

VIETNAM DAILY

[Market Commentary]

Banks pushed the whole market down while trading volumes increased

[Futures/ETFs]

Futures fell in line with the cash market

[Market Movers]

HHV, CII

May 24, 2023

	Index	Chg (%, bp)
Ho Chi Minh	1,061.79	-0.38
VN30	1,061.55	-0.61
VN30 futures	1,056.10	-0.32
Hanoi	215.96	+0.08
HNX30	399.56	-0.06
UPCoM	80.93	-0.09
USD/VND	23,490	+0.06
10-yr govt bond (%)	3.04	+1
Overnight rate (%)	4.19	+7
Oil (WTI, \$)	73.72	+1.11
Gold (LME, \$)	1,974.58	-0.03



Market Commentary

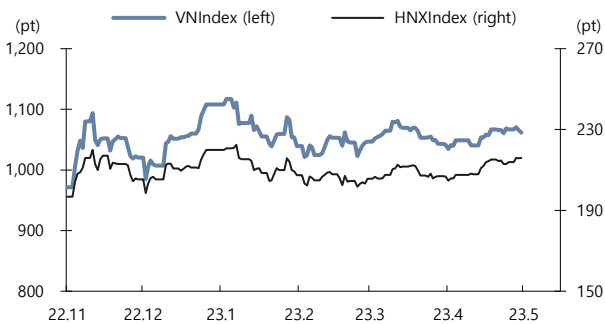
VNIndex	1,061.79P (-0.38%)
Volume (mn shrs)	682.6 (+4.7%)
Value (U\$m)	578.4 (+5.6%)
HNXIndex	215.96P (+0.08%)
Volume (mn shrs)	90.7 (-17.2%)
Value (U\$m)	63.1 (-11.3%)
UPCoM	80.93P (-0.09%)
Volume (mn shrs)	34.0 (-30.8%)
Value (U\$m)	17.0 (-29.7%)
Net foreign buy (U\$m)	-23.7

Banks pushed the whole market down while trading volumes increased. Foreign investors were net sellers, focusing on Hoa Phat Group (HPG, -1.8%), VN Direct (VND, -2.1%), and Kinh Bac City (KBC, -1.1%).

In the first four months of 2023, the total import-export turnover only reached USD210.79 billion, dropping 13.6% YoY. Of that, exports decreased by 11.8% YoY, and imports declined 15.4% YoY. As a result, related shares like TNG Investment & Trading (TNG, -2.01%) and American Vietnamese Biotech (AMV, -2.17%) closed down.

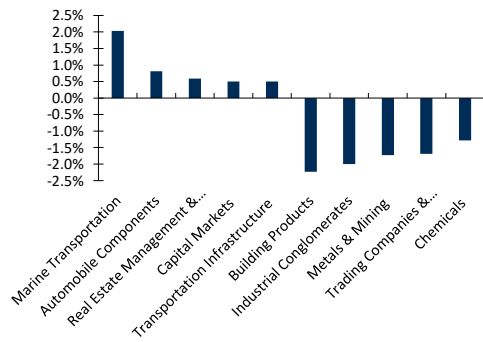
Ending Tuesday's session, the Brent oil contract prices advanced 85 cents or 1.1% to USD76.84 per barrel. The WTI added 86 cents or 1.2% to USD72.91 per barrel. Oil and gas stocks like NSHPETRO (PSH, +0.8%) and Petroleum Trading (PTV, +2.8%) also gained.

VN Index & HNX Index



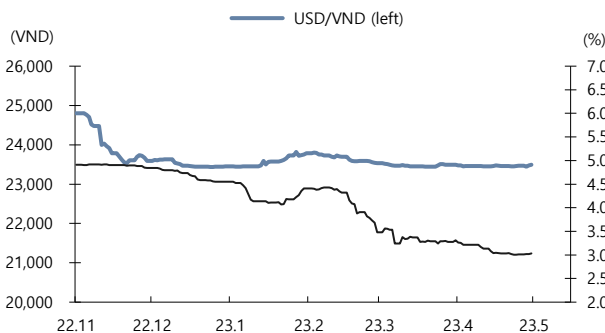
Source: Bloomberg, KB Securities Vietnam

