06/11/2017

Investment Strategy November 2017

Buying Stocks at the Right Time

In October, some large-cap stocks, especially ROS, continued to dominate the VNIndex. In particular, ROS increased about 87% MoM, contributing approximately 40 points to the increase of the index. Excluding the impact of ROS, the VNIndex at the end of October would have closed at 797 points (+2% MoM).

Besides, 5 out of 10 other stocks (largest cap stocks in HSX) also increased aggressively in October, including SAB, VIC, VCB, BID, and MSN. However, each stock had their own stories, such as positive profit growth (VCB), divestment by the government (SAB, VNM), listing of subsidiaries (VIC), expectation on issuing shares to strategic partners (BID), buying back shares (MSN).

Financial results in Q3 2017 affected stock prices insignificantly. In our view, although profit growth was better than the same period in 2016, the results have not exceeded our expectations, or even lower than estimations of investors. Regarding our coverage list of 60 stocks, which RongViet Research is watching, 47% of the list have financial results considered to be reasonable while 30% have financial results lower than expectations of analysts. While stock prices have risen sharply since the beginning of the year, the unsurprising Q3 2017 financial results could have been the reason for the unfavorable movements of these stocks.

As we discussed in the October Strategy Report, the VNIndex had a low possibility to increase in November. After a strong rally took place over a month, the momentum of some large-cap stocks could weaken in November. However, there are no clear or unified reasons for the increase in price of these stocks during last month. Hence, the irrational movements could continue to distort the index in November. Except for positive news on macro, there is no supporting news related to the operation of the business during this period. Therefore, regardless of the increase or decrease of VNIndex, there will not be many bright colors for the market in November.

Ignoring the increase of the index, some strong corrections in late October have pushed the valuation of many stocks with good fundamentals down to an attractive level. In addition, according to our statistics data, the fourth quarter should be an adjustment period; most of the profits from securities investment on Vietnam market would have been generated in the first 5 months of the year. This is quite reasonable as the fourth quarter, especially in November, turns out to be a period when the market does not have much supportive information. Meanwhile, the first quarter with its "January effect" and annual financial results, as well as AGM season, are considered to be supporting factors for the market. Thus, accumulating stocks in the fourth quarter, especially in November, leads to great possibility for investors to have high profit at the beginning of next year.

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Considering the target of accumulating stocks in anticipation of the fourth quarter results as well as 2018 prospects, we believe that the project-based businesses, real estate, banking or oil and gas sectors are those which could create optimism in the market for the rest of 2017 and early 2018. In addition, the IPO and the listing of many "good goods" as well as the state's efforts to divest from SOEs will continue to hold the spotlight of the market.

The last quarter of the year is usually the season of project activities in sectors such as construction and technology, as there tend to be a lot of acceptance and settlements accomplished. Some of the leading companies in these sectors such as CTD (construction), PC1 (electrical construction), REE (electrical engineering) and FPT (system integration, GPPM, and IT services) have substantial backlog growth YoY and some companies' backlogs are even higher than their annual target revenue. This will ensure revenue growth for the business in the following years. Among the four companies, we are neutral on CTD as the stock price is coming close to the target price. Meanwhile, PC1 and REE are expecting increased contribution from power and real estate investments while FPT plans to restructure its business activities; there is ample upside potential for these stocks.

The fourth quarter is also a busy time for handover of real estate projects as well as the highest in terms of contribution to the whole year performance of real estate firms. In addition, sales of new projects at the end of the year will be the main driving force for cash flow and revenue recognition in the coming years, especially for projects at prime locations. According to the most recent Savills report, the supply of apartments from new projects will continue to increase in both Hanoi (west) and Ho Chi Minh City (east and south) markets. In particular, while the demand for apartments in Hanoi market has shifted sharply to the mid-range, the demand for apartments in Ho Chi Minh City remained quite stable in all segments, with an absorption rate of about 32% (+13 percentage points over the same period). As a result of the warming up of the real estate market, we forecast the business activities of listed real estate developers will be thriving, especially those with projects handed over in Q4 2017 (such as HUT) or those which start selling their projects later this year (NLG and DXG).

Oil prices have improved significantly, with WTI oil reaching USD55 per barrel and Brent crude reaching USD62 per barrel, the highest in two years, accompanied by a positive forecast of growth in demand and a cooling down in supply. In terms of demand, both IEA and OPEC forecast crude demand to grow at an average annual rate of 1.5% over two years, mainly from emerging markets. On the supply side, OPEC countries pledged to abide by the agreement to cut output by 1.8 million barrels per day and consider extending the agreement until the end of 2018. Directly or indirectly, the operation of Vietnamese oil and gas enterprises are going to be affected by the global movements. Under the current circumstances, as oil prices have improved and major domestic oil and gas projects have been progressing, we believe that it is a good time for investors to start accumulating stocks in this sector, especially in the leading companies that recorded positive changes in their core business activities such as GAS.

Operating income of the banking sector grew strongly in 9M 2017 with significant contribution from interest income and service activities. The factors that led to such strong growth were: (1) NIM's improvement, thanks to stable interest rates and banks restructuring their loan portfolio for better lending interest rates; (2) strong credit growth; and (3) increased service fees, with banks expanding their portfolio of services such as financial management, insurance, etc. VCB and ACB are banks that we value in terms of asset quality and profitability, while CTG and MBB are the two banks that have the highest valuations. Meanwhile, placements of strategic partners as well as the progress of dealing with bad debts under Resolution 42 will be the story investors should pay attention to when investing in BID.

STOCKS HIGHLIGHT 21

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

WORLD ECONOMY

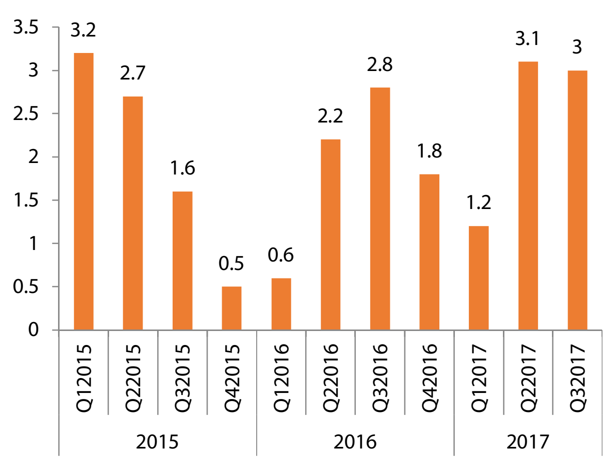
- US: Solid Q3 GDP Growth
- EU: Continued Cyclical Recovery
- China: Maintaining Medium-High Growth

US: Solid Q3 GDP Growth

Despite the negative effects of the two hurricanes in the third quarter of 2017, US economic growth expanded at an annual rate of 3%, well above market expectations of 2.6%. On an annual basis, GDP increased 2.3% in Q3, which was slightly above the previous quarter's growth of 2.2%. According to the first estimate released by the Bureau of Economic Analysis, the domestic private consumption and non-residential investment made significant progress in Q3. Durable spending growth was particularly strong at 8.3% on the back of replacement demand for vehicles due to the negative impact of hurricanes. Non-residential investment was also relatively strong at a 3.9% rise, equipment investment recorded a robust gain of 8.6%. Besides, the external sector also doubled its contribution to growth from the second quarter on the heels of improved global demand and weakening USD. The data showed resilience of the US economy to the unfavorable weather conditions. Based on this, the Fed is likely to deliver a third rate hike with 25 bps at the end of this year.

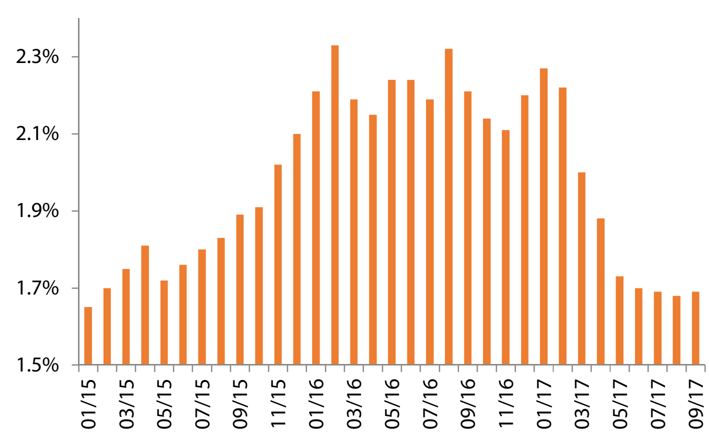
At the November FOMC meeting, the Fed left its key interest rate unchanged and market expectations running very much in line with the FOMC's projection of a rate hike in December. Meanwhile, the primary focus is the new Fed chair. On November 3, President Trump nominated Jerome Powell as the new Fed chairperson. According to the media, Powell has consistently supported the monetary policy decisions since he was appointed to the Fed in 2012. However, unlike his two predecessors, he is not an economist and does not favor rigid rules on monetary policy. As a result, the expectation for the Fed monetary policy going forward will not change much but loose regulations on monetary policy is expected after Janet Yellen's term ending February 2018. According to Capital Economics, regardless of who is nominated as the next Fed Chair, a rebound in core inflation could cause the Fed to raise interest rates four times in 2018. JP Morgan also raised its forecast on the number of rate hikes as the October payroll data reinforced the view of a tightening domestic labor market.

Figure 1: US GDP Growth (%)



Source: Bloomberg

Figure 2: US core inflation



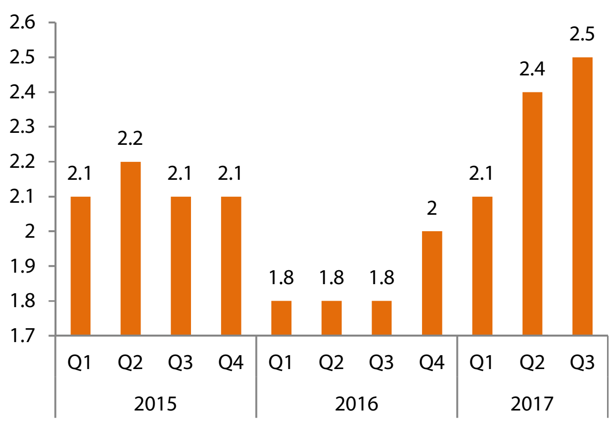
Source: Bloomberg

EU: Continued Cyclical Recovery

The Eurozone is experiencing a cyclical recovery with strong economic growth in Q3. According to a preliminary estimate, GDP increased 0.6% in Q3 from the previous quarter, which was a notch below Q2's 0.7% rise. On an annual basis, GDP expanded 2.5% in Q3, which was above Q2's 2.3% increase. The latest reading from the European Commission (EC) showed that economic sentiment in the EU increased to 114 in October, which was the best result since 2001. In addition, the main growth engine of the Eurozone is the domestic demand, thanks to an improving labor market and expansionary monetary policy.

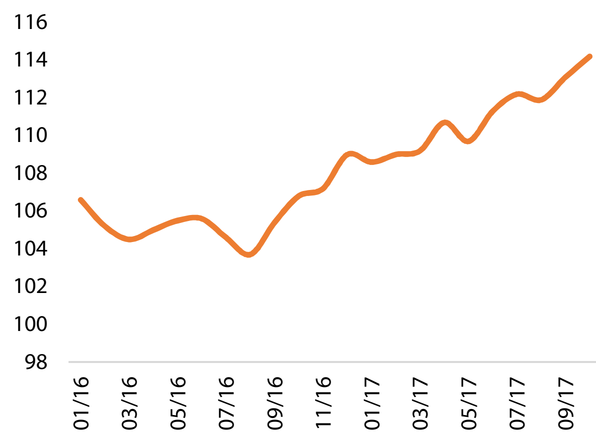
On policy, the ECB announced a reduction of its bond-buying program at its October meeting. Accordingly, it will reduce the monthly pace of asset purchases from EUR60 billion to EUR30 billion, starting January 2018. In addition, the central bank will extend QE program until at least September 2018. Overall, the policy stance of the ECB remains very accommodative. The likelihood of inflation easing further in Q4 and continue to be low in 2018 will be a guidance to the dovish monetary policy for a long time to come.

