August 5th 2021

Investment Strategy August 2021

PICKING SAFE HAVEN IN A TIME OF UNCERTAINTY

The net purchase action of foreign investors is expected to continue from its momentum in July when the market valuation and expected 2022F EPS growth are still attractive.

In July 2021, foreign investors returned as net buyer for the first time as net buyer since Jan 2020 with total net trading value of VND 3,602 Bn (or USD 155 Mn. In which, Fubon ETF was the main player when recorded net add valued of VND 3,953 Bn (or USD 171 Mn). Per Fubon representatives, they appreciate on Vietnam ability to control Covid-19 and effort of Vietnam in develop stock market (use new trading system to solve the order congestion problem).

From our view, the foreign investors action is understandable given the potential turnaround of Vietnam market after containing Covid-19 with PE forward 2022F of 12.96 and EPS 2022F growth of 16.16% versus peers per Bloomberg estimation. Therefore, we expect on more positive action of foreign investors in upcoming times.

Better market sentiment thanks to the accelerated vaccination in HCMC.

Per our Macro part estimation, we believe that HCMC authorities can achieve its target to have at least one shot to 70% of 9m citizens in Aug 2021. Therefore, we expect market to react positively given expectation on economic recovery in 2022 thanks to the accelerated vaccination progress in HCMC.

Currently, the tightened lockdown has saw preliminary effectiveness after three months when the number of Covid-19 cases was lower since the all-time-high on July 27th with 10,774 cases. Therefore, we expect the government would likely to control the Covid-19 in Q4 2021 on our base case assumption.

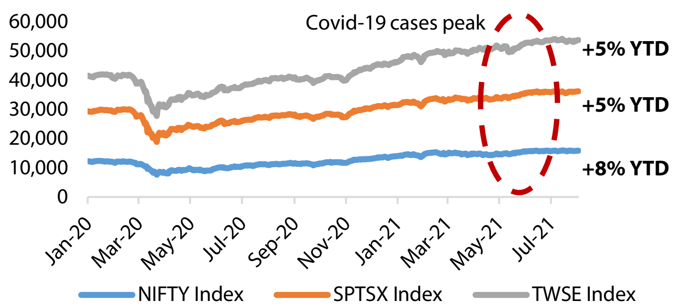
Regarding to the market outlook, market would be more optimistic if the daily cases peak as we considerate the movement of some markets including Taiwan, India, and Canada. Specifically, we saw the uptrend movement of some regional stock markets with 5% to 8 % gain YTD when the number of daily cases peaked.

…However, on the worst case, we still concern on the further complicated situation of Covid-19.

The turnaround expectation would be challenging when the current lockdown is prolonged, and the economy activities would not resume as expected on Q4 2021. Consequently, it would impact the market sentiment negatively.

*For this month, based on our Coverage list on VN30 stocks (76% market cap of the whole market as of July 30st 2021), we expect consumer stocks including MSN, MWG to support the VN Index given the strong Q3 business performance outlook from the high demand of grocery items. FPT is also having chance given its resilient performance and further growth outlook based on the accelerated pace of digital adoption in Covid-19 situation. For real estate stocks, the story of private placement of mid-cap stocks (DIG, NLG), selling treasury stocks (VHM) may lead the market at end of Q3 and Q4 2021. For banking stocks, we think the strong stock rally like 6M 2021 would be tough given high base in same period last year and expected slower growth in Q3 2021. We stay neutral on Oil and Gas stocks as the oil price rally in 1H 2021 is expected to slow down in 2H 2021. In overall, we expect the VN-Index to move in from the range of **1,260 – 1,370**.*

Market at India, Canada, and Taiwan after Covid-19 cases peak



Source: Bloomberg, Rong Viet Securities

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The outperformance of smaller market cap stocks compared to VN Index return in July was generally in line with our expectations. As such, our reducing weight recommendation on some large cap stocks in steel and banking sectors, namely HPG, VCB, ACB, in last month has helped lessen the impacts of market downturn and, hence, improved overall performance. Overall, ten out of our 11 buying recommendations have outperformed the VN Index last month.

Robust Q2-2021 earnings growth and a losing month of the market have driven valuation to more attractive levels. The index's trailing P/E ratio has declined from 19.2x to 16.5x by the end of July, which is near the low of 16x in late Jan 2021. We expect this attractive valuation level to be supportive for the continued rally in 2H-2021 considering a 33% YoY in 2H-2021 earnings growth from our coverage, which consists of 45 stocks listed on HSX and accounts for 43% of HSX market cap. Additionally, we believe that the stock market could be further underpinned by the ample available cash on hand of retail investors, which seemingly remains captive in the stock market as the lockdown has hindered the money outflow to other investment channels. Moreover, news about vaccines shipment coming every week will likely bolster market sentiment.

*Despite our positive anticipations on general market outlook in the upcoming times, we strongly believe the performance will diverge between sectors given the disproportionate impacts of the social distancing on businesses. As such, we believe sectors that are somewhat less affected throughout the dire period of social distancing, in addition to having strong earnings growth outlook and attractive valuation, will outperform. We expect companies that have strong prospective exporting activities (**NKG, HSG, FPT**) and companies that provide services relating to international transportation (**GMD, PVT**) to thrive, predicated on the fact that consumption demand of our key partners has rebounded well since their high vaccination rates allow them to partly reopen the economies. Additionally, other sector like consumer staple (**MSN** – which we recommended buying in the last month) is also expected to perform well given skyrocketed demand for packaged foods in the wake of the lockdown. On the other hand, as the pandemic in Vietnam will create uncertain investment environment, we believe investors should manage the risk by reducing weight of recommended stocks that are weighed on by the Covid19.*

Analysis of 49 stocks of Rong Viet Research, discussion with companies and specific evaluation in the "Company Report" or "Analyst Pinboard"

Why are bond yields globally still so low?

It is easy to come up with an ex-post rationalization of market action. This writer has to admit to being a bit puzzled by the scale of the US bond market rally which saw the 10-year Treasury yield break below 1.3% in the third week of July after hitting 1.74% in April (Figure 1). Plenty of pundits thought it would go to 2% at that point.

Figure 1. US 10-yr Treasury yield, 2021, %.

Rationalizing the bond market action is difficult to say the least. Maybe because of positioning and a peeking out of the base effect in terms of inflation data? Still, this has become harder to do even allowing for illiquid markets during the summer holiday season which has now commenced and momentum driven algo trading. Indeed it appears that bond markets have of late been signaling a full-on growth scare. Most major bond market yields have come down since April (Table 1) led by the US, Canada and Singapore. European yields are well anchored in negative territory, starting with Italy where one pays 0.63% to a bank to own a 10-yr bond!

Turkish bonds are still attractive with a yield of almost 17% and a currency (Figure 2) that has already depreciated by 21% against the USD since February.

Table 1. Bond yields, April to July, %

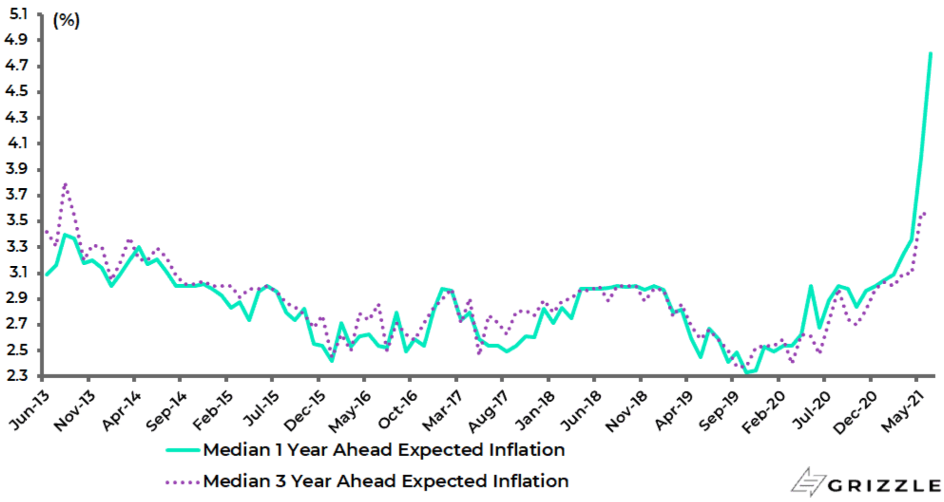
10-yr bond yield	April 1st 2021	July 27th 2021
US	1.74%	1.25%
Canada	1.51	1.17
Germany	-0.28	-0.44
France	-0.07	-0.09
Italy	-0.04	-0.63
Japan	0.09	0.00
China	3.21	2.90
Singapore	1.73	1.34
South Korea	2.06	1.87
Indonesia	6.76	6.31
Turkey	18.42	16.99

Source: Tradingview

Figure 2. Turkish Lira per USD.

A paper released last month by Deutsche Bank titled "Inflation: The defining macro story of this decade" concludes by arguing that global economies are "sitting on a time bomb." It may take until 2023, it says, "but inflation will re-emerge" and the Fed may not be prepared as it continues to chase "social goals" like increasing post-coronavirus employment. While such goals are "as necessary as they are admirable," the economists argued, central bankers "must still prioritize inflation" to avoid a "significant recession" and "a chain of financial distress around the world, particularly in emerging markets." Meanwhile inflation expectations are on the rise as suggested by a recent NY Fed survey.

Figure 3. New York Fed survey of comsumer inflation expactations.



Source: Grizzle, St. Louis Fed

There is a popular theory among investors that bond markets are sensitive barometers – moves in government bonds are a gauge of market sentiment. The 'wise' bond market is supposed to be rational but, lately, it has sent some perplexing signals.

The steady increase in demand for bonds created confusion for markets as it suggested that investors were buying safe assets like US Treasury bonds and adopting a pessimistic view of the future. The seemingly dour sign from the bond market is directly at odds with the rising levels of inflation and above-trend economic growth in many parts of the world, leaving market-watchers scratching their heads. While it is difficult to pin down a single reason to explain lower bond yields, there are several dynamics that could be provoking such seemingly bizarre market behavior. Part of the reason could be fundamental worries about what lies ahead.

The big risk on the horizon is that the Covid-19 Delta variant and rising case numbers will short-circuit economic recovery. Stricter mobility restrictions in parts of the developed world could constrain reopening, and some emerging markets continue to struggle with managing the pandemic. It is also possible that the bond market could have just been very pessimistic about the outlook for economic growth and that even a gradual tightening in monetary policy would be too much for the economy.

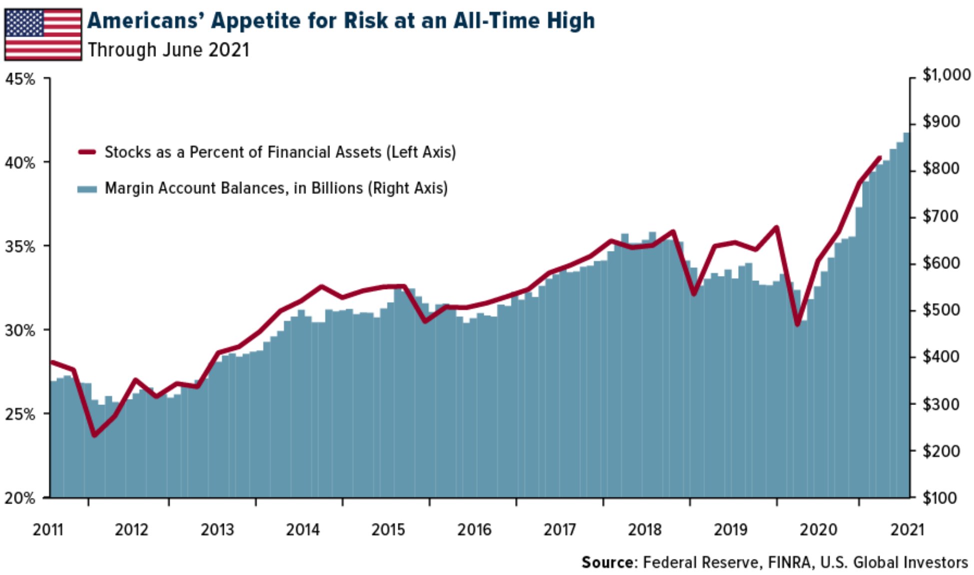
Other reasons more related to the mechanics of the market could have also contributed to the unusual moves. For example, big institutional investors repositioning their portfolios – including buying more bonds after the strong rally in equities last year – could have driven up demand for government bonds to unforeseen levels, pushing down yields.

Another entirely technical, if somewhat accidental, reason bond yields have been anchored lower could be related to the decline in the US Treasury General Account (TGA). The TGA can be likened to a retail current account used to receive money and pay bills. It normally operates with a balance of around US$400 billion, but grew as large as US$1.8 trillion last year. To bring the TGA's balance back to a normal operating level, the US government has been using these funds to finance some of the existing fiscal stimulus measures. As this money finds its way into the financial system, banks are purchasing short-duration assets to offset any rise in deposits.

However, given the very low yields on shorter-maturity bonds, financial institutions might have been buying longer-dated bonds to try to achieve meaningful income. As the bond market regains rationality in pricing in future forecasts, all eyes will be on inflation in the US, and the rest of the world.

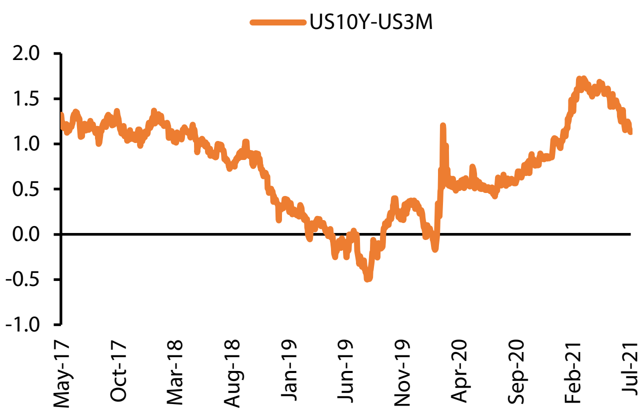
Risk appetite among American investors is at an all-time high (Figure 4) with stocks now representing more than 40% of financial assets.

