



June 29, 2023

Good Morning Vietnam

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Market performance

	Last trade	1D (%)	1M (%)	1Y (%)
VN INDEX	1,138.35	0.4	7.0	-6.5
HNX	230.25	-0.2	5.8	-18.9
UPCOM	85.99	0.4	6.7	-3.4
MSCI EM	995.02	0.6	2.3	-3.4
NIKKEI	33,193.99	2.0	7.4	22.7
HANG SENG	19,177.08	0.2	2.3	-14.5
KOSPI	2,564.19	-0.7	0.2	5.9
FTSE	7,483.12	0.3	-1.9	2.2
S&P 500	4,378.41	1.1	4.1	14.6
NASDAQ	13,555.67	1.6	4.5	21.2

Valuation

	P/E (x)	P/B (x)	ROE (%)
Vietnam	15.5	1.7	12.8
Indonesia	14.8	1.9	11.6
Philippines	13.9	1.6	10.9
Malaysia	14.9	1.3	10.2
Thailand	20.1	1.4	8.2

Key rates

	Last trade	1D (bps)	1M (bps)	1Y (bps)
Refinancing	4.5	0	-50	50
5Y yield	2.1	0	-37	-24
10Y yield	2.5	-3	-65	-74

FX

	Last trade	1D (%)	1M (%)	1Y (%)
US\$/VND	23,542	0.1	0.3	1.2
US\$/KRW	1,307.5	0.6	-1.1	1.2
US\$/JPY	144.13	0.0	2.6	5.9
US\$/EUR	0.9127	0.0	-2.3	-4.0
US\$/GBP	0.7858	0.2	-2.9	-4.3
US\$/SGD	1.3515	0.2	-0.1	-2.6

Daily trading value (US\$m)

	Today	1M average	6M average
VN-INDEX	537	649	426
HNX	52	77	51
UPCOM	24	33	20

Daily foreign trading value (US\$m)

	Buy	Sell	Net
VN-INDEX	44.8	41.6	3.2
HNX	2.1	0.3	1.8
UPCOM	0.4	0.8	-0.5

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VIETNAM STOCK MARKET

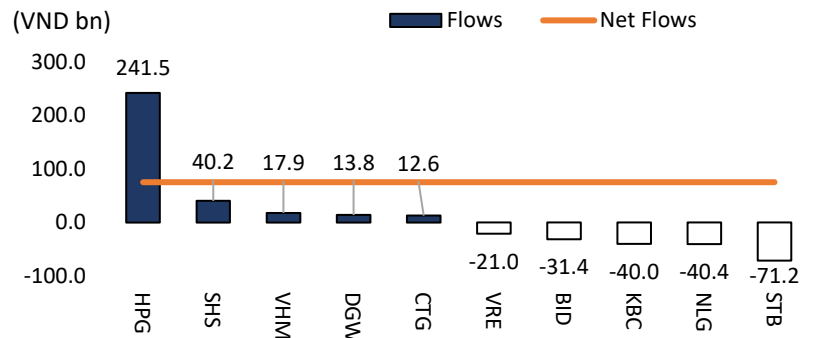
Standing firm at 9-month high

After opening at 1,137.2pts (+0.3% DoD), VNIndex fluctuated in a narrow band of 1,135-1,138pts in the morning session. By 13:04, the index dropped to the lowest level at 1,131.8pts (-0.2% DoD) as selling pressure spread across the market (except for bank and chemicals sectors). After that, the index reversed and sharply increased to the highest level at 1,140.5pts (+0.6% DoD) by 14:29 thanks to the contributions of the financial, steel and chemicals sectors. By the end of the day, the index adjusted to close at 1,138.3 (+0.3% DoD), staying in the green for seventh straight day. Notably, trading volume and value both improved to 892mn shares (+23.5% DoD) and VND17,931bn (+22.1% DoD), respectively.

