February 9th 2022

Investment Strategy February 2022

MONEY ROTATION TO FAVOR FUNDAMENTALLY STRONG STOCKS

Divergence come across in Q4 2021 business results of listed companies, we expect money flows to be pickier with orientation on stocks having 2022F solid growth prospect.

After the earning seasons, market remained conservative when liquidity was below VND 30,000 Bn/trading session. From our view, investment cash flow will rotate and diverge between industries/stocks.

For VN30 group, the underperformance of banking stocks reflected its slower YoY growth in 2H2021 (c.12%) versus 1H 2021 with 55% YoY growth. In upcoming times, we expect the improvement of money flows in banking stocks as the state-owned banks's performance to be supported by stories such as dividends and private placement to foreign investors in 1Q22, while the private banks are timed to have positive news and pose outstanding growth from 2Q-3Q/22. Also, we expect recovery of Steel stocks performance as HPG in upcoming times given its sharp decrease from the steel price correction in Q4 2021 while 2022 outlook is fairly positive from the recovery of domestic sales of construction materials. In the meantime, we recognize VN30 as a navigator to carry the market in order to avoid significant drop as it happened in January 2022.

Other companies operating in Retail, Logistics and Export are also expected to attract money flows backed by stores reopening, accelerated global consumer demand and normalization of global supply chains in 2022.

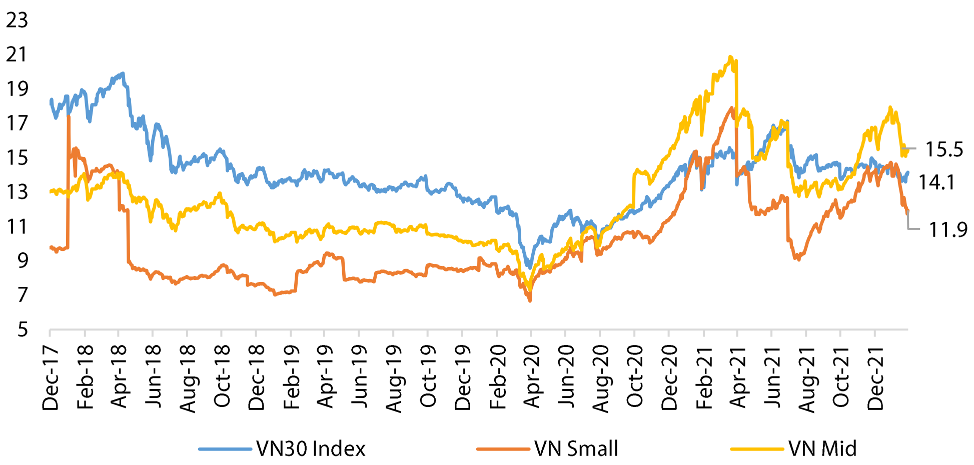
However, fear of inflation may cause the stock market to be volatile.

Although we view inflation to likely remain under control (below 4%), we think it still poses a risk. In the near future, we are concerned about the risk of imported inflation as Vietnam is still dependent on the import (the proportion of imported materials cost over total raw materials cost of the whole economy is 37%, according to the Ministry of Planning and Investment). In which, gasoline costs (accounting of 3.52% production cost) resulting from the Brent oil price rally (c. over 90 USD/barrel – also the highest in the past 8 years, +80% versus beginning of 2021) would drive up input materials cost, causing elevated inflation. Therefore, the movement of oil price is a considerable factor for investors to observe in upcoming times.

VN Index to move in the 1,430 to 1,580 level.

*We expect "Oil and Gas" stocks including **BSR, PLX, GAS** to partly support the VN Index. For banking stocks, private banks also have opportunities as we view the profit growth prospect to become clearer in 2H 2022 given businesses resuming operations under new normal conditions along with the Government's covid support packages. Other sectors including Steel, Retail, Logistics and Export are also noticeable. In general, we expect the VN-Index to fluctuate in the range of **1,430 - 1,580**.*

PE of selected indices during 2017 – Jan 2022



Source: Bloomberg.

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Please see penultimate page for additional important disclosure

CONTENTS

While we hold most of our stocks' position in above model portfolios given high expected total return, we restructure the Portfolio 2 (Supportive policies for the economy) with an inclusion of ***HPG*** *as we expect reopening policies to support construction activities and, thus, construction steel demand in Vietnam after the Tet holiday. Hence, HPG's prospects should improve in late Q1-2022. Also, manufacturing and construction activities are likely to be more vibrant in China, Europe, and North America, leading to higher demand for HRC. Thus, we expect HPG's HRC selling price can recover after the Tet holiday.*

*On the other hand, we believe that investors can still add banking stocks (**TCB, ACB**) as we value the positive developments in the asset quality of these two banks and expect continued improvement in the first half of 2022, driven by their controllable risk appetite and conservative approach and higher customers' financial profile than peers. These are also two of the few banks that have fully provisioned for restructured debt in 2021 in advance of the deadline specified in Circular 14. This will ease the pressure on credit costs in 2022 and lay the foundations for positive growth. ACB and TCB are also among the leading banks in the rising CASA trend, especially in retail segment. Additionally, we expect to see some money rotation from small-cap stocks to larger-cap ones, especially ones that are supported by upbeat Q4-2021 earnings results, in near-term following recent drops of a lot of pennies in parallel with the net buying from institutional investors (brokerages' proprietary trading, foreign investors, and ETFs), which should bode well for large-cap stocks, including banking stocks.*

Additionally, we recommend investors overweighting ***GMD, MSH****, which both experienced price weakness before Tet but are supported by solid earnings growth in 2022.*

Analysis of 56 stocks of Rong Viet Research, discussion with companies and specific evaluation in the "Company Report" or "Analyst Pinboard"

Free money is coming to an end

- Equity volatility has surged in January. Expect stocks to remain 'erratic'.
- Commodity prices are at multi-year highs. They should stay elevated for a while.
- Investors are coming to terms that the end of the era of free money is here.

Equities are off to the worst start of a year since the GFC of 2007-08. The inflation narrative is now dominating central bank actions- except for China where monetary conditions are becoming looser.

Commodity-heavy Latam equities (+4.2%) performed the best while US equities (-9.2%) fell the most (Table 1) so far in 2022. Globally, energy, banks and insurance stocks were up in January while tech/internet underperformed. Within Asia, HK and ASEAN have been the best markets while Korea has lagged the most (Table 2). US equities are still the most exposed to a P/E derating, trading at a 1.4 standard deviation above the 15-year average vs 0.5 for the rest of the world.

Table 1. Equity returns, 2022, USD

Latin America	**+4.2%**
Emerging Markets	-1.7
Asia ex Japan	-1.9
Japan	-3.9
Europe	-6.3
Global Equities	-7.2
Developed Markets	-7.9
Global Small Cap	-8.3
US	-9.2

Note: As of January 27, 2022

Source: Jefferies

Table 2. Asian equity returns, 2022, local currency

	Index	**% change in 2022**
Singapore	STI	**+3.9**
Philippines	PSI	+1.8
Hong Kong	HIS	+0.6
Malaysia	FBMKLCI	+0.1
Indonesia	JCI	Flat
India	Sensex	Flat
Thailand	SET	-1.1
Vietnam	VN Index	-1.3
Taiwan	Taiex	-3.0
Japan	Topix	-6.5
China	A-shares	-7.7
Korea	Kospi	-10.6

Note: As of January 28, 2022

Source: TradingView

With tapering in the bag and the prospect of multiple rate hikes in 2022 in the horizon, we are witnessing bouts of increase in the US 10-year bond yield. Still real yields are significantly negative, indicating that bond yields should rise further. Hence, the real Fed fund rate and 10-year US Treasury yield are still negative at 6.5% and 5.2%. Globally nominal bond yields in the past two months are up in almost every region, except in China (Table 3). In France 10-year yields are now at their highest since April 2019 (Figure 1). More interestingly is that in Asia, two countries with stubbornly high yields, namely Indonesia and India, have also seen an increase. Vietnam's 10-year yield has been fairly stable over the past two months rising by 14 basis points, less than its ASEAN neighbors (Thailand +27, Malaysia +22).

Figure 1. France 10-year government bonds yield

Table 3. 10-year bond yields and change in basis points (sample of countries)

	December 1, 2021	January 28, 2022	Change in bps
UK	0.81%	1.24%	**+43**
US	1.38	1.79	**+41**
India	6.36	6.77	**+41**
France	-0.02	0.36	**+38**
Korea	2.22	2.59	**+37**
Germany	-0.38	-0.05	**+33**
Thailand	1.88	2.15	**+27**
Indonesia	6.21	6.46	**+25**
Malaysia	3.55	3.77	**+22**
Vietnam	2.02	2.16	**+14**
Japan	0.06	0.17	**+11**
China	2.93	2.72	**-21**

Source: TradingView

In the past two years, due to hectic central banks bond buying, investors came to believe that monetary stimulus would pretty much last forever. However, today it is clear that this is not the case and one has to realize that the era of free money is ending. Maybe quicker than some investors had expected. On January 26, the US Fed confirmed the end of its bond-buying program and signaled that rates would move up.

This hawkish shift is the most important among many to have taken place in the world's central banks in recent months. But it has only recently begun to bite in asset markets. As a result, intraday volatility has been rising, reflecting investors' struggle to digest the consequences of tighter money (Figure 2).

Figure 2. Equity volatility (VIX)

Volatility is generally a function of correlation- the tendency of index constituents to rise or fall at the same time- and dispersion – the degree to which stocks prices perform in a similar matter. As both correlation and dispersion rise, volatility will increase. This is what happens, generally, during periods of uncertainty and changing underlying macro conditions, like monetary tightening. In other words: Correlation + Dispersion = Volatility[1].

Commodity prices continue to be strong with the S&P Goldman Sachs Index rising to levels not seen since 2015 (Figure 3). We expect the trend to stabilize but do not foresee a major commodity price collapsed soon. Which brings the issue of 'inflation'.

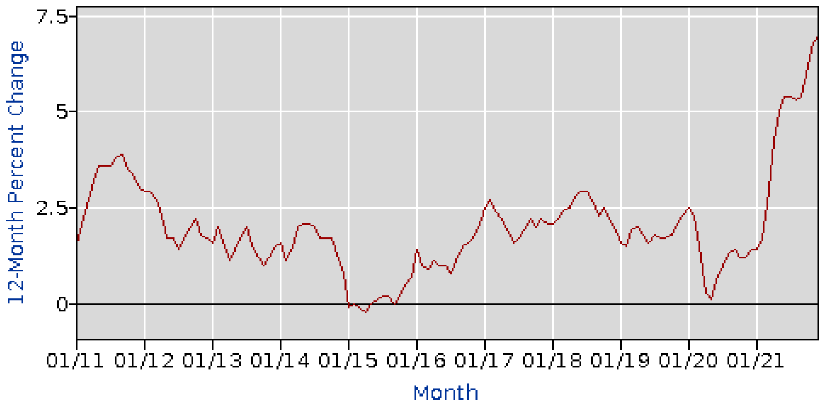
Figure 3. S&P GS Commodity Index

US inflation is now running at around 7% y/y (Figure 4). By large the highest it has been in the last decade. In Europe, scary inflation stories abound. Prices in the Eurozone were up 5% y/y in December. In Germany, to counteract this loss of purchasing power by households, the minimum wage will be raised by 20% starting in October. Other countries in the zone are potentially due to do the same.

[1] *Sincere thank you to Sean Darby of Jefferies for pointing this out.*

But as opposed to the US Fed, the European Central Bank (ECB) has yet to clearly indicate its stance on the current potential monetary policy adjustments, or lack thereof.

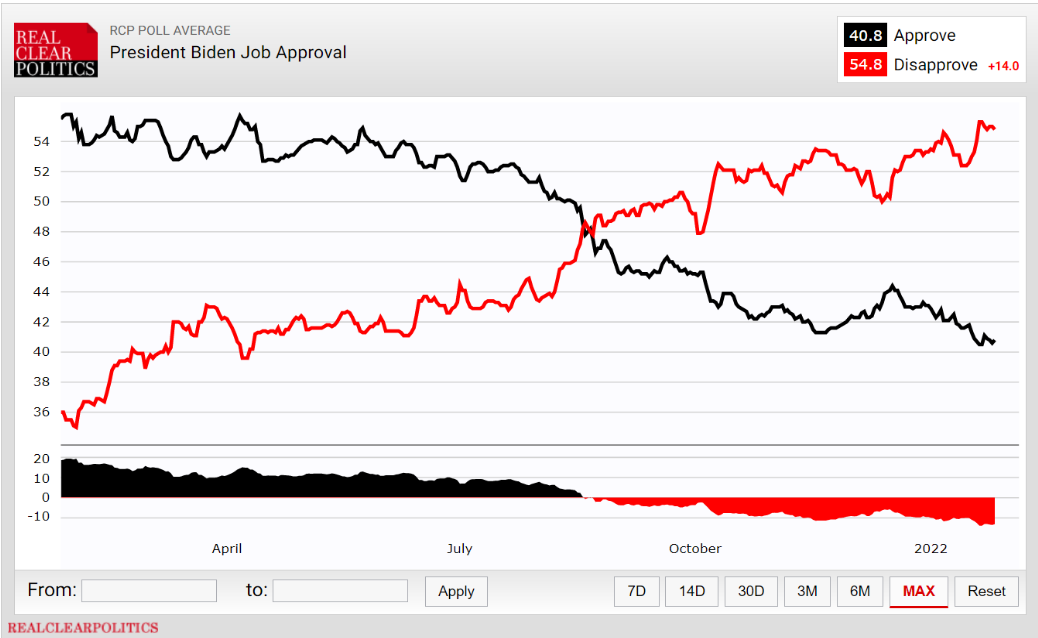
Figure 4. US Consumer Price Index, % y/y



Source: BLS

The inflation situation has clearly been a significant concern for some political leaders around the world as wages have not kept pace. President Biden's approval rating has been affected by the political pressure to do something to rein in rising prices (Figure 5). His approval rating has slumped to barely 40% from above 55% last April.

