Investment Strategy September 2021

PREPARING FOR POST-LOCKDOWN PERIOD

Optimistic news flow on vaccination progress and less stringent lockdown directives would likely knock on the market's mood.

Previously, strict lockdown under Directive 16+ given the continued problem in controlling the Covid-19 fourth wave, especially in HCMC, led to a volatile movement of the VN Index. In the first three weeks of August, market sentiment was optimistic until the government declared a strict stay-at-home on 20th August for HCMC. The market reacted negatively and went down 6% in the next two days.

Up to now, HCMC has been allocated 9,2 mn doses of Covid-19 vaccines, ensuring 100% vaccination coverage for ones having one dose in the upcoming weeks. For other "red" regions, Binh Duong province and Long An province have been allocated 2,369,650 doses and 1,799,090 doses, respectively (ensuring 100% of the population in each region to have at least one dose). Therefore, we expect that a continued ramp-up in vaccination could help the city to gradually reopen in 4Q21. From there, the relaxation of the current Directive would be more feasible and impact positively the VN Index.

However, continuous stringent lockdown without relaxation is our main concerns, causing the weak money flows on foreign investors.

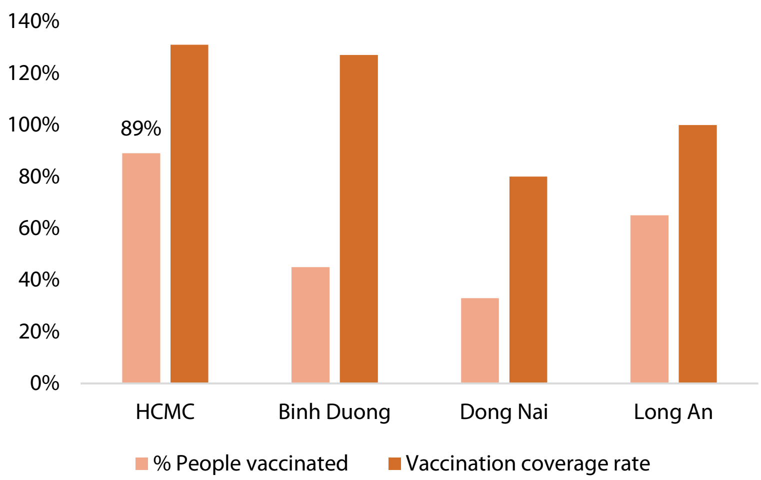
No relaxation on current strict stay-at-home in September may drag down money flows from foreign investors. In July, foreign investors were quite confident with Vietnam's ability to control the situation, but further lockdown extension with no relaxation in September may raise their conservativeness and lead to selling action for profit-taking backed by "buy on dip" in July.

Banking stocks movement will determine the market trend.

For this month, we have insignificant changes to our view from last month as Q3 business performance is surely impacted given the current prolonged lockdown. We have a prudent view on mid-cap stocks given the strong rally in August and limited upside based on our coverage list.

For banking stocks, the stock price has corrected 20% - 30% from the peak so the bull case would be possible given (if any) the money flows from mid-to long-term investors. Currently, we are still positive on prospects of CTG, TCB, ACB, MBB in 2022. The upcoming credit room revision which the result may come out at the end of September would be supporting factor. Specifically, credit growth may increase more positively in September as banks with large credit headroom will attempt to fill up the current credit quota with short term loans to ask for higher credit growth limit. However, the downside from higher-than-expected NPL (bad debt) is also there if the current strict lockdown is not lifted and affect stronger-than-expected results for the upcoming quarters. Therefore, we view the banking stocks as high volatile stocks and directly impact on VN Index in September. Overall, we expect the VN-Index to move in a range from ***1,250 – 1,380****.*

Current vaccination rate in HCMC is on track



Source: Ministry of Health, Rong Viet Securities

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CONTENTS

GLOBAL ECONOMY 3

✓ *Inflation, global corporate taxes 3*

VIETNAM MACRO 8

✓ *Pessimistic outlook on 3Q21's growth 8*

✓ *We expect a phased-in reopening in 4Q21 .... 9*

STOCK MARKET IN AUGUST: RECOVERY 12

STOCK MARKET IN SEPTEMBER: HIGH VOLATILITY 16

INVESTMENT STRATEGY AND IDEAS 18

*August was, again, the month of mid and small-cap stocks, while most blue-chip stocks were laggards. Since most of our recommendations last month were mid-cap stocks (**NKG, HSG, PVT**), the overall performance since March was favorable with seven out of 12 stocks outperforming the VN Index. What's positive is that we see liquidity in the market remained robust as expected even because of the stringent lockdown: daily transaction value stood at around USD 1bn on average and increased by 16% MoM. In fact, the ample liquidity has led to sector rotation within underperforming ones, triggering the outperformance of industries like Healthcare, Utilities, Industrials in August.*

Vietnam has experienced the longest Covid-19 outbreak so far coupled with the most stringent restrictions applied to key economic zones. As a result, all macroeconomic indicators went south in August and likely in September as well since we expect the lockdown will be in place for large part of the next month. It's obvious that there is no end in sight for new cases of Covid-19 just yet. Though we do not expect that restrictions will result in no new cases any time soon, we do believe the Government is working towards relaxing restrictions in September, following the so-called "final battle with the pandemic" (augmented measures) that started in the last week of August. While we believe easing restrictions is necessary and urgent for the manufacturing sectors and especially sentiment for FDI. The vaccine rollout will be significantly progressing in the next months.

*If vaccines are delivered as planned, we believe the worst implications for businesses will be clearly reflected in Q3 2021 (2H-2021 NPAT growth was revised down to 26% YoY from 33% YoY previously), before ramping up in the last quarter of the year when manufacturing activities and consumption are expected to be more vibrant. In that post-lockdown period, we continue to favor logistics companies (**Hold GMD, and Add HAH**), consumer staple (**Hold MSN, QNS**), technology (**Hold FPT**) and real estate (**Hold KDH**) as many of them are going into the peak season in Q4 2021. Also, we expect that the catalyst of easing restrictions should positively drive investors' sentiment in other sectors namely steel (**Add HPG**), retail (**Add MWG**), before their profits start to pick up later in the year on the back of the positive implications from lifting the lockdowns. Lastly, we recommend taking profit in **PC1/NKG/PVT/HSG** with respective returns of 31%/28%/17%/6% over the last month as they have reached our TP, and reduce weight in **VHM**.*

ANALYSIS & INVESTMENT ADVISORY DEPARTMENT 26

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

Inflation, global corporate taxes

Inflation in the euro zone rose again in August, ahead of a closely-watched European Central Bank (ECB) meeting on September 9. Consumer prices increased by 3% from a year ago (Figure 1), after rising by 2.2% in July. If the August figure is confirmed in a few weeks' time, it would represent the highest inflation reading in 10 years. This comes after Germany reported its highest consumer prices since 2008, with a headline inflation rate of 3.4% in August. France also reported its highest inflation rate in nearly three years

Figure 1: Europe's inflation, y/y, %

Source: Zerohedge

In its next meeting the ECB is expected to discuss the future of its asset purchase program as its governing council seems divided about when to start relaxing stimulus measures. Speaking on August 27, France's central bank governor, Francois Villeroy de Galhau, said the ECB should take into consideration the recent economic recovery when discussing what to do with its Covid stimulus package. Meanwhile, Finish central bank governor, Olli Rehn, said in an interview with Politico last week that the central bank needs to be cautious about withdrawing stimulus. Minutes from the ECB's last meeting showed that some members believed the bank's stance was underestimating the risk of higher inflation.

On August 31st, Germany's 10-year yield, the benchmark for the euro area, rose five basis points to a high of -0.383%, the highest since July 22nd. Italian 10-year yield rose to a high of 0.705%, up eight basis points, pushing the closely watched gap with German 10-year yields to 109 bps.

So what is behind these move? Besides the usual illiquid month-end chaos, a big driver is the pile up by ECB hawks who are now openly hinting that the central bank will soon have to unveil its own tapering plans. Following on comment from the ECB's Robert Holzmann[1], who said that the improved economic outlook (not to mention soaring euro area inflation) warrants a The ECB's mandate is to achieve 2% headline inflation over the medium term. Its own forecasts are currently projecting a spike in inflation this year to 1.9%, due to what they describe as temporary factors, before falling to 1.5% and 1.4% in 2022 and 2023, respectively.

Reduction in bond buying, stating that "we are now in a situation where we can think about how to reduce the pandemic special programs -- I think that's an assessment we share", and adding that "we have the opportunity to discuss how do we close the pandemic part and focus on the inflation part". The, even more hawkish, Dutch ECB governor Klass Knot said last week that **"the**

[1] Austria Governing Council member

euro zone's inflation outlook may have improved markedly enough to justify an immediate slowdown in European Central Bank stimulus, an end to its pandemic emergency bond program in March, and then a return to pre-crisis discipline."

While major central banks such as the Federal Reserve and the Bank of England have signaled their intention to gradually unwind crisis-era aid, the ECB has stuck to its ultra-loose policy to cushion Europe's fragile rebound. With the recovery gathering steam, the ECB will have to discuss whether to look through a recent spike in inflation, which saw consumer prices accelerate at the fastest pace in a decade this month.

At this September meeting, we expect the ECB to clarify its strategy in terms of asset purchases and to give a rigorous time-line about what it will do.

Figure 2: German bonds 10-yr yield, %

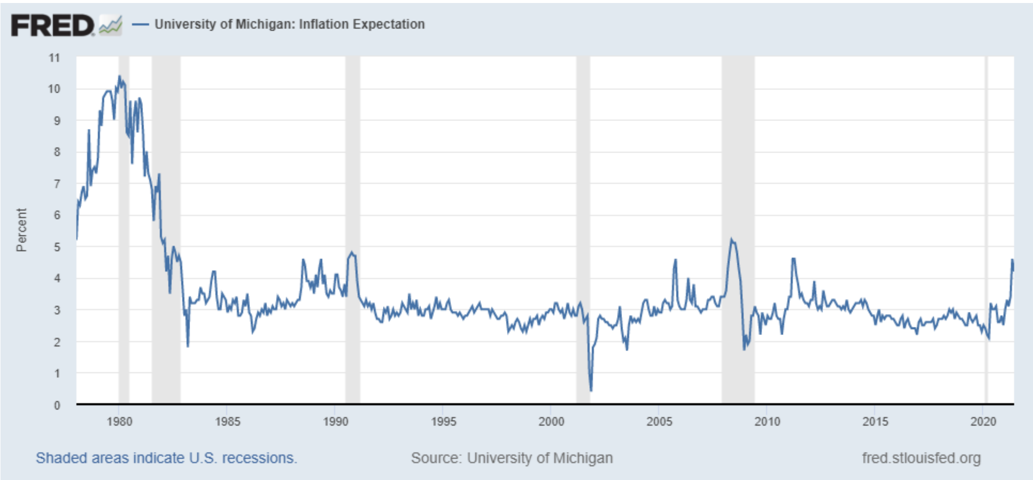
Figure 3: Italian bonds 10-yr yield, %

Across the Atlantic, US yields have been stuck in a narrow trading range of 1.2 to 1.3 % for the past several weeks (Figure 4). Data dependency is clearly the key for the move.

Figure 4: US bonds 10-yr yield, %

The latest University of Michigan survey showed a rise in long-term inflation expectations in the US. The survey's 5-year inflation expectations rose from 2.8% in July to 3.0% in early August, matching the recent high reached in May (Figure 5).

Figure 5. University of Michigan survey of consumers: 5-year inflation expectations



Meanwhile in ASEAN, three out of six equity markets show positive returns in local currency so far this year (Table 1). The Vietnam Index is the best performing market, up 20.6%. In the Philippines, the results are more gloomy with the main index down almost 5%. The S&P 500, during the same period, has gained 20.4%. However, the stock market with the largest upside in 2021 so far is…OMX Tallinn, the Estonian exchange with a staggering rise of 49.5%. Less than 20 companies are listed on this exchange and the total market cap is barely above USD 3 billion. By contrast, Vietnam's total market cap is USD 220 billion!

