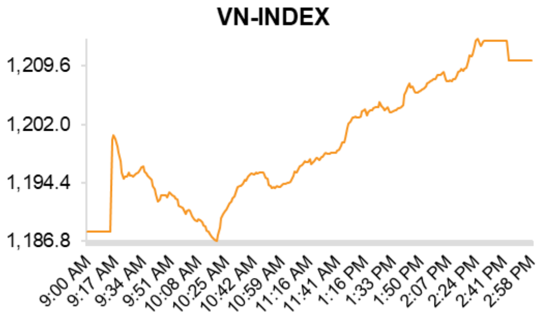
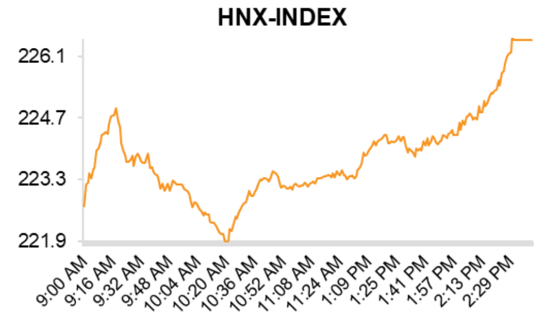
DAILY MARKET RECAP

August 6, 2024

Snapshot	HOSE	HNX	UPCOM
Close (pts)	1,210.3	226.5	92.2
1 Day change (%)	1.9%	1.7%	1.6%
1 Month change	-5.7%	-6.5%	-6.1%
1 Year change	-1.3%	-6.6%	0.6%

Value (US$m)	651	48	29
Gainers	289	126	214
Losers	48	55	86
Unchanged	58	126	574





Market Commentary

VN-Index bounces back from global sell-off

After a strong sell-off in the first trading session of the week, the VN-Index rebounded strongly on Tuesday, closing up 1.9%, or 22.21 points, to 1,210.28. The HNX Index also increased by 1.7%, or 3.8 points, to 226.5.

All sectors gained today, except for Industrials Goods & Services (-1.0%), led by ACV (-6.0%). 383 stocks rose while only 58 fell.

Top stock performers included VNM (+4.8%), GVR (+4.2%), MSN (+3.8%), BID (+1.4%), BCM (+5.2%) and FPT (+1.9%). VNM contributed the most to the VN-Index with 1.7 points, as its share price rose to a 10-month high.

IDC (+3.9%) traded in the green throughout the session on news the firm plans to complete site clearance for phase 1 (360ha) of its Tan Phuoc 1 IP project by the end of 2024 - early 2025 and for the rest of the project in 2026. The estimated project scale is 470ha with a total investment capital of VND5.9tn (USD236mn).

Foreign investors net sold today with a net trading value of VND732bn (USD29mn), focusing on VNM (VND204bn, USD8mn), DGC (VND50bn, USD2mn) and MSN (USD42bn, USD2mn). On the contrary, VJC (VND358bn, USD14mn), FPT (VND114bn, USD5mn) and AGG (VND113bn, USD5mn) were mainly sold.

Commentator(s):

Barry Weisblatt – Head of Research

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Country Peering	Index	1D Chg (%)	Ytd Chg (%)	P/E (x)	P/B (x)	ROE (%)	Dividend yield (%)	3M/ADTV (USDm)	5Y LC Gov Bond Yield	YTD Net Foreign Flow (USDm)	LC/USD % MoM	LC/USD % YoY
China	Shanghai Index	0.2%	-3.6%	13.5	1.2	8.6%	3.0%	44,554	1.8%	-17,979	1.6%	0.6%
India	NSE500 Index	-0.4%	15.5%	27.6	4.3	15.5%	1.1%	13,901	6.8%	3,513	-0.6%	-1.4%
Indonesia	JCI Index	1.0%	-2.0%	8.1	2.0	19.9%	3.4%	595	6.7%	37	0.6%	-6.1%
Singapore	FSTAS Index	-1.3%	-2.3%	12.4	1.0	8.4%	5.4%	864	2.7%	N/A	1.7%	1.0%
Malaysia	FBME Index	2.8%	10.2%	16.2	1.3	8.2%	3.6%	638	3.5%	58	5.2%	1.9%
Philippines	PCOMP Index	0.1%	2.8%	11.5	1.2	10.7%	3.2%	83	5.8%	-493	1.2%	-3.1%
Thailand	SET Index	-0.1%	-10.0%	15.5	1.2	7.4%	3.7%	1,078	2.3%	-3,338	2.5%	-2.0%
				-	-			-				
Vietnam	VN-Index	**1.9%**	**7.1%**	**14.0**	**1.6**	**12.5%**	**1.8%**	**714**	**2.0%**	**-1,994**	**1.1%**	**-5.6%**