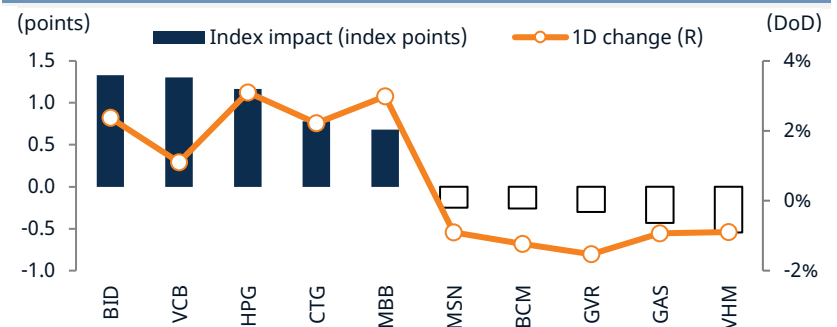
The VN30 group saw 16 tickers gained, for instance: NVL (+4% DoD), HPG (+3.1% DoD), MBB (+3% DoD), etc. Nevertheless, stocks like GVR (-1.5% DoD), BCM (-1.2% DoD) and VHM (-0.9% DoD) were in red. Financial, steel and chemicals sectors were observed to outperform today.

Foreign investors returned net-buying with VND75bn on HOSE, including VND1,062bn of buying and VND987bn of selling. Accordingly:

Top foreign inflows/outflows



VN-Index daily change: Top contributors



Source: Bloomberg, Mirae Asset Research

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Short news

EU to raise the bar on supply chains

Vietnamese producers are facing the Herculean task of changing their business practices to adapt to the global control of suppliers required by the EU's new supply chain law. Several European countries have already enacted laws to improve human and environmental rights along the supply chain. On February 2022, the European Commission doubled the effort by presenting its proposal for an EU-wide law on corporate sustainability obligations - The Corporate Sustainability Due Diligence Directive (CSDD). On June 1, 2023, the EU Parliament (EP) approved the proposal with 366 votes in favour and 225 against (38 abstained). The results mean the negotiations between EP and its member countries would start later this month, which are likely to center around disagreements over its scope and at which date it would come into force. Tran Thi Hong Lien, Deputy General Director of the Bureau for Employer's Activities, said according to OECD Due Diligence Guidance for Responsible Business, business activities could result in adverse impacts related to corporate governance, workers, human rights, the environment, bribery, and consumers. Due diligence is the process companies should carry out to identify, prevent, mitigate, and account for these impacts in their operations, their supply chain, and other business relationships. The definition indicates that the obligation to conduct due diligence is not limited to a defined range of activities within their operations, but it extends to all their upstream and downstream business relationships in the supply chain. For instance, a foreign company operating in Vietnam, under the due diligence requirement, would be obliged to check how its Vietnamese partners treat their workers and whether they comply with environmental regulations, apart from their financial situation. "Due diligence will no longer be an option but a must-have for those wanting to participate in the EU's supply chain," Lien said. The deputy general director was concerned that the due diligence requirement would pose a significant compliance challenge to Vietnamese small- and medium-sized companies (SMEs) because checking the entire supply chain would entail additional huge costs to their operations. She accordingly called on tier-one companies to support those with higher tier levels to get them financially well-prepared for the upcoming supply chain directive. Do Thi Thuy Huong, Deputy Chairman of the Vietnam Association for Supporting Industries, said the due diligence requirement is not a compliance burden but rather an opportunity for Vietnamese companies to improve their productivity. "Adherence to the directive will not only guarantee their survival in the supply chain but also give them other long-lasting advantages," said Huong. Nguyen Hoang Ha, Programme Officer at the International Labour Organization in Vietnam, underlined several obstacles in the way of Vietnamese SMEs trying to participate in the global supply chains. The obstacles involve capital assessability, technology availability, and productivity. He thus called for broad-based support for SMEs to help them gain grounds in the international commercial scenes.

LG Innotek Vietnam Hai Phong raises investment by US\$1bn

The People's Committee of Hai Phong City approved LG Innotek for additional capital of US\$1bn from 2023-25 on Monday, raising the company's total investment to over US\$2bn. The LG Innotek's Hai Phong factory is located in Trang Due Industrial Park and invested in by LG Innotek Vietnam Hai Phong Co Ltd. It officially commenced operations in 2020 after obtaining an investment certificate in 2016. The factory specialises in manufacturing electronic components for the automotive, mobile, and phone camera module industries. The V3 plant expects to generate an additional 2,600 jobs once it begins production, as well as an estimated annual profit of US\$400mn, contributing an additional VND100bn (US\$4.34mn) to the State budget every year. Speaking at the conference, Secretary of the municipal Party Committee Le Tien Chau affirmed that the event marks substantial development of the LG Corporation and LG Innotek Vietnam Hai Phong in the northern city. According to the official, among a total of 42 countries and territories registering for foreign direct investment in Hai Phong, the Republic of Korea (RoK) takes the lead in terms of both project number and value, with 173 projects worth US\$9.65bn. LG's projects are the most prominent, with a total value of US\$7.24bn. The LG Corporation has been assisting the city in social welfare activities, such as providing scholarships for universities and contributing US\$1.4mn to the national COVID-19 Vaccine Fund. Its business success in Hai Phong has also contributed to strengthening the cooperative and friendly relations between Vietnam and the RoK. Senior Managing Director of LG Innotek Cho Ji Tae wished that leaders of Hai Phong and the Northern Power Corporation would continue focussing their attention on ensuring a stable power supply to serve manufacturing operations of the company.

