June 5th 2020

Investment Strategy June 2020

SAVING PURCHASING POWER FOR BETTER OPPORTUNITIES

The stock market in May has increased stronger than our expectations, thanks to the strong participation of domestic investors as well as the lower selling pressure of foreign investors. The proportion of trading value of local retail investors and foreign institutional investors reached 77% and 15% in May, respectively, compared to the average of 72% and 17%. The active participation of domestic investors, besides the positive progress of disease control, we believe that there is a great support from the further relaxation of monetary policy by SBV during low demand for capital because of stagnant production due to the fact that the major trading partners of Vietnam were still closed.

The demand from foreign investors will mainly come from new ETFs as these partly solve the current problem of foreign ownership limit. Particularly, FUEVFVND showed its attraction after listing when its assets increased seven times now compared to pre-IPO to VND 725 billion. Currently, total assets of FUEVFVND are only equal to 12% of the total assets of E1VFVN30. In addition, FUESSVFL began to attract investors after two months of listing when its total assets doubled in May to VND 451 billion. Obviously, having listed in the context of a strong market decline has prevented FUESSVFL from attracting as many investors as expected. For other foreign investors, we expect them to continue to trade lightly as in May instead of strong net selling like in previous months.

After outperforming regional and global stock markets, the VNIndex nearly caught up with global markets in May. Most of the key stocks rebounded better than the rest of the market. Therefore, we believe that the contribution of large caps to the index in June will decrease significantly compared to the previous two months. Meanwhile, domestic individual investors have started to buy selectively. Our data also shows that the number of new accounts opened in May has begun to slow down.

Fundamentally, the market is more expensive compared to the beginning of the year while VNIndex only decreased by 8.5% YTD. Estimated earnings per share in 2020 was adjusted to -4% now from +12% at the beginning of the year.

In addition, while the market has recovered 30% since the bottom in March and valuations are no longer that attractive, there are still many risks that investors need to pay attention to. We realize that these risks are mainly externalities, which do not / have no direct impact on Vietnam's economic activities, but may affect market sentiment.

In summary, we believe that factors that have driven the market in the past month or so will remain in June but we see a limited room for market to grow. We forecast a range for the VNIndex of 830 - 905.

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CONTENTS

As per our expectation, positive events in controlling the pandemic and easing of lockdowns in the US and Europe has boosted the excitement of investors. In addition, SBV has continued to cut policy rates and short-term deposit ceiling rate. This created a scenario where local investors, which were cash rich, and foreign funds bought into the market in the past few months. As a result, many stocks sharply increased and almost covered all of the losses in late March.

Given that many countries have gradually resumed their economic activities, we expect there will be more workload for Vietnam. Busier economic activities could make less free capital to the stock market. Momentum to drive the stock market in June will be weaker than it was in May. However, we see no issues which can hurt the market heavily at this time, even though it has risen so much recently. As such, it is possible for the VNIndex to move higher in June. Buying at this time should be carefully based on stock selection. For investors who bought and made money, we recommend to take profits. Again, we would like to remind that Q2 will be the quarter seen as the worst for business results for many sectors as well as GDP growth. Opportunities to buy at attractive prices could arise at that time. Saving a part of your purchasing power for such chance!

Among sectors whose business results will be poorly reported in Q2, some sectors will perform better than they were in Q1, such as securities or fishery (pangasius). Accumulate stocks in those sectors in June could bring short-term profit to investors.

The new ETF, FUEVFVND (tracking VNDiamond), which focuses on full foreign ownership room stocks, is listed in the second week of May. After three weeks of listed, FUEVFVND has raised VND 725 Bn, equal to 12% of E1VFVN30 ETF's NAV at the same time. We think that the new ETF can attract more cash than previous listed ETF is because (1) It is initiated at the time market's sentiment has been turning to positive, (2) Valuation of market as well as component stocks has fallen to attractive level. It should be noted that selected stocks are not only full room but also having strong fundamental, always in the top favorite of foreigners, and (3) Abundant cash flow from local and foreign investors. That could be the reason making this new ETF has become more successful than the previous listed ETF.

We believe that the trend of cash flow into FUEVFVND will be going on in upcoming months, which in turn will boost demand on component stocks. In this group we prefer REE, FPT, MWG, MBB, and VPB.

Analysis of 54 stocks of Rong Viet Research, discussion with companies and specific evaluation in the "Company Report" or "Analyst Pinboard"

The US and China on the verge of a "cold war"?

Bottom line

- Until the November US Presidential election, we do not expect political and trade relations between the world's two largest economies to improve.
- A victory by Mr. Biden in November would significantly decrease tensions.
- The Hong Kong situation with mainland China is making matters worse.
- Taiwan has been thrown into the spotlight as some Chinese officials have publicly threatened to 'invade' the renegade island. The governing US- Taiwan Relations Act, though not an official security treaty, leaves defending Taiwan an open question. The US has room to intervene in deterring China but need not necessarily risk war should Taiwan declare independence from China. This ambiguity, however, has never been on shakier grounds.
- Companies will continue to flee Hong Kong, especially Asian headquarters of US and EU companies. This should benefit other regional hubs like Singapore, Japan (financial sector) and Vietnam (manufacturing).

On Friday May 29 the US President launched a blistering attack on China following the decision by the National People's Congress to pass a national security law for Hong Kong that, according to him, "fundamentally undermines Hong Kong's autonomy". The US will no longer grant Hong Kong a special status on trade or in other areas and will instead apply the same restrictions it has in place with China. The US and EU responses to that only exacerbate tensions between the world's second largest economy and democracies around the world.

This will impact agreements the US has with Hong Kong, including export controls, preferential customs, travel status and extradition. However it should be noted that the economic impact will not be that large as the US imported less than USD 5 billion of goods from Hong Kong in 2019. The behavioral impact of US firms having a presence in Hong Kong could be much larger and at this point is difficult to quantify. We expect an exodus of US regional offices based in Hong Kong to other parts of Asia.

Beijing may have seen its global standing take a hit due to the coronavirus -- and a widespread perception that China mismanaged the initial handling of it -- but as the country increasingly gets back to normal, it is also finding itself in a rarefied position of strength compared to the continued disruption seen in much of the world. China can 'flex its muscles' in part because it has posted a positive current account balance as a percent of GDP for a decade (Table 1). This ratio provides an indication on the level of international competitiveness of a country. Usually, countries recording a strong current account surplus have an economy heavily dependent on exports revenues, with high savings ratings but weak domestic demand. However if China's export revenues decline, this ratio may turn negative and the consequences for the Communist Party could become challenging.

Table 1: China's current account to GDP, %

2010	4.0
2011	1.9
2012	2.6
2013	2.0
2014	2.1
2015	2.7
2016	1.8
2017	1.3
2018	0.4
2019	1.0

Source: State Administration of Foreign Exchange (SAFE)

This whole episode about the national security law for Hong Kong may also delay the progress in the phase-one trade deal between the US and China, let alone phase-two. President Trump is often accused of policy inconsistency, and rightly so. However, if we are to find any shred of certainty about what he values in dealing with other countries, we can count on two: a deep respect for autocrats and their ability to buy US goods.

From a market perspective, Chinese equities have generally performed well lately (Figure 1). The broader question is what will happen to US-listed Chinese companies? As Mr. Trump and other White House officials have said recently, these companies could be delisted from the New York stock exchange because they do not meet certain 'criteria', including transparency. According to a US Senate legislation, called the "Holding Foreign Companies Accountable Act," a foreign-owned company that refuses to comply with the PCAOB's (Public Company Accounting Oversight Board) audit requirements for three consecutive years could be delisted. Foreign-owned companies would also have to certify they are not owned or controlled by a foreign government. Given current circumstances, China's US listed companies on the NY exchanges are at risk. The other point is that Hong Kong could also be downgraded by the three major rating agencies, which may have an impact on the share price of many Hong Kong companies since global funds would have to reduce exposure to the HK market. **We recommend to increase exposure to Singapore and Vietnam at this point, both beneficiaries of the turmoil.**

Figure 1: Shanghai A-share Index

Source: RongViet Securities

Foreign direct investment from China to the US peaked at around USD 55 billion in 2017 and dropped to less than USD 10 bn in 2019. This, in our opinion, is the direct consequence of the 2018 tariffs on Chinese imports implemented by the Trump administration. It is unlikely to go back to the 2017 level any time soon. Venture capital investments between the two countries is also likely to fall sharply.

This entire episode has not affected the Renminbi (Figure 2) that much since it is still trading around 7.0-7.1 to the USD since early March. We do not see any risk of a meltdown of the currency as the PBoC has plenty of ammunition to stabilize it if needs be.

Figure 2 : USDCNH, daily

Source: RongViet Securities

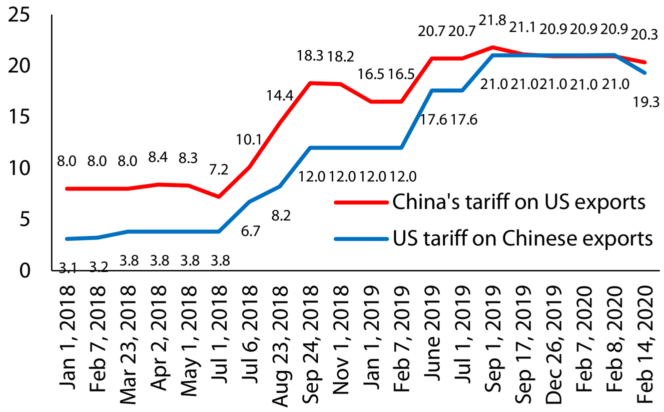
What the world needs now is not decoupling but global collaboration and some sort of stability in the global supply chain. To achieve post-Covid-19 prosperity will require the promotion of free trade, more global collaboration, integration, and innovation. However the world is moving in the opposite direction as citizens have lost faith in globalization, opening the way for a backlash of nativism, protectionism and populist politics where facts do not matter.

