

HIGHLIGHTS OF THE DAY

Market summary

	VNINDEX	HNXINDEX
Close	978.50	107.00
Change (%)	-0.12%	-0.43%
Volume (mn)	152.16	31.00
Value (VNDbn)	3357.00	386.00
Gainers	106	64
Losers	182	90
Unchanged	92	223

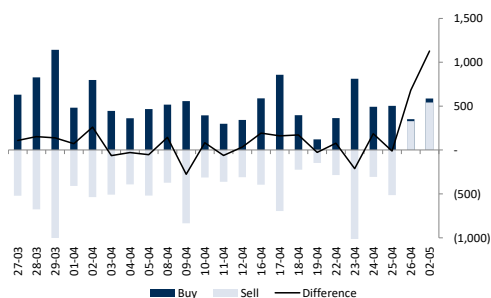
VNINDEX Intraday



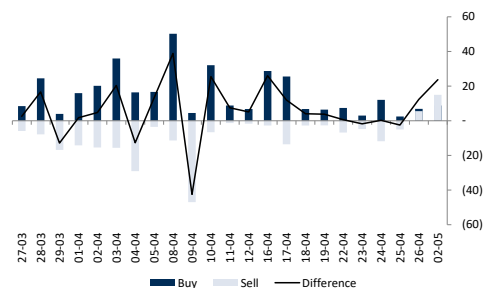
HNXINDEX Intraday



Foreigners' transaction on HSX (VNDbn)



Foreigners' transaction on HNX (VNDbn)



The market had a slight decrease with liquidity inching up but still below the average of 2019. Foreign investors were net sellers and the market breadth was negative.

On the HSX, BVH tumbled at the maximum amplitude from the first trading session, adding 12 million units of ESOP issued in 2018 that are allowed for trading. Banking stocks such as VCB BID TCB CTG... and VHM also adversely affected the market. In contrast, GAS MSN HPG REE PNJ MWG VRE VJC... gained quite well, helping the market regain its balance. VN30 stock basket had 18 winners and 12 losers. As BVH is not included in VN30 basket, VN30 Index gained slightly. The HNX was more negative as the largest cap stock ACB dropped more than the average, despite the efforts of PVS VGC...

Regarding sectors' movements, oil and gas group continued to be the focus of attracting cash flow with many strong advancers such as GAS, PVS, PVD, PVB, PVT... Retail stocks like MWG PNJ FRT simultaneously climbed. The number of losers dominated in the remaining sectors.

On the Derivative Stock market, futures increased less than VN30 Index, thereby widening the gap with the VN30 Index, lower from 16.27 to 26.87 points. Liquidity fell below the 2019 average.

In the policy meeting yesterday, Fed decided to keep the interest rates unchanged at 2.25% - 2.5%. Fed Chairman, Mr. Powell, did not “see a strong case for moving in either direction” and change the current rates. He believed the recent signs of decreasing inflation were temporary and need further assessment. This decision threw “cold water” on investors who expect that the US President Donald Trump’s pressure on the Fed to cut interest rates will make the Fed change its stance. Responding to the Fed's decision, the US stock market simultaneously declined, in which the Nasdaq Composite fell 0.6% and S&P 500 lost 0.8% after hitting a historic high. In addition, the bond yield of US Treasury rebounded with 2-year bond yields increased to 2.27%.

The latest round of US-China trade talks closed in Beijing yesterday with promising progresses. Next week, senior Chinese officials will go to Washington for the next negotiation round, and observers suppose that the meeting next week may be the final round to end the US-China trade war. Trump's Government has recently exerted more efforts to soon come to a trade deal with China. On the opposite side, Beijing also shows its willingness to open the financial industry valued at USD44 trillion by announcing plans to remove restrictions on ownership at Chinese banks and scale requirements for foreign financial companies operating in China. Therefore, we expect a trade agreement between the two countries will soon be achieved in the near future.

The Purchasing Managers' Index (PMI) of Vietnam increased from 51.9 points in March to 52.5 points in April, the highest in 4 months according to the latest Nikkei figures. Mr. Andrew Harker, Deputy Director at IHS Markit, said: “The main positive point of Vietnam manufacturing industry recently is the increase in employment rate, and this is the first increase in 3 months that companies believe the stagnation of the beginning of the year has now become a thing of the

past. However, there is still hesitation in raising selling prices even though input costs increase faster. This may change if the number of new orders continues to surge in the coming months.”