6-Aug

Macro note

Credit growth reached 5.3% at end-July, pace of MoM deceleration slowed in second half of July

By the end of July, credit rose 15% over the same period in 2023 and 5.7% compared to the end of last year, lower than 6% growth at the end of June. Regarding interest rate movement, by the end of June 2024, the average lending interest rate was at 8.3%/year, down 0.96% compared to the end of 2023. The average deposit interest rate was 3.59%/year, down 1.08%/year compared to the end of 2023.

We believe the June credit growth figure was deemed high as banks aggressively pushed lending in the final week to meet the SBV's target. The SBV may redistribute credit quotas, taking them from slower-growing banks and allocating them to institutions with stronger credit growth prospects.

In addition, while credit rose 5.7% (-0.34% vs 6.0% ending June), it only rose 5.3% as of July 17 (-0.7% vs 6.0% ending June). This indicates that while growth slowed down from June to July, the rate of deceleration eased in the latter half of July, indicating that credit still recovered in the second half of July. As such, the trajectory of deposit rates in the remainder of the year will primarily be driven by the pace of credit growth in the coming months. Currently, we forecast year-end deposit rates to sit at 5.3-5.5% (12M term).

Commentator(s):

Hang Le – Analyst

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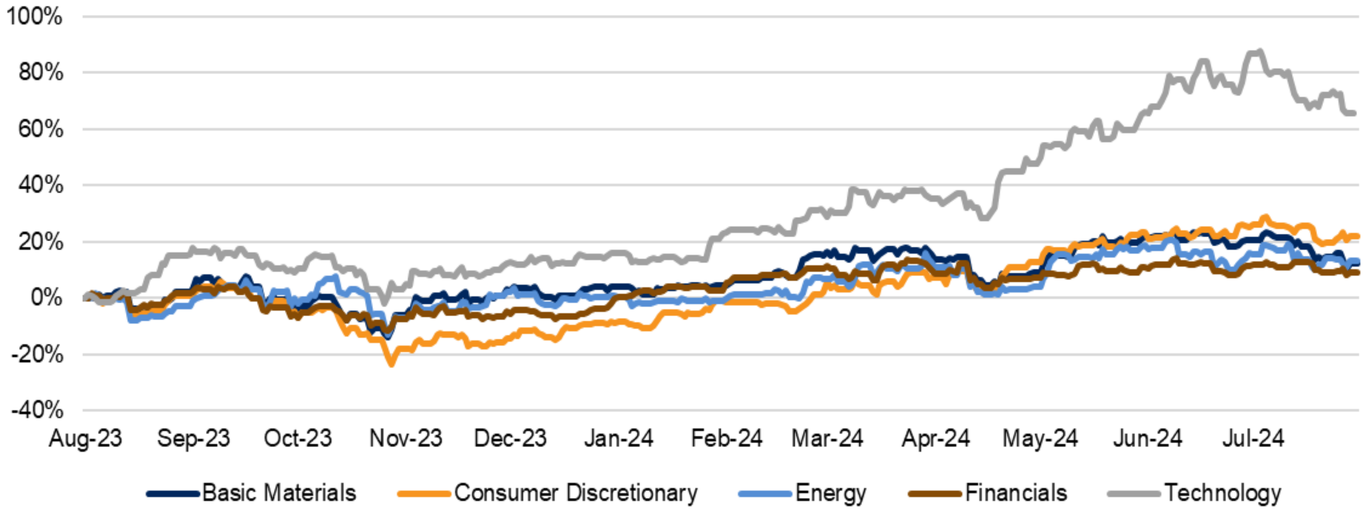
Sectors (VN-Index)	Index Wgt (%)	Price 1D chg	P/E x	P/B x
Consumer Discretionary	3.8	1.3%	33.3	4.3
Consumer Staples	8.9	3.4%	51.7	3.2
Energy	1.8	3.0%	17.6	1.9
Financials	43.8	1.5%	10.9	1.7
Health Care	0.8	0.7%	19.2	2.6
Industrials	8.5	2.2%	41.5	2.3
IT	4.0	2.0%	24.9	6.1
Materials	9.1	2.8%	23.6	1.9
Real Estate	12.7	1.6%	39.4	1.6
Utilities	6.4	1.4%	21.4	2.2

