June 03rd 2022

**Investment Strategy June 2022**

# HARD TO GET BIG PROFITS IN SHORT TERM

*In June, we reckon that there will be not much steady information enough to affect the market, in both positive and negative sides. In terms of valuation perspective, many stocks with good fundamentals have dropped to a reasonable price range for long-term investment horizon. However, looking at cash flow standalone, liquidity will only improve slightly compared to the average level of May due to the lack of supporting information.*

*Considering the components of information, cash flow, or valuation, it can be seen that market is in a state of equilibrium - weak. As such, we think that a somewhat defensive investment strategy and setting medium and long-term goals will be more appropriate during this period. Accordingly, instead of "full margin" as before, investors should reduce the leverage ratio (or prudent investors could maintain the stock: cash ratio at 70:30), to save purchasing power and wait for opportunities in strong correction sessions. In the meantime, the disbursement needs "patience", waiting for the preferred stock to return to a good price range, instead of following the "FOMO" mentality as before.*

*In May, VNIndex recovered quite quickly after plummeting to 1,165 points. In June, we don't expect many similar sell-offs. VNIndex will fluctuate between 1,240 – 1,350 points until there are more catalysts to clearly form the trend.*

**Monthly change of VNIndex:** ***Will this June be different?***

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 5 Yr Avg | 2.58 | 2.75 | -3.00 | 1.76 | 2.56 | .93 | -1.08 | 2.93 | 2.06 | .82 | 4.54 | 2.07 |
| 2022 | -1.29 | .76 | .14 | -8.40 | -5.42 | | | | | | | |
| 2021 | -4.28 | 10.59 | 1.97 | 4.02 | 7.15 | 6.06 | -6.99 | 1.64 | .80 | 7.62 | 2.37 | 1.34 |
| 2020 | -2.54 | -5.81 | -24.90 | 16.09 | 12.40 | -4.55 | -3.24 | 10.43 | 2.67 | 2.24 | 8.39 | 10.05 |
| 2019 | 2.03 | 6.02 | 1.58 | -.11 | -2.02 | -1.04 | 4.39 | -.77 | 1.27 | .23 | -2.81 | -1.01 |
| 2018 | 12.81 | 1.01 | 4.72 | -10.58 | -7.52 | -1.08 | -.46 | 3.47 | 2.79 | -10.06 | 1.29 | -3.67 |
| 2017 | 4.87 | 1.94 | 1.62 | -.63 | 2.80 | 5.24 | .91 | -.10 | 2.77 | 4.08 | 13.45 | 3.61 |
| 2016 | -5.83 | 2.59 | .33 | 6.62 | 3.35 | 2.23 | 3.16 | 3.43 | 1.65 | -1.45 | -1.59 | -.03 |
| 2015 | 5.58 | 2.86 | -6.99 | 2.04 | 1.27 | 4.12 | 4.72 | -9.07 | -.37 | 7.95 | -5.63 | 1.02 |
| 2014 | 10.28 | 5.38 | .87 | -2.29 | -2.76 | 2.87 | 3.10 | 6.81 | -5.95 | .34 | -5.70 | -3.70 |
| 2013 | 15.97 | -1.09 | 3.47 | -3.37 | 9.25 | -7.19 | 2.23 | -3.89 | 4.22 | .97 | 2.08 | -.62 |
| 2012 | 10.36 | 9.19 | 4.10 | 7.42 | -9.41 | -1.59 | -1.87 | -4.45 | -.87 | -1.06 | -2.73 | 9.50 |
| 2011 | 5.35 | -9.64 | -.05 | 4.11 | -12.23 | 2.65 | -6.21 | 4.69 | .68 | -1.59 | -9.53 | -7.65 |
| 2010 | -2.59 | 3.10 | .47 | 8.64 | -6.44 | -.06 | -2.61 | -7.86 | -.12 | -.42 | -.23 | 7.32 |
| 2009 | -3.93 | -18.95 | 14.21 | 14.59 | 27.99 | 8.90 | 4.12 | 17.14 | 6.24 | 1.07 | -14.14 | -1.85 |
| 2008 | -8.94 | -21.42 | -22.08 | 1.07 | -20.73 | -3.55 | 13.01 | 19.44 | -15.28 | -24.01 | -9.31 | .28 |
| 2007 | 38.52 | 9.25 | -5.83 | -13.76 | 17.06 | -5.25 | -11.39 | .05 | 15.25 | 1.74 | -8.71 | -4.66 |

-24.90 38.52

*Source: Fiinpro, Rong Viet Securities*


**Strategy Board**

Lam Nguyen

lam.ntp@vdsc.com.vn

Bernard Lapointe

bernard.lapointe@vdsc.com.vn

Ha My Tran

my.tth@vdsc.com.vn

Tung Do

tung.dt@vdsc.com.vn

Thanh Nguyen

thanh.nn@vdsc.com.vn

Ha Tran

ha.ttn@vdsc.com.vn

Trang Tran

trang.tnt@vdsc.com.vn

# CONTENTS



*In our view, Vietnam stock market is still facing a lot of externals macro risks, especially related to tightening monetary policy in the context of rising global inflation, led by energy and food prices due to the impact of the war between Russia and Ukraine. We believe that this factor will continue to affect Vietnam's inflation expectations, thereby, becoming a major obstacle to the market's upward momentum amid increasingly risk-off sentiment and "quiet period" in June. Therefore, any unexpected rally in the month should be a good opportunity for investors to restructure their investment portfolio by deleveraging or preserving a higher cash ratio in order to wait for opportunities in deep correction sessions.*

*While cash flow from retail investors is unlikely to largely improve any time soon given cautious sentiment, we expect ETFs like DCVFM VN Diamond or Fubon FTSE to maintain their net inflow status in the near-term on the back of Vietnam stock market's relatively attractive fundamentals. As of June 3, 2022, the VN Index's 2022F P/E valuation is 13.9x, with a forecasted 2022F EPS growth of 18% (Figure 4). Moreover, the fact that VND has appreciated against some other currencies in Asia, like Thailand and Taiwan, is also a positive factor supporting the trend of net inflow from these markets to abovementioned ETFs.*

*Therefore, we believe that the opportunity to accumulate stocks with a large proportion in the ETF portfolio is still a viable option in this month. Accordingly, we favor **FPT, PNJ**, which account for a significant weight of the DCVFM VN Diamond ETF's portfolio at ~16% as of June 3, 2022. In addition, these stocks are further supported by the positive earnings prospect going forward, which reduces the downside risk when this fund faces outflow.*



Analysis of 58 stocks of Rong Viet Research, discussion with companies and specific evaluation in the "Company Report" or "Analyst Pinboard"

### The wheat war

- Wheat price increases are creating havoc around the world.
- The rebound in equity prices is "just a rebound". Sell.
- We prefer to be short US Dollar.

While the pandemic and the war in Ukraine took top places on the agenda at the Davos summit late May, the existential issue of the climate crisis remained a critical point of debate. Jim Hagemann Snabe, chairman of Siemens AG, stated at the event that for future growth, it will be imperative to "dramatically accelerate the investments and decarbonize all of the critical infrastructures… [including] energy, food, transportation and healthcare systems." It won't be easy.

On markets, as we stated in our last few reports we have a negative view on the US Dollar. Better be long Sing $, Thai Baht and Korean Won (Figures 1-3). Even though the Sing $ has retraced most of its losses for the year, we are looking for it to come back to 1.34-1.35 in the next few months. The same can be said of the Korean Won which just gained about four percent in the past two weeks. 1180-1190 seems like an achievable target.

**Figure 1. USD versus Sing $**


**Figure 2. USD versus Thai Bhat**

**Figure 3. USD versus Korean Won**


Populations in upheaval in Sri Lanka, the Middle East, Tunisia and northern African countries. The price of bread is causing pain for millions of people that, unfortunately, depend on wheat imported from Russia, Ukraine, Canada and other countries. The Russia-Ukraine war has disrupted wheat exports, driving wheat prices up by 60% in Africa, the president of the African Development Bank (AfDB) said a few days ago[1], warning that the continent will lose up to $11 billion worth of food due to the conflict. According to the World Bank[2], 90 million people have fallen in extreme poverty in 2022 because of higher food prices. Even though measures are taken to assist countries affected by the rise in wheat prices, the supply is simply not there to satisfy demand.

Canada, a large producer of wheat, has been impacted by droughts which have lowered production significantly. The difficulty with commodities like a crop is that it takes a while for the market to adjust. It's not like you can add a second shift or open up the tap. Russia's invasion of Ukraine has sparked major disruptions to a United Nations program that helps prevent hunger around the world. Canadian Prime Minister Justin Trudeau warned in March during a trip to Europe aimed at working with allies to respond to the crisis. Hence prices are likely to stay elevated for a while (Figure 4). Wheat producers are probably skeptical about hedging, therefore keeping a lid on prices.

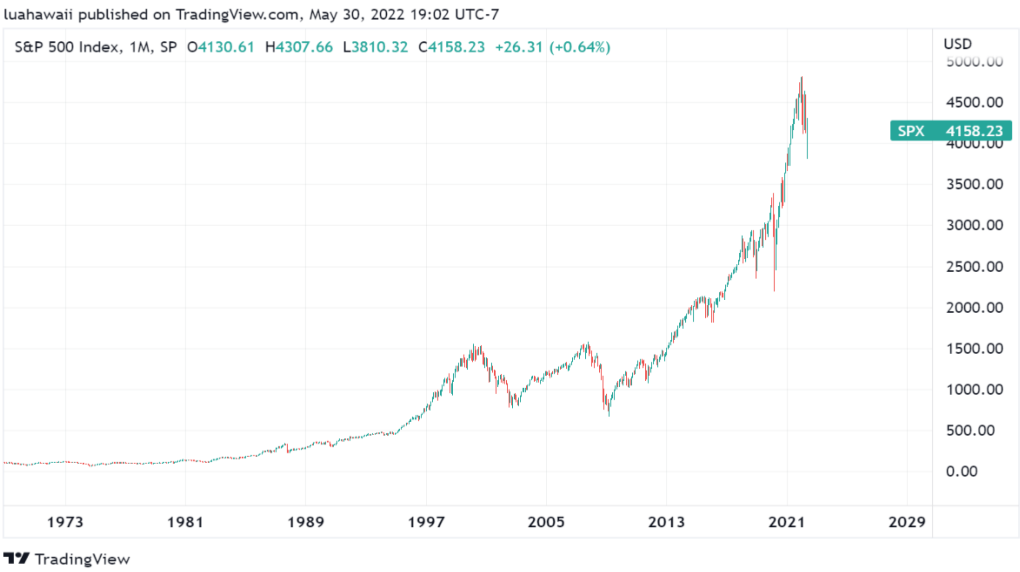
**Figure 4. Wheat price, continuous future, CBOT**


[1] Wheat prices in Africa up 60% due to Russia-Ukraine war: AfDB (aa.com.tr)
[2] World Bank Announces Planned Actions for Global Food Crisis Response

The rebound in equity prices is normal. Shorts are covering and some institutional sitting on cash are buying. Not sure what the rationale is for that! Global stock markets are trading at around 20-22 times earnings. Maybe not that expensive but still above the 2018-19 average of 18-20 times.

The annualized return of the S&P 500 index between January 1919 and December 2021 is **10.6%** (dividends included). If you take the simple average of annual returns during the last 100 years, the answer you will get is 12.3%. So even if the Index goes down by 20% or so this year, it will still not be a major surprise as the long term trend is still 'up'. But this is our issue. There are periods when equity markets do nothing. Look at the 1997-2013 where the S&P 500 Index basically was static (Figure 5). Unless one bought high dividend yield stocks, in real terms you lost money.

**Figure 5. S&P 500 Index, monthly**

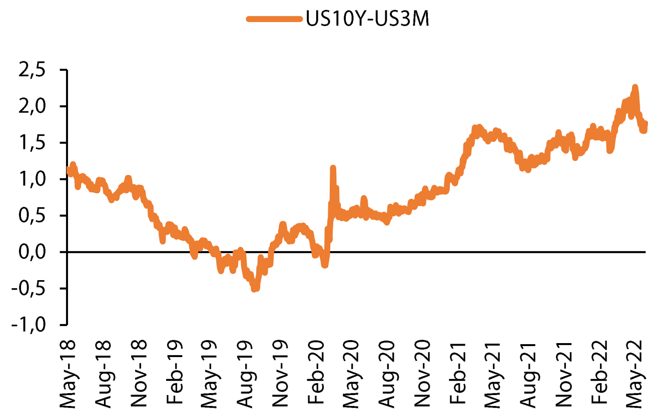



We are going long the VIX Index (Figure 6) at around 23-24 as we believe this latest rally in equities is simply a V-shape technical bounce and volatility will rise.