Figure 3: EU GDP growth (%)



Source: Bloomberg

Figure 4: EU economic sentiment



Source: Bloomberg

China: Maintaining Medium-High Growth

In October, the Chinese National Bureau of Statistics also reported the country's GDP growth at 6.8% in the third quarter, a notch below the 6.9% increase in the first half of the year. The main reason for the slight moderation in Q3 was poor dynamics in investment. In the first nine months, urban fixed asset investment excluding rural households expanded 7.5%YoY, which was the lowest reading since 1999. The main drag appeared to be a slowdown in infrastructure investment due to a significant drop in government fiscal spending. On the other hand, retail sales remained strong in Q3, suggesting resilient domestic dynamics. In September, nominal retail sales grew 10.3%YoY, above the 10.1% rise in August.

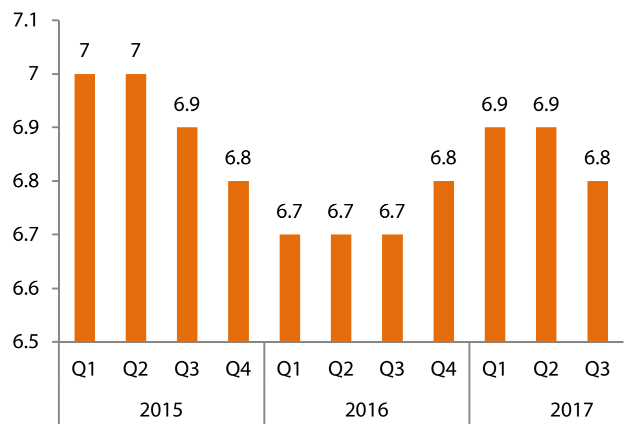
The 19th National People's Congress (NPC) has ended in October and the post-congress critical point will be the Central Economic Work Conference, which will be held in December. Below are some predictions from DBS Bank on the results of the 19th NPC:

1. China will continue to embrace free trade.
2. Experimentation of mixed-ownership structure of SOEs will deepen.
3. The establishment of the "Petro-CNY" eco-system will be hastened.
4. There will be acceleration of BRI projects in Malaysia and Pakistan.
5. There will be a big push on artificial intelligence, manufacturing robotics, and Big Data mining.
6. A new phase of urbanization will connect urban hubs to satellite cities.
7. Corporate sector deleveraging will continue, subject to liquidity conditions.

8. Property bubbles will persist.

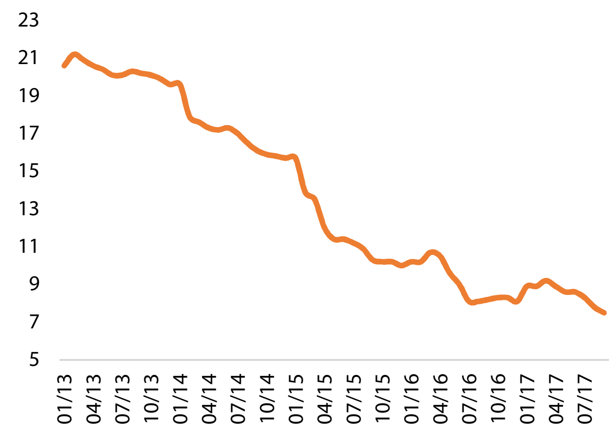
In summary, the implications are profound as "centralization of control" is required under China's economic reform strategy. In addition, gradual deceleration of real GDP growth will continue, which also raised a question to us about Vietnam's economic development model under China's influence.

Figure 5: China GDP growth (%)



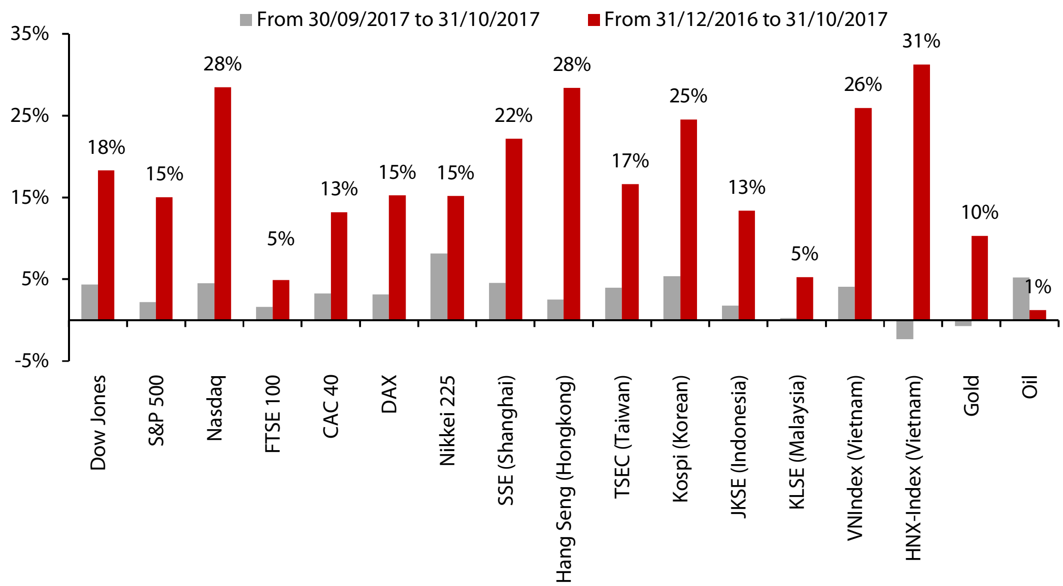
Source: Bloomberg

Figure 6: China fixed asset investment growth (%)



Source: Bloomberg

Figure 7: Performance of some global markets in October



Source: Bloomberg, RongViet Research

Market indices headed toward higher points in October. Investors did not encounter much bad information over the last month.

In the US, macro data on September unemployment was released last month. The unemployment rate decreased to 4.2% while the economy seemed to be stable. Hence, both three indices gained quite well: Dow Jones (+4.34%), S&P 500 (+2.22%) and Nasdaq (+4.50%). Technology stocks led the market. The top five companies – Amazon, Facebook, Alphabet, Microsoft and Apple – recorded YTD performances of 30% to 55%.

In Europe, investors kept their eyes on the new monetary policy of the ECB. The central bank will extend its QE program for nine months but with smaller monthly purchases of EUR30 million (from EUR60 million) from January to September 2018. Market players already anticipated the move and they believed it would be a good signal for the EU economy. On one hand, the cut down means that the solid growth could remain in future. On the other hand, it also implies that ECB still keeps the door open for further extension if needed. So, putting aside the Brexit, such news was a good one for some major indices such as FTSE 100, CAC 40 and DAX in October.

Stock markets in Asia welcomed news on the Japanese Parliament election and the 19th National People's Congress in China in the month. In Japan, Prime Minister Shinzo Abe's election win would ensure the continuity of the current economic policy, which means no major policy shake-ups are expected. In China, observers believe the government would focus more on the quality of growth and stability of its financial system considering its economic policies. In fact, recently announced economic data on Chinese economy helped bolster investors' confidence. These two notable events concluded a nice month of October.

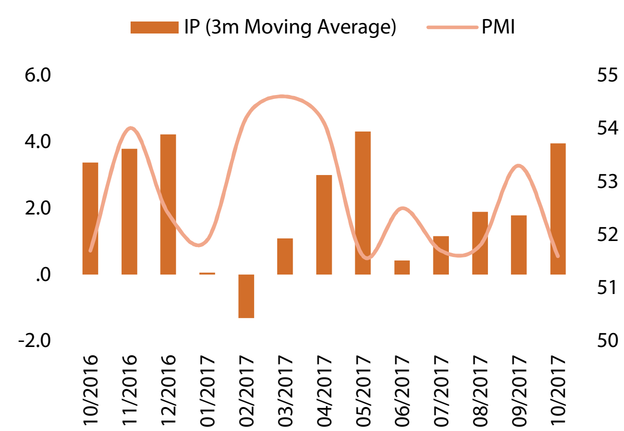
VIETNAM MACRO

- Some Preliminary Thoughts on 2018 Outlook
- 2018 Vietnam Budget: A Major Setback for the Economy

Some Preliminary Thoughts on 2018 Outlook

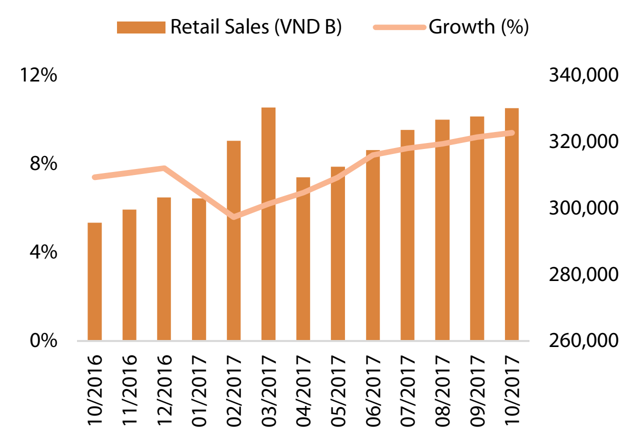
According to GSO data, Vietnam's industrial production index rose by 17% YoY in October, pushing the ten-month increase by 8.7% and higher than a 7.3% rise in the same period of last year. The strong momentum in the electronic products manufacturing has continued in the final quarter, with exports and industrial production still growing at around 32.2% and 29.3%, respectively, in October. In contrast, the mining sector was still down 7.4% in ten months. The private consumption entered the strong cycle of the year, retail sales (CPI adjusted) was up 9.4%YoY and higher than a 9% rise in the same period last year. Meanwhile, inflation is trending higher compared to previous months, driven by a continued increase in healthcare costs in October. In light of all this, **Vietnam economy should be more robust in the final quarter and is going to reach its 6.7% growth target in 2017**.

Figure 8: Industrial production movement



Source: GSO

Figure 9: Retail sales



Source: GSO

In October, the government also announced **the 2018 macro plan which points to 6.5–6.7% GDP growth**; inflation will be below 4% and trade growth will be in a range of 7–8%. Meanwhile, the fiscal deficit and investment in GDP will be 3.7% and 33–34%, respectively. Based on this prudent plan, we think **policymakers are putting stability as a top priority in 2018**. Other priorities are: (1) accelerating SOE reforms, especially IPOs progress; (2) further promoting the private sector to upgrade growth driver; and (3) solving a problem of slow public investment growth.