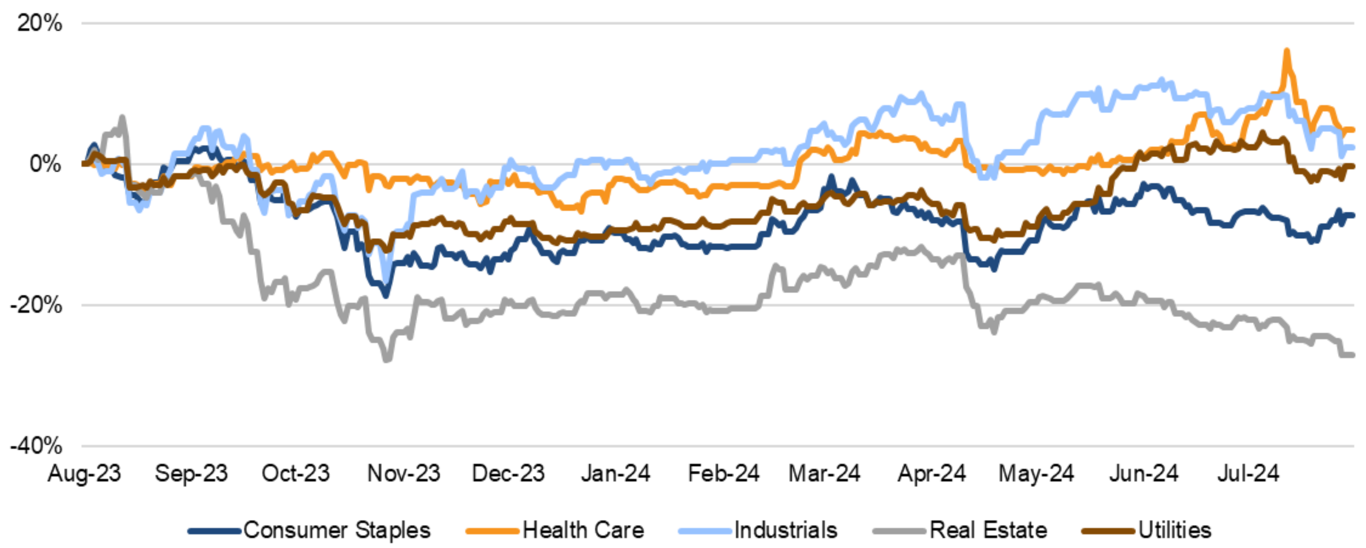
Source: Bloomberg

All sectors rose today, led by Consumer Staples (+3.4%), Energy (+3.0%), and Materials (+2.8%). Top index movers included VNM (+4.8%), GVR (+4.2%), MSN (+3.8%), BID (+1.4%), and BCM (+5.2%). Top index laggards consisted of VGC (-2.0%), TMS (-3.8%), QCG (-4.7%), HRC (-5.2%), and VPI (-0.4%).

HSX TOP 5 ONE-YEAR PERFORMANCE



HSX BOTTOM 5 ONE-YEAR PERFORMANCE



Market strategy

2Q24 Earnings Review – Earnings show solid growth

- Aggregate earnings for 2Q24 across Vietnam's listed markets increased 20.6% YoY for a third consecutive quarter of profit growth.
- Industrial Metals had the highest 2Q24 earnings growth (437% YoY) due to a wider EBITDA margin.
- Cost of debt has bottomed out, but increasing at a moderate pace.

Earnings growth momentum accelerated vs Q1

We estimate that 2Q24 aggregate earnings of listed companies across the three bourses (HOSE, HNX, UPCOM) increased by 20.6% YoY, driven by both a clearer economic recovery and a low base effect from 2Q23.

