

VIETNAM DAILY

[Market Commentary]

Stocks posted strong rebounds after the Prime Minister claimed that the nationwide lockdown would be applied as the last resort as it could cause prolonged interruption to socio-economic activities

[Futures/ETFs]

Futures closed higher as the lockdown is not likely to be applied anytime soon in Hanoi and Ho Chi Minh City

[Market Movers]

HPG, PLX

[Macro/Strategy]

July Industrial Production

[Sector/Company Updates]

Aviation, BID, HDB, MBB, POW

August 3, 2020

	Index	Chg (%, bp)
Ho Chi Minh	814.65	+2.04
VN30	757.86	+2.31
VN30 futures	742.00	+2.34
Hanoi	110.43	+2.72
HNX30	204.19	+2.87
UPCoM	55.51	+1.30
USD/VND	23,177	+0.04
10-yr govt bond (%)	2.95	+1
Overnight rate (%)	0.25	+8
Oil (WTI, \$)	39.75	-1.29
Gold (LME, \$)	1,973.38	-0.13



Market Commentary

VNIndex 814.65P (+2.04%)
Volume (mn shrs) 244.8 (+14.2%)
Value (U\$m) 205.0 (+21.7%)

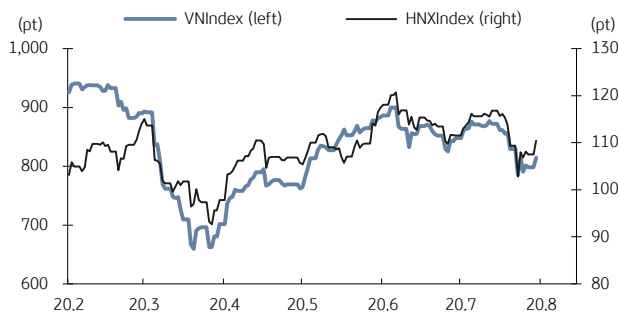
HNXIndex 110.43P (+2.72%)
Volume (mn shrs) 49.1 (+29.7%)
Value (U\$m) 17.3 (+46.6%)

UPCoM 55.51P (+1.30%)
Volume (mn shrs) 33.9 (+30.0%)
Value (U\$m) 8.1 (-0.4%)

Net foreign buy (U\$m) +0.3

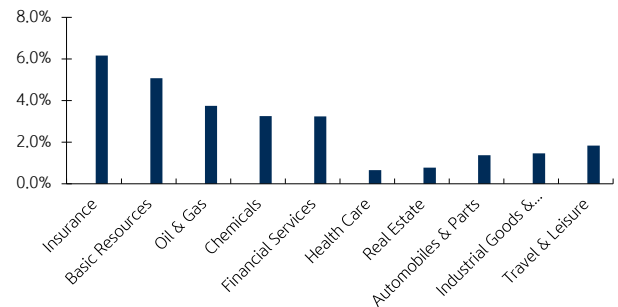
Stocks posted strong rebounds after the Prime Minister claimed that the nationwide lockdown would be applied as the last resort as it could cause prolonged interruption to socio-economic activities. Vietcombank (VCB, +3.1%), Vietinbank (CTG, +2.6%) and other banks posted gains on the news. With the EVFTA officially taking effect on August 1, main beneficiaries all surged today, seen in textile companies like Song Hong Garment (MSH, +6.0%) & Thanh Cong Garment (TCM, +4.7%), fisheries like Minh Phu Corp (MPC, +2.9%) and Nam Viet Corp (ANV, +2.3%), container ports like Hai An Transport & Stevedoring (HAH, +1.5%) and Gemadept (GMD, +1.4%). Industrial parks like Tan Tao Investment (ITA, +7.0%) and Kinh Bac City (KBC, +4.0%) jumped on the increase of 14.4% in July newly registered FDI. Hoa Phat Group (HPG, +5.5%) also saw a sharp gain thanks to strong July sales, which also boosted other steel sellers like Hoa Sen Group (HSG, +6.8%) and Nam Kim Steel (NKG, +5.0%). Foreign investors net bought on Hoa Phat Group (HPG, +5.5%), Vietcombank (VCB, +3.1%), and Phuoc Hoa Rubber (PHR, +1.5%).

VN Index & HNX Index



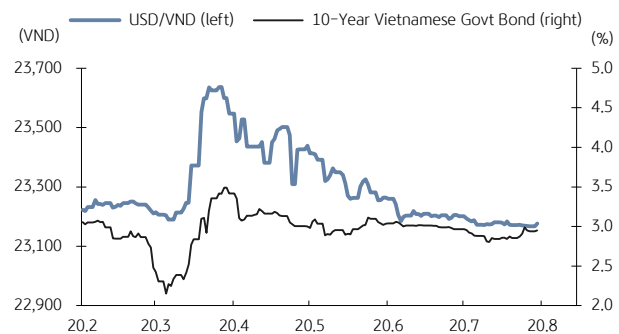
Source: Bloomberg, KB Securities Vietnam

VN Index sector performance



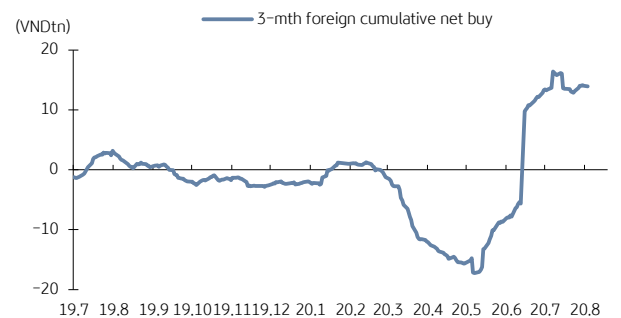
Source: Bloomberg, KB Securities Vietnam

