

Weekly Market Roundup: Consolidation, but not collapse

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The VNI fell by -2% WoW to reach 852 on Friday, June 26. All sectors declined with the exception of IT, which was flat. Not surprisingly, breadth on the mainboard was negative at 126 gainers vs 232 losers. Foreign investors were net sellers for the first week in June. We reckon the market should continue to consolidate, but not collapse, heading into earnings season and given the myriad external uncertainties.



Index, Flows, and FX Performance

- **VNINDEX:** 852 (-1.9% WoW / -11.3% YTD / -11.2% YoY)
- **HNINDEX:** 113 (-1.7% WoW / +10.7% YTD / +9.1% YoY)
- **UPCOM Index:** 56.4 (+0.1% WoW / -0.3% YTD / +1.8% YoY)
- **Average daily turnover:** US\$248mn (-39% WoW)
- **Foreigners net sold** US\$10 million of 3-index constituents.
- **VND:USD rate:** 23,211 (-1bp WoW / -16bp YTD / +46bp YoY)

VN30 Components

Ticker	Closing price (VND K)	WoW chg	Cont to VN30 (WoW)	TTM PE (x)
BID	39.9	-3.7%	-3%	19
BVH	47.5	-4.0%	-1%	36
CTD	66.8	5.4%	1%	8
CTG	22.6	-3.4%	-6%	9
EIB	17.8	-2.7%	-6%	23
FPT	46.9	-0.3%	-1%	11
GAS	72.2	-0.6%	-0%	12
HDB	25.4	-5.4%	-10%	7
HPG	27.2	-0.5%	-3%	10
MBB	17.4	-0.9%	-2%	5
MSN	56.4	-1.1%	-3%	14
MWG	84.2	-0.4%	-1%	9
NVL	62.4	5.2%	12%	17
PLX	45.8	-0.4%	-0%	53
PNJ	59.6	0.8%	1%	11
POW	10.2	-1.9%	-1%	10
REE	31.2	-0.6%	-0%	6
ROS	3.1	-0.6%	-0%	11
SAB	164.8	-0.9%	-1%	25
SBT	14.6	0.0%	0%	85
SSI	15.5	1.3%	1%	13
STB	11.3	-5.0%	-11%	9
TCB	20.4	-0.7%	-4%	7
VCB	83.3	-2.5%	-9%	17
VHM	75.6	-1.2%	-4%	10
VIC	91.5	-6.0%	-28%	44
VJC	108.5	-1.4%	-4%	15
VNM	115.9	0.8%	6%	21
VPB	22.0	-3.5%	-14%	6
VRE	26.2	-5.8%	-7%	21

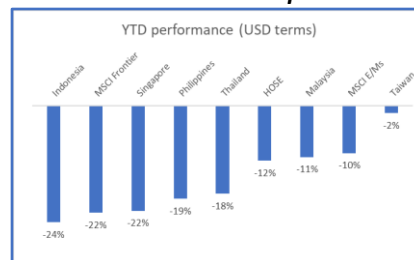
Source: Bloomberg, Yuanta Vietnam. Pricing date: June 26, 2020.

The VN30 heavyweights included just five weekly gainers led by CTD (+5.4%) and NVL (+5.2%). The Vingroup stocks had a rough week, with VIC (-6.0%) leading the overall market's decline and VRE (-5.8%) and VHM (-1.2%) also declining. Banks likewise had a rough week, including HDB (-5.4%), STB (-5.0%), and BID (-3.7%).

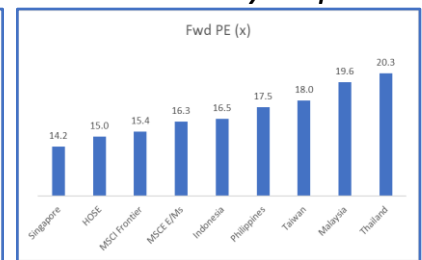
The VN Diamond ETF has seen foreign net buying of about US\$60m since it started trading on May 13, of which US\$31m of inflows occurred between June 1-26. By contrast, the VN30 ETF has seen net outflows of US\$21m in June, suggesting that some investors are reallocating to take advantage of the VN Diamond ETF's focus on full-FOL shares.