Figure 5.



Finally a quote from one of a handful of renowned Economists:

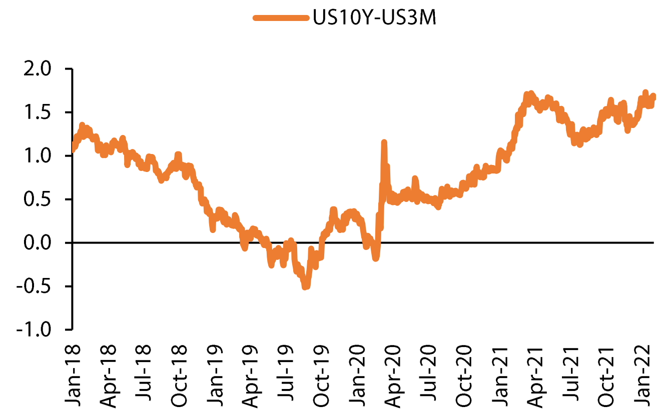
"Well, inflation—it's a monetary problem. No, it's a fiscal problem. No, it's a monopoly problem. It's a labor-market problem. It's a sociological problem. It's a distributional problem. It's a psychological problem. It's a game-theoretic problem. It's a system-theoretic problem. It's an ideological problem. It's a moral problem. It's a political problem."[2]

Bottom line: We expect market volatility to be well bid in the next few weeks until the next Fed meeting in March and the ECB's clarification on where it stands on the inflation front.

[2] *"The Political Economy of Inflation", Fritz Machlup, Cato Journal, Spring 1983*

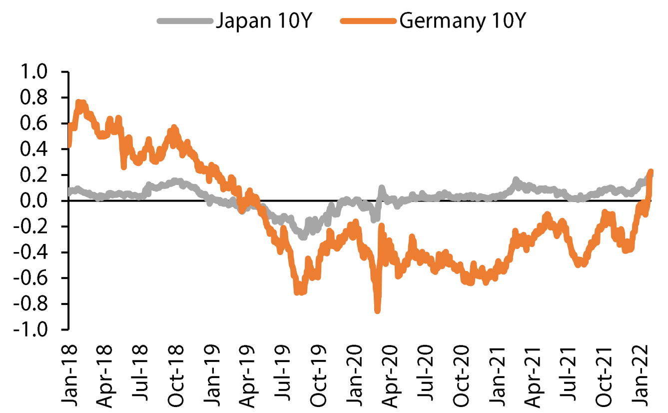
GLOBAL ECONOMIC INDICATORS IN JANUARY

US G-Bond yields gap (%/year)



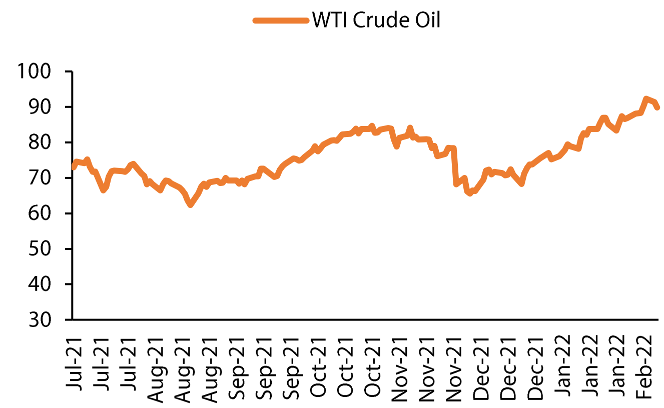
Source: Bloomberg, Rong Viet Securities

Germany and Japan 10Y G-Bond yields (%/year)



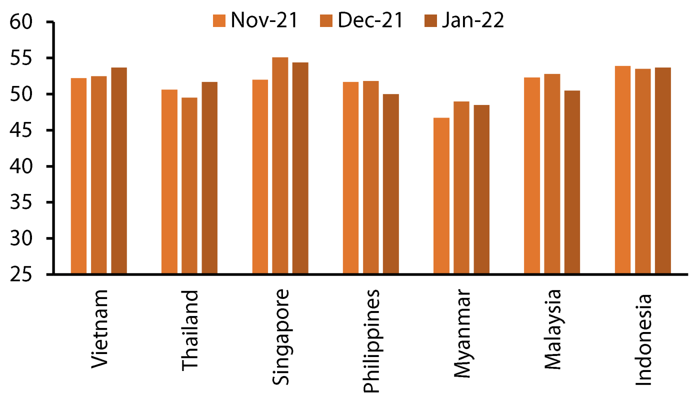
Source: Bloomberg, Rong Viet Securities

WTI crude oil price (USD/barrel)



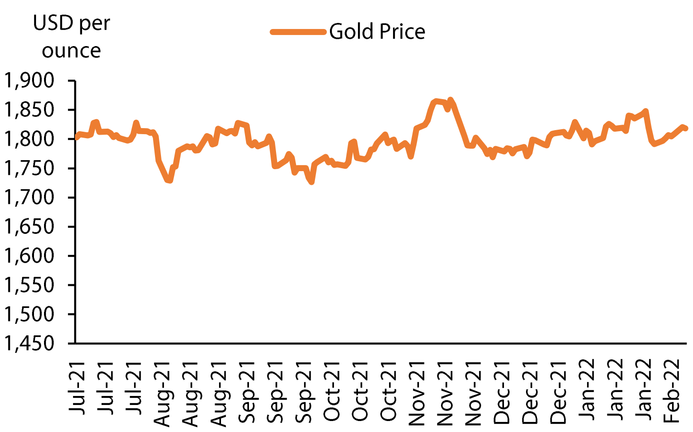
Source: Bloomberg, Rong Viet Securities

ASEAN's PMI



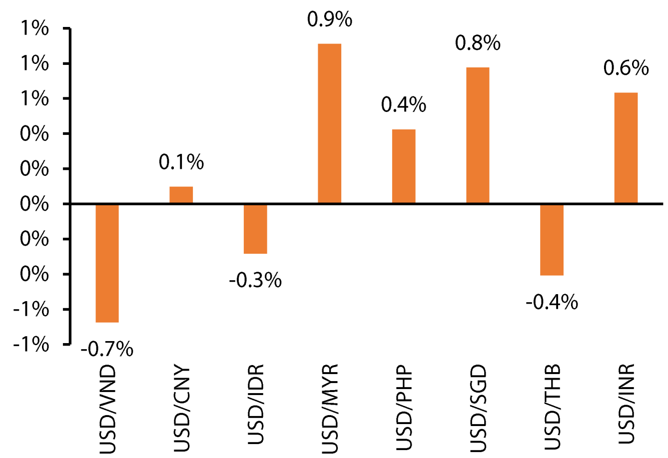
Source: Markit Economics, Rong Viet Securities

Gold prices (US$/ounce)



Source: Bloomberg, Rong Viet Securities

FX rates (%, YTD)



Source: Bloomberg, Rong Viet Securities

VIETNAM MACRO

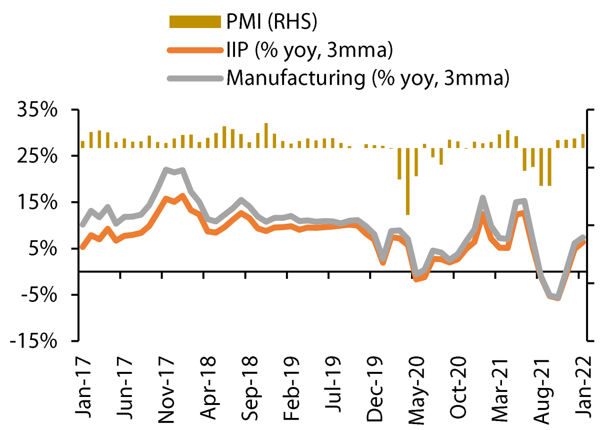
- Vietnam's economy recovering but higher oil prices are a concern
- New support package to boost economic growth post-pandemic

Vietnam's economy recovering but higher oil prices are a concern

Rising industrial production and PMI reflected a continued improvement in manufacturing activities. Vietnam's industrial production expanded by 2.4% yoy (-3.1% mom) in Jan 2022. This is compared to December expansion of 8.7% yoy, yet we believe the softening industrial production index reflected a seasonal slowdown as activities poised to ease before the Lunar New Year period in Jan-Feb. On the other hand, Vietnam's PMI increased by 1.2 points to 53.7 in January 2022, the highest level since Apr 2021. The rise in January's PMI reading was attributed to a stronger increase in output and new orders. Notably, the expansion rate in new orders from aboard was the fastest since November 2018, showing the favorable export environment in the opening month of the year.

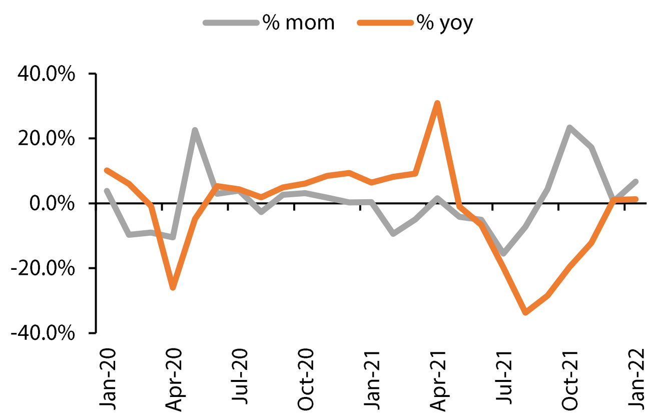
An uptick in retail sales pointed to a gradual recovery environment for Vietnam. In January Vietnam's retail sales expanded by 1.3% yoy after its worst slump in Aug-Dec last year. Across segments, the retail sales index was supported by sales of goods (food (+12.8% yoy) and vehicles (+4.3% yoy). On the flip side, sales of hospitality and tourism services fell by 12.0% and 35.7% yoy, respectively in Jan 2022. For the year ahead, retail sales performance will be supported by a VAT cut from 10% to 8% from February and a gradual recovery of domestic demand.

Figure 6: Vietnam's Industrial production and PMI



Source: GSO, Rong Viet Securities

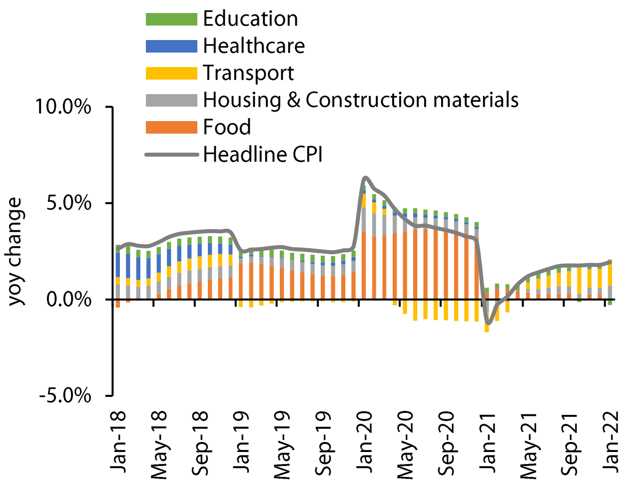
Figure 7: Vietnam's retail sales growth



Source: GSO, Rong Viet Securities

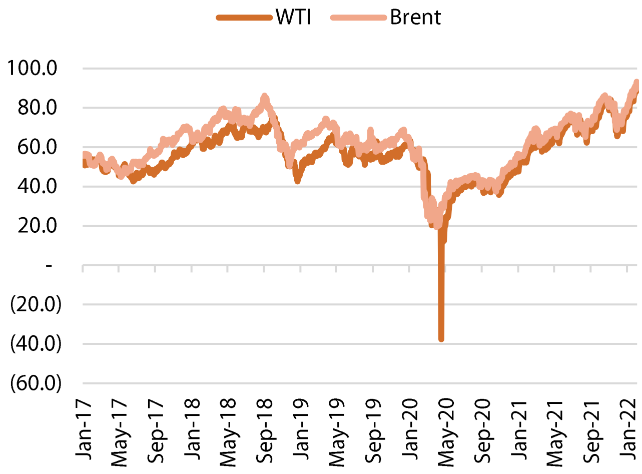
Inflation continued edging higher in January at 1.9% yoy vs. 1.8% yoy a month earlier. On a month-on-month basis, Vietnam's inflation came in at 0.2% in January, following a reading of -0.2% in December. Out of 11 items in the inflation basket by expenditure, January's inflation was triggered by a faster rise in prices of Beverage & Tobacco, Clothing & Footwear, Household Equipment as well as Transportation. The highest expansion is in Transportation at 14.5% yoy and 1.2% mom. Although we expect inflation to remain under control in 2022 at 3.8%, short-term inflation risks remained on the table, given the recent rise in oil prices. Oil prices have continued to see a sharp increase since the beginning of the year with a growth of more than 20% ytd, mainly due to concerns over spare capacity and geopolitical risks related to Russian-Ukrainian tensions. Going ahead, higher oil prices will cast a shadow over the domestic demand and drive-up inflation which might erode economic recovery.