USD/VND & 10-year government bond rates



Source: Bloomberg, KB Securities Vietnam

Vietnam - 3-mth cumulative net foreign buy



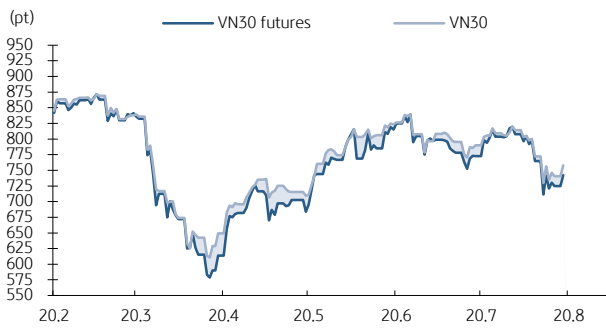
Source: FiinPro, KB Securities Vietnam

Futures/ETFs

VN30	757.86P (+2.31%)
VN30 futures	742.0P (+2.34%)
Open	732.0P
High	745.9P
Low	730.5P
Contracts	236,089 (-31.9%)

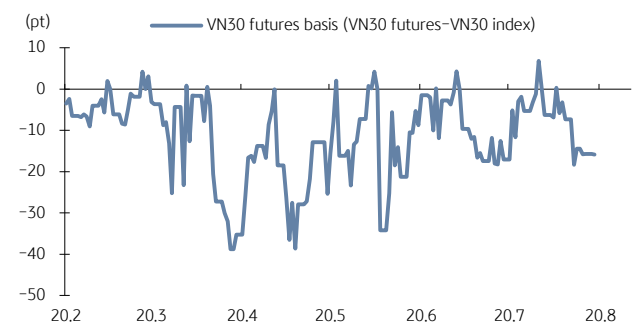
Futures closed higher as the lockdown is not likely to be applied anytime soon in Hanoi and Ho Chi Minh City. The basis opened at minus 8.73 bps and reached the intraday high at minus 6.13 bps given increasing long positions alongside the cash market recoveries, before closing at minus 15.86 bps as investors covered intraday long positions in late afternoon session. Foreigners remained net buyers, and trading volumes were healthy.

VN30 futures & VN30 index



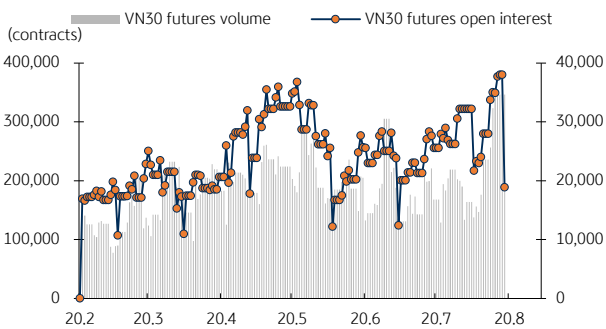
Source: Bloomberg, KB Securities Vietnam

Front month VN30 futures basis



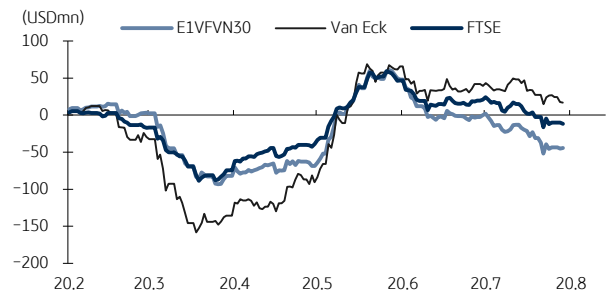
Source: Bloomberg, KB Securities Vietnam

VN30 futures volume & open interest



Source: Bloomberg, KB Securities Vietnam

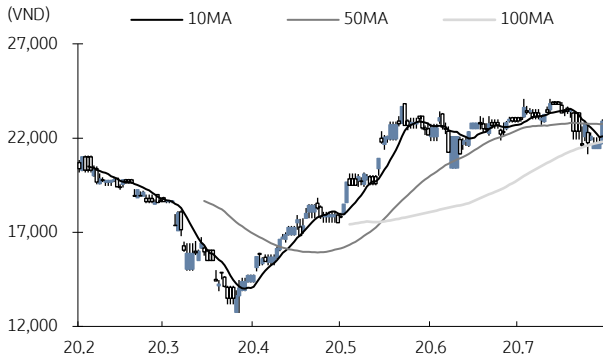
Vietnam ETFs - 3-mth cumulative net buy



Source: FiinPro, KB Securities Vietnam

Market Movers

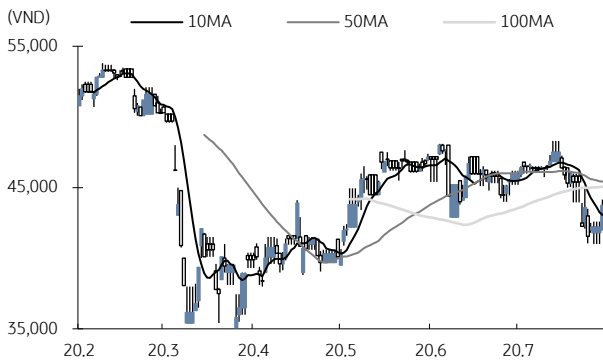
Hoa Phat Group (HPG)



Source: Bloomberg, KB Securities Vietnam

- HPG closed up 5.5% to VND 22,900
- HPG announced July sales for construction steel of 300,000 tons (+27.5% YoY and +19% MoM). Of this, the export steel output reached 53,500 tons (+200% YoY), and sold output for Vietnam Southern market nearly doubled the same period, reaching 75,000 tons.