Table 1 : Sample of stock indices, year-to-date

Country/ Index	Year-to-date, % Local currency
Estonia (OMX Tallinn)	+49.5
Vietnam (VN Index)	+20.6
US (S&P 500)	+20.4
Thailand (SET)	+13.1
Singapore (STI)	+9.1
Indonesia (JCI)	+0.7
Malaysia (FBMKLCI)	-1.6
Philippines (PCOMP)	-4.9

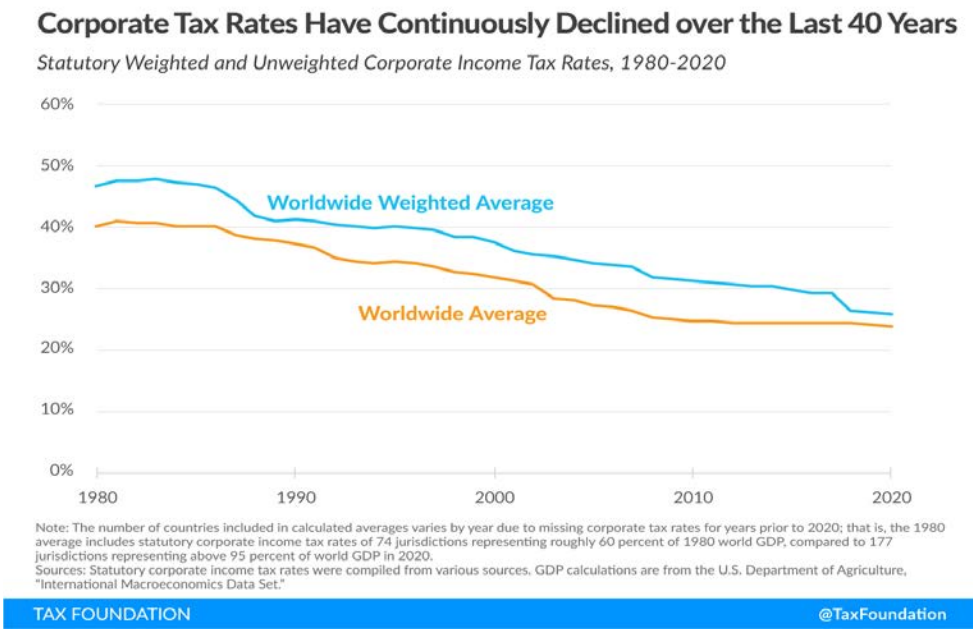
Source: Bloomberg

On a different subject, according to the Tax Foundation[2], over the past 40 years, corporate tax rates have consistently declined on a global basis (Figure 6). In 1980, the unweighted average worldwide statutory tax rate was 40%. Now the same rate stands at just below 24%, representing a 41% reduction over 40 years.

The weighted average statutory rate has remained higher than the simple average over this period because of the US, which, prior to its tax reform in 2017, was largely responsible for keeping the weighted average so high, given its relatively high tax rate, as well as its significant contribution to global GDP.

Over time, more countries have shifted to taxing corporations at rates lower than 30%. Vietnam taxes its corporations at 20%. Since 2010, 78% of countries in the sample impose a statutory rate at or below 30% The dataset includes data for 177 countries and jurisdictions.

Figure 6. Global corporate tax rates



Economic research[3] tells us that capital should not be taxed at all. Taxing capital distorts individuals' savings decisions by reducing the return on savings. Capital taxes penalize those who postpone their consumption rather than consuming their income as it is earned. Due to compounding interest, capital taxation penalizes saving more the longer the saving horizon is. For long saving horizons, the distortion is very large. This leads to lower saving, a lower capital stock, and lower GDP. Therefore, not taxing capital is in the interest of everyone, even those who spend everything they earn.

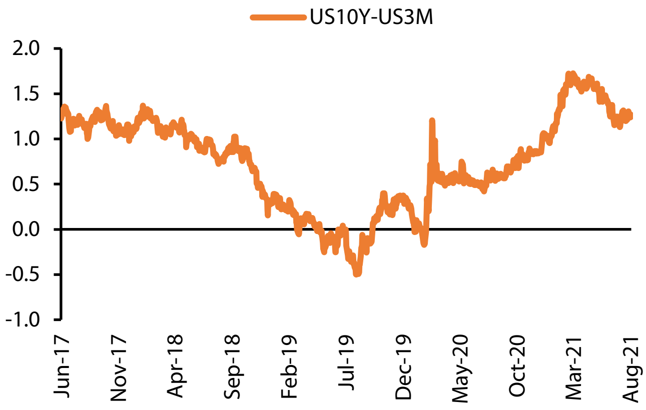
Therefore the fact that global taxes have come down is a step in the right direction.

[2] The Tax Foundation is a US-based nonprofit foundation that provides, since 1937, research and analysis on tax policy at the federal, state, and global levels.

[3] Christophe Chamley, "Optimal taxation of capital income in general equilibrium with infinite lives," *Econometrica* 54:3 (1986). Kenneth L. Judd, "Redistributive taxation in a simple perfect foresight model," *Journal of Public Economics* 28 (1985).

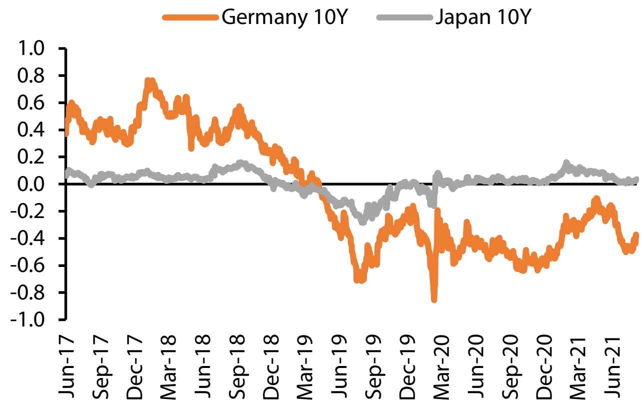
GLOBAL ECONOMIC INDICATORS IN AUGUST

US G-Bond yields gap (%/year)



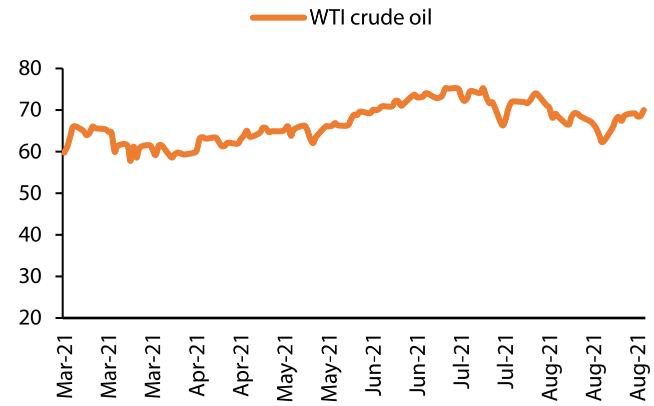
Source: Bloomberg, Rong Viet Securities

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



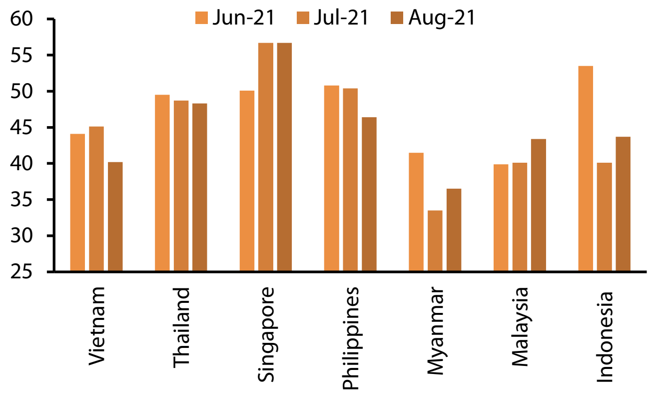
Source: Bloomberg, Rong Viet Securities

WTI crude oil price (USD/barrel)



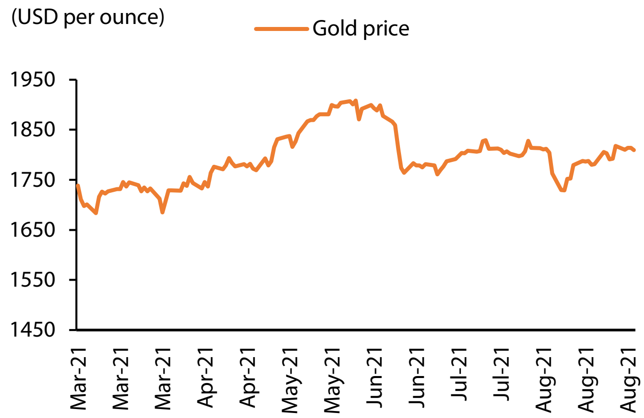
Source: Bloomberg, Rong Viet Securities

ASEAN's PMI



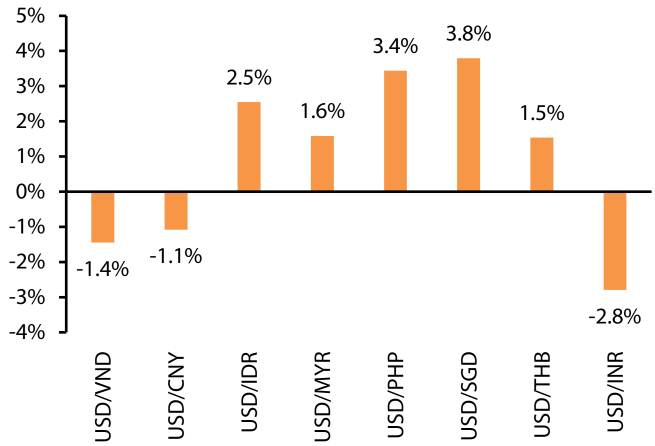
Source: Markit Economics, Rong Viet Securities

Gold prices (US$/ounce)



Source: Bloomberg, Rong Viet Securities

FX rates (%, YTD)



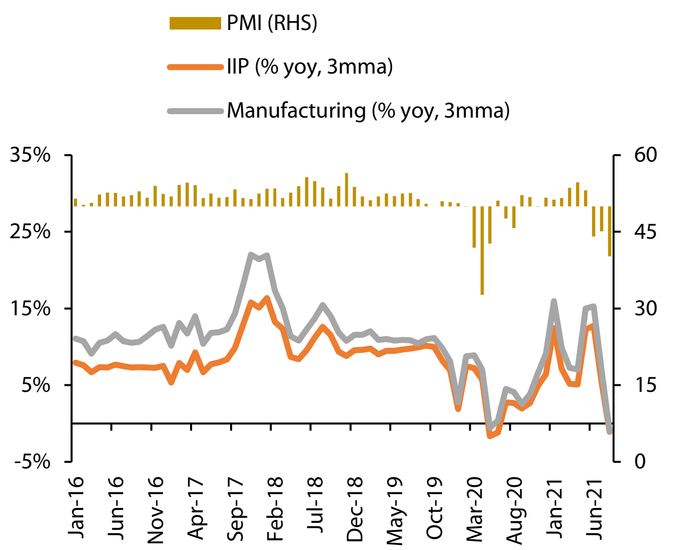
Source: Bloomberg, Rong Viet Securities

- Pessimistic outlook on 3Q21's growth
- We expect a phased-in reopening in 4Q21

Pessimistic outlook on 3Q21's growth

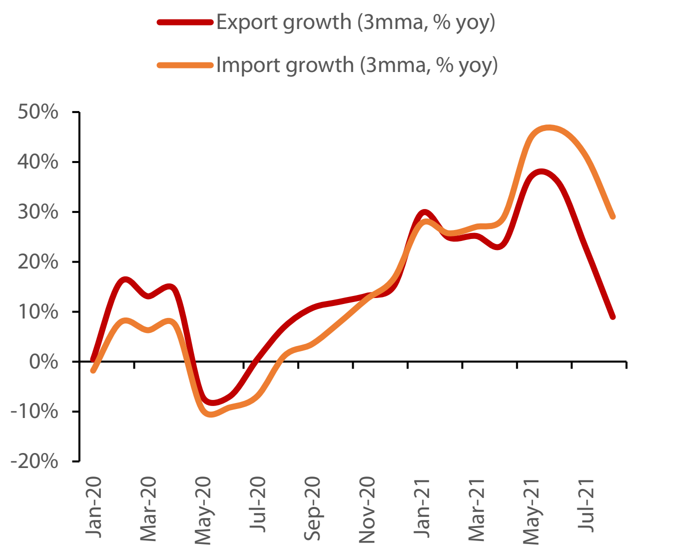
Monthly data continued to suggest a period of weakening economic activities and pessimistic outlook on 3Q21's growth trajectory. Industrial production index has trended lower, contracting by 4.2% mom and 7.4% yoy in Aug 2021. Meanwhile, Vietnam's PMI continued to fall further to 40.2 in Aug 2021, the lowest level since Apr 2020. Similarly, retail sales fell further in the same month, dropped by 10.5% mom and 33.7% yoy, and was at a level much weaker when COVID19 was first detected in Vietnam in 2020. In the first eight months of 2021, industrial production index still rose by 5.6% yoy, compared to an increase of 7.9% yoy in 7M21. In contrast, retail sales (excluding inflation) decreased by 6.2% yoy, compared to a slight drop of 0.7% yoy in 7M21. Trade activities, which were the main engine for economic growth in 1H21, have also been negatively impacted by the latest ourbreak. According to GSO's estimates, exports dropped by 5.4% yoy in Aug 2021, in contrast to a 11.9% yoy growth in Jul 2021. Accounting for Aug's data, 3mma export growth have grown 8.9% yoy.