Vietnam stocks are reasonably cheap after a 12% decline YTD in USD terms. The market's 15x forward PE multiple is only ahead of Singapore among ASEAN peer stock markets. This is despite Vietnam's status as the only member of the group that is likely to post positive GDP growth in 2020. Of course, the degree to which the stock market reflects the underlying economy is arguably lower than that of peer nations.

Decent returns YTD vs peers



But still relatively cheap



Source: FiinPro, Bloomberg, Yuanta Vietnam

Market view. Quarter-end window dressing may be upon us, but overall we expect a continued period of shallow consolidation for the next several weeks at least given 1) technical indicators are of utmost interest to domestic investors; 2) next month's 2Q earnings announcements, which will not be stellar, and 3) and the cornucopia of external uncertainties crowned by the widening international resurgence of COVID-19.

Yuanta Vietnam Coverage Universe

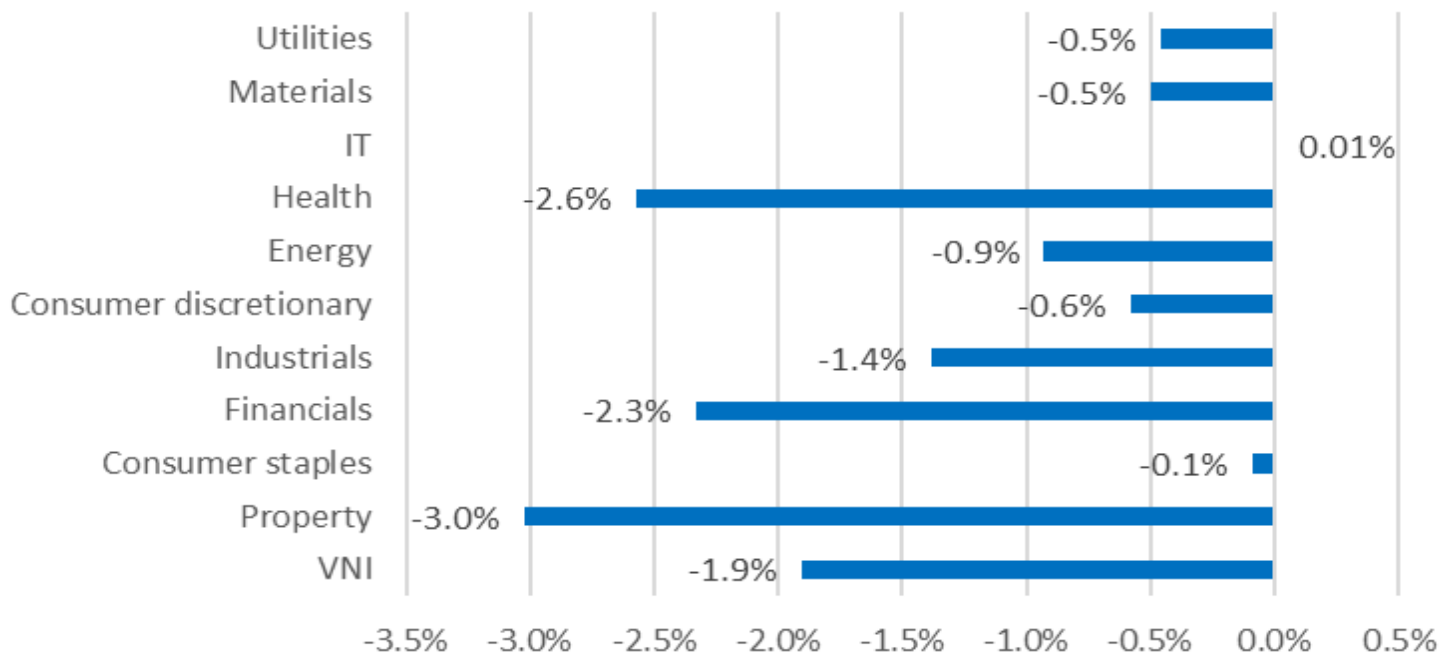
Sector	Company	Stock code	Market cap (USDm)	3-month ADT (USDm)	Yuanta Rating	Current price (VND)	Target price (VND)	Up (down) side	2020E Dividend yield	12-m TSR*
Banks	BIDV	BID VN	6,914	2.3	SELL	39,900	37,300	-7%	0.0%	-7%
	HD Bank	HDB VN	1,055	1.3	HOLD-Underperform	25,350	30,970	22%	0.0%	22%
	MB Bank	MBB VN	1,803	5.0	BUY	17,350	25,900	49%	0.0%	49%
	Sacombank	STB VN	878	5.7	BUY	11,300	12,950	15%	0.0%	15%
	Vietcombank	VCB VN	13,310	4.2	BUY	83,300	77,600	-7%	0.0%	-7%
	Vietnam Prosperit	VPB VN	2,311	4.8	BUY	22,000	22,500	2%	0.0%	2%
Brokers	HCM City Securiti	HCM VN	252	1.8	BUY	19,150	26,532	39%	6.9%	45%
	Saigon Securities	SSI VN	401	2.8	HOLD-Outperform	15,500	18,328	18%	4.0%	22%
	Viet Capital Secur	VCI VN	159	0.6	HOLD-Underperform	22,450	26,449	18%	3.7%	22%
	VNDirect Securitie	VND VN	123	0.4	HOLD-Underperform	13,650	13,150	-4%	5.1%	1%
Energy	PV POW	POW VN	1,029	2.4	BUY	10,200	17,457	71%	2.9%	74%
	PV NT2	NT2 VN	272	0.4	HOLD-Outperform	21,900	29,195	33%	11.4%	45%
	PCC1	PC1 VN	119	0.4	BUY	17,300	24,092	39%	0.0%	39%
Consumer	Masan Group	MSN VN	2,840	4.2	HOLD-Outperform	56,400	84,908	51%	0.0%	51%
	Phu Nhuan Jewelr	PNJ VN	578	2.3	HOLD-Outperform	59,600	86,200	45%	3.4%	48%
	Digiworld	DGW VN	71	0.6	HOLD-Outperform	38,200	31,574	-17%	3.8%	-14%
Oil & GAS	PV Drilling	PVD VN	190	2.6	HOLD-Outperform	10,450	10,429	0%	0.0%	0%
Property	Nam Long	NLG VN	270	1.2	BUY	25,100	36,400	45%	2.0%	47%
	Novaland	NVL VN	2,606	2.2	HOLD-Outperform	62,400	65,073	4%	0.0%	4%
	Khang Dien	KDH VN	533	0.6	BUY	23,600	31,081	32%	2.1%	34%
	Vinhomes	VHM VN	10,714	6.8	BUY	75,600	94,862	25%	0.0%	25%
Transport	Airports Corp Viet	ACV VN	5,721	0.8	HOLD-Underperform	61,000	76,400	25%	0.8%	26%