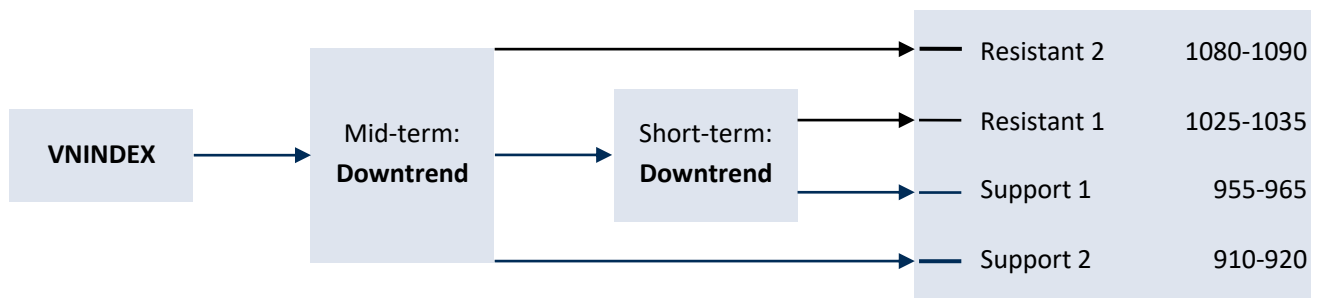
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INVESTMENT VIEWPOINTS AND STRATEGIES

VNINDEX



Market Trend



Investment Viewpoint

While large-cap stocks continued to be diverged, selling pressure increased in small and medium-cap stocks. Investor sentiment is still quite cautious. With the current conditions, we still keep the point that the market's uptrend is still maintained but accompanied by strong divergence. This may cause the market's rally to take place only in short spans and mix with correcting sessions.

Investors are advised to keep the swing trading strategy in short spans and control the proportion of stocks at the average level, focus on predominant stocks in the diverging market.

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INVESTMENT PORTFOLIO RECOMMENDATIONS

Investment Note

(1) The portfolio for mid-term investment (3-month at least) or may be flexible depending on the market movement.

(2) Profit taking threshold is +30% and cutting loss level is -15%.

(3) The fixed proportion of stocks in the portfolio is 100% (the proportion of each stock is equal) to make a comparison with VNINDEX. Investors should consider the general market trend to have a good proportion allocation and risk management.

Portfolio's performance vs VNINDEX



Stocks	Date of recommendation	Closing price	Daily returns	Accumulative returns	Main investment catalysts
VHC	18/04/2019	91.8	0.3%	-3.3%	<ul style="list-style-type: none"> Vinh Hoan JSC (VHC) is the largest tra fish exporter in Vietnam with an estimated market share of 50% in the US, which is the most valuable market. The company will benefit from the long-term growth trend of global fishery consumption amid a decrease of wild-caught supply. The rising demand, unfavorable weather conditions and a decline in white fish supply caused constraints in tra fish market, and boosted VHC's profit margin in 2018. This trend is forecast to continue in 2019. Tra fish market position is enhanced amid the US-China trade tensions and the EU-Vietnam Free Trade Agreement (EVFTA) in the future. In the 3Q/2018, the United States imposed 10% tax on tilapia imported from China and could increase to 25%, which helps to reduce the competitive pressure of tilapia on Vietnamese tra fish in the US market. The elimination of the looming import tariff of EVFTA is also an advantage for tra fish industry.
PNJ	22/03/2019	99.8	1.3%	-0.7%	<ul style="list-style-type: none"> Jewelry retail sales has witnessed a high growth as the number and value of the purchase orders increased. In 2018, PNJ jewelry retail sales surged 41%, supported by the estimated increase of 34% in the number of transactions and 5% gain in the average purchase value. Given the advantage of the available customer base, the segment of watches and accessories of PNJ is strong enough to be successful as the watch market in Vietnam has no large distribution enterprise despite gaining high value. Watches are expected to account for 5% of total revenue gained from PNJ contracts in 2022. The negative operating cash flow of PNJ in the previous

