

Market commentary: The VN-INDEX bounced back as Financials, Real Estate stocks advanced

The VN-INDEX recouped 3.9pts (+0.5%) after making the biggest fall in five weeks in the previous session, with strong support coming from Financials and Real Estate large caps. Following the strong increase of the U.S. stock market the previous night, where the S&P 500 jumped 1.5% to close beyond the 3,000-pt level for the first time since 5 Mar, the VN-INDEX climbed above the reference price level right after the session started. The rally was mostly built on the increase of Financials stocks. Specifically, VCB rose 1.9% to become the largest supporter of the index, followed by BID (+2.3%) and CTG (+0.7%). Real Estate stocks also had a positive day, with VRE, VHM and VIC increasing gaining 5.5%, 0.4% and 0.1%, respectively, thus contributing to lift the VN-INDEX to its intraday high of 866.2pts (+1.0%). Besides, several blue chips slumped today, including GAS (-1.5%), EIB (-1.7%) and VNM (-0.2%), thus eroding part of the index's gain. Closing the session, the VN-INDEX landed at 861.4pts (+0.5%), while the HNX-INDEX climbed to 109.6pts (+0.7%).

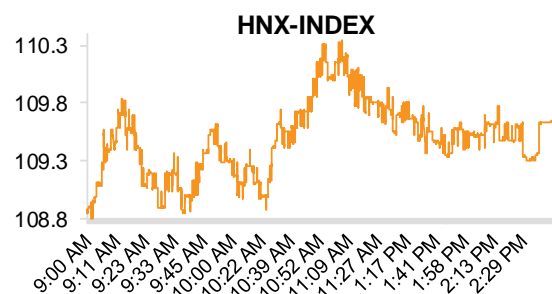
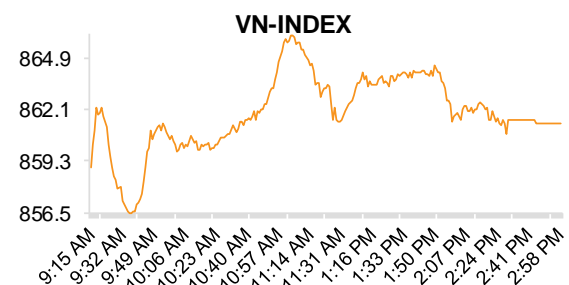
Financials (+1.2%), Real Estate (+0.7%) and Materials (+0.2%) rose, while Utilities (-1.0%), Energy (-0.2%) and Health Care (-0.2%) lost ground. Top index movers included VCB (+1.9%), BID (+2.3%), VRE (+5.5%), VHM (+0.4%) and CTG (+0.7%). Top index laggards consisted of GAS (-1.5%), EIB (-1.7%), TCH (-4.5%), VNM (-0.2%) and HVN (-0.7%). Top three major put-through transactions were VHM with 31.4m shares (VND2,200.9bn), DBD with 1.3m shares (VND68.0bn) and DXG with 4.3m shares (VND48.4bn).

F Foreigners net bought on HOSE to the amount of VND268.8bn, and also net bought on HNX to the amount of VND2.2bn. They mainly bought VCB (VND137.3bn), VHM (VND114.4bn) and VNM (VND63.0bn); and mainly sold VNM (VND59.9bn), HPG (VND59.7bn) and VCB (VND33.7bn).

Snapshot	HOSE	HNX
Close (pts)	861.4	109.6
1 Day change (%)	0.46	0.68
Volume (mn shs)	322.2	41.4
Value (US\$m)	313.6	20.6
Gainers	151	79
Losers	154	70
Unchanged	76	206

Commodities & Currencies	Close	%chg
Gold(USD/Oz)	1,721	0.6
WTI Oil (\$/B) 1Mth	32	-1.9
Brent Oil (\$/B) 1Mth	34	-1.5
USDVND	23,326	0.0
EURVND	25,693	-0.4