Petrolimex (PLX)



Source: Bloomberg, KB Securities Vietnam

- PLX closed up 3.7% to VND 43,750
- PLX released 2Q consolidated earnings of VND677 billion (down 43% YoY) on revenue of VND26,709 billion (down 46.3% YoY). Sluggish performance was mainly due to the sharp decline in oil prices vs the same period last year as well as the Coronavirus impacts on sales. However, 2Q sales were significantly improved vs the loss of VND1,893 billion in 1Q when the company made provisions for devaluation of inventories.

August 3, 2020

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July Industrial Production

Signs of slowing down

July PMI drops to below 50 again on weak improvement for consumer goods

— Vietnam's PMI fell below the neutral threshold of 50 points in July – only posted at 47.6 points from 51.1 points in June. Both of the key indicators including output and new orders contracted slightly from June. New orders and output in intermediate and investment goods production continued to decline while output of consumer goods production only increased marginally as Covid-19 epidemic broke out again in the last week of July in Vietnam. Exporting companies continued to face difficulties when new export orders dropped sharply – the sixth month in a row for the first seven months of 2020.

July industrial production also saw weak growth on manufacturing

— Vietnam's industrial production index (IIP) only rose by 1.1% YoY, of which manufacturing sector increased by only 2.1% YoY. Among the secondary industries, notably the electronics IIP fell sharply in July (-2% YoY) from an increase of 21.7% YoY in June. Other key industries such as clothes and auto production recovered slightly while pharmaceuticals maintained a strong rise (+39.7%).

Industrial production expects to face difficulties in August

— Covid-19 second outbreak in Vietnam at the end of July is a negative signal for the manufacturing sector when social distancing orders have been implemented in some provinces such as Da Nang. Therefore, August PMI forecast a decline when consumer goods production – the main driving force for the manufacturing sector in the last 3 months will be seriously affected. A positive signal for the electronics industry in the coming period is that Samsung announced that it will soon halt PC production at its facility in Chinese city of Suzhou and Vietnam expects to benefit directly from this.

August 15, 2020

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Aviation

July flights down 18% YoY

Total flights operated still down 18% YoY in July

— Total flights operated in July fell by 18.2% YoY to 24,505 flights but were up 31.6% MoM from June. Passenger traffic dropped slightly to 4.95 million passengers or down 8.6% YoY but up 147% MoM from June.

Aftertax earning of HVN is VND(-4,030) billion in 2Q/2020

— Aftertax earning in 2Q/2020 of HVN is VND(-4,030) billion on a 75.2% YoY decrease in revenue to VND5,995 billion. In 1H2020, total revenue reached VND24,808 billion, down by 50% YoY; 1H earning recorded a loss of VND6,642 billion compared to a gain of VND1,275 billion in 1H2019. Moreover, the cash flow from operating activities was VND(-5,371) billion in 1H2020, causing HVN to raise its debt, making the debt/total assets ratio of 52.5% compared to 41.8% in the beginning of 2020.

2Q earning of VJC is VND1,063 billion, up 71% YoY thanks to Sale and lease back and abnormal financial revenue

— 2Q earning in 2Q/2020 of VJC is VND1,063 billion, up by 71% YoY on a 60.8% YoY decrease in revenue to VND4,969 billion. VJC continued to record a profit of VND2,006 billion from aircraft sale and lease back and other financial income of VND598 billion. If only considering the business results from air transport activities, 2Q earning of VJC is VND(-1,541) billion, equivalent to the 1H earning of VND(-2,530) billion. In addition, we believe that it is unreasonable to continue receiving new aircraft during this period, resulting in an increase in rent costs while not using all available aircraft due to the impact of the Covid-19.

The recovery in 3Q will face many difficulties, recommending no new buy for stocks of air transport industry.

— Although the number of flight operations has improved significantly in July, but the recovery of aviation industry in 3Q-2020 will still face many difficulties because of the comeback of Covid-19. Along with that, businesses have to increase the debt structure to run the business, which will make the increase of interest payment until the main business activity becomes profitable. KBSV recommends not buying for stocks of air transport industry during this period.

BIDV (BID)

Strong 2Q on cutting credit cost; active in bond issuance

Q2 pretax earnings up 21% YoY as cutting credit cost

— 2Q pretax earnings rose by 21% YoY to VND2,640 billion, making 1H20 pretax earnings of VND4,454 billion, down 5% YoY. Negative credit growth in 1Q has turned positive yet sluggish, up to 2Q, credit growth recorded 0.8%YTD vs 2Q19's 7.5%YTD. Credit activities still suffered from the COVID-19 impact, total credit grew slowly by only 5.1% YoY vs 2Q19's 8.6% YoY, similarly, loans to customers growth decelerated to 7.0% YoY vs 2Q19's 14.6% YoY. Deposit to customers rose 7%YoY to be VND1,131,518 billion. According to Hanoi Stock Exchange, BIDV was top bond issuer in banking industry, accounting for 35.5% total value of bond issuance in 1H20 with 27 times of issuance and the total value of successful bonds issued in 1H20 was VND16,602, making total certificates of deposits and valuable papers balance reached VND85,495 billion (+75%YoY). BIDV bonds were mostly medium and long-term bonds with average interest rate of about 7.2-8%/year.