**Figure 6. VIX Index**

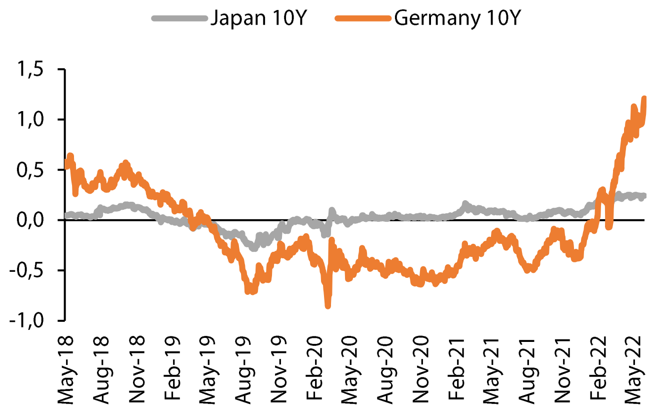
# GLOBAL ECONOMIC INDICATORS IN MAY

**US G-Bond yields gap (%/year)**



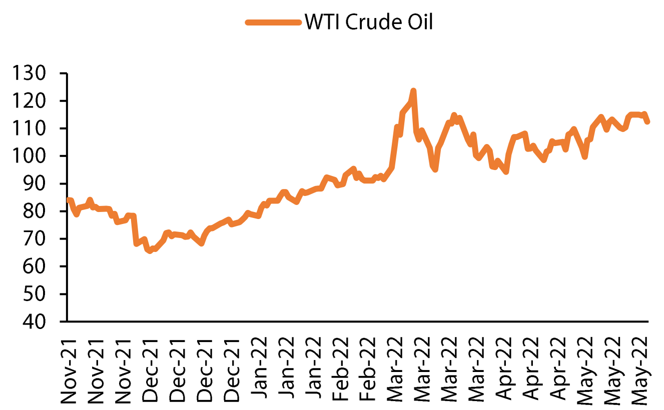

*Source: Bloomberg, Rong Viet Securities*

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



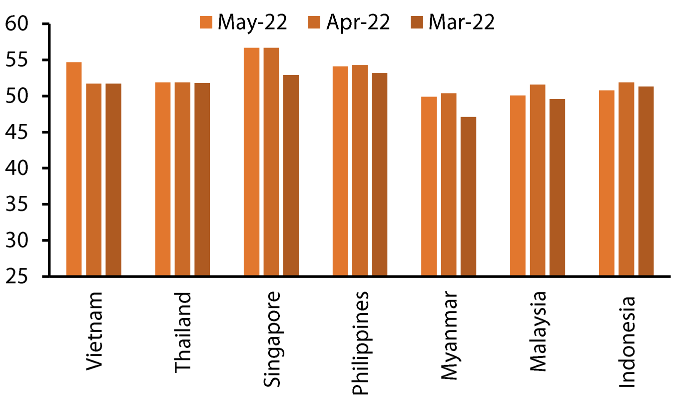

*Source: Bloomberg, Rong Viet Securities*

**WTI crude oil price (USD/barrel)**



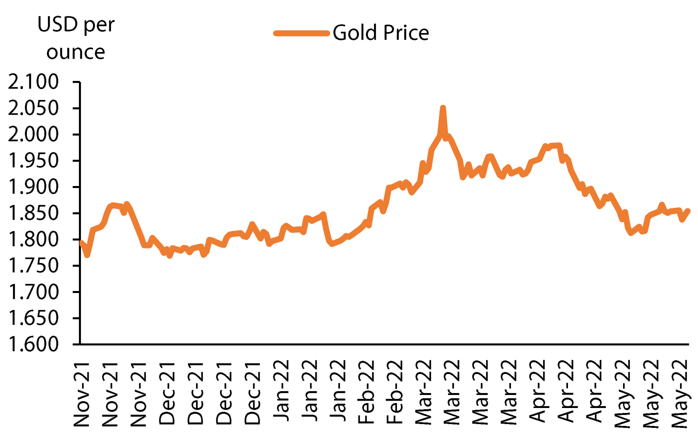

*Source: Bloomberg, Rong Viet Securities*

**ASEAN's PMI**



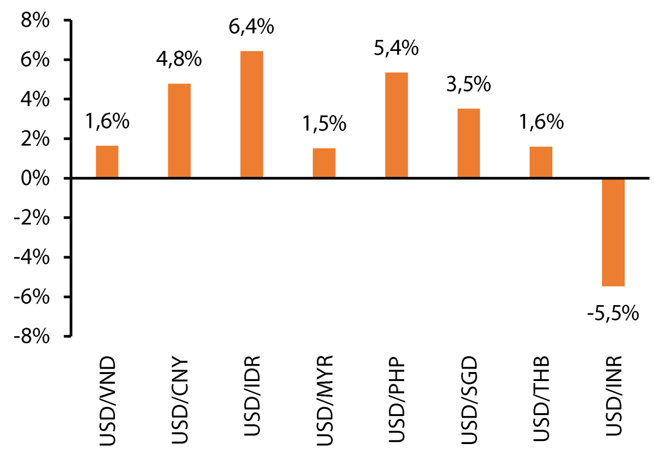

*Source: Markit Economics, Rong Viet Securities*

**Gold prices (US$/ounce)**




*Source: Bloomberg, Rong Viet Securities*

**FX rates (%, YTD)**




*Source: Bloomberg, Rong Viet Securities*

- We kept an optimistic view of economic growth despite unpredictable risks globally
- Two scenarios for inflation in 2022: 4.5-5.0%

**We kept an optimistic view of economic growth despite unpredictable risks globally**

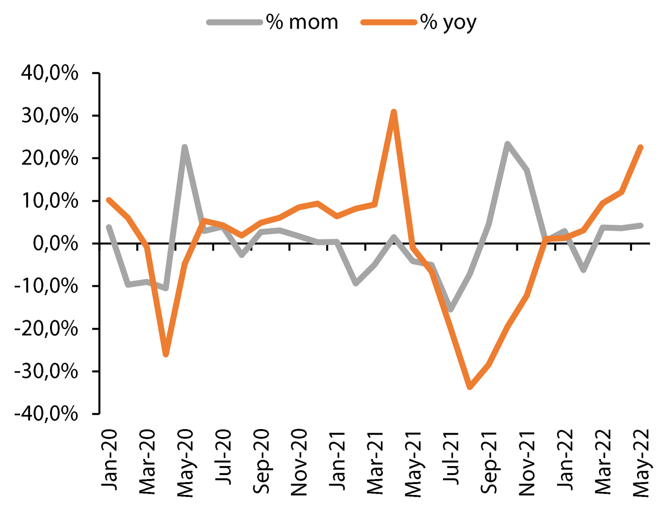
Despite concerns about the weak recovery in domestic demand, Vietnam's consumer sector continued to show positive signs of recovery in the second quarter of 2022. Specifically, the revenue of goods and services retail sales recorded an increase of 22.5% yoy in May after increasing by 12.1% in the previous month. This strong increase spread from retail sales of goods to services, notably, due to the low base of the same period, the growth in sales of food and beverage, accommodation and tourism services increased by 69.3% and 324.3% over the same period, respectively in May 2022. According to data from the GSO, international visitors to Vietnam in May 2022 reached 172.9 thousand arrivals, up 70.6% over the previous month and 12.8 times higher than the same period in the same period thanks to the 31 Sea Games event. In the first 5 months of 2022, retail sales of goods and services increased by 9.7% over the same period. If excluding the price factor, this sector recorded an increase of about 6.3%, implying inflation in the first 5 months of 2022 of the retail sector at 3.4%. The recovery of this sector is expected to accelerate sharply in Jun 2022, on the basis of the low base level of the same period when the 4th outbreak began to spread across the country.

Detailed data on growth in the retail sector also provides a clearer picture of the prospects for a recovery in consumer demand in the economy. Specifically, the high increase was recorded in food & foodstuff (+13.1%), culture & education (+12.8%), accommodation (+15.7%), and tourism (+34.7%). Meanwhile, retail sales of some products such as means of transport and apparel were relatively low, reaching 3.1% and 0.2% respectively, or retail sales of household appliances recorded a decrease of 1.6% compared with the same period. This also implies that demand during the reopening period concentrated on food, travel and entertainment groups instead of high-value items. Movements in the consumer price index continue to support this point. Regardless of the transport price index due to high oil prices, component inflation represents a rapid increase including eating outside services, culture & entertainment, education, beverages & tobacco in the past two months. These commodity groups account for about 22% of the CPI basket. Meanwhile, prices of other consumer goods also accelerated but at a slower pace such as apparel, household appliances, housing and construction materials.

Another bright spot of Vietnam's economy in May was the industrial production sector. According to data from IHS Markit, Vietnam's PMI index reached 54.7 points compared to 51.7 points in April. Notably, new orders and export orders both increased rapidly despite signs of the global slowdown. The positivity of the manufacturing sector in Vietnam is quite remarkable compared to the regional and global PMI. Of the 7 surveyed ASEAN countries, only Vietnam's manufacturing PMI grew faster in May. Globally, the global manufacturing PMI was likely unchanged from the previous month, reaching 52.4 points, although still above the 50-point threshold but still near a 20-month low. Global new export orders fell at the fastest rate since Jul 2020, showing that the global trade picture is not very positive. In such a context, Vietnam's PMI ranks 8th in the global PMI ranking, lower than that of developed economies but superior to that of developing countries.

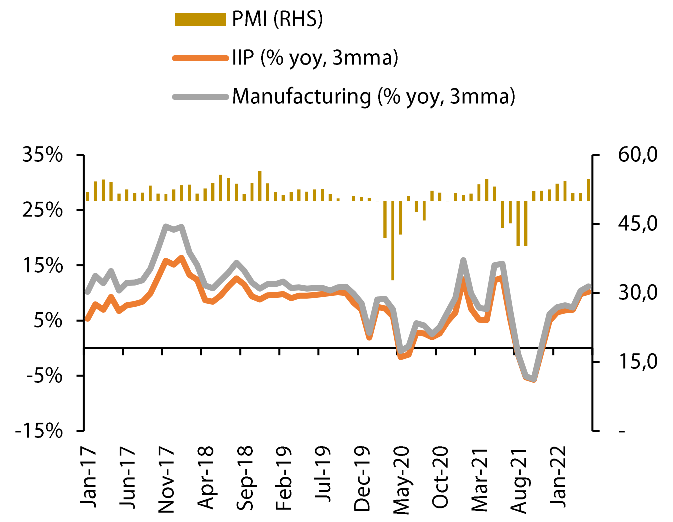
Statistics on industrial production and import-export indexes show similar movements with PMI's trend. The manufacturing industry recorded an increase of 12.1% yoy in May, higher than the growth of 11.7% in the previous month. The month-on-month increase was 4.9%, higher than the increase of 2.6% in April. Export turnover was estimated to increase by 16.4% over the same period last year, of which domestic sectors' exports increased by 14.5% and the FDI sector increased by 17.1%. At the same time, imports, which are an early indicator of exports, still maintained an increase of about 12.9% over the same period, although the growth rate slowed down compared to the first quarter of the year. Although a lot of external risks are threatening the recovery of the domestic economy, we are not too pessimistic about the economic outlook in the second half of the year, the basis for achieving the 6.5% GDP growth target in 2022 includes: 1) continued recovery in the consumer sector, 2) resilience in the manufacturing and export sectors; and 3) low base level of the same period last year.

**Figure 7: Retail sales growth**




*Source: GSO, Rong Viet Securities*

**Figure 8: Manufacturing growth**




*Source: GSO, Rong Viet Securities*

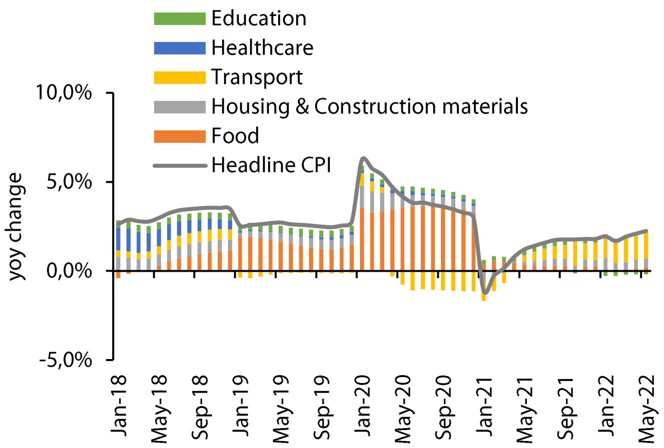
**Two scenarios for inflation in 2022: 4.5-5.0%**

The EU Union's agreement to ban the import of more than two-thirds of oil from Russia has continued to push the global oil price back to the region of US$120/barrel in the context that China is gradually reopening and continuously providing measures to support economic growth. The fever in the oil market has not stopped so far! The average Brent oil price in the first 5 months of this year was at US$102/barrel, 62% higher than the average for the same period in 2021. In this context, domestic gasoline prices have increased by about 49% compared to that of the same period in 2021 thanks to the reduction of the petrol environment tax and the use of the price stabilization fund. Accordingly, the transportation price index contributed 1.5 percentage points to the average increase of 2.25% of the general CPI in 5M22. In the base scenario, if the oil price stays at US$120/barrel for the rest of the year, the average Brent oil price in 2022 is estimated at US$113/barrel, 60% higher than the same period last year. Accordingly, the transport price index is expected to contribute 2.0 percentage points to the overall increase in CPI, the recovery of consumer demand and the passthrough of higher cost of petrol and raw materials into other goods could push inflation to 4.5% in 2022, according to our estimates.

A less optimistic scenario is if oil rises to the range of US$150/barrel (the history of oil prices from 1970 to now has only had one time when oil spiked to this range in June 2008 along with a rapid plunge, then followed by the 2008 financial crisis), we expect the average oil price in 2022 to be around US$120/barrel, 70% higher than the same period in the same period, then the average inflation will be may reach 5.0%.