VN Index sector performance



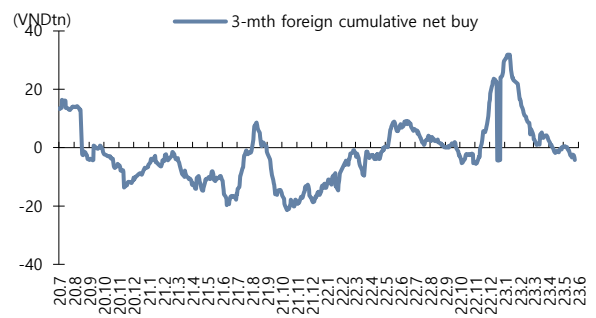
Source: Bloomberg, KB Securities Vietnam

USD/VND & 10-year government bond rates



Source: Bloomberg, KB Securities Vietnam

Vietnam – 3-mth cumulative net foreign buy

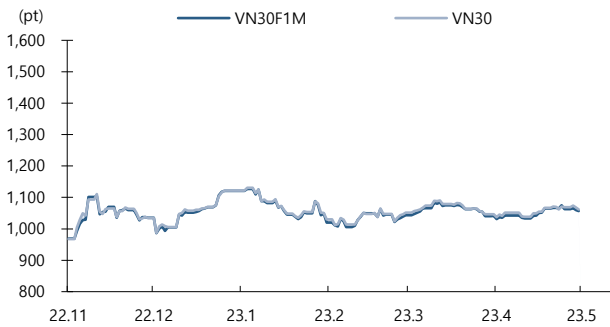


Source: FiinPro, KB Securities Vietnam

Futures/ETFs

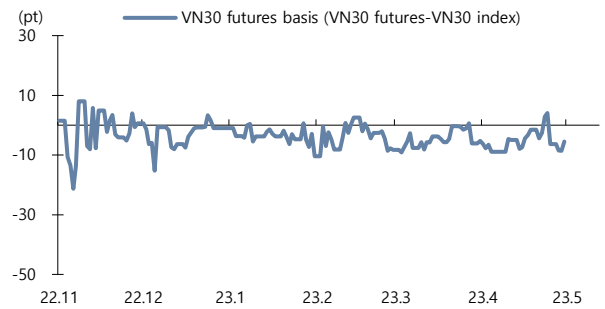
VN30	1,061.55P (-0.61%)	Futures fell in line with the cash market. The basis opened at -5.75bps and then fluctuated in a negative range around -6.55bps before closing at -6.1bps.
VN30 futures	1,056.1P (-0.32%)	
Open	1,061.6P	Trading volumes were heavier.
High	1,064.0P	
Low	1,054.5P	
Contracts	184,376 (+3.3%)	

VN30 futures & VN30 index



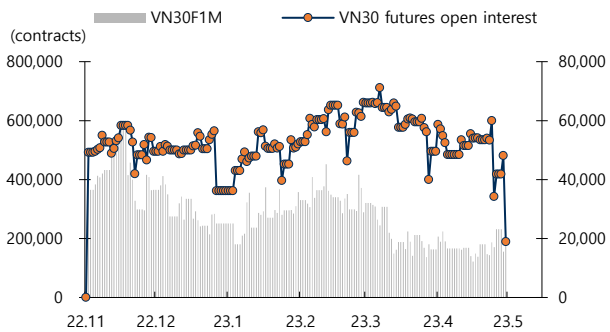
Source: Bloomberg, KB Securities Vietnam

Front month VN30 futures basis



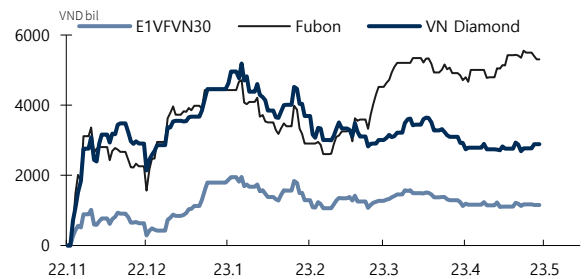
Source: Bloomberg, KB Securities Vietnam

VN30 futures volume & open interest



Source: Bloomberg, KB Securities Vietnam

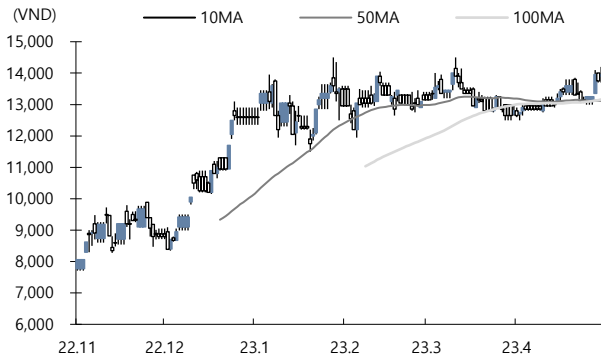
Vietnam ETFs - Changes in Fund Total Asset