					years is resulted from the store system expansion, and the inventory increase. It is expected that PNJ will have a positive operating cash flow from 2019.
BMP	05/03/2019	47	0.8%	-11.5%	<ul style="list-style-type: none"> ▪ The current price of BMP stocks is quite attractive as BMP is the leading company in plastic pipe industry, with healthy financial status, sales policy with the most attractive 15% discount on the market, and stable dividend payment history. ▪ After two consecutive years of decreasing profit, BMP profit is expected to rebound in 2019 thanks to a slight increase in production (+6%) and profit margin (+0.6%) given that the prices of PVC compound manufacturing input materials are lower than the 2018 average. Besides, the direct competitor HSG no longer has many promotion policies as before due to its own difficulties. ▪ Export potential to Thailand and the support of managing shareholder Nawa Plastic is a favorable factor for long-term prospects of BMP business operation.
TCB	04/03/2019	23.6	-0.6%	-11.3%	<ul style="list-style-type: none"> ▪ Operating effectiveness has been continuously improved, which helped the bank to be ranked at the top group in 2018. TCB achieved this success thanks to the strategic value chain of Vingroup - Masan - Vietnam Airlines ecosystem combined with the economic growth oriented by export, consumption and real estate investment. ▪ The bank is currently the pioneer in some core business segments: Market share ranking No.1 in mortgage loans; advisory and brokerage involved in corporate bonds; bancassurance fee; ranking at the top in transaction banking growth. Effective operating model and dynamic BOM are the premise for the current result. ▪ Strong capital base, guaranteed asset quality and the viable strategy are the foundation for TCB to keep its growth momentum in 2019.
KBC	23/01/2019	14.5	2.1%	4.3%	<ul style="list-style-type: none"> ▪ FDI from Korea, Taiwan, and Japan – mainly absorbed by industrial plants has been rising sharply thanks to the shift of factories' location from China to Vietnam. ▪ The demand for industrial land lease in KBC strongly increased in 2018-2019. In 2019, the area for lease is forecast to be 120 ha (+14% yoy), in which there is 70 ha of Quang Chau Industrial Plant and 30 ha of Nam Son Hap Linh Industrial Plant. ▪ Gross profit margin still stays high – with the average of 58% in 2018-2019. ▪ Phuc Ninh Urban Area Project may gain VND1,000 billion of revenue 2019. Profit margin may reach 75%. ▪ Lower the number of long-term loans. Loan/equity ratio is 28%.

					<ul style="list-style-type: none"> Industrial plant projects of affiliated companies in Hue, Da Nang will be the attractive point to investors in the long-term after Northern industrial plants run out of land source in the next 2-3 years.
MBB	18/12/2018	21.3	-0.5%	3.6%	<ul style="list-style-type: none"> NOII to continue gaining traction in 2019. The current strong NFI from insurance services was mainly driven by the non-life segment through Military Insurance Corporation (MIC). A strong CASA ratio and increasing retail book (ex MCredit) are drivers for continuous NIM expansion. We believe NIM has headroom to expand from its current high level of 4.5%, given the CASA ratio will remain at a high level and the loan yield gap between ACB and MBB has been closing since 2014. Though funding costs could inch up related to valuable papers issuance in 2019F, we expect it to still be managed below 4% due to its current strong CASA ratio. MCredit is still finding its feet but funding advantage increases odds of success. We believe MCredit can triple its loan book in 2018 from a low base, contributing ~1.8% to the consolidated book. Half of MCredit's current funding comes from Shinsei and thus provides significant flexibility in chasing market share in the key cash loan market.
REE	11/10/2018	31	0.0%	-5.2%	<ul style="list-style-type: none"> In 2019, profit will likely increase by 9%-10% due to the dramatic rebound of electromechanical segment (58%) compared to the low basic level in 2018. This is achieved thanks to REE provisions, the positive growth of 37% in office for lease segment, and successful operation of E-town Central. Profit growth in the long term is maintained thanks to new M&A deals (in electricity and real estate segment). With expected EPS in 2018 at VND5,500/share, REE is comparatively low with ROE reaching 18,6%.
FPT	6/9/2018	47.9	0.0%	11.1%	<ul style="list-style-type: none"> Software processing which is the main force of software development segment has been thriving in most of the key markets - Japan, United States, Asia Pacific, European. The acquisition of Intellinet in the U.S allows FPT to provide strategic package IT services to customers, especially in digital transformation projects. FPT profit is forecast to maintain growth rate at over 20% until 2020. With the forecast EPS in 2018 of VND3,500/share, FPT shares are traded at attractive P/E.
GMD	22/8/2018	25.45	0.0%	5.2%	<ul style="list-style-type: none"> Potential business growth is the key driver for the bounce back of stocks, combining with the divestment of real estate projects or information about VIG divestment at the

company.

- Increase of expected return; attractive long-term valuation. The operation of Nam Dinh Vu Phase 1 project will be the driving force for revenue growth in 2019-2020. The project has increased GMD's handling capacity from 1,250,000 teus to 2,000,000 teus, a rise by 60%. According to the plan, the occupancy rate for 2019 is 80% and 100% in 2020.
- Logistic profit will grow with a support from CJ Logistics. With the deeper involvement of CJ Logistic, the management expects to bring better growth motivations for the logistics sector.

PVS	15/8/2018	22.9	0.4%	33.1%
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- Stock price has started to recover after a dramatic and prolonged decline.
- The price is still low compared to the potential for recovery and growth as the major projects of the oil and gas industry has officially kicked off such as Block B - O Mon, Su Tu Trang phase 2, petrochemical complex Long Son.
- In case that oil price rallies and stays at over USD60/barrel, higher than the average breakeven point of Vietnam at about USD55/barrel, the launch of these projects is only a matter of time.