Airports cater to 57mn passengers in 1H

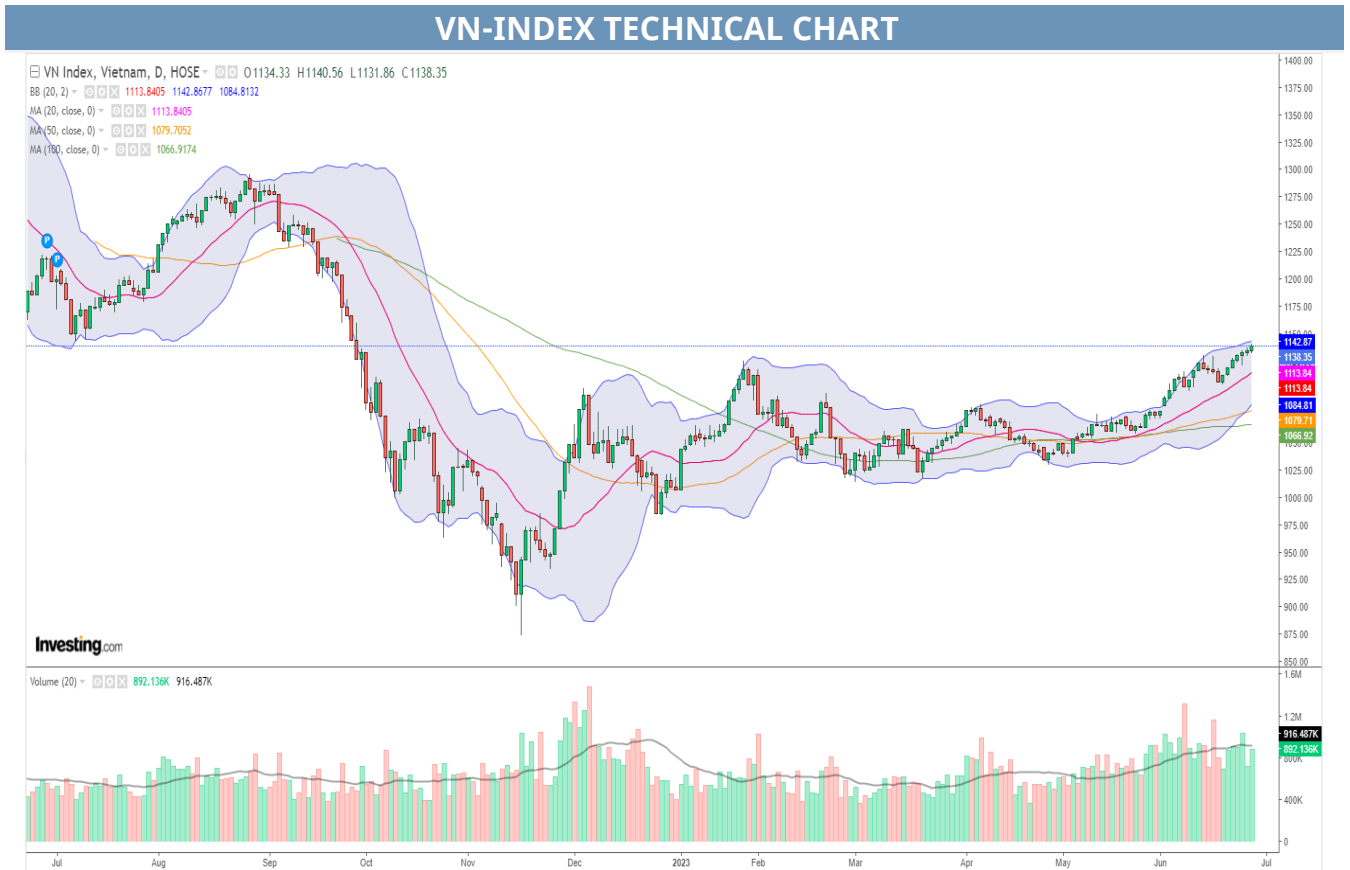
Airports around Vietnam served nearly 57mn passengers in the first half of this year, a year-on-year increase of 22.9 per cent, according to the Airports Corporation of Vietnam (ACV). International passengers totaled 14.5mn, up 493.5 per cent compared to the same period last year. Meanwhile, the volume of goods passing through airports fell 20.8 per cent year-on-year, to 576,467 tons. Airports handled 407,095 tons of international cargo, down 30 per cent. The ACV said the figures show that the aviation market is recovering well, especially in the number of foreign passengers. Growth was attributed to Vietnam's policies on attracting international visitors and the reopening policies of other countries. Vietnam's National Assembly recently decided to extend the duration of electronic visas (e-visas) from 30 days to 90 days, valid for multiple entries. The duration of visas for temporary stays issued at border gates to those in the visa exemption category will increase from 15 days to 45 days.