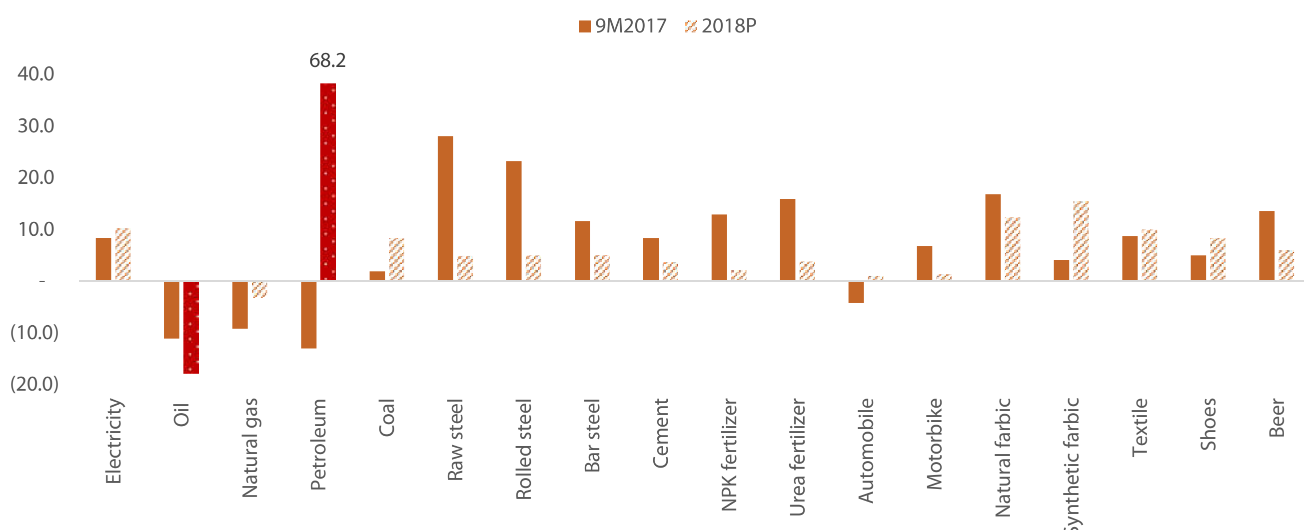
Table 1: Some economic indicators for 2017–2018

Unit: %	9M 2017	2017E	2018P
GDP	**6.41**	**6.70**	**6.50-6.70**
Agriculture, forestry and fisheries	2.78	2.87	3.07-3.19
Industrial & construction	7.17	7.56	7.17-7.59
Services	7.25	7.56	7.30-7.39
Taxes and subsidies	6.31	6.34	6.20
Investment/GDP	**33.9**	**33.4**	**33-34**
Export growth	**19.8**	**14.4**	**7-8**
Import growth	**23.1**	**17.3**	**8-9**
Budget deficit/GDP		**3.5**	**3.7**

Source: National Assembly Vietnam

We believe **the driving forces for 2018 growth will be strong manufacturing activities and robust domestic demand.** Besides the high growth of electronic and steel products, Vietnam's Nghi Son refinery and petrochemical complex will also contribute to the 2018 GDP growth. Petroleum output is estimated at 11.8 million tons (+68.2%YoY), thanks to Nghi Son complex. Meanwhile, the mining industry is likely to continue declining next year with crude output forecasted to decrease by two million tons compared to 2017. For other manufacturing industries, the government has set a cautious target at around 5–10%. As we can see from the chart below, policymakers are more optimistic about electricity and textile industries than steel, fertilizers and automobile production in 2018. The EU-Vietnam FTA, which will be effective in 2018 could be a reason for this expectation.

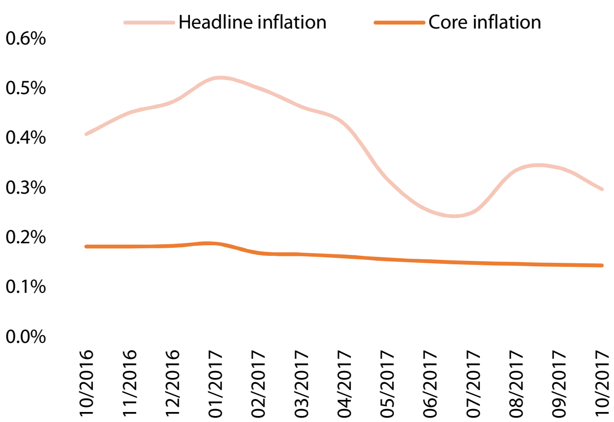
Figure 10: Output growth of some main manufacturing industries



Source: National Assembly Vietnam

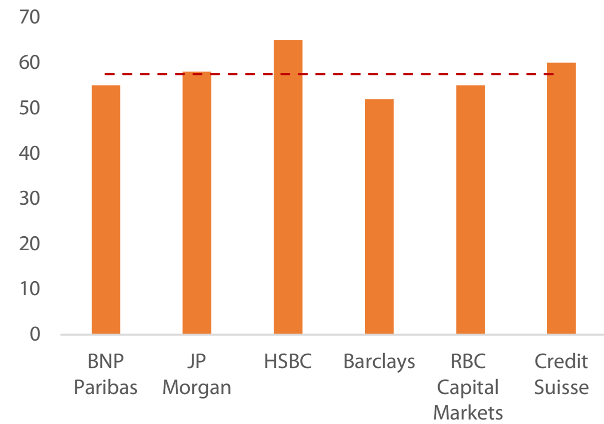
In 2018, **we have little to worry about the inflation front**. Headline inflation has averaged just below 4% so far in 2017, while core inflation also remains low. Although policy makers have a formal inflation target of 4%, we think they will pay more attention to the core rather than the headline rate to guide the market in monetary policy. We expect slow recovery in oil prices to help keep a lid on underlying price pressures, and for core inflation to average just 2% in 2018. We think policymakers are likely to be comfortable with this rate.

Figure 11: Vietnam inflation MoM (%)



Source: GSO

Figure 12: Brokerages' latest forecasts for Brent



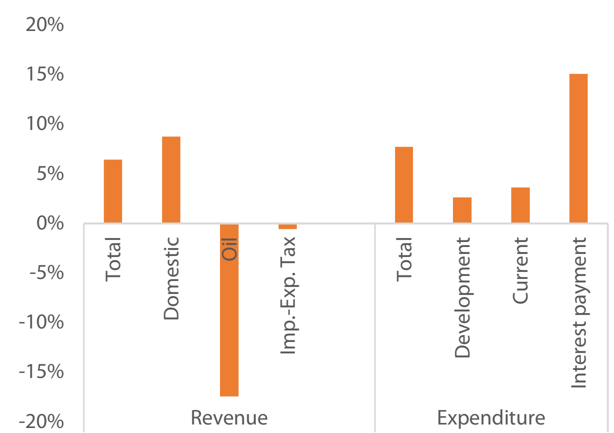
Source: RongViet Research compiled

On policies, we think **policymakers will continue to be supportive and structural reforms are needed to reinforce growth momentum**. Monetary policy should remain accommodative, given that inflation is in line with the government's target. Meanwhile, the government should start to build fiscal space by implementing fiscal consolidation plans. In addition, pushing the speed of IPO/divestment plans is needed to help reduce the budget deficit and promote public infrastructure investment. Regarding the **exchange rate management**, the SBV will improve the normal operation as well as prepare for a more flexible exchange rate in the near future.

2018 Vietnam Budget: A Major Setback for the Economy

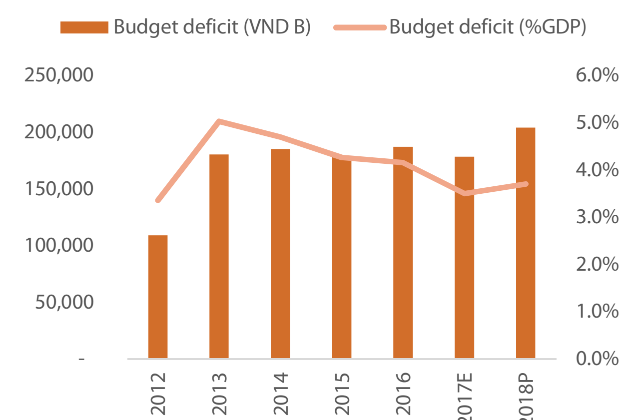
In October, policymakers also presented a 2018 budget with deficit of 3.7%, a rise from the 3.5% expected in 2017. Low revenue and expenditure growth assumptions give an uncomfortable background for further fiscal consolidation in 2018. Total revenues will increase 6.4% next year to VND1,319 trillion, compared with 7.7% increase in total expenditures to VND1,099 trillion. Assuming 10.6% nominal GDP growth, there will be a budget deficit of VND204,000 billion (3.7% GDP).

Figure 13: 2018 Budget revenue and expenditure plan (YoY%)



Source: RongViet Research, Vietnam National Assemly

Figure 14: Budget deficit (excluding principal debt payment) (%)



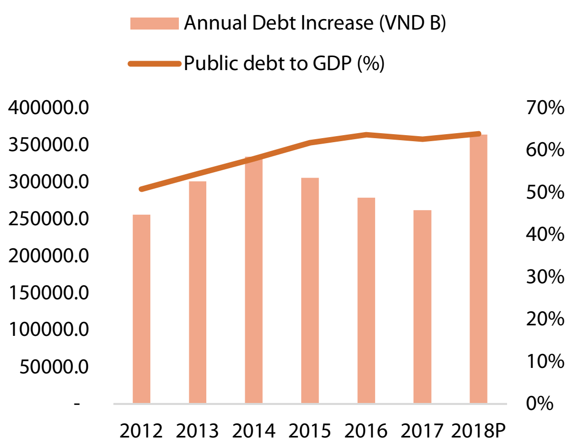
Source: RongViet Research, Vietnam National Assemly

The government is penciling in a sharp decrease in oil revenue (-17.5% based on 2017 full-year estimate) alongside a slight decrease of 0.6% in import-export tax collections, possibly assuming a lower oil production and an implementation of new FTA in 2018. Meanwhile, an 8.7% growth in domestic collections will likely reflect a softer 6.5–6.7% growth forecast for next year; however, this will require monitoring next year if the divestment progress of the two largest beer manufacturers (Habeco & Sabeco) is delayed until 2018.

Current expenditure is set to increase modestly at 3.6% next year compared to 8.5% in the 2017 budget. Although the minimum wage for 2018 is expected to increase by 7%, policymakers also plan to cut at least 10% of civil service jobs in the next four years in an effort to curtail public spending. Obviously, the swollen current expenditures have been the most important reason for Vietnam's burgeoning budget deficit. Meanwhile, Vietnam also has to put aside more money to service its debts in 2018 with interest payment at VND113,800 billion (+15.1%YoY). Increased current expenditures and debt servicing will therefore constrain the country's spending on development investment. Consequently, the country's estimated public expenditure on development projects in 2018 will level out (+2.6% based on 2017 full-year estimate). We believe this is a major setback for the economy at a time when it needs more capital investments to upgrade its infrastructure and to boost economic growth.

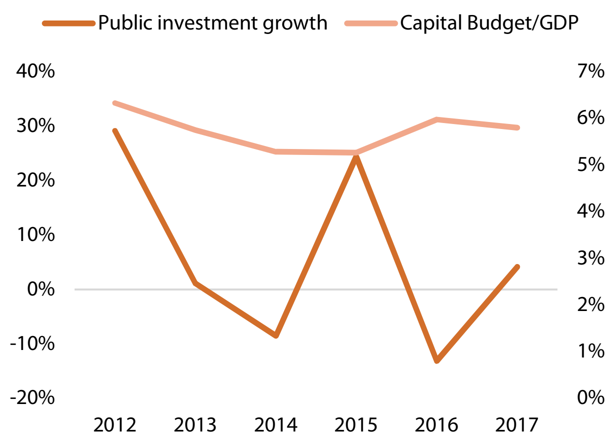
Regarding public debt management, the government estimates that Vietnam's public debt burden will be 62.6% GDP as of end-2017, declining from 63.7% GDP in 2016. While the public debt-to-GDP ratio is decreasing, the absolute amount is still rising (+9.1% compared to end-2016). Under the current plan, public debt-to-GDP ratio would rise to 63.9% in 2018 and the government still should face challenges in controlling its budget deficit in the next few years.