China should not be distracted by trade, technology or finance competition with the US, especially when Chinese jobs are at risk due to a significantly slower economic growth rate and potentially higher inflation. In the midst of the mess left by the coronavirus, multilateral collaboration will be essential to bring back order, sense and fairness to the world. Do decision-makers and politicians have the wisdom to accept the logic of collaboration? It is pointless to argue who is right or wrong in the China-US feud. Instead the focus should be on finding practical solutions to restore economic growth by investing in technological innovation, cultivation of talent and the promotion of free trade globally. The China Belt and Road Initiative was an example of that, but now seems in peril.

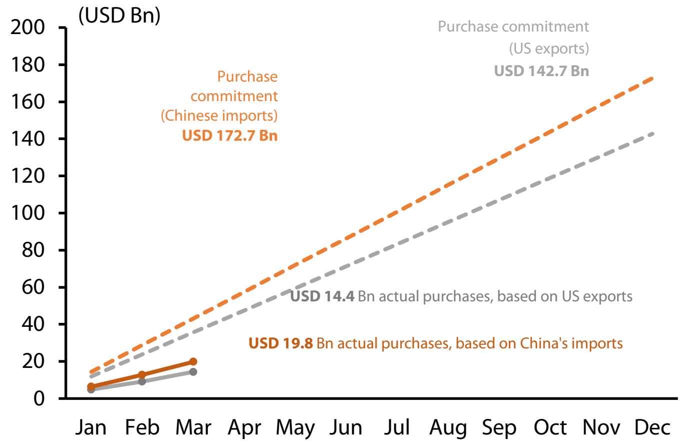
The following charts shows some data about US-China trade and tariffs. It is obvious that trade between the two countries is not near where it should be. Actual purchases are much lower than what was committed in 2019 after talks between Mr. Trump and Mr. Xi Jinping.

US-China Phase One Trade in 2020

Tariffs on China's exports to the US

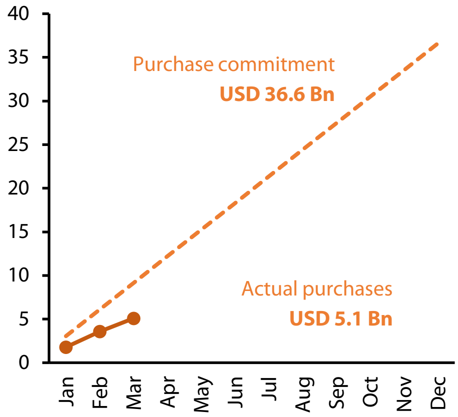


US-China trade of goods in 2020

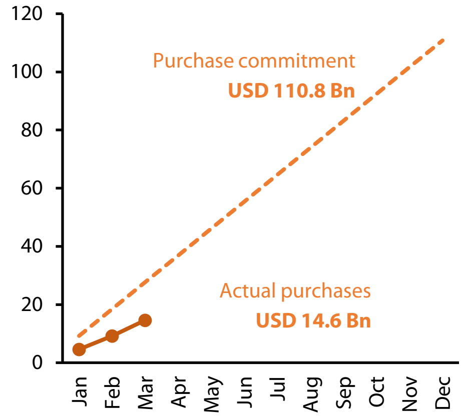


China's imports by product type, USD Bn

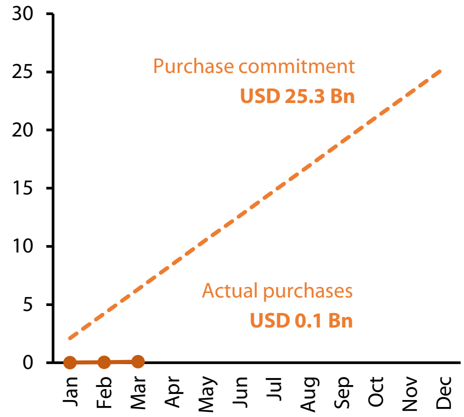
Agriculture



Manufactured goods

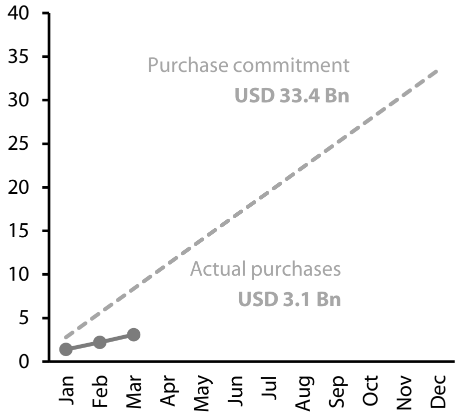


Energy

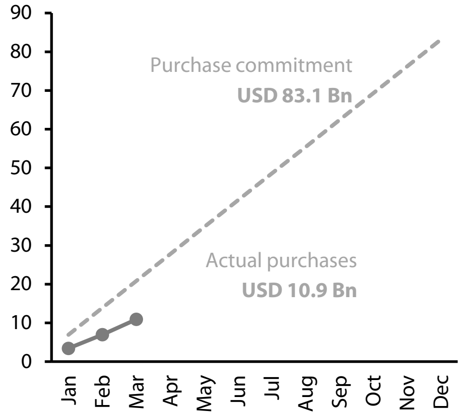


US exports by product type, USD Bn

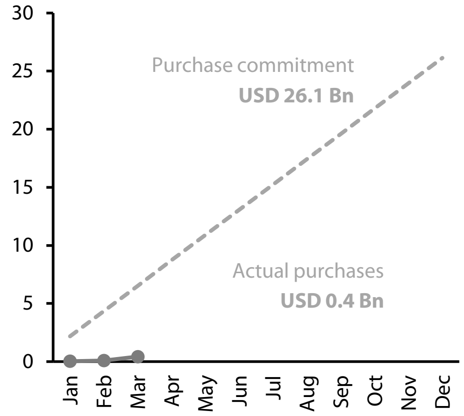
Agriculture



Manufactured goods



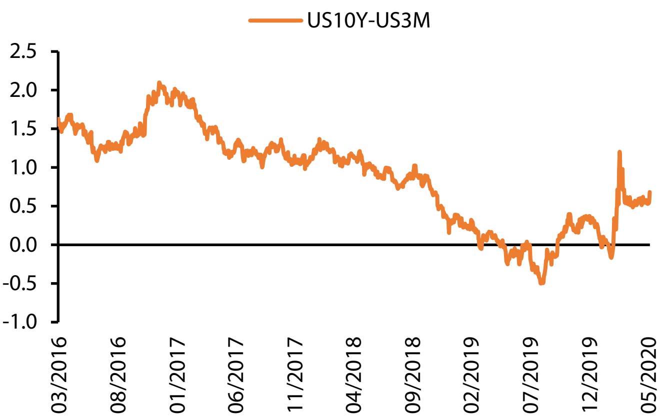
Energy



Source: PIIE, Rong Viet Securities

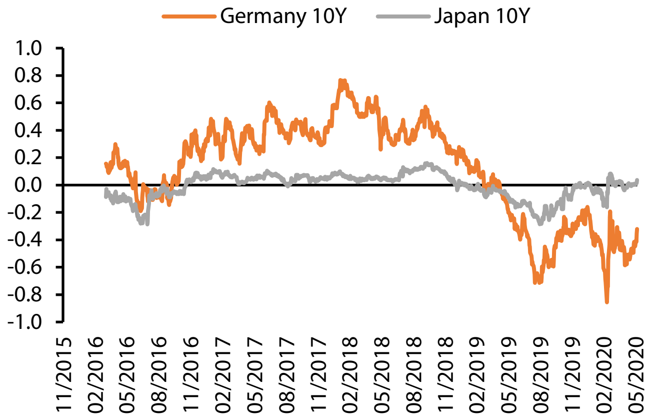
GLOBAL ECONOMIC INDICATORS IN MAY

US G-Bond yields gap (%/year)



