

Market Report

Market Report May 2024: VN-Index may stay in the range of 1,250 – 1,295 in June

VN-Index continued recovering in May 2024 after the adjustment phase and ended the month at 1,261 (+4.3% MoM).

Average daily trading value in May rose to VND 21,896 billion/session (+1.1% MoM). However, for June 2024, TVS Research suggests that market liquidity may decrease as this is the month when the EURO event is taking place. Statistics show that during this period, market liquidity tends to decline significantly.

In May 2024, the VNSML and VNMID outperformed the VN-Index average, with increases of 9.6% MoM and 8.6% MoM, respectively. The main contribution to this increase came from the Tourism & Entertainment (+28.3% MoM) and the Industrial Goods & Services sectors (+13.6% MoM) as funds gradually shifted to mid and small-cap stocks.

By the end of May, ETFs had net sold USD 86 million (+29% MoM). Although the upward trend in the US\$VND exchange rate has been restrained, foreign capital is tending to move to other emerging markets such as India (+9.4 billion USD Ytd).

In June, TVS Research suggests that the VN-Index could sideway in the range of 1,250 – 1,295 as positive and negative factors balance out in the market.

International stock indices	May	% MoM	%YTD
DJI**	38,111	0.1%	1.1%
S&P500**	5,235	3.7%	9.5%
VIX**	14	-7.5%	16.7%
FTSE100**	8,231	1.9%	6.6%
Nikkei	38,488	1.5%	15.0%

VN stock indices	May	%MoM	%YTD
VNI	1,262	4.3%	11.8%
VN30	1,276	2.8%	12.9%
VN MID	1,976	9.1%	14.7%
VN SMALL	1,534	10.1%	12.1%
HNI	243	7.2%	5.2%

Market capitalization	May	%MoM	%YTD
HSX	5,157	4.6%	14.2%
HNX	335	9.1%	9.8%
UPCoM	1,479	13.9%	40.5%
Total	6,971	6.6%	18.7%

Liquidity	May	%MoM	%YTD
HSX	478	16.3%	41.1%
HNX	43	10.3%	20.0%
UPCoM	29	123.1%	103.4%
Total	550	18.8%	41.4%

P/E ratio	May	%MoM	%YTD
Vietnam	15.8	-1.9%	5.3%
Thailand	16.1	-6.9%	-17.0%
Indonesia	21.3	25.3%	23.1%
Malaysia	15.1	-9.6%	0.7%
Singapore	12.2	4.3%	6.1%

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Market Overview

TVS predicts that VN-Index will stay in range in June as there is a lack of supportive infos.

In May 2024, the VN-Index continued its recovery after the adjustment phase, ending the month at 1,261 (+4.3% MoM), accompanied by a slight increase in liquidity to VND 21,896 billion/session (+1.1% MoM).

According to TVS Research's perspective, the VN-Index recovered in May 2024 thanks to negative macroeconomic factors that caused the market to decline in April being temporarily addressed: (1) the upward trend in the USDVND exchange rate was controlled after the SBV intervened by selling USD to commercial banks while narrowing the USD-VND swap to alleviate pressure on the exchange rate, and (2) market liquidity improved with an increase flow from individual investors.

In June 2024, TVS Research believes that the VN-Index will move sideways as balancing factors impact each other:

- **Positive factor:** the USDVND exchange rate is temporarily controlled as the SBV continues to sell USD to curb the exchange rate's rise, and the USD-VND swap is narrowed.

- **Negative factor:** funds from individual investors may decline in June. According to TVS Research's statistics, market liquidity tends to decrease during major sporting events such as the EURO and World Cup, and 2024 may not be an exception.

Figure 1: VN-Index rose to the level of 1,280 in May

VN-Index [pts] and trading volume [VND billion]



Source: Fiinpro, TVS Research

Market liquidity increased slightly in May (+1.1% MoM).

Average daily trading value in May rose to VND 21,896 billion/session (+1.1% MoM). Market liquidity maintained after the VN-Index adjustment shows that the stock market remains the primary investment channel during this period.