Source: FiinPro, KB Securities Vietnam

Market Movers

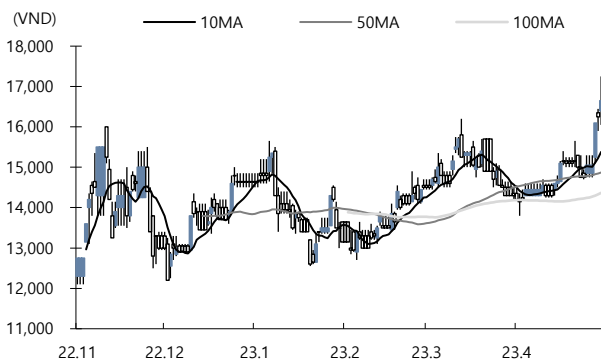
Deo Ca Traffic Infrastructure Investment (HHV)



Source: Bloomberg, KB Securities Vietnam

- HHV closed up 1.5% to VND13,950.
- HHV approved the plan to issue more than 21.56 million shares to pay dividends in 2022 at the ratio of 100:7 (shareholders owning 100 shares will receive 7 shares). The record date is June 8, 2023.

Ho Chi Minh City Infrastructure Investment (CII)



Source: Bloomberg, KB Securities Vietnam

- CII closed up 2.5% to VND16,650.
- CII consulted its shareholders on 2023E guidance, including VND469 billion (-50% YoY) in NPAT on revenue of VND5,155 billion (-30% YoY). In addition, the Management proposed a plan to issue VND4,500 billion in bonds to be converted into common shares for existing shareholders (par value of VND100,000) to pay debts for two BOTs, which are Hanoi Highway Expansion and National Highway 1 Expansion through Ninh Thuan province.

KBSV Model Portfolio

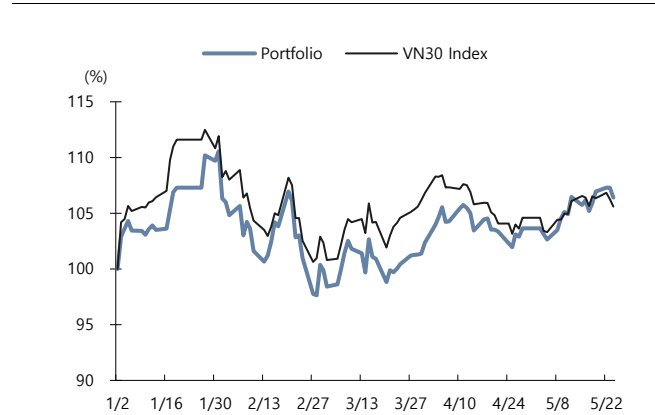
KBSV Research Team

Investment approach:

- Seeks to outperform the VN30 Index by identifying the most attractive stocks within our coverage universe over the next 3 months
- Employs a risk-managed exit strategy that sets a profit target of +30% and stop loss of -15%
- Uses an equal-active-weight (with monthly rebalancing method) approach that allocates 100% of the portfolio to stocks that, at times, can include a VN30 index ETF