Figure 4.



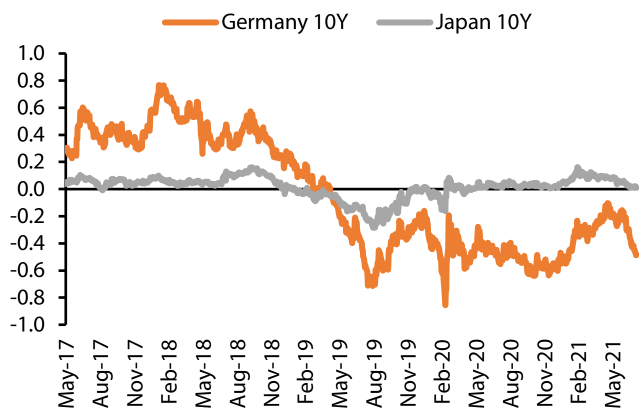
Bottom line: inflation is rising globally and the bond market does not seem to want to anticipate that. Beware…

US G-Bond yields gap (%/year)



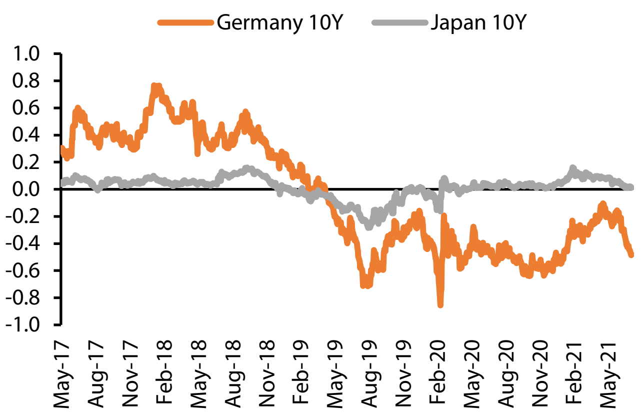
Source: Bloomberg, Rong Viet Securities

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



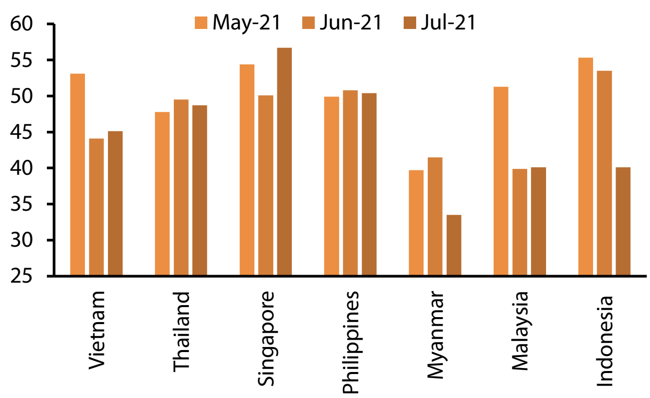
Source: Bloomberg, Rong Viet Securities

WTI crude oil price (USD/barrel)



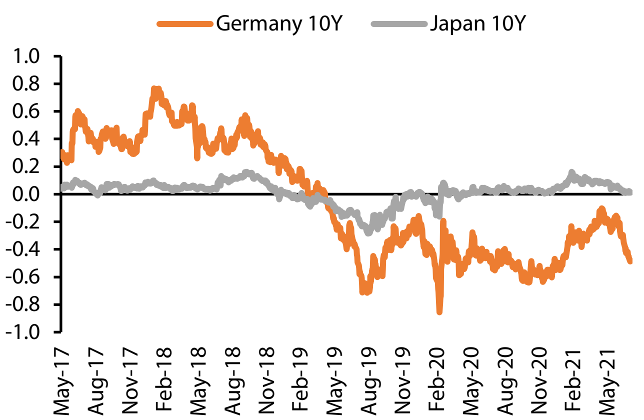
Source: Bloomberg, Rong Viet Securities

ASEAN's PMI



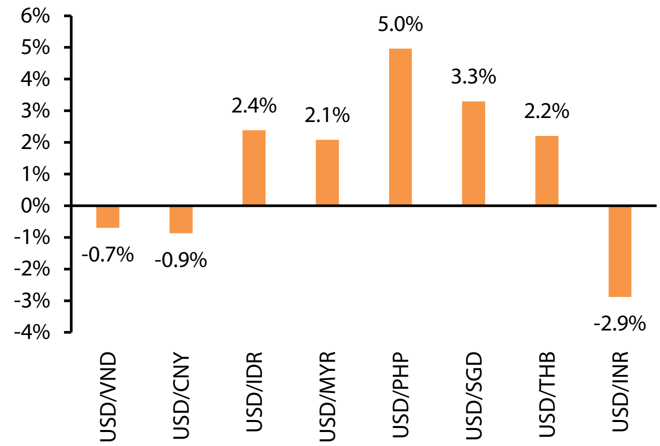
Source: Markit Economics, Rong Viet Securities

Gold prices (US$/ounce)



Source: Bloomberg, Rong Viet Securities

FX rates (%, YTD)



Source: Bloomberg, Rong Viet Securities

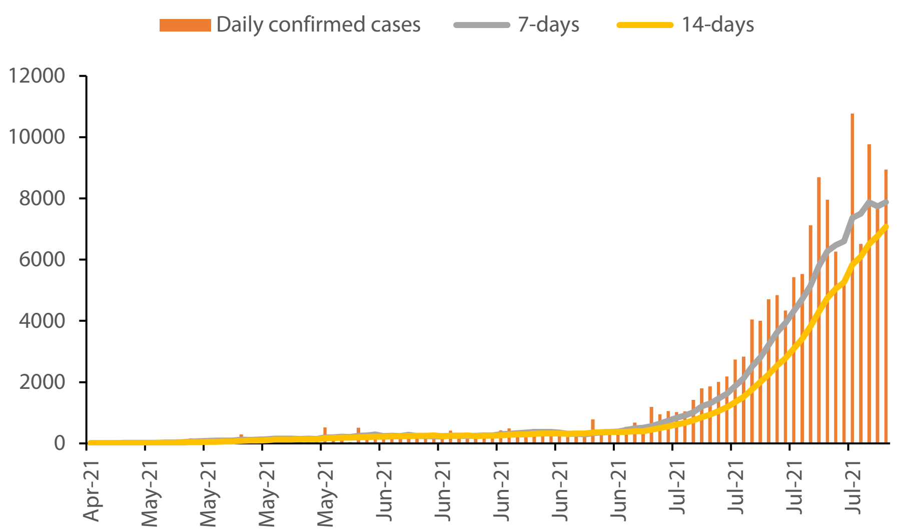
VIETNAM MACRO

- Vietnam's economy is facing turbulence due to the fourth outbreak.
- The rollout of vaccinations crucial to business as usual.
- The economic outlook will get worse before it gets better.

Vietnam's economy is facing turbulence due to the fourth outbreak

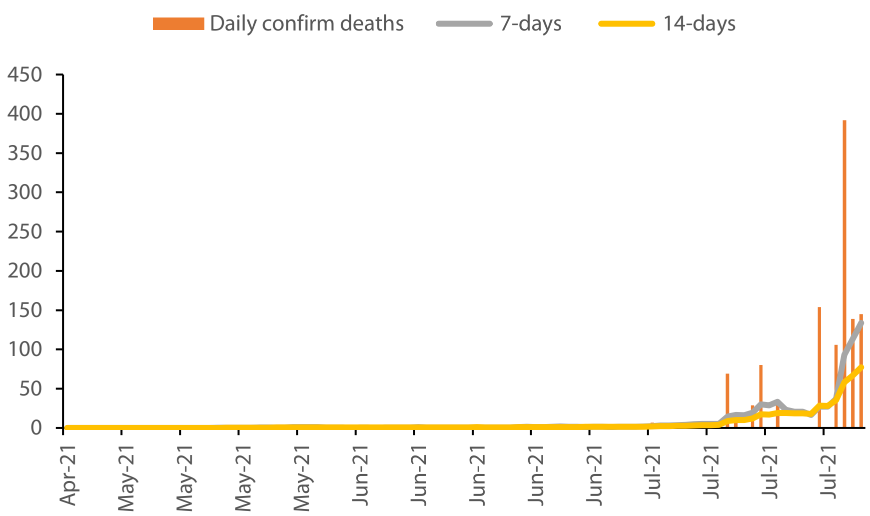
After receiving praises for controlling Covid-19 last year, Vietnam is now battling the worst outbreak resulting from the more infectious Delta variant. As of 31 Jul, the country has officially reported 150,060 Covid-19 cases and 1,306 deaths. Ho Chi Minh City (HCMC) is now the epidemic center with 90,243 cases and 1,164 deaths. Until now, Vietnam has undergone 3-month of a fierce battle with gradual tightening measures from the government to control the outbreak.

Figure 5: Covid-19 cases in the fourth outbreak



Source: Ourworldindata, Rong Viet Securities

Figure 6: Death cases in the fourth outbreak



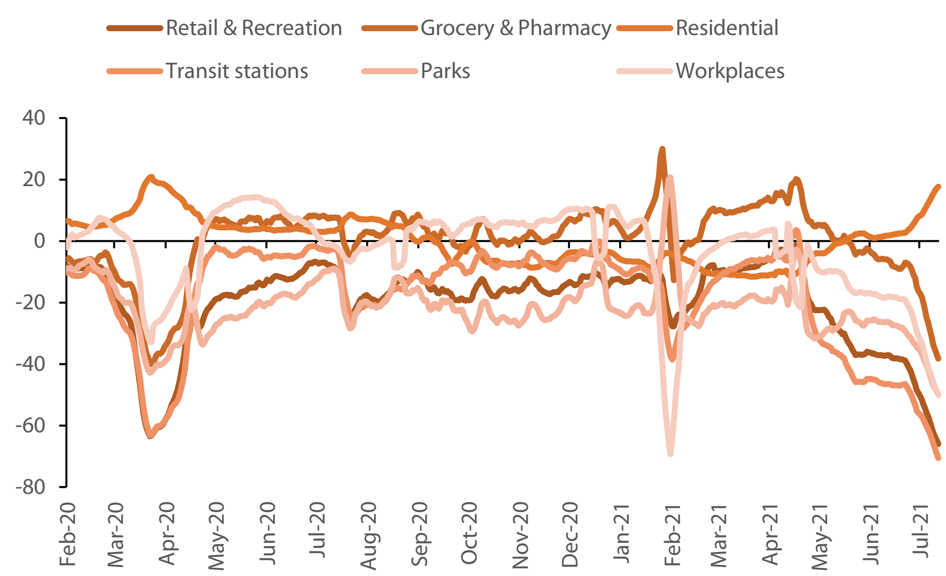
Source: Ourworldindata, Rong Viet Securities

In the period of May-Jun, the government's efforts to control the pandemic in the North helped the country to achieve a GDP growth of 6.6% in 2Q21, but the situation has worsened when HCMC and nearby provinces struggled with their worst Covid-19 outbreak. We estimate that economic sectors are running at below 60% capacity due to following reasons:

- Current lockdown is the most stringent as we observe that mobility flows significantly declined during Jul 2021, which is even lower than the lockdown in Apr-2020. As of 28 Jul, Google's data showed public transport use fell 71% below its pre-COVID baseline and retail and recreation movements were 66% lower. As of end-Jul, 33/63 provinces and cities at very-high-risk or high-risk of Covid-19 transmission are under strict restrictions on non-essential activities, non-essential movements and gatherings following the government's Directive 16+, 16 or 15. In our view, the persistence of lockdowns may have a devastating economic impact as these localities contributed to more than 70% of national GDP.
- In order to prevent the spread of the pandemic, factories have to implement either "three on the spot" or "one road, two places" operations (a so-called production-and-quarantine model). If not fulfilling the conditions, factories have to temporarily stop their operations. Obviously, this strategy is only effective for specific companies which depends on the company's scale and capability to organize their production activities. We estimate that at least 70% of manufacturing enterprises in the South have to suspend their operations during the lockdown. In addition, companies who can operate under production-and-quarantine model also have to bear huge operation costs and a 40-50% reduction in their capacity.
- Strict Covid-19 measures are currently posing a threat to logistics and supply chain after more than a month of lockdown. As important as the blood flow to the human body, so too is the importance of the flow of goods transportation for a country's economy. Due to varied localized restrictions, logistics companies are increasingly concerned about rising costs and the time required for truck drivers to transport goods. Meanwhile, trucking delays and factory closures also put a massive pressure on port operations, which will negatively impact export-import activities. According to IHS Markit, severe disruptions to supply chains were recorded in Jul 2021, with the extent of delivery delays the most since the survey began more than a decade ago.