However, in June 2024, TVS Research suggests that overall market

liquidity may decrease as this is the month when the EURO event takes place. According to statistics, market liquidity tends to decrease significantly during this period.

Figure 2: Average trading value in May increased slightly after the VN-Index's recovery

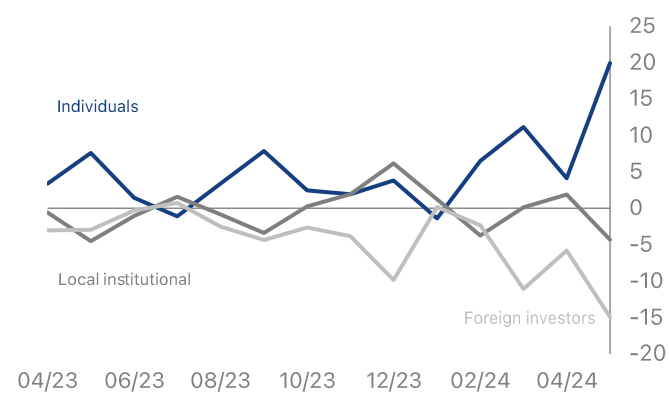
Monthly average trading value of VN-Index 2023-2024 [VND billion]



Source: FiinproX, TVS Research

Figure 3: Individual investors had their strongest net buying month in history

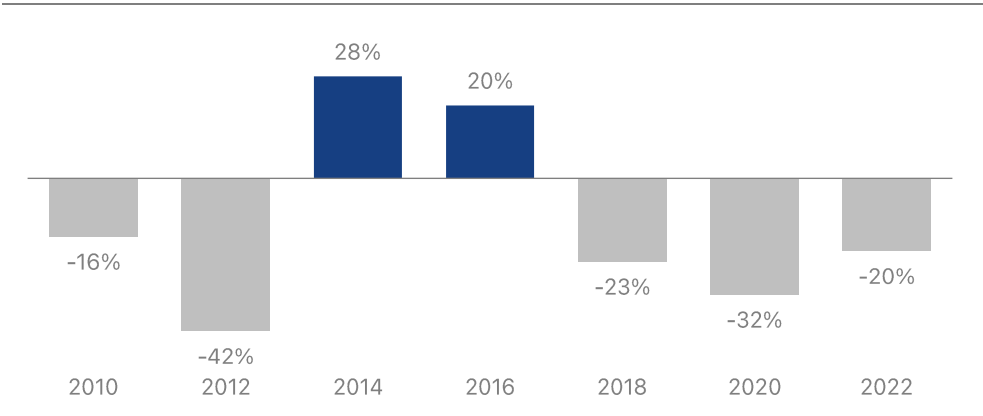
Trading value by investor type [VND trillion]



Source: FiinproX, TVS Research

Figure 4: Market liquidity may significantly decrease in June

Market liquidity fluctuation during the EURO and World Cup [%]



Source: Fiinpro, TVS Research

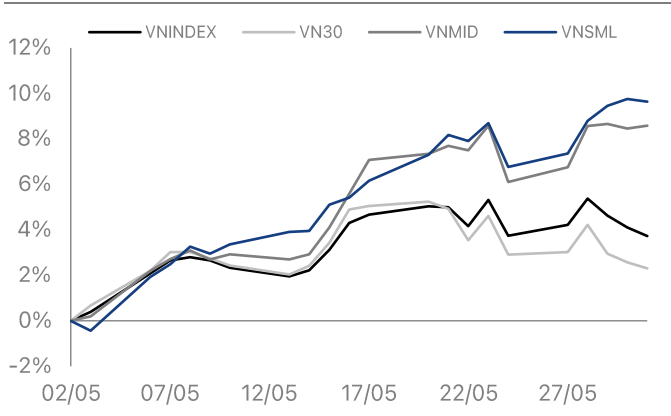
VNSML was the strongest sub-index in May primarily due to airline stocks.