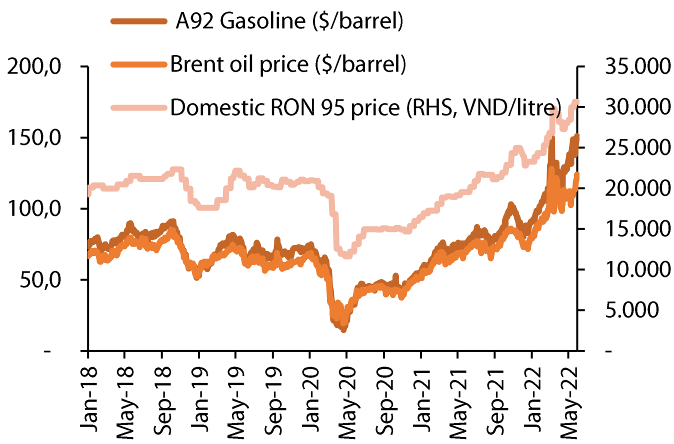
During this period, prices in the economy can rise above the statistical numbers, such as the 3.4% retail inflation estimate we mentioned above. In theory, rising prices should reduce purchasing power in the economy. According to our observations, this will show in developed economies in the coming months. In Vietnam, the tighter spending is probably more reflected in the group of high-value goods rather than essential goods and recreational tourism needs after two years of closure due to the pandemic.

## Figure 9: Vietnam's inflation breakdown



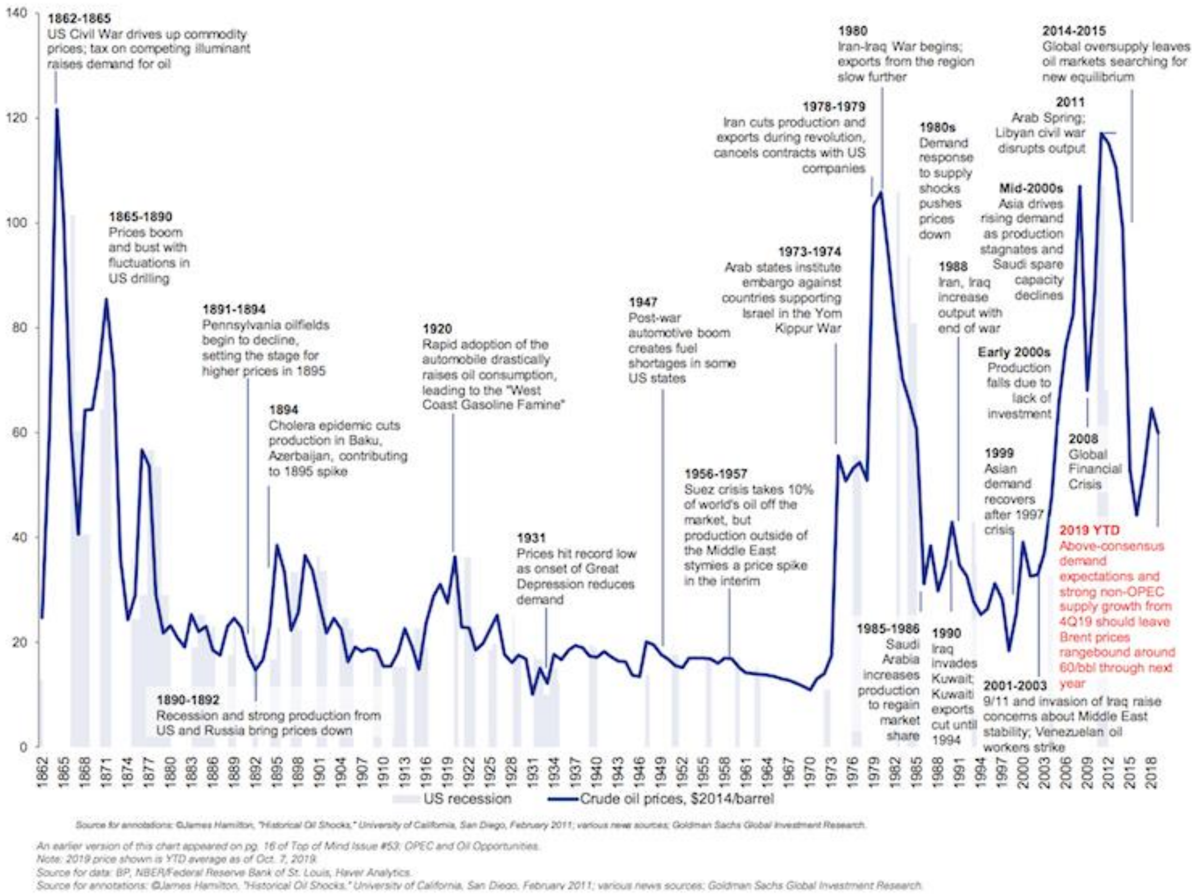

*Source: TCTK, Rong Viet Securities*

## Figure 10: Domestic vs. global petrol prices




*Source: PLX, Bloomberg, MoF, Rong Viet Securities*

## Figure 11: Oil price history

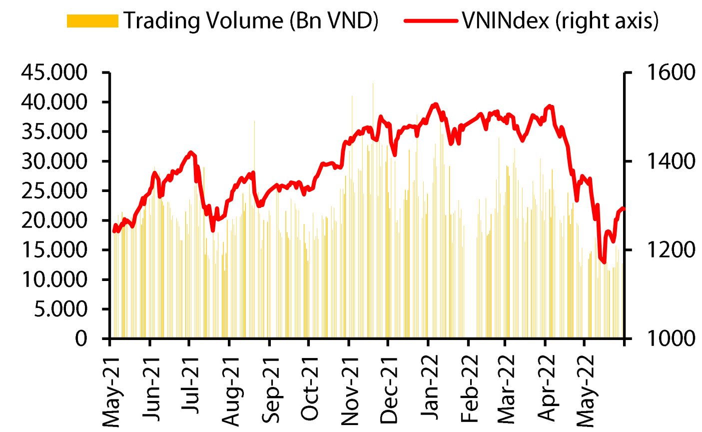



*Source: daytrading.com, Rong Viet Securities*

The weak sentiment continued to cloud the stock market at the beginning of May as an aftermath of the April sell-off. The VNIndex fell over 15% in the first nine trading days to the yearly low of 1,156.54 before pulling back and sharply rose by 12% to the May's closing price of 1,292.68. There was a V-shape recovery from the bottom across all sub-indices (VN30, VNMID, VNSML, etc). As a result, the VN-Index narrowed down the decline to 5.4% in comparison to the decreases of 13.7% of the HNX Index and 8.5% of the UPCoM Index, which experienced a fragile recovery from the trough.

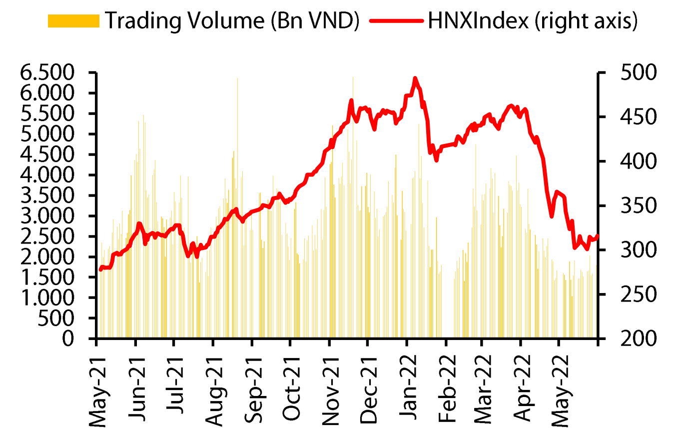
Compared to global peers, the VNIndex deeply underperformed other indices such as the S&P 500 (0.0%), SET (-0.2%), KOSPI (-0.3%), NIKKEI (1.6%).

**Figure 12: VNIndex, May 2021 - May 2022**




*Source: Fiinpro, Rong Viet Securities*

**Figure 13: HNX Index, May 2021 - May 2022**




*Source: Fiinpro, Rong Viet Securities*

The average VNIndex trading volume via matching order continued to fall from the previous month, recording VND 13,822 bn (or USD 0.6 bn, -33% MoM). This reflects the weak market sentiment due to the long-lasting decline, which might cause margin loan demand to drop.

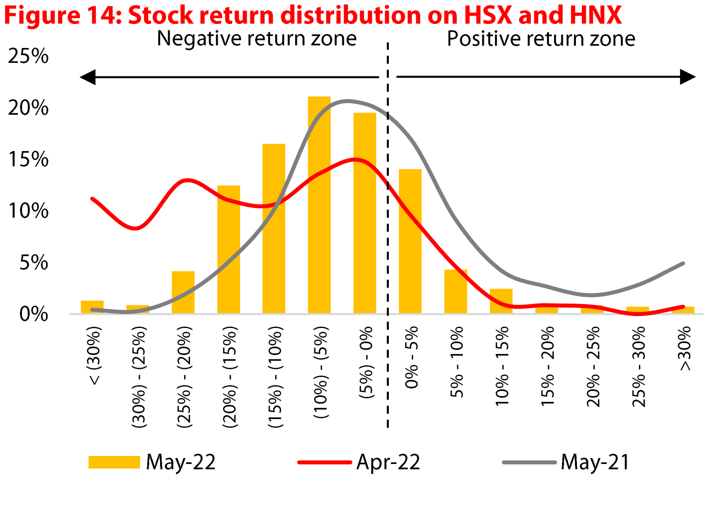
76% of stocks had negative monthly returns. This is an improvement from April (83%). The market depth showed high concentration of monthly returns in the range of -10-0%. Specifically, stock returns mostly stayed in the range of -10% to -5%. Compared to April 2022 when the market fell stronger, the distribution curve was thinner on the left side (Figure 14). In other words, the VNIndex and HNX Index continued to drop in May, but the pace weakened and the sentiment improved.

**Table 1: Performance by market cap in May**

| | VN30 | | VNMid | | VNSmall | |
|---|---|---|---|---|---|---|
| | ADTV (billion VND) | Price change | ADTV (billion VND) | Price change | ADTV (billion VND) | Price change |
| March 2022 | 7,623 | -0.57% | 10,565 | 2.78% | 4,954 | 5.68% |
| April 2022 | 7,423 | -6.05% | 8,419 | -13.14% | 3,640 | -15.70% |
| May 2022 | 5,431 | -5.98% | 5,495 | -7.44% | 2,081 | -9.70% |

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

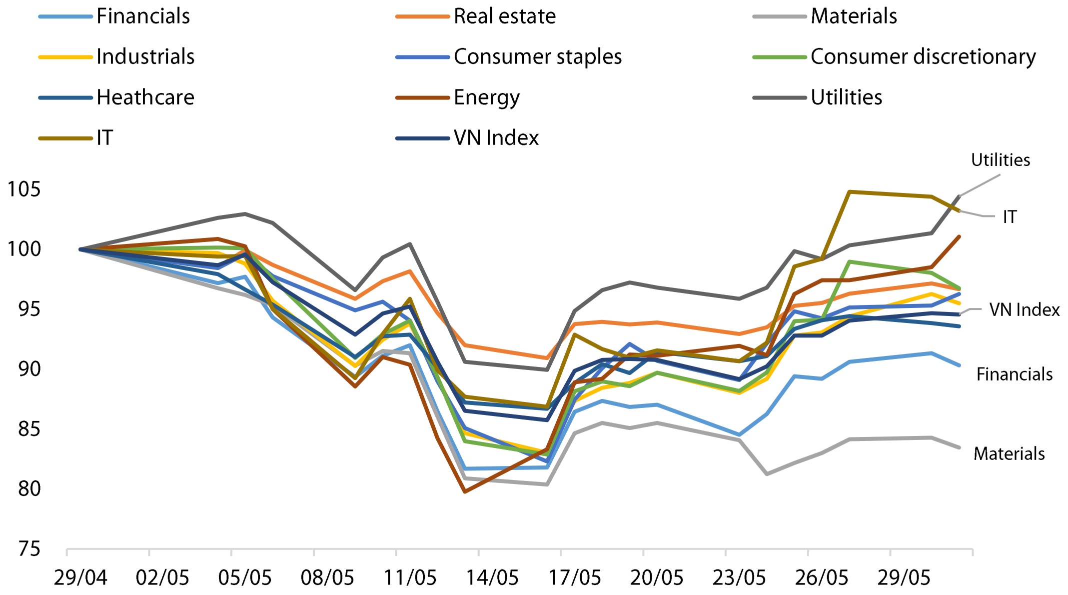
**Figure 14: Stock return distribution on HSX and HNX**




*Source: Fiinpro, Rong Viet Securities*

Among sectors, there were three over ten industries having positive returns in May. Utilities was the leading sector with a growth of 4.4% MoM. The other two gainers were IT (3.2%) and Energy (1.1%). On the flip side, Materials and Financials posted the largest loss as those deeply underperformed the VNIndex. Materials had a -16.5% return in May, a slight improvement from its monthly low. The Financials sector recorded good recovery from the bottom, but still posted a -9.7% decline MoM. Beside those, only Healthcare (-6.4% MoM) underperformed the market (-5.4%). We notice a strong bounce back in the Consumer Discretionary sector, which was down 17.1% at the bottom. The industry almost reached the positive zone in the last days of May before going down a little.