Emergence of warning signs in asset quality given weaker credit conditions

— Substandard & below non-performing loans rose to 2.00% in 2Q vs 1Q's 1.74% and 2Q19's 1.98%. Contradictory, 2Q's precautionary & below ratio dropped to 3.81% from 1Q's 4.01% as substandard loans (group 2) shrunk to only 1.81% total loans vs 1Q's 1.27%. Credit cost has been tightened to VND4,101 billion (-46%QoQ, -21%YoY) and was accounted for 0.36% of total loans vs 1Q's 0.55%. However, reserve coverage for substandard & below non-performing loans reduced to 80% vs 1Q's 86% while extended modestly for precautionary & below ratio to 42.0% from 1Q's 37.5%.

Tight credit cost offset some of the negative impact to earnings

— Net interest income decreased 20% YoY or VND6,950 billion, one of the attributes for the lower estimated net profit margin (NIM) of 1.97% vs 2Q19's 2.71% as the bank offered preferential lending rates to support customers. Non-interest activities performed better when net fees & commissions rose 8% YoY or equaled VND1,179 billion; gains from trading securities and investment securities recorded five times and six times higher in comparison with 2Q19. Operating expenses were on same level, however, lower total operating income has spelled negative impacts on cost-to-income ratio (CIR), extended to 37% vs 2Q19's 35% and 1Q20's 31%. Credit cost reduced to only VND4,101 billion (-46% QoQ, -21%YoY) only occupied 48% of total operating income vs 1Q's 53%.

HDBank (HDB)

Robust 2Q results on cutting cost

2Q pretax earnings up 47% YoY as cutting operating costs

- 2Q pretax earnings rose by 49% YoY to VND1,657 billion, making 1H20 pretax earnings of VND2,908 billion or 51% of 2020 guidance on the lowering of operating cost. Up to 2Q, credit growth recorded 8.6%YTD vs 2Q19's 4.8%YTD, equivalent to an increase of 2.7% in comparison to Q1. Total credit maintained strong and grew by 14.7% YoY vs 2Q19's 13.8% YoY & loans to customers growth of 16.4% YoY vs 2Q19's 14.5% YoY.
- Sound deposit to customers of VND149,805 billion (+13% QoQ, + 15% YoY) with constant current account & saving account ratio (CASA) of 1Q's 11.8%, slightly up from 2Q19's 9.8%. Employing bond as a part of capital raising plan declared in Annual General Meeting of Shareholders 2020, HDB has executed 9 issuances with total value of about VND10,000 billion up to 1H20, equals 15%YTD increase from 4Q19 and 62% YoY increase within one year. Bonds issued are primarily in term range of 2–3 years, the highest is 5 years and 1 day.

Higher provisions to protect against the deterioration in credit quality

- Substandard & below non-performing loans rose to 1.55% in 2Q vs 1Q's 1.47% and 2Q19's 1.44% even as credit growth was performing strong. The broader asset quality measure witnessed the unbroken line 2Q's precautionary & below ratio from 1Q's 3.08%, an up from 2Q19's 2.85%. In reaction of the weaker asset quality, credit cost has been built up to VND408 billion (+40% YoY) to pick up with the formation rate of bad loans, accounted for 0.25% of total loans vs 1Q's 0.19%. However, reserve coverage for substandard & below non-performing loans reduced to 72.2% vs 4Q19's 81.4% while extended modestly for precautionary & below ratio to 36.5% from 4Q19's 35.6%.

Cutting operating costs to make up room for credit costs

- Net interest income was VND2,780 billion (–4% QoQ, +20% YoY) and estimated net profit margin (NIM) was hit by the impact of COVID-19 to fall to 4.95% vs 4Q19's 5.29% as the bank lowered lending rates to support customers. Net fees & commissions slowed down and reached VND142 billion (–10% QoQ, –1% YoY). Other non-interest activities, except for trading of investment securities, also faced same position – downward vs 1Q. Operating expenses were thoroughly cut, improving immensely cost-to-income ratio (CIR), down to 35.6% vs 2Q19's 47.8% and 1Q20's 51.0%, making 2Q's bottom line above 1Q's despite almost same level of total operating income (TOI) of around VND3,195 billion. Number of employees only decreased by 428 people from 1Q's or down 3% QoQ but staff costs decreased by 47% QoQ. This cost-cutting action mainly from wage and allowance cuts did create room to boost credit costs given the risk of accelerating bad debts post COVID-19, to VND408 billion (+ 40% YoY).