Source: Bloomberg



Sectors (VNIndex)	Index Wgt (%)	Price 1D chg	P/E x	P/B x
Consumer Discretionary	2.7	-0.1%	12.1	2.4
Consumer Staples	15.8	0.0%	23.5	4.9
Energy	2.3	-0.2%	47.8	2.6
Financials	29.5	1.2%	15.2	2.2
Health Care	1.0	-0.2%	16.6	2.6
Industrials	8.0	-0.1%	13.8	2.2
IT	1.2	0.0%	11.8	2.4
Materials	4.5	0.2%	13.5	1.6
Real Estate	25.9	0.7%	27.1	3.5
Utilities	7.1	-1.0%	12.6	2.3

Source: Bloomberg

Country Peering	Close Points	1D chg %	P/E x	P/B x	Market cap US\$bn
China	3,857	0.3%	14.4	1.7	4,304
India	9,490	1.9%	18.8	2.3	953
Indonesia	4,716	1.6%	14.1	1.4	365
Singapore	2,515	-0.2%	9.9	0.9	306
Malaysia	1,458	0.4%	17.8	1.5	215
Philippines	5,570	0.8%	13.0	1.4	138
Taiwan	10,944	-0.6%	18.6	1.7	1,110
Thailand	1,338	-0.6%	18.4	1.5	453
Vietnam	861	0.5%	14.1	1.9	128

Source: Bloomberg 28-May

Market News

Oil extends slide below US\$32 on signs U.S. stockpiles swelled. Oil extended its drop to trade below US\$32 a barrel after a U.S. industry report signaled crude inventories swelled for the first time in three weeks, raising fresh concerns about excess supply. Futures fell 3.8% in New York, putting the market on track for its first back-to-back daily decline in three weeks. The American Petroleum Institute reported that stockpiles expanded by 8.73 million barrels last week, according to people familiar with the data. If confirmed by government figures on Thursday, it would be the biggest increase this year. Oil's rally started to falter Wednesday after Moscow signaled that it wanted to scale back supply cuts pledged under the OPEC+ agreement from July, but Russian President Vladimir Putin and Saudi Arabia's Mohammed bin Salman later reiterated their cooperation to the deal ahead of a June 9-10 meeting. (Bloomberg)

Revised Vietnam's GDP goals to buttress growth. The aftermath of the health crisis has prompted Vietnam to consider adjusting its economic growth target, with the recommendation that providing practical support for the private sector will help the economy achieve higher growth and create more jobs. It may be the first time that the National Assembly (NA) must implement an unheard-of action – to revise the economy's growth target down amid the current pandemic, affecting all of Vietnam's trade and investment partners and the economy's internal strength. According to a government report delivered to the NA, it is crucial to adjust the goals for 2020 which is suitable to the objective reality. The goals to be altered would include GDP, which should increase 4.5% on-year, which if the pandemic is controlled better in the world and the global market recovers stronger, is expected to climb 5.4% on-year. PM Phuc said that difficulties are being seen in business and production in all sectors and enterprises in the economy. In the first four months, the number of newly-established enterprises decreased 13.3% on-year, while the number of those halting operations increased strongly. Notably, demand for labour has seriously dropped. (Vietnamnet.vn)

Coverage Universe Update

PHU NHUAN JEWELRY JSC (PNJ) – UPDATE

Navigating through challenges

Social distancing measures weighed on April performance

Phu Nhuan Jewelry Joint Stock Company's (PNJ) reported net loss of VND89bn in April 2020 (compared with net profit of VND53bn in April 2019) due to a 47% yoy drop in net revenue and a 16.2% pts contraction in GM (from 24.6% to 8.4%). The majority of PNJ's stores were closed due to aggressive social distancing measures from 1 Apr to 22 Apr to slow the spread of the coronavirus pandemic (Covid-19). Consequently, 4M20 revenue and net profit declined 4% and 34% yoy, respectively.

May performance brings positive signs, but it may not last long

With the Covid-19 counter measures easing from end of Apr, PNJ said that its retail business recovered positively with sale per store growth of c.20% yoy in the first half of May 2020. However, we think current performance was the results of pent-up demand over the social-distancing period instead of a bounce back in jewelry consumption. PNJ's results will be hit hard in 2Q20F, then slightly recover in 2H20F, in our view.