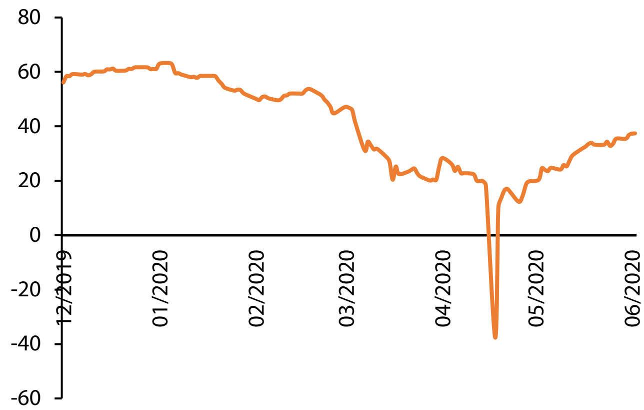
Source: Bloomberg, Rong Viet Securities

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



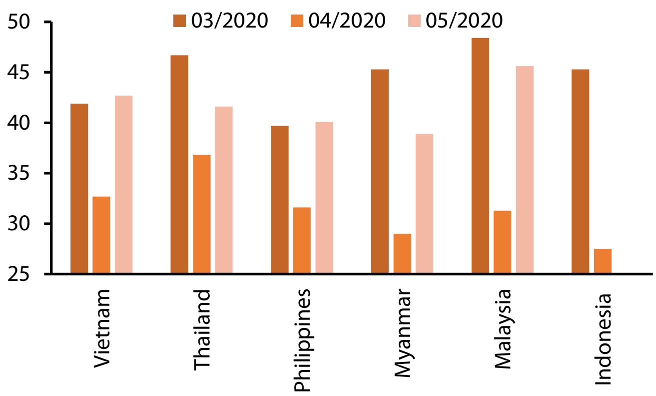
Source: Bloomberg, Rong Viet Securities

WTI crude oil price (USD/barrel)



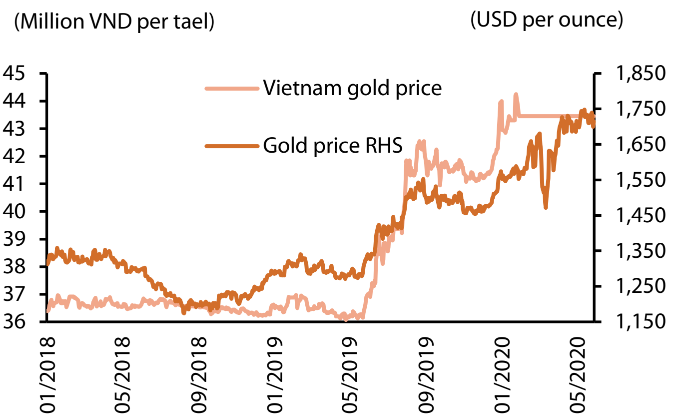
Source: Bloomberg, Rong Viet Securities

ASEAN's PMI



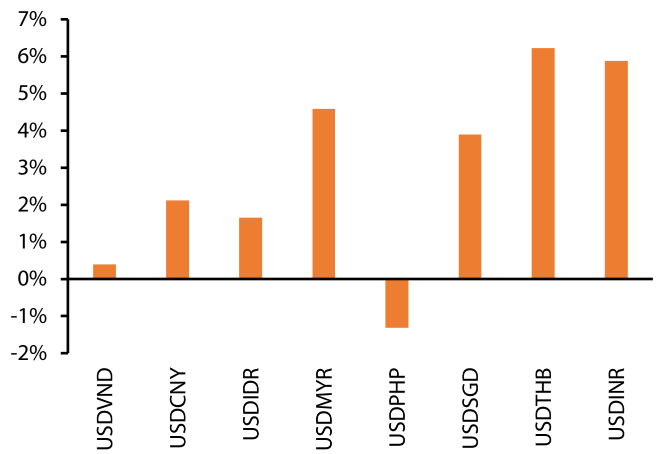
Source: Bloomberg, Rong Viet Securities

Gold prices



Source: Bloomberg, Rong Viet Securities

FX rates (%, YTD)



Source: Bloomberg, Rong Viet Securities

VIETNAM MACRO

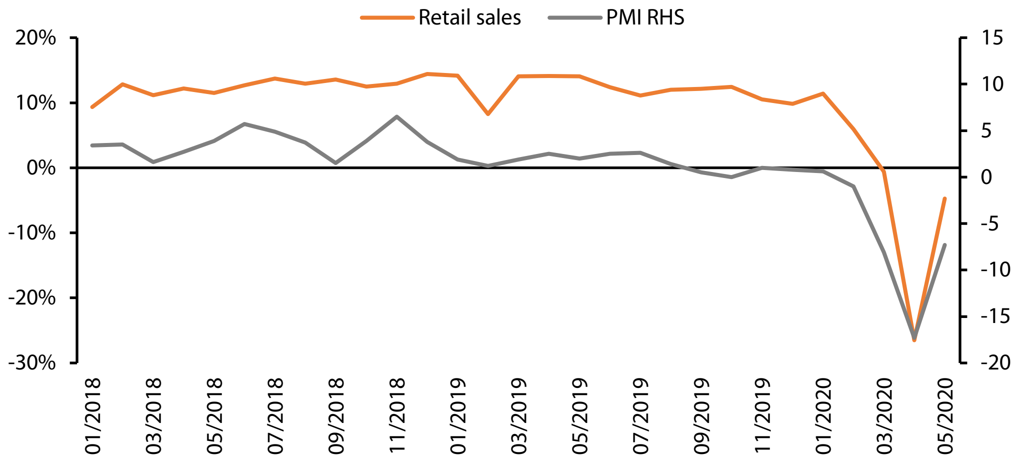
- Vietnam emerging from social distancing
- Retail sales jumped up in various different categories
- Inflation risk is rising due to oil prices rebounding and pork prices moving higher

Vietnam emerging from social distancing

After the social distancing rules were eased up, Vietnam's consumption and production has quickly bounced back in May. Most economic indicators experienced significant rebounds thanks to a great success in containing the virus outbreak. Although the last two months' economic activities still declined compared to last year's, we believe that the 2020's economic growth will likely be close to the target of 5%.

As seen in the chart below, both retail sales and manufacturing have jumped up. Retail sales of goods and services rocketed by 26.9% mom but slipped 4.8% yoy. Meanwhile, PMI rebounded strongly and stood at 42.7 points after three consecutive decreases.

Figure 3: Annual growth of retail sales of goods and services, and PMI



Source: GSO, RongViet Securities

If we look at consumption, Google's community mobility tracker[1] shows the trend by region, and across different categories. It compares mobility for the report date to the baseline day, the median value from the 5-week period Jan 3 – Feb 6, 2020.

We focus on three key categories; 1) retail & recreation, 2) grocery & pharmacy and 3) workplace. The table below illustrates that all of these indicators significantly improved since April 13rd, 2020 when Vietnam was under the impact of the social distancing rules. While the mobility for retail & recreation is rebounding and softening previous losses, those for workplaces turned into the positive territory. The mobility for grocery & pharmacy, in May 25th, 2020, increased slightly by 2%, compared to the baseline. That was in contrast to a deep drop of 39% a month ago.

Retail sales of goods and services got back well after dropping by 21% mom in April. Ha Noi city and Vinh Phuc provinces, strongly hurt by the virus outbreak, delivered the most impressive rebound of 46% and 59% mom in May, followed by Thanh Hoa, Thai Nguyen, and Hai Phong. In general, the North provinces experienced significant swings due to the harmful impact of the virus. Changes were less damaging in the South, even in the time of social distancing. The recovery of foods, clothes and home appliances, in general was stronger than in other sectors. In Hanoi, car sales grew at a better pace than the average while the denser traffic resulted in a higher consumption of fuel in Ho Chi Minh city. Sales of educational items bounced back as students are now in school.

[1] Google's Community Mobility Reports

Table 2: Google's community mobility tracker, compared to the baseline

	Apr 13rd, 2020 Retail &Recreation	Apr 13rd, 2020 Grocery &Pharmacy	Apr 13rd, 2020 Workplace	May 25th, 2020 Retail &Recreation	May 25th, 2020 Grocery &Pharmacy	May 25th, 2020 Workplace
Vietnam	-58%	-39%	-19%	-21%	2%	17%
Ha Noi	-78%	-50%	-40%	-27%	-3%	6%
Hai Phong	-60%	-40%	-17%	-20%	12%	15%
Quang Ninh	-56%	-45%	-18%	-23%	0%	25%
Bac Ninh	-58%	-35%	-10%	-18%	32%	19%
Thai Nguyen	-50%	-40%	-33%	-22%	17%	17%
Vinh Phuc	-45%	-40%	-20%	-15%	10%	24%
Da Nang	-80%	-55%	-39%	-30%	-16%	9%
Thanh Hoa	-40%	-39%	-5%	-25%	-3%	38%
Ho Chi Minh	-60%	-40%	-25%	-29%	-13%	6%
Dong Nai	-40%	-35%	-5%	-13%	1%	14%
Binh Duong	-42%	-28%	0%	-17%	0%	14%
Can Tho	-62%	-40%	-36%	-9%	10%	18%
Kien Giang	-45%	-40%	-30%	-20%	-4%	26%
An Giang	-42%	-40%	-38%	-19%	-4%	18%