Figure 8: Inflation by key components



Source: GSO, Rong Viet Securities

Figure 9: Global oil prices (US$/barrel)



Source: Bloomberg, Rong Viet Securities

New support package to boost economic growth post-pandemic

After a harsh Covid-19 lockdown, Vietnam's economy recovered at a moderate pace of 5.2% yoy in 4Q21, which was better than a growth of 4.6% yoy in 4Q20 but still lower than pre-pandemic growth of 6.8% yoy seen in 4Q over the 2011-19 period. Although the economy has gradually returned towards normalcy, the emergence of the Omicron variant is another challenge faced by businesses. The latest support package which was approved by the National Assembly at the beginning of 2022 is expected to revive economic growth, support businesses, and households hit by the pandemic.

The stimulus package is worth about VND347 trillion (~4.1% of GDP, US$15.3 bn), including main measures such as value-added tax (VAT) reduction from 10% to 8% (VND49.4 trillion, US$2.1 bn), interest rates compensation package for businesses (VND40 trillion, US$1.7 bn), and about VND135 trillion (US$5.9 bn) of infrastructure investment. Accordingly, the state budget deficit will increase by a total of VND240 trillion (US$10.4 bn) for the 2022-23 period, of which, the budget deficit is likely to expand by VND102.8 trillion in 2022 (1.1% GDP, US$4.5 bn). For this year, we estimate that half of the support package will be spent to support the economy in the form of tax and fee reductions (VND51.4 trillion). The rest (VND51.4 trillion) will be disbursed for infrastructure investment, interest rates compensation package for businesses, and interest rate support/preferential loans for social security and employment.

In our view, the stimulus package could benefit consumer-related and infrastructure-related sectors.

Firstly, the VAT reduction in 2022 covered more products and services[3] than last year's VAT reduction as last year's cut only covered tourism-related sectors such as transportation, accommodation, and catering services. According to the MoF, the amount of tax relief in 2022 is nearly three times the tax cut in 2021, this package also equals 1.0% of the total value of retail sales and goods in 2021. A temporary VAT cut is expected to be the most effective measure as it can be implemented quickly and easily. This measure can provide a short-term boost to the economy by stimulating consumer spending and incentivizing consumers to bring purchases forward to take advantage of temporarily lower prices. However, the effect of the VAT cut might be limited by the degree to which firms are passing on surging input costs to consumers.

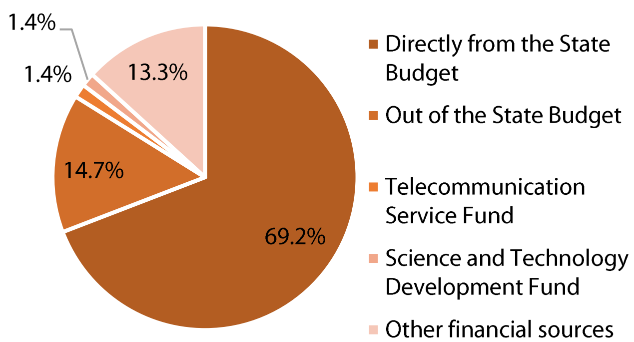
Secondly, a package of VND113.55 trillion (US$4.9 bn) will be given to develop transport infrastructure, IT, digital conversion, landslide prevention, and climate change response. The government also put aside another VND21.15 trillion (US$0.9 bn) from the central budget for development investment in modernizing the healthcare system, regional disease control centers, central-level hospitals, and other public investment projects in 2022-23. As most of the

[3] the exceptions include telecommunications, banking and finance, property development, mining and metallurgy, refinery and petrochemicals, among others.

additional infrastructure spending will be disbursed in 2023, the impact of this additional stimulus would be felt next year. However, the pressure to disburse the public investment budget this year is still tremendous as we estimate the total value of the public investment in 2022 at about VND660 trillion (~8.0% GDP, US$28.7 bn, and up by 53% compared to 2021). The GSO estimates that an additional VND250,000 bn worth of infrastructure capital increases GDP by 0.53 percentage points[4]. Per our estimates, assuming a disbursement rate of 90% in 2022, the public investment disbursement could add 1.25 percentage points to Vietnam's GDP this year.

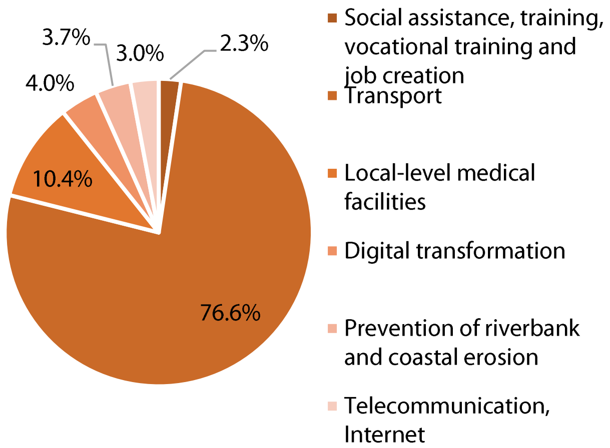
On the other hand, rising inflation may be the result of government stimulus, which is directly linked to demand-pull inflation. As mentioned in the 2022 Strategy Report, we expect 2022 inflation is more transitory caused by a healthy economic recovery. With new stimulus measures, unhealthy inflation could come from the interest rates compensation package of 2%/year worth VND20 trillion/year (US$0.9 bn) over the 2022-23 period. We think this package is limited in both scope and the amount offered to businesses while the impact of this package on inflation might mostly depend on how it can be executed. Until now, we kept the view that this year's inflation would be a more concerning type of cost-push inflation.

Figure 10: The support package by source



Source: National Assembly, Rong Viet Securities

Figure 11: The structure of infrastructure investment package



Source: National Assembly, Rong Viet Securities

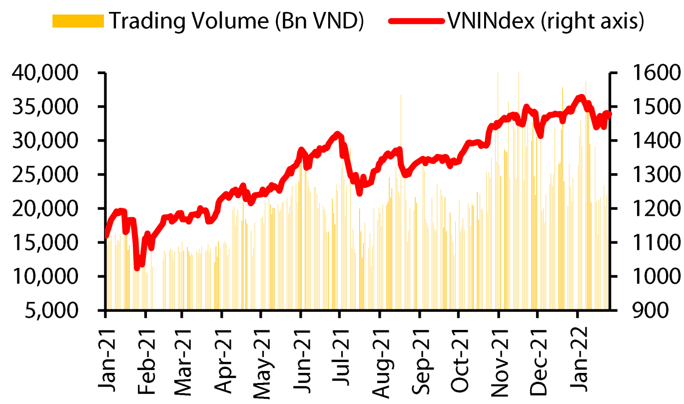
[4] https://baotintuc.vn/kinh-te/du-dia-tao-dong-luc-tang-truong-la-giai-ngan-von-dau-tu-cong-20211007132241847.htm

STOCK MARKET IN JANUARY: CONSERVATIVE SENTIMENT BEFORE TET HOLIDAY

The VN Index corrected this month given the conservativeness of investors before the Tet Holiday, reflecting on the flat liquidity versus December 2021. However, it was not surprising if looking at historical data (e.g., 2020 and 2021). Eventually, the VN Index ended up -2.0% to close at 1,478.96.

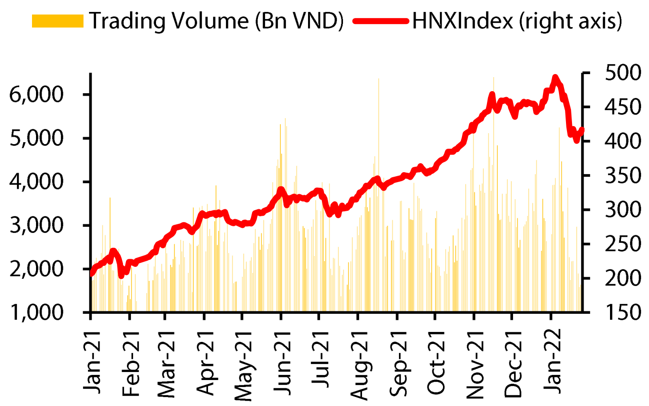
Compared to other markets, the VN Index as done well compared with other indices such as the SET (-0.53%), S&P 500 (-5.26%), Nikkei (-6.22%). The HNX Index dropped more with a 12% MoM loss.

Figure 12: VN Index, January 2021 - January 2022



Source: Fiinpro, Rong Viet Securities

Figure 13: HNX Index, January 2021 - January 2022



Source: Fiinpro, Rong Viet Securities

The average liquidity on HOSE via matching orders was VND 25.6 trillion (or USD 1.1 Bn, +2% MoM). This was mainly attributed by the improvement of liquidity on the VN30 (+7% MoM), which accounted for 35% of the VN Index liquidity (higher than last month). The VNMid experienced a 2% MoM liquidity increase. On the flip side, VN Small cooled down with liquidity and price reduction of 9% and 15% MoM, respectively. The story of private placement opportunity, foreign room expansion along with high growth prospect in Q4 2021 highlighted the rally of banking stocks in the VN30 such as BID (+35% MoM), MBB (+18%).

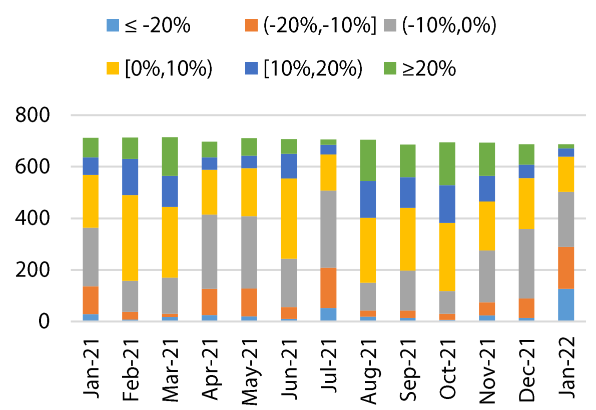
The number of losers went up 40% in January 2022 compared to December 2021, accounting for 73% of total stocks in HOSE and HNX.

Table 4: Performance by market cap in January

	VN30		VNMid		VNSmall	
	ADTV (billion VND)	Price change	ADTV (billion VND)	Price change	ADTV (billion VND)	Price change
November 2021	10,963	0.34%	10,639	13.50%	5,574	8.34%
December 2021	8,448	-0.12%	9,447	7.40%	4,408	4.57%
January 2022	9,001	-0.23%	9,671	-9.30%	4,015	-14.80%

Source: Fiinpro, Rong Viet Securities
ADTV: Average daily trading value

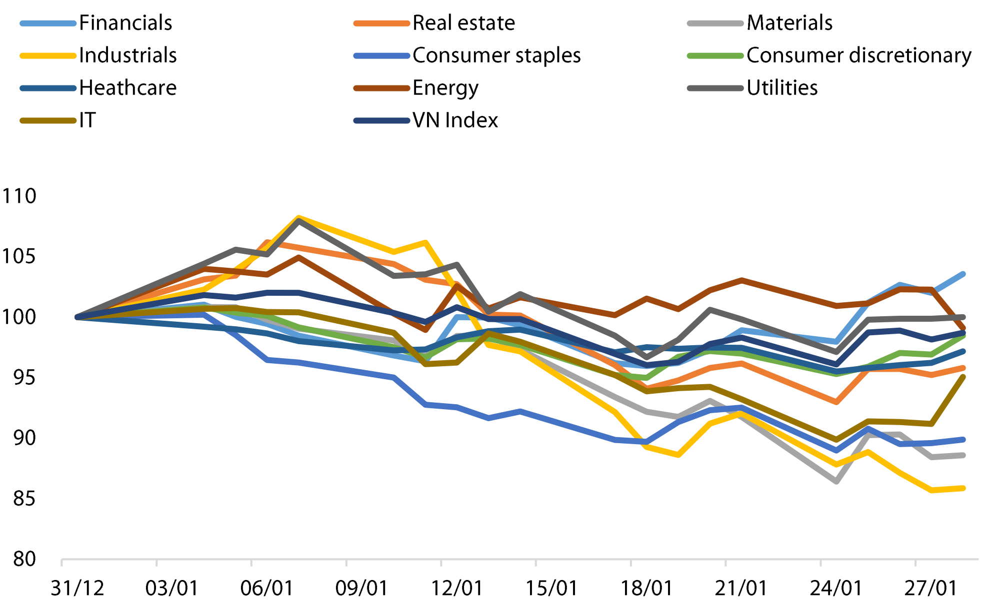
Figure 14: Number of stocks by monthly performance on HOSE and HNX



Source: Fiinpro, Rong Viet Securities

Financials were the only gaining sector with 3.6% MoM return. The sector was driven by banking stocks with noticeable tickers as BID (+35% MoM), MBB (+18%), STB (+17%). Other sectors recorded negative returns from -14% to -1%.