Changes to our forecast

We cut our FY20F net revenue/net profit forecasts by 6.6%/30.5%, respectively, due to 1) lower sales of the retail segment (-15.1% vs. old forecast) and sales of wholesale segment (-2.5% vs. old forecast; and 2) a slower store opening speed (only 10 PNJ gold stores in FY20F vs. 20 in previous forecast).

Upgrade to ADD with lower TP of VND78,800

We trim our DCF-based TP by 10.3% following a 30.5% downward revision in FY20F EPS and our EBIT FY20-29F CAGR to 7.8% (vs. 8.7% in previous forecast) due to the impact of the outbreak and consumers' caution about the global economy. However we upgrade to ADD on the current price weakness. Potential re-rating catalysts include 1) faster-than-expected store opening, 2) better-than-expected recovery after the pandemic, and 3) new projects which are expected to boost sales. Downside risk to our call is the next wave of COVID-19 outbreak in Vietnam.

Real full report: [HERE](#)

Notable Corporate Events

Nam Long Investment Corporation (NLG VN HOSE) – Bond issuance: NLG has planned to raise VND500bn via an issue of three-year bonds to supplement its working capital and finance investment projects, based on a NLG's Management Board approval. The non-convertible bonds, to be issued within 2Q20, would carry an annual coupon of 10.5%. (Ndh.vn)

<to be continued>

COVERAGE SUMMARY

Ticker	Close price	Adjusted target price	Dividend yield	Upside	Recom-entation	Latest report
PC1	17,200	17,200	0.0%	0.0%	HOLD	Link
LPB	7,900	10,000	0.0%	26.6%	ADD	Link
NLG	23,350	39,600	3.1%	72.7%	ADD	Link
ACV	59,700	105,000	0.0%	75.9%	ADD	Link
DPM	14,900	15,800	9.0%	15.1%	ADD	Link
QNS	25,700	44,300	2.8%	75.1%	ADD	Link
LTG	20,700	27,300	9.2%	41.1%	ADD	Link
VCB	84,500	86,200	1.2%	3.2%	HOLD	Link
MBB	17,300	26,200	5.7%	57.1%	ADD	Link
VPB	23,100	21,200	0.0%	-8.2%	HOLD	Link
TCM	17,650	28,200	3.2%	63.0%	ADD	Link
HPG	27,200	32,800	2.3%	22.9%	ADD	Link
PVT	10,950	18,100	15.0%	80.3%	ADD	Link
STK	17,200	22,400	8.9%	39.1%	ADD	Link
AAA	12,550	25,300	19.6%	121.1%	ADD	Link
PNJ	62,700	78,800	2.9%	28.6%	ADD	Link
KDH	21,750	28,300	2.7%	32.8%	ADD	Link
DCM	8,510	8,900	11.6%	16.2%	ADD	Link
VTP	132,000	111,000	1.9%	-14.1%	REDUCE	Link
ACB	22,900	28,500	3.0%	27.5%	ADD	Link
GAS	73,900	61,800	4.3%	-12.0%	REDUCE	Link
PVS	12,600	16,500	7.8%	38.7%	ADD	Link
PVD	10,700	16,500	0.0%	54.2%	ADD	Link
MSH	36,600	51,600	11.6%	52.5%	ADD	Link
MWG	84,700	139,900	3.4%	68.6%	ADD	Link
POW	10,400	16,700	0.0%	60.6%	ADD	Link