Figure 15: Public debt-to-GDP ratio and incremental debt



Source: GSO, RongViet Research

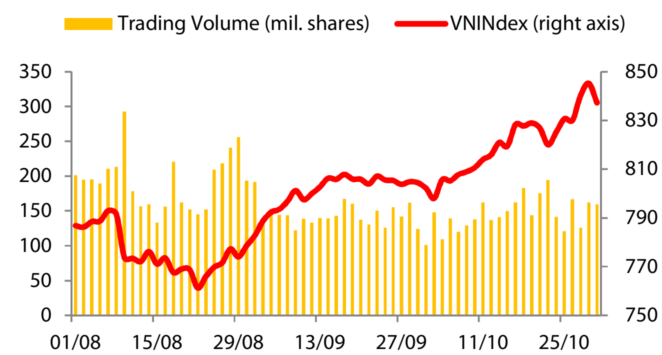
Figure 16: Public investment



Source: GSO, RongViet Research

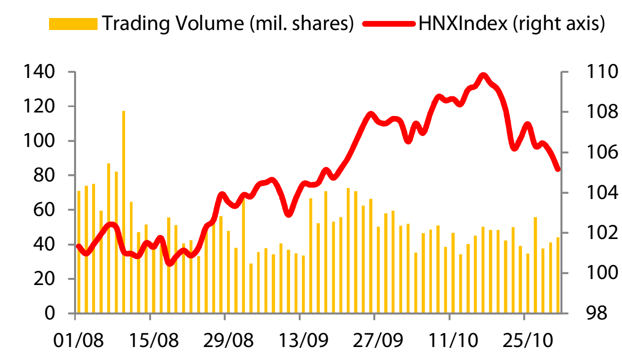
ROS – A rising effect on the VNIndex. The market cap of this stock increased by 86% in October, contributing 4.4% to the total market cap of HSX from 2.5%. The effect of ROS on the VNIndex became stronger at the end of October. The gap between the VNIndex and the VNIndex-excluding-ROS widened from 3% at the beginning of October to 5% as of October 31.

Figure 17: VNIndex movement in October



Source: RongViet Research

Figure 18: HNXIndex movement in October

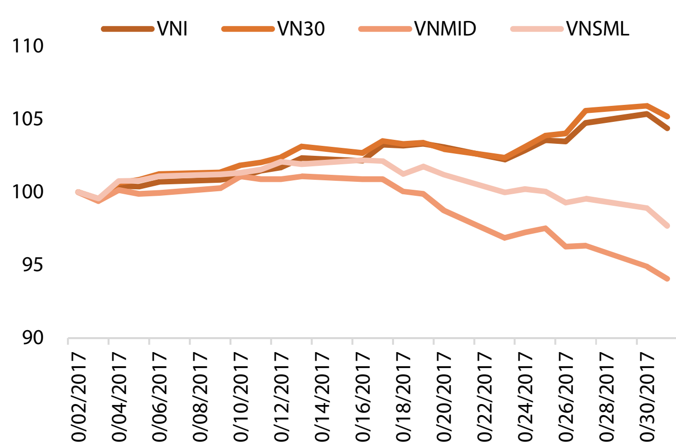


Source: RongViet Research

The deviation between the VNIndex and other stocks could be a trouble for investment funds that use the VNIndex as a benchmark. The monthly gain of the "full" VNindex was 4.1% but if ROS was excluded, it would have been only 2%. In conclusion, except for the two ETFs that buy ROS, other funds will find it harder to beat the VNIndex.

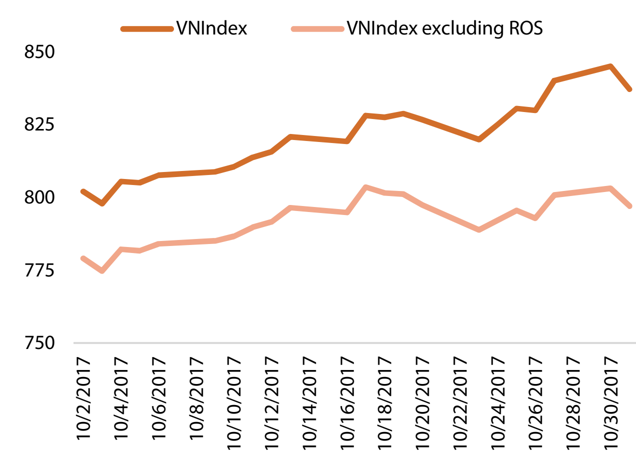
Not only ROS but other large caps also supported the VNIndex. The performance of other large-cap stocks such as SAB, VIC, VCB, BID and MSN were better than the index. So we think that even if we take out ROS, the VNIndex would just only move sideways, which we did not see at VNMID and VNSML or the HNXIndex. The liquidity of large-cap stocks increased 9.7% MoM compared to the drop of 3.4% of the whole market.

Figure 19: Indices performance comparison in October



Source: FiinPro, RongViet Research

Figure 20: VNIndex and VNIndex excluding ROS



Source: Bloomberg, RongViet Research

Comments on Q3 Business Results

Retail: Good growth came out, thanks to MWG, the largest companies in terms of market cap and revenue in the sector. With Q3's revenue and net income increased 45% YoY, MWG has fulfilled 75% of its annual target.

Real Estate: The peak of projects and unusual returns have propelled real estate to be the strongest growing sector in the third quarter. While QCG, DXG, LDG, PDR, HDC, NBB, and TDH suffered a loss or gained only a small profit in Q3 2016, these companies earned from dozens to hundreds of billions in Q3 this year.

Sector	Revenue growth Q3	NPAT growth Q3	Revenue growth YTD	NPAT growth YTD
Retail	35.2%	36.7%	34.0%	24.5%
Insurance	14.4%	-7.2%	15.9%	20.1%
Real Estate	64.4%	134.4%	38.8%	11.7%
Technology	12.3%	24.7%	11.8%	17.7%
Oil & Gas	21.3%	-10.9%	18.4%	-20.9%
Financial Services	25.9%	13.4%	38.2%	209.3%
Utilities	10.7%	65.2%	13.0%	51.5%
Travel & Leisure	25.0%	-17.6%	9.4%	7.2%
Industrial Goods & Services	14.1%	12.1%	11.5%	5.3%
Personal & Household Goods	15.2%	9.0%	14.2%	14.9%
Chemicals	16.3%	5.4%	8.7%	4.4%
Banks	24.9%	17.0%	25.5%	22.9%
Automobiles & Parts	9.9%	-54.6%	6.2%	-55.4%
Basic Resources	36.2%	24.1%	32.7%	12.9%
Food & Beverage	3.6%	-14.4%	5.9%	-3.6%
Media	17.0%	21.7%	11.0%	9.8%
Construction & Materials	16.6%	12.1%	12.7%	14.8%
Health Care	9.4%	2.5%	11.4%	11.2%

Financial services: Although market liquidity in the third quarter was not as good as the first half of year, most of the brokerage companies still recorded very good earnings growth: VND (+109%), VCI (+103%), HCM (+67%), BVS (+66%). Many brokerage companies have already completed their yearly target in the first nine months, namely HCM, VND, VDS, and SHS.

Utilities: Last year, PPC suffered a huge loss in exchange rate, GAS faced low oil prices, and hydropower companies were hit hard by drought. As these factors are no longer present, these utility stocks have had spectacular reversals this year.

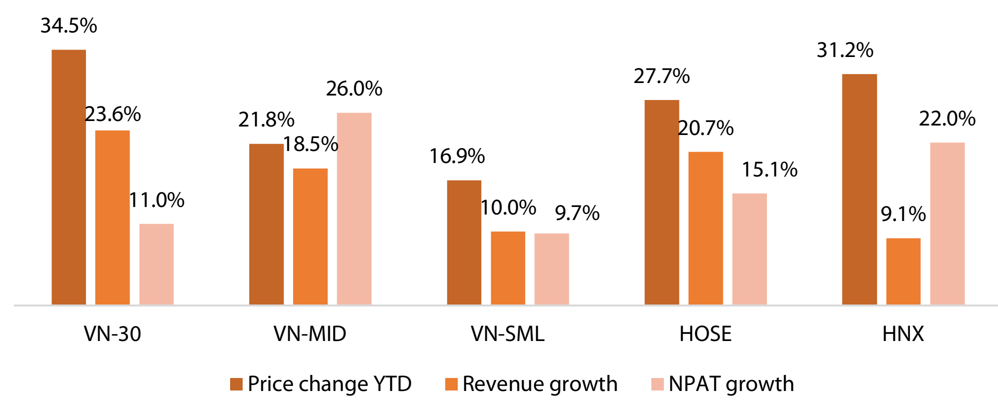
Banks: Although banking stocks maintained high growth, their results were already expected by market consensus. Likewise, their growth has already been reflected in their stock prices. For instance, ACB gained 75% YTD as its 9M NPAT went up 53%, and MBB rallied 79% YTD, thanks to a 42% increase in 9M NPAT.

Automobiles and parts: High selling expense and high rubber price have led to depressed earnings for CSM and DRC. Meanwhile, HHS and HTL were also hit hard by a fall in commercial vehicle consumption.

Basic resources: Considering the strong output and the rally of HRC price in the latest quarter, it was a big surprise that HSG experienced a 55% drop in its NPAT. HSG's earnings (VND203 billion) was even surpassed by NKG (206 billion, +40% YoY), and far below HPG, with top Q3 earnings at VND2,139 billion (+33% YoY).

Healthcare: The recent decrease of DHG, DMC, and IMP has shown that it is time for the market to re-evaluate which companies is appropriate for high P/E of 20 times. Currently, the earnings growth of the whole sector was just a mere 10%.

Figure 21: Revenue and NPAT growth of indices in 9M 2017

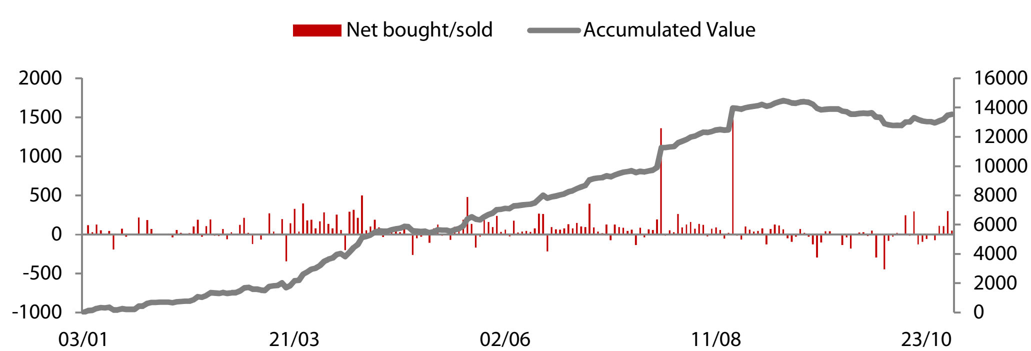


**Excluding HAG, HNG, and TTF (not comparable between two periods due to abnormal events), CII and STG (abnormal financial income)*

In conclusion, the earnings growth of HSX and HNX were 15.1% and 22.0%, respectively. For the VN30, the earnings growth was just only 11%. This figure implies a somewhat unsustainable increase of the index, which was clearly affected by ROS. Meanwhile, the performance of mid-cap stocks, displayed by the VNMID index, seems to lag behind their high earnings growth (led by PPC, DXG, HBC and NLG). This could yield interesting opportunity, but investors need to pay attention to the quality and sustainability of earnings.

Foreign investors trading

Figure 22: The net trading value of foreign investors



Source: FiinPro, RongViet Research

The market's fluctuation in October also affected the trading of foreign investors. They continued to be net buyers at approximately VND165 billion in the HSX but were net selling over VND221 billion in the HNX.

In the HSX, financial services was the industry which had the most net buying at approximately VND563 billion. VCI (+VND140 billion) and HCM (+VND34 billion) were the two representatives of this group. Besides, the fact that this group recorded the highest net buying since the beginning of the year was thanks to foreign investors' net buying at VND462 billion of E1VFN30.