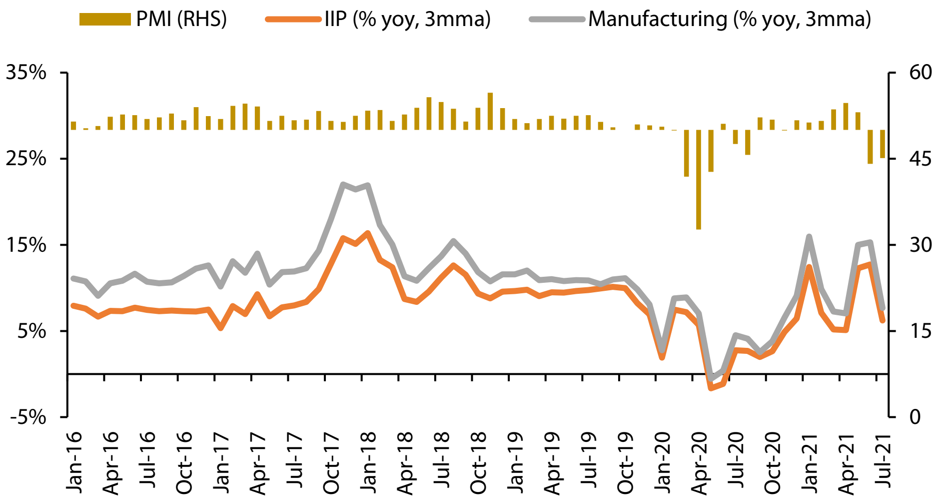
Heading into 3Q2021, economic activity lost the growth momentum achieved in 1H2021 as tight containment measures were imposed to control the surge in Covid-19 cases. This is reflected in Jul's statistics with retail sales (-19.8% yoy vs. +4.9% yoy in 1H2021), industrial production (+2.2% yoy vs. 9.3% yoy in 1H2021), manufacturing PMI (45.1 in Jul vs. an average of 51.4 in 1H2021) and gross exports (+8.6% yoy vs. 29.1% yoy in 1H2021). In Jul 2021, HCMC, which is the epidemic center as well as the country's economic focal point, recorded a fall of 19.4% in industrial production and a 5.8% decline in retail sales. The tourism, hospitality and aviation sectors have come to a near standstill, other services and construction sectors also bear the brunt of the downward pressure while growth in manufacturing also lower.

Figure 7: Google's mobility trend



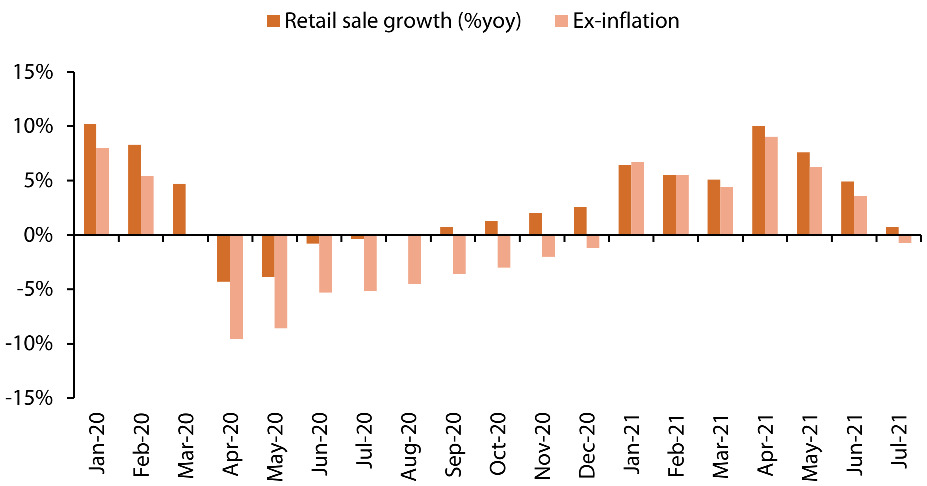
Source: Ourworldindata, Rong Viet Securities

Figure 8: Industrial production and PMI



Source: GSO, IHS Markit, Rong Viet Securities

Figure 9: Retail sales



Source: GSO, Rong Viet Securities

The rollout of vaccinations crucial to business as usual

Vietnam has rolled out the vaccination drive since 8 Mar, which is relative late compared to most of its peers. As of 31 Jul, the country had an estimated total of nearly 15.9m doses of Covid-19 vaccines but administered only 6.2m doses. 5.7% of the population had received at least one dose of Covid-19 vaccines but only 0.6% of the population was fully vaccinated. On average: daily vaccination of 83,636 doses in July, including 73,963 first dose and 9,672 second dose.

Until now, the government has secured over 170m doses, which is enough to achieve the government's herd immunity target of 70% of the population by Apr 2022. The government expects to receive 30m doses in 3Q2021 and 100m doses in 4Q2021. The inoculation rate has accelerated to an average of 238,304 doses in the last week of July thanks to more vaccine deliveries. However, in the context of limited vaccine supply, uncertain delivery schedule might delay any hope of reaching the herd immunity target. Based on vaccination of 300k per day, we estimate 70% of the population is to be vaccinated at least one shot by Q22022. In a more optimistic scenario, if daily injection capability is around 500,000 jabs and vaccine supply is sufficient, Vietnam could reach herd immunity by Q12022. The worst-case scenario happens when the country faces vaccine supply shortage, as a result, herd immunity would not be easy to reach until the end of 2022.

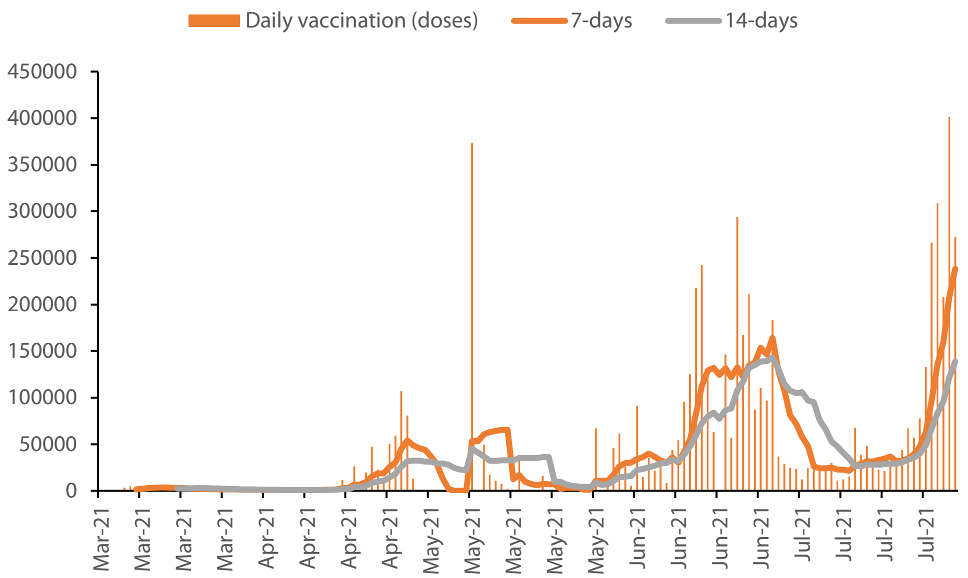
Currently, vaccine rollout in HCMC is a crucial step for gradually loosening the lockdown and allowing more economic activities to operate normally. The city is aiming to administer at least one shot to 70% of 9m citizens in August. As of 31 Jul, around 1.5m people in HCMC had received the vaccine and more than 73k have received two shots. The daily inoculation rate is between 70k and 80k doses and is expected to increase to 100k doses in the upcoming time. We estimate that HCMC needs to inoculate at least another 3.6m doses to vaccinate 70% of its citizens in August, which is achievable thanks to the visibility over vaccine allocations for the city (~5m doses).

Figure 10: Vaccine supply and delivery schedule

Vaccine supply	*Type*	*From*	*doses*
24-Feb-21	AstraZeneca	VNVC	117,600
16-Mar-21	Sputnik-V	Donated by Russia Gov	1,000
1-Apr-21	AstraZeneca	COVAX program	811,200
16-May-21	AstraZeneca	COVAX program	1,682,400
25-May-21	AstraZeneca	VNVC	288,000
16-Jun-21	AstraZeneca	Donated by Japan Gov	966,320
20-Jun-21	Sinopharm	China	500,000
2-Jul-21	AstraZeneca	Donated by Japan Gov	400,000
7-Jul-21	Pfizer/BioNtech	Bilateral through MoH	194,220
9-Jul-21	AstraZeneca	Donated by Japan Gov	600,000
9-Jul-21	AstraZeneca	VNVC	580,000
10-Jul-21	Moderna	COVAX program/Donation from US	2,000,040
15-Jul-21	AstraZeneca	VNVC	921,400
16-Jul-21	AstraZeneca	Donated by Japan Gov	1,000,000
23-Jul-21	AstraZeneca	VNVC	1,228,500
24-Jul-21	Moderna	COVAX program/Donation by US Gov	3,000,060
29-Jul-21	AstraZeneca	VNVC	659,900
31-Jul-21	Sinopharm	Bilateral through Sapharco	1,000,000
2-Aug-21	AstraZeneca	COVAX program	1,188,000
		Total	**17,138,640**
Delivery Schedule			
3Q2021			30,000,000
4Q2021			100,000,000
		Total	**130,000,000**
Administered vaccine			
As end of Jul 2021		35% of total supply has been administered	**5,931,376**
		1 dose (~7.8% population)	*5,342,483*
		2 doses (~0.9% population)	*588,893*

Source: WHO, Ourworldindata, Rong Viet Securities

Figure 11: Daily vaccination



Source: Ourworldindata, Rong Viet Securities

The economic outlook will get worse before it gets better

In our view, the 2H21 economic outlook will depend on the effectiveness of virus containment and vaccination progress. According to the government's regulations on Covid-19, risk level assessment (Decision 2686/QĐ-BYT), if the rate of people testing positive for the virus is less than 1/100,000 people (i.e. less than 100 cases for HCMC) for at least two weeks, it is one indicator that the city will be considered as a "New Normal" situation. Due to the complexity of the outbreak in HCMC with more than 4,500 Covid-19 cases per day in the last 7-days, we do not think the pandemic will be under control anytime soon.

Under our base case assumptions, we think strict stringent restrictions being in place in Aug 2021, a ramp-up in vaccinations in HCMC suggest the reopening may be gradual throughout 4Q21. Hence, we think that household consumption and the services sectors will contract in 3Q21. In 4Q21, without stronger policy supports, we expect a weak rebound in economic activity due to the scars of the pandemic such as slow labor market normalization, supply chain disruptions and worsening public sector, corporate and household balance sheets. There will be only a limited boost from public investment due to Covid-19 restrictions, in addition, the government might resort to allocate additional fiscal resources.

We cut the country's 2021 GDP growth forecast to 4.0% from our previous estimate of 5.6% with estimates for manufacturing, consumption and investments trimmed to reflect the negative impacts of restrictions placed on domestic movements and operational capacity as well as precautionary relaxation of Covid-19 measures. Should stringent measures persist beyond August, our forecast could some face downside risks. In addition, the risk of vaccine supply constraints could put Vietnam under pressure in recouping economic ground in 4Q21. On the other hand, we believe quicker vaccine completion and further policy supports should reduce the risk for further downgrades. If the economy posts negative GDP growth in 3Q21, we see the possibility of further policy rate cuts and another fiscal package to support the economy.

In 2022, we think there will be a low possibility of broad-based lockdowns, which provides the foundation for a better growth outlook. To be specific, our base case assumes that Vietnam will come into a "New Normal" situation – when 70% of the population complete their vaccinations – which would allow most economic sectors to reopen, inter-provincial travel to resume and with fewer restrictions on social activities. We forecast Vietnam's GDP to expand 6.5% in 2022, with the rebound in manufacturing and private consumption spending. Risks to our forecast remain skewed to the downside due to uncertainty over the trajectory of Covid-19, rising unemployment and supply chain disruptions, lasting economic scars among households and businesses and more limited policy space. As the possibility of Delta and new-variant waves accompanied by strict Covid-19 restrictions remains a distinct risk in 2022, the recovery will remain bumpy with certain sectors like tourism, travel and retail recovering less quickly.

Figure 12: Sensitivity analysis on 2021 GDP growth forecast

	1H21 GDP growth	2H21 GDP growth									
						Base case					Plan
GDP growth	**5.8%**	**-1.2%**	**-0.3%**	**0.6%**	**1.5%**	**2.5%**	**3.4%**	**4.3%**	**5.2%**	**6.1%**	**7.0%**
Agriculture	5.6%	-2.3%	-1.7%	-1.1%	-0.4%	0.2%	0.8%	1.4%	2.0%	2.6%	0.4%
Industry & construction	8.4%	-1.8%	-0.5%	0.7%	2.0%	3.2%	4.5%	5.7%	7.0%	8.3%	9.5%
Industrial	8.9%	-2.0%	-0.7%	0.7%	2.0%	3.3%	4.6%	5.9%	7.3%	8.6%	9.9%
Construction	5.6%	-0.7%	0.3%	1.3%	2.2%	3.2%	4.2%	5.2%	6.2%	7.2%	8.2%
Service	4.0%	-0.3%	0.5%	1.3%	2.1%	2.9%	3.7%	4.4%	5.2%	6.0%	6.8%
Taxes & subsidies	4.9%	-0.9%	0.0%	0.8%	1.6%	2.4%	3.2%	4.1%	4.9%	5.7%	6.5%

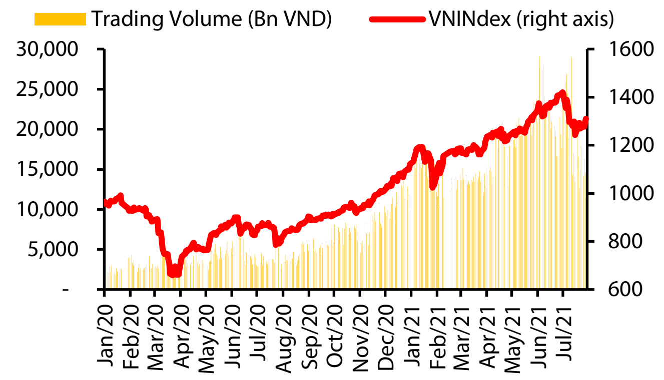
	2021 GDP growth									
	←				Base case	→				Plan
GDP growth	**2.0%**	**2.5%**	**3.0%**	**3.5%**	**4.0%**	**4.5%**	**5.0%**	**5.5%**	**6.0%**	**6.5%**
Agriculture	1.3%	1.7%	2.0%	2.3%	2.7%	3.0%	3.3%	3.7%	4.0%	2.8%
Industry & Construction	2.8%	3.5%	4.2%	4.8%	5.5%	6.2%	6.9%	7.6%	8.3%	9.0%
Industrial	2.9%	3.6%	4.4%	5.1%	5.8%	6.5%	7.3%	8.0%	8.7%	9.5%
Construction	2.2%	2.7%	3.2%	3.8%	4.3%	4.8%	5.4%	5.9%	6.5%	7.0%
Service	1.7%	2.1%	2.5%	3.0%	3.4%	3.8%	4.2%	4.6%	5.1%	5.5%
Taxes & subsidies	1.8%	2.2%	2.7%	3.1%	3.6%	4.0%	4.5%	4.9%	5.4%	5.8%