Ticker	Close price	Adjusted target price	Dividend yield	Upside	Recom-ensation	Latest report
TCB	20,900	27,400	0.0%	31.1%	ADD	Link
PPC	24,350	27,879	11.7%	26.2%	ADD	Link
VIB	16,200	21,200	3.7%	34.5%	ADD	Link
KBC	13,850	17,500	0.0%	26.4%	ADD	Link
VNM	114,800	131,000	5.5%	19.6%	ADD	Link
VHM	75,000	104,300	1.5%	40.6%	ADD	Link
VJC	113,300	142,200	2.8%	28.3%	ADD	Link
VHC	33,900	39,700	3.6%	20.7%	ADD	Link
VRE	26,900	42,600	0.0%	58.4%	ADD	Link
GMD	19,600	29,500	0.0%	50.5%	ADD	Link
DBC	39,050	35,500	1.6%	-7.5%	HOLD	Link
FPT	48,000	64,348	4.8%	38.9%	ADD	Link
MML	50,200	73,700	0.0%	46.8%	ADD	Link

MARKET MOVEMENTS

HOSE					
Top gainers					VND
Ticker	Last Price	Chg	%chg	Vol.	Index impact
POM	6,120	400	6.99	23,550	0.032
DBC	39,050	2,550	6.99	4.42MLN	0.076
QBS	2,310	150	6.94	123,500	0.003
TNI	11,600	750	6.91	4.64MLN	0.011
VID	4,800	310	6.90	71,510	0.002

Top losers					
Ticker	Last Price	Chg	%chg	Vol.	Index impact
TCR	2,540	-190	-6.96	620	-0.001
VAF	6,830	-510	-6.95	20	-0.005
DHM	7,250	-540	-6.93	437,140	-0.005
BTT	37,300	-2,700	-6.75	510	-0.010
HAS	7,140	-510	-6.67	2,470	-0.001

Top index movers					
Ticker	Last Price	Chg	%chg	Vol.	Index impact
VCB	84,500	1,600	1.93	1.85MLN	1.697
BID	40,700	900	2.26	1.91MLN	1.035
VRE	26,900	1,400	5.49	6.48MLN	0.932
VHM	75,000	300	0.40	4.35MLN	0.287
CTG	22,550	150	0.67	5.94MLN	0.160

Top index ladders					
Ticker	Last Price	Chg	%chg	Vol.	Index impact
GAS	73,900	-1,100	-1.47	551,210	-0.602
EIB	16,900	-300	-1.74	502,180	-0.106
TCH	21,000	-1,000	-4.55	2.23MLN	-0.104
VNM	114,800	-200	-0.17	1.00MLN	-0.100
HVN	27,800	-200	-0.71	779,720	-0.081

Top liquidity					
Ticker	Last Price	Chg	%chg	Val. (VNDbn)	Index impact
HPG	27,200	0	0.00	395	0.000
VHM	75,000	300	0.40	327	0.287
STB	10,300	200	1.98	173	0.108
VRE	26,900	1,400	5.49	171	0.932
DBC	39,050	2,550	6.99	168	0.076

HNX					
Top gainers					VND
Ticker	Last Price	Chg	%chg	Vol.	Index impact
FID	1,000	100	11.11	20,600	0.001
APS	2,200	200	10.00	428,300	0.004
DZM	3,300	300	10.00	36,900	0.001
MCF	9,900	900	10.00	100	0.003
TXM	3,300	300	10.00	21,725	0.001

Top losers					
Ticker	Last Price	Chg	%chg	Vol.	Index impact
NHP	300	-100	-25.00	21,200	-0.002
ACM	500	-100	-16.67	97,400	-0.005
BII	700	-100	-12.50	19,348	-0.004
HKB	700	-100	-12.50	399,141	-0.004
PVX	700	-100	-12.50	344,954	-0.020

Top index movers					
Ticker	Last Price	Chg	%chg	Vol.	Index impact
SHB	14,100	500	3.68	10.94MLN	0.658
ACB	22,900	100	0.44	3.57MLN	0.159
DGC	36,800	1,300	3.66	263,841	0.101
DL1	12,400	900	7.83	400	0.041
VHL	27,200	2,400	9.68	15,937	0.021

Top index ladders					
Ticker	Last Price	Chg	%chg	Vol.	Index impact
IDC	17,100	-700	-3.93	183,109	-0.106
PVS	12,600	-200	-1.56	4.59MLN	-0.048
TAR	24,200	-2,200	-8.33	306,500	-0.043
NVB	8,100	-100	-1.22	1.64MLN	-0.039
PGS	15,800	-700	-4.24	16,300	-0.023