Source: Vietnamnews, Vneconomy

Technical analysis

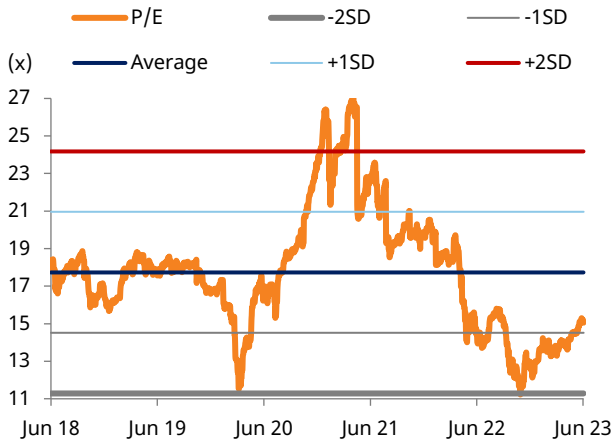
Summary

Item	Data	Item	Views
Close (Jun 28, 2023)	1,138	Short-term	Uptrend
Resistance	1,200	Medium-term	Uptrend
Support	1,120	Long-term	Sideways



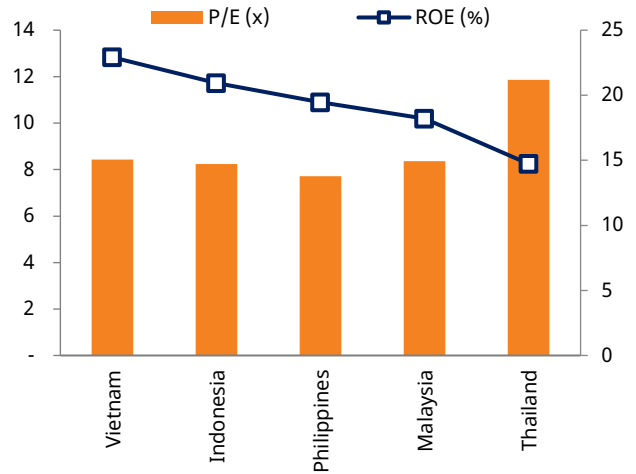
Source: Investing

Figure 2. VN-Index: Historical P/E band chart



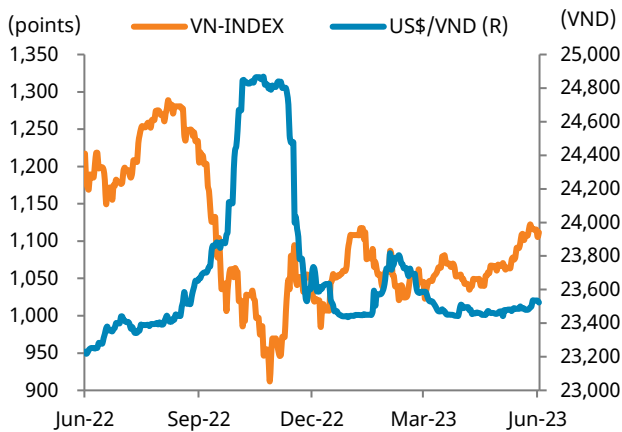
Source: Bloomberg, Mirae Asset Research

Figure 3. Regional stock market valuation



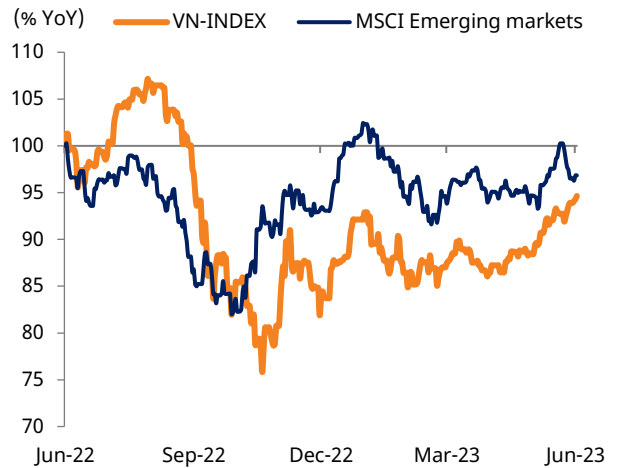
Source: Bloomberg, Mirae Asset Research

Figure 4. VN Index vs. US\$/VND



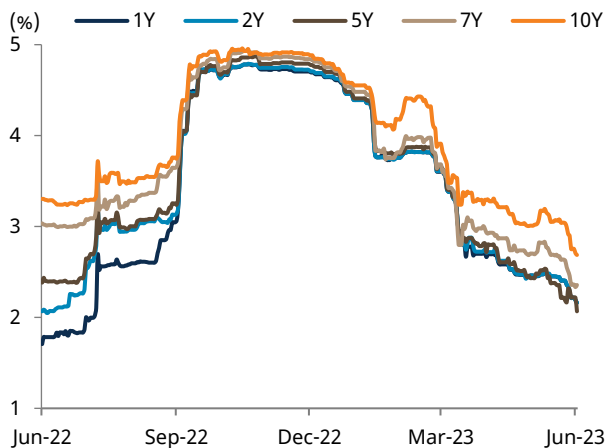
Source: Bloomberg, Mirae Asset Research

Figure 5. VN-Index and MSCI Emerging Markets Index



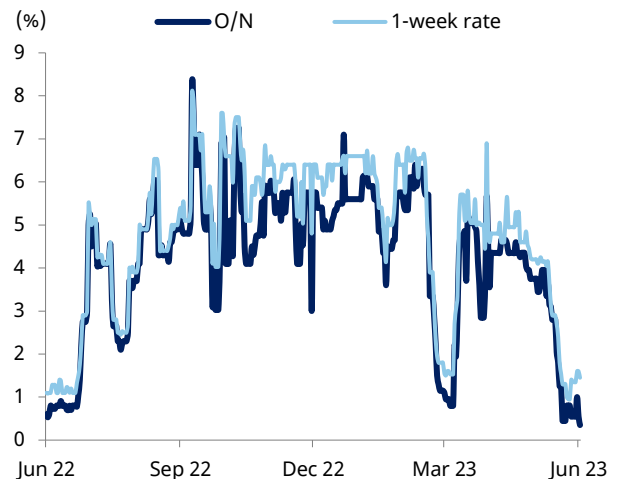
Source: Bloomberg, Mirae Asset Research

Figure 6. Vietnam bond yields



Source: Bloomberg, Mirae Asset Research

Figure 7. Vietnam interbank rates



Source: Bloomberg, Mirae Asset Research

Table 1. VN30 key valuation metrics

Name	Ticker	Market cap (VND bn)	Price (VND)			Price Performance (%)				Valuation metrics (TTM)			Foreign ownership	
			Last	52w high	52w low	1D	1W	1M	1Y	P/E	P/B	ROE (%)	Current (%)	Available (%)
VN-Index		4,525,291	1,138.35	1,295.12	873.78	0.4	1.8	7.0	-6.5	15.5	1.7	12.8		
VN30 Index		3,226,321	1,141.12	1,320.16	863.31	0.6	2.6	7.6	-10.4	12.7	1.7	14.7		