Industrial Metals, Retail were top contributing sectors to the growth

Industrial Metals and Retail enjoyed remarkable growth in earnings. Industrial Metals' earnings increased 437% YoY due to a wider EBITDA margin, as input prices dropped more sharply than selling prices, and 2Q24 revenue increased due to a rise in sales volume compared to last year's low levels. Retail's earnings increased 379% YoY in 2Q24, led by ICT retailer MWG, which reported strong growth in net profit (NP), increasing by 6,635% YoY to VND1.17tn in 2Q24. The positive results were attributed to improved revenue per store as part of efforts to restructure the distribution system and close inefficient stores.

Industrial, Construction & Materials, Chemicals also enjoy growth

Earnings growth in the Industrial, Construction & Materials, and Chemicals sectors was 319% YoY, 71.3% YoY, and 59.6% YoY, respectively. This growth was driven by increased domestic and export demand as the global economy recovered.

Real estate sector showed signs of improvement

The real estate sector continued to experience a decline in profits, down 16.9% YoY. However, the rate of decline has slowed compared to the same period in 2Q23, which saw a 36.1% YoY drop, and 1Q24, which saw a 29.2% decline. This indicates that the real estate sector is beginning to recover.

Borrowing costs have bottomed out

Borrowing costs bottomed out in 1Q24 and increased slightly in 2Q24 as the economy recovers and credit demand grows. However, we believe that deposit interest rates will not rise too quickly but will remain moderate so that businesses can adjust their business plans in line with lending conditions.

Read the full report: HERE

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Analyst notes

We attended the investor meeting of BMP today and here are the key takeaways:

BMP's market share is 40% of the Southern market. Due to limited industry data, management roughly estimates that 1H24 construction pipe volume in the North was down 20% YoY and down 40% YoY in the South, despite that 1H23 was already a low base. Given that BMP volume dropped 20% YoY, BMP should gain some more market shares. The marketing team is working to have more figures on the competitive landscape at the end of this year.

1H24 net profit completed 45% the 24F guidance, and management is confident it will achieve bottom line guidance this year of VND1.03tn (USD40mn).

Management is optimistic on the real estate market improving, which will push sales volume in 2H24

This year, the company's raw material PVC resin price was not as volatile as 2023. BMP also expects that this trend will continue in 2H24 and 2025.

The total capacity of the construction market is the same as it was two years ago but the utilization rate may be lower.

BMP reiterated that it will focus on plastic pipe quality rather than price competition.

Commodity prices

Energy	% dod	% mom	% yoy
WTI	0.0%	-12.0%	-11.6%
Brent Crude	0.2%	-11.6%	-11.3%
JKM LNG	-0.3%	-4.8%	24.2%
Henry Hub LNG	2.5%	8.7%	17.5%
NW Thermal Coal	-3.7%	-9.9%	-28.1%
Singapore Platt FO	-3.8%	-13.1%	-14.2%

Precious Metals	% dod	% mom	% yoy
Gold	-0.1%	0.1%	23.7%
Domestic SJC Gold	-1.7%	2.7%	15.6%
Silver	-0.4%	-13.6%	14.3%
Platinum	0.6%	-11.1%	-0.8%

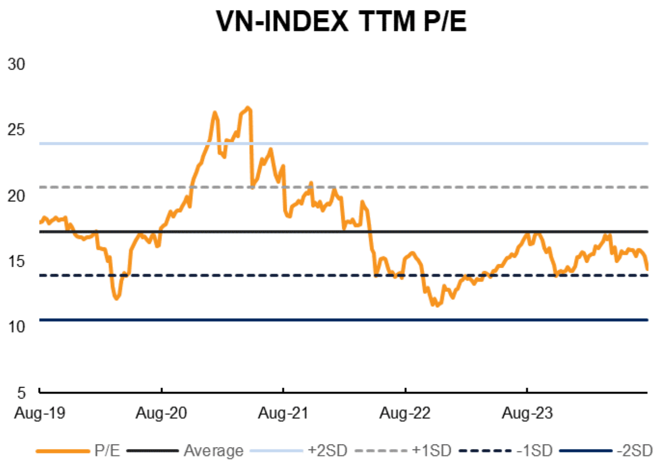
Base Metals	% dod	% mom	% yoy
Tungsten	0.0%	-1.5%	5.7%
Copper	-0.5%	-14.6%	2.9%
Aluminum	-0.7%	-11.5%	0.4%
Nickel	0.0%	-6.2%	-23.9%
Zinc	-1.3%	-10.3%	5.1%
Lead	NA	NA	NA
Steel	-0.7%	-6.0%	-7.4%
Iron Ore	0.0%	-9.8%	-13.6%