*Note: TSR = Total shareholder return over the next 12 months inclusive of expected share price change and dividends.

Stock ratings and pricing data is as of close on June 26, 2020.

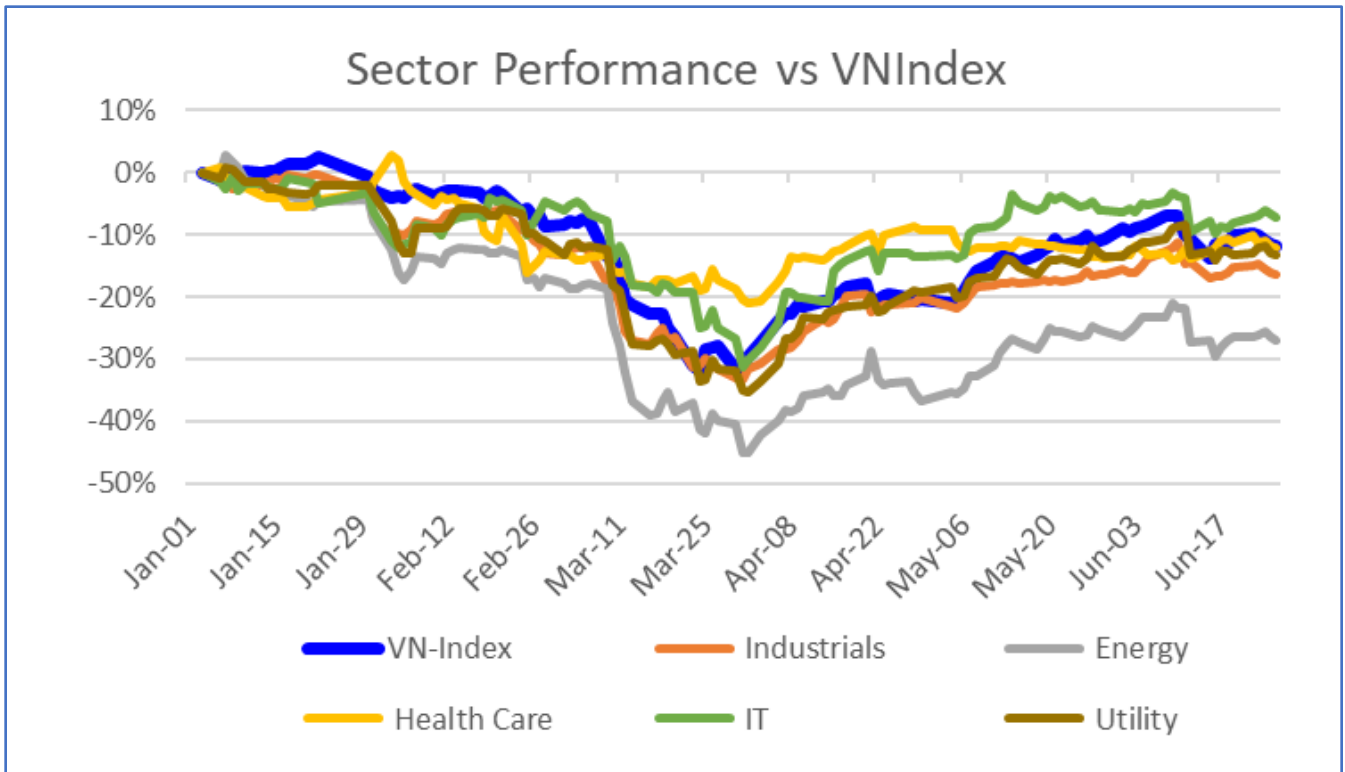
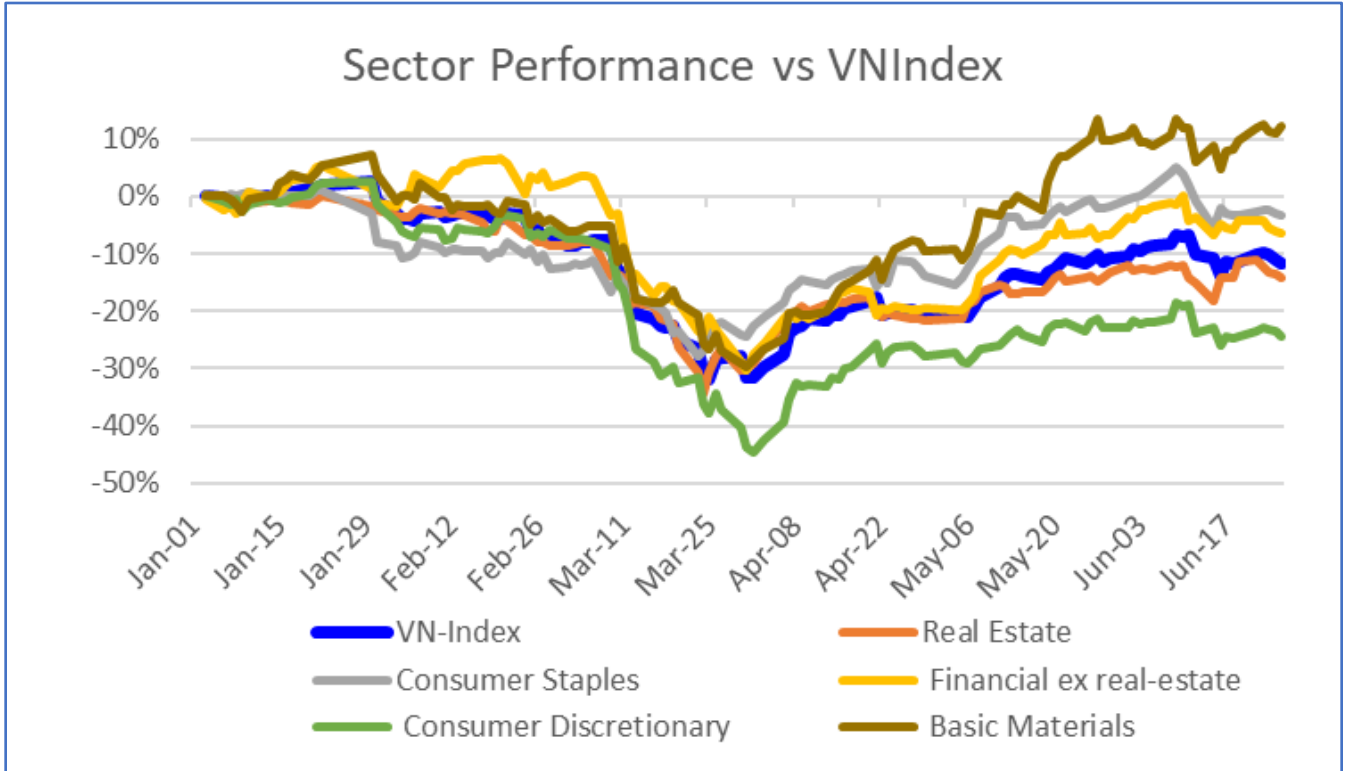
Source: Bloomberg, Yuanta Vietnam