MONEY FLOW TRACKING AND RIGHTS EXERCISE

Top 5 largest net buying/selling stocks by foreign investors

Ticker	Exchange	hold by foreigner	remaining room	Net buying value
VRE	HSX	32.04%	391,350,098	23,707,220,000
MSN	HSX	40.52%	98,004,054	18,412,340,000
VJC	HSX	20.61%	50,710,039	15,621,350,000
HPG	HSX	39.91%	191,593,878	13,674,820,000
CRE	HSX	26.39%	17,584,630	9,101,090,000
Ticker	Exchange	hold by foreigner	remaining room	Net selling value
VIC	HSX	9.03%	1,014,314,642	-3,974,230,000
HDB	HSX	2559.00%	43,358,235	-9,514,460,000
AAA	HSX	5.36%	58,507,365	-11,793,370,000
VCB	HSX	23.75%	232,567,864	-11,893,560,000
VNM	HSX	59.35%	707,916,247	-14,951,480,000

Sector Performance in the week

Top 5 best performers	Change	Major stocks in sector
Cement	7.50%	HT1 BCC BTS HOM...
Oil Equipment & Services	2.70%	PVS PVD PVC PVB...
Steel	2.20%	HPG HSG NKG POM...
Pharmaceuticals	1.90%	DHG PME TRA DMC...
Brewers	1.80%	SAB BHN THB HAD...
Top 5 worst performers	Change	Major stocks in sector
Clothing & Accessories	-1.00%	TCM STK FTM EVE...
Technology & Hardware Equipmen	-1.10%	SAM ELC ST8 POT...
General Mining	-1.20%	KSB HGM BMC BKC...
Industrial Real Estate	-2.20%	KBC ITA LHG TIX...
Insurance	-5.90%	BVH PVI BIC BMI...

Sector Performance in the day

Top 5 best performers	Change	Major stocks in sector
Cement	4.30%	HT1 BCC BTS HOM...
Oil Equipment & Services	2.60%	PVS PVD PVC PVB...
Forestry	2.20%	TTF DLG GTA
Brewers	1.70%	SAB BHN THB HAD...
Water	1.00%	BWE CLW NBW TWD...
Top 5 worst performers	Change	Major stocks in sector
Fertiliser	-0.90%	DPM DCM BFC LAS...
Investment Services	-1.00%	SSI VCI HCM VND...
Technology & Hardware Equipmen	-1.20%	SAM ELC ST8 POT...
Industrial Real Estate	-1.90%	KBC ITA LHG TIX...
Insurance	-5.10%	BVH PVI BIC BMI...

Sector Performance in the month

Top 5 best performers	Change	Major stocks in sector
Gas Distribution	12.40%	GAS PGD PGS PGC...
Paper	11.30%	DHC VID HAP CAP...
Cement	10.00%	HT1 BCC BTS HOM...
Oil Equipment & Services	9.00%	PVS PVD PVC PVB...
Software & Computer Services	7.60%	FPT CMG SGT CMT...
Top 5 worst performers	Change	Major stocks in sector
Fertiliser	-5.10%	DPM DCM BFC LAS...
Investment Services	-5.60%	SSI VCI HCM VND...
Automobiles	-5.70%	TCH SVC HHS HAX...
Insurance	-8.40%	BVH PVI BIC BMI...
Forestry	-9.20%	TTF DLG GTA

Rights exercise in the next 5 trading days

Ticker	Exchange code	Ex-date	Record Date	Exercise Date	Events	Exercise Rate
BRC	HSX	03/05/2019	06/05/2019	27/05/2019	Cash dividends	VND1000/share
DP3	HNX	03/05/2019	06/05/2019	12/06/2019	Cash dividends	VND5000/share
SJS	HSX	03/05/2019	06/05/2019	30/09/2019	Cash dividends	VND500/share
SJS	HSX	03/05/2019	06/05/2019	31/12/2019	Cash dividends	VND500/share
VGT	UPCOM	07/05/2019	08/05/2019	17/05/2019	Cash dividends	VND100/cp
VCW	UPCOM	07/05/2019	08/05/2019	22/05/2019	Cash dividends	VND300/cp
NDT	UPCOM	07/05/2019	08/05/2019	24/05/2019	Cash dividends	VND500/cp
ST8	HOSE	07/05/2019	08/05/2019	28/05/2019	Cash dividends	VND1000/cp
DPG	HOSE	08/05/2019	09/05/2019		Preferred Share dividends	VND500/cp
DGC	HNX	08/05/2019	09/05/2019		Share dividends	100:15
MIG	UPCOM	08/05/2019	09/05/2019	20/05/2019	Cash dividends	VND800/cp
DPG	HOSE	08/05/2019	09/05/2019	29/05/2019	Cash dividends	VND500/cp

(Source: HSX, HNX, KBSV)

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