Figure 4: Growth of retail sales of goods and services, by provinces

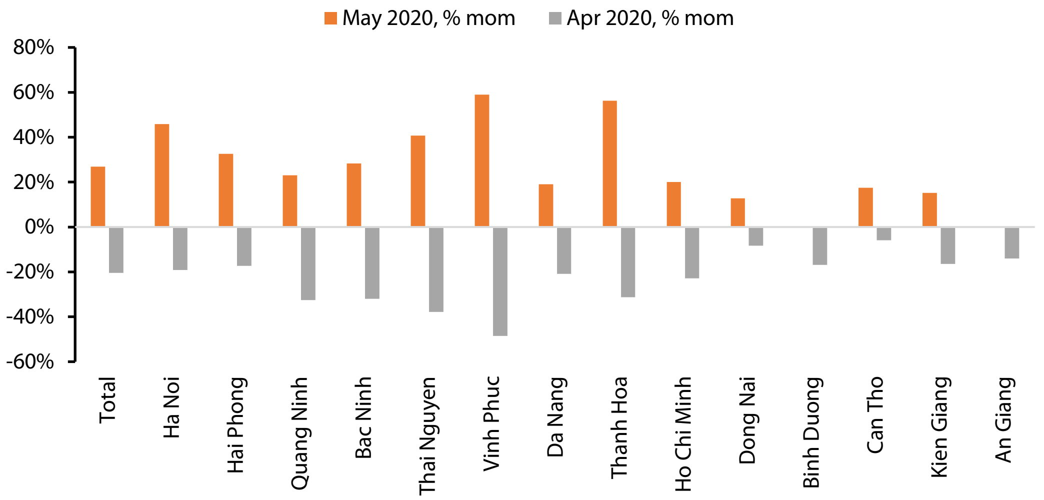


Table 3: Growth of retail sales in Hanoi and Ho Chi Minh, by sectors

	Hanoi May 2020 vs Apr 2020	Hanoi May 2020 vs May 2019	Hanoi 5M 2020 vs 5M 2019	Ho Chi Minh May 2020 vs Apr 2020	Ho Chi Minh May 2020 vs May 2019	Ho Chi Minh 5M 2020 vs 5M 2019
Retail sales	**18%**	**9%**	**6%**	**12%**	**5%**	**8%**
Food and foodstuff	17%	17%	13%	-6%	12%	18%
Clothes	15%	18%	12%	21%	8%	7%
Home appliances	22%	26%	14%	12%	-8%	10%
Educational items	4%	-8%	-2%	37%	3%	-2%
Construction materials	9%	2%	4%	23%	-6%	-8%
Cars (<9 seats)	25%	1%	1%	9%	-6%	-5%
Means of transportation	18%	-5%	0%	11%	-6%	-5%
Gasoline	10%	-7%	-2%	29%	-2%	-5%
Other fuels	12%	5%	8%	32%	4%	0%
Precious stones, metals	8%	-14%	-8%	15%	-9%	-5%
Other goods	27%	14%	8%	15%	20%	15%
Cars/Moto-bikes repair services	13%	-2%	-1%	18%	14%	9%
Accommodation and food services	**270%**	**-16%**	**-36%**	**80%**	**-66%**	**-48%**
Other services	**128%**	**3.60%**	**-11.60%**	**37%**	**32.8%**	**-12.70%**

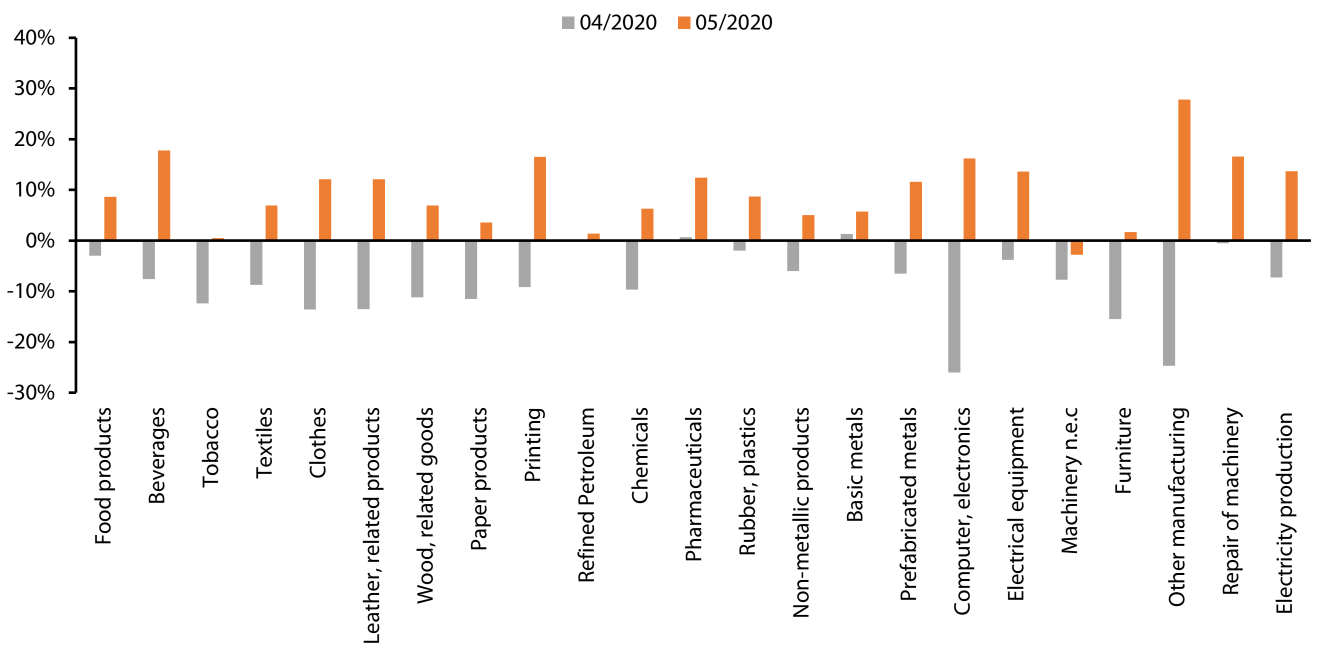
Source: Google, GSO, Rong Viet Securities

The industrial production index increased 11.2% mom but dropped 3.1% yoy. In 5M2020, the index rose by 1% yoy, well below the 9.5% yoy in 5M2019.

While miners keep moving down, other manufacturing subsectors regained noticeably. The sub-index of motor vehicles and means of transport rebounded by 46% and 140% mom as most of the key manufacturers, in the North, restarted operations. Beverage output increased by 17.8% mom in May. That was followed by printing (+16.5% mom), rubber and plastic (8.7% mom), and electrical equipment (13,6% mom). Notably, electricity generators recorded a monthly growth of 13.7% in May after being down 7.3% mom in April. The hot weather has been supportive for them. Pharmaceuticals keep growing at over 20% yoy since February 2020.

The main export group, such as clothes, textiles, furniture, computer and electronics, showed moderate growth back due to a high dependence on export orders to Western buyers. As being mentioned in last month's report, our scenario is that Western countries will reopen their economies slowly and export orders will come back quickly from June.

Figure 5: Monthly production growth by sectors



Source: GSO, RongViet Securities

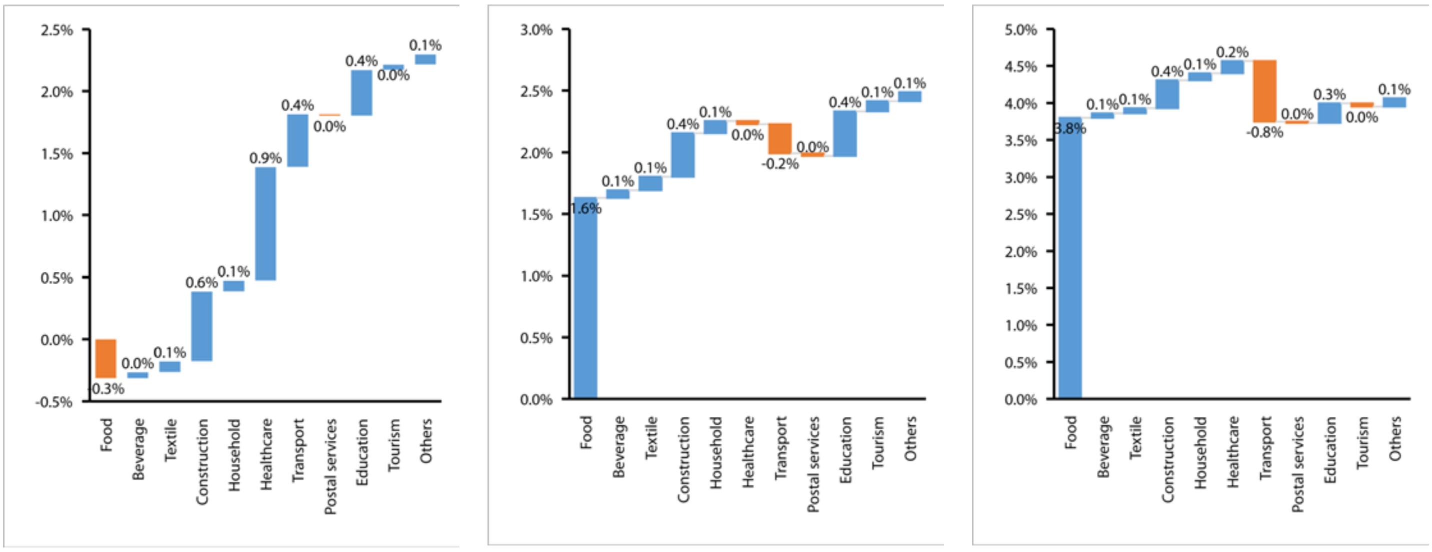
While the government has been making efforts to re-boost domestic consumption by delivering cash aids, stabilizing consumption expectations, encouraging tourism promotion, and so on, the worse-than-expected inflation risk is threatening its plan. Although CPI recorded the fourth consecutive decrease due to the crash of crude oil prices, it's hard to maintain the downtrend in the upcoming months.