Sector performance (weekly)



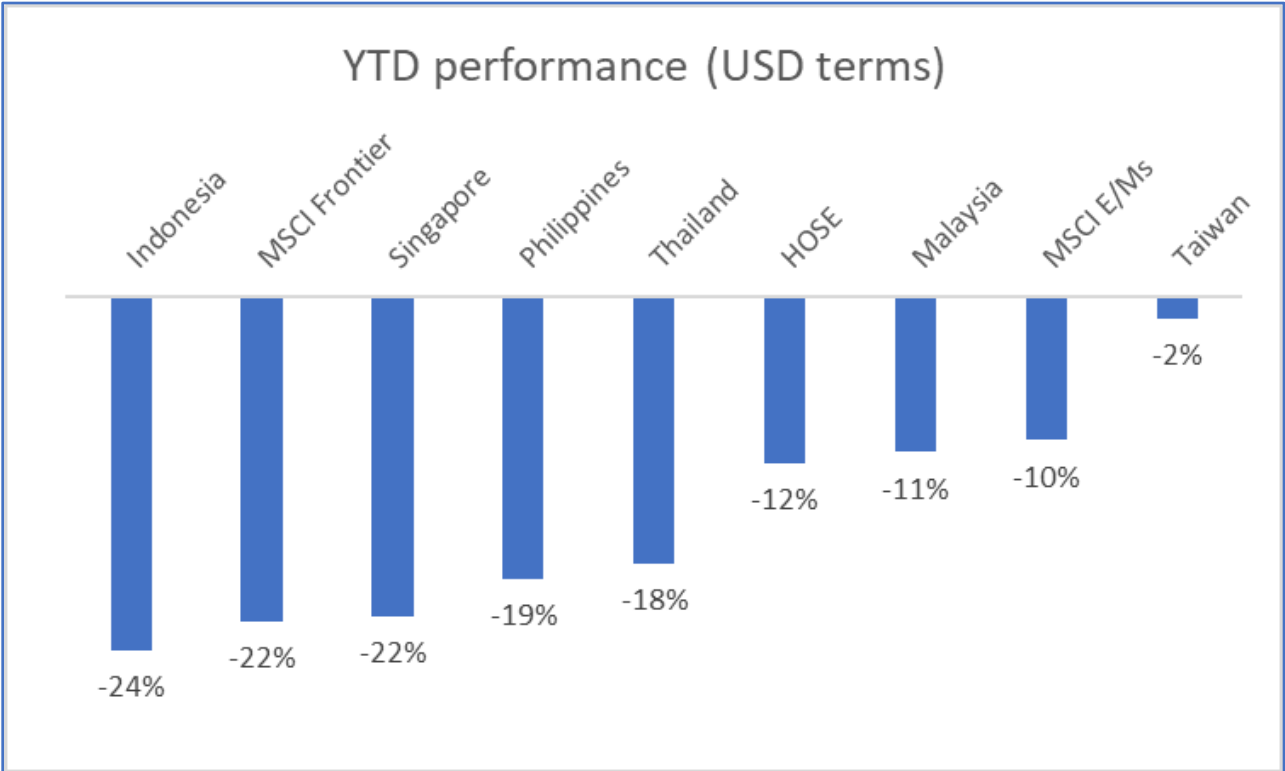
Source: Bloomberg

Every sector fell during the week. Materials is the only sector to be up YTD.