Military Bank (MBB)

Improving asset quality drew credit cost reduction

Q2 pretax earnings up 19% YoY as cutting credit cost

— 2Q pretax earnings rose by 19% YoY to VND2,923 billion, making 1H20 pretax earnings of VND5,119 billion or 57% of 2020 guidance. Up to 2Q, credit growth was still weak at 4.4%YTD vs 2Q19's 12.4%YTD, this comes despite higher contribution from the high-growth consumer finance portfolio at the MCredit subsidiary. Credit activities still suffered from the COVID-19 impact, total credit grew slowly by only 7.9% YoY vs 2Q19's 24.5% YoY, similarly, loans to customers growth decelerated to 9.4% YoY vs 2Q19's 16.6% YoY. Flatten deposit to customers, decreased 1%YoY to be VND257,379 billion, however, current account & saving account ratio (CASA) has been better off to be 32.6% vs 1Q20's 29.9% and 2Q19's 25.7%. Bonds has been utilized also when 2Q's the balance of valuable papers was VND33,302 billion (+6% QoQ, +76% YoY), mainly coming from certificates of deposits under 12 months (about double 4Q19's).

Improving asset quality from the sharp erosion in 1Q

— Substandard & below non-performing loans rose to 1.37% in 2Q vs 1Q's 1.62%, as well as 2Q's precautionary & below ratio moved down to 2.86% from 1Q's 3.54%. The less proportion of troubled loans released pressure on credit cost when 2Q's credit cost has been shrunk to VND1,217 billion (-46% QoQ, -13% YoY) or accounted for 0.47% of total loans vs 1Q's 0.84%. The bank is also becoming more prudent when lifting the reserve coverage for both substandard & below non-performing loans to 121% from 1Q's 98% and precautionary & below ratio to 58% from 1Q's 45%.

Flat net interest income and higher credit cost

— Net interest income of VND4,624 billion or 5%YoY increase and estimated net profit margin (NIM) was stable at 4.71% in 2Q vs 2Q19's. Net fees & commissions rose 27% QoQ from the dull 1Q to reach VND945 billion. Other non-interest activities also were not also forward-looking such as trading of trading securities and investment securities both saw the decline from last year, decrease 104%YoY and decrease 17% YoY respectively. Cost-to-income ratio (CIR), up to 37% vs 1Q's 32% and 1Q20's 31% in Q1. Credit cost reduced to only VND1,217 billion (-46% QoQ, -13% YoY) only held 18% of total operating income vs 1Q's 33%.

August 3, 2020

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PV Power (POW)

Earnings 2Q2020 up 6.5% YoY

Earnings in 2Q was VND 735 billion, up 6.5% YoY

— POW's profit in 2Q was VND 735 billion, up by 6.5% YoY, sales was VND 7,708 billion, down by 22% YoY, gross profit was VND 1,337 billion, down by 2% YoY. In 2Q2020, POW has fx gain VND 135 billion due to lower VND/USD exchange rate, while 2Q2019, POW had a fx loss VND 36 billion. In addition, the company booked VND 263 billion of provision for account receivable of the Electricity Trading Company (EPTC), making SG&A increased sharply to VND 426 billion, nearly double to compare with 2Q2019. This bad debt is VND 1,537 billion, POW has booked provision VND 914 billion and the remaining is about VND 624 billion which needs to be further provisioned in the future. Accumulated 1H2020, earnings and sales reached VND 1,179 billion and VND 15,684 billion, down 23% YoY and 14% YoY respectively, met 66% and 44% the guidance 2020. Electricity output reached 10,903 million kWh, down 5.4% YoY. The electricity output of Ca Mau 1 & 2, Nhon Trach 1 and Nhon Trach 2 decreased by 11% YoY, 71% YoY and 6% YoY respectively due to the shortage of natural gas. The electricity output of Hua Na and Dakdrinh hydroelectric plants also decreased by 41% YoY and 40% YoY due to the prolonged drought. Only Vung Ang 1 coal-fired power plant had a 53% YoY increase in electricity output because the coal shortage was basically resolved.

Nhon Trach 3&4 projects will be started in construction in 2Q2021

— The *Nhon Trach 3* and *Nhon Trach 4* projects remain on schedule and management are finalizing the feasibility report, negotiating the PPA electricity price contract with EVN and preparing the LNG supply contract with PV Gas. Moreover, the company has also begun working with local and foreign credit institutions to arrange capital for the projects. The projects will be started in construction in 2Q2021.

KBSV Model Portfolio

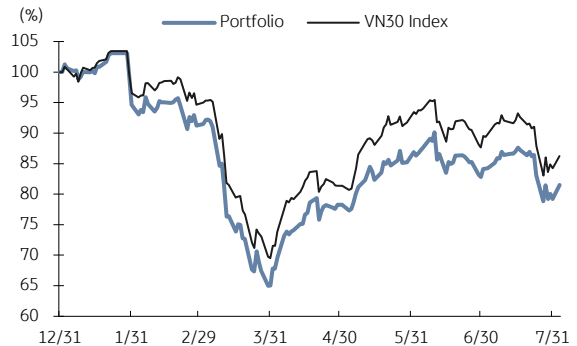
KBSV Research Team

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	2.31%	2.91%
Cum. return	-13.79%	-18.49%