Figure 7: Industrial output slipped back into negative in August



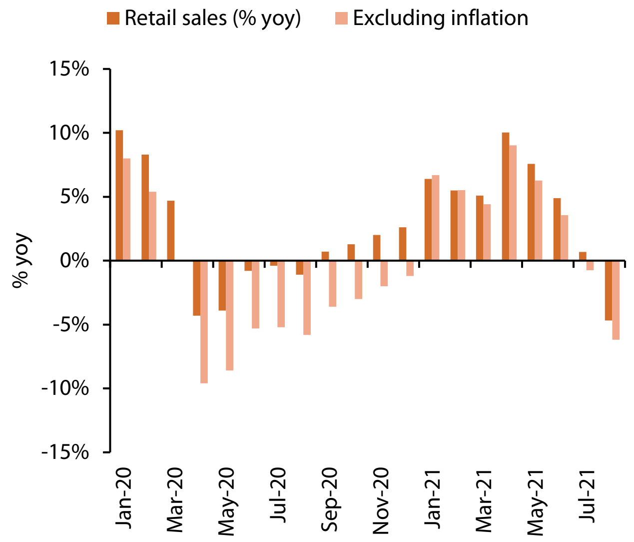
Source: GSO, IHS Nikkei, Rong Viet Securities

Figure 8: 3mma export growth dropped to single digits in Aug 2021



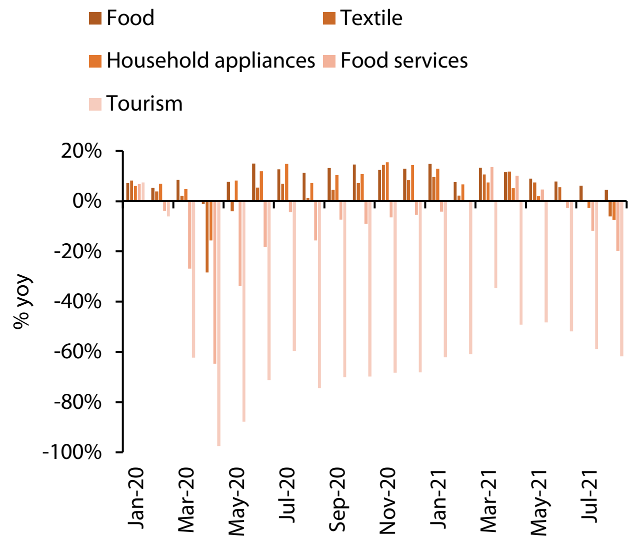
Source: GSO, Rong Viet Securities

Figure 9: Retail sales see the biggest drop since the pandemic hit



Source: GSO, Rong Viet Securities

Figure 10: Retail sales growth by category in 8M21



Source: GSO, Rong Viet Securities

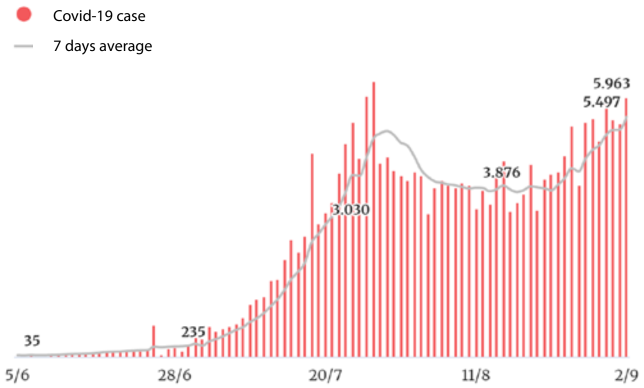
Extended lockdowns in 19 southern provinces and other key cities are likely to continue impacting Vietnam's economic recovery in the near-term. HCMC has been in a prolonged lockdown since 9 Jul, with strict restrictions poised to continue at least until mid-Sep 2021. The city's nearby provinces (Binh Duong, Dong Nai, Long An) are among the top five provinces with sharp increase in Covid-19 cases in recent weeks and also extended social distancing measures until mid-Sep. In Ha Noi, the implementation of Directive 16 continues until 6 Sep, by then the city will maintain strict Covid-19 restrictions in high-risk areas while easing them in lower risk areas. This suggests that a significant hit to economic activity is expected in September.

On the inflation front, Vietnam's consumer prices rose by 2.8% yoy in August, from July's 2.6% yoy pace. The acceleration in inflation is also on the back of strict Covid-19 measures that pushed up demand for essential items. In the upcoming months, we think supply shortages and rising transportation costs could continue to push inflation higher. According to GSO, average inflation in 8M21 was about 1.8% yoy, suggesting that 2021's inflation remained below our forecast of 3.5%. We continue to observe that policy supports remained very limited. Monetary and fiscal policy will likely be stepped up following a negative GDP growth in 3Q21 (if any). In our view, there is increasing possibility for the SBV to inject a symbolic 25 basis point rate cut before the end of 2021. We also see scope for more fiscal support given budget revenues well ahead of expenditures. In Jan-Aug, State budget revenues grew 16.6% yoy while expenditures dropped by 5.9% yoy. There is also a lot of room for the government to speed up public spending, however, this public investment could only see significant changes when the lockdown is lifted, in our view.

We expect a phased-in reopening in 4Q21

According to Plan No. 2715/KH-UBND, HCMC has less than two weeks to achieve the target of bringing its Covid-19 outbreak under control. But recent data show that it will be tough to reduce the mortality rate and Covid-19 cases simultaneously. During the past seven days, daily new infections were at an average of 5,498 cases (+29.3% vs. the previous week) while fatality rate was at an average of 273 deaths (-6.7% vs. the previous week). Because mass testing strategies will continue to be ramped up in the upcoming weeks, the city may find it hard to achieve the goals of; 1) reducing the mortality rate and 2) the number of severe cases by 20% and a less than 2,000 hospitalized patients per day by 15 Sep.

Figure 11: Daily Covid-19 cases in HCMC



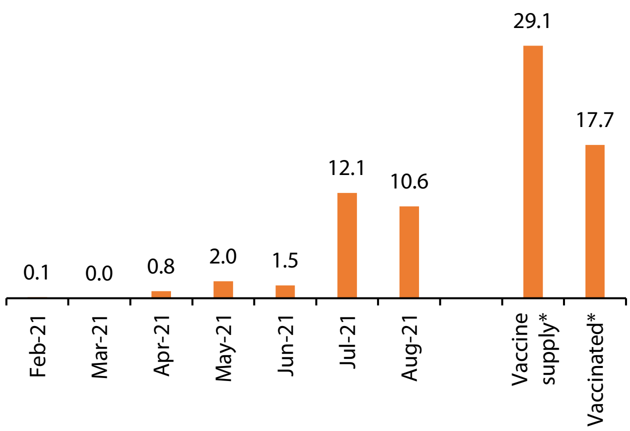
Source: Vnexpress, Rong Viet Securities

Figure 12: Daily vaccination rate in HCMC (doses)

Source: covid19.hochiminhcity.gov.vn, Rong Viet Securities

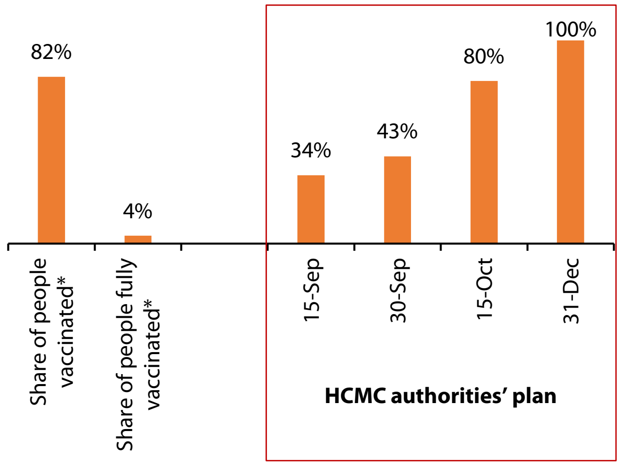
On the other hand, vaccination progress looks more promising. As of 02 Sep, nearly 6.0m doses of Covid-19 vaccines have been administered to 5.8m people or 82% of adults in HCMC and 4% of them have been fully vaccinated. According to the latest plan, HCMC's authorities aimed to fully vaccinate 34% of their citizens by 15 Sep. In addition, the share of fully vaccinated people will be gradually raised to 43% by 30 Sep, then 80% by 15 Oct and 100% of adults will be fully vaccinated against the virus by 31 Dec. As we mentioned before, vaccine holds the key to the resumption of business activities. However, reducing the mortality rate is one of the issues that might worry the city's authorities the most for now. Therefore, after 15 Sep, there could be a possible extension of strict Covid-19 measures for high-risk areas, and we could hope for a gradual reopening of economic activities in 4Q21 when vaccine plays its role to prevent Covid-19 patients from turning critical and not accessing treatment.

Figure 13: Vietnam's vaccine supply and use (doses)



*Source: Rong Viet Securities compiled, *as of 02 Sep*

Figure 14: % share of people in HCMC vaccinated against Covid-19



*Source: Rong Viet Securities compiled, *as of 02 Sep*

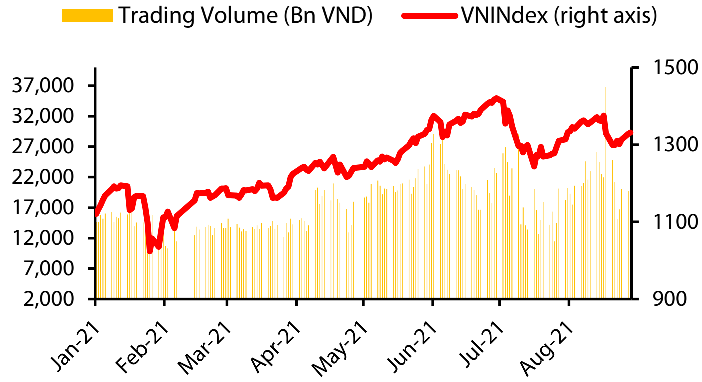
How to reopen the economy is another important issue that investors might want to think about. When we talked about gradual reopening, we think that HCMC's authorities might opt to phased-in returns by sector. There will be more firms operating in sectors that are already deem essential (food processing, transportation, healthcare, e-commerce). They will resume their operations when the government eases Covid-19 restrictions. Manufacturing of FDI companies and exporters are so important to the national economy that those could be the target of a first wave of lockdown release. However, we think manufacturers might not operate at full capacity due to renewed safety measures (vaccinated workers, social distancing measures in factories). Construction activities could be allowed to reopen while major part of the services sector (accommodation and food services, shopping mall, entertainment, tourism) will continue to face hardships due to required safety measures and business viability after the lockdown. It is worth noting that the reopening will be uneven across different provinces based on the different vaccination rate and the ability to control the pandemic. Therefore, we think that supply chain disruptions will remain in 4Q21.