Figure 15: Sector performance in January



Source: Bloomberg, Rong Viet Securities

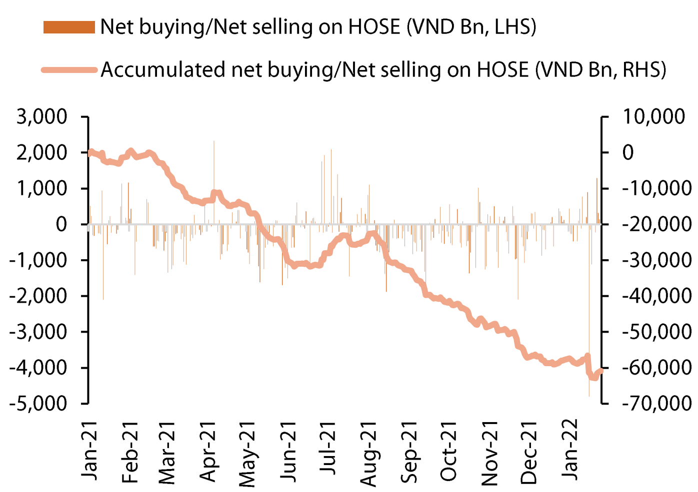
Foreign investors

Foreigners became net buyers in January with net purchase value of VND 2.1 trillion (or USD 91 Mn) via order-matching transaction on HOSE, mainly focused on VHM (VND 1,302 Bn or USD 57 Mn) and STB (VND 585 Bn or USD 25 Mn).

CTG (VND 578 Bn or USD 25 Mn) and DXG (VND 399 Bn or USD 17 Mn) were also tickers attracting foreign investors in January. In contrast, NVL (VND -707 Bn or USD -31 Mn), CII (VND -678 Bn or USD -29 Mn) were noticeably net sold.

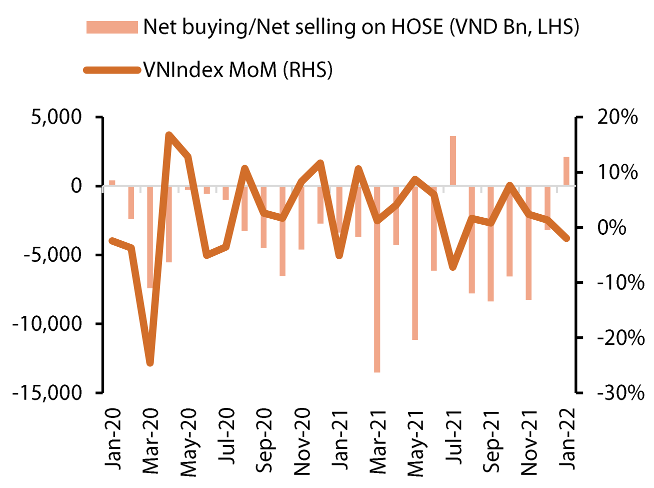
Foreign ETFs money flows result was quite positive as FTSE recorded net inflows of USD 0.9 Mn while VNM ETF was muted. Noticeably, Fubon ETF experienced strong net inflows of USD 73.7 Mn. The negative outcome happened with domestic ETFs money flows when both FUEVFVND and E1VFVN30 recorded net outflows of USD 2.4 Mn and USD 15.3 Mn, respectively.

Figure 16: Total daily net buying/selling by foreigners (Billion VND) in the last 12 months



Source: Fiinpro, Rong Viet Securities

Figure 17: Net buying/selling on HOSE via matching-order transaction versus VN index MoM



Source: Fiinpro, Rong Viet Securities

Table 5: Foreign net trading value by sector on HOSE and HNX

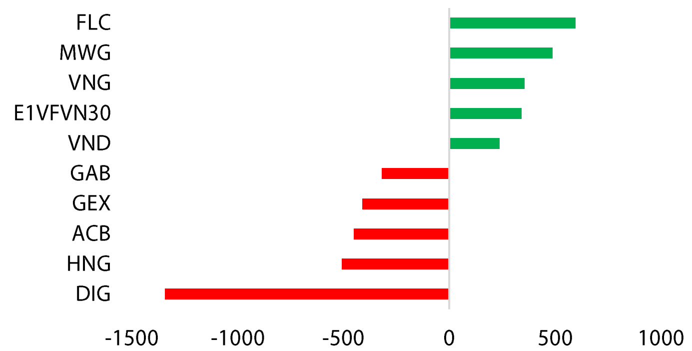
Sector	HSX		HNX	
	Net trading value (billion VND)	Net trading volume (thousand shares)	Net trading value (billion VND)	Net trading volume (thousand shares)
Banks	1,930	54,163	-1	-22
Real Estate	1,043	31,109	-22	-8
Utilities	284	504	-2	-120
Industrial Goods & Services	195	3,874	36	2,734
Financial Services	147	3,026	16	590
Health Care	98	2,722	0	-3
Travel & Leisure	81	2,114	4	334
Automobiles & Parts	63	2,853	1	51
Oil & Gas	47	1,205	222	7,756
Chemicals	8	4,044	3	97
Media	1	-1	0	13
Telecommunication	0	0	1	52
Technology	-18	-251	0	1
Insurance	-25	-619	83	1,759
Retail	-59	-619	3	15
Personal & Household Goods	-87	-1,177	3	149
Construction & Materials	-516	-5,991	-29	-405
Basic Resources	-576	-16,291	0	-25
Food & Beverage	-5,601	-39,679	-4	-16

Source: Fiinpro, Rong Viet Securities

Local institutional investors

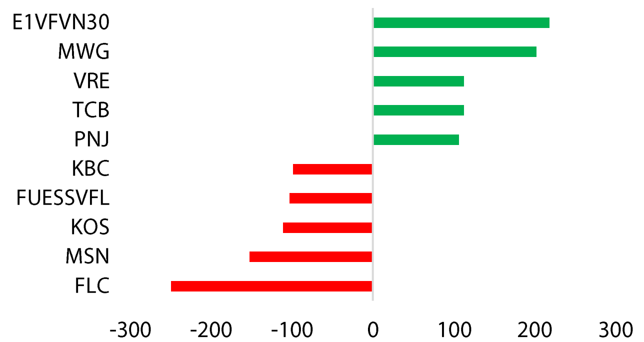
Local institutional investors were net buyers with a small amount of VND 10 billion (or USD 0.4 Mn). Similarly, proprietary traders were also net buyers of VND 802 billion (or USD 35 Mn). Key traded stocks by local institutional investors and proprietary traders are shown below.

Figure 18: Top sold/purchased stocks by local institutions (VND Bn) in January



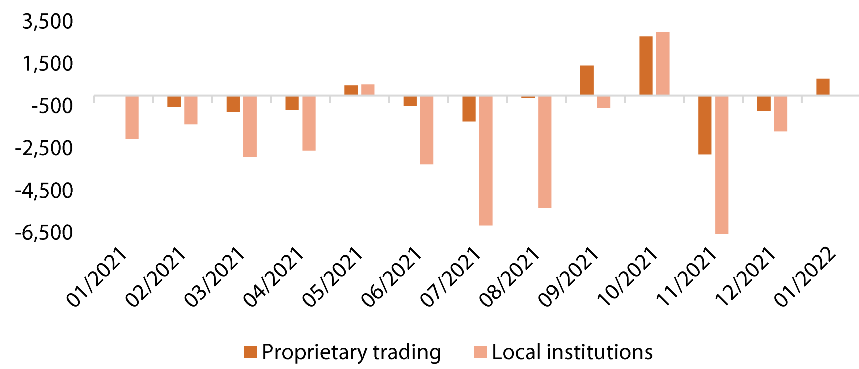
Source: Fiinpro, Rong Viet Securities

Figure 19: Top sold/purchased stocks by proprietary traders (VND Bn) in January



Source: Fiinpro, Rong Viet Securities

Figure 20: Trading activity by local institutional investors (VND Bn)



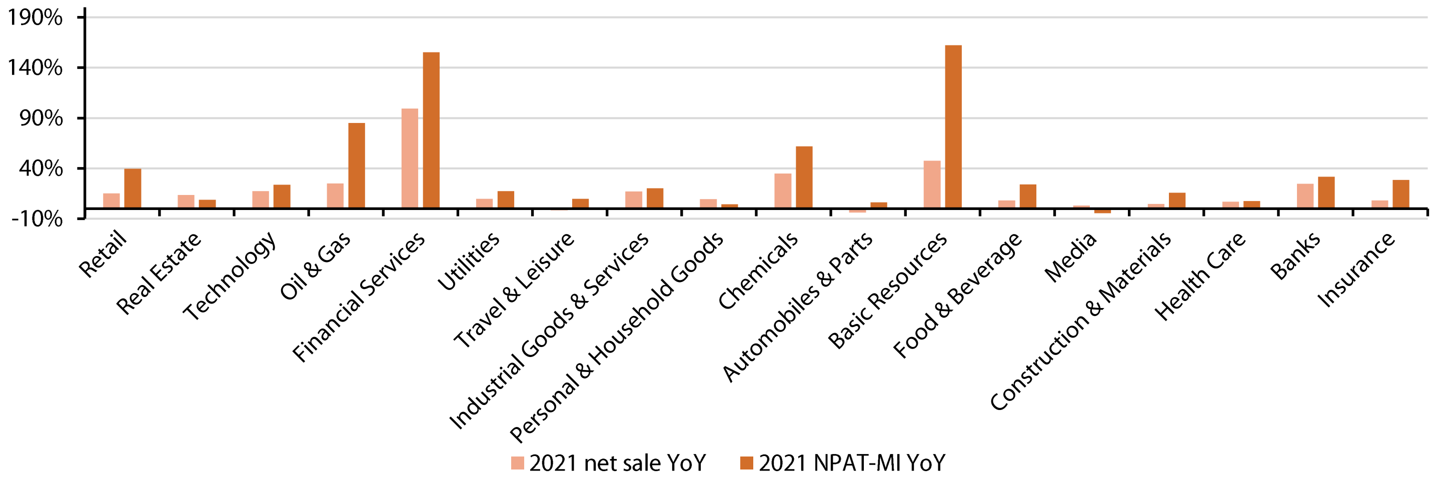
Source: Fiinpro, Rong Viet Securities

Q4 results – Earnings rebounded steadily.

Per data from Fiinpro as of February 07, 2021, there were 424/773 listed companies on HOSE and HNX announcing Q4-2021 business results. Overall, earnings in this quarter rebounded strongly after the stringent social distancing period in Q3-2021 (+15.5% QoQ). Year over year growth was in the double-digit of 12.0%. In which, 15/18 sectors witnessed a growth in NPAT over the last quarter. On year-over-year basis, the picture was fairly similar.