Top liquidity					
Ticker	Last Price	Chg	%chg	Val. (VNDbn)	Index impact
SHB	14,100	500	3.68	129	0.658
ACB	22,900	100	0.44	82	0.159
PVS	12,600	-200	-1.56	58	-0.048
TNG	13,800	0	0.00	17	0.000
VCS	67,300	300	0.45	14	0.010

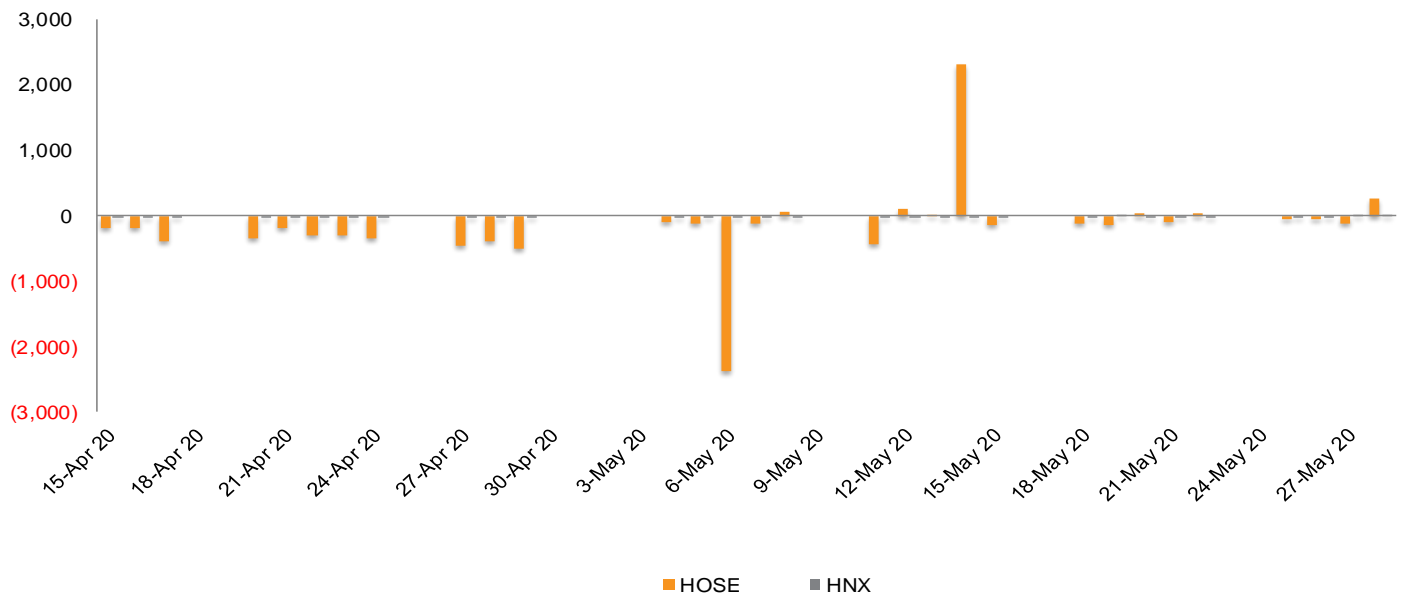
Source: Bloomberg

FOREIGN ACTIVITIES

Volume (Mn'shs)	HOSE	HNX	Value (VND'bn)	HOSE	HNX
BUY	21.9	0.5	BUY	692.8	8.2
% of market	7.1%	1.1%	% of market	9.6%	1.7%
SELL	16.5	0.4	SELL	424.0	5.9
% of market	5.3%	1.0%	% of market	5.9%	1.2%
NET BUY (SELL)	5.4	0.1	NET BUY (SELL)	268.8	2.2