Asia Commercial JS Bank	ACB VN	86,614	22,300	23,043	15,174	0.5	2.8	2.6	4.7	6.0	1.4	26.3	30.0	-3.9
BIDV	BID VN	229,404	45,350	48,000	28,000	2.4	4.5	4.5	34.8	11.4	2.2	20.9	17.2	12.8
VietinBank	CTG VN	144,173	30,000	31,250	19,500	2.2	2.9	7.9	12.4	8.5	1.3	16.1	27.1	2.9
HDBank	HDB VN	47,161	18,750	21,800	13,050	0.3	0.5	-3.8	-3.4	6.0	1.2	22.6	19.7	0.5
MBBank	MBB VN	93,854	20,700	23,950	13,200	3.0	4.3	12.2	0.6	5.2	1.2	24.8	23.2	0.0
Sacombank	STB VN	56,368	29,900	30,650	14,050	1.0	1.7	9.9	32.6	9.9	1.4	14.9	26.0	4.0
Techcombank	TCB VN	117,124	33,300	39,950	19,300	1.1	2.5	11.4	-9.3	6.1	1.0	17.8	22.5	0.0
Tien Phong Bank	TPB VN	40,620	18,450	21,050	13,148	0.3	0.3	8.6	-7.0	6.4	1.2	20.9	29.2	-7.7
Vietcombank	VCB VN	478,457	101,100	106,400	62,000	1.1	1.1	9.9	32.5	15.5	3.3	23.6	23.5	6.5
Vietnam International CJS Bank	VIB VN	50,205	19,850	22,750	13,500	0.3	2.2	13.2	7.8	5.7	1.5	29.7	20.5	-3.4
VPBank	VPB VN	135,942	20,250	21,733	13,650	0.7	3.1	5.7	1.3	11.3	1.4	12.9	17.1	0.6
SSI Securities Corp	SSI VN	39,802	26,550	27,200	13,050	-0.2	2.1	17.7	35.5	23.7	1.7	7.9	N/A	N/A
Bao Viet Holdings	BVH VN	33,516	45,150	60,300	41,200	-0.3	2.3	3.7	-19.8	20.8	1.6	7.6	26.8	22.2
BECAMEX IDC Corp	BCM VN	82,800	80,000	101,800	58,200	-1.2	-2.6	3.4	27.0	68.4	4.9	8.1	2.7	46.3
No Va Land Investment Group Corp	NVL VN	30,422	15,600	86,800	10,050	4.0	7.6	20.5	-79.2	43.1	0.8	1.9	3.5	45.5