STOCK MARKET IN AUGUST: RECOVERY

The VN Index strongly fluctuated for the whole month. In first two weeks, VN Index performed well and overcame 1,370 level in Aug 19th when daily confirmed cases in HCMC exhibited decreasing trend. Afterwards, market plunged when HCMC government tightened its coronavirus restrictions started from August 23, requiring people to "stay where they are" amid persistent Covid-19 threats. Eventually, VN Index ended up +1.64% to close at 1,331.47.

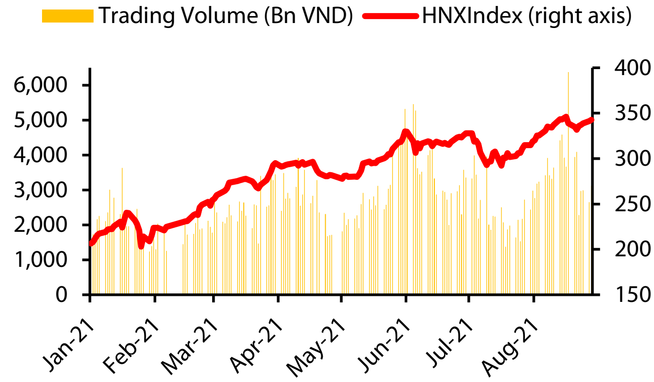
Compared to other markets, VN Index underperformed other indices such as SET (7.68%), Nikkei (2.95%), S&P 500 (2.90%). The HNX Index performed strongly with an 8.88% MoM gain.

Figure 15: VN Index, January 2021 - August 2021



Source: Fiinpro, Rong Viet Securities

Figure 16: HNX Index, January 2021 - August 2021



Source: Fiinpro, Rong Viet Securities

The average liquidity on HOSE via matching orders was VND 21.7 trillion (or USD 943 Mn, +15.9% MoM). VN30 liquidity dropped (-4% MoM), which accounted for 49% of the VN Index liquidity (lower than last month). VNSmall recorded the highest liquidity growth (+102% MoM), VNMid also experienced liquidity growth of 71% MoM. The VN Small and VN Mid were making a new all-time high regardless of the volatility of the whole market. We recognized three notable stories in August underpinning the boom of mid and small-cap stocks as below:

(1) Continuous growth of domestic freight rate to stimulate transportation/port stocks including VOS (+91% MoM), DXP (+42%), HAH (+36%), etc.

(2) Strong expectation for public investment to stimulate economy after Covid-19 storm paves the way for Construction & Material stocks. Notable gainers including TGG (+159% MoM), BCC (+69%), GKM (+59%).

(3) Positive news of importing vaccines to treat Covid-19 supported the wave of pharmaceutical stocks, especially firms having core business related to vaccines distribution/import/storage as VMD (+208% MoM), DBT (+51%).

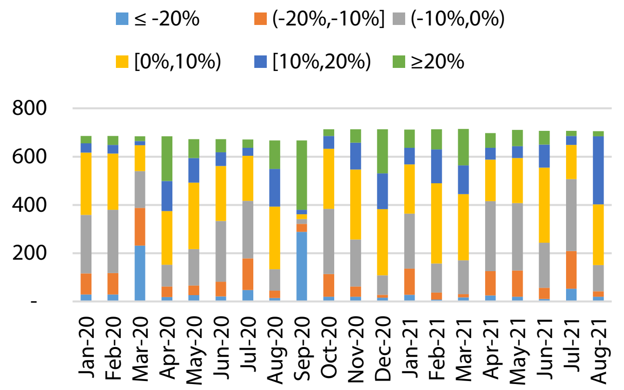
The number of gainers outnumbered losers this month as VNMid and VN Small were the main spotlights while VN30 experienced a poor performance (Table 2). The number of gainers went up 179% in August compared to July. Overall, 76% of the stocks fell into a trading range between 0 percent and 20 percent.

Table 2: Performance by market cap in August

	VN30		VNMid		VNSmall	
	ADTV (billion VND)	Price change	ADTV (billion VND)	Price change	ADTV (billion VND)	Price change
June 2021	12,469	3.7%	5,429	5.8%	1,935	5.2%
July 2021	10,953	-5.4%	4,276	-5.6%	1,552	-4.7%
August 2021	10,547	-1.3%	7,307	5.8%	3,135	16.5%

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

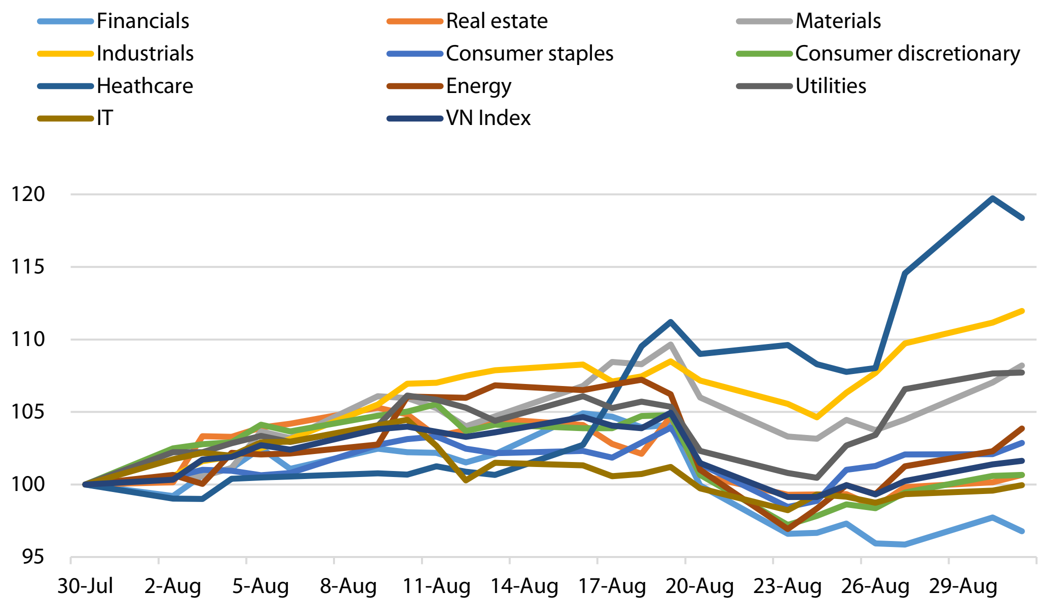
Figure 17: Number of stocks by monthly performance on HOSE and HNX



Source: Fiinpro, Rong Viet Securities

Healthcare and Industrials were the top two sectors with 18.4% and 12.0% MoM returns, respectively. The healthcare sector was driven by VMD (+208% MoM), SPM (+114%), DBT (+51%) while VOS (+90%), STG (+49%) and HAH (+36%) drove the industrials sector. Materials also went up 8.2% MoM backed by TGG (+159%), TCD (+49%). On the flip side, financials and IT limited further upside of the VN Index with modest performance of -3% and 0% MoM, respectively. For financials, key laggers were banking stocks including ACB (-11% MoM), CTG (-8%). For IT, FPT (-1% MoM) and ST8 (1%) put pressure on this group. Returns from other sectors varied from 0.7% to 7.7%.

Figure 18: Sector performance in August



Source: Bloomberg, Rong Viet Securities

Foreign trading

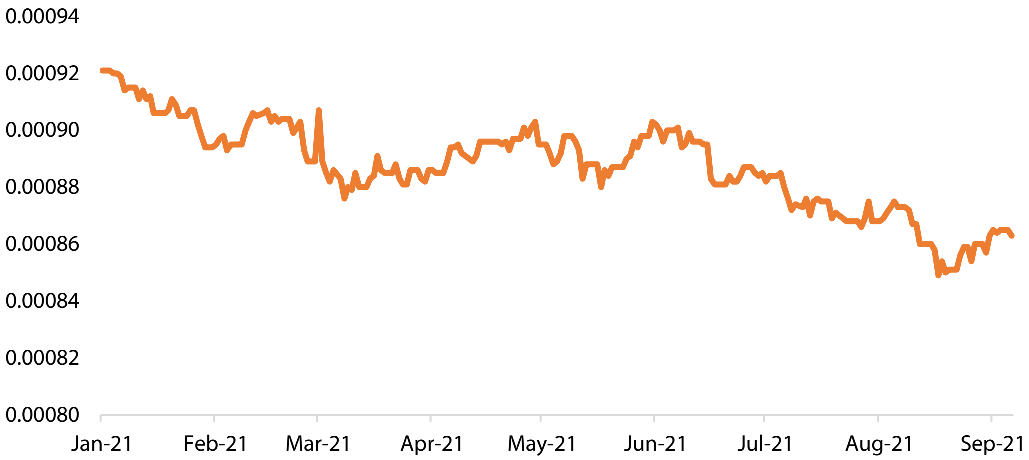
Foreigners came back as net sellers in August with net selling value of VND 7.8 trillion (or USD 338 Mn) via order-matching transaction on HOSE given the recovery of VN Index. Overall, the selling force of foreign investors focused on Vin stocks including VIC (VND -1,550 Bn or USD -67 Mn) and VHM (VND -1,379 Bn or USD -60 Mn), accounting 37% of total net selling value mentioned earlier. From our view, key factors driving the selling force of foreign investors are as below:

(1) Vin stocks: The negative sentiment of foreign investors over the stake selling announcement of major shareholders of VHM including VIC and KKR at the all-time high stock zones. Specifically, on August 16th, VIC registered to sell more than 100 million shares, equivalent to 3% of VHM stake from August 19 to September 17. Also, KKR registered to sell

31.94 million shares of Vinhomes by order matching or negotiation forms during the same period (August 19 to September 17). It was quite sensible when VIC intends to further invest in Vinfast and KKR was highly profitable compared to their purchased price of VND 70,000/stock in June 2020.

The capital outflows of Korean investors: From our view, the rise of interest rate of the Korea Government and fears of Covid-19 seriousness in Vietnam are key reasons explaining the capital withdrawal from Korean investors. Specifically, on August 26, The Bank of Korea increased its base rate of interest from a record low of 0.5% to 0.75% to balance the impact of ongoing Covid-19 infections against economic risks such as high inflation. Consequently, it would elevate the Korea won against USD (Figure 19) and indirectly on Vietnam Dong (VND), leading to capital withdrawals in Vietnam to their home country. Moreover, the fears of Covid-19 fourth wave also weighs on foreign investors in general when Nikkei Asia ranked Vietnam on the last place based on Nikkei COVID-19 Recovery Index in August.

Figure 19: Exchange rate (KRW/USD) YTD.

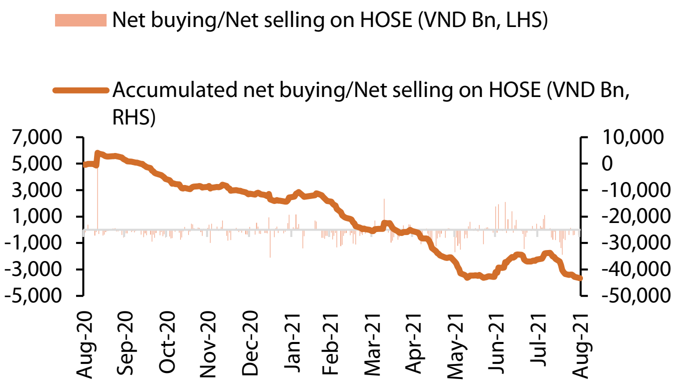


Source: Investing.com, Rong Viet Securities

MSN (VND -905 Bn or USD -39 Mn) and VNM (VND -797 Mn or USD -34 Mn) were also players bearing pressure from foreigners in August. In contrast, STB (VND 1033 Bn or USD 45 Mn), MBB (VND 645 Bn or USD 28 Mn), DGC (VND 267 Bn or USD 12 Mn), PLX (VND 225 Bn or USD 10 Mn) were noticeably net bought.

