	0.9	1.1	1.3
VND/JPY (% chg.)	20,652	0.1	1.2	1.8	8.3
VND/EUR (% chg.)	26,779	(0.0)	1.8	4.4	6.3
VND/CNY (% chg.)	3,522	0.1	0.9	1.4	0.5
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.35	0.0	(0.0)	(0.3)	0.4
WTI (USD/bbl, % chg.)	69.46	0.3	(6.3)	5.1	43.2
Gold (USD/oz, % chg.)	71.74	0.4	(4.6)	3.5	38.5

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
VNM	72.8	DIG	(207.5)
SSI	47.4	VPB	(98.6)
VCG	31.3	SSB	(51.6)
HAH	17.0	TDC	(45.2)
HCM	10.4	SCR	(39.3)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
PLX	55.1	VRE	(55.4)
GMD	45.6	VNM	(55.4)
CTG	29.4	SSI	(50.7)
VCB	28.4	PC1	(41.7)
DIG	18.9	VIC	(39.6)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Health Care	3.5	Retailing	(2.7)
Commercial Services	3.4	Technology	(2.7)
Telecommunication	2.4	Software & Services	(2.2)
Insurance	1.8	Media & Entertainment	(1.3)
Others	1.7	F&B	(0.8)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Retest 1,350-pts threshold
- **Vietnam:** Domestic energy prices remain stable in a mid-August adjustment

Macro & Strategy

- **August Macro view:** Uncertain economic conditions under Delta 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	16.4	17.8	2.9	12.8	16.0
2021F	304,264	177,159	19.3	14.9	2.4	11.5	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	(3.4)	(3.5)	6.5
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

Retest 1,350-pts threshold

Hieu Tran
hieu.ttm@kisvn.vn

Vietnam stock market maintained its downtrend as the selling on large-cap stocks.

At the close, the VNIndex fell 0.35% to close at 1,353 pts. Meanwhile, the trading volume was 733 million shares or VND22,472bn.

Foreign investors continued to net sell with a net value of VND144bn on HSX. They sold VRE, VNM, and SSI the most with net values of VND55bn, VND55bn, and VND50bn, respectively.

Selling pressure pushed Banking and Energy down, namely GAS (-1.05%), OIL (-2.96%), PLX (-0.75%), PVS (-0.75%), ACB (-1.94%), BID (-0.70%), HDB (-1.13%), MBB (-0.67%), NVB (-0.69%), SHB (-0.34%), STB (-2.63%), TCB (-0.57%), TPB (-1.62%), and VCB (-0.60%).

Some constituents of the VN30Index slid more than 1%, such as MWG (-2.86%), FPT (-2.39%), MSN (-1.90%), REE (-1.24%), and HPG (-1.12%).

In contrast, cash flowed into Real Estate thanks to DIG (+6.37%), DXG (+2.25%), KBC (+1.45%), KDH (+0.87%), LDG (+1.09%), SCR (+4.55%), VHM (+0.86%), and VIC (+0.09%).

Despite the second contraction, the short-term uptrend of the VNIndex is still intact. Therefore, traders should hold long positions with a small proportion, focusing on leading stocks such as Banking and Brokerages.

Breaking news

Tuan Doan
tuan.doan@kisvn.vn

- ▶ Vietnam: Domestic energy prices remain stable in a mid-August adjustment

According to the latest update, the Ministry of Industry and Trade announced the latest adjustment for domestic petroleum prices from Tuesday. This time, the petroleum prices remain stable after a slight reduction in the previous adjustment as E5RON92 and RON95-III prices are sold at VND20,498 and VND21,681 per liter. Currently high levels of energy prices would continue to put pressure on inflation conditions in August. (MoIT).

Macro & strategy

August Macro view

Uncertain economic conditions under Delta outbreak

Y Nguyen
y.nt@kisvn.vn

- ▶ Delta outbreak limits trade's recovery

Although witnessing a slowdown, trade turnover in July kept recoding high value thanks to the favorable foreign demand under prevailing vaccination in developed countries. We expect the high levels of vaccination to foster trade activities in the coming months. However, persistently high shipping costs and widespread transmission in Asia regions partially hinder trade activities' recovery in August.

- ▶ CPI to lower amid the outbreak

In July, food and foodstuff price index 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 index. The pork price tends to reduce further under the widespread infection, reflecting the low demand from outside eating. Furthermore, the crude oil prices became less aggressive, easing the upward pressure on the domestic retailing prices of gasoline. Summing these predictions up, we forecast CPI to reduce in the next month

► Export drivers to sustain industrial strength

Despite domestic demand is severely hit by broad COVID-19 curbs across the country, industries serving export demand have become a strong foothold for the industrial sector in July. Looking ahead to August, domestic manufacturers would continue to face more challenges from the current strict containment measures, especially those relying on intensive labor. However, we expect that a peak export season in the textiles, apparel, footwear, and electronics industries can offset a loss in domestic consumption for the industrial sector.

Event Calendar

► **Public offerings**

(VND bn, share, VND)

Date of auction	Ticker	Company	Charter	Offered Shares	Min Bid	Note
25/08/2021	BVB	Viet Capital Commercial JSB	3,670.9	8,261,611	22,800	-

► **Event calendar**

Ex-right date	Exercise day	Ticker	Exchange	Right	Rate	Value
13/08/2021		DXD	UPCOM	Extraordinary General Meeting		
13/08/2021	01/09/2021	HDA	HNX	Cash Dividend	5%	500
13/08/2021	09/09/2021	RIC	HOSE	Extraordinary General Meeting		
13/08/2021		VC2	HNX	Extraordinary General Meeting		

- **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..