The HNX experienced net selling at VND221 billion. Up to 15/22 sessions in October, the foreign investors were net sellers, including 12 consecutive sessions since October 2. The largest net selling was the oil & gas, construction and building materials. PVS (-VND154 billion), NTP (-VND78 billion) and VGC (-VND34 billion) were the major representatives of these groups.

In general, the activity of foreign investors in October was not very special excluding the net buying of E1VFVN30 as mentioned above. Two-thirds of this month experienced net selling of foreign investors. It was probably to protect the results from the beginning of the year when foreign investors were continuously net buying in the previous months. Although the foreign investors sold out quite a lot in October, the buying power also appeared again at the end of the month. As a result, the net accumulated value from the beginning of the year to October 31 remained high at VND 13,534 billion.

Table 2: Foreign investors' net trading by sector in both exchanges

	HSX		HNX	
Sector	**Net Volume (million shares)**	**Net Value (VND B)**	**Net Volume (million shares)**	**Net Value (VND B)**
Oil & Gas	4.60	138.46	-9.72	-153.94
Chemicals	3.44	73.73	0.44	7.07
Basic resource	-11.79	-328.44	0.48	1.30
Construction and building materials	-5.41	-248.89	0.43	-83.13
Industrial goods & services	-3.51	-86.58	0.13	-0.51
Automobiles & parts	-1.92	-44.93	0.00	-0.01
Food & beverage	1.12	-23.70	-0.04	-5.00
Personal and household goods	-0.04	-1.73	-0.02	0.06
Healthcare	-0.14	-32.69	0.02	0.47
Retail	0.21	4.59	-0.02	-0.14
Communication	-0.21	-5.00	-0.02	-0.06
Travel & leisure	1.49	35.19	0.26	8.30
Utilities	0.73	11.10	0.06	0.95
Banks	6.29	165.42	0.00	-0.10
Insurance	-0.32	-15.63	0.06	1.41
Real estate	-15.16	-44.55	0.33	5.43
Financial services	34.13	563.77	-0.03	-4.08
Technology	0.25	4.74	0.00	0.22

Source: Fiin Pro, RongViet Research

Market potential

In October, some large-cap stocks, especially ROS, continued to dominate the VNIndex. In particular, ROS increased about 87% MoM, contributing approximately 40 points to the increase of the index. Excluding the impact of ROS, the VNIndex at the end of October would have closed at 797 points (+2% MoM).

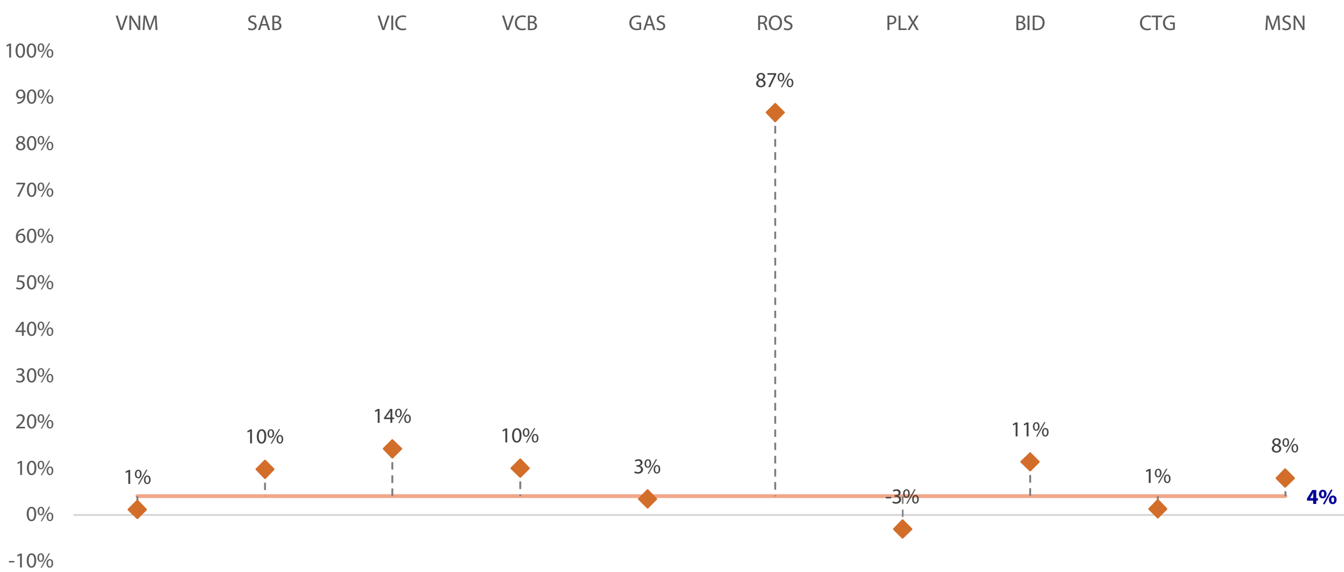
Table 3: VNIndex and group of stocks according to market cap

(%)	VNIndex	VN30	VNMID	VNSML
M10 2017	4.4	5.2	-5.9	-2.3
10M 2017	24.6	31.2	20.8	17.8

Source: RongViet Research

Besides, 5 out of 10 other stocks (largest cap stocks in HSX) also increased aggressively in October, including SAB, VIC, VCB, BID, and MSN. However, each stock had their own stories, such as positive profit growth (VCB), divestment by the government (SAB, VNM), listing of subsidiaries (VIC), expectation on issuing shares to strategic partners (BID), buying back shares (MSN).

Figure 23: VNIndex and large-cap stocks performance in October



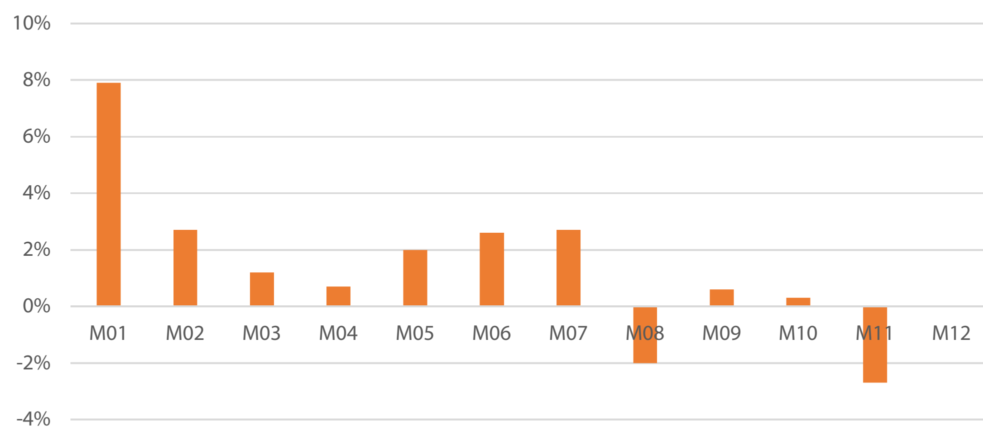
Source: RongViet Research database

Financial results in Q3 2017 affected stock prices insignificantly. In our view, although profit growth was better than the same period in 2016, the results have not exceeded our expectations, or even lower than estimations of investors. Regarding our coverage list of 60 stocks, which RongViet Research is watching, 47% of the list have financial results considered to be reasonable while 30% have financial results lower than expectations of analysts. While stock prices have risen sharply since the beginning of the year, the unsurprising Q3 2017 financial results could have been the reason for the unfavorable movements of these stocks.

As we discussed in the October Strategy Report, the VNIndex had a low possibility to increase in November. After a strong rally took place over a month, the momentum of some large-cap stocks could weaken in November. However, there are no clear or unified reasons for the increase in price of these stocks during last month. Hence, the irrational movements could continue to distort the index in November. Except for positive news on macro, there is no supporting news related to the operation of the business during this period. Therefore, regardless of the increase or decrease of VNIndex, there will not be many bright colors for the market in November.

Ignoring the increase of the index, some strong corrections in late October have pushed the valuation of many stocks with good fundamentals down to an attractive level. In addition, according to our statistics data, the fourth quarter should be an adjustment period; most of the profits from securities investment on Vietnam market would have been generated in the first 5 months of the year. This is quite reasonable as the fourth quarter, especially in November, turns out to be a period when the market does not have much supportive information. Meanwhile, the first quarter with its "January effect" and annual financial results, as well as AGM season, are considered to be supporting factors for the market. Thus, accumulating stocks in the fourth quarter, especially in November, leads to great possibility for investors to have high profit at the beginning of next year.

Figure 24: Monthly median returns of VNIndex, 2012–2017



Source: RongViet Research

Key sectors performance

No	Name	% 1M Price Change	% 1Y Price Change	Market Cap (VND Billion)	ROA (%)	ROE (%)	Basic P/E	P/B
1	Retail	6.3	165.4	43,663	9.0	40.2	18.1	6.7
2	Insurance	-4.4	0.6	54,554	4.5	10.0	20.5	2.1
3	Real Estate	5.1	37.2	281,192	3.8	7.2	24.6	4.1
4	Technology	4.0	44.7	33,107	8.5	16.6	12.8	2.3
5	Oil & Gas	-5.2	6.2	80,280	4.5	15.1	13.5	3.2
6	Financial Services	-4.4	29.3	43,829	3.9	14.6	12.2	1.4
7	Utilities	6.2	45.1	186,783	0.0	20.7	14.7	3.1
8	Travel & Leisure	4.9	24.7	60,930	3.4	63.1	13.1	6.3
9	Industrial Goods & Services	-1.1	22.3	80,005	0.0	15.4	12.9	1.9
10	Personal & Household Goods	-3.9	26.0	31,691	11.4	25.0	14.6	3.0
11	Chemicals	-7.3	8.7	44,330	7.5	13.1	10.2	1.3
12	Banks	4.9	25.6	473,035	1.3	14.9	14.9	2.0
13	Automobiles & Parts	-5.6	-20.9	14,230	6.2	11.1	12.7	1.4
14	Basic Resources	-7.2	54.1	108,819	11.1	21.8	6.8	1.7
15	Food & Beverage	3.7	61.1	571,790	8.8	30.1	24.7	6.6
16	Media	-17.9	15.9	12,529	6.1	3.7	17.5	1.7
17	Construction & Material	24.6	146.8	238,575	5.3	16.6	20.4	5.0
18	Health Care	-1.0	83.0	33,490	11.2	20.4	17.5	3.7

Source: FiinPro

Results have shown that only 3 out of 18 sectors have negative NPAT growth in 9M 2017 while 9 out of 18 sectors have NPAT growth rates of at least 15%. Financial services, utilities, retail, and banking were the industries with the highest profit growth. Except for some large-cap stocks, the market was generally negative in October. We believe that the reason is that the stock price movements in the first nine months had reflected quite fully the companies' potentials for the year. Thus, the net selling pressure from foreign investors made the stock prices fall to a more attractive level compared to the previous month.

Considering the target of accumulating stocks in anticipation of the fourth quarter results as well as 2018 prospects, we believe that the project-based businesses, real estate, banking or oil and gas sectors are those which could create optimism in the market for the rest of 2017 and early 2018. In addition, the IPO and the listing of many "good companies" as well as the state's efforts to divest from SOEs will continue to hold the spotlight of the market.