Source: Rong Viet Securities

STOCK MARKET IN JULY: CORRECTION

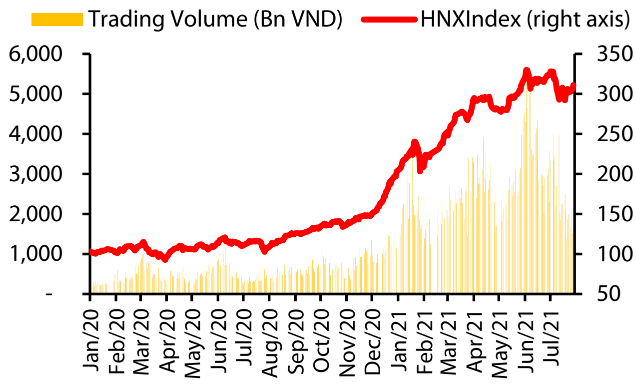
The VN Index was down 7% MoM to finish at 1,310. The VN Index underperformed other indices such as SET (-4.15%), KOSPI (-2.86%), S&P 500 (2.27%) given the severe impact of the Covid-19 fourth wave. The HNX Index also performed negatively with a 2.6% MoM loss.

Figure 13: VN Index in 2020 till end of July 2021



Source: Fiinpro, Rong Viet Securities

Figure 14: HNX Index in 2020 till end of July 2021



Source: Fiinpro, Rong Viet Securities

The VN30 (-5.4% MoM), VNMid (-5.6%) and VNSmall (-4.7%) decreased compared to the previous month. Liquidity in these groups also lost steam compared to June. However, liquidity of the VN30 group was still quite positive compared to the average of last six months of 2021, while the liquidity of VNMid and VNSml groups dropped below the average level of the last six months (Table 2).

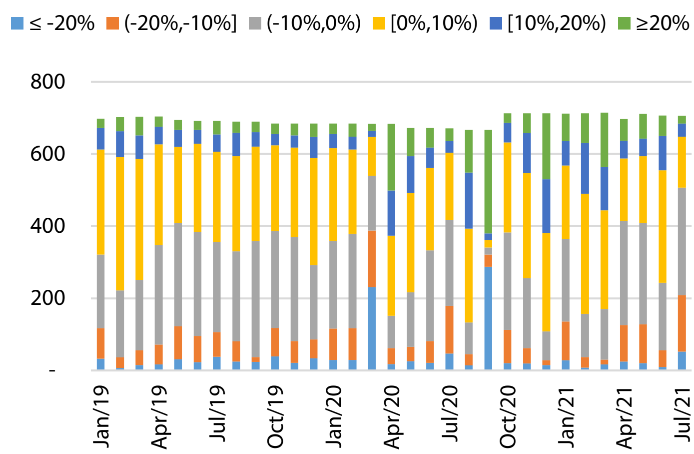
Different from the positive picture in June on HOSE and HNX, the number of losers outnumbered gainers. Most stocks fluctuated in the range of +/- 10% MoM, but the number of stocks falling over 10% was quite high (Figure 15).

Table 2: Performance by market cap in July

	VN30		VNMid		VNSmall	
	ADTV (billion VND)	Price change	ADTV (billion VND)	Price change	ADTV (billion VND)	Price change
May 2021	12,487	12.4%	4,116	7.2%	1,762	2.6%
June 2021	12,469	3.7%	5,429	5.8%	1,935	5.2%
July 2021	10,953	-5.4%	4,276	-5.6%	1,552	-4.7%

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

Figure 15: The number of stocks by monthly performance on HOSE and HNX

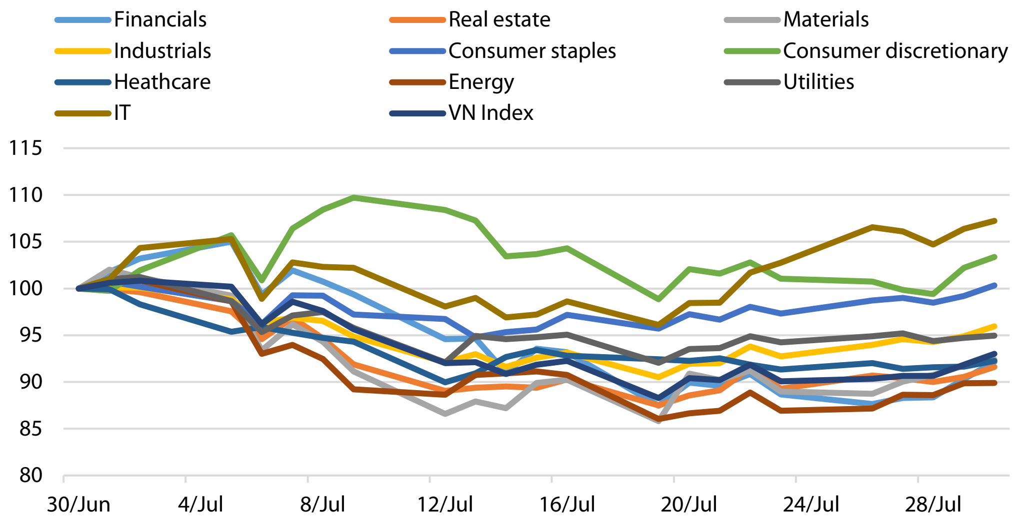


Source: Fiinpro, Rong Viet Securities

IT and Consumer discretionary were the top two sectors with 7.2% and 3.4% MoM returns, respectively. The IT sector was driven by FPT (+7% MoM), CMG (+14%) while MWG (+18%), FRT (+38%) uplifted the Consumer discretionary sector. Consumer staples also went up 0.3% MoM backed by MSN (+21%). On the flip side, Energy and Real estate put pressure on the VN Index with negative returns of -10.1%, -8.4% respectively. For Energy, key lagger was POW (-10% MoM).

For Real estate, VHM (-8% MoM) and NVL (-14%) were the main laggers. Returns from other sectors varied from -7.8% to -4.0%.

Figure 16: Sectors' performance in July



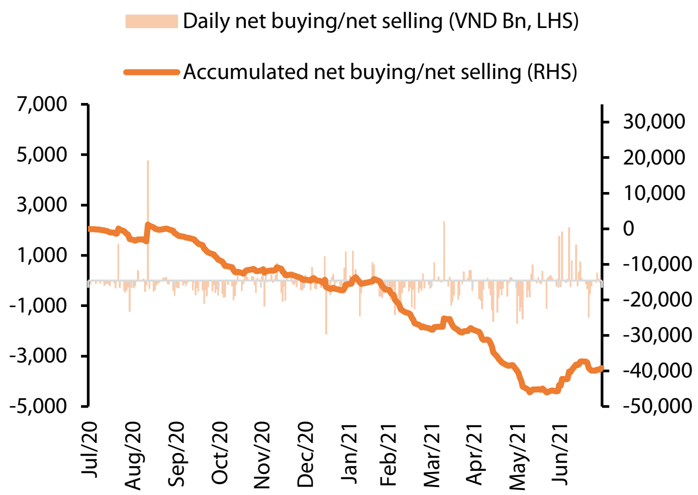
Source: Bloomberg, Rong Viet Securities

Foreign trading

Foreigners were net buyers of VND 3.6 trillion (or USD 156 Mn) via order-matching transaction on HOSE when the VN Index shrank. STB (VND 1107 Bn or USD 48 Mn), MBB (VND 996 Bn or USD 43 Mn), HPG (VND 844 Bn or USD 37 Mn) and MSN (VND 688 Mn or USD 30 Mn) were net bought the most by foreigners through matching transactions on HOSE in July. In contrast, VPB (VND -1079 Bn or USD -47 Mn), CTG (VND -867 Bn or USD -38 Mn), NVL (VND -497 Bn or USD -22 Mn), VIC (VND -475 Bn or USD -21 Mn) were noticeably net sold.

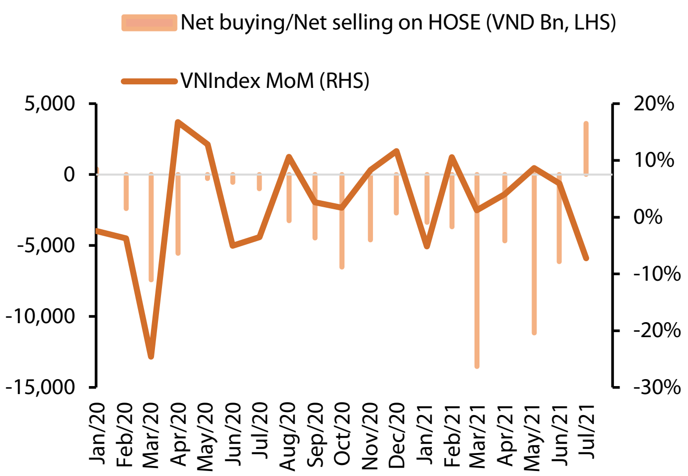
Foreign ETFs recorded buy position in general as KIM experienced net added value of USD 7 Mn while FTSE recorded net outflows of USD 2 Mn. VNM ETF and Fubon ETF went through net inflows of USD 11 Mn and USD 171 Mn, respectively. Domestic ETFs also had positive outcome. E1VFVN30 recorded net added value of USD 37 Mn while FUEVFVND only experienced net out flows of USD 1 Mn.

Figure 17: Total daily net buying/selling values by foreigners (Billion VND)



Source: Fiinpro, Rong Viet Securities

Figure 18: Net buying/selling on HOSE via matching-order transaction versus VN index MoM



Source: Fiinpro, Rong Viet Securities

Table 3: Foreign net buying value by sectors on HOSE and HNX

Sector	HSX Net trading value (billion VND)	HSX Net trading volume (thousand shares)	HNX Net trading value (billion VND)	HNX Net trading volume (thousand shares)
Automobiles & Parts	-40	-2,409	0	13
Banks	839	44,124	-16	-637
Basic Resources	1,007	23,155	-2	-1,136
Chemicals	114	-186	1	68
Construction & Materials	85	7,092	-21	-135
Financial Services	491	6,211	-50	1,125
Food & Beverage	989	12,729	-12	-498
Health Care	-14	-801	-1	-79
Industrial Goods & Services	614	27,836	1	8
Insurance	-109	-2,234	354	9,491
Media	-5	-328	0	-137
Oil & Gas	26	166	-10	-438
Personal & Household Goods	24	624	0	-31
Real Estate	576	13,810	61	1,212
Retail	-30	-2,310	0	-2
Technology	-22	-1,217	0	-23
Telecommunication	0	0	0	0
Travel & Leisure	-10	-730	3	297
Utilities	181	517	-5	-588

Source: Fiinpro, Rong Viet Securities

Local institutional investors

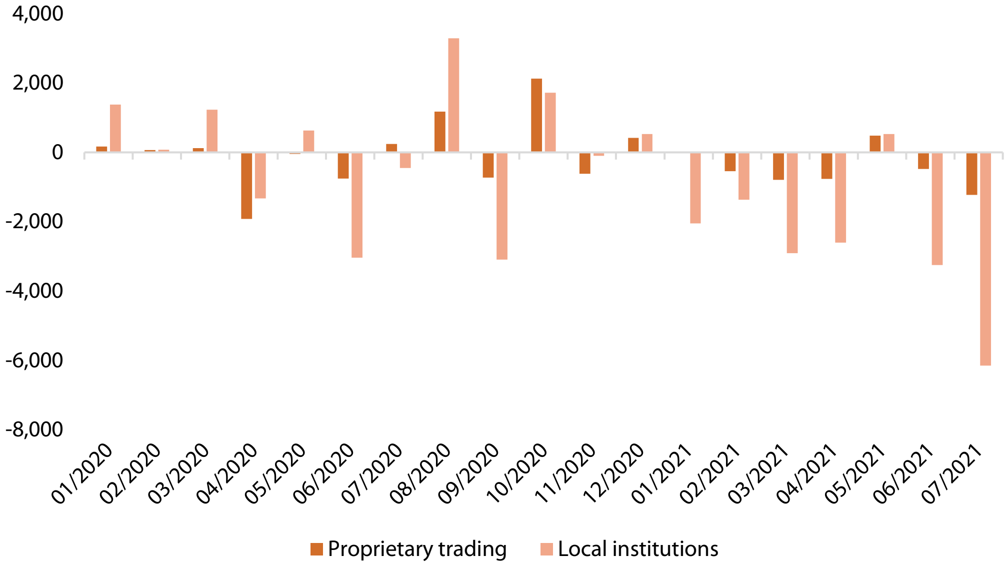
Local institutional investors were as net sellers with net selling value of nearly VND -6,145 billion (or USD -266 Mn). Proprietary traders were also net sellers with net selling value of VND -1,227 billion (or USD -53 Mn). Key traded stocks by local institutional investors and proprietary traders are exhibited as below (Table 4).