The CPI dropped by 0.03% mom in May as 4 out of 11 sub-groups experienced lower prices. Transportation saw the largest loss as the government set gasoline prices lower. In addition, retailers also promoted sale-off deals in order to reduce stocks and manage their working capital. At the end of May, the headline inflation increased by 4.4% yoy while the core inflation rose by 2.9% yoy.

Managing inflation will be harder in 2H2020 because pork prices are peaking and crude oil prices have bottomed out. In May 2020, the food subgroup added nearly 4% to the headline inflation, triple the level of last year. The consequences of the African swine fever (ASF) and COVID-19 have created a broad shortage of pork supply across provinces. Imported pork does not fit well with Vietnamese's consumers. The government's administrative intervention seems ineffective up to now. In recent weeks, there are signals that the African swine fever (ASF) re-appeared in dozens of provinces, which directly hurt the effort of reproduction and has pushed retail prices above VND100,000/kg.

Meanwhile, crude oil prices (WTI) have rebounded as the world starts re-opening. Such reversion puts a massive pressure on domestic gasoline retail prices. The rare positive point is a highly rich amount of petrol price stabilization fund which doubled to VND 5,000 Bn after the first five months of 2020. The scenario of inflation being at 4% is real for 2020.

Figure 6: CPI of 5M2018, 5M2019, 5M2020, respectively



Source: GSO, RongViet Securities

VIETNAM'S STOCK MARKET IN MAY: CONTINUES TO RECOVER

Vietnam's stock market continued to recover in May after having risen sharply in April. The VN-Index's performance is better than regional and global markets such as Thailand, China, South Korea and the S&P 500. Market liquidity, measured by the average daily trading value, reached VND 4.4 trillion, up 74% compared to that of January 2020.

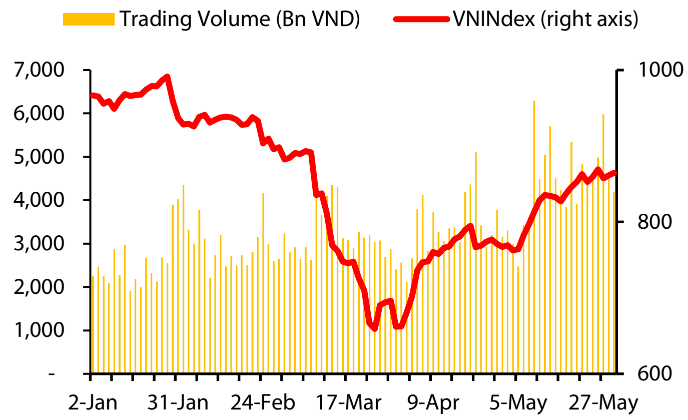
Table 4: Markets in May and since the March bottom

Period	VNIndex	S&P 500	KOSPI	SHCOMP	SET
30/04/2020 – 29/05/2020	12.4%	4.5%	4.2%	-0.3%	3.2%
March bottom – 29/05/2020	31.1%	36.1%	39.2%	7.2%	31.1%

Source: Bloomberg

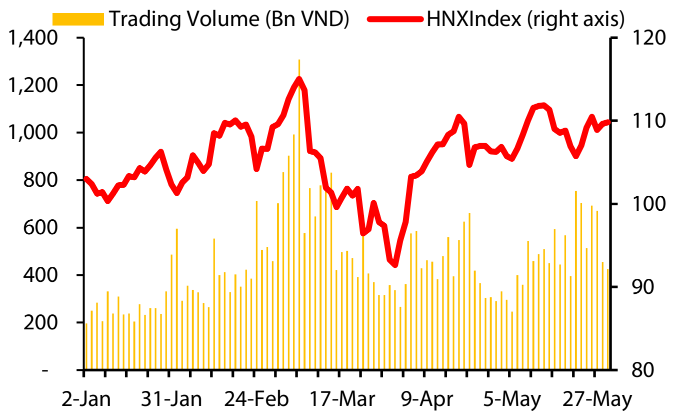
Positive movements of Vietnam's stock market are not only reflected on HOSE as HNX and UPCOM also increased by 2.8% and 5.4% MoM. Trading volume also increased from April.

Figure 7: VNIndex in 2020



Source: Fiinpro, Rong Viet Securities

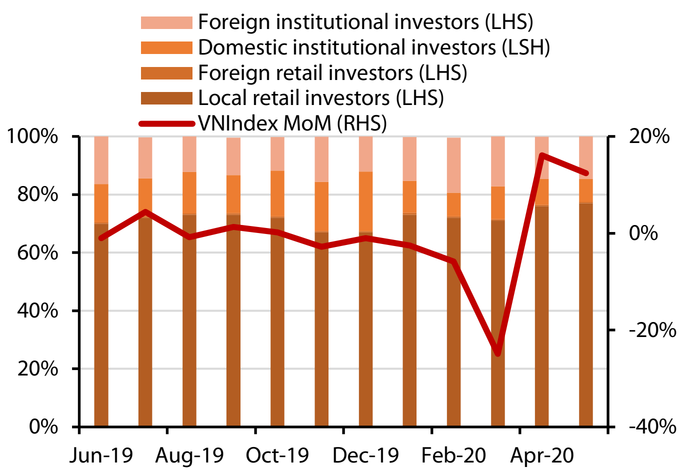
Figure 8: HNXIndex in 2020



Source: Fiinpro, Rong Viet Securities

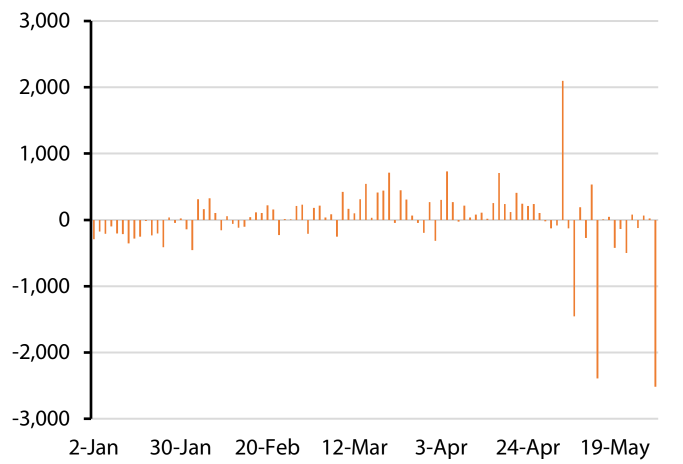
Market liquidity has increased over time. At the same time, the proportion of total trading value of local retail investors on VNIndex increased to 77% in April and May from about 70% in previous months. However, we notice that the trend of net buying by domestic individuals was not as strong as in February, March and April when they started to net sell in May by roughly VND 2,7 tn (after adjusting large put -thourgh deals). Some stocks were bought by retail, such as PC1, VIC, HPG, VRE, DIG, VCI, VJC, DPM, BVH, VGC, DBC.

Figure 9: Proportion of total trading value by investors on HOSE



Source: Fiinpro, Rong Viet Securities

Figure 10: Local retail investors started to net sold in May (Billion VND)



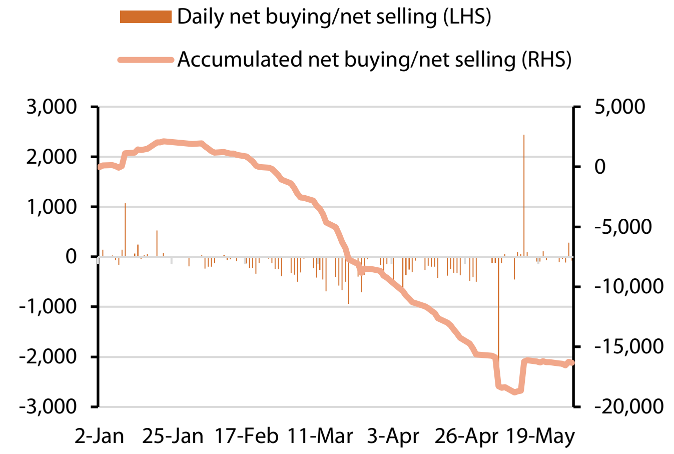
Source: Fiinpro, Rong Viet Securities

Foreign trading

Foreigners were more positive in May as they reduced their net selling value from previous months. There were still many bluechips being sold like VIC (-VND 454 bn), HPG (-309), VRE (-246), VJC (-172), DPM (-142), BVH (-134), etc. However, they also net bought a lot of other large caps such as VNM (+VND 826 bn), VCB (+701), VPB (+408), VHM (+318), PLX (+115), and CTG (+73).