**Figure 15: Sector performance in May**




*Source: Bloomberg, Rong Viet Securities*

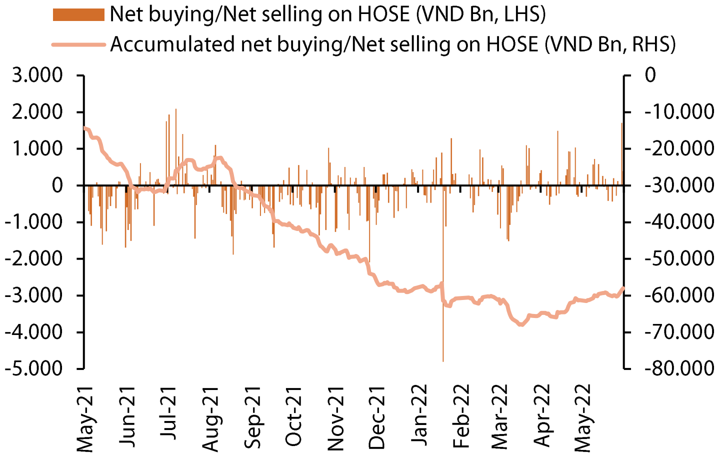
## Foreign investors

Foreigners maintained their net buy position in May with a net buying value of VND 1,007 billion (or USD 44 mn) via order-matching orders on HOSE. The momentum has turned positive in the recent two months when the indices went down significantly.

In May, there were large net inflows from foreign investors across many large-caps and funds, notably FUEVFVND (VND 612 bn or USD 27 mn), NLG (VND 468 bn or USD 20 mn), DPM (VND 464 bn or USD 20 mn), CTG (VND 428 bn or USD 19 mn), DCM (VND 331 Bn or USD 14 mn). In contrast, HPG (VND -847 bn or USD -37 mn), SSI (VND -726 bn or USD -32 mn) and VIC (VND -328 bn or USD -14 mn) were strongly net sold.

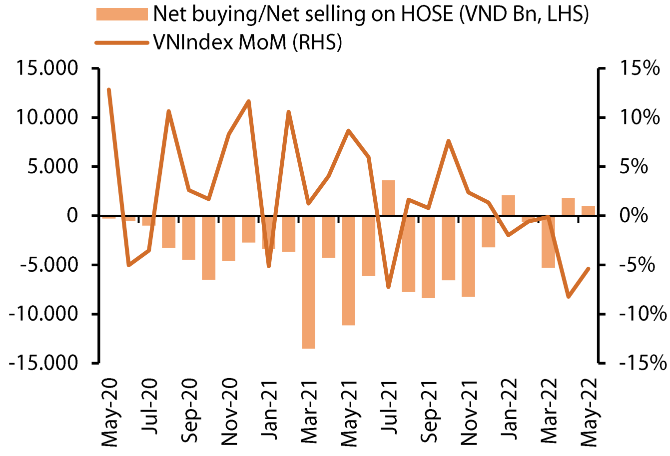
ETF money flows exhibited polarized but positive results. We estimate strong net inflows for all ETFs in May, led by a few large inflows at Fubon FTSE Vietnam ETF (foreign fund) and VFMVN Diamond ETF (domestic fund). On foreign ETF fund side, iShares MSCI Frontier and Select EM ETF recorded the largest net outflows of USD -17.8 mn while Fubon received net inflows of USD 474.4 mn. Other foreign funds recorded net outflow also such as FTSE Vietnam ETF (USD -2.8 mn), KIM KINDEX Vietnam VN30 ETF (USD -17.0 mn). VFMVN Diamond ETF recorded a notable net inflow (USD 130.0 mn) among domestic ETFs. The others had net inflow but at a one-digit figure.

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




*Source: Fiinpro, Rong Viet Securities*

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




*Source: Fiinpro, Rong Viet Securities*

**Table 2: Foreign net trading value by sector on HOSE and HNX**

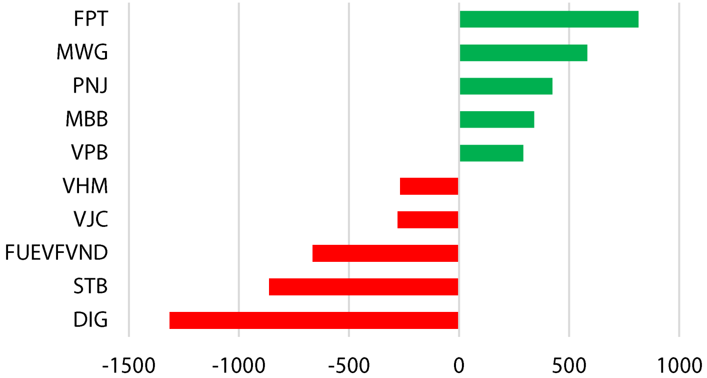
| Sector | HSX | | HNX | |
|---|---|---|---|---|
| | Net trading value (billion VND) | Net trading volume (thousand shares) | Net trading value (billion VND) | Net trading volume (thousand shares) |
| Financial Services | 1,586 | 57,941 | -77 | -4,950 |
| Chemicals | 1,002 | 17,869 | -5 | -70 |
| Banks | 698 | 32,157 | 2 | 55 |
| Technology | 402 | 3,559 | 0 | 10 |
| Food & Beverage | 371 | 3,786 | -1 | -82 |
| Real Estate | 210 | 4,694 | 63 | 1,379 |
| Industrial Goods & Services | 126 | 1,606 | -3 | -257 |
| Retail | 82 | 383 | -4 | -144 |
| Insurance | 80 | 3,564 | 29 | 612 |
| Health Care | 68 | 1,468 | -1 | 4 |
| Media | 0 | -3 | 0 | 13 |
| Telecommunication | 0 | 0 | 0 | 14 |
| Travel & Leisure | -15 | -510 | 1 | 51 |
| Automobiles & Parts | -16 | -257 | 0 | 69 |
| Utilities | -75 | 1,557 | 1 | 68 |
| Construction & Materials | -84 | -5,073 | -22 | -170 |
| Personal & Household Goods | -150 | -1,701 | 10 | 346 |
| Oil & Gas | -158 | -6,474 | 84 | 3,335 |
| Basic Resources | -942 | -23,989 | -1 | -51 |

*Source: Fiinpro, Rong Viet Securities*

## Local institutional investors

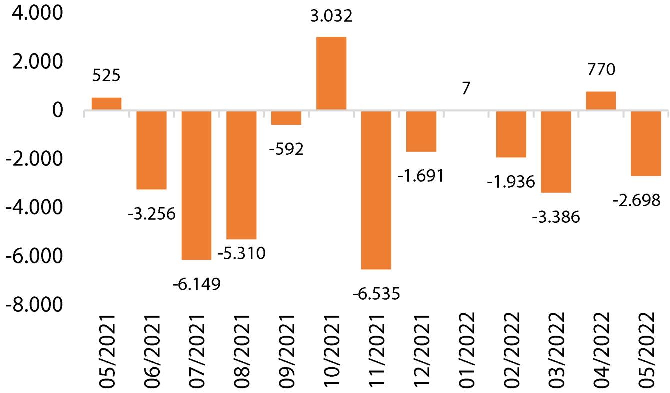
Local institutional investors net sold in May with a value of VND -2,698 billion (or USD -117 mn). The money flow of those diverged from that of foreign participants. Both kinds of investors were selling when the VNIndex fluctuated around the high level this year. They started net buying in April when the index dropped sharply. In May, local institutions net sold strongly while foreign investors still net bought but at a slower pace. Key traded stocks by local institutional investors are shown below.

**Figure 18: Top net sold/purchased stocks by local institutions on HSX in May (VND bn)**




*Source: Fiinpro, Rong Viet Securities*

**Figure 19: Trading activity by local institutional investors on HSX (VND bn)**




*Source: Fiinpro, Rong Viet Securities*

*In June, we reckon that there will be not much steady information enough to affect the market, in both positive and negative sides. In terms of valuation perspective, many stocks with good fundamentals have dropped to a reasonable price range for long-term investment horizon. However, looking at cash flow standalone, liquidity will only improve slightly compared to the average level of May due to the lack of supporting information.*

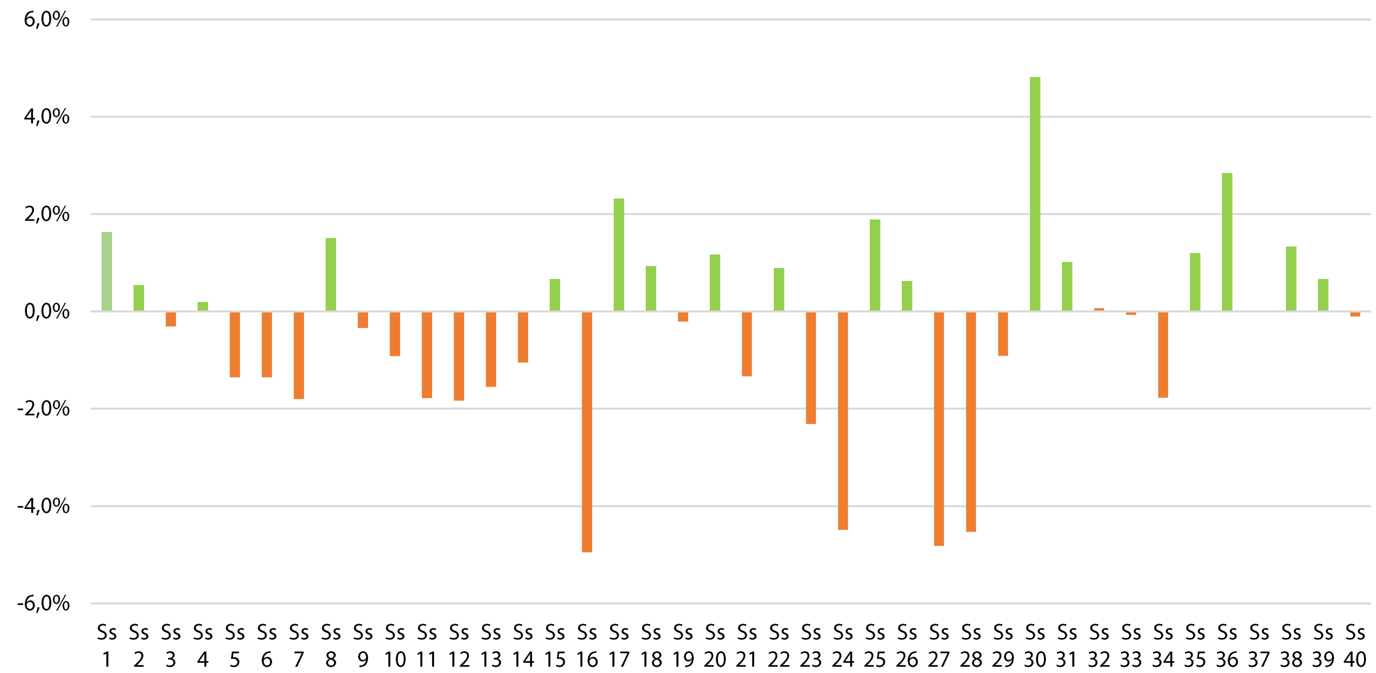
*Considering the components of information, cash flow, or valuation, it can be seen that market is in a state of equilibrium - weak. As such, we think that a somewhat defensive investment strategy and setting medium and long-term goals will be more appropriate during this period. Accordingly, instead of "full margin" as before, investors should reduce the leverage ratio (or prudent investors could maintain the stock: cash ratio at 70:30), to save purchasing power and wait for opportunities in strong correction sessions. In the meantime, the disbursement needs "patience", waiting for the preferred stock to return to a good price range, instead of following the "FOMO" mentality as before.*

*In May, VNIndex recovered quite quickly after plummeting to 1,165 points. In June, we don't expect many similar sell-offs. VNIndex will fluctuate between 1,240 – 1,350 points until there are more catalysts to clearly form the trend.*

***Pressure from force sell has decreased; However, we could not expect strong cash flowing to the market***

VNIndex has faced a tough time mounting the high point amid the margin loan utilization rate has almost peaked since the last months of 2021 (Figure 22). In April and May, market experienced many strong losing sessions with a decrease from roughly 1.5 - 2% to 4.7 - 4.8%. Additionally, the total order-matching value in May fell by more than 32% over the same period. February 2021 was the only exception, which was the traditional Tet holiday, market in May witnessed the lowest matching value in the past 17 months on HSX. Margin loan balance was also supposed to drop significantly. This will at least prevent market from seeing sharp drops and shocks in June, often caused by force selling.