In May 2024, the VNSML and VNMID saw stronger increases than the VN-Index average, at 9.6% MoM and 8.6% MoM, respectively. Main contribution to this increase came from the Tourism & Entertainment (+28.3% MoM) and the Industrial Goods & Services sectors (+13.6% MoM) as funds gradually shifted to mid and small-cap stocks.

Conversely, the VN30 group saw weaker growth compared to the overall VN-Index (+2.3% MoM) as sectors with large market capitalizations such as Banking (+0.1% MoM) or Real Estate (+2% MoM) experienced slight increases or remained unchanged in May.

Figure 5: VNSML is the index with the strongest increase in May

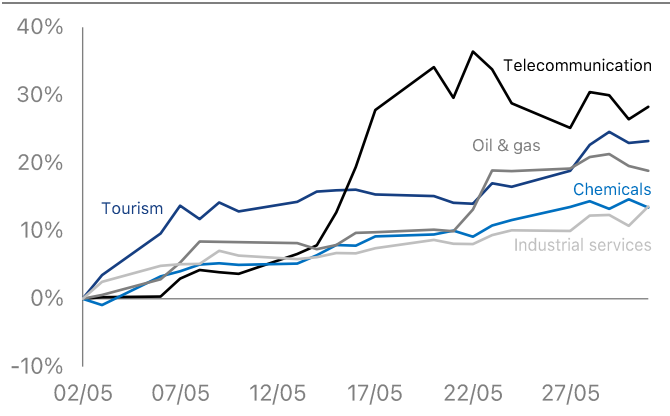
Performance of VN30, VNMID and VNSML [%]



Source: FiinproX, TVS Research

Figure: ... primarily contributed by the Tourism & Entertainment sector's strong increase

Performance of strongest sectors in May [%]



Source: Bloomberg, TVS Research

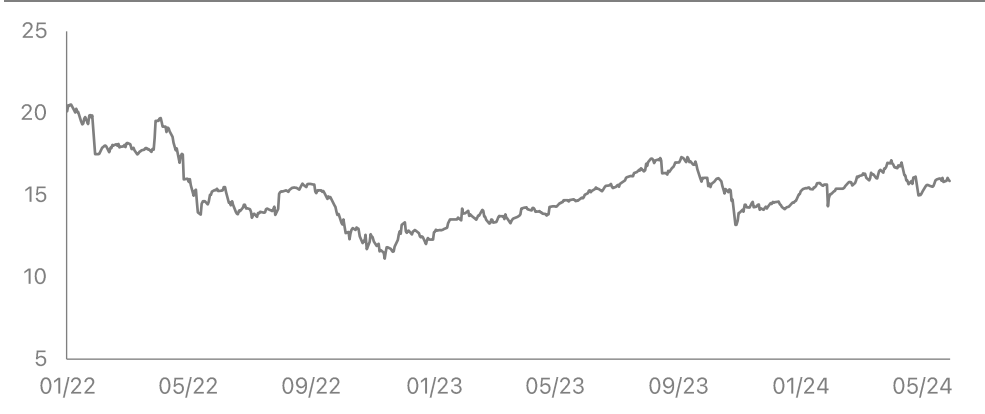
Market Valuation

P/E ratio of VN-Index returned to 16x (+5.5% MoM).

By the end of May, the overall market P/E ratio increased to nearly 16x as the VN-Index made a strong recovery during the month. With the market currently in an information vacuum, we believe that the current P/E level of the market has partly reflected the growth of listed companies on the HSX.