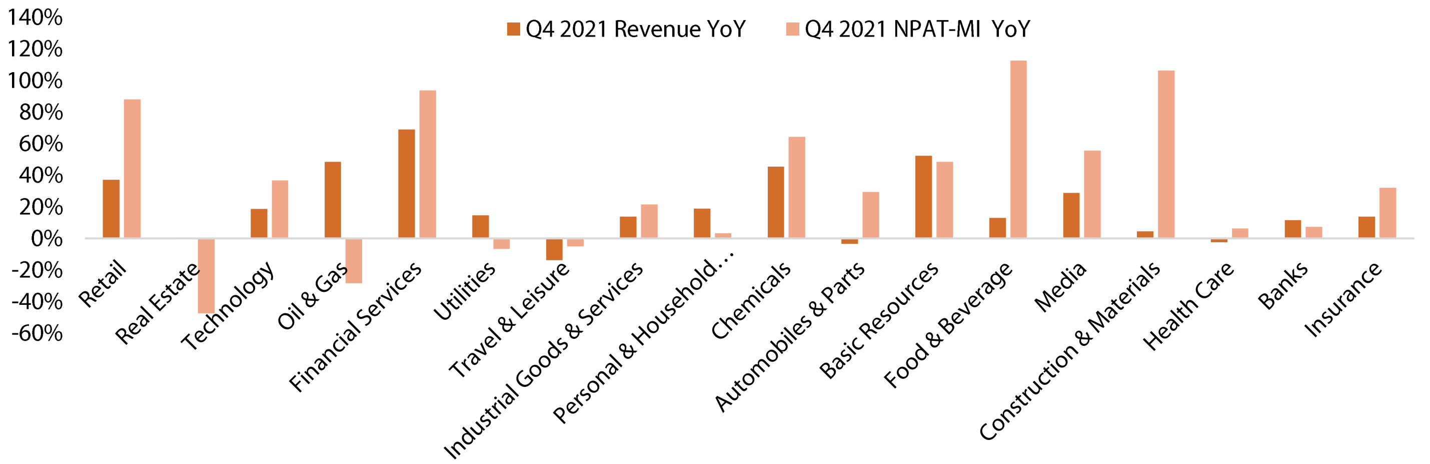
- Leading group in terms of NPAT growth: Retailers, "Personal & Household Goods" strongly benefited from the ease of social distancing policy, enjoying the "back-to-normal" time when stores were opened after being fully closed in Q3-2021 along with the surge in demand of consumers in last quarter of the year. On the other hands, F&B sector solid performance (up 106% QoQ) was strongly supported by MSN (accounting for 55% earnings) from its one-off gains from the divestment of its feed business. Reopening story also uplifted "Oil and Gas" and "Automobiles & Parts" backed by the resumption of energy consumption and transportation demand. One noticeable sector was "Construction & Materials" (+424% QoQ), except for VGC with strong contribution from many sectors as real estate (both residential and industrial parks), we see that other players posted turn-around result thanks to the recovery of its core business after social distancing time.
- On the flip side, "Basic resources" and "Real estate" experiencing the slowdown of its business compared to Q3-2021 (-28% and -32% QoQ, respectively) given the (1) price correction of steel price in Q4 2021, hurting HPG and NKG and (2) Large one-off loss from VIC given its significant investment in electrical cars and related expense to combat Covid-19.

Figure 21: 2021's earning results by sectors on HOSE and HNX



Source: Fiinpro, Rong Viet Securities

Figure 22: Q4's earning results by sectors on HOSE and HNX



Source: Fiinpro, Rong Viet Securities

STOCK MARKET IN FEBRUARY: DIVERGENCE

In February, we expect that the market will have a chance to go upward thanks to money rotation trend to stocks having solid 2022F growth prospect. Along with that, the participation of new foreign funds would be a supporting factor to uplift sentiment. However, we are still concerned over the risk of inflation. In short, we predict VN Index to move in a ***1.430 – 1.580*** *range.*

Divergence come across in Q4 2021 business results of listed companies, we expect money flows to be pickier with orientation on stocks having 2022F solid growth prospect.

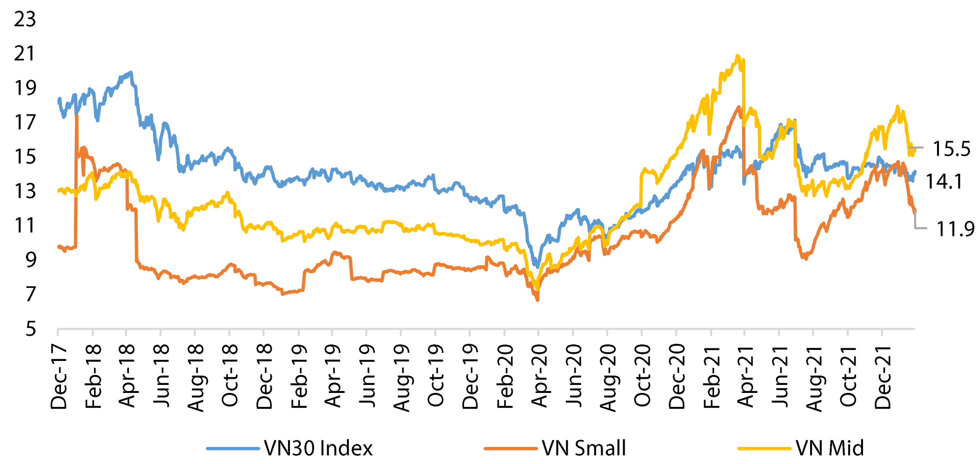
After the earning seasons, market remained conservative when liquidity was below VND 30,000 Bn/trading session. From our view, investment cash flow will rotate and diverge between industries/stocks.

For VN30 group, the underperformance of banking stocks reflected its slower YoY growth in 2H2021 (c.12%) versus 1H 2021 with 55% YoY growth. In upcoming times, we expect the improvement of money flows in banking stocks as the state-owned banks's performance to be supported by stories such as dividends and private placement to foreign investors in 1Q22, while the private banks are timed to have positive news and pose outstanding growth from 2Q-3Q/22. Also, we expect recovery of Steel stocks performance as HPG in upcoming times given its sharp decrease from the steel price correction in Q4 2021 while 2022 outlook is fairly positive from the recovery of domestic sales of construction materials. For Real estate, we expect on the clearer recovery of VRE in 2022 given the lift of social distancing period in Q4 2021. In the meantime, we recognize VN30 as a navigator to carry the market in order to avoid significant drop as it happened in January 2022.

Other companies operating in Retail, Logistics and Export are also expected to attract money flows backed by stores reopening, accelerated global consumer demand and normalization of global supply chains in 2022.

In 2021 and as current, F0 investors dominated the market (accounting for 87% of the trading value, comparing to the 72% in period before the Covid-19) driving up valuation of mid and small-cap stocks rapidly and exceeded both short-term and long-term valuation. However, these stocks quickly faced profit taking pressure when business performance in Q4 2021 remained sluggish (Figure 23). Therefore, we foresee further correction if there is no improvement over fundamental prospect in upcoming times.

Figure 23: PE of selected indices during 2017 – Jan 2022



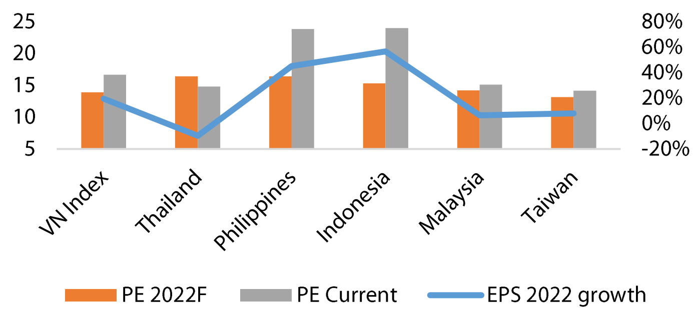
Source: Bloomberg

…Along with that, the participation of new foreign funds is expected to kick off the market sentiment.

Vietnam stock market welcomed new fund - Jih Sun Vietnam Opportunity Fund (size of VND 5,000 Bn) with the start date of disbursement from late of January 2022, mainly on large-cap stocks (e.g., HPG, VHM…). We believe that the high EPS 2022F growth of approx. 20% (according to Bloomberg) and attractive PE 2022F (c.14 times) of VN Index compared to regional peers is a determined factor attracting new foreign investors (Jih Sun as latest) in upcoming times (Figure 24). In addition, the fact that ETF capital flows from funds like Fubon started to have a clear reversal in January, seeing foreign investors' cash flow have more positive changes (Figure 25).

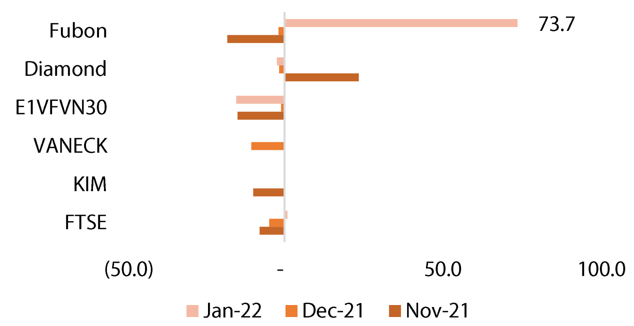
Although the proportion of foreign trading value is not large given the domination of retail investors, we see this money flow as a catalyst for the abundant cash flow available.

Figure 24: VN Index and peers (LHS: PE, RHS: % EPS growth)



Source: Bloomberg

Figure 25: ETF fund flows in the last three months (USD Mn)



Source: Bloomberg

However, fear of inflation may cause the stock market to be volatile.

Although we view inflation to likely remain under control (below 4%), we think it still poses a risk. In the near future, we are concerned about the risk of imported inflation as Vietnam is still dependent on the import (the proportion of imported materials cost over total raw materials cost of the whole economy is 37%, according to the Ministry of Planning and Investment). In which, gasoline costs (accounting of 3.52% production cost) resulting from the Brent oil price rally (c. over 90 USD/barrel – also the highest in the past 8 years, +80% versus beginning of 2021) would drive up input materials cost, causing elevated inflation. Therefore, the movement of oil price is a considerable factor for investors to observe in upcoming times.

VN Index to move in the 1,430 to 1,580 level.

We expect "Oil and Gas" stocks including BSR, PLX, GAS given the rally of oil price to partly support the VN Index. For banking stocks, private banks also have opportunities as we view the profit growth prospect to become clearer in 2H 2022 given businesses resuming operations under new normal conditions along with the Government's covid support packages. Other sectors including Steel, Retail, Logistics and Export are also noticeable. In general, we expect the VN-Index to fluctuate in the range of **1,430 - 1,580.**

Money rotation to favor fundamentally strong stocks

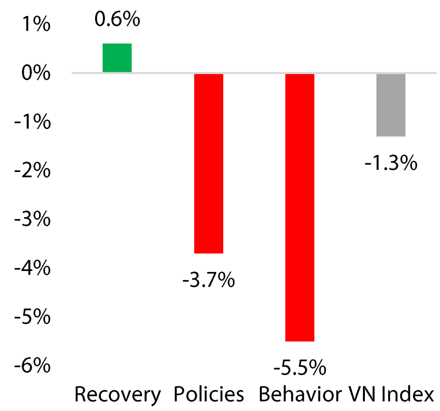
In the 2022 Strategy Report, we introduced three investment themes with high expectations for following trends of (1) Economy recovery, (2) Supportive policies, and (3) Changes in behavior of consumers as well as corporations. These themes are corresponding to three portfolios as shown in Table 6. While recommended stocks in Portfolio 1 are largely diversified into Banks, Consumers, Logistics, Exporters, Portfolios 2 and 3 are rather respectively concentrated in Real estate, and Consumers & Technology sectors. With stocks are roughly equally weighted at inception as of Dec 31st 2021, Portfolios' performance as of Jan 28th 2022 are as follows:

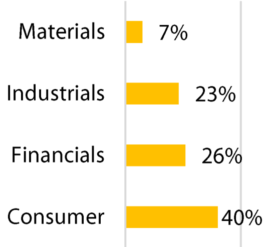
Table 6: Model portfolios' industry weight and YTD performance (benchmarked against VN Index)

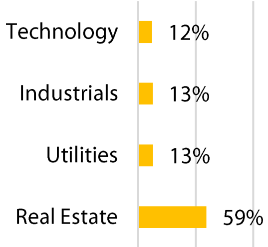
Economy Recovery (Portfolio 1)		
Stock	Weight	Return
MBB	9.4%	16.6%
PNJ	8.3%	8.1%
TCB	8.4%	5.6%
BMP	7.9%	2.7%
MSH	7.9%	0.6%
ACB	8.2%	0.1%
SCS	7.9%	-0.3%
FMC	7.9%	-3.3%
MWG	7.9%	-2.5%
VHC	8.0%	-2.9%
STK	7.4%	-6.0%
GMD	7.3%	-9.1%
Cash	3.6%	n.a
Total	**100.0%**	**0.7%**

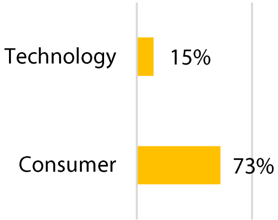
Supportive Policies (Portfolio 2)		
Stock	Weight	Return
PHR	13.8%	10.0%
ACV	12.6%	3.5%
REE	12.9%	-0.1%
KDH	12.4%	-2.0%
FPT	12.1%	-3.8%
LHG	11.9%	-6.0%
HDG	11.4%	-8.3%
NLG	9.8%	-22.1%
Cash	3.1%	n.a
Total	**100%**	**-3.7%**

Changes in Behavior (Portfolio 3)		
Stock	Weight	Return
QNS	26.1%	-0.4%
MWG	25.2%	-2.5%
FPT	24.6%	-3.8%
MSN	21.2%	-16.4%
Cash	2.9%	n.a
Total	**100%**	**-5.5%**









Source: Rong Viet Securities, data as of Jan 28th 2022

As Vietnam's reopening is on track with our expectation, model portfolio 1 posted the highest monthly return, outperforming VN Index in January, primarily driven by banks and consumer stocks respectively on the back of high expectations for surprise Q4-2021 earnings and seasonal effect before Tet. Meanwhile, negative market sentiment in most of January induced from the downturn of highly speculative stocks, including Real estate which is also one of our main holdings in 2022, sequentially dragging return of model portfolio 2. Lastly, the unexpected drop of MSN, despite surprising financial earnings from the divestment, caused the model portfolio 3 underperform the benchmark in January.