**Figure 20: VNIndex experienced many strong decline sessions in April and May 2022**




*Source: FiinPro, Rong Viet Securitites*

**Figure 21: Growth of margin balance usually drives to strong growth momentum of VNIndex**

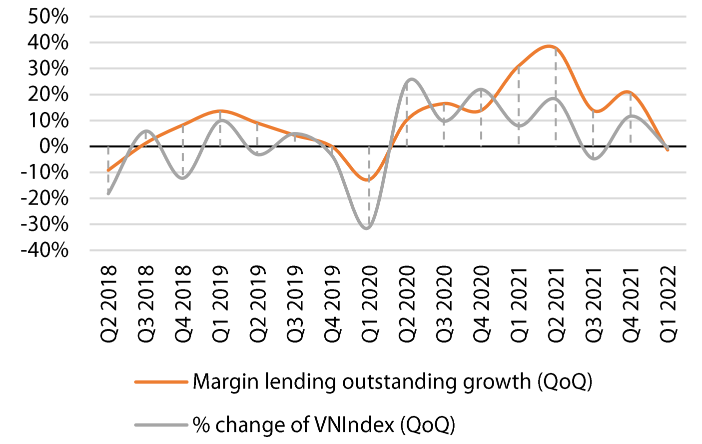
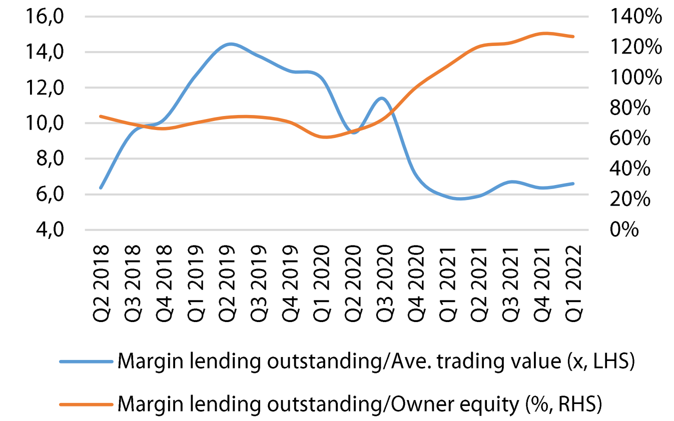



**Figure 22: Margin utilization has almost peaked since the last months of 2021**




*Source: FiinPro, Rong Viet Securitites*

***Early summer is usually the stock market's off-peak time***

After the general meeting of shareholders season ended, market almost entered the lack-of-information territory until the company's second-quarter earnings results were released. That's why May and June are often the unfavorable times for stock market.

Regarding information, we currently see a fairly balanced influence between positive and negative news. Hence, if the new cash flow - which we expect mostly comes from ETFs - actively participates, it will be a great support for the index as well as market movements.

| Positive information | Notes | Influence level |
|---|---|---|
| New credit quota for commercial banks. | Historical data shows that there is a certain correlation between market movements and the growth of economy's money supply - credit. The laggard is usually three months.<br>Therefore, if the banking system soon has more credit lines, this will be positive news. | Slightly positive |
| The 2% interest rate compensation package with a support value of VND 40 Tn in two years (2022-2023) for some sectors. It is equivalent to a supported credit budget of VND 1 Tn per year. | With the outstanding balance of the economy by end 2021 was over VND 10.44 million billion, the supported credit package is equivalent to 9.6% of the credit size. | Slightly positive on the market overall.<br>Can be very active in some supported occupations. |
| Participation of ETFs | Cash flow from ETFs were diverged in May, but the overall trend was positive with a total net inflow of more than USD 566.8 million.<br>In early June, Dragon Capital announced the issuance of DCVFM VNMIDCAP ETF. | Slightly positive.<br>ETF cash flow is showing signs of divergence recently. It's expected that there will be polarization between the stocks that are strongly net bought by ETF and the rest. |
| Has the market reflected enough information on (1) dealing with securities manipulation and (2) controlling the issuance of corporate bonds? | After six sessions of VNIndex fall around 2% and four sessions down over 4%, liquidity in May was only about 70% of the same period, we expect cash flow pressure caused by these reasons has been relieved. | Slightly positive |
| **Negative information** | **Notes** | **Influence level** |
| Inflation | Inflationary pressures in the coming time are still very large, combined with the surge in global material prices, supply chain disruptions and recovery of domestic consumer demand.<br>Inflation is also an indicator monitored by policy makers and the State Bank. Therefore, CPI will have an impact on market expectations about interest rate changes and capital market liquidity, thereby leading to earnings adjustments. Investors will also reallocate portfolios, resulting in changes in stock market's cash flow in short term. | Negative |
| Exchange rate | If the VND depreciates too much against the USD, it may lead to a reversal of capital outflows from Vietnam market. | Negative |

| | | |
|---|---|---|
| | With the current size of foreign exchange reserves being quite large, we expect the State Bank can intervene in market at the right time. | |
| Volatilities from the global | While domestic individual investors are still cautious, a negative move from the world (financial market movements or escalating geopolitical tensions) could lead to a negative reaction on the Vietnam stock market. | Negative |

**Figure 23: Monthly change of VNIndex: *Will this June be different?***

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 5 Yr Avg | 2.58 | 2.75 | -3.00 | 1.76 | 2.56 | .93 | -1.08 | 2.93 | 2.06 | .82 | 4.54 | 2.07 |
| 2022 | -1.29 | .76 | .14 | -8.40 | -5.42 | | | | | | | |
| 2021 | -4.28 | 10.59 | 1.97 | 4.02 | 7.15 | 6.06 | -6.99 | 1.64 | .80 | 7.62 | 2.37 | 1.34 |
| 2020 | -2.54 | -5.81 | -24.90 | 16.09 | 12.40 | -4.55 | -3.24 | 10.43 | 2.67 | 2.24 | 8.39 | 10.05 |
| 2019 | 2.03 | 6.02 | 1.58 | -.11 | -2.02 | -1.04 | 4.39 | -.77 | 1.27 | .23 | -2.81 | -1.01 |
| 2018 | 12.81 | 1.01 | 4.72 | -10.58 | -7.52 | -1.08 | -.46 | 3.47 | 2.79 | -10.06 | 1.29 | -3.67 |
| 2017 | 4.87 | 1.94 | 1.62 | -.63 | 2.80 | 5.24 | .91 | -.10 | 2.77 | 4.08 | 13.45 | 3.61 |
| 2016 | -5.83 | 2.59 | .33 | 6.62 | 3.35 | 2.23 | 3.16 | 3.43 | 1.65 | -1.45 | -1.59 | -.03 |
| 2015 | 5.58 | 2.86 | -6.99 | 2.04 | 1.27 | 4.12 | 4.72 | -9.07 | -.37 | 7.95 | -5.63 | 1.02 |
| 2014 | 10.28 | 5.38 | .87 | -2.29 | -2.76 | 2.87 | 3.10 | 6.81 | -5.95 | .34 | -5.70 | -3.70 |
| 2013 | 15.97 | -1.09 | 3.47 | -3.37 | 9.25 | -7.19 | 2.23 | -3.89 | 4.22 | .97 | 2.08 | -.62 |
| 2012 | 10.36 | 9.19 | 4.10 | 7.42 | -9.41 | -1.59 | -1.87 | -4.45 | -.87 | -1.06 | -2.73 | 9.50 |
| 2011 | 5.35 | -9.64 | -.05 | 4.11 | -12.23 | 2.65 | -6.21 | 4.69 | .68 | -1.59 | -9.53 | -7.65 |
| 2010 | -2.59 | 3.10 | .47 | 8.64 | -6.44 | -.06 | -2.61 | -7.86 | -.12 | -.42 | -.23 | 7.32 |
| 2009 | -3.93 | -18.95 | 14.21 | 14.59 | 27.99 | 8.90 | 4.12 | 17.14 | 6.24 | 1.07 | -14.14 | -1.85 |
| 2008 | -8.94 | -21.42 | -22.08 | 1.07 | -20.73 | -3.55 | 13.01 | 19.44 | -15.28 | -24.01 | -9.31 | .28 |
| 2007 | 38.52 | 9.25 | -5.83 | -13.76 | 17.06 | -5.25 | -11.39 | .05 | 15.25 | 1.74 | -8.71 | -4.66 |

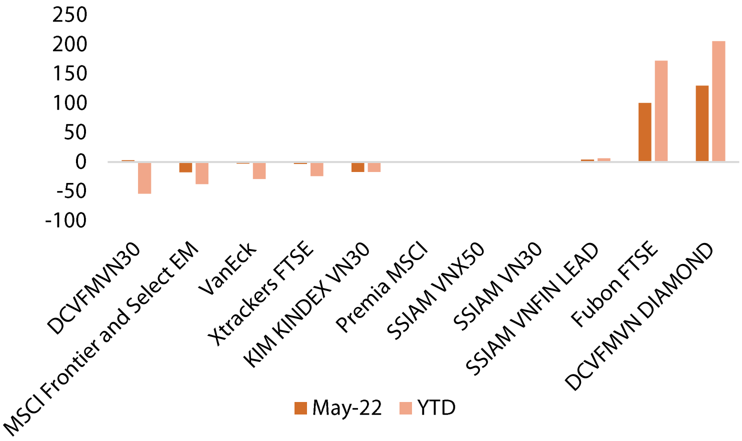


*Source: Bloomberg, Rong Viet Securities*

### Hard to get big profits in short term

With the recovery from the low of the market in May, investors who patiently held and accumulated stocks as in our recommendation have more or less achieved positive results. In fact, most stocks in the recommendation list of last month recorded a good recovery that outperformed the VN Index (-5.4% MoM) namely ANV (14.8%), FPT (4.7%), NT2 (4.2%), VHC (-1.2%) with supportive factors from positive business results and net inflows into VN Diamond ETF (for FPT only). On the other hand, liquidity continued to decline in real estate and banking sector, making the "bottom-fishing" strategy not as profitable as expected.

**Figure 24: ETF Fund flow (USD mn)**



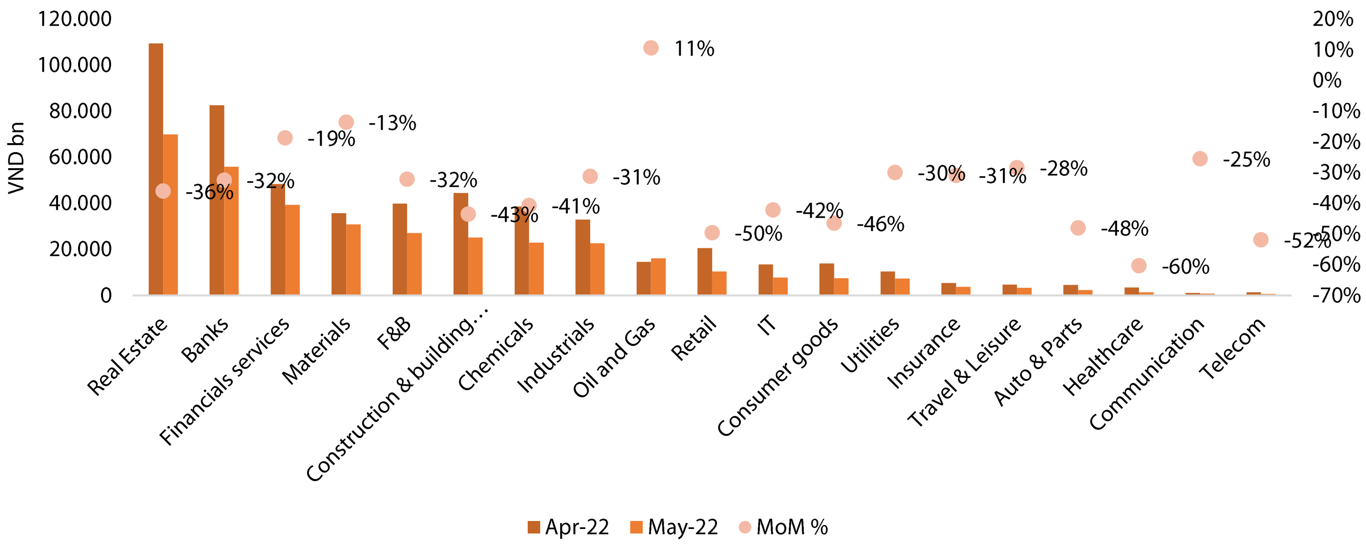

*Source: Bloomberg, Rong Viet Securities*

**Figure 25: Top holding of ETF VFMVN DIAMOND as of June 3rd 2022**

| No | Stock | Weight |
|---|---|---|
| 1 | MWG | 16.1% |
| 2 | FPT | 16.1% |
| 3 | PNJ | 16.0% |
| 4 | REE | 10.4% |
| 5 | TCB | 7.4% |
| 6 | ACB | 6.8% |
| 7 | VPB | 6.6% |
| 8 | MBB | 5.3% |
| 9 | GMD | 2.6% |
| 10 | TPB | 2.6% |

*Source: Dragon Capital, Rong Viet Securities*

**Figure 26: Liquidity in most sectors continue to decline except for Oil and Gas stocks**

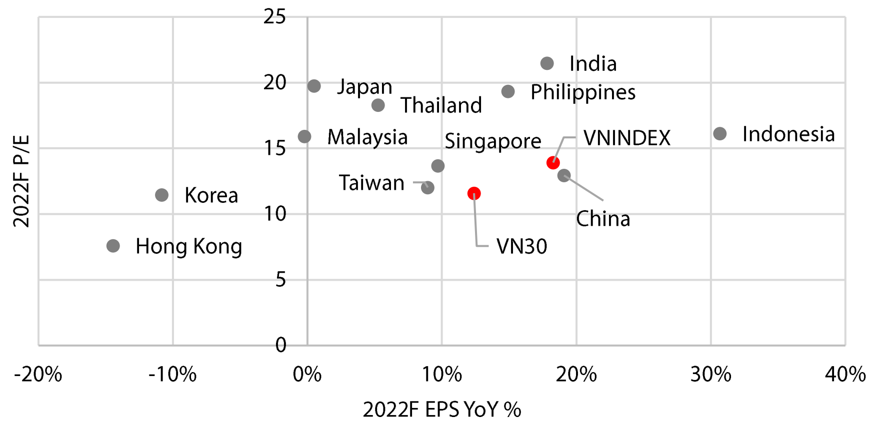



*Source: Fiinpro, Rong Viet Securities*

In our view, Vietnam stock market is still facing a lot of externals macro risks, especially related to tightening monetary policy in the context of rising global inflation, led by energy and food prices due to the impact of the war between Russia and Ukraine. We believe that this factor will continue to affect Vietnam's inflation expectations, thereby, becoming a major obstacle to the market's upward momentum amid increasingly risk-off sentiment and "quiet period" in June. *Therefore, any unexpected rally in the month should be a good opportunity for investors to restructure their investment portfolio by deleveraging or preserving a higher cash ratio in order to wait for opportunities in deep correction sessions.*

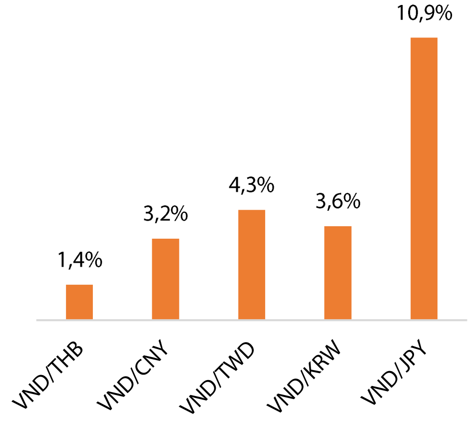
While cash flow from retail investors is unlikely to largely improve any time soon given cautious sentiment, we expect ETFs like DCVFM VN Diamond or Fubon FTSE to maintain their net inflow status in the near-term on the back of Vietnam stock market's relatively attractive fundamentals. As of June 3, 2022, the VN Index's 2022F P/E valuation is 13.9x, with a forecasted 2022F EPS growth of 18% (Figure 27). Moreover, the fact that VND has appreciated against some other currencies in Asia, like Thailand and Taiwan, is also a positive factor supporting the trend of net inflow from these markets to abovementioned ETFs.