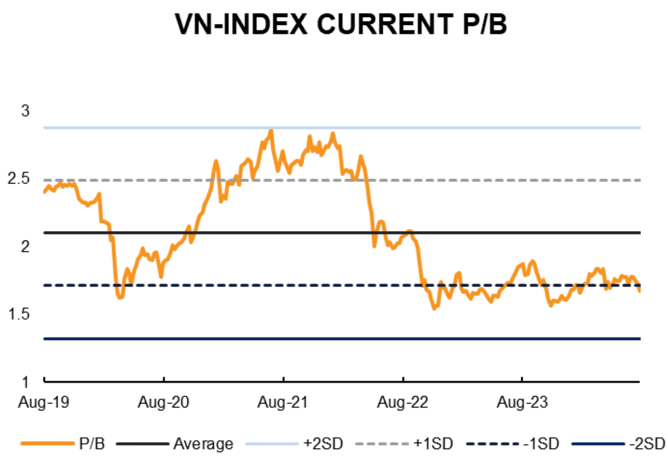
Agriculture	% dod	% mom	% yoy
Rice	-0.4%	-10.2%	-4.6%
Coffee (Arabica)	3.9%	1.9%	45.4%
Sugar	-1.1%	-11.2%	-24.5%
Cocoa	0.5%	2.9%	126.3%
Palm Oil	-2.1%	-7.9%	NA
Cotton	-0.2%	-1.3%	-22.1%
Dry Milk Pow der	0.3%	2.5%	17.6%
Wheat	-0.6%	-6.3%	-15.3%
Soybean	1.5%	-12.1%	-27.7%
Cashew s	NA	-7.4%	-24.2%
Rubber	0.0%	-1.4%	65.7%
Urea	NA	NA	NA

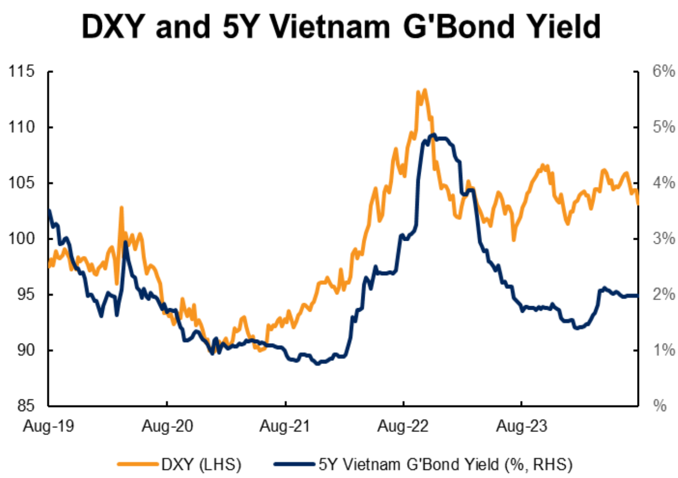
Livestock	% dod	% mom	% yoy
Live Hogs	-1.1%	1.4%	-9.8%
Cattle	-1.4%	-2.6%	0.4%