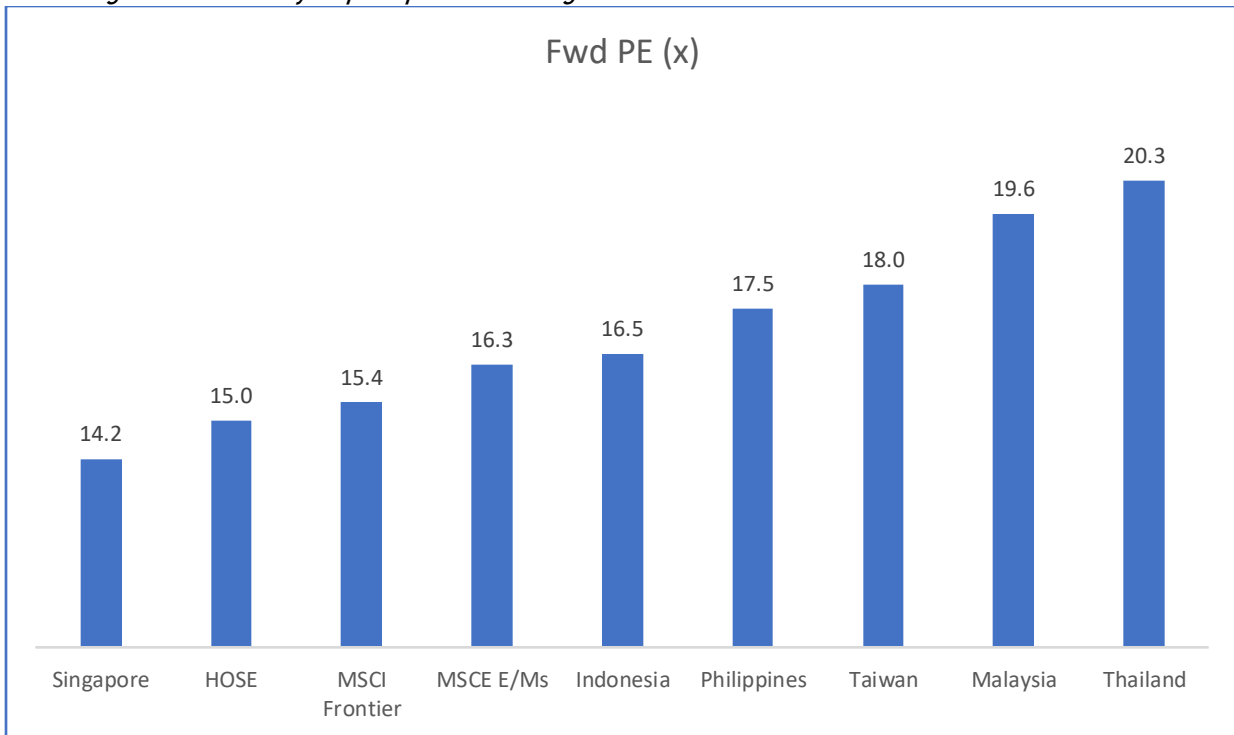


Source: Bloomberg

The VNIndex has declined by 12% YTD in US dollar terms, outperforming the broader frontier markets by 10ppt and well ahead of most regional peers.



The VNI's forward PE multiple is second cheapest among this sample despite Vietnam being one of the few nations in the region that is likely to post positive GDP growth in 2020.