**Figure 27: VN Index is relatively attractive compared to most regional markets**




*Source: Bloomberg, Rong Viet Securities*

**Figure 28: VND has appreciated against some other currencies in Asia**




*Source: Bloomberg, Rong Viet Securities*

Therefore, we believe that the opportunity to accumulate stocks with a large proportion in the ETF portfolio is still a viable option in this month. Accordingly, we favor **FPT, PNJ,** which account for a significant weight of the DCVFM VN Diamond ETF's portfolio at ~16% as of June 3, 2022. In addition, these stocks are further supported by the positive earnings prospect going forward, which reduces the downside risk when this fund faces outflow.

| Ticker | Exchange | Market cap (USD mn) | Target price (VND) | Current price (VND) | Total Return | Rating | 2021 +/- Rev. (%) | 2021 +/- NPAT (%) | 2022F +/- Rev. (%) | 2022F +/- NPAT (%) | 2023F +/- Rev. (%) | 2023F +/- NPAT (%) | PER 2022F (x) | PER 2023F (x) | PBR Cur. (x) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **FPT** | HOSE | 4,457 | 133,200 | 111,800 | 21% | Buy | 19.5 | 22.5 | 23.5 | 39.5 | 20.9 | 23.2 | 16.9 | 13.7 | 5.3 |
| **PNJ** | HOSE | 1,240 | 130,200 | 117,300 | 13% | Accumulate | 12.0 | -3.4 | 37.5 | 44.6 | 11.3 | 23.5 | 19.1 | 15.7 | 3.6 |

*Source: Rong Viet Securities*

In addition, Dragon Capital has recently announced the issuance of a public offering certificate for the DCVFM VNMIDCAP ETF, which simulates the performance of the VNMIDCAP index (VN70). The inception of this fund should be a potential catalyst for the leading stocks in terms of capitalization in the VN70 index in the near future. The stocks in VN70 that we currently have a Buy/Accumulate recommendation are shown in the table below.

| Ticker | Exchange | Market cap (USD mn) | Target price (VND) | Current price (VND) | Total Return | Rating | 2021 +/- Rev. (%) | 2021 +/- NPAT (%) | 2022F +/- Rev. (%) | 2022F +/- NPAT (%) | 2023F +/- Rev. (%) | 2023F +/- NPAT (%) | PER 2022F (x) | PER 2023F (x) | PBR Cur. (x) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **HDG** | HOSE | 449 | 69,310 | 50,500 | 39% | Buy | -23.2 | 11.3 | 11.2 | 42.4 | 47.0 | 26.2 | 6.4 | 5.1 | 2.2 |
| **PVT** | HOSE | 315 | 30,500 | 22,350 | 39% | Buy | -0.2 | -0.5 | 15.0 | 33.3 | -3.9 | -10.0 | 8.6 | 9.7 | 1.4 |
| **NLG** | HOSE | 776 | 62,100 | 46,450 | 37% | Buy | 134.8 | 28.3 | -2.7 | -0.1 | 45.8 | 48.8 | 16.6 | 11.2 | 2.0 |
| **DRC** | HOSE | 151 | 37,000 | 29,200 | 33% | Buy | 20.1 | 13.4 | 11.5 | 27.9 | 9.9 | 12.1 | 10.4 | 9.2 | 1.9 |
| **IMP** | HOSE | 192 | 79,000 | 66,200 | 19% | Accumulate | -7.5 | -9.8 | 18.6 | 18.5 | 35.0 | 44.6 | 21.6 | 14.9 | 2.4 |
| **PHR** | HOSE | 388 | 74,400 | 65,600 | 18% | Accumulate | 19.0 | -49.8 | 15.0 | 154.4 | 25.0 | -49.6 | 9.0 | 17.7 | 2.7 |
| **SCS** | HOSE | 374 | 189,700 | 168,900 | 14% | Accumulate | 21.1 | 21.6 | 18.6 | 25.8 | 15.0 | 15.4 | 12.7 | 10.9 | 6.0 |
| **BMP** | HOSE | 213 | 65,900 | 59,800 | 12% | Accumulate | -2.8 | -59.0 | 17.1 | 105.3 | 4.0 | 6.8 | 12.2 | 11.4 | 2.0 |
| **NT2** | HOSE | 301 | 25,300 | 24,000 | 10% | Accumulate | 1.1 | -14.6 | 16.9 | 3.4 | 17.0 | 23.7 | 12.8 | 10.3 | 1.6 |

*Source: Rong Viet Securities*

# HIGHLIGHT STOCKS

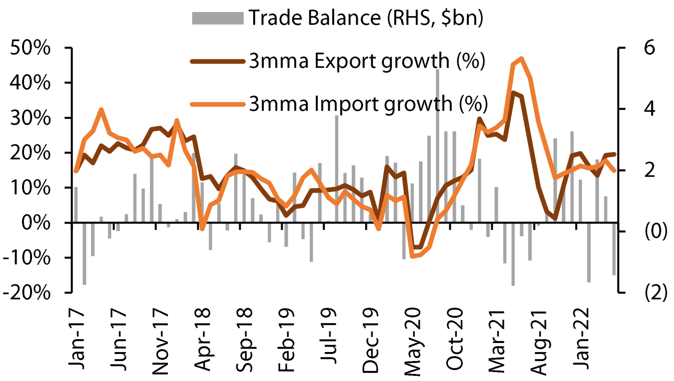
| Ticker | Exchange | Market cap (USD mn) | Target price (VND) | Current price (VND) | Total Return | Rating | 2021 | | 2022F | | 2023F | | PER 2022F (x) | PER 2023F (x) | PBR Cur. (x) | Div Yield (%) | +/- Price 1y (%) | 3-month avg. daily turnover (USD thousand) | Foreign remaining room (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | +/- Rev. (%) | +/- NPAT (%) | +/- Rev. (%) | +/- NPAT (%) | +/- Rev. (%) | +/- NPAT (%) | | | | | | | |
| **TCB** | HOSE | 5,642 | 67,700 | 36,850 | 84% | Buy | 37.1 | 46.4 | 24.9 | 25.7 | 22.3 | 24.5 | 5.7 | 4.6 | 1.3 | 0.0 | -30.6 | 17,641.4 | 0.0 |
| **LHG** | HOSE | 76 | 62,300 | 34,950 | 84% | Buy | 21.5 | 48.5 | 17.4 | 26.4 | 8.1 | 10.5 | 5.0 | 4.5 | 1.2 | 5.4 | -12.7 | 1,863.1 | 34.1 |
| **HSG** | HOSE | 486 | 38,400 | 22,600 | 70% | Buy | 88.2 | 183.7 | 6.9 | -66.2 | 1.4 | 95.5 | 8.1 | 4.1 | 1.0 | 0.0 | -42.9 | 13,424.0 | 42.1 |
| **ACB** | HNX | 3,665 | 42,000 | 24,880 | 69% | Buy | 29.7 | 25.0 | 17.5 | 28.4 | 18.6 | 21.5 | 5.5 | 4.5 | 1.7 | 0.0 | -7.7 | 6,963.5 | 0.0 |
| **MBB** | HOSE | 4,548 | 42,800 | 27,600 | 55% | Buy | 35.0 | 53.7 | 21.2 | 32.2 | 18.4 | 23.9 | 5.9 | 4.8 | 1.6 | 0.0 | -2.5 | 18,292.0 | 0.0 |
| **HPG** | HOSE | 6,701 | 52,000 | 34,350 | 53% | Buy | 66.1 | 156.6 | 7.3 | -17.5 | 10.8 | 10.9 | 5.7 | 5.2 | 1.6 | 1.5 | -38.1 | 42,538.6 | 27.9 |
| **VPB** | HOSE | 5,981 | 46,200 | 30,850 | 50% | Buy | 13.5 | 13.4 | 16.6 | 27.9 | 26.6 | 33.6 | 9.5 | 7.9 | 1.6 | 0.0 | -19.9 | 27,823.0 | 0.0 |
| **CTG** | HOSE | 5,816 | 39,900 | 27,750 | 44% | Buy | 17.4 | 3.0 | 18.0 | 47.6 | 12.2 | 11.8 | 9.2 | 8.2 | 1.4 | 0.0 | -30.2 | 7,277.4 | 3.9 |
| **OCB** | HOSE | 1,195 | 28,600 | 20,000 | 43% | Buy | 11.3 | 24.6 | 28.1 | 32.9 | 18.5 | 19.4 | 4.8 | 4.2 | 1.2 | 0.0 | -13.8 | 2,090.6 | 0.3 |
| **KDH** | HOSE | 1,178 | 58,900 | 42,000 | 40% | Buy | -17.4 | 4.3 | -0.8 | 14.5 | 18.7 | 14.6 | 18.3 | 16.0 | 2.6 | 0.0 | 16.8 | 3,033.6 | 16.7 |
| **VCB** | HOSE | 16,614 | 112,800 | 80,500 | 40% | Buy | 15.7 | 18.8 | 14.0 | 34.4 | 18.3 | 11.6 | 13.9 | 12.4 | 3.3 | 0.0 | 0.3 | 6,153.0 | 6.4 |
| **HND** | UPCOM | 369 | 23,300 | 16,940 | 40% | Buy | -16.9 | -69.5 | 12.7 | 87.8 | 6.6 | 38.0 | 10.8 | 7.8 | 1.3 | 2.4 | 2.5 | 38.6 | 49.0 |
| **HDG** | HOSE | 449 | 69,310 | 50,500 | 39% | Buy | -23.2 | 11.3 | 11.2 | 42.4 | 47.0 | 26.2 | 6.4 | 5.1 | 2.2 | 2.0 | 33.6 | 3,564.3 | 37.4 |
| **PVT** | HOSE | 315 | 30,500 | 22,350 | 39% | Buy | -0.2 | -0.5 | 15.0 | 33.3 | -3.9 | -10.0 | 8.6 | 9.7 | 1.4 | 2.2 | 25.4 | 4,800.9 | 37.4 |
| **NLG** | HOSE | 776 | 62,100 | 46,450 | 37% | Buy | 134.8 | 28.3 | -2.7 | -0.1 | 45.8 | 48.8 | 16.6 | 11.2 | 2.0 | 3.2 | 28.3 | 10,003.1 | 13.1 |
| **QNS** | UPCOM | 722 | 59,000 | 46,383 | 34% | Buy | 13.0 | 17.9 | 18.0 | 19.5 | 13.6 | 21.0 | 9.5 | 7.9 | 2.3 | 6.5 | 25.1 | 1,018.0 | 30.1 |
| **DRC** | HOSE | 151 | 37,000 | 29,200 | 33% | Buy | 20.1 | 13.4 | 11.5 | 27.9 | 9.9 | 12.1 | 10.4 | 9.2 | 1.9 | 6.2 | 17.5 | 1,765.9 | 40.2 |
| **MSN** | HOSE | 7,105 | 152,100 | 115,000 | 32% | Buy | 14.8 | 593.9 | 3.4 | -27.2 | 12.9 | 67.5 | 21.8 | 13.0 | 5.9 | 0.0 | 30.3 | 8,576.6 | 20.3 |
| **VNM** | HOSE | 6,553 | 91,100 | 71,900 | 32% | Buy | 2.2 | -5.1 | 6.0 | 1.9 | 6.9 | 6.4 | 15.6 | 14.5 | 4.7 | 5.4 | -16.3 | 9,219.4 | 45.5 |
| **STK** | HOSE | 159 | 67,500 | 53,500 | 29% | Buy | 15.7 | 94.2 | 30.2 | 29.3 | 41.0 | 28.3 | 12.5 | 9.7 | 2.7 | 2.8 | 78.1 | 133.5 | 87.4 |
| **DPM** | HOSE | 1,056 | 73,100 | 61,900 | 26% | Buy | 64.7 | 349.6 | 36.5 | 60.6 | -22.2 | -37.3 | 4.9 | 7.8 | 2.0 | 8.1 | 247.8 | 18,334.8 | 34.4 |
| **HTN** | HOSE | 144 | 46,200 | 37,150 | 24% | Buy | 35.0 | -30.0 | 95.2 | 41.9 | 30.8 | 5.0 | 9.7 | 9.2 | 2.2 | 0.0 | 85.0 | 926.1 | 47.9 |
| **HDB** | HOSE | 2,295 | 32,000 | 26,150 | 22% | Buy | 21.6 | 42.5 | 29.7 | 33.7 | 30.0 | 39.9 | 6.7 | 4.8 | 1.7 | 0.0 | -4.7 | 5,268.8 | 5.1 |
| **MSH** | HOSE | 170 | 90,000 | 78,100 | 21% | Buy | 24.5 | 90.8 | 16.0 | 17.3 | 9.8 | 20.6 | 8.4 | 6.9 | 2.6 | 5.8 | 56.4 | 503.5 | 41.4 |
| **FPT** | HOSE | 4,457 | 133,200 | 111,800 | 21% | Buy | 19.5 | 22.5 | 23.5 | 39.5 | 20.9 | 23.2 | 16.9 | 13.7 | 5.3 | 1.8 | 29.7 | 16,565.3 | 0.0 |
| **IMP** | HOSE | 192 | 79,000 | 66,200 | 19% | Accumulate | -7.5 | -9.8 | 18.6 | 18.5 | 35.0 | 44.6 | 21.6 | 14.9 | 2.4 | 0.0 | -5.1 | 25.8 | 0.1 |
| **FRT** | HOSE | 453 | 155,200 | 131,500 | 19% | Accumulate | 53.4 | 1,695.1 | 27.6 | 38.2 | 23.2 | 34.5 | 16.9 | 12.6 | 5.7 | 0.8 | 434.6 | 6,574.3 | 29.5 |
| **KBC** | HOSE | 1,117 | 52,800 | 44,500 | 19% | Accumulate | 100.0 | 249.9 | 202.6 | 591.5 | 59.9 | 71.4 | 3.9 | 2.3 | 1.7 | 0.0 | 35.7 | 11,413.4 | 30.3 |
| **PHR** | HOSE | 388 | 74,400 | 65,600 | 18% | Accumulate | 19.0 | -49.8 | 15.0 | 154.4 | 25.0 | -49.6 | 9.0 | 17.7 | 2.7 | 4.6 | 30.3 | 2,331.9 | 35.0 |
| **BID** | HOSE | 7,754 | 41,000 | 35,150 | 17% | Accumulate | 24.7 | 48.1 | 12.5 | 54.1 | 9.5 | 14.1 | 13.6 | 12.8 | 2.1 | 0.0 | -7.5 | 3,459.4 | 13.2 |
| **ACV** | UPCOM | 8,254 | 100,400 | 86,939 | 15% | Accumulate | -38.4 | -90.8 | 100.4 | 187.8 | 72.4 | 152.1 | 79.2 | 31.4 | 4.9 | 0.0 | 29.0 | 289.6 | 45.2 |
| **SCS** | HOSE | 374 | 189,700 | 168,900 | 14% | Accumulate | 21.1 | 21.6 | 18.6 | 25.8 | 15.0 | 15.4 | 12.7 | 10.9 | 6.0 | 2.1 | 35.7 | 144.6 | 21.9 |
| **MWG** | HOSE | 4,644 | 163,500 | 145,500 | 13% | Accumulate | 13.3 | 25.0 | 22.1 | 38.8 | 26.7 | 48.1 | 15.6 | 10.8 | 4.8 | 1.0 | 60.4 | 15,212.2 | 0.0 |
| **PNJ** | HOSE | 1,240 | 130,200 | 117,300 | 13% | Accumulate | 12.0 | -3.4 | 37.5 | 44.6 | 11.3 | 23.5 | 19.1 | 15.7 | 3.6 | 1.7 | 18.1 | 6,279.5 | 0.0 |
| **BMP** | HOSE | 213 | 65,900 | 59,800 | 12% | Accumulate | -2.8 | -59.0 | 17.1 | 105.3 | 4.0 | 6.8 | 12.2 | 11.4 | 2.0 | 2.3 | 8.3 | 243.0 | 14.3 |
| **DPR** | HOSE | 144 | 82,600 | 77,000 | 11% | Accumulate | 6.7 | 152.0 | 2.0 | -18.8 | 20.6 | 26.7 | 14.4 | 11.4 | 1.5 | 3.9 | 57.3 | 2,011.5 | -3.6 |
| **NT2** | HOSE | 301 | 25,300 | 24,000 | 10% | Accumulate | 1.1 | -14.6 | 16.9 | 3.4 | 17.0 | 23.7 | 12.8 | 10.3 | 1.6 | 4.2 | 38.7 | 870.8 | 34.9 |