Performance vs VN30 Index



KBSV domestic model portfolio

Ticker	Inclusion date	Close 20/08/03	Daily return (%)	Cumulative return (%)	Main investment catalysts
Mobile World (MWG)	19/08/09	76,000	2.0%	-34.4%	<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
Nam Long Invest (NLG)	19/06/03	25,300	1.2%	-5.6%	<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)
Phu Nhuan Jewelry (PNJ)	19/03/22	52,800	2.3%	-31.1%	<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	16,200	2.9%	-17.9%	<ul style="list-style-type: none"> - Military Insurance Corporation (MIC) non-life premiums to boost 2019 non-bank income - Retail loan mix (M credit) supports 4%NIM against pricing competition (ACB/MBB) - M credit work-in-progress but low-cost funding from Shinsei triples key cash loan mkt
Refrig Elec Eng (REE)	18/10/11	33,700	3.9%	-0.9%	<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	45,900	3.1%	37.1%	<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	21,750	2.6%	-10.9%	<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
Vietjet (VJC)	19/02/05	96,000	1.6%	-25.7%	<ul style="list-style-type: none"> - nCoV outbreak impact meaningful but short-lived & fully-reflected in stock price - Lower fuel costs silver lining to offset lower passenger volumes - Growth prospects intact as Long Thanh airport project schedule pulled forward
Hoa Pha Group (HPG)	19/12/04	22,900	5.5%	17.2%	<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	12,900	4.0%	-5.8%	<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 Min – Net foreign buys/sells

Ticker	Chg (%)	For. own (%,-1d)	Net buy (VND bn)
HPG	5.5%	35.9%	30.3
VCB	3.1%	23.8%	14.3
PHR	3.0%	10.7%	9.8
STB	2.5%	9.0%	9.3
PLX	3.7%	14.6%	8.5

Ticker	Chg (%)	For. own (%,-1d)	Net sell (VND bn)
VHM	1.0%	20.2%	-31.1
SAB	0.6%	63.3%	-19.2
MSN	4.2%	38.7%	-15.7
VRE	2.2%	31.0%	-14.9
VNM	2.1%	58.7%	-14.3

Source: FinPro, KB Securities Vietnam

Hanoi – Net foreign buys/sells

Ticker	Chg (%)	For. own (%,-1d)	Net buy (VND bn)
DTD	9.6%	0.1%	0.4
PVB	3.6%	0.0%	0.4
NTP	0.0%	18.8%	0.1
PMC	2.9%	22.1%	0.1
BVS	1.1%	24.8%	0.0

Ticker	Chg (%)	For. own (%,-1d)	Net sell (VND bn)
SHB	2.5%	6.6%	-0.4
SRA	0.0%	2.5%	-0.2
SHS	3.1%	6.1%	-0.2
AMV	3.5%	3.9%	-0.2
NST	-9.6%	8.9%	-0.1

Source: FinPro, KB Securities Vietnam

Sectors – Top 5 best/worst weekly performance

Top 5 best performers	Chg (%)	Key stocks
Basic Resources	6.6%	HPG, HSG
Insurance	5.9%	BVH, BIC
Technology	5.1%	FPT, SAM
Real Estate	4.7%	VHM, VIC
Utilities	4.2%	GAS, POW

Top 5 worst performers	Chg (%)	Key stocks
Travel & Leisure	-1.7%	VJC, HVN
Media	1.7%	PNC, YEG
Chemicals	2.1%	VFG, TNC
Construction & Materials	2.5%	ROS, CEE
Retail	2.9%	PSH, FRT

Source: Bloomberg, KB Securities Vietnam

Sectors – Top 5 best/worst monthly performance

Top 5 best performers	Chg (%)	Key stocks
Industrial Goods & Services	0.6%	GEX, LGC
Basic Resources	-0.4%	HPG, DHC
Health Care	-0.7%	OPC, TRA
Technology	-1.3%	SAM, ICT
Automobiles & Parts	-1.9%	SVC, CSM

Top 5 worst performers	Chg (%)	Key stocks
Travel & Leisure	-12.0%	VJC, HVN
Media	-11.7%	YEG, PNC
Chemicals	-9.0%	GVR, DGC
Retail	-8.2%	MWG, FRT
Insurance	-7.8%	PGI, BMI