	VN30 Index	Master Portfolio
Daily return	-0.61%	-0.84%
Cum. return	5.61%	6.41%

Performance vs VN30 Index



KBSV domestic model portfolio

Ticker	Inclusion date	Close 23/05/24	Daily return (%)	Cumulative return (%)	Main investment catalysts
Mobile World (MWG)	19/08/09	37,950	-0.8%	-1.8%	<ul style="list-style-type: none"> - Optimizing revenue from DMG & TGDD chains - BHX expects to reach break-even point soon at stores and distribution centers - In the long term, BHX aims to capture 10-15% of the food retail market
SSI Securities (SSI)	23/01/30	22,700	-0.7%	8.4%	<ul style="list-style-type: none"> - Maintaining the leading position in terms of outstanding margin lending - Benefiting from the decline in interest rate
Phu Nhuan Jewelry (PNJ)	19/03/22	71,500	-1.0%	24.4%	<ul style="list-style-type: none"> - Strong topline supported by transaction volumes (2018 +34%) & ASPs (2018 +5%) - Strongest customer base to capture lucrative watch segment (5% of sales by 2022E) - Core business activities growing again after the "ERP" incident
Tien Phong Bank (TPB)	21/11/11	23,500	-0.8%	-4.1%	<ul style="list-style-type: none"> - NIM remains stable thanks to cheap mobilized capital - The leading bank in the field of digitalization - The corporate bond risk is expected to abate in 2023
Dabaco Group (DBC)	23/01/30	19,200	0.0%	12.3%	<ul style="list-style-type: none"> - Pork and chicken price are expected to be on recovery path in 2023 - Animal feed cost decline, in alignment with global commodity price, will improve GPM
FPT Corp (FPT)	18/09/06	81,300	-0.9%	235.1%	<ul style="list-style-type: none"> - Software outsourcing foothold in Japan/US/Asia-Pacific/EU drives 25% overseas CAGR - Telecoms stable 15% growth/solid subscriber growth & profitable Pay-TV from 2020E - 20%+ earnings momentum by 2020E
Vietin Bank (CTG)	20/01/31	27,750	-0.5%	46.8%	<ul style="list-style-type: none"> - Building on strong earnings recovery in 2019 & optimistic outlook for 2020 - Growing expectations for capital increase in 2020 to offset loan-growth concerns - Already improved asset quality and benign credit risks for 2020
PV Gas (GAS)	20/12/11	92,500	-0.8%	26.0%	<ul style="list-style-type: none"> - Gain benefit from growing LNG demand - Expectation on global oil price recovery - Attractive valuation
Hoa Phat Group (HPG)	19/12/04	21,300	-1.8%	91.3%	<ul style="list-style-type: none"> - Steel consumption starts to rebound - Construction steel prices show signs of rising again - Increased capacity from Dung Quat project helps HPG expand market share
Kinhbac City Development (KBC)	20/03/09	26,550	-1.1%	158.4%	<ul style="list-style-type: none"> - Strong pricing for upcoming land sales after Trang Due urban land sales in 4Q19 - Beneficiary of more production facilities from EU companies after EU-Vietnam FTA - Re-location of supply chains from China after COVID-19 scare

Source: Bloomberg, KB Securities Vietnam

Market Monitors

Ho Chi Minh – Net foreign buys/sells

Ticker	Chg (%)	For. Ownership (%)	Net buy (VND bn)
VCI	0.4%	7.8%	19.4
VIC	0.0%	33.3%	17.2
HDB	0.0%	12.8%	11.5
GMD	1.2%	43.4%	11.3
VHM	1.5%	49.0%	9.8

Ticker	Chg (%)	For. Ownership (%)	Net sell (VND bn)
HPG	-1.8%	55.3%	-23.4
VNM	-1.0%	30.3%	-11.5
VND	-2.1%	23.0%	-8.9
KBC	-1.1%	24.5%	-10.2
CTG	-0.5%	27.6%	-1.0

Source: FiinPro, KB Securities Vietnam

Hanoi – Net foreign buys/sells

Ticker	Chg (%)	For. Ownership (%)	Net buy (VND bn)
PVS	0.0%	3.7%	0.0
SHS	0.0%	0.4%	10.4
SLS	-0.6%	59.7%	0.7
PVC	-2.8%	4.5%	0.0
PVI	-0.8%	2.5%	0.0

Ticker	Chg (%)	For. Ownership (%)	Net sell (VND bn)
IDJ	-2.0%	0.9%	0.0
MBS	0.6%	1.1%	10.4
BVS	0.9%	20.6%	0.7
PVG	-1.1%	7.2%	0.0
NDX	-2.9%	15.8%	0.0

Source: FiinPro, KB Securities Vietnam

Sectors – Top 5 best/worst weekly performance

Top 5 best performers	Chg (%)	Key stocks
Electric Utilities	9.1%	PGV, NT2, PPC, TTA
Household Durables	7.0%	TTF, GDT, EVE, SAV
Industrial Conglomerates	5.8%	REE, BCG, PET, EVG
Commercial Services & Supplies	5.4%	TLG, ILB, APC, ST8
Capital Markets	4.9%	SSI, VND, HCM, VCI

Top 5 worst performers	Chg (%)	Key stocks
Trading Companies & Distributors	-5.0%	VPG, TSC, BTT, TNA
Building Products	-4.7%	VGC, BMP, SHI, DAG
Textiles, Apparel & Luxury Goods	-3.5%	PNJ, TCM, MSH, GIL
Food Products	-2.4%	VNM, MSN, KDC, VHC
Beverages	-2.4%	SAB, BHN, SMB, SCD