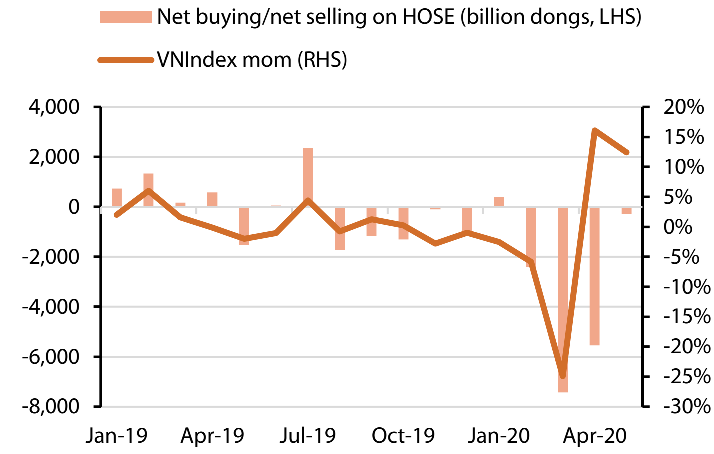
The most positive thing from foreign investors is that they are constantly putting money into new local ETFs such as FUEVFVND (tracking the VN Diamond index) and FUESSVFL (tracking the VN Fin Lead index). According to our data, FUEVFVND and FUESSVFL ETF issued 47.8 and 20.5 million shares, respectively, worth roughly VND 780 billion in May. While FUESVFVND ETF proved interesting since it was only listed in the middle of May, FUESSVFL ETF has somewhat drawn foreign investors money after two months of listing. Another positive point is that the worry that the largest domestic ETF in the market, E1VFVN30 ETF, may see withdrawal by investors to switch to the new local ETFs has been partially removed as issuing and redeeming activities of E1VFVN30 ETF was quite balanced.

Figure 11: Net buying/net selling on both exchanges via both matching-order and put-through transaction (billion VND)



Source: Fiinpro, Rong Viet Securities

Figure 12: Net buying/selling on HOSE via matching-order transaction versus VNindex MoM



Source: Fiinpro, Rong Viet Securities

Table 5: Foreign net buying value by sectors on HOSE and HNX

Sector	HSX		HNX	
	Net trading volume (thousand shares)	Net trading value (billion VND)	Net trading volume (thousand shares))	Net trading value (billion VND)
Food & Beverage	42,314	3,075	126	1
Banks	13,993	973	-7,882	-112
Financial Services	40,472	322	-4,320	-34
Oil & Gas	-1,243	79	-8,276	-97
Technology	-145	0	-2	0
Media	0	0	-8	0
Health Care	-6,490	-4	-80	-1
Telecommunication	-152	-9	34	0
Retail	-2,396	-41	9	0
Personal & Household Goods	-1,140	-42	-12	0
Utilities	-3,226	-45	-223	-4
Industrial Goods & Services	-7,180	-131	-252	-1
Insurance	-3,075	-141	118	4
Chemicals	-11,464	-142	224	0
Automobiles & Parts	-3,423	-161	-5	0
Travel & Leisure	-2,304	-193	0	0
Basic Resources	-40,264	-484	-42	0
Construction & Materials	-39,108	-665	-11,888	-5
Real Estate	-64,528	-2,838	-991	-6

Source: Fiinpro, Rong Viet Securities

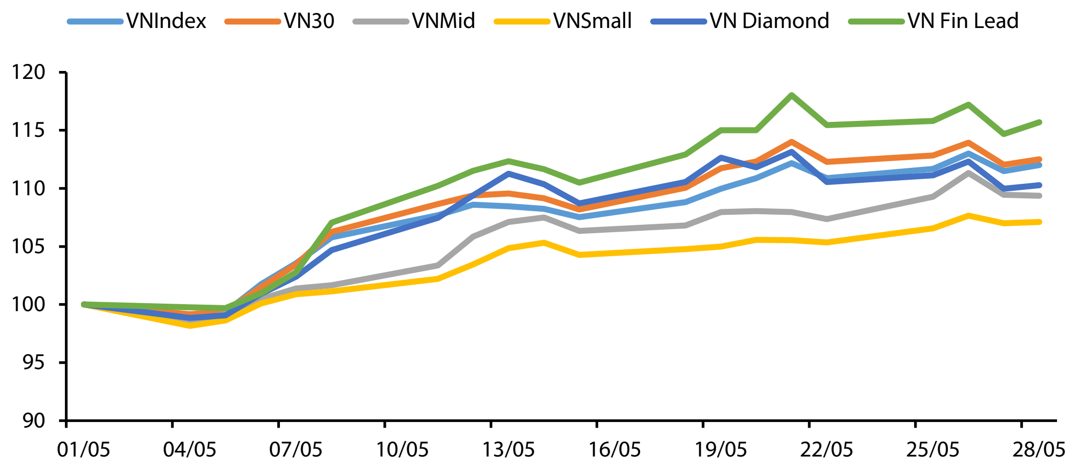
Sector and stock movement

Banking stocks performed better than the rest thanks to (1) Supportive information such as interest rate reduction and the draft revision of Circular 01 on the possibility of expanding the scope of debt restructuring and (2) The high demand of foreigners for domestic ETFs and large banks such as VCB, VPB, and CTG.

Besides banking, basic resources, consumer goods and energy also performed better than the overall market. HPG, VNM, PLX are representative for these three groups. While HPG surprised the market with positive business results, VNM and PLX were net bought strongly by foreign investors in May.

Although the market has recovered about 30% from the bottom in March, some large stocks are lagging behind the general market such as VIC, VJC and NVL. While mid-cap stocks, CTI, HPX, DHC, SAM, VPI, DBD, CRE, CII are lagging.

Figure 13: Banking sector outperformed in May



Source: Bloomberg, Rong Viet Securities

Table 6: Laggards on VN30 and VNMid since the March bottom

The top 10 laggards in VN30 Index	March 31st 2020 – May 29th 2020	The top 10 laggards in VNMId Index	March 31st 2020 – May 29th 2020
ROS	0,0%	CTI	-10.5%
NVL	3,5%	HPX	-5.8%
EIB	10,2%	DHC	2.8%
REE	14,0%	SAM	3.2%
SBT	15,1%	VPI	3.8%
VJC	17,1%	CRE	3.9%
VIC	19,2%	HNG	4.1%
VNM	26,1%	DBD	5.9%
MBB	26,5%	VNG	7.1%
CTG	27,1%	CII	7.2%
VN30	**30,5%**	**VNMid**	**28.9%**

Source: Bloomberg

Liquidity that has driven the market for the past two remains elevated.

The stock market in May has increased stronger than our expectations, thanks to the strong participation of domestic investors as well as the lower selling pressure of foreign investors. The proportion of trading value of local retail investors and foreign institutional investors reached 77% and 15% in May, respectively, compared to the average of 72% and 17%. The active participation of domestic investors, besides the positive progress of disease control, we believe that there is a great support from the further relaxation of monetary policy by SBV during low demand for capital because of stagnant production due to the fact that the major trading partners of Vietnam were still closed.

Specifically, at the beginning of May, the State Bank of Vietnam continued to reduce by 50 basis points the executive rate and the maximum deposit rate for terms of less than six months to 4.25%. Decreased deposit rates have increased the attractiveness for the stock market, which has fallen to the most attractive level in the past 4-5 years. Margin lending interest rates of securities companies also have more preferential packages, especially for newly opened accounts. Our estimation shows that margin loan outstanding has increased by about 15% compared to the beginning of May.

The demand from foreign investors will mainly come from new ETFs as these partly solve the current problem of foreign ownership limit. Particularly, FUEVFVND showed its attraction after listing when its assets increased seven times now compared to pre-IPO to VND 725 billion. Currently, total assets of FUEVFVND are only equal to 12% of the total assets of E1VFVN30. In addition, FUESSVFL began to attract investors after two months of listing when its total assets doubled in May to VND 451 billion. Obviously, having listed in the context of a strong market decline has prevented FUESSVFL from attracting as many investors as expected. For other foreign investors, we expect them to continue to trade lightly as in May instead of strong net selling like in previous months.

... However, there is a limited room for the market to rise

After outperforming regional and global stock markets, the VNIndex nearly caught up with global markets in May. Most of the key stocks rebounded better than the rest of the market except for some stocks such as VIC, VJC and NVL. Therefore, we believe that the contribution of large caps to the index will decrease significantly compared to the previous two months.

Table 7: Stock performance in VN30 Index

Tickers	Exchange	Market cap (Bilion VND)	Closed price in May compared to	
			March 24th 2020	December 31st 2019
VIC	HOSE	328,772	35%	-8%
VCB	HOSE	320,818	49%	5%
VHM	HOSE	260,201	41%	-3%
VNM	HOSE	202,174	35%	11%
BID	HOSE	166,713	28%	-11%
GAS	HOSE	144,120	36%	1%
SAB	HOSE	113,956	58%	13%
CTG	HOSE	87,500	28%	-9%
HPG	HOSE	76,344	58%	21%
TCB	HOSE	74,553	31%	-5%
MSN	HOSE	73,761	30%	30%
VRE	HOSE	63,170	56%	-3%
VPB	HOSE	59,847	24%	-11%
VJC	HOSE	59,351	19%	-6%
PLX	HOSE	55,135	30%	-5%
NVL	HOSE	53,325	4%	1%
GVR	HOSE	51,400	44%	3%
MBB	HOSE	43,044	21%	-12%
HVN	HOSE	39,287	50%	19%
MWG	HOSE	38,942	24%	-20%

FPT	HOSE	37,863	26%	2%
BVH	HOSE	37,636	44%	-9%
POW	HOSE	24,473	39%	7%
HDB	HOSE	24,100	40%	-4%
EIB	HOSE	21,454	10%	2%
STB	HOSE	19,389	19%	-9%
HNG	HOSE	17,681	18%	12%
TPB	HOSE	17,393	-4%	-2%
PNJ	HOSE	14,390	26%	-21%
BHN	HOSE	12,819	3%	-11%
DHG	HOSE	12,133	28%	1%
KDH	HOSE	11,672	16%	-9%
PDR	HOSE	10,071	19%	13%
REE	HOSE	9,829	12%	-3%
SSI	HOSE	9,134	40%	10%
SBT	HOSE	9,125	17%	-31%
VGC	HOSE	8,429	41%	4%
GEX	HOSE	8,248	22%	-7%
PPC	HOSE	7,855	22%	-8%
TCH	HOSE	7,542	19%	-32%
PHR	HOSE	7,181	37%	8%