While we hold most of our stocks' position in above model portfolios given high expected total return (Table 7), we restructure the Portfolio 2 with an inclusion of HPG as we expect reopening policies to support construction activities and, thus, construction steel demand in Vietnam after the Tet holiday. Hence, HPG's prospects should improve in late Q1-2022. Also, manufacturing and construction activities are likely to be more vibrant in China, Europe, and North America, leading to higher demand for HRC. Thus, we expect HPG's HRC selling price can recover after the Tet holiday.

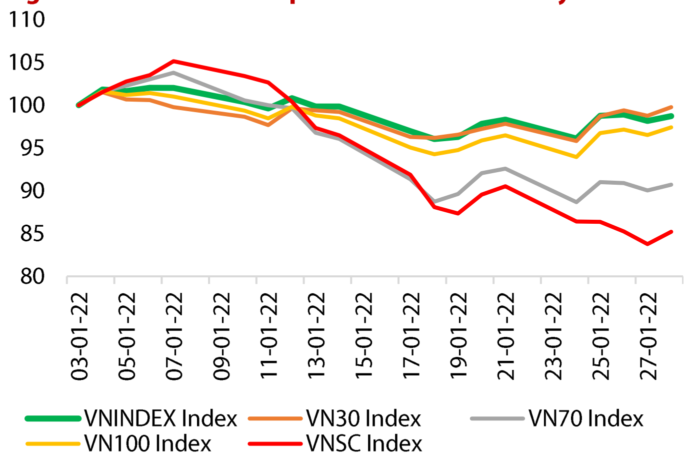
Table 7: Recommended stocks in model portfolios

Theme	Ticker	Target price (VND)	Current price* (VND)	Expected return	Q4-2021 +/- Rev. (%)	Q4-2021 +/- NPAT (%)	2021 +/- Rev. (%)	2021 +/- NPAT (%)	2022F +/- Rev. (%)	2022F +/- NPAT (%)	PER 2021 (x)	PER 2022F (x)	PBR Cur. (x)
Economic Recovery	TCB	71,000	52,800	34%	30.9	16.2	37.1	46.4	23.6	26.9	10.3	8.1	2.0
	GMD	55,700	43,000	32%	47.8	367.4	23.0	63.0	-1.1	31.9	21.4	16.2	2.2
	STK	67,500	53,200	30%	-12.7	10.5	15.6	93.5	30.2	29.2	13.0	10.1	2.9
	VHC	75,700	61,000	27%	38.5	197.1	28.7	53.1	13.6	9.4	10.1	9.2	1.9
	FMC	61,000	50,300	26%	19.5	63.7	17.8	18.2	13.8	19.4	12.3	10.3	1.8
	MWG	163,500	132,500	25%	32.9	65.9	13.3	25.0	22.1	38.8	19.3	13.9	5.1
	ACB	42,000	34,550	24%	14.9	-4.8	29.8	25.0	17.3	29.5	9.7	7.5	2.1
	MSH	90,000	79,600	19%	53.3	61.6	24.4	90.8	16.0	17.3	9.0	7.7	2.6
	MBB	38,500	33,700	14%	31.1	82.6	35.0	53.7	20.5	38.7	10.0	7.2	1.9
	SCS	173,400	159,500	14%	33.4	24.3	21.6	22.4	18.2	30.2	14.2	10.9	6.9
	BMP	67,000	61,500	11%	9.2	3.1	-2.8	-59.0	37.4	66.0	23.5	14.1	2.2
	PNJ	111,500	104,000	9%	21.5	7.1	12.0	-3.4	5.3	21.7	22.9	18.8	3.9
Supportive legal policies	FPT	118,400	89,500	35%	23.5	32.4	19.5	22.5	23.2	29.4	18.7	14.5	4.5
	HPG	56,000	42,200	34%	73.4	60.1	66.1	156.3	-0.9	-5.5	5.5	5.8	2.2
	LHG	62,300	49,800	29%	-65.3	-63.2	21.4	47.7	16.0	25.6	8.5	6.7	1.7
	NLG	62,100	50,000	27%	381.3	-42.4	134.8	28.2	-2.7	0.0	17.9	17.9	2.1
	REE	84,300	69,000	22%	14.0	22.0	3.0	14.0	92.7	14.0	11.5	10.1	1.6
	ACV**	100,400	87,000	15%	-42.0	-156.0	-38.4	-90.8	99.2	1,471.2	1,245.9	79.3	5.0
	HDG	69,310	61,000	15%	18.8	155.3	-23.1	11.3	11.2	42.4	11.0	7.7	3.4
	KDH	56,000	50,000	12%	-54.3	8.2	-17.5	4.4	4.7	31.0	26.7	20.4	3.2
	PHR	74,400	78,400	-1%	-11.1	-37.5	-27.4	-64.7	89.3	218.5	27.8	8.7	3.6
Behavioral changes	QNS	65,000	48,000	42%	11.8	-2.6	13.0	17.9	23.9	25.4	13.8	11.0	2.2
	FPT	118,400	89,500	35%	23.5	32.4	19.5	22.5	23.2	29.4	18.7	14.5	4.5
	MWG	163,500	132,500	25%	32.9	65.9	13.3	25.0	22.1	38.8	19.3	13.9	5.1
	MSN	175,000	143,000	23%	10.3	2,329.0	14.8	593.9	-2.1	-44.4	19.7	35.5	5.1

*Source: Fiinpro, Bloomberg, Rong Viet Securities; * Data as of Jan 28th, 2022; ** Figure for Q4-2021 and 2021 are expected*

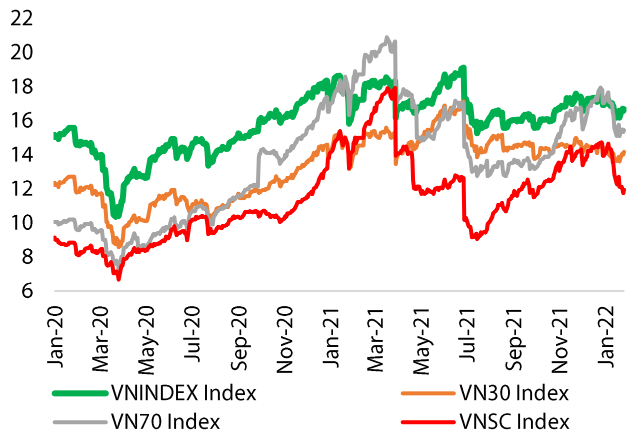
On the other hand, we believe that investors can still add banking stocks (TCB, ACB) as we value the positive developments in the asset quality of these two banks and expect continued improvement in the first half of 2022, driven by their controllable risk appetite and conservative approach and higher customers' financial profile than peers. These are also two of the few banks that have fully provisioned for restructured debt in 2021 in advance of the deadline specified in Circular 14. This will ease the pressure on credit costs in 2022 and lay the foundations for positive growth. ACB and TCB are also among the leading banks in the rising CASA trend, especially in retail segment. Additionally, we expect to see some money rotation from small-cap stocks to larger-cap ones, especially ones that are supported by upbeat Q4-2021 earnings results, in near-term following recent drops of a lot of pennies in parallel with the net buying from institutional investors (brokerages' proprietary trading, foreign investors, and ETFs), which should bode well for large-cap stocks, including banking stocks. Additionally, we recommend investors overweighting GMD, MSH, which both experienced price weakness before Tet but are supported by solid earnings growth in 2022.

Figure 26: HOSE Indices performance in January



Source: Bloomberg, Rong Viet Securities

Figure 27: HOSE Indices P/E valuation



Source: Bloomberg, Rong Viet Securities

Table 8: February 2022 recommendation list

Stock	TP (VND)	Expected return	NPAT YoY %		P/E		P/B	Rationales
			2021	2022F	2021	2022F		
HPG	56,000	34%	156.3	-5.5	5.5	5.8	2.2	▪ HPG's Q4 NPAT was relatively low compared to our expectations as it was only 7,400 billion dong, equivalent to ~70% of the forecast. Although sales volume increased by about 24% QoQ, NPAT decreased by 28.5% QoQ. In which, net profit margin dropped sharply from 26.8% in Q3 to 16.4% in Q4. According to IR, the main reason comes from the sudden increase in coal prices to the price range of 300-400 USD/ton in the period from August to November 2021. This is contrary to our expectation that the company has stockpiled coal (usually enough for three months) in the July-to-September-2021 period when the price was at 200-280 USD/ton. ▪ We think HPG's prospects improve late-1Q as the demand will be stronger due to favorable weather for construction activities in Vietnam and China and the high demand after the Tet holiday. The recovery in the domestic market will support the construction steel segment's performance. Meanwhile, manufacturing and construction activities are likely to be more vibrant in China, Europe, and North America, leading to higher demand for HRC. Thus, we expect HPG's HRC selling price can recover after the Tet holiday.
TCB	71,000	34%	46.4	26.9	10.3	8.1	2.0	▪ TCB's results are relatively in line with our forecast in terms of revenue and profit growth. Efficiency and asset quality remained as good as expected. There was a positive surprise in the bancassurance segment. ▪ Combined with attractive valuation as of February 7 2022, we increase the weight based on our estimates that quarterly earnings growth could be stable at a high level throughout the year 2022.
GMD	55,700	32%	63	31.9	21.4	16.2	2.2	▪ In 4Q2021, revenue reached VND 1,038 billion, +47% yoy, NPATMI reached VND 190 billion, +226% yoy. Thereby, for 2021, revenue/NPATMI reached VND 3,206 billion (+23% yoy)/605 billion (+63% yoy). Both were 20% higher than our 2021 forecast. ▪ We believe that business results are better than expected thanks to growth in port operation, logistics and leasing, high profits from joint ventures and associates, combined with costs tightening. For port operation, in Q4/2021, port operation revenue reached 879 billion, +46% YoY. We attribute the growth to the group of ports in Hai Phong (Nam Hai, Nam Dinh Vu, and Nam Hai Dinh Vu) which recorded a steady record of the frequency of ship calls and an increase in volume per call due to the peak season. Logistics and leasing segment reached 154 billion in Q4.2021, up 55% yoy. For profits from joint ventures and associates, GMD recorded 82 billion in profits from joint ventures and associates in Q4/2021, +82% yoy, accumulating to 242 billion (+54% yoy) in 2021. Besides, businesses also tightened costs in Q4.2021. Specifically, general and administrative expenses in Q4.2021 reduced by 31% yoy and the expense/revenue ratio also decreased by 8 pps yoy.
ACB	42,000	24%	25	29.5	9.7	7.5	2.1	▪ We expect ACB's profit growth to peak in the second quarter of 2022, but the trend and growth rate of earnings will start to reverse and be positive compared to previous quarters from Q1/2022. ▪ ACB posted lower-than-estimate results mainly due to profits from the bond trading and recoveries, which are usually volatile. On the other hand, we witness the bank's caution through dramatic increase in the provisioning buffer. We appreciate the development in the funding structure, which might be resulted from the technology strategy following the leadership change and thereby, improving products and services quality.
MSH	90,000	19%	90.8	17.3	9.0	7.7	2.6	▪ Cooling-down input material prices to improve gross margin. MSH's 4Q2021 gross margin showed a clear sign of recovery after

								input material (yarn/fabric) prices peaked in 3Q2021, reaching 19% (+140 bps QoQ). We expect its gross margin will continue rebounding and back to normal from 2H2022, resulting in 2022 gross margin of 20.3% (+70 bps YoY). ▪ Song Hong 10 factory will bolster 2022 earnings growth. Currently, this factory operates at 30% full capacity and is expected to reach 100% at the end of 2022. We expect this factory will help increase by 13% FOB sales volume in 2022. As a result, we forecast 2022 revenue and NPAT to reach VND 5,508 (or USD 239 Mn, +16% YoY) and VND 519 Bn (or USD 23 Mn, +17% YoY), respectively. Moreover, MSH also plans to expand another factory in the coming time that we believe will continue to drive the company's long-term growth although more information is needed for a more detailed analysis.