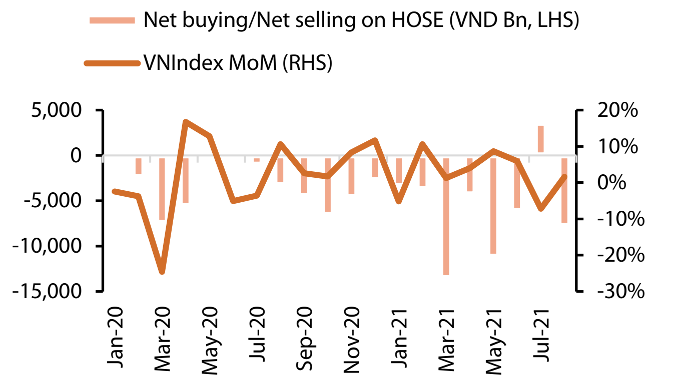
Foreign ETFs money flows result was mixed as FTSE and VNM ETF recorded a net added value of USD 1.8 Mn and USD 6.9 Mn, respectively while Fubon ETF experienced net outflows of USD 81 Mn. The mixed outcome also happened with domestic ETFs money flows. E1VFVN30 recorded net added value of USD 3.9 Mn while FUEVFVND experienced net out flows of USD 33 Mn.

Figure 20: Total daily net buying/selling by foreigners (Billion VND) in the last 12 months



Source: Fiinpro, Rong Viet Securities

Figure 21: Net buying/selling on HOSE via matching-order transaction versus VN index MoM



Source: Fiinpro, Rong Viet Securities

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

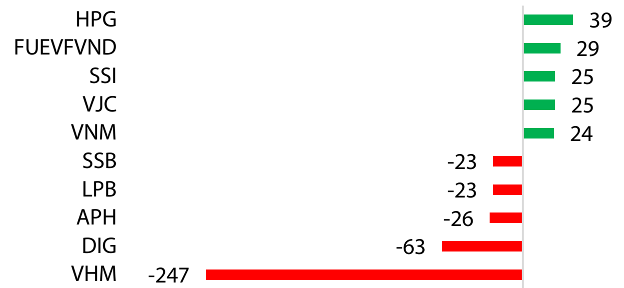
Sector	HSX Net trading value (billion VND)	HSX Net trading volume (thousand shares)	HNX Net trading value (billion VND)	HNX Net trading volume (thousand shares)
Banks	1,329	52,196	-25	-899
Oil & Gas	186	1,189	-58	-2,393
Insurance	104	2,863	175	4,562
Retail	93	2,498	2	126
Media	2	71	-4	-286
Telecommunication	0	0	0	2
Technology	-13	-603	1	180
Automobiles & Parts	-50	-3,724	-1	-199
Health Care	-51	-6,256	-3	-161
Personal & Household Goods	-62	-401	0	-22
Construction & Materials	-78	-5,492	-42	-1,437
Chemicals	-146	-11,432	-18	-659
Travel & Leisure	-388	-2,845	0	227
Utilities	-442	-3,339	-7	-447
Industrial Goods & Services	-529	-15,957	-71	-2,286
Basic Resources	-623	-13,074	-7	-440
Financial Services	-1,571	-43,152	-54	-1,709
Food & Beverage	-1,977	-20,213	0	92
Real Estate	-2,813	-54,124	70	-905

Source: Fiinpro, Rong Viet Securities

Local institutional investors

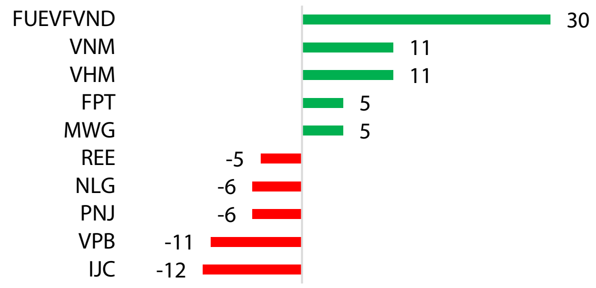
Local institutional investors were net sellers of VND -5,314 billion (or USD -231 Mn). Proprietary traders were also net sellers of VND -120 billion (or USD -5 Mn). Key traded stocks by local institutional investors and proprietary traders are shown below.

Figure 22: Top sold/purchased stocks by local institutions (USD Mn) in August



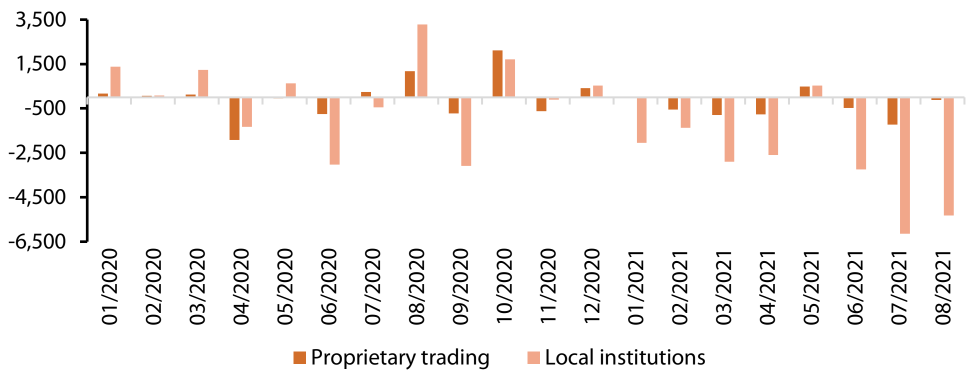
Source: Fiinpro, Rong Viet Securities

Figure 23: Top sold/purchased stocks by proprietary traders (USD Mn) in August



Source: Fiinpro, Rong Viet Securities

Figure 24: Trading activity by local institutional investors (VND Bn)



Source: Fiinpro, Rong Viet Securities

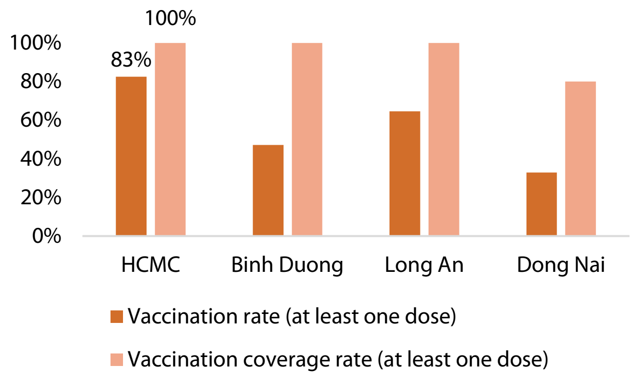
*We believe the key tailwinds that will continue to lift the VN Index in September are optimistic news flow on vaccination progress and less stringent lockdown directives. However, in the worst case, continuous stringent lockdown without relaxation could raise some concerns, causing weak money flows from foreign investors. For this month, we expect VN Index to move from **1,250 – 1,380.***

Optimistic news flow on vaccination progress and less stringent lockdown directives would likely knock on the market's mood.

Previously, strict lockdown under Directive 16+ given the continued problem in controlling the Covid-19 fourth wave, especially in HCMC, led to a volatile movement of the VN Index. In the first three weeks of August, market sentiment was optimistic until the government declared a strict stay-at-home on 20^{th} August for HCMC. The market reacted negatively and went down 6% in the next two days.

Up to now, HCMC has been allocated 9,2 mn doses of Covid-19 vaccines, ensuring 100% vaccination coverage for ones having one dose in the upcoming weeks (Figure 25). For other "red" regions, Binh Duong province and Long An province have been allocated 2,369,650 doses and 1,799,090 doses, respectively (ensuring 100% of the population in each region to have at least one dose). As of 01 September, vaccination progress is on track in HCMC as nearly 6.2 million people, equivalent to 89% of adults, have received at least one dose. Therefore, we expect that a continued ramp-up in vaccination could help the city to gradually reopen in 4Q21. From there, the relaxation of the current Directive would be more feasible and impact positively the VN Index.

Figure 25: Current vaccination rate in HCMC is on track



Source: Ministry of Health, Rong Viet Securities

However, continuous stringent lockdown without relaxation is our main concerns, causing the weak money flows on foreign investors.

Foreign investors returned as net sellers in August 2021 with net selling value of VND 7.8 trillion (or USD 338 Mn) via order-matching transaction on HOSE. From our viewpoint, the strong outflows of foreign investors would relate to their concerns over Vietnam's ability to control Covid-19 given the surging cases and quite high fatality rate versus peers (4.2% in HCMC, higher than Indonesia – 3.8%, Thailand – 1% according to Nikkei Asia) and close to the upper range (c. 4.4%) of global data.

No relaxation on current strict stay-at-home in September may drag down money flows from foreign investors. In July, foreign investors were quite confident with Vietnam's ability to control the situation, but further lockdown extension with no relaxation in September may raise their conservativeness and lead to selling action for profit-taking backed by "buy on dip" in July.

On global markets, Federal Reserve Chair Jerome Powell said the central bank could begin reducing its monthly bond purchases this year, though it won't be in a hurry to begin raising interest rates thereafter. This signal, along with soaring vaccination progress in several countries, explains the uptrend for global markets. Therefore, we believe internal factors in Vietnam will determine market sentiment going forward.

Banking stocks movement will determine the market trend.

For this month, we have insignificant changes to our view from last month as Q3 business performance is surely impacted given the current prolonged lockdown. We have a prudent view on mid-cap stocks given the strong rally in August and limited upside based on our coverage list.

We stay neutral on **real estate** given the difficulty for sale and handover activities in Q3 2021. For **oil & gas** stocks, we also come up with the same view given the low possibility of an oil price spike.

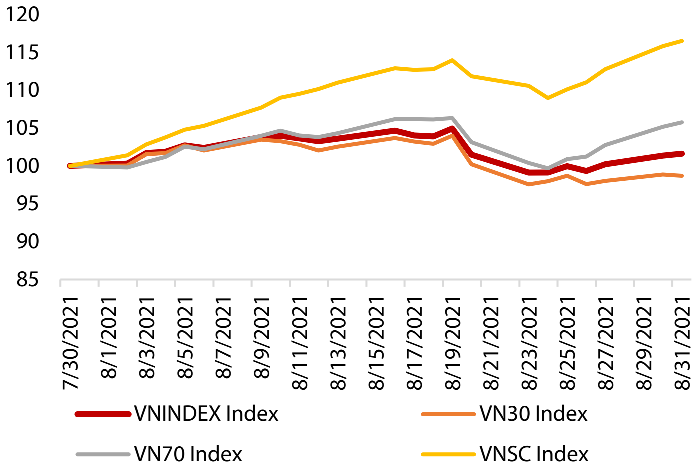
For banking stocks, the stock price has corrected 20% - 30% from the peak so the bull case would be possible given (if any) the money flows from mid-to long-term investors. Currently, we are still positive on prospects of **CTG, TCB, ACB, MBB** in 2022. The upcoming credit room revision which the result may come out at the end of September would be supporting factor. Specifically, credit growth may increase more positively in September as banks with large credit headroom will attempt to fill up the current credit quota with short term loans to ask for higher credit growth limit. However, the downside from higher-than-expected NPL (bad debt) is also there if the current strict lockdown is not lifted and affect stronger-than-expected results for the upcoming quarters. Therefore, we view the banking stocks as high volatile stocks and directly impact on VN Index in September. Overall, we expect the VN-Index to move in a range from **1,250 – 1,380**.

Preparing for post-lockdown period

August was, again, the month of mid and small-cap stocks, while most blue-chip stocks were laggards (Figure 26). Since most of our recommendations last month were mid-cap stocks (NKG, HSG, PVT), the overall performance since March was favorable with seven out of 12 stocks outperforming the VN Index (Table 4).

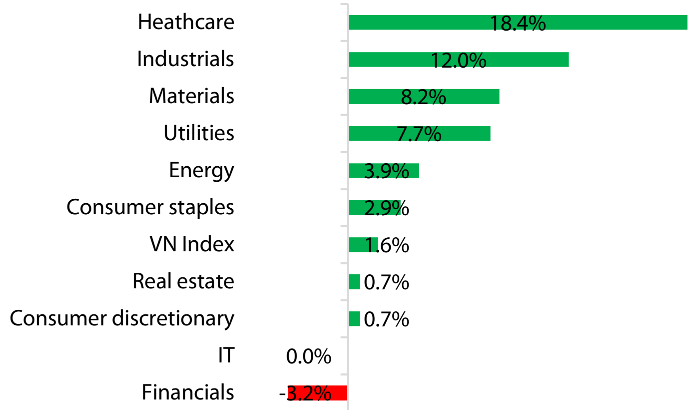
What's positive is that we see liquidity in the market remained robust as expected even because of the stringent lockdown: daily transaction value stood at around USD 1bn on average and increased by 16% MoM. In fact, the ample liquidity has led to sector rotation within underperforming ones, triggering the outperformance of industries like Healthcare, Utilities, Industrials in August (Figure 27).