Source: Fiinpro, Rong Viet Securities

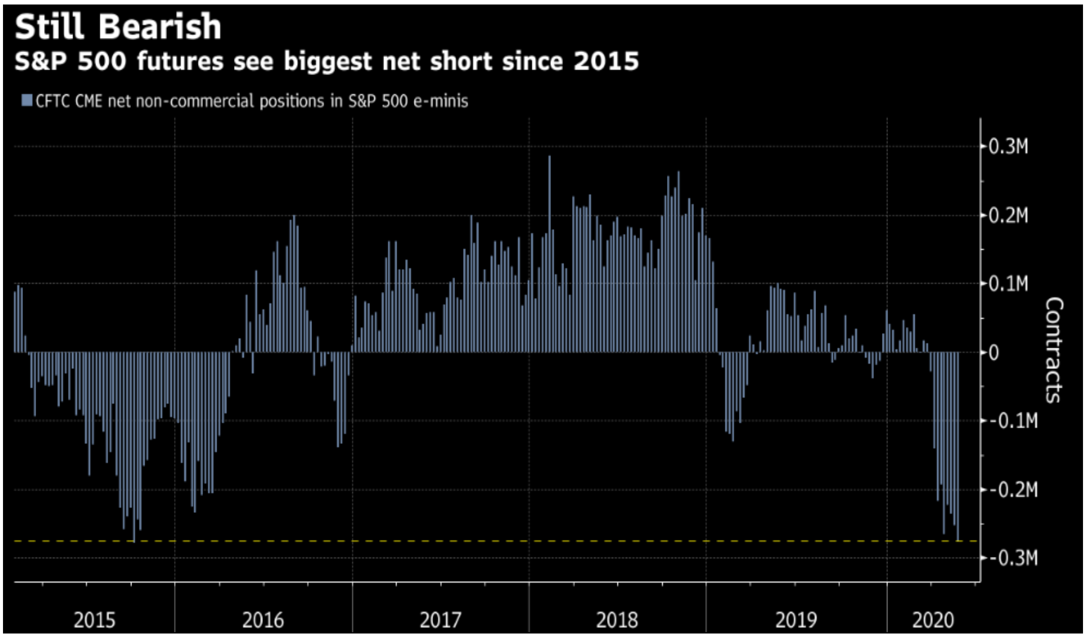
Meanwhile, domestic individual investors have started to buy selectively. Our data also shows that the number of new accounts opened in May has begun to slow down.

Fundamentally, the market is more expensive compared to the beginning of the year while VNIndex only decreased by 8.5% YTD. Estimated earnings per share in 2020 was adjusted to -4% now from +12% at the beginning of the year.

In addition, while the market has recovered 30% since the bottom in March and valuations are no longer that attractive, there are still many risks that investors need to pay attention to. We realize that these risks are mainly externalities, which do not / have no direct impact on Vietnam's economic activities, but may affect market sentiment.

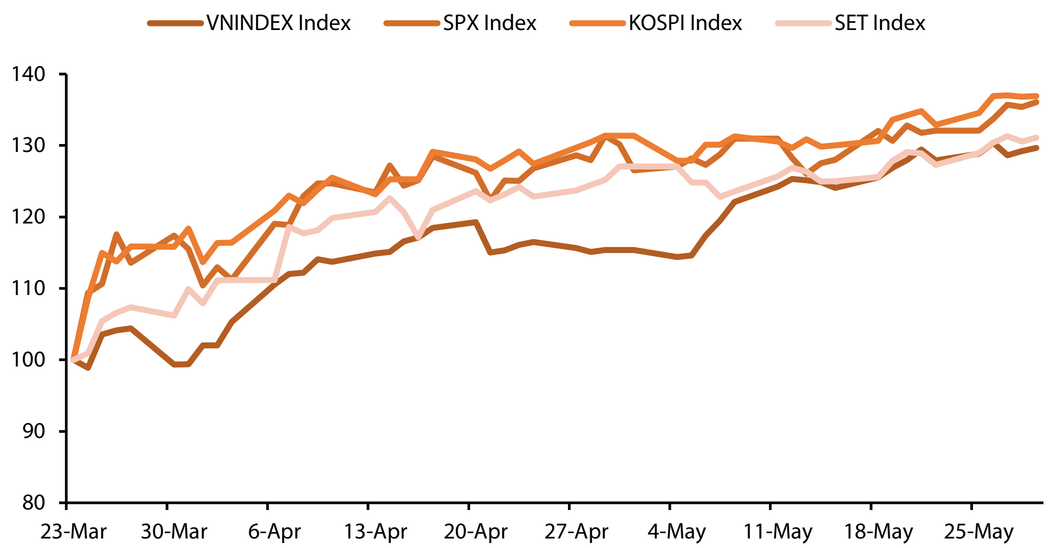
- First is the complicated political situation in the world as US-China tensions are showing signs of escalating again and protests are rampant in the US and Europe. We think that the current escalation of US-China tensions will not lead to negative effects on the two countries' trade deal negotiations, at least in June. However, with more and more disagreements, the US-China trade relationship is still a factor that investors need to observe closely.
- The second risk relates to the risk of an outbreak. Until a vaccine is available, this factor will not be ruled out. Although the number of new cases in reopened areas such as the US and Europe shows no sign of increasing, protesting can pose a significant risk of a spread.
- Finally, US investors are betting more on the possibility of a decline in the near future. Despite the confusing political situation in the US, the country's stock market has continuously increased over time. As a result, US investors are betting more on whether the market will decline as the number of short derivatives contracts has reached a record level since 2015.

Figure 14: Short position in the US rises to the highest level since 2015



Source: Bloomberg

Figure 15: VNIndex has caught up with global markets



Source: Bloomberg, Rong Viet Securities

In summary, we believe that factors that have driven the market in the past month or so will remain in June but we see a limited room for market to grow. We forecast a range for the VNIndex of 830 – 905.

SAVING PURCHASING POWER FOR BETTER OPPORTUNITIES

As per our expectation, positive events in controlling the pandemic and easing of lockdowns in the US and Europe has boosted the excitement of investors. In addition, SBV has continued to cut policy rates and short-term deposit ceiling rate. This created a scenario where local investors, which were cash rich, and foreign funds bought into the market in the past few months. As a result, many stocks sharply increased and almost covered all of the losses in late March.

Given that many countries have gradually resumed their economic activities, we expect there will be more workload for Vietnam. Busier economic activities could make less free capital to the stock market. Momentum to drive the stock market in June will be weaker than it was in May. However, we see no issues which can hurt the market heavily at this time, even though it has risen so much recently. As such, it is possible for the VNIndex to move higher in June. Buying at this time should be carefully based on stock selection. For investors who bought and made money, we recommend to take profits. Again, we would like to remind that Q2 will be the quarter seen as the worst for business results for many sectors as well as GDP growth. Opportunities to buy at attractive prices could arise at that time. Saving a part of your purchasing power for such chance!

Among sectors whose business results will be poorly reported in Q2, some sectors will perform better than they were in Q1, such as securities or fishery (pangasius). Accumulate stocks in those sectors in June could bring short-term profit to investors.

VHC – TP: VND 40,000. Pangasius selling prices have decreased throughout 2019 from the peak in 4Q 2018 and have stayed low since then. The sharp decrease in selling prices has stimulated demand. While export volume to China fell sharply in February and March due to quarantine measures, export volumes to the US and EU increased sharply as people rushed to stock food before the quarantine. In Q1, we estimate that VHC's pangasius export price may have decreased around 38% while volume increased by 30% compared to the same period last year. Sales of value-added pangasius (breaded, seasoned, ready-to-eat, etc.), which are mainly consumed in the retail channel, grew sharply by 28% YoY due to large households' demand for easy-to-cook products. In Q2 2020, we expected that pangasius export volumes in China and the US will recovered quickly while export prices have not largely declined. Particularly, we expect pangasius export prices will decrease 26.4% YoY and the export volume will increase 123% YoY. Gross margin, as a result, will increase to 17% from the low point of 13% in Q1 2020. Revenue and NPAT are estimated to up by 11% and 36% QoQ (down by 11% and 47% YoY) respectively.

Regarding POR 15 results, it is expected that there will be two more Vietnamese competitors to VHC in the US market, named NTSF and CASEAMEX. The anti-dumping duty applying to these two companies will reduce significantly from last year rate. The POR15 results will bring more competition, depending on how rapidly the rivals can increase their production and maintain such low duty rates in the future. We think the competition from NTFS and CASEAMEX should not be a problem for VHC at least until the next POR result, given VHC's long-term relationship with buyers and its product differentiation. Furthermore, the history of anti-dumping duty reviews has shown that it is not easy for a company to maintain a low rate of duty for years.