Source: Rong Viet Securities, data as of Jan 28th 2022

Table 9: Non-rated investment ideas

Stock	Comments
HVN	▪ **Clear restructuring plan ahead**. HVN is in a deep restructuring process with a top priority of generating adequate amount of cash flow to get the company out of the dire situation induced by the pandemic. Promoting air cargo shipping, divesting from non-core subsidiaries and associates, scaling down fleet as well as raising capital via shares issuance are among notable reengineering plans that have been adopted and to be implemented. ▪ **International flights resumption, succesful fleet restructuring and divestment from non-core subsidiaries and associates, and another round of equity raise are key catalysts to watch in 2022.**
PET	▪ **We see interesting growth story in the company for 2022**, **fueled by promising sales target of Apple products**. PET plans to push sales growth from Apple products to 50% in 2022. The management is still confident and will make their best effort to secure the goal as it will bring about higher profit via Apple's accumulative distributor sales incentives and rebate program. Furthermore, we believe that the market condition is now more favorable for authorized distributors in Vietnam (PET, DGW, Synnex FPT and Viettel) to achieve good Apple sales target as more and more retailers are now opt in selling genuine products. ▪ **New growth engine from a potential cooperation with new ICT brand, likely Xiaomi, in upcoming months.** In accordance with the aggressive development plan in Vietnam (doubling market share in 2022 with huge investment for marketing and production), Xiaomi is in negotiation with the company to significantly expand the distribution network in 2022. If this is the case, PET will become the third distributor for the brand in Vietnam, besides DGW and Synnex FPT.
GAS	▪ **Favorable oil price will underpin dry gas sales profit in addition to gas consumption volume recovery from the low base in 2021**. Oil price since December has recorded a strong rally on the back of better than expected global demand amid the weak impact from Omicron. Besides, the increase in oil prices is also supported by the possibility of supply disruptions from OPEC+ or geopolitical tensions between Russia and Ukraine. Currently, Brent and WTI oil prices are trading at more than 90 USD/barrel, the highest since the beginning of 2015. ▪ **Information from the commencement of the Block B project is also a long-term driver for GAS.**
PLX	▪ **Gasoline prices are continuously increasing and PLX's consumption volume in 2022 is expected to improve from the low base in 2021.** ▪ **Shorten timeframe for retail gasoline prices adjustment from 2022 will be a positive catalyst for the company.**

HIGHLIGHT STOCKS

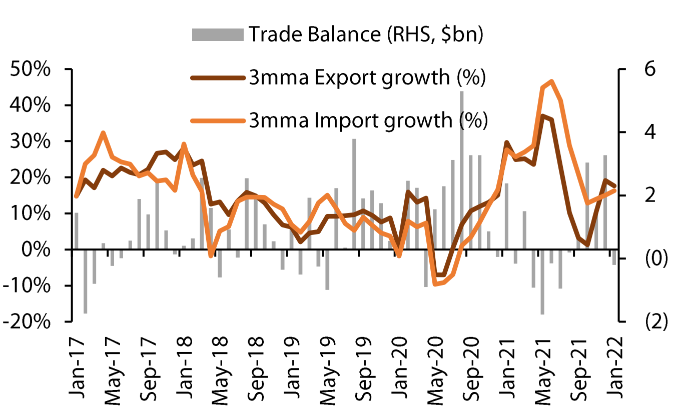
Ticker	Exchange	Market cap (USD mn)	Target price (VND)	Current price (VND)	Total Return	Rating	2020		2021F		2022F		PER 2021F (x)	PER 2022F (x)	PBR Cur. (x)	Div Yield (%)	+/- Price 1y (%)	3-month avg. daily turnover (USD thousand)	Foreign remaining room (%)
							+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)							
NKG	HOSE	300	45,000	31,400	46%	Buy	-5.1	524.1	142.3	724.0	6.1	-21.3	3.0	3.8	1.2	3.2	150.4	11,843.5	92.3
HAH	HOSE	134	89,500	63,000	44%	Buy	7.5	13.9	65.8	218.5	21.9	58.1	7.5	4.7	2.5	1.6	321.6	3,447.0	35.8
QNS	UPCOM	751	65,000	48,276	41%	Buy	-15.5	-18.5	11.7	17.2	25.4	26.2	12.0	9.5	2.6	6.2	45.7	2,247.8	32.0
DRC	HOSE	146	37,000	28,100	38%	Buy	-5.5	2.4	20.0	22.0	11.6	18.8	11.8	10.0	1.9	6.4	14.9	2,424.8	41.5
HSG	HOSE	653	41,000	30,350	35%	Buy	11.0	215.1	62.1	175.3	14.7	-25.6	3.6	5.1	1.4	0.0	52.8	13,066.4	42.3
FPT	HOSE	3,542	118,400	89,500	35%	Buy	7.6	12.8	19.4	26.2	23.3	25.6	18.3	14.5	4.5	2.2	79.3	8,767.2	0.0
TCB	HOSE	8,084	71,000	52,800	34%	Buy	28.4	22.3	35.6	45.5	25.0	27.6	10.4	8.1	2.0	0.0	69.2	33,038.6	0.0
HPG	HOSE	8,232	56,000	42,200	34%	Buy	41.6	78.5	59.7	179.9	3.0	-13.3	5.3	6.2	2.2	1.2	53.1	49,500.4	25.4
GMD	HOSE	565	55,700	43,000	32%	Buy	-1.5	-29.3	2.9	38.1	18.3	58.0	25.6	16.2	2.2	2.8	53.1	5,189.7	8.0
PVT	HOSE	299	27,500	21,200	32%	Buy	-3.9	-11.0	0.3	6.6	15.0	32.8	10.2	7.7	1.3	2.4	42.5	3,521.2	36.3
DPR	HOSE	122	82,600	65,000	32%	Buy	10.2	-2.7	6.9	93.8	2.1	1.4	11.8	12.2	1.2	4.6	46.2	892.7	-6.2
STK	HOSE	158	67,500	53,200	30%	Buy	-20.8	-33.1	19.2	93.9	26.4	29.5	16.1	12.4	2.9	2.8	121.2	71.4	35.9
LHG	HOSE	109	62,300	49,800	29%	Buy	7.5	39.8	20.0	45.0	17.5	28.1	9.2	7.2	1.7	3.8	68.6	1,547.5	37.9
VHC	HOSE	484	75,700	61,000	27%	Buy	-10.5	-40.2	28.3	37.5	14.0	24.4	11.6	9.4	1.9	3.3	65.9	2,742.4	73.6
NLG	HOSE	835	62,100	50,000	27%	Buy	-12.9	-13.1	135.0	30.7	-2.8	-1.9	17.6	17.9	2.1	3.0	78.6	16,364.2	17.4
FMC	HOSE	143	61,000	50,300	26%	Buy	19.0	-1.7	16.0	10.6	15.5	27.6	11.9	9.3	1.8	5.0	75.0	398.6	16.3
HND	UPCOM	414	23,300	18,990	25%	Buy	-3.9	23.8	-13.5	-77.2	8.3	151.9	30.5	12.1	1.5	2.1	15.0	87.5	49.0
MWG	HOSE	4,119	163,500	132,500	25%	Buy	6.2	2.2	9.6	19.9	26.2	44.7	20.1	14.2	4.6	1.1	60.5	10,489.4	0.0
ACB	HNX	4,071	42,000	34,550	24%	Buy	12.8	27.8	33.5	29.0	14.0	25.5	9.6	7.6	2.1	2.0	68.7	10,572.9	0.0
MSN	HOSE	7,362	175,000	143,000	23%	Buy	106.7	-77.8	21.1	429.7	-7.2	-27.2	25.7	35.3	5.1	0.2	69.4	20,196.7	71.2
REE	HOSE	930	84,300	69,000	22%	Buy	15.3	-0.7	30.5	5.0	52.2	23.7	12.5	10.1	1.7	0.0	42.9	2,206.7	0.0
MSH	HOSE	174	90,000	79,600	19%	Accumulate	-13.6	-48.5	17.3	87.7	23.1	19.3	10.2	8.5	2.6	5.7	113.2	545.2	39.5
NT2	HOSE	281	25,300	22,350	18%	Accumulate	-20.5	-17.1	-1.0	-16.6	19.4	5.8	12.6	11.9	1.5	4.5	8.6	1,603.1	35.1
VPB	HOSE	7,105	42,800	36,650	17%	Accumulate	7.4	26.1	13.5	26.4	16.7	24.0	12.3	10.0	2.1	0.0	122.5	23,968.3	2.2
OCB	HOSE	1,652	32,100	27,650	16%	Accumulate	21.2	36.9	13.8	25.0	24.5	30.7	8.9	6.7	1.7	0.0	88.4	6,220.3	3.0
ACV	UPCOM	8,246	100,400	86,857	16%	Accumulate	-57.5	-79.0	-38.5	-91.2	99.2	1,471.2	1,244.0	79.2	5.1	0.0	30.6	349.3	45.3
HDG	HOSE	522	69,310	61,000	15%	Accumulate	15.1	3.9	-25.0	12.2	13.9	41.3	10.9	7.7	3.1	1.6	99.5	3,275.8	38.4
VNM	HOSE	7,574	91,500	83,100	15%	Accumulate	5.9	4.9	2.1	-5.1	5.7	1.4	18.3	18.1	5.6	4.8	-9.5	10,232.7	45.5
MBB	HOSE	5,553	38,500	33,700	14%	Accumulate	11.0	5.6	38.2	53.6	17.7	38.7	10.0	7.2	2.1	0.0	103.6	19,169.2	0.0
SCS	HOSE	353	173,400	159,500	14%	Accumulate	-7.4	-7.5	18.1	24.8	21.7	27.7	15.9	12.1	6.5	5.0	35.5	216.0	21.8
KDH	HOSE	1,402	56,000	50,000	12%	Accumulate	61.1	25.9	-23.0	-19.8	12.4	70.6	34.5	22.6	3.2	0.0	72.4	5,736.2	16.3
BMP	HOSE	220	67,000	61,500	11%	Accumulate	8.0	23.6	3.2	-59.8	29.4	69.5	26.3	15.6	2.2	2.4	16.4	220.5	14.6
CTG	HOSE	7,734	39,900	36,900	10%	Accumulate	11.7	44.6	18.8	22.4	15.5	19.8	13.3	11.1	1.9	2.2	60.8	18,418.1	4.1
PNJ	HOSE	1,031	111,500	104,000	9%	Accumulate	3.0	-10.4	4.4	-9.5	13.0	29.8	26.2	19.1	3.9	1.4	36.0	3,124.2	1.2
PGI	HOSE	114	31,000	29,500	7%	Accumulate	12.1	7.9	1.2	58.9	3.0	-10.4	11.1	12.4	1.6	1.7	48.9	69.7	28.2
PC1	HOSE	347	35,500	33,800	5%	Accumulate	13.9	41.2	40.1	45.5	-25.7	-34.6	12.0	18.4	1.8	0.0	89.5	3,202.5	44.2
IMP	HOSE	224	79,000	77,000	5%	Neutral	-2.4	29.1	-1.9	-3.2	11.8	9.9	27.7	25.2	2.9	1.9	48.6	83.5	0.0
VCB	HOSE	18,369	91,700	89,000	4%	Neutral	7.1	-0.3	16.0	15.2	14.4	24.4	20.0	16.4	3.8	1.3	26.9	5,385.5	6.3
HTN	HOSE	173	46,200	44,400	4%	Neutral	23.7	84.2	26.2	-38.6	109.5	61.3	16.7	11.6	2.8	0.0	130.1	1,469.5	48.0
HDB	HOSE	2,712	32,000	30,900	4%	Neutral	21.0	17.9	20.3	41.5	27.6	31.2	10.5	8.0	2.1	0.0	78.0	8,605.7	4.4
DPM	HOSE	686	36,300	40,200	3%	Neutral	1.0	83.5	62.1	344.9	-12.2	-45.7	5.1	9.5	1.5	12.4	174.9	11,185.7	39.8