Figure 26: VN Small cap (VNSC) Index



Source: Bloomberg, Rong Viet Securities

Figure 27: Sector performance in August 2021



Source: Bloomberg, Rong Viet Securities

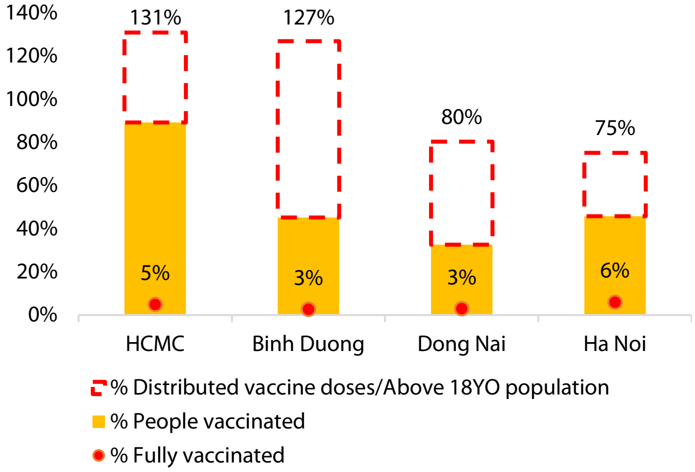
Table 4: Recommended stocks performance

Stock	Monthly performance	Performance since recommendation	Recommended BUYING since	TP (VND)	Market price (VND) @August 31st, 2021
PC1	29.2%	30.9%	July 2, 2021	30,100	34,700
NKG	27.5%	27.5%	August 4, 2021	35,400	38,450
QNS	19.2%	24.4%	July 2, 2021	53,400	50,700
PVT	17.1%	17.1%	August 4, 2021	23,300	22,600
GMD	14.8%	56.1%	May 4, 2021	55,000	51,600
HSG	6.4%	6.4%	August 4, 2021	42,800	39,900
MSN	0.7%	18.5%	July 2, 2021	164,000	135,000
VHM	-1.8%	-9.8%	July 2, 2021	#N/A	106,400
KDH	-2.3%	11.7%	June 4, 2021	45,178	92,400
FPT	-2.3%	-2.3%	August 4, 2021	108,800	39,750
TCB	-5.1%	18.3%	April 1, 2021	71,000	48,500
VN INDEX	**1.6%**	**13.9%***			

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

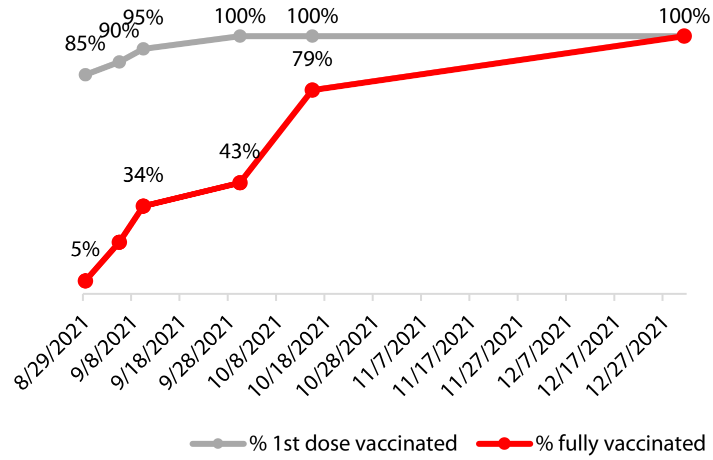
Vietnam has experienced the longest Covid-19 outbreak so far coupled with the most stringent restrictions applied to key economic zones. As a result, all macroeconomic indicators went south in August (See Marco section) and likely in September as well since we expect the lockdown will be in place for a large part of the next month. It's obvious that there is no end in sight for new cases of Covid-19 just yet. Though we do not expect that restrictions will result in no new cases any time soon, we do believe the Government is working towards relaxing restrictions in September, following the so-called "final battle with the pandemic" (augmented measures) that started in the last week of August. While we believe easing restrictions is necessary and urgent for the manufacturing sectors and especially sentiment for FDI. The vaccine rollout will be significantly progressing in the next months.

Figure 28: Percentage of people who received at least one dose and were fully vaccinated in key cities



Note: As of Sep 1st 2021
Source: MoH, Rong Viet Securities

Figure 29: HCMC's vaccination plan



Source: COVID-19 Prevention and Control Committee of HCMC, Rong Viet Securities

As long as vaccines are delivered as planned (Figure 29), we believe the worst implications for businesses will be clearly reflected in Q3 2021 (2H-2021 NPAT growth was revised down to 26% YoY from 33% YoY previously), before ramping up in the last quarter of the year when manufacturing activities and consumption are expected to be more vibrant. In that post-lockdown period, we continue to favor logistics companies (**maintaining position in GMD**, and **adding HAH** in this month), consumer staple (**MSN, QNS**), technology (**FPT**) and real estate (**KDH**) as many of them are going into the peak season in Q4 2021. Also, we expect that the catalyst of easing restrictions should positively drive investors' sentiment in other sectors namely steel (**adding HPG**), retail (**adding MWG**), before their profits start to pick up later in the year on the back of the positive implications from lifting the lockdowns. Lastly, we recommend taking profit in **PC1/NKG/PVT/HSG** with respective returns of 31%/28%/17%/6% over the last month as they have reached our TP, and reduce weight in **VHM**.

Table 5: Implied 2H-2021 results by sectors under VDSC coverage

Sector	2H-2021				2021F P/E	2022F P/E	Current P/B
	Revenue	NPAT	Revenue YoY%	NPAT YoY%			
Materials – Steel	127,676	18,889	54%	90%	6.3	6.4	2.8
Oil & Gas	12,097	644	-10%	87%	21.4	30.7	2.4
Logistics	8,401	1,531	15%	53%	13.2	11.4	2.4
Residential RE	11,157	3,540	11%	46%	12.5	11.1	3.4
Fertilizer	9,277	519	38%	44%	11	17.2	1.7
IT	18,263	2,493	13%	30%	19.1	16	5
Banking	170,432	58,106	14%	25%	10.9	8.8	2.3
F&B	88,925	8,142	19%	16%	23.9	21.4	6
Pharmaceutical	820	137	7%	13%	21.7	17.6	2.9
Textile	5,791	336	28%	-6%	15	10.5	2.9
Fisheries	9,057	519	10%	-12%	14.2	10.5	1.7
Retails	66,796	2,108	7%	-16%	18.3	12.1	4.1
Agriculture	5,163	198	-2%	-22%	7.4	7	1.1
Auto dist & parts	6,687	290	-4%	-23%	11.6	10.4	2.2
Industrial parks	3,826	487	36%	-42%	19.4	4.5	2.0
Utilities	18,261	1,359	-3%	-53%	18	11.7	1.6
Insurance	1,560	29	14%	-56%	11.8	12.6	1.4
Contruction	2,889	105	2%	-59%	9.5	4.3	1.5
Materials – Plastic	2,599	71	8%	-73%	22.3	10.5	1.9
Aviation	829	-451	-74%	-192%	227.1	78.7	4.5
Total	**567,617**	**98,948**	**18%**	**26%**	**12.5**	**10.3**	**2.7**

Source: Rong Viet Securities

Table 6: Investment recommendations for September

Stock	TP (VND)	Cash Div (VND)	Total expected return	2021F P/E	2022 F P/E	P/B	Rationales
MWG	148,400	1,500	35%	18.9	12.2	4.3	**Benefiting from the Covid-19 outbreak, BHX is rapidly progressing towards profitability.** The pandemic has accelerated modern retail adoption among consumers as wet markets are closed. We believe this shifting trend will persist even when social distancing is lifted on the back of the outperformance vs traditional trade channel in terms of convenience, safety and cleanliness, while in the long-run, the trend will be bolstered by increasing disposable income. This will gradually drive BHX's revenue per store going forward. Besides, we believe BHX's growing scale, enhanced product mix (private label contribution reached 15% by the end of Q2-2021 from 2% in 2020), labor costs cut will further improve its operating profit margin. We project that BHX will reduce its losses to VND-1,626 (or USD-71mn) in 2021F (2020A: USD-83mn), before posting a profit of VND 646 bn (or USD 28) in 2022F. **We expect restrictions in HCMC and southern provinces to ease in September, providing conditions for BHX and TGDD/DMX to enhance sales respectively by increasing in-stores staff and allowing non-essential products delivery to supporting online channel sales.** Meanwhile, we expect TGDD & DMX stores to reopen in October on the back of progressive vaccines rollout, getting ready for the peak season in Q4 2021. **The super-mini DMX (DMS) format will lessen the negative implications of the pandemic on TGDD/DMX chain in the short-term while market consolidation will provide favorable conditions for growth in the long-term.** We project that TGDD & DMX's NPAT will go relatively flat in 2021F/22F, posting growth rates of -0.3% YoY/+3.9% YoY.
HPG	60,000	500	21%	7.2	7.0	3.0	**We forecast that HPG's prospect in 2H is getting better than previous expectations owing to China's steel supply tightening policy and HRC exports opportunities**. Iron ore prices have been decreasing from a peak of USD 220/ton in July to USD 145/ton owing to weak demand in China. The company still maintains its selling price stable and even can sell HRC at higher prices in November. Hence, HPG's gross margin can increase in 4Q. For 3Q, because of high-price iron ore inventory, gross margin can be hit in the short term. We forecast HPG's NPAT in 3Q and 4Q will be roughly VND 8,000 bn (or USD 349mn, +111% YoY) and VND 8,300 bn (or USD 362mn, +78% YoY), respectively. We revise up 2021's NPAT forecast from VND 32,700 bn (or USD 1.43bn) to VND 33,000 bn (or USD 1.44bn).
HAH	69,800	1,000	18%	6.1	5.4	2.4	**Surging charter rates amid the shortage of vessels as the result of worldwide seaport logjams bolsters HAH's earning from charter segment.** We expect charter revenue to reach VND 290 bn (or USD 13mn) for 2H2021, increasing by 447% YoY. Favorable margin from charter is one of the factors to improve gross profit margin to 38.7% (+1,864 bps YoY), which will drive NPATMI to reach VND 480 bn (or USD 21mn, + 247% YoY) in 2021F. For Q3 2021, we project that NPAT could reach VND 165bn (or USD 7.2mn, +616% YoY) on the back of additional chartered vessel. **A vigorous container fleet with eight vessels and total capacity of nearly 11,000 TEUs benefit HAH in rotating vessels between charter and transportation.** We believe HAH can raise the number of vessels for chartering to take advantage of high charter rates while maintaining shipping capacity for liner demand, which will secure shipping revenue as well as sustain profit growth.

Source: Rong Viet Securities; As of @Sep 1st, 2021

Table 7: Summary of financial information & valuation of stocks that are recommended

Ticker	Exchange	Market cap (USD mn)	Target price (VND)	Current price (VND)	Total Return	2020		2021F		2022F		PER			PBR Cur. (x)	Div Yield (%)	Foreign remaining room (%)
						+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)	Trailing (x)	2021F (x)	2022F (x)			
TCB	HOSE	7,520	71,000	48,500	46%	28.4	22.3	35.6	46.5	25.0	28.0	10.7	9.5	7.4	2.1	0.0	0.0
MWG	HOSE	3,439	148,400	111,000	35%	6.2	2.2	10.9	6.9	21.3	59.6	17.4	18.9	12.2	4.3	1.4	0.0
MSN	HOSE	6,827	164,000	135,000	22%	106.7	-77.8	25.0	152.2	13.5	39.1	74.3	51.0	36.6	7.3	0.0	66.8
HPG	HOSE	9,500	59,000	49,300	21%	41.6	78.5	59.2	143.5	8.0	2.5	8.7	7.2	7.0	3.0	1.0	22.7
FPT	HOSE	3,649	108,800	92,400	20%	7.6	12.8	15.7	24.4	19.0	19.1	21.8	19.1	16.1	5.0	2.2	0.0
KDH	HOSE	1,073	45,178	39,750	14%	61.1	25.9	-24.5	-38.4	14.4	109.9	19.9	34.0	17.3	2.8	0.0	18.6
GMD	HOSE	681	55,000	51,600	9%	-1.5	-29.3	6.9	51.0	7.8	69.9	35.5	28.2	16.6	2.5	2.3	8.0
HAH	HOSE	123	69,800	60,000	8%	7.5	13.9	77.5	247.8	15.7	13.5	13.7	6.1	5.4	2.4	1.7	43.7
QNS	UPCOM	766	53,400	50,226	5%	-15.5	-18.5	16.2	20.9	24.8	23.3	15.5	12.1	9.8	2.7	5.0	42.5

Source: Rong Viet Securities.