Table 4: Top sold/purchased stocks by local institutions and proprietary traders

Stock	Net purchased/sold value by local institutions (USD Mn)	Net purchased/sold value by proprietary traders (USD Mn)
STB	-107	None
VHM	-41	None
NVL	-27	None
TCB	-25	-14
CTG	-25	+6
HPG	-25	-29
VPB	-22	-11
MWG	-17	None
VCB	-14	None
ACB	+28	None
OCB	+14	None
NLG	+9	+5
IJC	+7	+5
DXG	+6	None
SGT	+6	None
PLX	+5	None
SSI	None	+7
PNJ	None	+3

Source: Fiinpro

Figure 19: Trading activity by local institutional investors (VND Bn)



Source: Fiinpro

6M's earning results

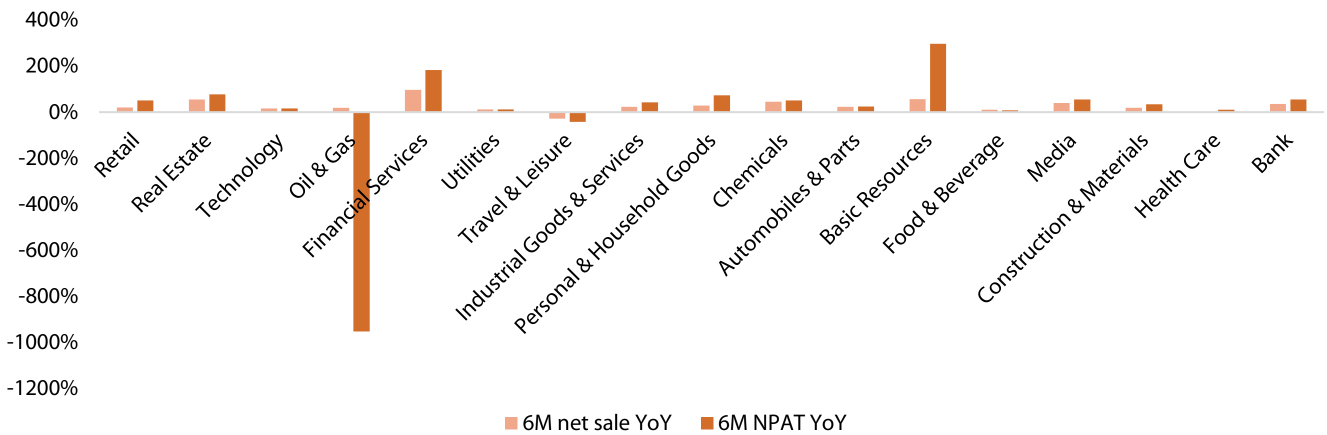
The data of 6M business results from more than 475 enterprises representing 90% of market capitalization on HOSE and HNX showed strong performance. Specifically, 6M NPAT of the HSX and HNX increased by 66% YoY and 60% YoY, respectively. This performance indicated a strong turnaround of business activities after being hit hard by Covid-19 in 6M 2020.

In terms of market cap, business results in 1H 2021 were better than the same period last year in all groups (VN30, VNMid or VNSmall). The 1H NPAT of VN30, VNMId and VNSmall increased 58%, 85% and 118% YoY, respectively.

Tourism & entertainment (-42% YoY on NPAT growth) still struggled. For Oil and Gas, PLX turned from a loss of nearly VND 816 Bn (or USD -35 Mn) in 6M2020 to a gain of VND 2.1 trillion (or USD 91 Mn) in 6M2021, mainly attributed for the abnormal growth of this group. Net income of the two largest groups – Bank and Real esate witnessed positive results as NPAT growth rose by 56% YoY and 77%, respectively. Results of the banking group were mainly supported by positive outcomes of private commercial banks such as TCB, MBB and STB with over 50% profit growth.

Financial services saw an increase of 183% in NPAT YoY. Key leaders included SSI, VND, HCM, VCI with NPAT growth ranging from 91% to 382% YoY. The Basic Resources group also experienced a strong performance thanks to the steel price rally. In which, HPG and HSG were the leaders.

Figure 20: 6M's earning results by sectors



Source: Fiinpro, Rong Viet Securities

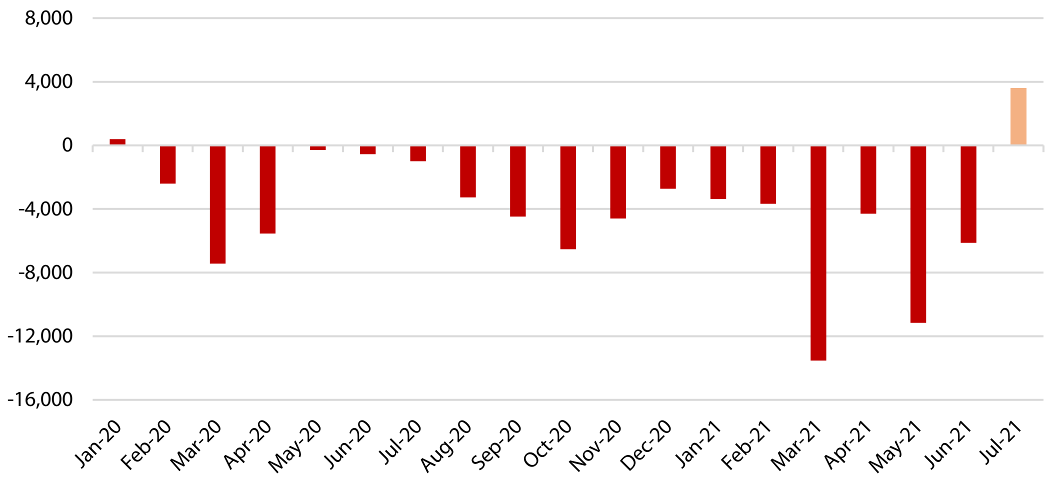
We believe the stock market in August will start to recover after the shakeout in July. Supporting factors include (1) The return of foreign investors (2) Better market sentiment from accelerated vaccination in HCMC. However, we are still concerned about the prolonged lockdown which would limit economic activities in Q4 2021 and surely affect business performance in 2021. For this month, we expect the VN Index to move from ***1,260 – 1,370.***

Net purchase by foreign investors is expected to continue as the market valuation and expected 2022F EPS growth are still attractive.

In July 2021, foreign investors returned as net buyer for the first time since Jan 2020 with total net trading value of VND 3,602 Bn (or USD 155 Mn), Figure 21. In which, Fubon ETF was the main player with a net add valued of VND 3,953 Bn (or USD 171 Mn). Per Fubon representatives, they appreciate Vietnam's ability to control Covid-19 and efforts to develop the stock market (use new trading system to solve the order congestion problem).

From our viewpoint, foreign investors action is understandable given the potential turnaround of the market after containing Covid-19 with a PE forward 2022F of 13x and EPS 2022F growth of 16.16% (Figure 22). Therefore, we expect more positive buying from foreign investors.

Figure 21: Foreign net trading value via matching orders (VND Bn)



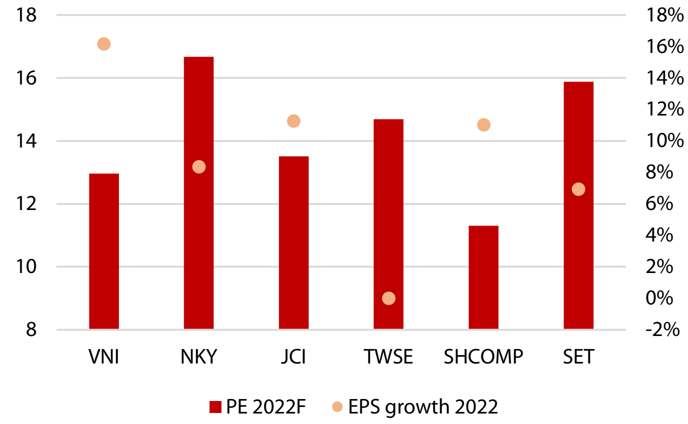
Source: Fiinpro

Better market sentiment thanks to the accelerated vaccination in HCMC

HCMC is the key economic center, accounting for one-fourth of the whole country's GDP. Therefore, the vaccine rollout progress is the determining factor for gradually loosening the lockdown and allowing more economic activities to return. According to our Macro analyst, we believe that HCMC authorities can achieve a target to have at least one shot to 70% of 9m citizens in Aug 2021. Therefore, we expect the market to react positively.

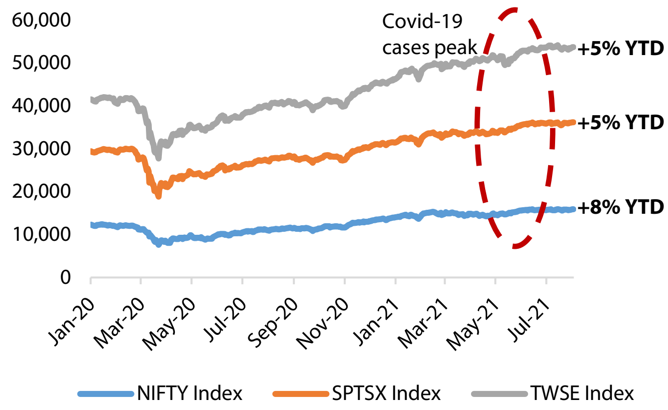
The number of Covid-19 cases is now lower since the all-time-high on July 27th with 10,774 cases. Therefore, we expect the government to control the Covid-19 in Q4 2021 in our base case assumption. The market would be more optimistic if the daily cases peak as we consider the movement of some markets including Taiwan, India and Canada. Specifically, we saw the uptrend movement of some regional stock markets with 5% to 8 % gain YTD when the number of daily cases peaked (Figure 23). The trend is quite similar when the VN-Index bounced back 1.6% (at end of July) from July 27th (the current peak of Covid-19 daily cases).

Figure 22: PE 2022F (LHS) and EPS growth 2022F (RHS)



Source: Bloomberg

Figure 23: Market at India, Canada, and Taiwan after Covid-19 cases peak



Source: Bloomberg, Rong Viet Securities

However, in the worst case, further complicated situation

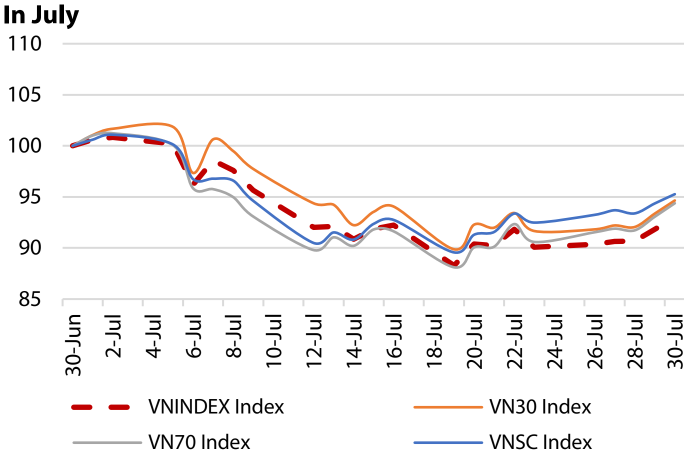
The turnaround expectation would be challenging if the current lockdown is prolonged. Consequently, it would impact the market sentiment negatively.

For this month, based on our Coverage list on VN30 stocks (76% market cap of the whole market as of July 30st), we expect consumer stocks including **MSN, MWG** to support the VN Index given the strong Q3 business performance outlook from the high demand of grocery items. **FPT** is also resilient based on further growth outlook due to the accelerated pace of digital adoption. For real estate stocks, the story of private placement of mid-cap stocks **(DIG, NLG)**, selling treasury stocks **(VHM)** may lead the market at end of Q3 and Q4 2021. For banking stocks, we think the strong stock rally in 6M 2021 would be tough to emulate given the high base in the same period last year and slower growth in Q3 2021. We stay neutral on Oil and Gas stocks as the oil price rally in 1H 2021 is expected to slow down in 2H 2021. We continuously stay cautious with stocks in Travel and Leisure given the intense impact of Covid-19. We expect the VN-Index to move in the range of **1,260 – 1,370**.

Picking safe haven in a time of uncertainty

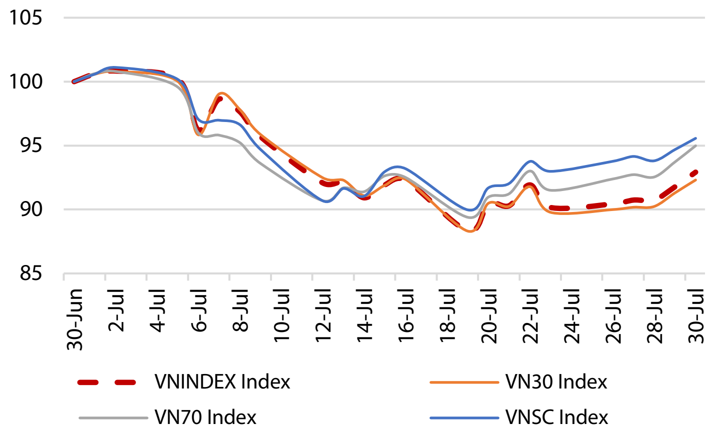
The outperformance of smaller market cap stocks compared to the VN Index in July was generally in line with our expectations. As such, our reduced weight recommendation on some large cap stocks in steel and banking sectors, namely HPG, VCB, ACB, last month has helped lessen the impact of the market downturn and, hence, improved the overall performance. Overall, ten out of 12 buying recommendations have outperformed the VN Index last month (Table 5).