Figure 7: Overall market P/E ratio increased to 16x in May

VN-Index's P/E [pts]



Source: Fiinpro, TVS Research

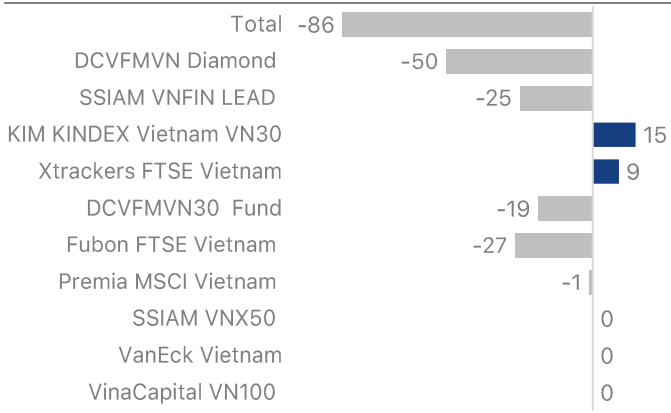
Performance of ETFs, derivatives, and warrants markets

ETFs continued their net selling in May, bringing the total net selling to over USD 450 million Ytd.

As of the end of May, ETFs' net selling reached USD 86 million (+29% MoM). Although the upward trend in the USDVND exchange rate has been restrained, foreign capital is tending to shift to other emerging markets like India (+ USD 9.4 billion Ytd). According to TVS Research, this trend of capital flow shift may continue in the second half of 2024.

Figure 8: ETFs continued to experience significant net selling in May

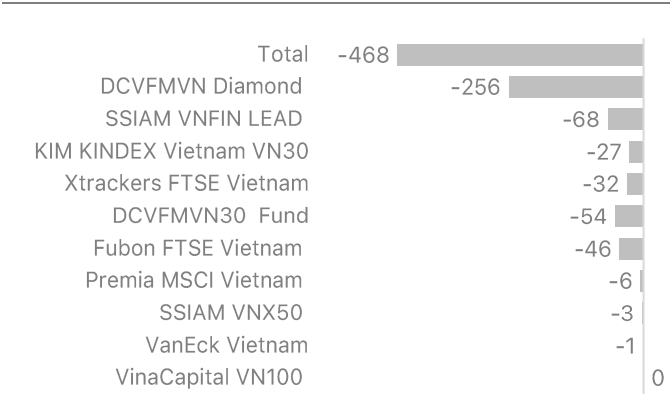
Buying and selling activities of ETFs in May [USD million]



Source: Bloomberg, TVS Research

Figure 9: Fund outflows from VN-Index has reached nearly USD 500 million Ytd

Buying and selling activities of ETFs Ytd [USD million]



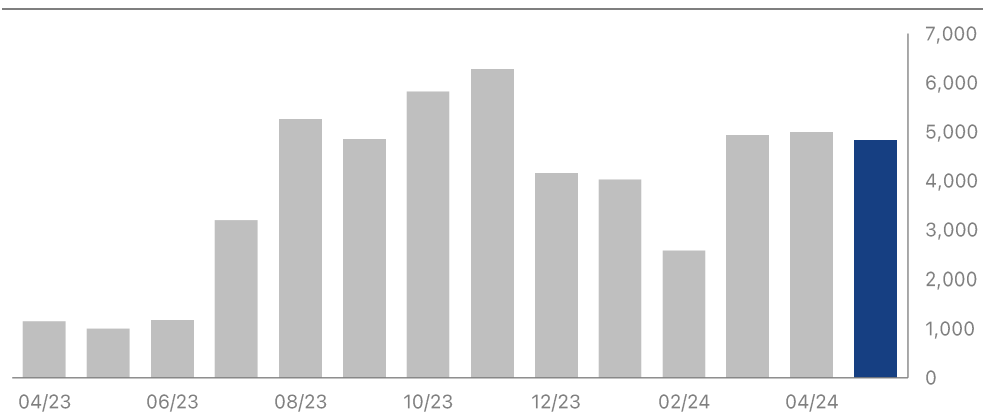
Source: Bloomberg, TVS Research

Trading value on derivatives market remained flat in May.

Trading on the derivatives market remained stagnant in May, with 4.8 million contracts traded. Despite the VN-Index's recovery, trading volume in the market remained flat at the same level for the past three months.