| Ticker | Exchange | Market cap (USD mn) | Target price (VND) | Current price (VND) | Total Return | Rating | 2021 +/- Rev. (%) | 2021 +/- NPAT (%) | 2022F +/- Rev. (%) | 2022F +/- NPAT (%) | 2023F +/- Rev. (%) | 2023F +/- NPAT (%) | PER 2022F (x) | PER 2023F (x) | PBR Cur. (x) | Div Yield (%) | +/- Price 1y (%) | 3-month avg. daily turnover (USD thousand) | Foreign remaining room (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **FMC** | HOSE | 190 | 69,500 | 66,500 | 8% | Accumulate | 17.8 | 18.1 | 26.0 | 34.9 | 14.0 | 24.4 | 12.0 | 9.7 | 2.4 | 3.8 | 111.5 | 607.1 | 17.4 |
| **VHC** | HOSE | 872 | 110,000 | 109,900 | 2% | Neutral | 28.7 | 56.2 | 61.1 | 96.1 | -2.0 | 919.8 | 9.5 | 9.3 | 3.2 | 1.8 | 185.4 | 6,332.7 | 74.5 |
| **PPC** | HOSE | 267 | 19,000 | 19,100 | -1% | Neutral | -51.0 | -71.5 | 66.4 | 83.2 | 27.8 | 92.8 | 12.3 | 6.4 | 1.2 | 0.0 | -8.5 | 118.2 | 35.5 |
| **GMD** | HOSE | 769 | 55,700 | 58,500 | -3% | Neutral | 23.1 | 65.4 | 1.9 | 14.6 | 4.2 | 7.5 | 25.5 | 23.7 | 2.7 | 2.1 | 60.0 | 7,835.1 | 4.0 |
| **ANV** | HOSE | 313 | 53,000 | 56,400 | -4% | Neutral | 1.6 | -36.7 | 47.9 | 421.7 | 3.9 | 6.4 | 10.7 | 10.0 | 2.8 | 1.8 | 148.8 | 2,744.1 | 46.6 |
| **PGI** | HOSE | 134 | 24,800 | 27,700 | -8% | Reduce | 1.3 | 101.2 | 2.7 | -28.7 | 14.0 | 19.1 | 12.1 | 9.6 | 1.7 | 2.9 | 70.5 | 75.5 | 79.3 |
| **GEG** | HOSE | 325 | 22,600 | 24,500 | -8% | Reduce | -7.5 | 9.4 | 53.2 | 25.1 | 2.5 | 26.1 | 19.3 | 15.3 | 2.1 | 0.0 | 69.8 | 1,746.4 | 13.9 |
| **PC1** | HOSE | 395 | 35,500 | 38,500 | -8% | Reduce | 47.4 | 36.8 | -29.4 | -30.4 | 16.9 | 14.2 | 20.9 | 18.3 | 1.9 | 0.0 | 68.3 | 4,566.1 | 45.0 |
| **PAC** | HOSE | 71 | 30,100 | 34,800 | -9% | Reduce | 3.2 | 17.0 | 10.6 | -13.0 | 6.9 | 16.2 | 11.9 | 10.2 | 1.9 | 4.3 | 2.1 | 28.6 | 36.1 |
| **BFC** | HOSE | 79 | 24,300 | 31,500 | -18% | Reduce | 42.2 | 64.5 | -19.6 | -39.9 | -7.2 | 9.8 | 14.8 | 13.5 | 1.6 | 4.8 | 31.5 | 1,415.3 | 44.4 |
| **REE** | HOSE | 1,480 | 73,500 | 95,500 | -23% | Sell | 3.0 | 13.9 | 51.3 | 24.6 | -5.3 | 1.6 | 14.7 | 14.5 | 2.5 | 0.0 | 94.9 | 3,996.4 | 0.0 |
| **VSC** | HOSE | 240 | 36,300 | 49,900 | -25% | Sell | 12.0 | 45.7 | 4.2 | 19.1 | 0.7 | 1.4 | 14.8 | 14.6 | 2.0 | 2.0 | 73.0 | 2,840.1 | 43.1 |
| **HAH** | HOSE | 264 | 64,800 | 88,800 | -26% | Sell | 64.1 | 222.1 | 23.2 | 56.3 | 10.2 | 2.8 | 9.4 | 9.3 | 3.6 | 1.1 | 396.6 | 6,302.9 | 29.1 |
| **PVS** | HNX | 665 | 22,700 | 31,900 | -27% | Sell | -29.5 | -3.5 | 7.8 | 29.7 | -18.2 | -9.3 | 21.7 | 23.9 | 1.3 | 2.2 | 25.4 | 15,306.2 | 39.8 |
| **TCM** | HOSE | 186 | 43,000 | 59,800 | -27% | Sell | 1.9 | -48.2 | 12.0 | 66.3 | 9.8 | 28.3 | 20.0 | 15.6 | 2.4 | 0.8 | -27.3 | 2,993.6 | 2.7 |
| **PVD** | HOSE | 522 | 16,500 | 23,700 | -30% | Sell | -23.7 | -89.6 | 37.9 | 773.0 | 4.0 | 48.8 | 60.0 | 40.4 | 0.9 | 0.0 | 27.0 | 9,705.1 | 44.5 |
| **DIG** | HOSE | 1,275 | 36,100 | 58,500 | -38% | Sell | 3.3 | 34.5 | 68.4 | 34.1 | 17.5 | 15.1 | 22.8 | 19.8 | 3.9 | 0.0 | 110.6 | 22,656.6 | 46.6 |
| **HAX** | HOSE | 48 | Under review | 22,300 | Under review | Under review | -0.3 | 28.2 | -9.0 | -25.7 | 10.1 | 8.3 | 9.0 | 8.3 | 1.4 | 6.7 | -12.0 | 1,153.5 | 34.8 |
| **SMC** | HOSE | 70 | Under review | 26,400 | Under review | Under review | 35.4 | 191.3 | 6.0 | -40.3 | 3.2 | 0.2 | 3.1 | 3.1 | 0.7 | 3.8 | -28.7 | 475.5 | 28.2 |
| **NKG** | HOSE | 276 | Under review | 28,800 | Under review | Under review | 143.7 | 653.3 | 5.4 | -13.9 | -7.8 | -22.4 | 3.5 | 4.5 | 1.0 | 3.5 | 3.0 | 15,068.1 | 40.7 |
| **DBD** | HOSE | 148 | Under review | 58,800 | Under review | Under review | 24.0 | 19.8 | 20.0 | 41.3 | 8.6 | 6.0 | 13.8 | 13.1 | 2.8 | 0.0 | 42.2 | 648.7 | 94.0 |

*Source: Rong Viet Securities; As of Jun 1st, 2022*

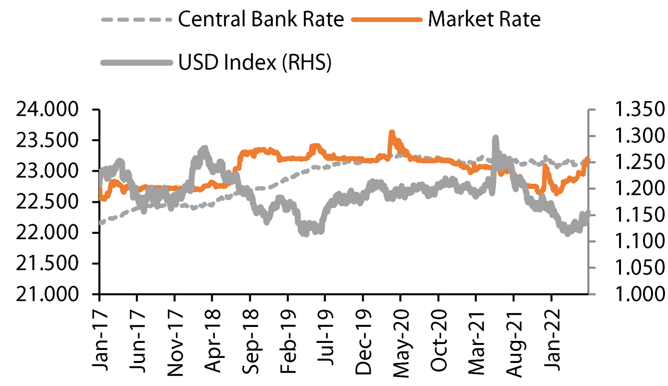
# VIETNAM ECONOMIC INDICATORS IN MAY 2022