Source: Bloomberg, KB Securities Vietnam

Vietnam – Focus stocks

Sector	Code	Company name	Price	Mkt cap (VNDbn, USDmn)	Trading value (VNDmn, USDmn)	For avail (% -1d)	PER (X)		EPS CAGR (%)	ROE (%)		P/B (X)		Performance (%)			
							19E	20E		19E	20E	19E	20E	1D	1W	1M	YTD
Real estate	VIC	VINGROUP JSC	87,600	296,301 (12,783)	31,995 (1.4)	22.8	47.3	30.3	19.3	8.7	8.9	3.3	3.0	0.1	3.1	-2.9	-23.8
	VHM	VINHOMES JSC	78,500	258,227 (11,141)	138,633 (6.0)	28.8	9.8	8.9	33.6	37.9	28.9	3.1	2.3	1.0	10.7	0.9	-7.4
	VRE	VINCOM RETAIL JS	25,650	58,285 (2,515)	66,395 (2.9)	18.1	22.4	16.8	3.9	9.9	11.9	2.0	1.9	2.2	-4.3	-3.2	-24.6
	NVL	NOVA LAND INVES	64,300	62,341 (2,690)	61,702 (2.7)	32.2	19.0	20.4	-2.0	13.4	12.2	2.4	2.1	-1.2	2.4	3.0	8.1
	KDH	KHANGDIEN HOUSE	23,600	12,380 (534)	13,372 (0.6)	5.0	12.2	10.2	11.8	14.0	15.5	1.6	1.4	3.3	2.6	-1.7	-12.3
	DXG	DATXANH GROUP	9,060	4,700 (203)	39,221 (1.7)	10.6	4.6	4.0	-14.2	12.3	14.3	0.6	0.5	3.2	3.2	-21.2	-37.5
Banks	VCB	BANK FOR FOREIGN	78,800	292,260 (12,609)	71,148 (3.1)	6.2	17.6	14.5	11.9	19.8	19.5	3.0	2.5	3.1	2.3	-5.1	-12.6
	BID	BANK FOR INVESTM	37,200	149,619 (6,455)	36,322 (1.6)	12.3	32.4	18.4	-11.3	9.1	12.3	2.0	1.8	1.5	4.6	-4.9	-19.4
	TCB	VIETNAM TECHNOLO	18,600	65,103 (2,809)	32,174 (1.4)	0.0	6.4	5.4	3.8	15.8	15.5	0.9	0.8	2.5	2.5	-6.1	-21.0
	CTG	VIETNAM JS COMM	21,750	80,984 (3,494)	100,720 (4.3)	0.0	12.1	9.0	16.4	10.1	12.0	1.0	0.9	2.6	5.1	-2.5	4.1
	VPB	VIETNAM PROSPERI	20,950	51,071 (2,203)	68,494 (3.0)	0.0	6.6	5.4	0.4	16.5	16.7	1.0	0.9	3.7	6.1	-1.6	4.8
	MBB	MILITARYCOMMERC	16,200	39,065 (1,685)	65,143 (2.8)	0.0	5.4	4.4	7.8	18.4	18.2	0.8	0.7	2.9	5.5	-3.9	-22.1
	HDB	HDBANK	24,400	23,568 (1,017)	23,234 (1.0)	9.5	6.2	4.9	16.8	20.4	21.9	1.0	0.9	1.9	3.6	-6.2	-11.4
	STB	SACOMBANK	10,350	18,668 (805)	114,510 (4.9)	14.6	10.3	6.7	10.6	8.3	10.0	-	-	2.5	2.0	-5.9	3.0
	TPB	TIEN PHONG COMME	20,650	16,862 (727)	1,675 (0.1)	0.0	5.9	4.9	34.4	22.4	18.4	1.0	0.9	0.2	5.9	0.2	-1.9
	EIB	VIETNAM EXPORT-I	16,600	20,409 (880)	3,464 (0.1)	0.0	35.7	34.2	-6.9	3.6	3.6	1.3	1.2	0.3	1.2	-7.0	-6.7
Insurance	BVH	BAOVIET HOLDING	43,200	32,068 (1,384)	25,507 (1.1)	20.8	30.9	23.2	-5.4	5.9	7.5	1.6	1.6	6.9	6.5	-7.1	-37.0
	BMI	BAOMINH INSURANC	20,450	1,868 (081)	2,769 (0.1)	13.9	-	-	-	7.6	8.6	0.8	0.8	2.3	2.5	-6.0	-17.5
Securities	SSI	SSI SECURITIES C	14,100	8,473 (366)	85,131 (3.7)	50.8	10.0	7.8	-17.7	8.2	10.7	0.8	0.8	4.1	6.0	-6.9	-9.4
	VCI	VIETCAPITAL SEC	20,950	3,442 (148)	16,586 (0.7)	70.9	7.5	5.8	-24.9	11.1	13.0	0.8	0.7	4.5	4.8	-6.3	-29.0
	HCM	HOCHI MINH CITY	17,150	5,232 (226)	35,526 (1.5)	48.2	11.7	7.3	-22.5	11.0	17.1	1.2	1.1	3.9	6.9	-9.7	-19.7
	VND	VNDIRECT SECURIT	11,350	2,367 (102)	6,242 (0.3)	13.2	10.2	6.4	-19.1	7.4	11.2	0.7	0.7	1.3	1.3	-12.7	-21.2
Consumer staples	VNM	VIETNAM DAIRYP	109,200	190,158 (8,204)	127,808 (5.5)	41.3	18.4	17.2	6.2	37.7	38.1	6.4	5.7	2.1	5.6	-4.3	-6.3
	SAB	SAIGON BEER ALCO	169,000	108,377 (4,676)	36,473 (1.6)	36.7	27.2	23.5	-2.2	20.5	23.0	5.4	4.8	0.6	-2.3	-3.4	-25.9
	MSN	MASANGROUP CORP	52,600	61,487 (2,653)	62,583 (2.7)	10.3	54.4	25.9	-50.7	3.0	7.2	1.4	1.3	4.2	6.3	-8.0	-6.9
	HNG	HOANGANH GIA LA	12,000	13,303 (574)	10,084 (0.4)	48.7	-	-	-	-	-	-	-	0.4	3.0	-22.1	-13.7
Industrials (transport)	VJC	VIETJET AVIATION	96,000	50,289 (2,170)	31,856 (1.4)	12.0	175.8	11.8	-76.5	9.6	24.2	3.1	3.3	1.6	-1.9	-11.1	-34.3
	GMD	GEMADEPT CORP	18,550	5,508 (238)	4,240 (0.2)	0.0	14.6	12.8	-54.8	6.9	7.7	0.9	0.9	1.4	6.9	-1.9	-20.4
	CII	HOCHI MINH CITY	17,500	4,180 (180)	23,891 (1.0)	33.5	12.3	13.1	105.5	7.7	7.0	0.9	0.9	0.6	2.3	-5.1	-22.2
Industrials (capital goods)	ROS	FLC FAROS CONSTR	2,140	1,215 (052)	26,754 (1.2)	47.0	-	-	-	-	-	-	-	2.4	-5.3	-28.7	-87.6
	GEX	VIETNAM ELECTRIC	19,350	9,094 (392)	67,909 (2.9)	33.2	12.5	9.7	-16.2	11.7	13.9	-	-	4.6	3.8	11.8	0.0
	CTD	COTECCONS CONSTR	70,100	5,348 (231)	59,807 (2.6)	3.0	9.5	9.5	-39.4	6.6	6.8	0.6	0.6	4.9	2.3	-12.3	36.6
	REE	REE	33,700	10,449 (451)	15,146 (0.7)	0.0	6.8	6.1	-10.3	12.9	14.0	0.9	0.8	3.9	6.3	6.1	-7.2