Figure 24: VN Small cap (VNSC) Index has outpaced VN Index



Source: Bloomberg, Rong Viet Securities

Figure 25: Market cap changes show a clearer outperformance of VN Small cap and VN Midcap (VN70)



Source: Bloomberg, Rong Viet Securities

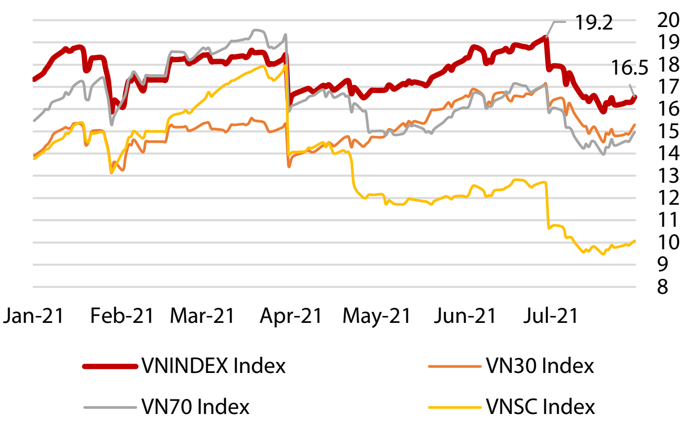
Table 5: Recommended stocks performance

Stock	Monthly performance	Performance since recommendation	Recommended BUYING since	TP (VND)	Market price (VND) @July 30th, 2021
MSN	17.6%	19.4%	July 2, 2021	136,000	134,000
SMC	10.7%	46.1%	May 4, 2021	47,100	44,350
DPM	10.6%	40.9%	June 4, 2021	26,700	25,550
KDH	8.4%	14.1%	June 4, 2021	43,400	40,700
GMD	7.2%	38.8%	May 4, 2021	48,000	46,100
MSH	7.0%	41.2%	May 4, 2021	64,200	65,300
QNS	4.4%	7.0%	July 2, 2021	51,000	43,000
PC1	1.3%	1.1%	July 2, 2021	34,100	26,850
TCB	-3.0%	26.8%	April 1, 2021	71,000	51,100
PNJ	-4.3%	12.9%	April 1, 2021	115,000	95,800
VHM	-8.2%	-6.4%	July 2, 2021	n.a	108,300
VN INDEX	**-7.0%**	**14.2%***			
VN30	**-5.3%**	**25.4%***			

*Source: Bloomberg, Rong Viet Securities, *since March 5th, 2021*

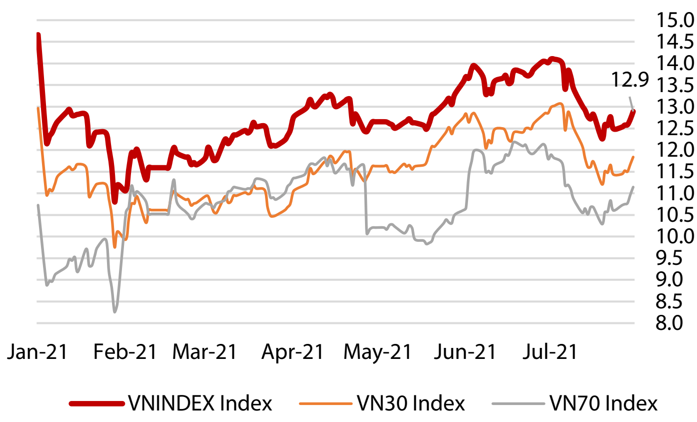
Robust Q2-2021 earnings growth and a losing month in the market have driven valuation to more attractive levels. 288/378 listed companies on HOSE have announced Q2-2021 business results as of Aug 3rd, with total NPAT-MI growth of 46.1% YoY on the back of the low comparative base last year due to the pandemic. Together with a 7% drop of the VN Index in July, the index's trailing P/E ratio has declined from 19.2x to 16.5x by the end of July, which is near the low of 16x in late Jan 2021. We expect this attractive valuation level to be supportive for the continued rally in 2H-2021 considering a 33% YoY in 2H-2021 earnings growth from our coverage (Table 2), which consists of 45 stocks listed on HSX and accounts for 43% of HSX market cap. Additionally, we believe that the stock market could be further underpinned by the ample available cash on hand of retail investors, which seemingly remains captive in the stock market as the lockdown has hindered money outflow to other investment channels. It was partly evidenced by the recovery of the market in the second half of July despite surging covid new cases and the extended lockdown period. Moreover, news about vaccines shipment coming every week will likely bolster market sentiment.

Figure 26: Trailing P/Es by HOSE indices moved to more attractive levels as Q2 2021 profit kicked in



Source: Bloomberg, Rong Viet Securities

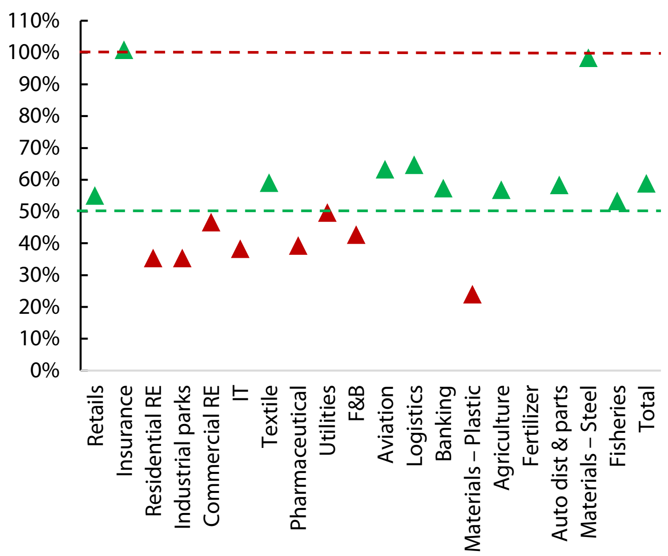
Figure 27: Forward P/Es by HOSE indices



Source: Bloomberg, Rong Viet Securities

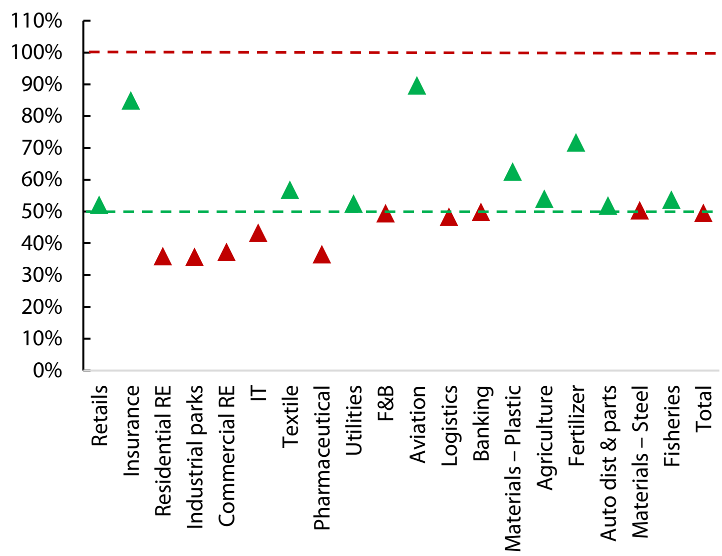
Under our coverage, three sectors have nearly completed and surpassed full-year profit guidance, namely Steel (98%), Insurance (101%) and Fertilizer (197%). While 8/19 covered sectors have generally posted better-than-expected earnings, surpassing 50% our 2021 NPAT forecasts (Figure 29), after 1H-2021, this doesn't mean that results from the remaining sectors are worse-than-expected. On the contrary, some of those will provide robust profit growth prospects in the 2H-2021.

Figure 28: % accomplishment of 2021 guidance by sector



Source: Fiinpro, Rong Viet Securities

Figure 29: 1H 2021 NPAT vs 2021 Forecast by sector



Source: Rong Viet Securities

Despite our positive anticipation for the general market outlook, **we believe the performance will largely diverge between sectors given the disproportionate impact of social distancing on businesses.** As such, we believe sectors that are somewhat less affected throughout the dire period of social distancing, in addition to having strong earnings growth outlook and attractive valuation, will outperform. In particular, we expect companies that have strong prospective exporting activities (NKG, HSG, FPT) and ones that provide services relating to international transportation (GMD, PVT) to thrive, predicated on the fact that consumption demand of Vietnam's key partners has rebounded well since their high vaccination rates allow them to partly reopen their economies. Additionally, other sector like consumer staple (MSN – which we recommended buying last month) is also expected to perform well given skyrocketed demand for packaged foods in the wake of the lockdown. On the other hand, as the pandemic in Vietnam will create uncertainty, we believe investors could manage the risk by reducing weight of recommended stocks shown in table 9.

Table 6: Implied 2H-2021 business results by sector

Sector	2H-2021			
	Revenue	NPAT	Revenue YoY%	NPAT YoY%
Materials – Steel	122,589	18,295	87%	106%
Industrial parks	4,283	1,812	52%	98%
Residential RE	12,227	3,974	22%	64%
IT	18,263	2,493	13%	30%
Pharmaceutical	962	158	25%	30%
Commercial RE	6,579	1,962	31%	27%
Banking	164,243	58,765	10%	27%
Logistics	6,382	1,145	-4%	24%
Retails	75,654	3,025	21%	20%
Fertilizer	8,781	387	30%	8%
Textile	5,907	364	30%	1%
F&B	88,357	7,040	18%	1%
Fisheries	6,508	413	20%	-9%
Auto dist & parts	6,687	290	-4%	-23%
Agriculture	3,357	194	-37%	-24%
Utilities	18,408	1,575	-2%	-46%
Insurance	1,585	29	16%	-56%
Materials – Plastic	2,776	75	15%	-72%
Aviation	1,978	138	-37%	-72%
Total	**555,527**	**102,133**	**24%**	**31%**

Source: Rong Viet Securities

Table 7: Forward P/E by sector

Sector	P/E 2021F		
	5/31/2021	6/30/2021	7/30/2021
Materials – Steel	6.8	6.7	6.1
Agriculture	7	7.4	7.3
Fertilizer	6.3	7.7	8.2
Industrial parks	8.9	9.9	9.0
Auto dist. & parts	9.4	9.8	9.5
Materials – Plastic	11	11.2	10.6
Residential RE	10.5	10.2	10.9
Banking	12.1	12.9	11.5
Fisheries	11.1	13.6	11.8
Insurance	9.6	10.1	12.0
Textile	13	14.5	13.7
Logistics	12	13.5	13.7
Utilities	14.8	15.2	14.3
Retails	14.1	15.1	15.8
Pharmaceutical	18.1	19.9	18.0
IT	17.6	18.2	19.4
Commercial RE	21.3	23	20.1
F&B	22.9	23.1	24.3
Aviation	54.3	61.2	61.6
Total	**12.8**	**13.4**	**12.6**

Source: Rong Viet Securities

Table 8: Investment recommendations in August

Stock	TP (VND)	Cash Div (VND)	Total expected return @August 4th, 2021	2021F P/E	P/B	Rationales
NKG	41,000	300	14%	3.2	1.4	**NKG and HSG are now our top picks in the steel sector as we expect these companies to grow at a high pace owing to strong export activities.** In terms of sales , HSG and NKG can boost export volume and run their factories at full capacity in 2H 2021. The demand for Vietnamese coated steel in EU and North America is still solid. Large coated-steel manufacturers, such as HSG and NKG, received sufficient orders for production until November 2021. We forecast that HSG and NKG's steel sales will grow by 15% YoY and 32% YoY respectively in 2H 2021.
HSG	42,000	0	12%	4.5	1.7	**Profitability from exporting to EU & North America is still high in Q3 2021** as the flat steel price gap between these markets and Vietnam is widening. The HRC price in Vietnam was USD 520/ton lower than in EU and USD 880/ton lower than in America in late-July. We expect GPM from exporting to these markets can reach 19-22% in Q3 2021, similar to Q2 2021. We expect NKG's NPAT to increase by 300% in 2H, reaching VND 950 billion. Meanwhile, HSG's NPAT can grow by 135% YoY in 4Q/FY2020-2021, reaching VND 1,060 billion.
PVT	23,500	500	24%	8.6	1.3	**Solid earnings growth on the back of new fleet.** Huge CAPEX for growing its fleet will be taken place. We believe that the fleet rejuvenation continues to be the growth engine, which will impact its bottom line in 2H2021. **Potential abnormal profit from demolishing Athena Vessel**, which is expected to contribute VND180bn to profit in Q4 2021. NPATMI is forecasted to surge by 39% YoY to VND930 bn.
FPT	108,800	2,000	16%	18.2	5.2	**Accelerated pace of digital adoption, fueled by economic recoveries, will underpin global technology segment's long-term earnings growth trajectory**. Global Covid-19 vaccines rollout will kickstart global economic recovery, which will have a spillover effect on IT services demand and accelerate the digital transformation (DX) even more than the pace seen in 2020. Furthermore, we believe an enhanced core technology capabilities and, thus, wider scope of services offered to FPT's clients along their DX journey (Consulting to implementation and maintenance) will position F-Soft well to capitalizing the mentioned market trend.

The domestic technology segment is at the beginning of a rapid growth phase. 1H-2021 domestic technology revenue are still growing at its highest level since 2014 (41% YoY and 19% higher than 1H-2019), even though Vietnamese firms are being hit by the worst covid-19 wave and FPT has strategically scale down hardware plus system integration sales. We believe this outcome was constructed by the growing adoption of IT into enterprises' operations and processes and the acquisition with Base.vn, a leading SaaS company in Vietnam. These are winning formula for FPT in the domestic market, we believe.

Pay TV and Data center (DC) to provide interestingly high growth opportunities for Telecom segment. We expect that growing broadband subscribers will drive Pay TV users and further enhance profitability through higher economies of scale. Meanwhile, FPT's DC services will capture the booming demand driven by robust DX momentum created by the pandemic on the back of its rapidly ramping up DC capacity.