Figure 10: Liquidity in the derivatives market remained flat in May

Number of derivatives contracts traded by month [thousand contracts]



Source: Fiinpro, TVS Research

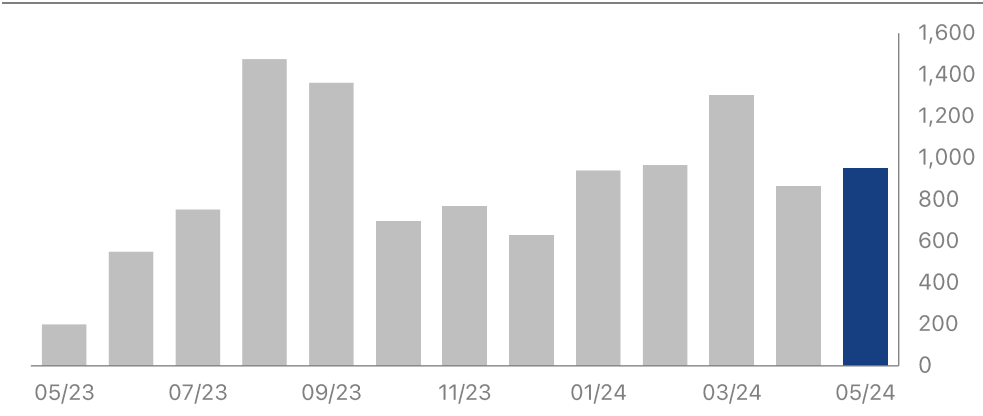


Trading value on warrants market decreased significantly.

Trading value on the warrants market increased slightly in May, reaching VND 951 billion (+10% MoM). The market's upward trend prompted investors to turn to the warrants market to increase their profits.

Figure 11: Trading value in May increased slightly as the equity market recovered

Trading value on warrants market by month [VND billion]