Industry	Market cap (VND B)	% price change (MoM)	% price change (YoY)	Revenue growth (QoQ, %)	NPAT growth (QoQ, %)	9M 2017 Revenue growth (YoY, %)	9M 2017 NPAT growth (MoM, %)
Retail	41,995	1.4	155.3	35.2	36.7	34.0	24.5
Insurance	53,926	-6.0	-0.5	14.4	-7.2	15.9	20.1
Real Estate	279,403	5.2	36.3	64.4	134.4	38.8	11.7
Technology	32,787	3.1	43.3	12.3	24.7	11.8	17.7
Oil & Gas	79,491	-5.0	5.2	21.3	-10.9	18.4	-20.9
Financial Services	43,489	-4.9	28.3	25.9	-19.7	38.2	181.1
Utilities	184,948	3.7	43.7	10.7	65.2	13.0	51.5
Travel & Leisure	60,200	3.7	23.2	25.0	-17.6	9.4	7.2
Industrial Goods & Services	78,854	-2.8	20.5	14.1	12.1	11.5	5.3
Personal & Household Goods	31,565	-5.1	25.5	15.2	9.0	14.2	14.9
Chemicals	44,294	-7.4	8.6	16.3	5.4	8.7	4.4
Banks	462,963	2.2	22.9	24.9	17.0	25.5	22.9
Automobiles & Parts	14,269	-5.7	-20.7	9.9	-54.6	6.2	-55.4
Basic Resources	106,044	-11.5	49.2	36.5	46.8	32.8	41.3
Food & Beverage	573,147	4.2	61.5	3.6	-14.4	5.9	-3.6
Media	12,905	-11.3	20.3	17.0	21.7	11.0	9.8
Construction & Material	231,054	21.0	139.1	16.6	12.1	12.7	14.8
Health Care	32,374	-4.2	77.0	9.4	2.5	11.4	11.2

The last quarter of the year is usually the season of project activities in sectors such as construction and technology, as there tend to be a lot of acceptance and settlements accomplished. Some of the leading companies in these sectors such as CTD (construction), PC1 (electrical construction), REE (electrical engineering) and FPT (system integration, GPPM, and IT services) have substantial backlog growth YoY and some companies' backlogs are even higher than their annual revenue. This will ensure revenue growth for the business in the following years. Among the four companies, we are neutral on CTD as the stock price is coming close to the target price. Meanwhile, PC1 and REE with expectation of more contribution from power and real estate investments, and FPT with its plan to restructure its business activities; there is ample upside potential for these stocks.

Table 4: 9M 2017 backlog of some listed companies

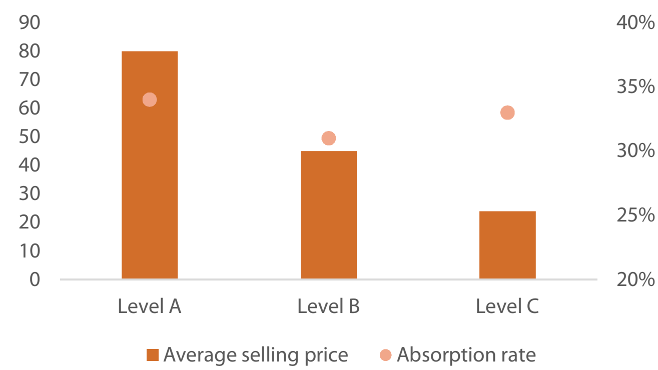
	CTD	PC1	REE	FPT (FPT IS, FPT Soft and IT Services)
Revenue (VND B)	18,185	1,260	1,717	2,727
Revenue growth (%)	*35*	*10*	*58*	*-8*
Backlog value (VND B)	25,567	2,400	5,250	3,420
Backlog growth (%)	*16*	*140 (YTD)*	*12*	*29,2*

Source: RongViet Research compile

The fourth quarter is also a busy time for handover of real estate projects as well as the highest earning contribution to the whole year performance of real estate firms. In addition, sales of new projects at the end of the year will be the key source of cash flow and revenue recognition in the coming years, especially for projects at prime locations. According to the most recent Savills report, the supply of apartments from new projects will continue to increase in both Hanoi (west) and Ho Chi Minh City (east and south) markets. In terms of demand, we have seen the demand for apartments in Hanoi market has shifted sharply to the mid-segment, the demand for apartments in Ho Chi Minh City remained quite stable in all segments, with an absorption rate of about 32% (+13 percentage points over the same period).

Figure 25: Ha Noi real estate market in Q3 2017 (units)

Figure 26: Ho Chi Minh real estate market in Q3 2017 (VND M)

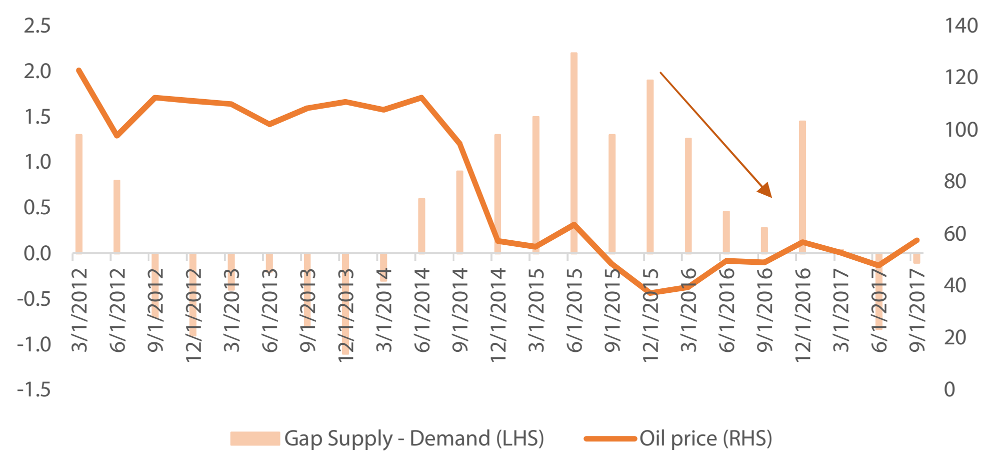


Source: Savills

As a result of the warming up of the real estate market, we forecast the business activities of listed real estate developers will be thriving, especially those with projects handed over in Q4 2017 (such as HUT) or those which start selling their projects later this year. Among such companies, DXG and NLG are two real estate developers that we believe will benefit from the favorable locations and reasonable prices of their projects. Specifically, just after selling Lux Garden during the first nine months of the year, DXG is going to start selling a new project, Gem Riverside (District 2), consisting of more than 3,000 units in the last quarter of 2017. DXG has completed the legal process for the project and we think this could be a catalyst for the stock. For NLG, Mizuki Park will be the largest project for the end of 2017 and will be the main source of profit for NLG in the next 2 to 3 years. For HDG, besides receiving cash flow from the Centrosa Garden, the company is increasing its investment in hydroelectricity that is expected to bring about annual cash flow for the firm. In October 2017, Ha Do acquired 44% ownership at Quang Nam Agrita Energy Company, which is currently implementing Dakmi 2 hydropower project in Quang Nam with a chartered capital of VND900 billion and the deal is expected to conclude in Q4 2017. In addition, the Ministry of Defense's divesture will also be completed by the end of this year, which will also be a positive influence on the stock price.

Oil prices have improved significantly with WTI oil reaching USD55 per barrel and Brent crude reaching USD62 per barrel, the highest in two years, accompanied by a positive forecast of growth in demand and a cooling down in supply. In terms of demand, both IEA and OPEC forecast crude demand to grow at an average annual rate of 1.5% over two years, mainly from emerging markets. On the supply side, OPEC countries pledged to abide by the agreement to cut output by 1.8 million barrels per day and consider extending the agreement until the end of 2018. Directly or indirectly, the operation of Vietnamese oil and gas enterprises are going to be affected by the global movements.

Figure 27: Oil price (USD/barrel) and gap between supply and demand (mn barrels)



Source: Bloomberg

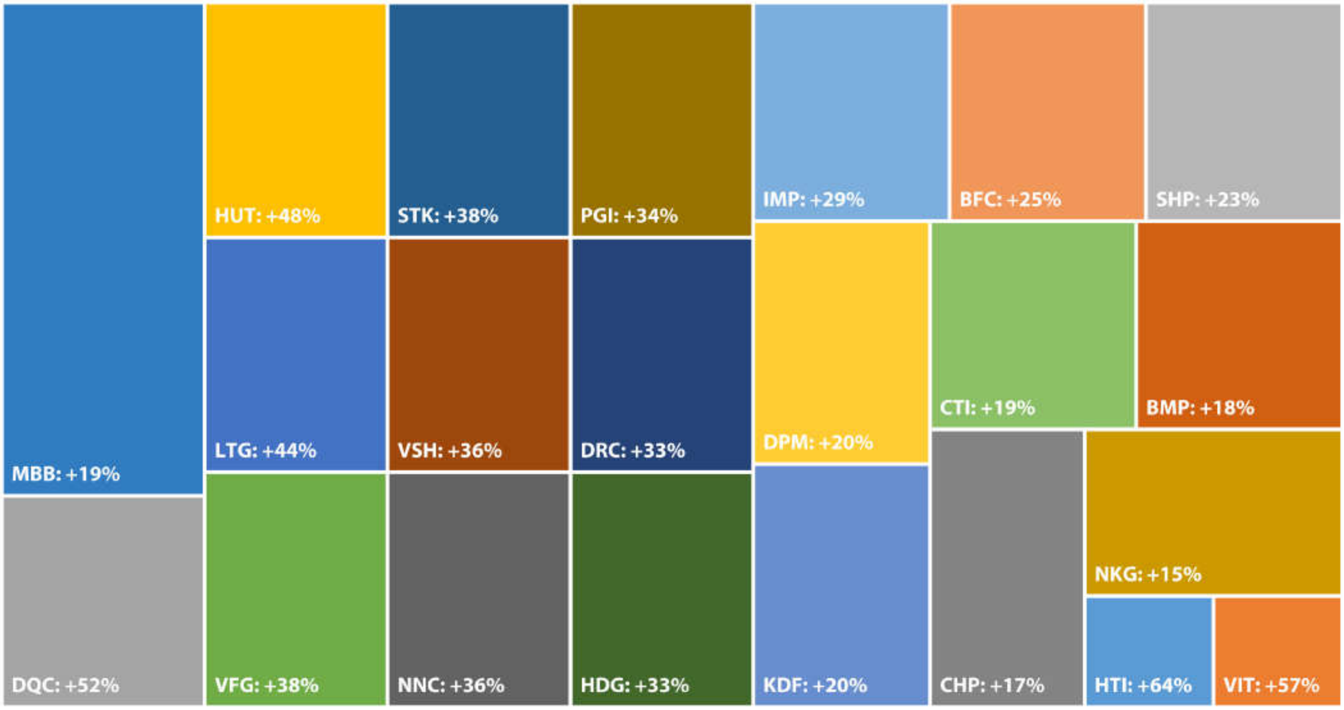
Among the listed firms, most have released satisfactory Q3 results. However, several companies including PVD or PVB have seen most of their profits coming from the reversals of previous provisions, whereas GAS is more prominent with the improvement of its core businesses. GAS's total revenue and NPAT in 9M 2017 increased by 8.9% and 46.3%, respectively. Under the current circumstances, as oil prices have improved and major domestic oil and gas projects have been progressing, we believe that it is a good time for investors to start accumulating stocks in this sector, especially in the leading companies that recorded positive changes in their core business activities such as GAS

Operating income of the banking sector grew strongly in 9M 2017 with significant contribution from interest income and service activities. The factors that led to such strong growth were: (1) NIM's improvement, thanks to stable interest rates and banks restructuring their loan portfolio for better lending interest rates; (2) strong credit growth; and (3) increased service fees, with banks expanding their portfolio of services such as financial management, insurance, etc. Strong growth in incomes helped banks strengthen provisions, consolidate the quality of loan portfolio and invest in upgrading the core banking system and expanding it to digital banking. We expect banks to continue to record high profit growth in 2018, thanks to the above factors and the expected decline in provision expenses. VCB and ACB are banks that we value in terms of asset quality and profitability, while CTG and MBB are the two banks that have the highest valuations. Meanwhile, placements of strategic partners as well as the progress of dealing with bad debts under Resolution 42 will be the story investors should pay attention if investing in BID.