Source: Rong Viet Securities

Table 9: Recommended stocks that investors should consider taking profit/reducing weight

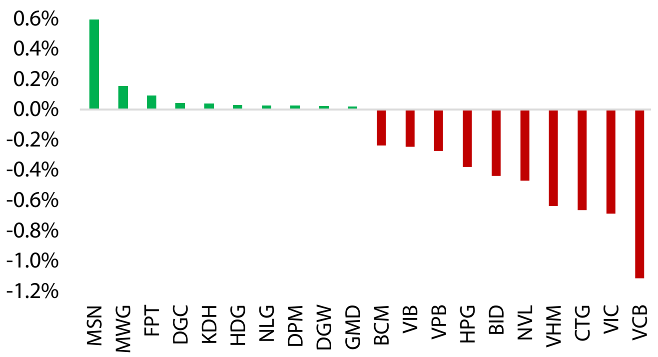
Stock	Performance since inception	Comments
SMC	46.1%	Although Q2 2021 NPAT was better than expected, we think investors should consider taking profit as downside risks are rising: SMC is facing challenges in 3Q and 4Q as the rigid lockdown in the South will hinder SMC's sales volume significantly.
MSH	41.2%	MSH's recent rally of 40% has surpassed our previous TP by 9%, largely reflecting business recovery and abnormal income from bad debt collection in Q2 2021. In 2H 2021, we concern that MSH's profit margins will be contracted due to surging raw material prices and freight costs.
DPM	40.9%	Robust Q2 2021 earnings, largely driven by the abnormal profit from insurance as well as the expenses adjustment from the state auditor's request, has largely underpinned stock price recently. Besides, DPM has benefited from the rising price in Urea. However, we believe that the 2H2021 earnings will not as good as 1H2021 and 2022 earnings will be lower than 2021 that will make the 2022 P/E of DPM stay high ~ 21x at the current market price.
PNJ	12.9%	We expect the current social distancing in the South will be extended to at least the end of August, as there are still thousands of new cases each day in the region, before easing afterward on the back of higher vaccination rates. As such, we believe PNJ 's business results will get worse in Q3 2021 before it gets better.

Source: Rong Viet Securities

Appendix

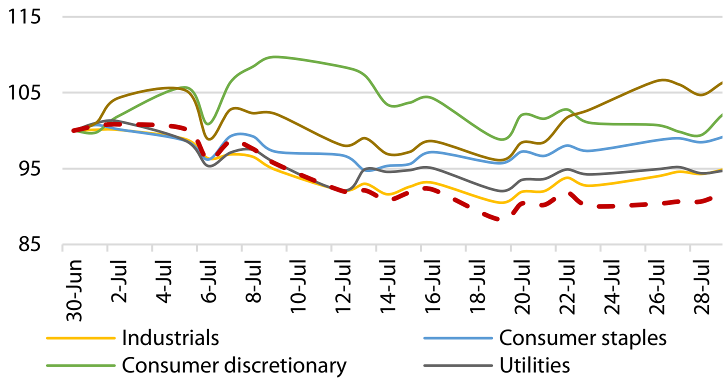
IT (CMG, DGW, FPT), Consumer Discretionary (FRT, MWG), Consumer Staple (MSN), Industrials (mainly logistics companies) and Utilities (TDM, BWE) sectors outperformed VN Index in July 2021.

Figure 30: Top contriburtors to VN Index



Source: Fiinpro

Figure 31: IT, Consumer Discretionary, Consumer Staple, Industrials and Utilities sectors outperformed VN Index in July 2021



Source: Bloomberg, Rong Viet Securities

Table 10: Summary of financial information & valuation of stocks that are recommended

Ticker	Exchange	Market cap	Target price (VND)	Current price (VND)	Total Return	2020 +/- Rev. (%)	2020 +/- NPAT (%)	2021F +/- Rev. (%)	2021F +/- NPAT (%)	2022F +/- Rev. (%)	2022F +/- NPAT (%)	PER Trailing (x)	PER 2020F (x)	PBR Cur. (x)	Div Yield (%)	+/- Price 1y (%)	3-month avg. daily turnover (USD thousand)	Foreign remaining room (%)
TCB	HOSE	7,684	71,000	51,800	37%	28.4	22.3	35.6	46.5	25.0	28.0	11.0	10.1	2.1	0.0	179.9	48,934	0.0
PC1	HOSE	219	34,100	26,300	30%	13.9	41.2	13.9	1.0	-6.8	3.9	10.2	11.0	1.2	0.0	87.8	644	38.9
PVT	HOSE	267	23,500	19,200	25%	-3.9	-11.0	2.4	26.3	5.1	-8.6	8.6	7.8	1.3	2.6	141.4	3,651	33.8
QNS	UPCOM	682	51,000	43,831	22%	-15.5	-18.5	16.2	20.9	24.8	23.3	14.0	10.6	2.4	5.7	49.0	1,388	42.5
NKG	HOSE	271	41,000	34,600	19%	-5.1	524.1	142.1	616.3	0.4	-43.7	4.3	3.1	1.4	0.9	469.4	7,298	85.2
FPT	HOSE	3,744	108,800	95,800	16%	7.6	12.8	15.7	24.4	19.0	19.1	22.6	19.8	5.2	2.1	154.9	14,250	0.0
KDH	HOSE	1,084	43,400	40,950	6%	61.1	25.9	6.4	9.9	1.5	49.8	20.6	20.9	3.0	0.0	107.9	6,612	18.2
GMD	HOSE	615	48,000	47,700	3%	-1.5	-29.3	6.9	51.0	7.8	69.9	32.4	26.0	2.3	2.5	170.2	5,538	7.0
MSN	HOSE	6939.5263	136000	137800	-1.3%	106.7	-77.8	24.2	62.9	9.4	19.5	76.3	80.5	7.5	0.0	175.3	9,138.3	4.6

Source: Rong Viet Securities. Price as of Aug 3rd, 2021

HIGHLIGHT STOCKS

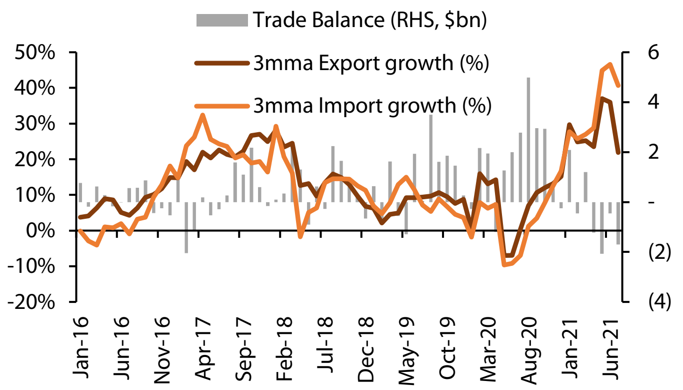
Ticker	Exchange	Market cap (USD mn)	Target price (VND)	Current price (VND)	Total Return	Rating	2020		2021F		2022F		PER Trailing (x)	PER 2022F (x)	PBR Cur. (x)	Div Yield (%)	+/- Price 1y (%)	3-month avg. daily turnover (USD thousand)	Foreign remaining room (%)
							+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)							
PHR	HOSE	298.3	67,700	50,800	41%	Buy	-0.4	140.2	-6.3	-7.3	66.4	-17.3	6.4	10.2	2.3	7.9	6.1	1,874.1	37.7
KBC	HOSE	700.5	48,000	34,600	39%	Buy	-32.9	-77.5	147.4	418.5	92.6	230.1	66.3	3.2	1.6	0.0	178.6	13,415.8	29.5
GEG	HOSE	188.4	21,700	16,000	38%	Buy	28.8	3.0	31.2	37.0	34.1	47.7	16.8	8.5	1.4	2.5	14.7	362.6	12.9
TCB	HOSE	7,684.5	71,000	51,800	37%	Buy	28.4	22.3	35.6	46.5	25.0	28.0	14.7	7.9	2.1	0.0	179.9	48,933.7	0.0
PC1	HOSE	219.5	34,100	26,300	30%	Buy	13.9	41.2	13.9	1.0	-6.8	3.9	10.0	10.5	1.2	0.0	87.8	644.2	38.9
REE	HOSE	720.3	70,200	54,300	29%	Buy	15.3	-0.7	24.5	7.7	15.1	7.6	10.4	8.9	1.4	0.0	66.4	1,725.6	0.0
NT2	HOSE	231.1	22,900	18,500	29%	Buy	-20.5	-17.1	5.4	-51.1	6.1	41.8	8.5	12.7	1.3	5.4	-4.6	368.4	35.1
PVT	HOSE	266.8	23,500	19,200	25%	Buy	-3.9	-11.0	2.4	26.3	5.1	-8.6	9.9	8.6	1.3	2.6	141.4	3,651.2	33.8
DXG	HOSE	485.4	27,475	22,000	25%	Buy	-50.3	-135.5	168.9	N/A	13.1	8.3	-26.5	12.2	1.3	0.0	147.2	10,164.7	20.3
MBB	HOSE	4,696.4	36,100	29,300	23%	Buy	11.0	5.6	26.7	53.2	19.8	14.5	9.9	5.7	2.0	0.0	183.9	36,149.6	-20.1
QNS	UPCOM	682.0	51,000	43,831	22%	Buy	-15.5	-18.5	16.2	20.9	24.8	23.3	12.7	8.6	2.4	5.7	49.0	1,387.6	42.5
PNJ	HOSE	938.1	115,000	96,500	21%	Buy	3.0	-10.4	30.8	29.1	16.5	26.4	20.5	13.0	3.8	2.1	88.5	3,248.9	0.0
VNM	HOSE	7,802.4	100,000	87,100	21%	Buy	5.9	4.9	0.1	1.3	5.4	3.0	18.3	17.5	5.7	5.9	0.7	14,784.1	-20.2
NKG	HOSE	271.4	41,000	34,600	19%	Accumulate	-5.1	524.1	142.1	616.3	0.4	-43.7	21.3	5.6	1.4	0.9	469.4	7,297.8	85.2
VCB	HOSE	15,527.0	117,000	98,800	18%	Accumulate	7.1	-0.3	17.3	18.9	16.6	21.9	19.9	14.2	3.4	0.0	28.0	9,942.3	6.4
HPG	HOSE	9,121.5	55,200	47,250	18%	Accumulate	41.6	78.5	76.1	152.9	7.5	-4.0	16.7	6.9	2.9	1.1	196.2	71,460.2	22.3
CTG	HOSE	7,000.2	40,100	34,100	18%	Accumulate	11.7	44.6	17.8	45.2	10.7	12.8	9.3	9.3	1.8	0.0	108.4	36,200.3	5.5
FPT	HOSE	3,744.2	108,800	95,800	16%	Accumulate	7.6	12.8	15.7	24.4	19.0	19.1	21.2	16.7	5.2	2.1	154.9	14,250.3	0.0
IMP	HOSE	204.3	80,000	71,100	15%	Accumulate	-2.4	29.1	21.7	27.8	25.3	23.9	22.6	15.6	2.8	2.1	67.5	846.6	0.0
VHC	HOSE	318.8	45,000	40,250	14%	Accumulate	-10.5	-40.2	28.1	-10.6	13.0	64.1	10.5	7.2	1.4	2.5	24.6	2,768.3	77.6
LTG	UPCOM	138.2	42,400	38,343	13%	Accumulate	-9.7	10.4	13.0	15.0	35.2	2.1	8.4	8.4	1.1	2.6	132.1	1,342.5	10.6
HAX	HOSE	40.8	20,700	20,000	11%	Accumulate	8.1	144.6	1.7	5.0	8.2	25.2	5.9	5.9	1.6	7.5	124.8	694.0	31.3
DRC	HOSE	158.4	32,500	31,000	10%	Accumulate	-5.5	2.4	21.0	25.1	8.3	10.3	14.4	11.6	2.1	4.8	117.2	2,607.4	42.1
SCS	HOSE	297.6	141,400	136,800	9%	Accumulate	-7.4	-7.5	10.7	18.7	9.5	10.4	17.1	13.1	7.0	5.8	33.1	136.6	22.7
MWG	HOSE	3,485.1	184,000	169,900	9%	Accumulate	6.2	2.2	16.9	25.9	21.4	27.8	19.7	13.2	4.4	0.9	131.2	9,425.9	0.0
BMP	HOSE	202.1	57,300	56,800	8%	Accumulate	8.0	23.6	8.8	-17.2	6.3	21.5	8.9	9.7	2.0	7.0	29.5	240.5	16.6
ACV	UPCOM	7,051.6	80,800	75,243	7%	Accumulate	-57.5	-79.0	33.2	55.9	30.6	121.2	95.3	27.6	4.3	0.0	45.5	715.8	45.4
LHG	HOSE	110.5	53,200	51,700	7%	Accumulate	7.5	39.8	27.9	38.8	4.4	10.8	13.0	8.4	1.8	3.7	179.0	794.1	39.5
NLG	HOSE	525.7	45,244	43,450	6%	Accumulate	-12.9	-13.1	124.9	37.5	19.4	19.3	14.5	11.1	1.9	2.3	92.4	5,482.1	2.7
KDH	HOSE	1,083.7	43,400	40,950	6%	Accumulate	61.1	25.9	6.4	9.9	1.5	49.8	26.5	14.0	3.0	0.0	107.9	6,612.1	18.2
HND	UPCOM	370.0	17,900	17,057	5%	Neutral	-3.9	23.8	-16.7	-76.0	9.9	30.2	5.9	11.2	1.4	0.0	11.9	52.2	49.0
GMD	HOSE	615.2	48,000	47,700	3%	Neutral	-1.5	-29.3	6.9	51.0	7.8	69.9	39.3	15.3	2.3	2.5	170.2	5,537.9	7.0
SMC	HOSE	122.8	47,100	46,800	3%	Neutral	-6.5	227.3	61.3	157.6	0.4	-48.2	9.5	7.2	1.3	2.1	375.7	1,538.7	27.0
DPM	HOSE	449.3	26,700	27,150	2%	Neutral	1.0	83.5	32.0	70.1	-10.2	-56.8	15.3	21.0	1.2	3.7	119.2	2,100.3	34.8
MSN	HOSE	6,939.5	136,000	137,800	-1%	Neutral	106.7	-77.8	24.2	62.9	9.4	19.5	130.8	67.4	7.5	0.0	175.3	9,138.3	4.6
ACB	HOSE	4,145.6	34,800	35,800	-3%	Neutral	12.8	27.8	21.8	23.7	15.1	11.8	10.7	9.2	2.4	0.0	0.0	17,826.5	0.0
MSH	HOSE	150.7	64,200	69,800	-3%	Neutral	-13.6	-48.5	17.3	57.9	29.9	46.4	15.1	7.2	2.5	5.0	184.4	269.7	42.3
BID	HOSE	7,386.1	41,400	43,350	-4%	Neutral	4.0	-14.7	15.3	59.1	14.2	27.9	24.4	17.4	2.1	0.0	18.1	7,573.8	13.3
PPC	HOSE	314.1	20,000	22,550	-6%	Reduce	-3.1	-20.1	-42.7	-95.7	56.5	1,374.4	7.3	12.0	1.3	5.5	18.2	343.0	34.1
ANV	HOSE	148.1	24,000	26,750	-7%	Reduce	-23.2	-71.3	16.4	49.1	17.7	74.1	16.9	6.5	1.4	3.7	89.6	929.5	47.6