## Trade balance



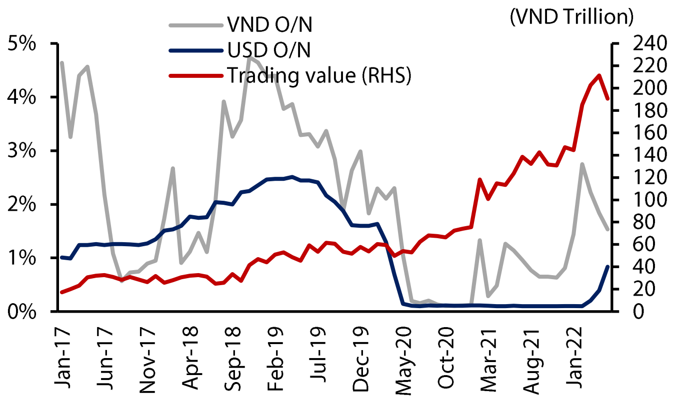

*Source: GSO, Rong Viet Securities*

## USDVND exchange rate



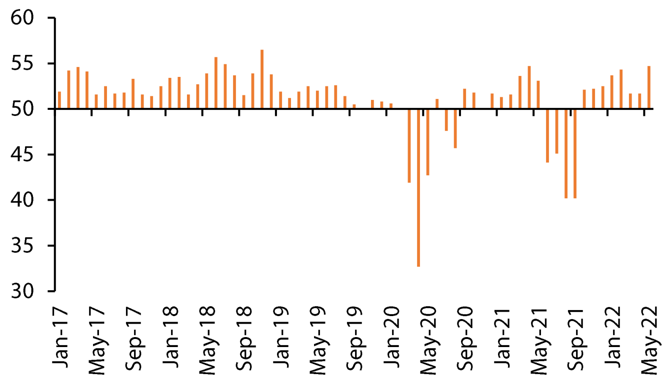

*Source: SBV, Bloomberg, Rong Viet Securities*

## Interbank interest rate (%/year)



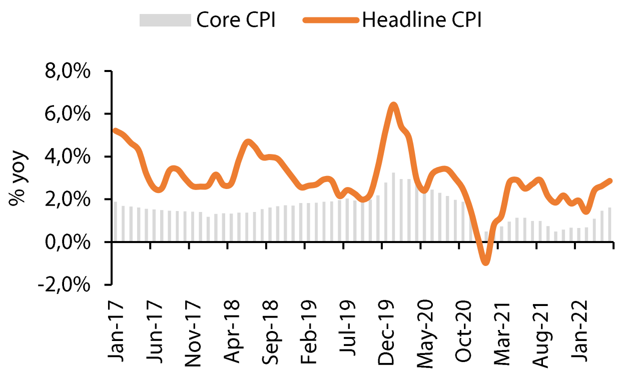

*Source: SBV, Rong Viet Securities*

## Vietnam PMI



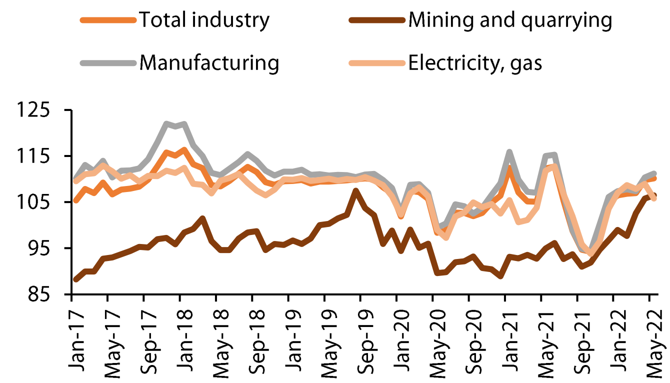

*Source: IHS Markit, Rong Viet Securities*

## Vietnam CPI




*Source: GSO, Rong Viet Securities*

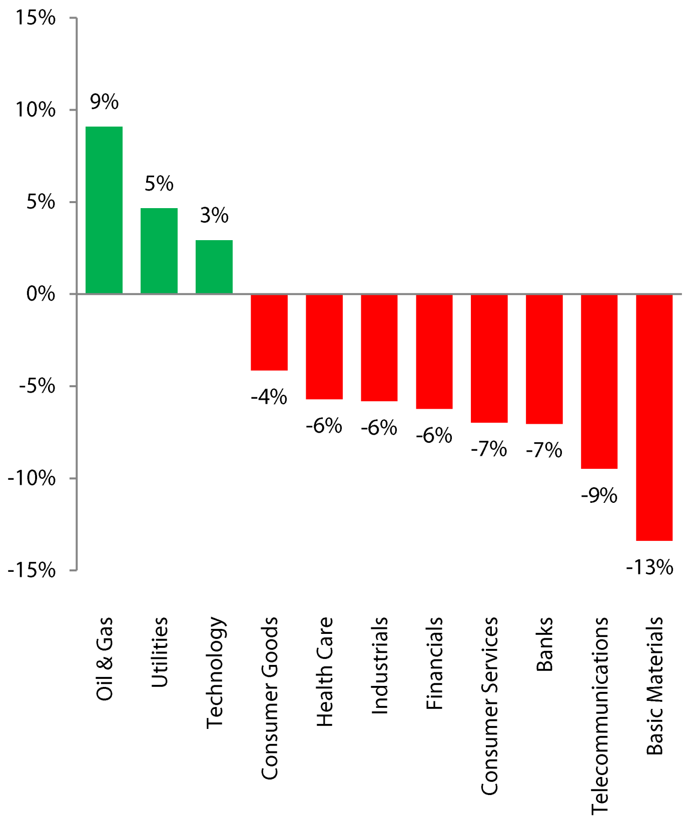
## 3-month MA Industrial Production Indices




*Source: GSO, Rong Viet Securities*

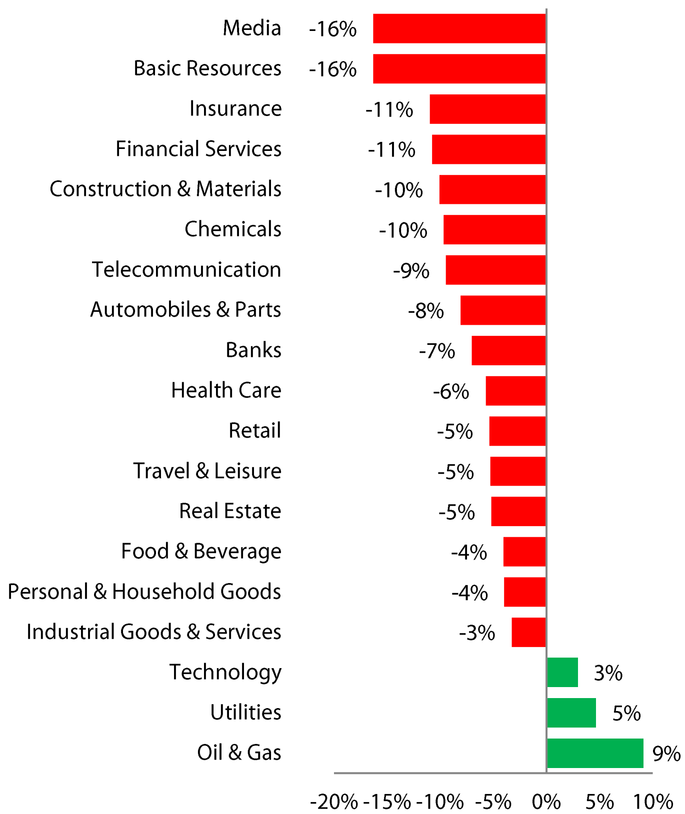
# INDUSTRY INDEX

### Level 1 industry movement



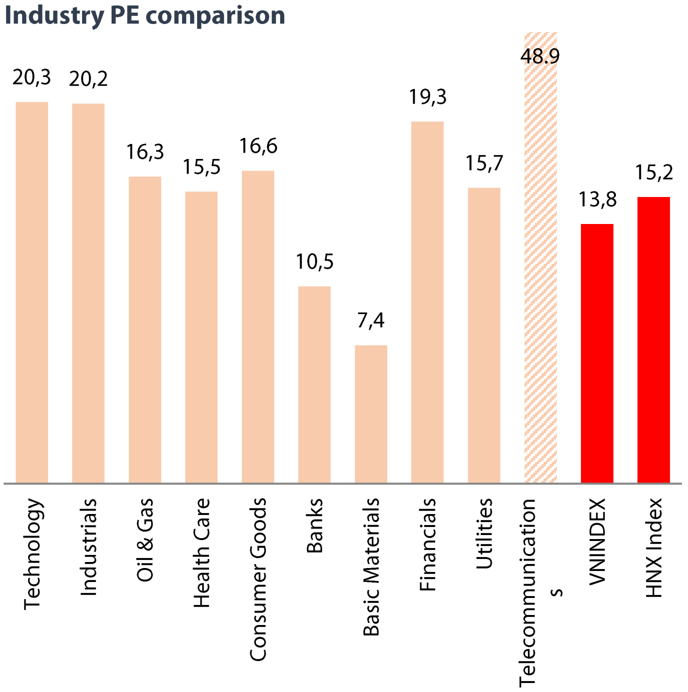

*Source: Fiinpro, RongViet Securities*

### Level 2 industry movement



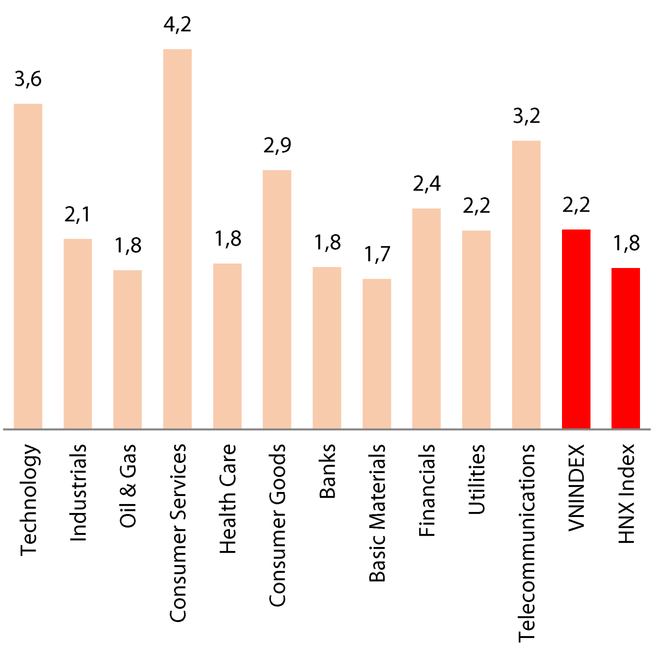

*Source: Fiinpro, RongViet Securities*

### Industry PE comparison




*Source: Fiinpro, RongViet Securities. Excluding Consumer Services data.*

### Industry PB comparison




*Source: Fiinpro, RongViet Securities*

## ANALYSIS & INVESTMENT ADVISORY DEPARTMENT


**Lam Nguyen**
***Head of Research***
lam.ntp@vdsc.com.vn
+ 84 28 6299 2006 (1313)
- Market
- Industrial Park

**Vu Tran**
***Senior Manager***
vu.thx@vdsc.com.vn
+ 84 28 6299 2006 (1512)
- O&G
- Fertilizer

**Tam Pham**
***Manager***
tam.ptt@vdsc.com.vn
+ 84 28 6299 2006 (1530)
- Bank
- Insurance

**Tung Do**
***Manager***
tung.dt@vdsc.com.vn
+ 84 28 6299 2006 (1521)
- Retails
- Aviation
- Logistics
- Market Strategy

**An Nguyen**
***Senior Analyst***
an.ntn@vdsc.com.vn
+ 84 28 6299 2006 (1541)
- Food & Beverage
- Automotive & Spare parts

**Anh Tran**
***Senior Analyst***
anh.tk@vdsc.com.vn
+ 84 28 6299 2006 (1544)
- Market
- Residential RE
- Construction

**Loan Nguyen**
***Analyst***
loan.nh@vdsc.com.vn
+ 84 28 6299 2006 (1531)
- Textile
- Fishery
- F&B

**Thanh Nguyen**
***Analyst***
thanh.nn@vdsc.com.vn
+ 84 28 6299 2006 (1535)
- Bank
- Insurance
- Securities

**Thao Nguyen**
***Analyst***
thao.nn@vdsc.com.vn
+ 84 28 6299 2006 (1524)
- Utilities
- Sea ports
- Logistics

**Ha Tran**
***Assistant***
ha.ttn@vdsc.com.vn
+ 84 28 6299 2006 (1526)

**Bernard Lapointe**
***Senior Consultant***
bernard.lapointe@vdsc.com.vn
+ 84 28 6299 2006

**Ha My Tran**
***Senior Consultant***
my.tth@vdsc.com.vn
+ 84 28 6299 2006
- Macroeconomics

**Quan Cao**
***Analyst***
quan.cn@vdsc.com.vn
+ 84 28 6299 2006 (2223)
- Technology

**Trang Tran**
***Assistant***
trang.tnt@vdsc.com.vn
+ 84 28 6299 2006 (1522)


RONG VIET SECURITIES

## RONG VIET SECURITIES CORPORATION


Floor 1-2-3-4, Viet Dragon Tower,

141 Nguyen Du St. - Dist 1 – HCMC

Tel: (84 28) 6299 2006

Fax: (84 28) 6291 7986

Email: info@vdsc.com.vn

Website: www.vdsc.com.vn

**Hanoi Branch**

Floor 10th, Eurowindow Tower, 2 Ton That Tung St., Dong Da Dist, Hanoi

Tel: (84 24) 6288 2006

Fax: (84 24) 6288 2008

**Can Tho Branch**

95-97-99 Vo Van Tan – Ninh Kieu - Can Tho

Tel: (84 292) 381 7578

Fax: (84 292) 381 8387

**Nha Trang Branch**

Floor 7th, 76 Quang Trung St., Loc Tho Ward, Nha Trang, Khanh Hoa

Tel: (84 258) 382 0006

Fax: (84 258) 382 0008

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