Source: Bloomberg, Yuanta Vietnam

Yuanta Universe: Valuations and ratings

Sector	Stock Code	PER (x)			EPS Growth (%)			PEG (x)			PBV (x)			ROE (%)			ROA (%)		
		2019A	2020E	2021E	2019A	2020E	2021E	2019A	2020E	2021E	2019A	2020E	2021E	2019A	2020E	2021E	2019A	2020E	2021E
Banks	BID VN	18.4	19.2	15.8	31.5	(4.0)	21.4	0.6	n/a	0.7	2.1	2.0	1.8	12.0	10.9	12.5	0.54	0.52	0.56
	HDB VN	7.5	6.3	5.6	10.5	20.1	12.8	0.7	0.3	0.4	1.4	1.4	1.2	19.4	22.5	23.2	1.49	1.64	1.69
	MBB VN	5.0	4.7	4.1	44.3	5.0	16.1	0.1	0.9	0.3	1.1	0.8	0.7	21.1	19.0	18.5	2.02	1.97	2.05
	STB VN	10.1	10.3	7.7	43.3	(2.3)	33.8	0.2	n/a	0.2	0.8	0.7	0.7	7.9	7.1	8.8	0.47	0.42	0.53
	VCB VN	18.6	17.0	14.3	24.8	9.4	18.9	0.7	1.8	0.8	3.6	3.1	2.7	22.1	19.5	19.9	1.42	1.42	1.52
	VPB VN	6.5	7.6	5.9	11.6	(13.9)	28.8	0.6	n/a	0.2	1.3	1.1	0.9	21.5	15.5	17.0	2.36	1.81	2.11
Brokers	HCM VN	13.1	13.1	8.1	(49.0)	(0.3)	61.2	n/a	n/a	0.1	1.3	1.3	1.2	11.7	11.0	17.1	6.23	5.92	8.81
	SSI VN	10.1	11.0	7.9	(32.5)	(8.0)	39.4	n/a	n/a	0.2	0.9	0.9	0.8	9.8	8.7	11.4	3.57	2.86	3.55
	VCI VN	5.4	8.0	6.2	(16.3)	(32.6)	28.4	n/a	n/a	0.2	0.9	0.8	0.8	18.0	11.1	13.0	9.90	5.95	6.84
	VND VN	7.8	12.3	7.7	(4.3)	(36.1)	59.5	n/a	n/a	0.1	0.9	0.9	0.8	12.3	7.4	11.2	3.28	1.88	2.67
Energy	PVD VN	23.3	87.7	(103.6)	(4.0)	(73.4)	(184.6)	n/a	n/a	n/a	0.3	0.3	0.3	17.1	0.4	(0.3)	0.90	0.25	(0.21)
	NT2 VN	8.5	8.4	7.8	(2.7)	1.2	7.5	n/a	7.0	1.0	1.5	1.6	1.6	19.3	11.1	20.9	9.19	10.49	12.03
	PC1 VN	7.7	5.1	5.5	(32.1)	52.4	(7.7)	n/a	0.1	n/a	0.7	0.7	0.6	10.2	14.4	11.8	4.78	6.65	5.58
Consumer	MSN VN	11.8	13.1	10.6	4.8	(9.6)	22.9	2.5	n/a	0.5	1.9	1.7	1.4	17.3	13.5	14.5	8.39	7.01	8.02
	PNJ VN	12.9	10.4	8.5	(13.6)	24.4	22.4	n/a	0.4	0.4	2.2	1.8	1.4	27.5	27.9	27.7	17.79	16.93	18.14
	DGW VN	11.3	9.1	8.4	24.5	23.3	8.5	0.5	0.4	1.0	1.8	1.6	1.5	17.1	18.9	18.4	6.12	7.13	7.12
Oil & GAS	POW VN	9.6	7.4	6.4	29.6	29.0	15.5	0.3	0.3	0.4	0.9	0.8	0.7	9.1	11.1	11.7	4.44	5.97	6.60
Property	NLG VN	10.1	6.6	6.1	(29.6)	54.4	7.6	n/a	0.1	0.8	1.2	1.0	0.9	12.9	16.9	16.4	6.66	10.00	10.99
	NVL VN	23.6	19.1	17.9	(23.3)	23.8	6.6	n/a	0.8	2.7	2.9	2.9	2.9	10.2	11.2	11.1	3.12	3.42	3.33
	KDH VN	15.9	11.6	10.5	(15.8)	37.0	10.6	n/a	0.3	1.0	1.7	1.5	1.3	11.9	14.5	14.2	7.45	8.88	9.35
	VHM VN	13.8	10.9	8.1	20.4	27.1	33.5	0.7	0.4	0.2	1.2	0.9	0.7	30.0	28.7	28.5	11.56	11.88	12.75
Transportati	ACV VN	21.5	19.8	15.4	5.0	8.3	28.8	4.3	2.4	0.5	3.7	3.2	2.7	20.7	18.8	20.2	12.13	11.39	11.26

Stock ratings and pricing data is as of close on June 26, 2020.

Source: Bloomberg, Yuanta Vietnam



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