Tickers	ROE (%)			PB (x)			PE (x)		
	2016	2017E	2018F	2016	2017E	2018F	2016	2017E	2018F
ACB	9.9	15.1	19.4	1.3	2.0	1.6	15.3	14.8	10.5
BID	14.7	14.3	15.0	1.1	1.6	1.5	10.2	15.6	13.5
CTG	11.5	10.8	14.4	1.0	1.0	0.9	11.7	12.8	8.8
MBB	12.1	14.2	17.6	0.9	1.4	1.2	7.9	22.0	15.6
VCB	14.7	17.0	19.0	2.8	2.8	2.4	23.8	21.7	17.1

In Oct 2017, we also released three company analysis reports, including IDICO, BMP, PVD, and HAX. Investors who are interested in these stocks can find the full report on our website at Company reports.

Figure 28: RongViet Research's stock pick



Source: RongViet Research; Price @ Nov 06, 2017

Total return = Expected price appreciation plus expected dividend yield in next twelve months

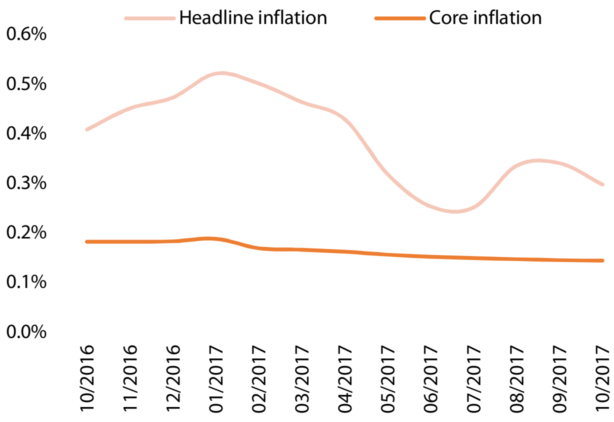
STOCKS HIGHLIGHT

Ticker	Exchange	Target price (VND)	Price @ Nov 6 (VND)	Total Return	Rating	2016		2017F		2018F		PER Trailing (x)	PER 2017F (x)	PBR Cur. (x)	Div Yield (%)	+/- Price 1y (%)	3-month avg. daily vol. (shares)	3-month avg. daily turnover (USD thousands)	Market cap (USD M)	Foreign remaining room (%)
						+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)									
STK	HSX	23,700	17,600	37.5	Buy	31.2	-59.9	38.6	272.4	7.8	33.3	19.2	8.8	1.4	2.8	4.8	7,777	5.6	44.6	37.5
HTI	HSX	26,200	16,700	64.1	Buy	33.1	8.7	-16.5	20.8	90.8	-5.8	5.5	6.3	1.0	7.2	-2.5	28,569	22.2	18.4	34.0
DRC	HSX	25,100	20,400	32.8	Buy	1.3	-4.8	9.3	-41.9	5.5	31.5	9.8	11.5	1.6	9.8	-39.8	308,914	310.3	104.6	24.5
DQC	HSX	49,400	34,500	51.9	Buy	-4.4	-1.7	-4.1	-49.8	16.3	7.7	8.2	12.0	1.0	8.7	-50.0	54,638	89.3	47.1	29.0
NNC	HSX	67,570	53,500	35.6	Buy	14.9	49.8	23.5	25.7	8.1	3.4	6.3	6.9	2.4	9.3	-12.3	28,843	71.1	52.0	27.9
PGI	HSX	24,900	18,550	34.2	Buy	0.0	5.2	10.3	55.5	13.2	-13.5	11.3	8.3	1.1	0.0	0.0	17,916	15.8	70.3	28.1
VFG	HSX	69,800	52,000	38.1	Buy	13.4	5.2	9.9	16.2	6.1	7.6	10.7	8.1	1.6	3.8	-12.3	13,595	32.7	54.3	28.7
DPM	HSX	22,400	20,250	20.5	Buy	-18.8	-23.3	2.3	-29.6	34.5	-9.8	11.0	11.6	1.0	9.9	-16.0	567,081	568.1	354.1	27.9
VIT	HNX	25,308	17,700	57.1	Buy	41.6	53.5	17.8	18.2	33.4	25.7	4.6	5.4	1.3	14.1	-14.0	25,633	31.7	15.2	45.2
SHP	HSX	25,400	21,800	23.4	Buy	-13.7	-40.4	23.8	94.6	-3.8	-7.3	11.9	10.7	1.8	6.9	15.3	81,013	78.2	89.7	45.0
BFC	HSX	41,000	35,500	25.4	Buy	-1.6	21.0	14.1	16.9	8.9	7.9	6.7	6.8	2.0	9.9	11.7	111,941	199.2	89.5	28.6
IMP	HSX	80,000	63,200	29.4	Buy	4.8	8.9	25.9	36.8	29.2	33.9	19.2	22.3	1.9	2.8	19.0	20,763	58.7	118.0	0.0
LTG	UPCOM	65,730	46,800	43.7	Buy	-0.9	9.2	9.9	38.3	13.6	10.8	8.2	7.7	1.5	3.2	0.0	36,427	80.4	138.0	4.8
VSH	HSX	22,100	16,950	36.3	Buy	-4.1	2.6	24.0	12.7	-2.1	-4.6	11.2	12.1	1.2	5.9	17.1	46,790	37.4	152.2	33.6
HUT	HNX	15,100	10,700	47.7	Buy	24.1	151.8	12.0	9.1	5.3	20.9	6.2	6.0	0.8	6.5	-2.2	1,135,092	576.4	115.8	18.3
HDG	HSX	39,700	30,300	32.7	Buy	34.4	90.8	5.8	-47.5	63.9	167.4	17.7	18.8	2.2	1.7	35.5	109,343	156.7	102.4	28.4
KDF	UPCOM	68,000	57,700	20.3	Buy	30.8	85.4	16.9	17.9	16.2	22.0	22.7	20.2	4.9	2.4	0.0	182,405	477.2	142.3	35.6
BMP	HSX	89,000	77,200	17.9	Neutral	18.5	20.9	14.0	-5.6	3.4	2.8	14.1	12.6	2.5	2.6	-30.6	371,492	1,251.3	266.1	56.2
ACV	UPCOM	67,000	69,800	-1.9	Neutral	11.2	-70.1	19.2	-18.1	32.4	76.0	31.2	30.0	5.9	2.1	0.0	84,816	233.9	6,770.8	45.5
NKG	HSX	39,800	35,400	15.3	Neutral	55.4	310.7	62.0	29.0	14.6	10.4	5.5	4.7	1.6	2.8	44.2	394,102	591.6	198.4	19.1
CHP	HSX	31,900	27,950	16.6	Neutral	-10.9	-21.5	28.6	54.2	-14.2	-19.0	6.9	9.2	2.0	2.5	43.6	97,854	115.0	151.9	45.8
HSG	HSX	24,100	23,300	7.7	Neutral	16.5	145.3	46.2	-11.3	16.8	0.7	5.9	6.1	1.5	4.3	1.9	2,726,535	3,280.1	345.9	23.3
NTC	UPCOM	73,800	70,000	9.0	Neutral	17.8	121.4	21.6	-17.7	14.0	12.0	5.9	11.8	3.1	3.6	0.0	52,529	156.4	46.8	48.9
HPG	HSX	40,000	36,900	8.4	Neutral	21.2	89.4	20.8	9.3	26.6	9.4	6.3	7.5	1.8	0.0	47.6	3,957,322	6,293.2	2,412.1	9.4
NT2	HSX	31,900	30,350	13.3	Neutral	18.6	-4.9	-10.3	-31.3	4.5	41.7	12.1	12.4	1.9	8.2	-3.0	368,732	448.2	380.6	28.3
CTD	HSX	251,200	238,000	6.8	Neutral	52.0	113.5	30.4	25.8	24.7	24.0	10.3	11.6	2.5	1.3	27.9	76,061	706.8	756.4	13.0

Ticker	Exchange	Target price (VND)	Price @ Nov 6 (VND)	Total Return	Rating	2016 +/- Rev. (%)	2016 +/- NPAT (%)	2017F +/- Rev. (%)	2017F +/- NPAT (%)	2018F +/- Rev. (%)	2018F +/- NPAT (%)	PER Trailing (x)	PER 2017F (x)	PBR Cur. (x)	Div Yield (%)	+/- Price 1y (%)	3-month avg. daily vol. (shares)	3-month avg. daily turnover (USD thousands)	Market cap (USD M)	Foreign remaining room (%)
VNR	HNX	27,300	24,000	13.8	Neutral	-2.8	-1.2	18.2	9.6	4.3	6.8	11.4	12.0	1.1	0.0	23.0	4,409	4.8	138.2	19.1
TNG	HNX	14,100	13,700	2.9	Neutral	-1.9	13.9	17.0	16.5	10.5	11.1	5.2	6.9	0.9	0.0	5.7	402,112	240.5	22.8	30.1
PVT	HSX	16,000	14,950	13.7	Neutral	17.8	12.2	-3.5	-1.8	6.9	16.9	10.8	11.0	1.2	6.7	26.1	225,576	144.0	176.8	18.5
VCB	HSX	44,400	42,500	8.2	Neutral	17.3	28.6	18.1	26.8	12.5	26.4	18.5	22.2	2.8	3.8	22.3	1,635,653	2,808.2	6,621.9	9.3
CTG	HSX	21,200	19,400	12.9	Neutral	16.3	20.0	13.2	2.5	10.3	45.3	9.3	13.2	1.1	3.6	22.1	1,767,724	1,486.9	3,066.7	0.0
FPT	HSX	53,200	51,400	5.4	Neutral	4.1	3.1	21.7	21.0	13.2	46.7	12.5	9.0	2.5	1.9	45.5	1,155,085	2,484.0	1,189.3	0.0
PNJ	HSX	114,000	108,000	6.5	Neutral	11.1	496.3	33.1	63.3	21.8	28.6	17.6	15.9	4.2	0.9	57.0	231,258	1,105.5	498.6	0.0
PGS	HNX	20,900	22,300	-0.9	Neutral	-16.5	206.7	36.4	-63.7	6.8	6.5	10.4	9.1	1.1	5.4	46.3	72,958	69.0	48.1	34.4
CTI	HSX	31,500	28,350	19.2	Neutral	23.8	58.4	258.8	399.3	-31.3	-14.0	10.3	8.5	1.5	8.1	6.1	388,447	500.1	76.7	19.9
PHR	HSX	41,000	39,800	10.6	Neutral	-4.0	3.9	21.3	158.9	29.7	15.9	7.7	6.9	1.4	7.5	88.6	414,389	743.6	134.8	38.9
NLG	HSX	30,000	27,800	9.7	Neutral	101.3	67.4	37.6	64.7	-13.2	-1.0	8.1	7.9	1.6	1.8	41.2	873,454	1,090.0	192.0	4.6
PC1	HSX	37,000	33,600	10.1	Neutral	-3.0	24.1	13.6	5.8	46.1	76.2	14.7	11.3	1.6	0.0	0.0	161,853	243.5	170.4	17.4
REE	HSX	35,500	33,250	11.6	Neutral	38.4	28.2	23.1	10.1	0.0	11.4	6.1	8.8	1.3	4.8	68.0	1,386,607	2,170.4	445.4	0.0
VNM	HSX	169,300	158,000	8.4	Neutral	16.8	20.3	13.1	17.0	12.4	11.0	21.7	23.2	9.4	1.3	12.7	1,061,369	7,006.7	9,894.2	44.6
PTB	HSX	128,800	129,400	0.3	Neutral	20.2	52.8	14.0	35.4	16.8	-4.0	10.5	11.0	3.5	0.8	27.5	126,554	748.3	142.3	34.6
VJC	HSX	95,100	113,500	-16.2	Neutral	38.6	113.3	41.5	42.5	22.0	25.2	13.6	16.4	7.2	0.0	0.0	739,755	3,821.7	2,248.3	4.6
PPC	HSX	19,400	21,200	0.9	Neutral	-22.0	-2.2	13.9	61.6	1.7	-7.9	4.1	9.0	1.2	9.4	59.8	218,311	198.3	295.1	31.9
ACB	HNX	35,400	30,800	14.9	Neutral	21.6	28.9	41.0	76.4	14.3	54.9	16.2	14.8	2.3	0.0	76.0	2,937,339	3,955.2	1,316.6	0.0
MBB	HSX	26,700	22,900	19.2	Neutral	12.4	16.7	25.2	31.1	17.5	42.0	10.9	22.4	1.4	2.6	76.5	3,727,604	3,742.0	1,806.3	0.0
TCM	HSX	24,095	25,200	-2.4	Neutral	10.0	-25.6	6.2	55.6	1.9	7.4	6.4	8.2	1.2	2.0	53.6	619,408	765.7	54.8	0.0
PAC	HSX	40,600	49,000	-13.1	Neutral	8.2	107.5	16.0	-27.0	11.4	20.4	16.1	18.3	3.7	4.1	39.3	65,245	148.5	99.4	16.3
DHG	HSX	83,500	97,000	-10.8	Neutral	4.9	20.6	12.4	10.0	9.7	9.2	17.0	12.4	4.4	3.1	53.2	160,904	767.1	550.2	0.1
DNP	HNX	20,400	21,500	-5.1	Neutral	60.9	91.6	34.7	50.6	17.6	10.8	8.2	5.0	1.2	0.0	20.9	46,585	50.5	46.8	43.6
HAX	HSX	42,300	38,750	9.2	Neutral	58.1	170.7	46.9	2.5	22.2	11.9	12.0	11.3	2.5	0.0	56.4	115,601	199.9	40.0	33.2
PVD	HSX	15,100	16,100	-6.2	Neutral	-62.9	-92.2	-41.4	-387.5	16.0	-111.3	-31.7	-16.6	0.5	0.0	-27.6	3,051,032	1,962.1	269.1	29.1
SAB	HSX	158,400	290,000	-44.2	Sell	12.6	31.3	11.2	4.2	12.9	4.2	41.6	42.4	12.5	1.2	0.0	38,901	450.3	8,169.2	39.1
MWG	HSX	67,250	127,000	-47.0	Sell	76.7	47.2	63.2	41.4	35.9	16.5	19.3	10.5	7.4	0.0	65.4	562,316	2,912.4	1,695.4	0.0