Phat Dat Real Estate Development Corp	PDR VN	11,418	17,000	58,700	9,940	0.0	-1.7	26.9	-67.9	12.8	1.4	11.3	2.9	46.1
Vinhomes JSC	VHM VN	241,232	55,400	64,100	39,400	-0.9	1.5	0.7	-13.2	6.7	1.5	25.3	24.3	25.7
Vingroup JSC	VIC VN	199,087	52,200	74,500	49,700	-0.4	-0.4	0.4	-29.1	26.2	1.7	7.0	13.0	35.7
Vincom Retail JSC	VRE VN	62,034	27,300	31,650	21,400	-0.5	1.9	-1.4	-5.4	18.1	1.8	10.5	32.8	17.4
Mobile World Investment Corp	MWG VN	64,226	43,900	75,400	35,250	-0.7	2.8	14.9	-39.7	24.0	2.7	11.7	49.0	0.0
Masan Group Corp	MSN VN	109,627	77,000	117,000	69,100	-0.9	1.2	6.9	-32.5	50.0	4.2	8.1	30.1	18.9
Saigon Beer - Alcohol - Beverage Corp	SAB VN	99,206	154,700	203,000	150,000	0.2	-0.2	-0.5	-1.5	20.2	4.1	22.1	62.4	37.6
Vietnam Dairy Products JSC	VNM VN	147,551	70,600	85,600	65,500	0.1	6.5	5.2	-0.3	20.4	4.7	22.7	54.1	45.9
Vietnam National Petroleum Group	PLX VN	48,410	38,100	44,400	22,950	-0.1	1.6	1.2	-8.9	26.5	1.9	7.2	17.8	2.6
Vietnam Rubber Group	GVR VN	77,200	19,300	27,350	9,300	-1.5	-1.0	12.2	-17.9	23.2	1.6	6.7	0.5	12.5
Hoa Phat Group JSC	HPG VN	154,673	26,600	26,700	11,800	3.1	8.1	26.1	18.2	232.9	1.6	0.7	25.1	23.9
FPT Corp	FPT VN	96,077	87,000	90,200	61,300	-0.3	1.4	4.7	-3.0	17.2	4.2	26.6	49.0	0.0

Source: Bloomberg, Mirae Asset Research. Metrics (*) based on Bloomberg consensus estimates

APPENDIX 1

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