Source: Bloomberg

Market Value Drivers







VNDS RESEARCH COVERAGE SUMMARY

Ticker	Market cap (US$m)	3M ADTV (US$m)	Foreign Room (US$m)	Closing price (VND)	Adjusted target price (VND)	Total shareholder return (%)	Dividend yield (%)	TTM P/E	Current P/B	ROE	Recom-mendation
AVIATION											
ACV	8,834	2.7	4,263	102,000	136,200	33.5%	0.0%	30.7	4.4	18%	ADD
VJC	2,166	4.5	302	100,500	120,100	19.5%	0.0%	45.0	3.2	8%	HOLD
Simple Avg	**5,500**	**3.6**	**2,283**			**26.5%**	**0.0%**	**37.9**	**3.8**	**13%**	
CONSTRUCTION											
CTD	239	3.6	5	60,100	80,200	33.4%	0.0%	20.2	0.7	4%	HOLD
HHV	174	2.1	71	10,100	17,000	68.3%	0.0%	11.3	0.5	4%	ADD
Simple Avg	**206**	**2.8**	**38**			**50.9%**	**0.0%**	**15.7**	**0.6**	**4%**	
CONSUMER											
BAF	173	3.6	80	18,200	26,800	47.3%	0.0%	21.4	1.9	9%	ADD
DGW	372	5.1	88	56,000	68,000	22.3%	0.9%	24.8	3.4	14%	HOLD
MWG	3,624	12.8	112	62,300	72,100	16.6%	0.8%	41.3	3.5	9%	ADD
PNJ	1,272	5.8	0	95,600	114,400	21.5%	1.8%	15.6	3.0	21%	ADD
QNS	679	1.6	239	47,800	62,400	36.7%	6.1%	6.7	1.7	27%	ADD
VHC	612	3.3	420	68,500	68,000	2.0%	2.7%	20.5	1.8	9%	ADD
VNM	6,045	11.8	2,835	72,700	81,000	16.7%	5.3%	17.5	4.4	26%	ADD
Simple Avg	**1,825**	**6.3**	**539**			**23.3%**	**2.5%**	**21.1**	**2.8**	**16%**	
FINANCIALS											
ACB	4,176	11.5	0	23,500	30,300	32.6%	3.6%	6.4	1.4	24%	ADD
BID	10,603	4.4	1,333	46,750	51,600	10.4%	0.0%	11.7	2.1	19%	ADD
CTG	6,527	10.9	248	30,550	39,500	29.3%	0.0%	8.1	1.2	16%	ADD
HDB	2,880	12.1	48	24,850	29,000	16.7%	0.0%	6.0	1.4	27%	ADD
LPB	2,834	22.4	121	27,850	23,700	-14.9%	0.0%	8.4	1.9	26%	ADD
MBB	4,940	18.6	0	23,400	28,400	23.2%	1.8%	5.7	1.2	23%	ADD
SSI	1,837	18.0	1,036	30,600	36,500	22.3%	3.0%	16.2	1.9	12%	HOLD
TCB	6,250	20.0	65	22,300	26,900	20.6%	0.0%	7.3	1.1	17%	ADD
TPB	1,520	6.8	21	17,350	23,600	36.0%	0.0%	8.1	1.1	14%	ADD
VCB	19,412	8.2	1,295	87,300	111,800	28.1%	0.0%	14.6	2.7	20%	ADD
VIB	2,099	7.2	-317	20,800	29,600	48.3%	6.0%	6.9	1.4	21%	ADD
VPB	5,792	20.1	207	18,350	23,700	29.2%	0.0%	12.1	1.1	10%	ADD
Simple Avg	**5,739**	**13.4**	**338**			**23.5%**	**1.2%**	**9.3**	**1.5**	**19%**	
GARMENT & TEXTIILE											
MSH	132	0.5	58	44,100	46,200	10.0%	5.2%	12.6	1.9	16%	HOLD
TCM	186	0.3	55	45,900	42,300	-7.8%	0.0%	37.6	2.3	6%	HOLD
Simple Avg	**159**	**0**	**56**			**1.1%**	**2.6%**	**25.1**	**2.1**	**11%**	
INDUSTRIALS											
BCM	2,924	2.6	1,313	71,000	99,000	40.6%	1.2%	28.2	3.9	15%	ADD