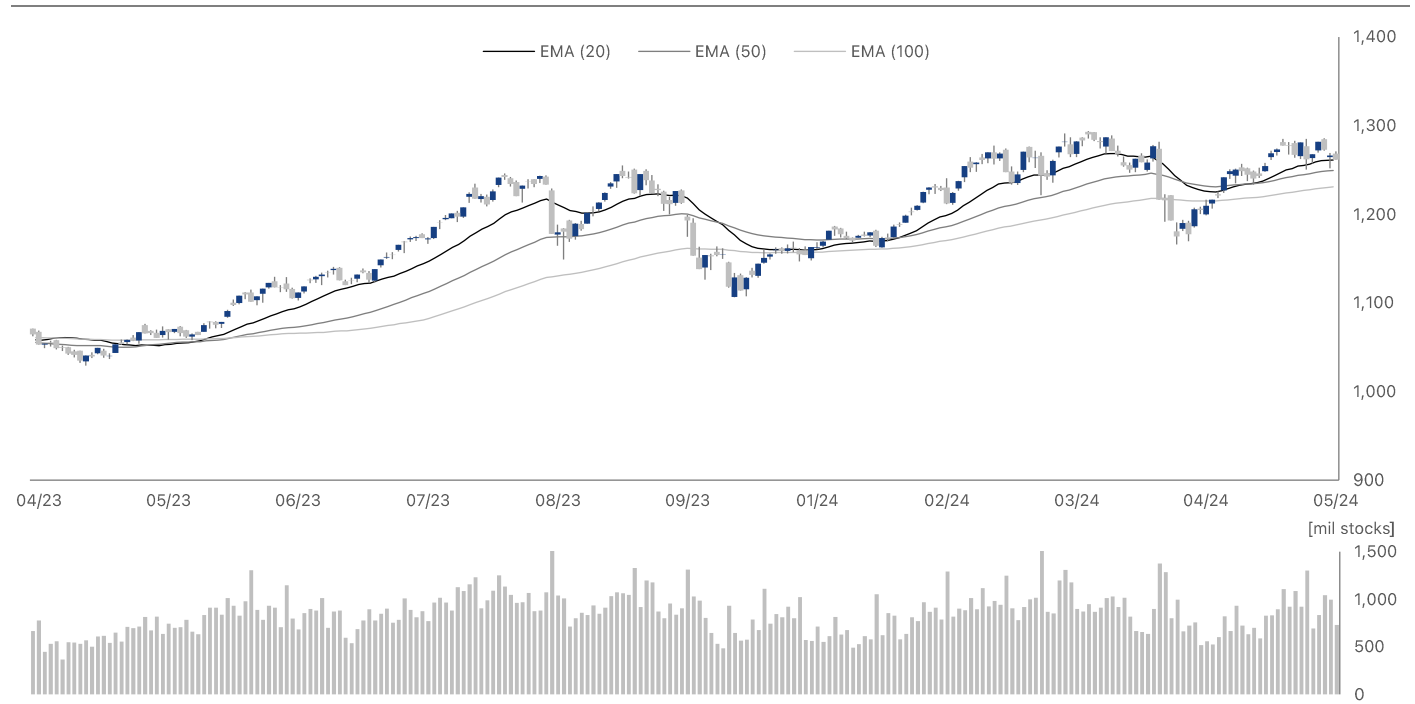


Source: Fiinpro, TVS Research

Technical overview

Figure 12: Technical chart of the VN-Index

Daily technical chart of the VN-Index



Source: Fiinpro, TVS Research

Technical analysis

In May 2024, the market recovered to the resistance zone of 1,280 and then reversed. According to TVS Research, as the VN-Index successfully tested the support zone of 1,250 with increased liquidity, the market will continue to retest the strong resistance at 1,280 before aiming for the old peak at 1,295. TVS believes that the market is unlikely to rise sharply due to the potential decrease in funds from individual investors in June.

Action

According to TVS Research, investors may consider opening new long positions when the market corrects to around 1,250 and take profits when the VN-Index approaches the 1,295 level.



Notable economic events in June

Date	Event	Impact
02/6/2024	China PMI May 2024	Moderate
	Vietnam PMI May 2024	Moderate
06/6/2024	US unemployment rate April 2024	Moderate
	ECB meeting	High
12/6/2024	US CPI May 2024	Moderate
	FOMC meeting	High
16/6/2024	China unemployment rate May 2024	Moderate
20/6/2024	VN30 Index Futures Contract Expiration	High
29/6/2024	Vietnam's economic data June 2024	High

Statistical data on market transactions in May

10 most purchased stocks by investor category [VND billion]

Ticker	Stock exchange	FI purchased	Ticker	Stock exchange	PT purchased	Ticker	Stock exchange	II purchased
MWG	HOSE	1,553	VPB	HOSE	1,049	VHM	HOSE	5,106
MWG	HOSE	1,468	FUESSVFL	HOSE	669	CTG	HOSE	1,652
DBC	HOSE	666	GEX	HOSE	474	FPT	HOSE	1,452
MSB	HOSE	546	VSC	HOSE	469	MSB	HOSE	1,379
HVN	HOSE	500	TDM	HOSE	410	MBB	HOSE	1,090
NLG	HOSE	326	SGT	HOSE	363	HDB	HOSE	1,023
HPG	HOSE	254	NLG	HOSE	317	VCB	HOSE	952
NVL	HOSE	226	HPG	HOSE	309	VND	HOSE	752
KDH	HOSE	206	TCB	HOSE	291	HAH	HOSE	699
PVT	HOSE	144	KBC	HOSE	289	VPB	HOSE	667

10 most sold stocks by investor category [VND billion]