Ticker	Exchange	Market cap (USD mn)	Target price (VND)	Current price (VND)	Total Return	Rating	2020 +/- Rev. (%)	2020 +/- NPAT (%)	2021F +/- Rev. (%)	2021F +/- NPAT (%)	2022F +/- Rev. (%)	2022F +/- NPAT (%)	PER 2021F (x)	PER 2022F (x)	PBR Cur. (x)	Div Yield (%)	+/- Price 1y (%)	3-month avg. daily turnover (USD thousand)	Foreign remaining room (%)
PPC	HOSE	316	23,000	22,600	2%	Neutral	-3.1	-20.1	-53.4	-88.3	75.0	347.4	64.9	14.5	1.5	0.0	11.4	308.9	35.0
PHR	HOSE	463	74,400	78,400	-1%	Neutral	-0.4	140.2	32.3	-54.9	3.9	149.7	26.7	10.7	3.6	3.8	43.2	2,853.1	34.0
KBC	HOSE	1,334	52,800	53,700	-2%	Neutral	-32.9	-77.5	149.2	333.9	139.3	457.5	25.9	4.7	2.4	0.0	45.7	24,054.4	31.7
GEG	HOSE	313	22,600	23,650	-4%	Neutral	28.8	3.0	-2.4	12.3	45.2	21.8	22.6	18.6	2.2	0.0	58.8	1,604.8	11.3
VSC	HOSE	188	36,300	39,050	-4%	Neutral	-5.8	2.7	9.7	47.6	6.4	17.5	13.6	11.6	2.2	2.6	28.2	1,068.2	39.0
BFC	HOSE	67	24,300	27,050	-5%	Neutral	-11.6	80.5	39.7	46.7	-18.2	-32.7	8.6	12.7	1.4	5.5	86.8	858.8	45.1
ANV	HOSE	151	24,000	27,200	-8%	Reduce	-23.2	-71.3	-2.8	-33.6	11.4	70.9	25.9	15.1	1.5	3.7	51.5	1,031.9	47.7
PVS	HNX	565	22,700	27,100	-14%	Reduce	16.9	-23.6	-34.3	17.0	15.6	7.0	19.7	18.4	1.0	2.6	83.8	10,596.4	40.1
PAC	HOSE	75	29,600	37,000	-16%	Reduce	-4.1	-10.9	10.9	1.6	3.0	0.2	12.6	12.6	2.0	4.1	42.0	22.5	36.1
HAX	HOSE	61	20,700	28,400	-22%	Sell	8.1	144.6	-17.6	-41.1	10.1	61.8	18.5	11.4	2.5	5.3	106.3	1,151.6	33.3
BID	HOSE	10,578	32,200	47,950	-32%	Sell	4.0	-14.7	27.4	69.1	13.8	26.8	26.8	22.6	2.9	0.4	57.6	5,815.3	13.2
TCM	HOSE	205	43,000	66,000	-34%	Sell	-4.8	27.6	1.0	-53.9	13.0	86.6	41.6	20.7	2.8	0.8	-4.0	2,660.4	4.8
PVD	HOSE	560	19,900	30,500	-35%	Sell	19.7	-0.1	-23.3	-72.3	37.0	229.4	250.0	77.2	0.9	0.0	79.4	10,407.2	42.9
DIG	HOSE	1,605	36,100	73,600	-51%	Sell	17.7	61.3	12.6	59.8	54.4	12.9	32.4	28.7	5.0	0.0	252.8	23,787.7	47.1
SMC	HOSE	90	Under review	33,700	#VALUE!	#VALUE!	-6.5	227.3	29.1	215.5	11.2	-44.8	2.2	4.0	0.9	3.0	70.8	1,019.0	27.5

Source: Rong Viet Securities; As of Jan 28th, 2022

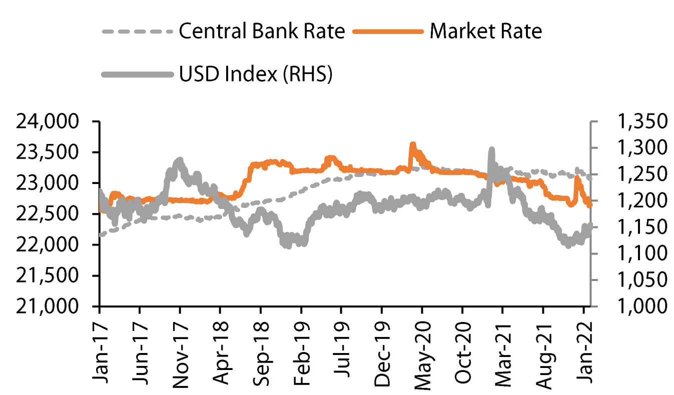
VIETNAM ECONOMIC INDICATORS IN JAN 2022

Trade balance



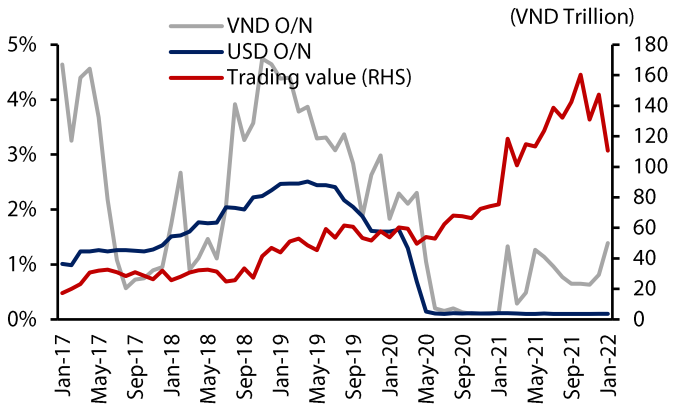
Source: GSO, Rong Viet Securities

USDVND exchange rate



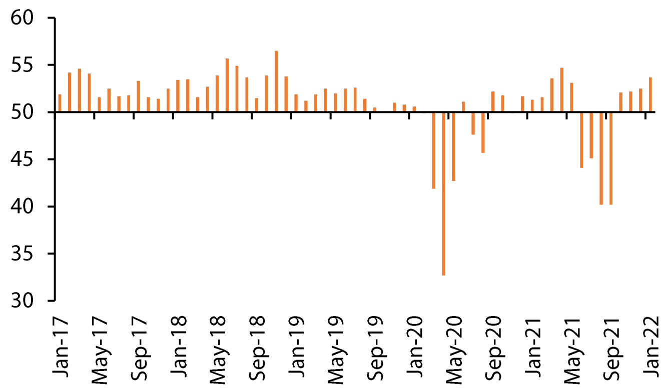
Source: SBV, Bloomberg, Rong Viet Securities

Interbank interest rate (%/year)



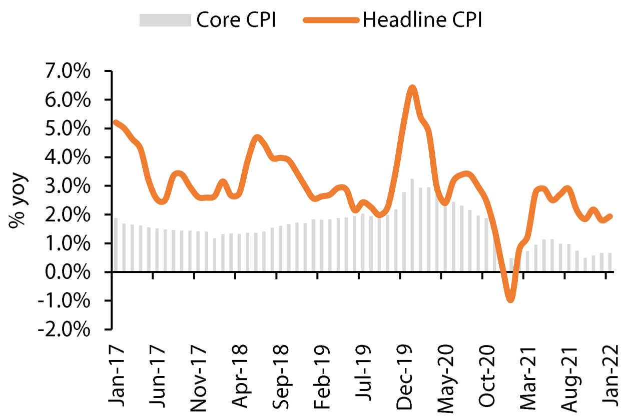
Source: SBV, Rong Viet Securities

Vietnam PMI



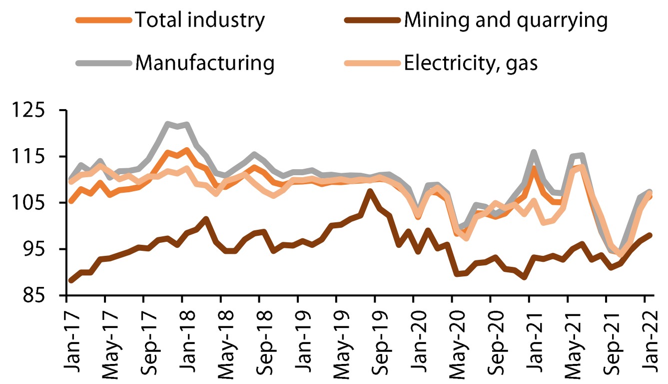
Source: IHS Markit, Rong Viet Securities

Vietnam CPI



Source: GSO, Rong Viet Securities

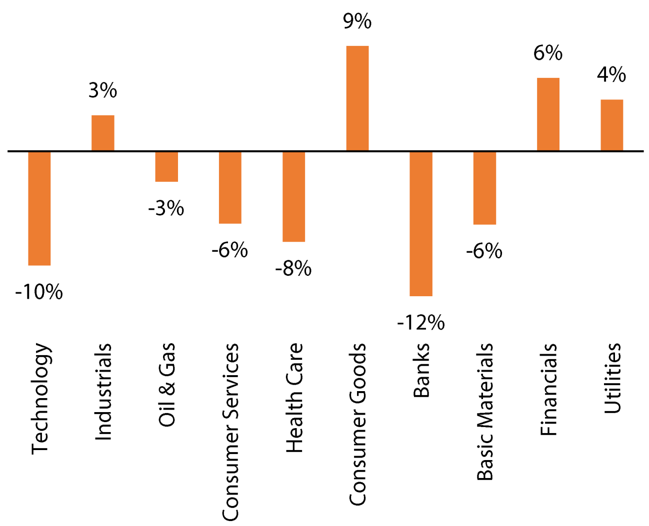
3-month MA Industrial Production Indices



Source: GSO, Rong Viet Securities

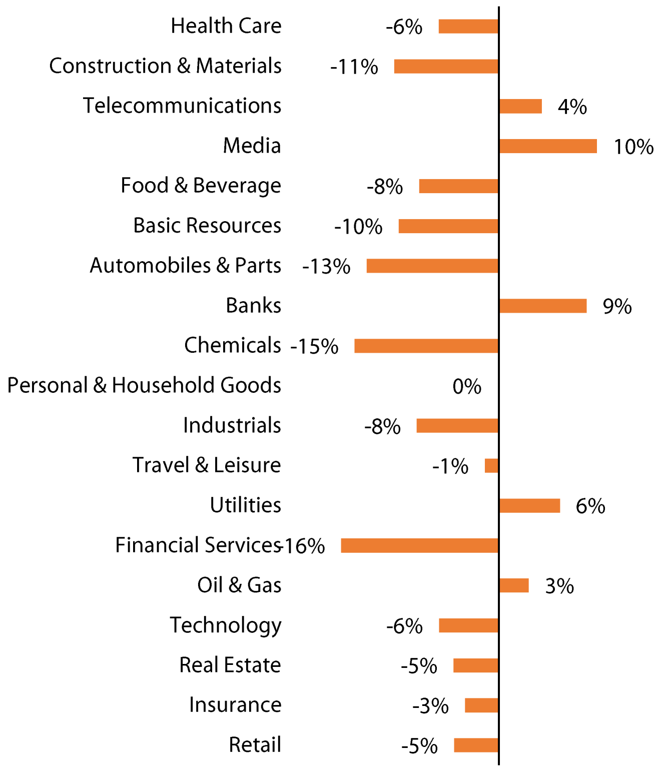
INDUSTRY INDEX

Level 1 industry movement



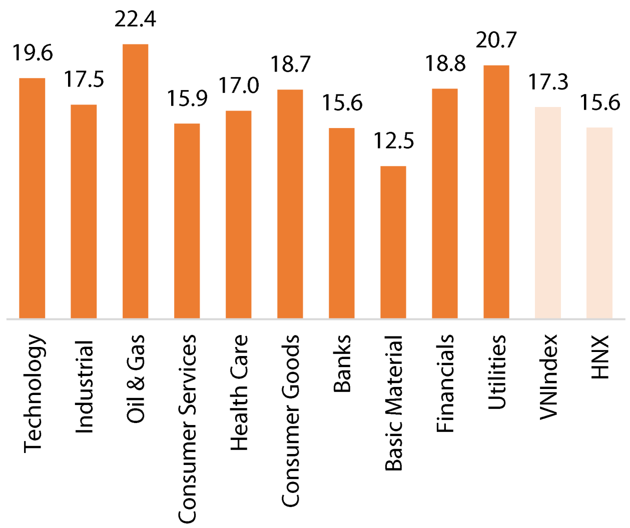
Source: Fiinpro, RongViet Securities

Level 2 industry movement



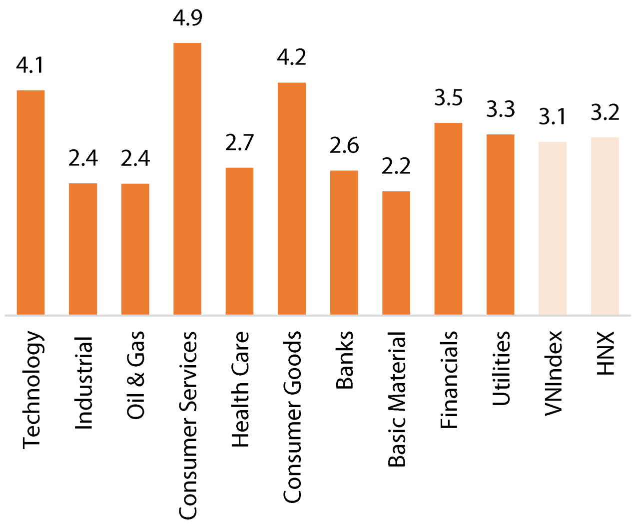
Source: Fiinpro, RongViet Securities

Industry PE comparison



Source: Fiinpro, RongViet Securities

Industry PB comparison



Source: Fiinpro, RongViet Securities

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