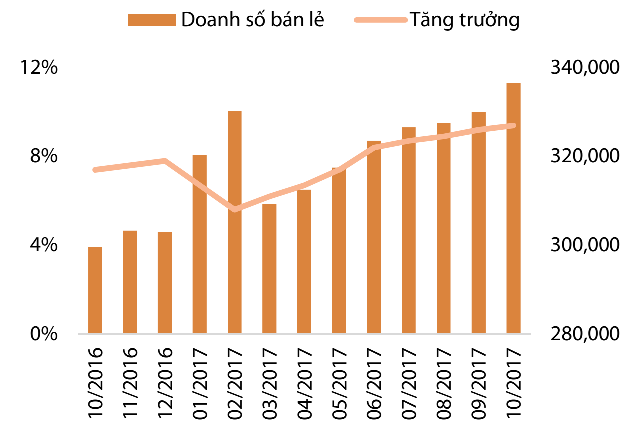
(*) Total Return = Stocks' Upside plus dividend yield

Stable inflation



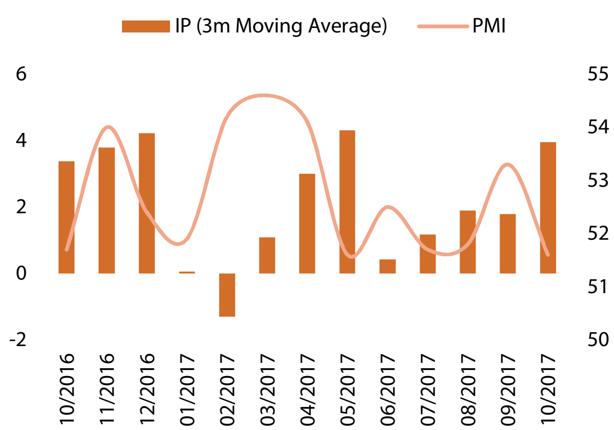
Source: GSO, RongViet Research

Continuous improving in retail sales



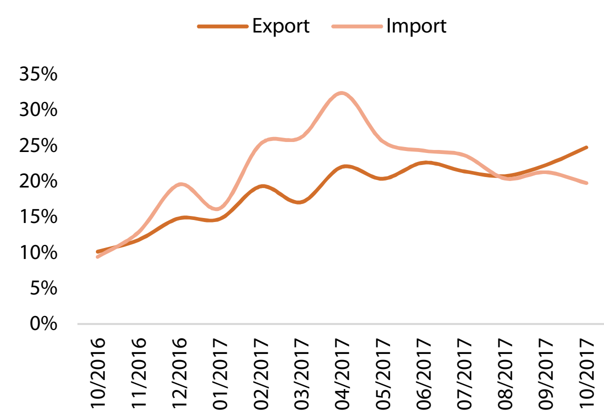
Source: GSO, RongViet Research

Strong manufacturing activities



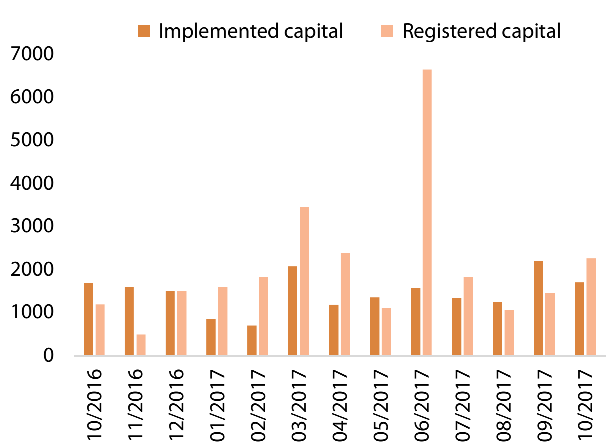
Source: GSO, RongViet Research

Export rose sharply in October



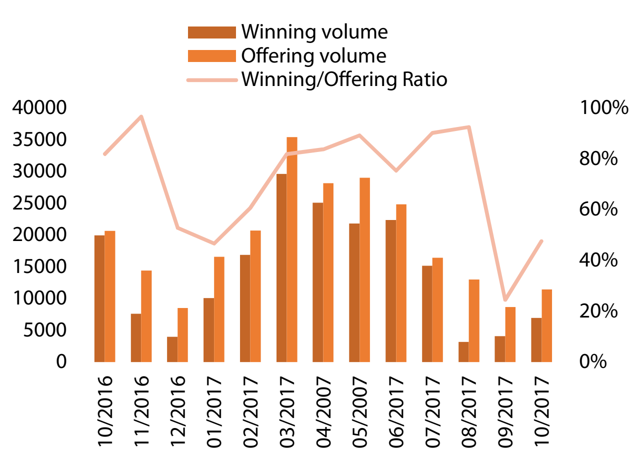
Source: GSO, RongViet Research

Improved disbursed foreign capital



Source: FII, RongViet Research

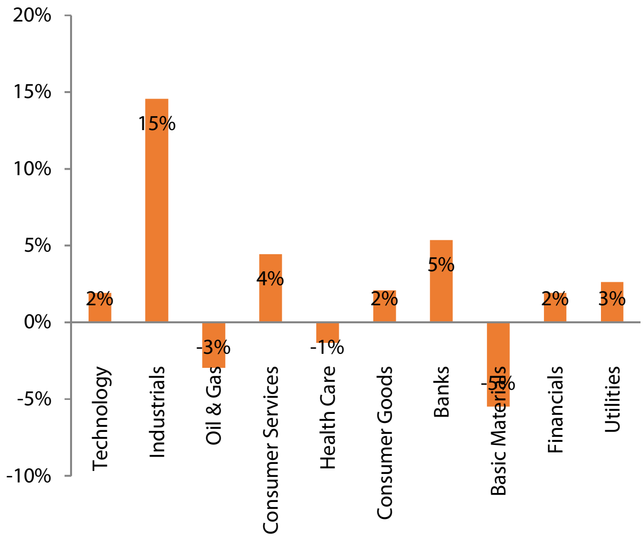
Winning volume recovered slightly



Source: VBMA, RongViet Research

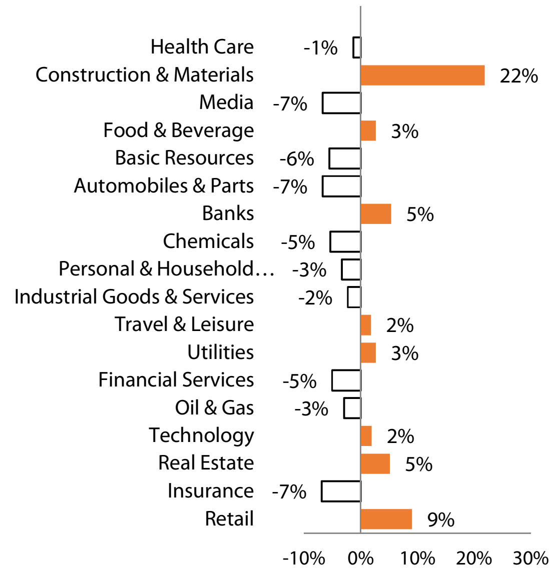
INDUSTRY INDEX

Level 1 industry movement



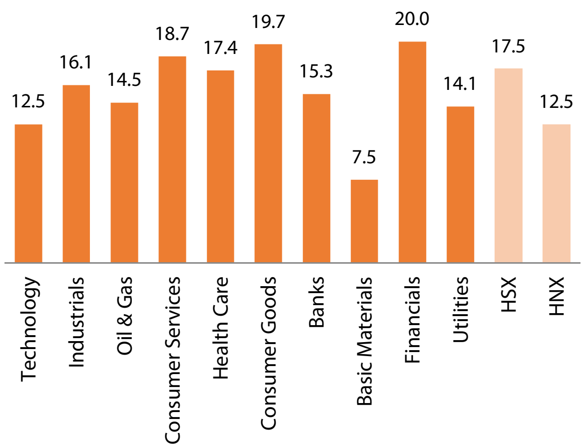
Source: RongViet Research

Level 2 industry movement



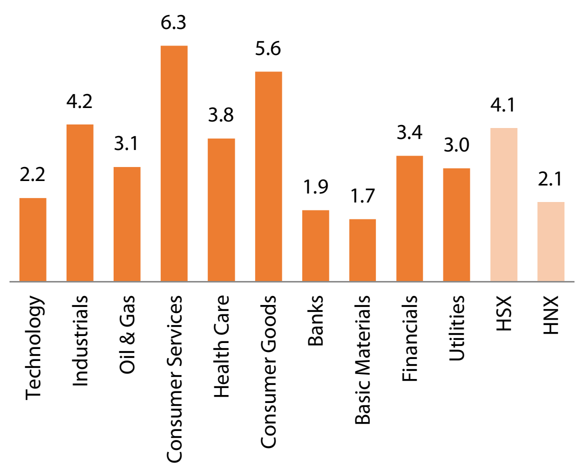
Source: RongViet Research

Industry PE comparison



Source: RongViet Research

Industry PB comparison



Source: RongViet Research

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