Ticker	Stock exchange	FI sold	Ticker	Stock exchange	PT sold	Ticker	Stock exchange	II sold
VHM	HOSE	-4,778	MSB	HOSE	-1,360	MWG	HOSE	-1,233
CTG	HOSE	-1,719	MWG	HOSE	-1,089	VPB	HOSE	-1,163
VPB	HOSE	-796	FPT	HOSE	-809	NLG	HOSE	-645
VRE	HOSE	-743	HAH	HOSE	-702	HPG	HOSE	-593
FPT	HOSE	-732	MBB	HOSE	-568	DBC	HOSE	-588
HDB	HOSE	-728	ACB	HOSE	-399	VSC	HOSE	-478
FUESSVFL	HOSE	-670	STB	HOSE	-392	HVN	HOSE	-470
VND	HOSE	-635	VHM	HOSE	-332	MWG	HOSE	-462
VCB	HOSE	-620	VCB	HOSE	-323	KDH	HOSE	-452
SSI	HOSE	-591	EVF	HOSE	-313	GEX	HOSE	-423

10 best performing stocks on HSX and HNX

Ticker	Closing price	Price changes 1M	Market cap	Ticker	Closing price	Price changes 1M	Market cap
HVN	27,800	61.2%	61,560	API	10,300	151.2%	866
PSH	7,190	58.7%	907	HMR	38,000	112.3%	213
NHA	29,400	56.8%	1,240	DC2	9,300	86.0%	70
VOS	15,800	49.1%	2,212	CAG	13,400	81.1%	185
PAC	49,000	47.4%	2,277	IDJ	8,200	78.3%	1,423
CCL	10,600	41.3%	632	APS	8,800	63.0%	730
BFC	38,000	39.7%	2,172	TFC	15,500	55.0%	261
VIP	15,500	39.0%	1,061	SRA	4,400	51.7%	190
CMG	60,900	36.4%	11,573	SHE	12,700	49.4%	146
EVG	6,630	35.3%	1,427	VGS	36,700	45.6%	1,955

10 worst performing stocks on HSX and HNX

Ticker	Closing price	Price changes 1M	Market cap	Ticker	Closing price	Price changes 1M	Market cap
TNA	4,710	-20.2%	232	BXH	17,600	-32.0%	53
CLW	33,162	-19.1%	448	CAG	9,200	-31.3%	127
TDH	3,420	-13.4%	385	VE3	8,000	-26.6%	11
TNC	53,000	-12.8%	1,020	KTT	2,800	-26.3%	8
SBG	14,700	-11.4%	368	CAN	39,600	-26.0%	198
SFC	20,200	-10.0%	227	ALT	13,400	-25.1%	77
SJS	62,700	-9.8%	7,141	SGD	9,800	-24.6%	40
VRC	9,710	-9.3%	486	TKG	4,500	-23.7%	28
MCP	27,800	-7.3%	418	VMS	25,500	-22.5%	229
SVI	63,000	-6.6%	808	FID	1,800	-18.2%	44

Note: Market capitalization is in VND billion

List of published reports

Categories	Title	Company/Sector	Date
Company report	2024 annual shareholders meeting	MBB	19/4/2024
Company report	2024 annual shareholders meeting	MWG	16/4/2024
Company report	2024 annual shareholders meeting	FPT	15/4/2024
Company report	2024 annual shareholders meeting	HPG	12/4/2024
Market update	Equity market report March 2024	Market	08/4/2024
Macroeconomic update	Macroeconomics report March 2024	Macroeconomics	08/4/2024
Market update	Equity market report February 2024	Market	07/3/2024
Macroeconomic update	Macroeconomics report February 2024	Macroeconomics	07/3/2024
Market update	Equity market report January 2024	Market	07/2/2024
Macroeconomic update	Macroeconomics report January 2024	Macroeconomics	07/2/2024
Strategy report	Macroeconomic Strategy Report for 2024	Macroeconomics	6/2/2024
Strategy report	Market Strategy Report for 2024	Market	6/2/2024
Strategy report	Investment Strategy report for 2024	Entire market	6/2/2024

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Rating system

Stock ratings are set based on projected total shareholder return (TSR), defined as $(\text{target price} - \text{current price}) / \text{current price} + \text{dividend yield}$. Definitions of equity rating key:

Equity rating key	Definition
BUY	If the projected TSR is higher than 20%
HOLD	If the projected TSR is between -10% and 20%
SELL	If the projected TSR is lower than -10%

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