Source: Bloomberg, KB Securities Vietnam

Sectors – Top 5 best/worst monthly performance

Top 5 best performers	Chg (%)	Key stocks
Electric Utilities	21.3%	PGV, NT2, PPC, TTA
Machinery	14.5%	TCH, HHS, SRF, SHA
Construction & Engineering	12.0%	DIG, HDG, VCG, PC1
Household Durables	10.3%	TTF, GDT, EVE, SAV
Commercial Services & Supplies	9.4%	TLG, ILB, APC, ST8

Top 5 worst performers	Chg (%)	Key stocks
Beverages	-6.9%	SAB, BHN, SMB, SCD
Textiles, Apparel & Luxury Goods	-6.3%	PNJ, TCM, MSH, GIL
Food Products	-5.3%	VNM, MSN, KDC, VHC
Insurance	-3.9%	BVH, MIG, BIC, BMI
Specialty Retail	-3.8%	MWG, FRT, CTF, HAX

Source: Bloomberg, KB Securities Vietnam

Vietnam – Focus stocks

Ticker	Inclusion date	Close 23/05/24	Daily return (%)	Cumulative return (%)	Main investment catalysts
Mobile World (MWG)	19/08/09	109,200	na	na	<ul style="list-style-type: none"> - Optimizing revenue from DMX & TGDD chains - BHX expects to reach break-even point soon at stores and distribution centers - In the long term, BHX aims to capture 10-15% of the food retail market
Nam Long Invest (NLG)	19/06/03	27,500	na	na	<ul style="list-style-type: none"> - Leader in mid- to high-end housing & Japanese partners for large urban area (UA) projects - Largest urban area developer (Mizuki Park UA, Akari City UA & Waterpoint US) - Healthy financials & low debt ratios
Phu Nhuan Jewelry (PNJ)	19/03/22	81,000	na	na	<ul style="list-style-type: none"> - Strong topline supported by transaction volumes (2018 +34%) & ASPs (2018 +5%) - Strongest customer base to capture lucrative watch segment (5% of sales by 2022E) - Core business activities growing again after the "ERP" incident
Military Bank (MBB)	18/12/18	21,550	na	na	<ul style="list-style-type: none"> - Military Insurance Corporation (MIC) non-life premiums to boost 2019 non-bank income - Retail loan mix (Mcredit) supports 4% NIM against pricing competition (ACB/MBB) - Mcredit work-in-progress but low-cost funding from Shinsei triples key cash loan mkt
Refrig Elec Eng (REE)	18/10/11	35,700	na	na	<ul style="list-style-type: none"> - Office lease management & E-town Central occupancy generates stable cash flow - Strategic investments in utility industry provides stable/long-term dividend stream
FPT Corp (FPT)	18/09/06	54,500	na	na	<ul style="list-style-type: none"> - Software outsourcing foothold in Japan/US/Asia-Pacific/EU drives 25% overseas CAGR - Telecoms stable 15% growth/solid subscriber growth & profitable Pay-TV from 2020E - 20%+ earnings momentum by 2020E
Gemadep Corp (GMD)	18/08/22	23,350	na	na	<ul style="list-style-type: none"> - New business key stock driver & clarity on real estate projects/VIG stake positive catalysts - Nam Dinh Vu Phase 1 boosts handling capacity by 60% (occupancy 19E 80%/20E 100%) - Strategic tie up with CJ Logistics supports growth in logistics division & adds growth driver

Source: Bloomberg, KB Securities Vietnam

Vietnam – Focus stocks

Ticker	Inclusion date	Close 23/05/24	Daily return (%)	Cumulative return (%)	Main investment catalysts
Power Const No. 1 (PC1)	19/11/06	17,650	na	na	<ul style="list-style-type: none"> - Great contribution from Thanh Xuan Real Estate Project & transmission line construction. - Expect strong growth in power construction segment from investment demand from EVN - Output at PC1's hydroelectric plants expected to increase sharply in 2020
Masan Group (MSN)	19/10/11	64,200	na	na	<ul style="list-style-type: none"> - MEATLife packaged pork business positive for branded consumer product business model - Masan boosts meat distribution into HCMC market from fourth quarter of 2019 - Profit from MCH & Techcombank expected to continue to grow at double digits
Petro Tech Services (PVS)	18/08/15	16,900	na	na	<ul style="list-style-type: none"> - Despite strong share price rebound in early 2019, 2019E P/E still below regional peers - 9% EPS CAGR from Sao Vang- Dai Nguyet, Gallaf, Block B, White Lion Phase 2 projects

Source: Bloomberg, KB Securities Vietnam

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Investment ratings & definitions

Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

Buy:	Hold:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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