HIGHLIGHT STOCKS

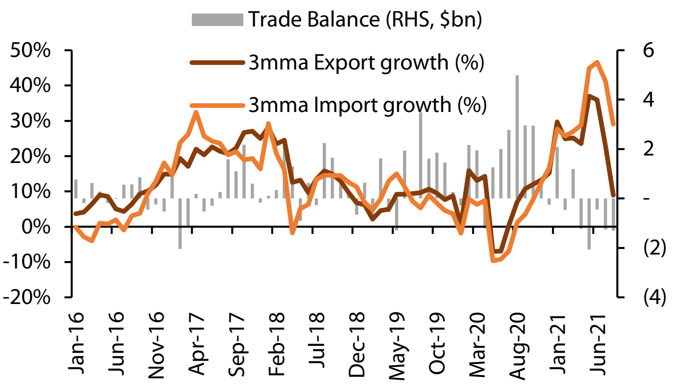
Ticker	Exchange	Market cap (USD mn)	Target price (VND)	Current price (VND)	Total Return	Rating	2020		2021F		2022F		PER Trailing (x)	PER 2022F (x)	PBR Cur. (x)	Div Yield (%)	+/- Price 1y (%)	3-month avg. daily turnover (USD thousand)	Foreign remaining room (%)
							+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)							
TCB	HOSE	7,383	71,000	48,300	47%	Buy	28.4	22.3	35.6	46.5	25.0	28.0	10.5	7.4	2.0	0.0	122.6	48,497.6	0.0
OCB	HOSE	1,350	32,100	22,600	42%	Buy	21.2	36.9	21.3	25.0	22.4	28.1	7.4	5.6	1.6	0.0	0.0	5,605.2	8.0
MWG	HOSE	3,426	148,400	110,200	36%	Buy	6.2	2.2	10.9	6.9	21.3	59.6	17.3	12.1	4.3	1.4	79.2	9,733.2	0.0
CTG	HOSE	6,717	42,200	32,050	32%	Buy	11.7	44.6	22.1	44.9	7.9	12.5	9.4	8.8	1.7	0.0	60.4	31,009.6	5.6
MBB	HOSE	4,597	36,100	27,900	29%	Buy	11.0	5.6	30.0	45.1	18.0	30.4	10.1	6.7	2.0	0.0	139.3	31,599.7	0.7
PNJ	HOSE	846	106,800	85,300	28%	Buy	3.0	-10.4	17.9	12.7	16.9	21.7	14.1	13.5	3.4	2.3	42.3	3,180.8	0.4
MSN	HOSE	6,863	164,000	133,300	23%	Buy	106.7	-77.8	25.0	152.2	13.5	39.1	74.7	36.2	7.4	0.0	149.2	10,089.6	66.9
HPG	HOSE	9,597	59,000	49,200	21%	Buy	41.6	78.5	59.2	143.5	8.0	2.5	8.8	7.0	3.0	1.0	169.8	64,050.3	22.7
FPT	HOSE	3,657	108,800	92,400	20%	Accumulate	7.6	12.8	15.7	24.4	19.0	19.1	21.9	16.1	5.0	2.2	117.4	15,158.1	0.0
PHR	HOSE	313	61,300	52,900	19%	Accumulate	-0.4	140.2	16.1	-78.3	54.2	464.1	10.2	6.6	2.4	2.8	-4.5	1,792.4	36.9
SCS	HOSE	306	155,600	138,100	18%	Accumulate	-7.4	-7.5	15.9	22.1	11.6	14.1	15.1	11.7	7.1	5.8	25.7	131.3	22.5
VCB	HOSE	16,078	117,000	99,400	18%	Accumulate	7.1	-0.3	18.8	22.2	16.3	21.2	18.0	14.0	3.5	0.0	20.7	9,162.3	6.5
ACB	HNX	3,771	37,300	32,000	17%	Accumulate	12.8	27.8	29.8	37.2	15.6	21.8	8.9	6.8	2.1	0.0	0.0	17,992.1	0.0
ACV	UPCOM	7,376	90,500	77,694	16%	Accumulate	-57.5	-79.0	-44.7	-56.8	109.8	188.4	90.7	79.0	4.4	0.0	34.0	641.5	45.3
KDH	HOSE	1,068	45,178	39,300	15%	Accumulate	61.1	25.9	-24.5	-38.4	14.4	109.9	19.8	17.1	2.8	0.0	76.8	6,262.9	18.7
HDB	HOSE	2,229	29,440	25,650	15%	Accumulate	21.0	17.9	27.0	43.6	26.7	29.3	9.7	5.3	2.0	0.0	85.6	5,859.4	3.2
HDG	HOSE	397	63,336	55,600	14%	Accumulate	15.1	3.9	-4.3	31.2	6.9	7.5	12.6	7.1	2.7	0.0	153.2	5,232.5	38.2
KBC	HOSE	871	48,100	42,500	13%	Accumulate	-32.9	-77.5	177.8	501.3	159.4	390.5	25.3	3.0	1.9	0.0	211.4	17,846.8	30.4
LTG	UPCOM	136	41,300	38,710	12%	Accumulate	-9.7	10.4	37.0	16.1	20.4	5.9	6.5	8.6	1.1	5.2	90.5	1,515.6	10.7
NLG	HOSE	539	46,900	43,300	12%	Accumulate	-12.9	-13.1	100.1	40.9	25.2	-4.8	11.2	13.5	1.9	3.5	76.4	5,685.4	4.2
VNM	HOSE	8,030	94,000	88,100	11%	Accumulate	5.9	4.9	-1.6	-3.9	5.4	2.7	17.2	18.7	5.8	4.5	-10.9	14,261.3	-5.9
HAH	HOSE	133	69,800	64,200	10%	Accumulate	7.5	13.9	77.6	247.1	15.7	13.5	14.8	5.7	2.6	1.6	439.7	3,658.1	44.3
VPB	HOSE	6,624	67,000	61,500	9%	Accumulate	7.4	26.1	19.0	14.7	17.6	34.1	12.2	9.4	2.5	0.0	162.8	56,380.6	0.1
NT2	HOSE	276	22,900	21,950	9%	Accumulate	-20.5	-17.1	5.4	-51.1	6.1	41.8	18.8	15.1	1.5	4.6	0.5	444.9	35.5
QNS	UPCOM	810	53,400	52,060	7%	Accumulate	-15.5	-18.5	17.2	21.1	23.8	28.2	16.4	9.8	2.9	4.8	59.6	1,939.7	32.5
LHG	HOSE	110	52,300	50,500	7%	Accumulate	7.5	39.8	27.9	39.5	4.4	10.8	7.5	8.2	1.8	3.8	79.1	862.4	39.3
MSH	HOSE	170	80,000	78,000	7%	Accumulate	-13.6	-48.5	17.3	67.8	30.2	35.5	12.0	8.2	2.7	4.5	166.5	382.8	41.4
HSG	HOSE	854	42,800	40,050	7%	Accumulate	11.0	215.1	53.1	184.6	28.0	-18.6	5.2	5.9	2.0	0.0	273.3	20,405.0	38.1
FMC	HOSE	118	47,000	46,000	7%	Accumulate	19.0	-1.7	6.0	5.3	11.1	34.5	10.3	10.6	2.1	4.3	65.1	813.6	41.0
BID	HOSE	6,841	41,400	39,000	6%	Accumulate	4.0	-14.7	15.3	59.1	14.2	27.9	15.6	15.6	1.9	0.0	-4.2	5,990.7	13.3
GMD	HOSE	697	55,000	53,000	6%	Accumulate	-1.5	-29.3	6.9	51.0	7.8	69.9	36.3	17.0	2.6	2.3	147.0	7,204.9	8.4
IMP	HOSE	211	75,000	72,600	5%	Accumulate	-2.4	29.1	5.1	8.7	22.9	22.8	22.6	18.9	2.9	2.1	56.6	788.5	0.0
DIG	HOSE	637	37,365	35,650	5%	Neutral	17.7	61.3	-8.9	83.0	93.9	-20.6	21.7	17.7	3.1	0.0	252.9	10,895.4	47.7
HTN	HOSE	94	45,200	43,650	4%	Neutral	23.7	84.2	26.2	-34.8	109.5	119.1	4.5	4.4	1.6	0.0	184.3	357.3	48.7
STK	HOSE	140	48,000	47,200	3%	Neutral	-20.8	-33.1	21.9	61.1	28.0	40.3	14.0	12.2	2.9	1.1	233.2	114.2	36.3
PVD	HOSE	353	19,700	19,200	3%	Neutral	19.7	-0.1	-25.4	-87.0	29.2	295.8	2,739.1	85.7	0.6	0.0	67.7	7,221.3	42.6
PVT	HOSE	328	23,300	23,250	2%	Neutral	-3.9	-11.0	2.9	23.3	6.9	-1.2	10.4	9.8	1.6	2.2	130.9	4,885.9	34.9
VHC	HOSE	397	50,000	50,000	2%	Neutral	-10.5	-40.2	22.4	12.7	9.6	34.0	12.6	8.7	1.7	2.0	35.2	4,019.9	76.7
GEG	HOSE	234	18,200	18,000	1%	Neutral	28.8	3.0	3.8	5.6	41.7	17.2	18.4	17.2	1.6	0.0	33.9	528.1	12.9
BMP	HOSE	195	52,200	54,500	-1%	Neutral	8.0	23.6	11.1	-62.3	14.0	113.2	11.4	11.7	1.9	3.7	6.5	249.3	16.0

Ticker	Exchange	Market cap (USD mn)	Target price (VND)	Current price (VND)	Total Return	Rating	2020		2021F		2022F		PER Trailing (x)	PER 2022F (x)	PBR Cur. (x)	Div Yield (%)	+/- Price 1y (%)	3-month avg. daily turnover (USD thousand)	Foreign remaining room (%)
							+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)							
REE	HOSE	896	65,300	66,500	-2%	Neutral	15.3	-0.7	18.9	5.2	23.4	21.1	11.5	9.9	1.7	0.0	79.7	2,170.2	0.0
HAX	HOSE	47	20,700	22,750	-2%	Neutral	8.1	144.6	1.7	5.0	8.2	25.2	6.2	6.8	1.8	6.6	124.9	621.2	30.1
SMC	HOSE	133	47,500	50,000	-3%	Neutral	-6.5	227.3	48.4	172.9	1.8	-50.1	3.2	7.5	1.4	2.0	414.3	1,835.6	26.9
PVS	HNX	544	24,400	26,100	-4%	Neutral	16.9	-23.6	-34.1	27.6	17.3	-15.8	21.5	20.7	1.0	2.7	117.8	15,548.8	41.6
HND	UPCOM	415	17,900	19,031	-6%	Reduce	-3.9	23.8	-19.9	-81.7	14.3	201.5	10.8	12.6	1.6	0.0	17.0	59.2	49.0
DRC	HOSE	188	32,500	36,300	-6%	Reduce	-5.5	2.4	21.0	25.1	8.3	10.3	12.6	13.5	2.5	4.1	119.5	3,739.0	40.3
VSC	HOSE	161	60,000	66,900	-7%	Reduce	-5.8	2.7	-4.3	13.1	3.0	-11.7	13.3	17.3	1.9	3.0	107.2	643.8	42.1
PPC	HOSE	343	21,200	24,500	-8%	Reduce	-3.1	-20.1	-42.7	-90.9	56.5	652.2	9.2	12.0	1.6	5.1	24.1	300.5	34.4
PGI	HOSE	97	22,800	25,000	-9%	Reduce	12.1	7.9	5.7	9.7	2.0	-6.8	9.7	14.6	1.4	0.0	39.7	12.1	28.3
NKG	HOSE	376	35,400	39,450	-10%	Reduce	-5.1	524.1	143.7	666.4	3.2	-33.6	5.9	5.0	1.9	0.8	539.7	9,619.4	85.8
DPM	HOSE	640	31,600	37,500	-12%	Reduce	1.0	83.5	38.4	119.4	-6.1	-36.4	12.9	15.3	1.7	4.0	142.3	5,352.2	37.8
PC1	HOSE	298	30,100	35,800	-16%	Reduce	13.9	41.2	27.9	-10.9	-22.9	-4.7	9.8	17.7	1.6	0.0	118.1	1,711.8	40.4
PAC	HOSE	77	30,100	37,800	-16%	Reduce	-4.1	-10.9	10.9	1.6	3.0	0.0	10.2	12.9	2.2	4.0	72.3	131.6	35.7
ANV	HOSE	178	24,000	32,100	-22%	Sell	-23.2	-71.3	9.2	-23.7	13.3	33.1	19.1	20.0	1.7	3.1	98.7	1,315.4	47.9
BFC	HOSE	93	25,100	37,450	-30%	Sell	-11.6	80.5	39.1	40.7	-20.0	-6.4	11.5	13.2	2.2	3.2	161.1	616.7	45.3
TCM	HOSE	221	33,300	71,000	-52%	Sell	-4.8	27.6	20.6	-30.2	6.5	72.9	18.0	16.9	3.0	0.7	266.8	1,494.8	5.0