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 Trailing (x)	PER 2022F (x)	PBR Cur. (x)	Div Yield (%)	+/- Price 1y (%)	3-month avg. daily turnover (USD thousand)	Foreign remaining room (%)
HDB	HOSE	2,352.5	31,600	34,900	-9%	Reduce	21.0	17.9	27.0	31.6	24.6	24.0	13.2	8.2	2.1	0.0	135.6	8,052.6	3.6
PGI	HOSE	97.6	20,800	25,400	-13%	Reduce	12.1	7.9	9.3	7.7	4.8	3.7	16.9	15.0	1.5	4.7	46.3	5.2	28.3
BFC	HOSE	74.3	24,000	30,850	-18%	Reduce	-11.6	80.5	39.1	40.7	-20.0	-6.4	13.2	10.9	1.8	3.9	190.7	378.3	45.3
PAC	HOSE	79.0	30,100	39,700	-20%	Sell	-4.1	-10.9	10.9	1.6	3.0	0.0	12.4	13.6	2.3	3.8	88.7	128.0	35.6
STK	HOSE	131.0	33,200	44,300	-24%	Sell	-20.8	-33.1	36.0	98.0	15.5	21.5	21.8	11.6	2.7	1.1	235.8	108.2	36.8
VSC	HOSE	162.5	50,000	69,000	-25%	Sell	-5.8	2.7	-4.3	13.1	3.0	-11.7	15.8	17.8	2.0	2.9	136.5	624.2	42.1
TCM	HOSE	235.9	33,300	76,900	-56%	Sell	-4.8	27.6	20.6	-30.2	6.5	72.9	17.3	18.4	3.3	0.7	363.4	953.3	4.9
VRE	HOSE	2,697.0	Under review	28,300	N/A	N/A	-10.0	-16.5	23.9	31.4	N/A	N/A	27.7	N/A	2.1	0.0	9.6	7,425.9	18.4
HDG	HOSE	372.9	Under review	56,400	N/A	N/A	15.1	3.9	-10.9	18.5	N/A	N/A	9.0	N/A	2.6	0.0	193.4	4,139.9	37.9
DIG	HOSE	447.6	Under review	25,850	N/A	N/A	17.7	61.3	66.8	114.4	N/A	N/A	13.1	N/A	2.2	0.0	168.0	6,478.6	46.6

Source: Rong Viet Securities; Price as of August 3rd, 2021

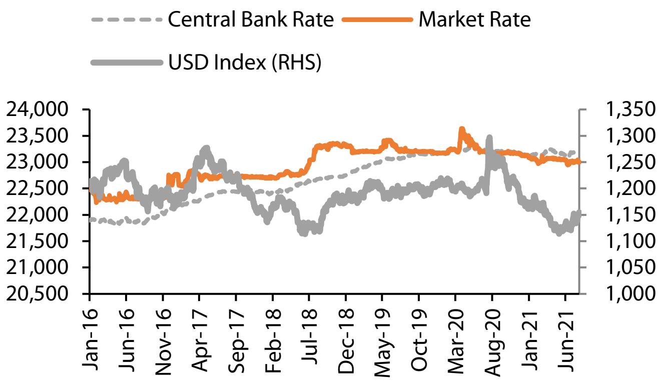
VIETNAM ECONOMIC INDICATORS IN JULY 2021

Trade balance



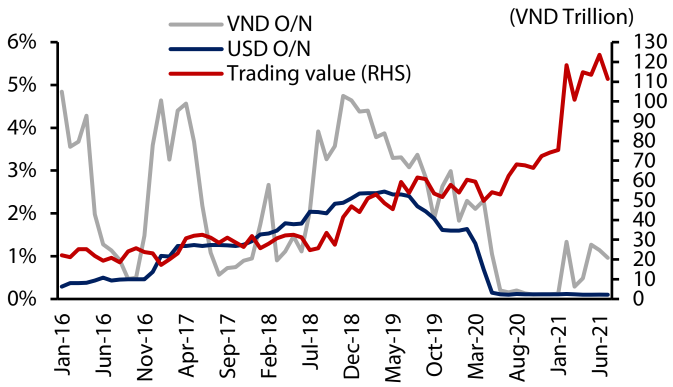
Source: GSO, Rong Viet Securities

USDVND exchange rate



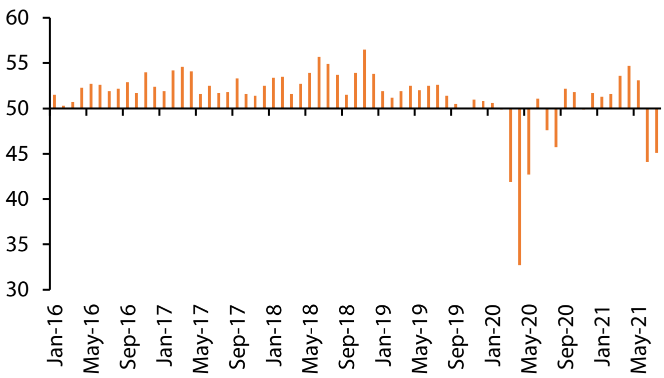
Source: SBV, Bloomberg, Rong Viet Securities

Interbank interest rate (%/year)



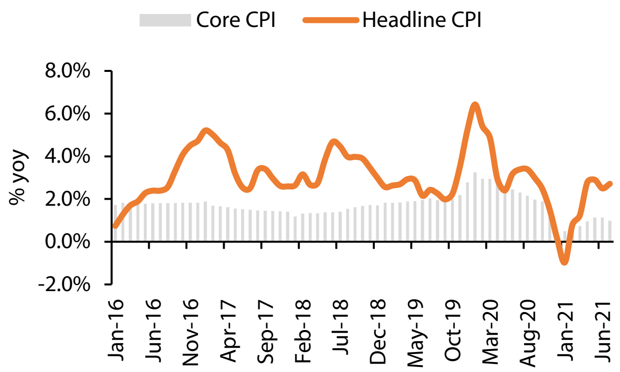
Source: SBV, Rong Viet Securities

Vietnam PMI



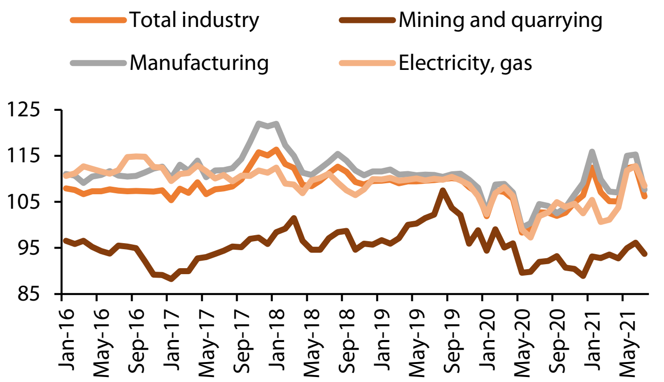
Source: IHS Markit, Rong Viet Securities

Vietnam CPI



Source: GSO, Rong Viet Securities

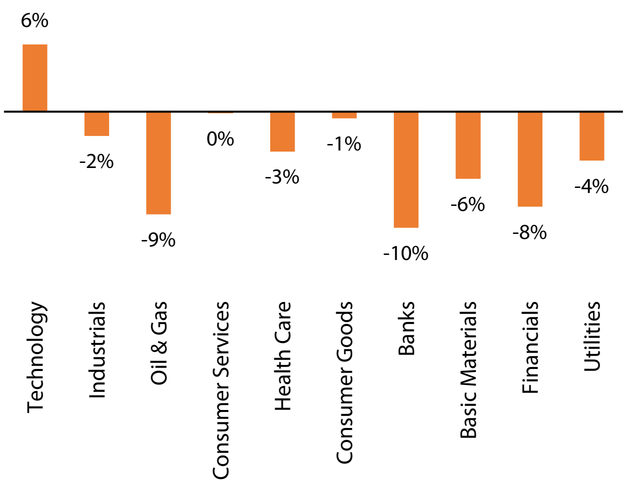
3-month MA Industrial Production Indices



Source: GSO, Rong Viet Securities

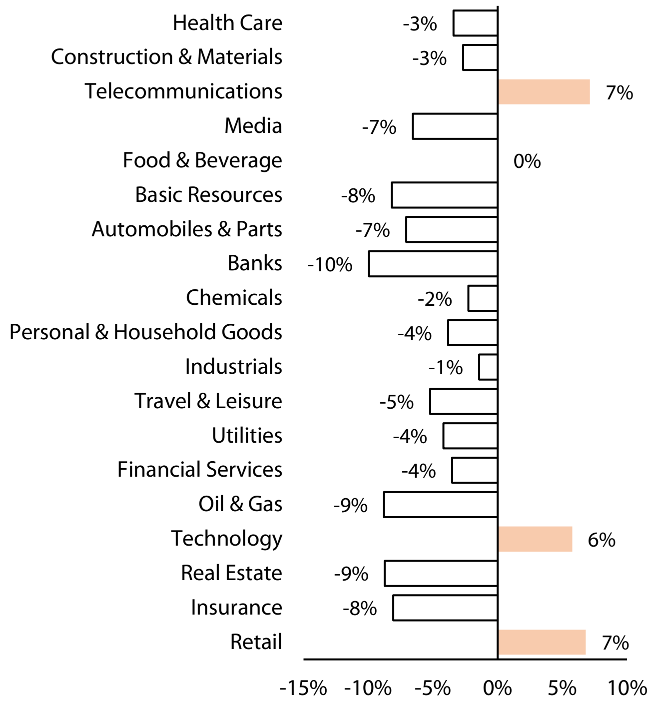
INDUSTRY INDEX

Level 1 industry movement



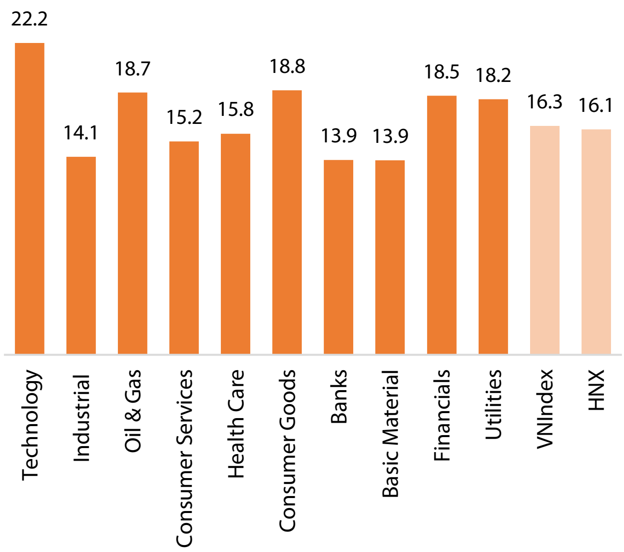
Source: Fiinpro, RongViet Securities

Level 2 industry movement



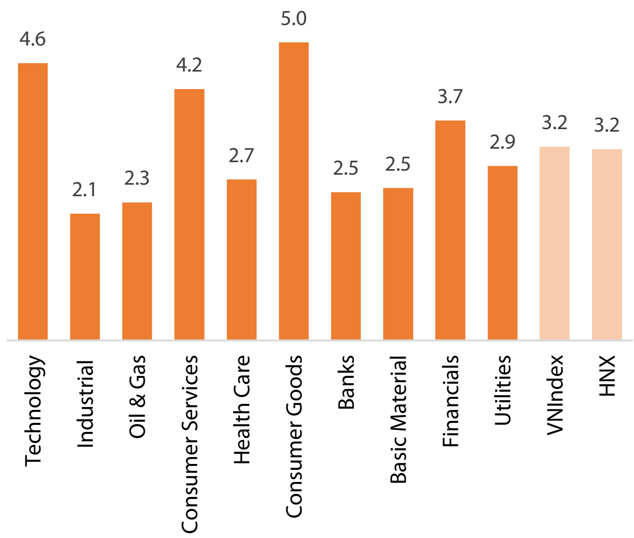
Source: Fiinpro, RongViet Securities

Industry PE comparison



Source: Fiinpro, RongViet Securities

Industry PB comparison



Source: Fiinpro, RongViet Securities

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