Source: Bloomberg, KB Securities Vietnam

Vietnam – Focus stocks

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							19E	20E		19E	20E	19E	20E	1D	1W	1M	YTD
Utilities	GAS	PETROVIETNAM GAS	67,200	128,617 (5,549)	43,758 (1.9)	45.8	17.6	13.5	-19.9	15.3	19.3	2.6	2.5	2.6	5.0	-4.4	-28.3
	NT2	PETROVIETNAM NHO	20,550	5,916 (255)	7,380 (0.3)	30.7	8.4	8.1	-2.4	16.7	17.9	1.4	1.4	1.0	1.7	-6.8	-5.1
	PPC	PHA LAI THERMAL	23,200	7,438 (321)	3,128 (0.1)	32.5	7.7	8.5	-7.3	16.0	14.5	1.2	1.2	0.9	0.0	-4.3	-13.8
Materials	HPG	HOA PHAT GRP JSC	22,900	75,874 (3,273)	342,621 (14.8)	13.1	8.5	6.9	1.0	18.2	19.5	1.4	1.2	5.5	5.9	-0.1	16.9
	DPM	PETROVIETNAM FER	14,150	5,537 (239)	32,249 (1.4)	38.2	9.2	9.5	-0.7	8.8	8.1	0.7	0.7	3.7	6.4	-1.4	9.3
	DCM	PETROCA MAU FER	8,120	4,299 (185)	13,410 (0.6)	47.2	-	-	-	-	-	-	-	2.8	3.8	-6.1	24.9
	HSG	HOA SEN GROUP	10,150	4,510 (195)	102,775 (4.4)	38.4	6.0	6.1	38.6	13.9	11.4	0.7	0.6	6.8	4.4	-14.3	36.5
	AAA	ANPHAT BIOPLAST	11,200	2,365 (102)	18,827 (0.8)	97.4	5.9	6.7	37.9	13.4	10.4	0.6	0.5	2.8	1.4	-8.6	-11.8
Energy	PLX	VIETNAM NATIONAL	43,750	52,754 (2,276)	27,444 (1.2)	5.4	37.0	15.3	-35.7	7.1	15.3	2.2	1.9	3.7	3.6	-4.8	-21.9
	PVD	PETROVIETNAM DRI	9,410	3,963 (171)	30,033 (1.3)	37.2	37.6	17.8	-16.4	0.9	0.9	0.3	0.3	4.7	4.2	-7.7	-37.5
	PVT	PETROVIET TRANSP	9,600	2,702 (117)	10,913 (0.5)	26.4	6.4	5.4	-19.1	8.9	9.9	0.5	0.5	2.7	7.5	-7.2	-42.9
Consumer discretionary	MWG	MOBILEWORLD INV	76,000	34,414 (1,485)	61,206 (2.6)	0.0	9.3	7.1	12.4	27.7	28.6	2.2	1.7	2.0	3.1	-7.0	-33.3
	PNJ	PHU NHUAN JEWELR	52,800	11,887 (513)	27,648 (1.2)	0.0	13.8	11.3	-2.7	20.9	23.1	2.3	2.1	2.3	1.3	-9.9	-38.6
	YEG	YEAH1 GROUP CORP	47,000	1,387 (060)	1,162 (0.1)	69.3	19.8	14.4	-28.1	6.7	8.5	1.3	1.2	2.4	1.8	-12.3	27.0
	FRT	FPT DIGITAL RETA	21,000	1,659 (072)	16,662 (0.7)	13.7	10.5	8.3	-31.9	11.8	13.7	1.2	1.0	2.9	-1.9	-10.4	-0.2
Healthcare	PHR	PHUOC HOA RUBBER	51,500	6,978 (301)	72,077 (3.1)	38.3	6.7	7.2	27.8	36.8	29.8	2.3	2.0	3.0	5.0	-2.1	34.8
	DHG	DHG PHARMACEUTIC	91,700	11,989 (517)	1,091 (0.0)	45.4	18.6	17.2	4.6	19.5	19.4	3.4	3.2	0.7	0.8	-0.3	0.2
	PME	PYMEPHARCO JSC	63,800	4,786 (206)	585 (0.0)	37.9	-	-	-	-	-	-	-	-0.3	4.6	-0.2	17.5
IT	FPT	FPT CORP	45,900	35,981 (1,552)	77,378 (3.3)	0.0	10.3	8.7	19.5	24.3	25.9	2.3	2.1	3.1	5.0	-0.8	-9.5

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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