Source: HSX, HNX

Foreign net buy/sell (30 days) in VND'bn



YTD ACCUMULATION

Volume (Mln'shs)	HOSE	HNX	Value (VND'bn)	HOSE	HNX
BUY	1,687.7	49.8	BUY	61,399.8	558.4
% of market	7.0%	1.0%	% of market	14.3%	0.3%
SELL	2,515.2	242.0	SELL	77,261.7	2,350.9
% of market	10.4%	4.8%	% of market	18.0%	1.4%
NET BUY (SELL)	(827.5)	(192.3)	NET BUY (SELL)	(15,862)	(1,792.4)

Source: HSX, HNX

FOREIGN ACTIVITIES

HOSE					
Top buy by foreigners (value)					VND'bn
Ticker	Last Price	Chg	%chg	Value	Index impact
VCB	84,500	1,600	1.93	137.3	1.697
VHM	75,000	300	0.40	114.4	0.287
VNM	114,800	-200	-0.17	63.0	-0.100
VRE	26,900	1,400	5.49	50.8	0.932
DXG	11,300	150	1.35	38.6	0.022

Top sell by foreigners (value)						VND'bn
Ticker	Last Price	Chg	%chg	Value	Index impact	
VNM	114,800	-200	-0.17	59.9	-0.100	
HPG	27,200	0	0.00	59.7	0.000	
VCB	84,500	1,600	1.93	33.7	1.697	
DXG	11,300	150	1.35	31.2	0.022	
VHM	75,000	300	0.40	27.6	0.287	

Top net buy by foreigners (value)						VND'bn
Ticker	Last Price	Chg	%chg	Value	Index impact	
VCB	84,500	1,600	1.93	103.5	1.697	
VHM	75,000	300	0.40	86.8	0.287	
VRE	26,900	1,400	5.49	44.5	0.932	
CTG	22,550	150	0.67	31.0	0.160	
POW	10,400	100	0.97	18.7	0.067	

Top net sell by foreigners (value)						VND'bn
Ticker	Last Price	Chg	%chg	Value	Index impact	
HPG	27,200	0	0.00	-31.9	0.000	
CRE	16,300	-450	-2.69	-11.4	-0.010	
HBC	9,060	20	0.22	-9.5	0.001	
VJC	113,300	300	0.27	-9.2	0.046	
VCI	23,350	350	1.52	-8.5	0.016	

HNX					
Top buy by foreigners (value)					VND'bn
Ticker	Last Price	Chg	%chg	Value	Index impact
SHB	14,100	500	3.68	3.0	0.000
NTP	35,500	600	1.72	2.8	0.000
PVI	30,800	0	0.00	0.5	0.000
IDV	39,900	-100	-0.25	0.4	0.000
BAX	42,900	400	0.94	0.3	0.000

Top sell by foreigners (value)						VND'bn
Ticker	Last Price	Chg	%chg	Value	Index impact	
DGC	36,800	1,300	3.66	1.4	0.000	
SHB	14,100	500	3.68	1.2	0.000	
SHS	8,900	-100	-1.11	1.0	0.000	
AMV	16,800	0	0.00	0.7	0.000	
PVS	12,600	-200	-1.56	0.6	0.000	

Top net buy by foreigners (value)						VND'bn
Ticker	Last Price	Chg	%chg	Value	Index impact	
NTP	35,500	600	1.72	2.8	0.000	
SHB	14,100	500	3.68	1.8	0.000	
IDV	39,900	-100	-0.25	0.4	0.000	
BAX	42,900	400	0.94	0.3	0.000	
VCS	67,300	300	0.45	0.2	0.000	

Top net sell by foreigners (value)						VND'bn
Ticker	Last Price	Chg	%chg	Value	Index impact	
DGC	36,800	1,300	3.66	-1.35	0.000	
SHS	8,900	-100	-1.11	-0.96	0.000	
AMV	16,800	0	0.00	-0.62	0.000	
PVS	12,600	-200	-1.56	-0.60	0.000	
BVS	9,400	0	0.00	-0.14	0.000	

28-May-20

Source: Bloomberg, HOSE, HNX

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