Ticker	Market cap (US$m)	3M ADTV (US$m)	Foreign Room (US$m)	Closing price (VND)	Adjusted target price (VND)	Total shareholder return (%)	Dividend yield (%)	TTM P/E	Current P/B	ROE	Recom-mendation
BMP	374	1.1	57	115,500	126,00	19.8%	10.4%	11.1	3.3	34%	ADD
GMD	951	5.2	5	77,000	90,200	20.5%	3.4%	20.1	2.5	13%	HOLD
HAH	188	9.2	41	38,900	48,000	26.0%	2.6%	15.3	1.7	12%	HOLD
IDC	775	4.6	185	59,000	63,900	12.6%	4.2%	10.6	4.1	38%	ADD
KBC	751	5.5	212	24,600	37,900	54.1%	0.0%	72.3	1.0	1%	ADD
PHR	298	0.9	89	55,200	53,700	2.7%	5.5%	18.3	2.0	13%	ADD
PTB	165	0.8	0	62,100	62,900	2.9%	1.6%	12.7	1.5	12%	HOLD
SCS	310	1.0	17	82,000	95,100	22.1%	6.1%	13.1	6.1	47%	HOLD
SZC	250	2.7	41	34,950	42,700	26.8%	4.6%	21.7	2.1	12%	HOLD
VTP	347	4.6	142	71,700	93,300	32.3%	2.2%	30.9	5.5	18%	HOLD
Simple Avg	**667**	**3.5**	**191**			**23.7%**	**3.8%**	**23.1**	**3.1**	**20%**	
MATERIALS											
DGC	1,602	16.1	472	106,000	143,600	39.8%	4.3%	14.3	3.1	23%	HOLD
HPG	6,693	27.3	1,623	26,300	44,000	67.3%	0.0%	NA	1.5	11%	ADD
HSG	513	12.3	151	20,950	34,000	62.3%	0.0%	NA	1.2	11%	ADD
NKG	217	6.3	76	20,750	35,000	68.7%	0.0%	NA	0.9	7%	ADD
Simple Avg	**2,256**	**15.5**	**580**			**59.5%**	**1.1%**	**14.3**	**1.7**	**13%**	
OIL & GAS											
BSR	2,738	8.8	1,310	22,200	24,700	14.6%	3.3%	8.0	1.2	16%	HOLD
GAS	7,063	4.1	3,295	77,300	84,100	12.7%	3.9%	15.8	2.6	16%	HOLD
PLX	2,376	4.1	45	47,000	47,100	3.4%	3.2%	16.9	2.4	15%	ADD
PVD	583	5.1	191	26,350	36,800	39.7%	0.0%	27.9	1.0	4%	HOLD
PVS	730	8	194	38,400	46,500	23.7%	2.6%	16.9	1.4	8%	HOLD
PVT	388	5.4	134	27,400	32,400	21.9%	3.6%	10.1	1.4	15%	HOLD
Simple Avg	**2,313**	**5.9**	**861**			**19.3%**	**2.8%**	**15.9**	**1.6**	**12%**	
PETROCHEMICALS											
DPM	524	5.2	210	33,650	38,600	20.6%	5.9%	22.1	1.1	5%	HOLD
POWER											
NT2	224	0.7	80	19,550	27,100	46.3%	7.6%	121.8	1.4	1%	HOLD
POW	1,281	8.4	556	13,750	14,800	7.6%	0.0%	30.5	1.0	3%	ADD
Simple Avg	**753**	**4.5**	**318**			**26.9%**	**3.8%**	**76.1**	**1.2**	**2%**	
POWER & PROPERTY											
HDG	347	7.9	117	25,950	35,700	39.5%	1.9%	14.0	1.4	11%	HOLD
PC1	340	5.6	120	27,500	34,700	26.2%	0.0%	33.9	1.6	5%	ADD
REE	1,250	3.5	0	66,700	67,000	1.9%	1.5%	17.5	1.8	10%	ADD
Simple Avg	**646**	**5.7**	**79**			**22.5%**	**1.1%**	**21.8**	**1.6**	**9%**	
PROPERTY											
DXG	370	4.8	121	12,900	22,100	71.3%	0.0%	49.8	0.9	2%	HOLD

Ticker	Market cap (US$m)	3M ADTV (US$m)	Foreign Room (US$m)	Closing price (VND)	Adjusted target price (VND)	Total shareholder return (%)	Dividend yield (%)	TTM P/E	Current P/B	ROE	Recom-mendation
KDH	1,277	4.7	133	35,300	43,800	24.1%	0.0%	49.6	2.1	4%	ADD
NLG	600	4.6	1	39,200	43,900	13.9%	1.9%	37.7	1.6	4%	ADD
VHM	6,029	13.6	2,086	34,800	66,400	93.5%	2.7%	6.5	0.8	13%	ADD
VRE	1,537	8.3	404	17,000	29,600	74.1%	0.0%	8.6	1.0	12%	ADD
Simple Avg	**1,963**	**7.2**	**549**			**55.4%**	**0.9%**	**30.4**	**1.3**	**7%**	
TECHNOLOGY											
FPT	7,019	33.7	268	120,800	136,800	15.0%	1.7%	24.7	6.4	28%	ADD

DISCLAIMER

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