

Xin Chao Vietnam

Market performance

	17 Aug	1D	1M	3M	YTD
VNIndex (pt, % chg.)	1,363.09	(0.6)	4.9	8.3	23.5
Turnover (VND bn)	25,620				
VN30 (pt, % chg.)	1,494.12	(0.4)	3.9	9.0	39.5

Major indicators

	17 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.)	0.67	(0.0)	(0.2)	(0.3)	(0.2)
VND/USD (% chg.)	22,836	0.1	0.8	0.9	1.1
VND/JPY (% chg.)	20,890	0.1	0.7	1.0	7.0
VND/EUR (% chg.)	26,876	0.1	0.8	4.3	5.9
VND/CNY (% chg.)	3,524	0.0	0.6	1.6	0.4
	Prev. close	1D	1W	1M	YTD
10-yr US Treasury (% bp chg.)	1.23	(0.0)	(0.1)	(0.4)	0.3
WTI (USD/bbl, % chg.)	67.02	(0.4)	(6.7)	1.1	38.1
Gold (USD/oz, % chg.)	69.29	(0.3)	(5.8)	(0.2)	33.8

Domestic institutions net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HPG	75.6	DIG	(204.3)
VCI	55.8	VHM	(145.5)
HSG	42.6	LPB	(113.7)
MWG	38.1	MSB	(72.1)
DXG	11.1	MBB	(66.1)

Foreign net buy / sell

Net buy	(VND bn)	Net sell	(VND bn)
HSG	33.7	VHM	(508.1)
DCM	26.2	VIC	(245.1)
DGC	21.5	HPG	(163.6)
DGW	16.0	GAS	(57.9)
STB	15.3	DPM	(46.2)

Daily performance by sector

Top five sectors	% chg.	Bottom five sectors	% chg.
Telecommunication	6.9	Commercial Services	(2.7)
Health Care	6.9	Media & Entertainment	(1.9)
Materials	1.3	Real Estate	(1.5)
Pharmaceuticals	1.0	Capital Goods	(1.4)
Technology	0.9	Utilities	(1.3)

WHAT'S NEW TODAY

Market commentary & News

- **Market commentary:** Consolidation phase
- **Vietnam:** Government bond auctions slowed down at the beginning of 3Q21

Macro & Strategy

- **August Fixed Income view:** An era of low-interest rates to return

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	16.8	17.9	2.9	12.8	16.0
2021F	304,264	177,159	19.3	15.0	2.4	11.4	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)	6.2
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

Consolidation phase

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Vietnam stock market fell yesterday due to selling pressure at the afternoon session.

At the close, the VNIndex lost 0.57% to close at 1,363 pts. Meanwhile, the trading volume was 762 million shares or VND25,619bn.

Foreign investors continued to net sell with a net value of VND1,384bn on HSX. They sold VHM, VIC, and HPG the most with net values of VND508bn, VND245bn, and VND163bn, respectively.

Real Estate was the worst sector driven by DIG (-1.75%), HDG (-1.40%), KBC (-0.65%), NLG (-1.25%), NVL (-0.60%), VHM (-5.00%), and VRE (-0.45%). Of which, VIC registered to sell 100.5 million shares of VHM from Aug 19 to Sep 17. Besides, Viking Asia Holdings II Pte. Ltd (Kohlberg Kravis Roberts) announced to sell 31.9 million shares of VHM.

Some constituents of the VN30Index slid more than 1%, such as SAB (-4.02%), GAS (-1.91%), CTG (-1.42%), TCB (-1.30%), SSI (-1.29%), and BVH (-1.11%).

In contrast, cash flowed into Material, namely HPG (+0.95%), HSG (+1.70%), and NKG (+2.00%). Among these, HPG received the object from the relevant government agencies on expanding the pipe steel in Dung Quat Complex. The VND21.1tn plan was not meeting the environmental requirements, land use right purpose.

Despite the 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

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- ▶ Vietnam: Government bond auctions slowed down at the beginning of 3Q21

There has been a significant slowdown in the primary bond market at the beginning of the third quarter. July recorded only 16 government bond auctions with VND33tn G-bond amount being offered, which is a 3-month low and down by 28.3% from last month. More than 86% of total G-bond offers are long-term bonds with maturities greater than 10 years, in which 10-year and 15-year G-bonds were offered the most with VND13tn and VND9tn, equal to 66.7% of total G-bond offering. We saw a modest improvement of G-bond demand in the month as the total bidding value reached VND92.5tn over VND33tn offering, down by 9.9% MoM. About VND28.1tn G-bonds were successfully issued in July, which is the lowest level since May, down by 11.8% MoM. (HNX, KIS)

Macro & strategy

August Fixed Income view

An era of low-interest rates to return

Tuan Doan
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- ▶ Interbank rates to lower

Interbank rates in July generally decreased with the rising traded value after an increase streak of 3 months, reflecting the abundant liquidity in the money market under the speedy transmissibility of the new Delta variant. Interest rates were reduced in many tenors except 6-month and 9-month. We predict that interbank rates to reduce further in the next month due to the slowdown in lending activities, VND26tn relief package, and the SBV's switch from forward to spot USD-buying in early August.

- ▶ Yield curve to shift to a new low territory

Government bond statistics in July showed that G-bond yields continued to decline further to near record lows. G-bond demand in the primary market saw a slight improvement, although cautiousness is still apparent under a very low-yield environment.

Looking forward to August, from our view, more easing banking liquidity conditions combined with weakening credit demand would be a favorable environment for G-bond demand to accelerate. We expect the yield curve to move downward further, in which long-term yields would possibly find new record lows.

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
18/08/2021	18/08/2021	GIL	HOSE	Share Issue	20%	
18/08/2021		TST	HNX	Annual General Meeting		
19/08/2021	10/09/2021	D2D	HOSE	Cash Dividend	15%	1,500
19/08/2021		FDC	HOSE	Annual General Meeting		
19/08/2021	20/09/2021	HGM	HNX	Cash Dividend	10%	1,000
19/08/2021		KTS	HNX	Annual General Meeting		
19/08/2021		PPH	UPCOM	Annual General Meeting		
19/08/2021	20/09/2021	VE2	HNX	Cash Dividend	7%	700
19/08/2021	31/08/2021	VFG	HNX	Cash Dividend	10%	1,000
20/08/2021		AAS	UPCOM	Extraordinary General Meeting		
20/08/2021	20/09/2021	MVN	UPCOM	Extraordinary General Meeting		
20/08/2021	18/09/2021	SGP	UPCOM	Extraordinary General Meeting		
20/08/2021		SLS	HNX	Annual General Meeting		
20/08/2021	10/09/2021	SUM	UPCOM	Cash Dividend	2%	173

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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.

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- 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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