

June 19, 2020

Head of Equity Research (Hanoi)
Duong Duc Hieu
hieudd@kbsec.com.vn

Securities

New account openings increase

Lower funding rate made securities an attractive investment channel

— Commercial banks reduce deposit rates to support net interest income when lending rates are reduced to help customers impacted by COVID-19 epidemic has created a new lower deposit rate level of 0.1–0.5%. When bank deposits bring lower profitability, other activities and securities investment is one of which becomes an attractive investment channel for many new investors. Vietnam Securities Depository (VSD) stated that new accounts opened by domestic investors in April 2020 soared, reaching 36,721 accounts, only lower than the number of new accounts opened of 40,651 in February 2018 (before VNIndex returned to the 10-year peak level of 1,200 points).

Market liquidity and outstanding margin outstanding growth

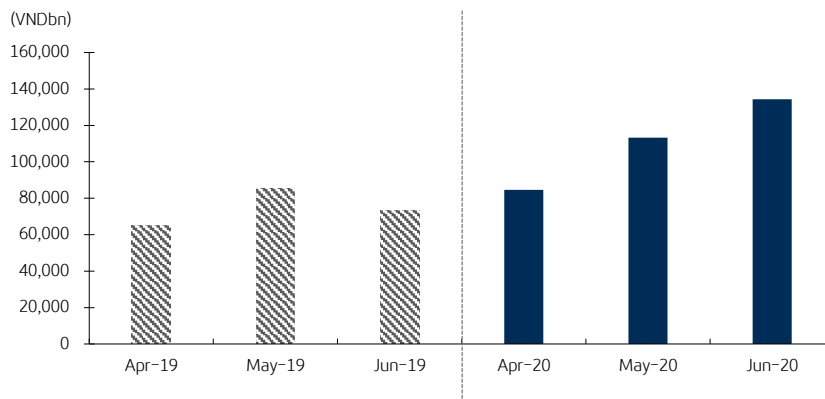
— From the beginning of April 2020 to June 18, 2020, the total trading value on the three exchanges HSX, HNX and UpCOM has reached nearly VND305 trillion (up 35% versus 2Q19 and up 33% versus 1Q20), the order-matching value increased by 49% in comparison with 2Q19, indicating that the cash flow into the market is increasing sharply as investors have high expectations for the recovery of the economy as well as the reactivation of enterprises' business activities.

Market up 27% from the end of 1Q20

— Up to June 18, 2020, VN Index increased by 27% from the end of 1Q20.

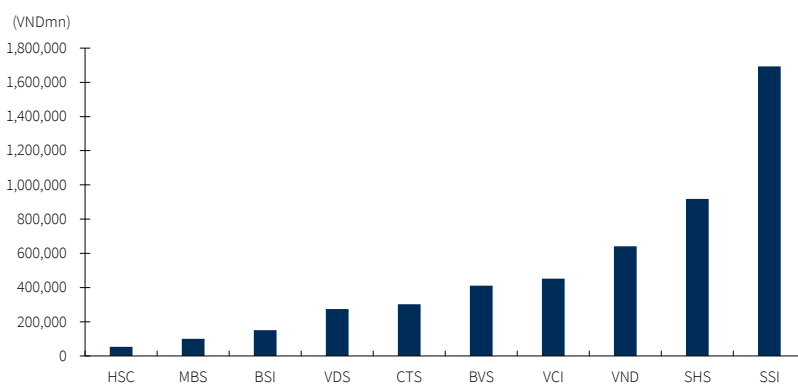


Fig 1. Vietnam stock market – Total volume, April–June, 2019A and 2020EA, VND billion



Source: Fiin Pro, KB Securities Vietnam

Fig 2. Vietnam Securities companies – FVTPL – 1Q20, VND million



Source: Company reports, KB Securities Vietnam

KB SECURITIES VIETNAM RESEARCH

Head of Research – Nguyen Xuan Binh

binhnx@kbsec.com.vn

Macro/Strategy

Head of Macro & Strategy – Tran Duc Anh

anhtd@kbsec.com.vn

Macro Analyst – Thai Thi Viet Trinh

trinhhtt@kbsec.com.vn

Market Strategist – Le Anh Tung

tungla@kbsec.com.vn

Equity (Hanoi)

Head of Equity Research (Hanoi) – Duong Duc Hieu

hieudd@kbsec.com.vn

Information Technology & Logistics Analyst – Nguyen Anh Tung

tungna@kbsec.com.vn

Property Analyst – Pham Hoang Bao Nga

ngaphb@kbsec.com.vn

Power & Construction Material Analyst – Le Thanh Cong

congltt@kbsec.com.vn

Financials Analyst – Nguyen Thi Thu Huyen

huyenntt@kbsec.com.vn

Equity (Ho Chi Minh)

Head of Equity Research (Ho Chi Minh) – Harrison Kim

harrison.kim@kbfq.com

Consumer & Retailing Analyst – Dao Phuc Phuong Dung

dungdpp@kbsec.com.vn

Fisheries & Pharmaceuticals Analyst – Nguyen Thanh Danh

danhnt@kbsec.com.vn

Oil & Gas & Chemicals Analyst – Nguyen Vinh

vinhn@kbsec.com.vn

Research Marketing

Korea Marketing Analyst – Seon Yeong Shin

shin.sy@kbsec.com.vn

KB SECURITIES VIETNAM (KBSV)

Head Office:

Levels G, 2 & 7, Sky City Tower, 88 Lang Ha Street, Dong Da District, Hanoi, Vietnam
Tel: (+84) 24 7303 5333 – Fax: (+84) 24 3776 5928

Hanoi Branch:

Level 1, VP Building, 5 Dien Bien Phu, Ba Dinh District, Hanoi, Vietnam
Tel: (+84) 24 7305 3335 – Fax: (+84) 24 3822 3131

Ho Chi Minh Branch:

Level 2, TNR Tower Nguyen Cong Tru, 180-192 Nguyen Cong Tru Street, District 1, HCMC, Vietnam
Tel: (+84) 28 7303 5333 – Fax: (+84) 28 3914 1969

Saigon Branch:

Level 1, Saigon Trade Center, 37 Ton Duc Thang, Ben Nghe Ward, District 1, HCMC, Vietnam
Tel: (+84) 28 7306 3338 – Fax: (+84) 28 3910 1611

CONTACT INFORMATION

Institutional Client Center: (+84) 28 7303 5333 – Ext: 2656

Private Customer Care Center: (+84) 24 7303 5333 – Ext: 2276

Email: ccc@kbsec.com.vn

Website: www.kbsec.com.vn

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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