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

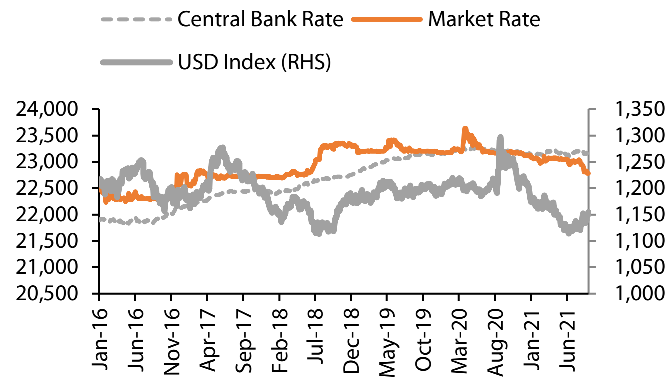
VIETNAM ECONOMIC INDICATORS IN AUGUST 2021

Trade balance



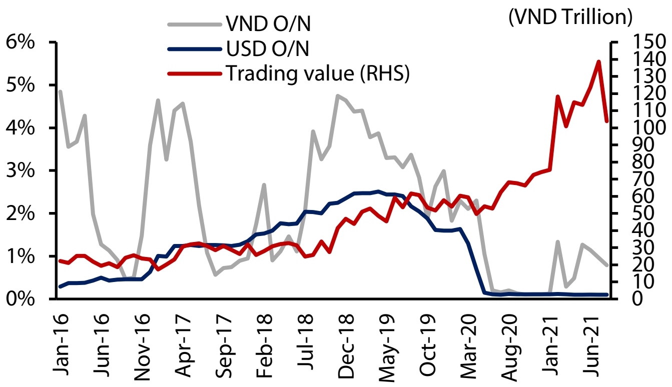
Source: GSO, Rong Viet Securities

USDVND exchange rate



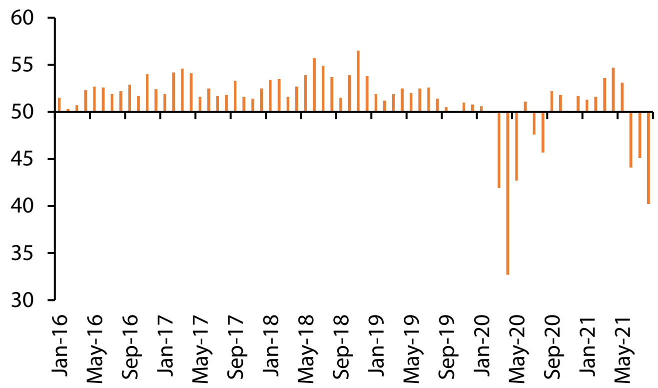
Source: SBV, Bloomberg, Rong Viet Securities

Interbank interest rate (%/year)



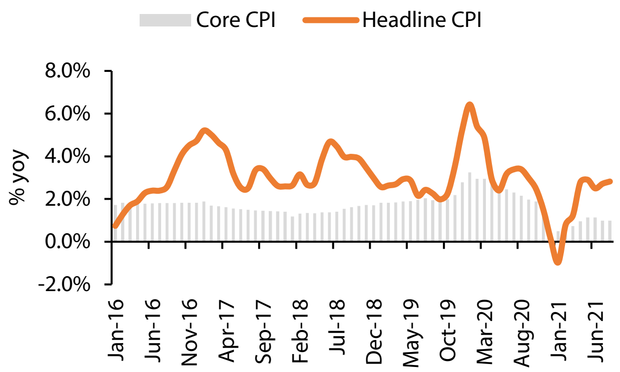
Source: SBV, Rong Viet Securities

Vietnam PMI



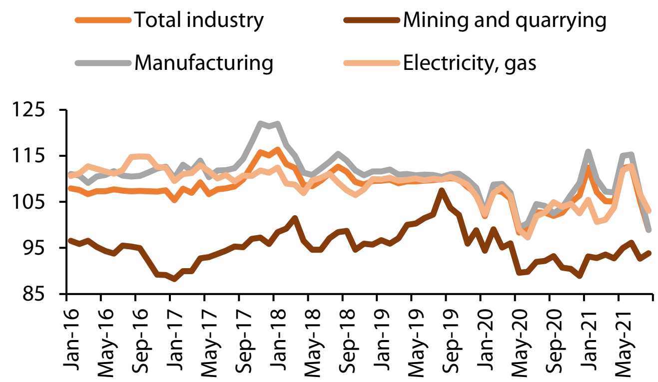
Source: IHS Markit, Rong Viet Securities

Vietnam CPI



Source: GSO, Rong Viet Securities

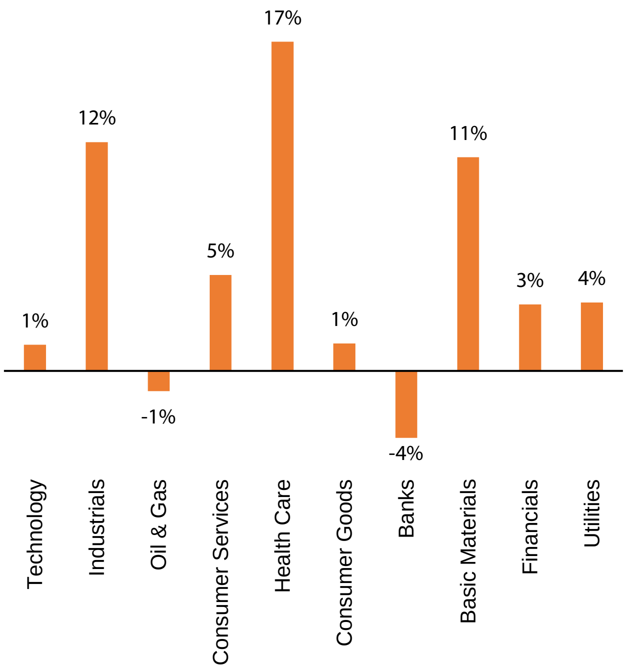
3-month MA Industrial Production Indices



Source: GSO, Rong Viet Securities

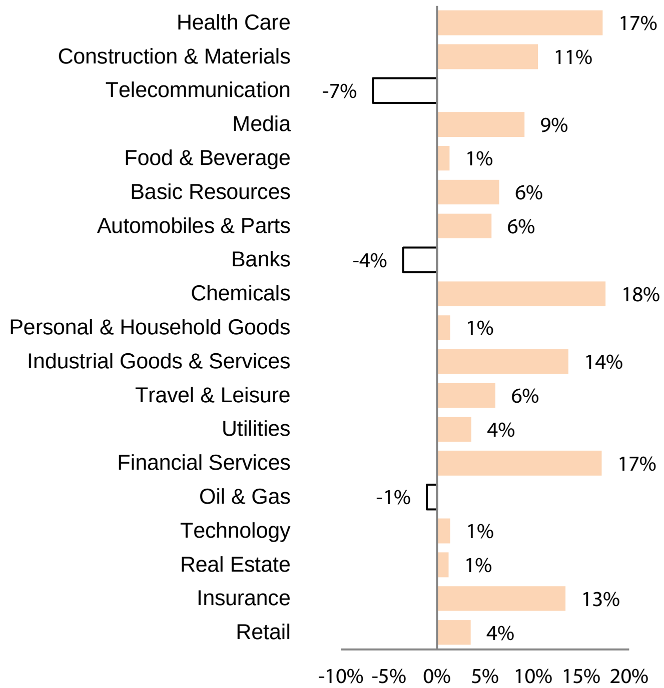
INDUSTRY INDEX

Level 1 industry movement



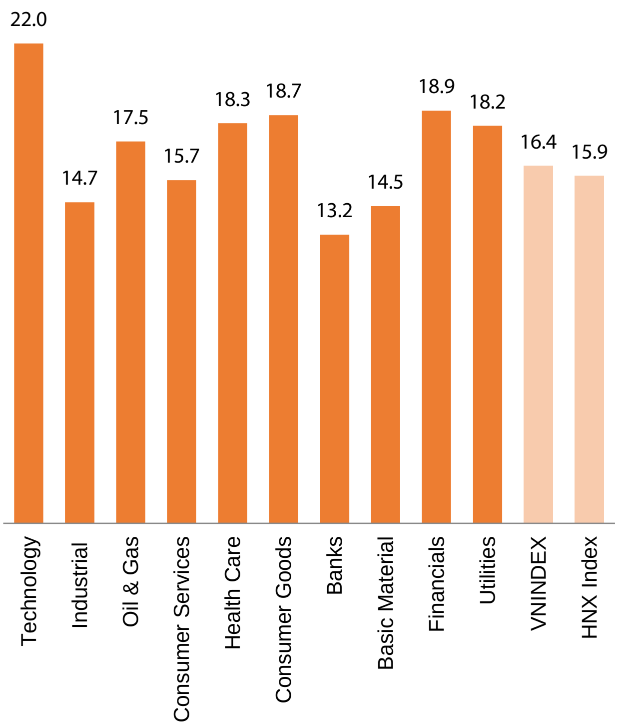
Source: Fiinpro, RongViet Securities

Level 2 industry movement



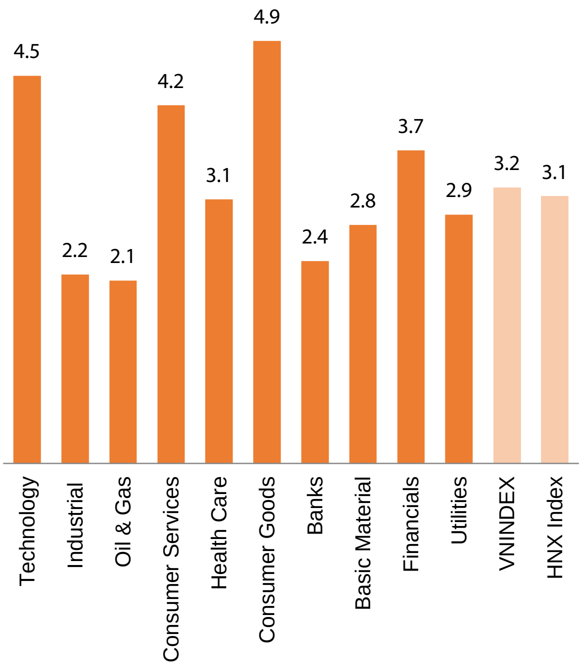
Source: Fiinpro, RongViet Securities

Industry PE comparison



Source: Fiinpro, RongViet Securities

Industry PB comparison



Source: Fiinpro, RongViet Securities

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