Following the ETF's step. The new ETF, FUEVFVND (tracking VNDiamond), which focuses on full foreign ownership room stocks, is listed in the second week of May. After three weeks of listed, FUEVFVND has raised VND 725 Bn, equal to 12% of E1VFVN30 ETF's NAV at the same time. We think that the new ETF can attract more cash than previous listed ETF is because (1) It is initiated at the time market's sentiment has been turning to positive, (2) Valuation of market as well as component stocks has fallen to attractive level. It should be noted that selected stocks are not only full room but also having strong fundamental, always in the top favorite of foreigners, and (3) Abundant cash flow from local and foreign investors. That could be the reason making this new ETF has become more successful than the previous listed ETF.

We believe that the trend of cash flow into FUEVFVND will be going on in upcoming months, which in turn will boost demand on component stocks. In this group we prefer REE, FPT, MWG, MBB, and VPB.

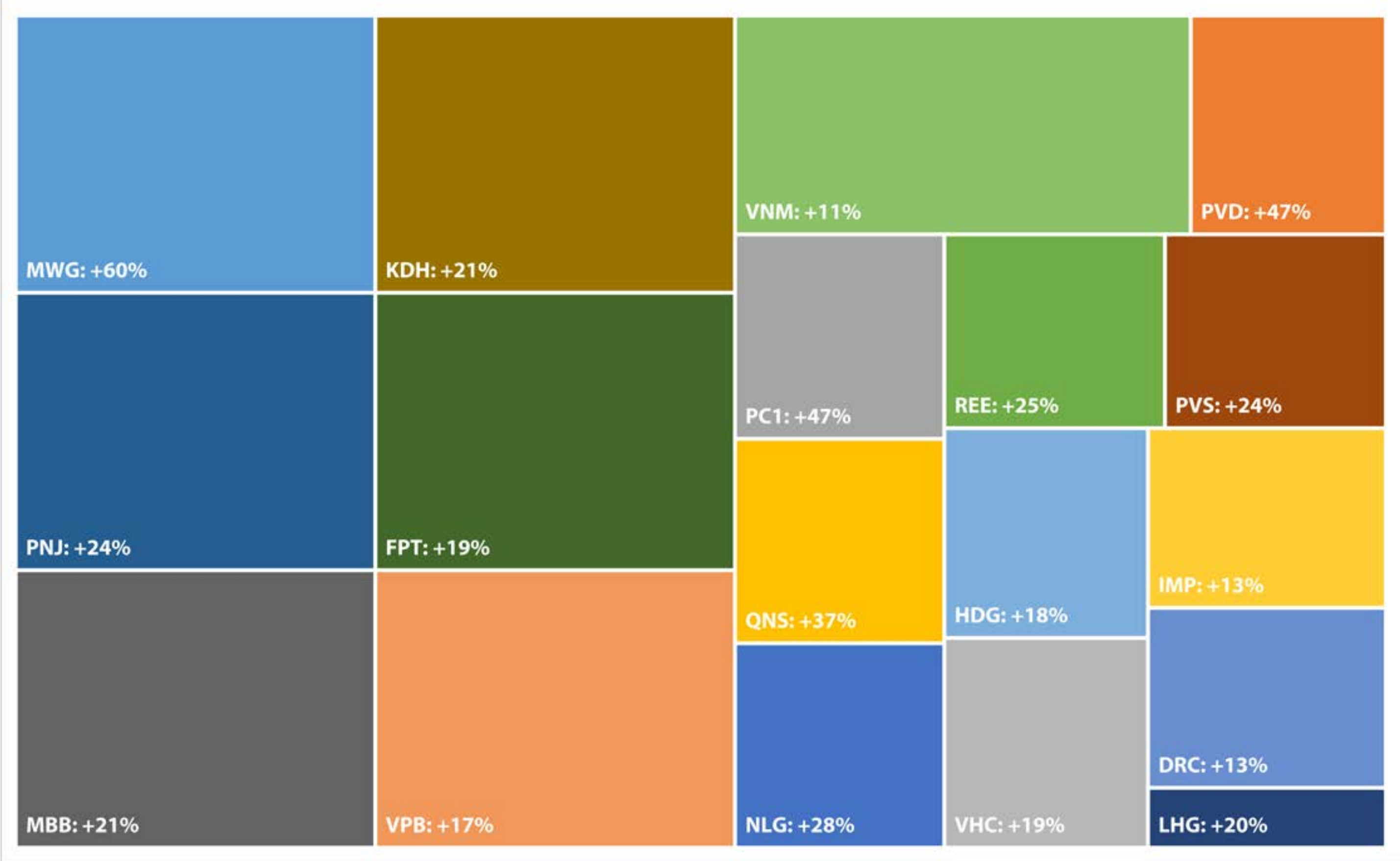
Ticker	Target price (VND)	Weight	Market cap (USD Mn)	1M Ave. trading volume	No. of shares required to exchange 1 certificate/1M Ave. trading volume	2020F growth (%)		2020F PER	Cur. PBR
						Revenue	NPAT		
FPT	55,000	15%	1,655	2,147,891	15.4%	17.2	19.7	7.5	2.6
MWG	135,000	14%	1,692	1,253,490	14.8%	12.2	3.5	8.2	3.0
VPB	28,000	11%	2,612	6,163,477	9.4%	9.5	10.8	5.3	1.4
MBB	21,200	9%	1,798	7,910,539	7.6%	20.8	17.5	3.7	1.0
REE	38,300	4%	148	622,094	23.4%	1.7	5.2	5.6	1.0

Source: Rong Viet Securities

Our stock pitch in the May strategy report

Ticker	Price @ May 4th	Price @ Jun 3rd	% change	Recommendation	Note
FPT	36.8	48.65	32.2%	Accumulate	Three stocks which we picked in the May strategy report, VNM, FPT, and HPG performed very well last month. While we believe that VNM and FPT are still suitable for long-term investment, we, however, are neutral on HPG at this time.
VNM	97.6	116	18.9%	Accumulate	
HPG	21	26.95	28.3%	Reduce	HPG was up by 27.4% MoM and reached our TP in May 2020. Such positive results came from (1) Its business results in the first four month was much better than consensus expectations, contributed by the livestock and steel segments, and (2) An attractive 2020 guidance: revenue will grow at 31 – 39% and NPAT will growth 18 – 32% YoY, 25% of 2019 dividend in cash and stock. However, we find that HPG's high growth of sales in the first four months was mostly from billet exporting to China due to a temporary lack of supply in this country. Therefore, until we have more concisely evident proving that the Dung Quat complex will be mobilized at current high capacity in upcoming quarters, we will not change HPG's target price. At this time, we recommend to reduce the exposure to the stock if its market price goes further than our TP.
ACB	20.3	25.5	25.6%	Reduce	
VPB	20.05	24.3	21.2%	Accumulate	
VNIndex	**762.47**	**881.17**	**15.6%**		
IMP	52.1	59.8	14.8%	Accumulate	Keep accumulate IMP and QNS given the bright long-term outlook in these two companies.
QNS	22.8	26	14.0%	Accumulate	Regarding IMP, SK owned 24.94% of IMP after receiving the transfer from other funds in May 2020. SK is a Korean conglomerate group, who is exporting drugs to over 60 countries. Therefore, with the support of SK, we expect that IMP can boost its export channel, especially to developed countries whose export visa is a critical requirement for IMP to bid into the Tier 1 group in Vietnam's hospital channel. Regarding 2020 guidance, IMP plans to grow 22.5% and 28% YoY in terms of revenue and NPAT, respectively. The company will also plan to pay 40% per share of dividend and bonus shares, implementing in Q2 or Q3 2020.
BMP	44.7	47.7	6.7%	Neutral	
DRC	19.8	19.8	0.0%	Neutral	Keep monitor until Q2 business results is released.
BFC	11.8	13.4	13.6%	Sell	
DPM	13.6	14.65	7.7%	Sell	

Figure 16: Our favorite stocks for this month



Source: Rong Viet Securities; Price as of June 4th 2020; Square size: stock's market-cap classification

HIGHLIGHTED STOCKS

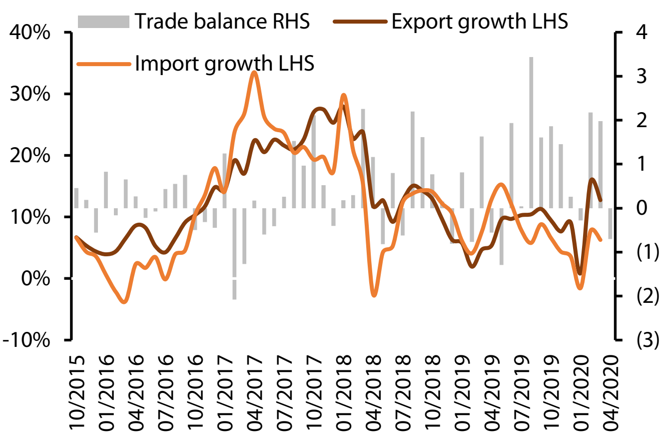
Ticker	Exchange	Market cap (USD mn)	Target price (VND)	Current price (VND)	Total Return (%)	Rating	2019		2020F		2021F		PER Trailing (x)	PER 2020F (x)	PBR Cur. (x)	Div Yield (%)	+/- Price 1y (%)	3-month avg. daily turnover (USD thousand)	Foreign remaining room (%)
							+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)							
MWG	HOSE	1,658	135,000	85,500	59.6	Buy	18.1	33.2	12.2	3.5	21.7	24.2	9.7	8.1	2.9	1.8	-0.6	5,399	0.0
PVD	HOSE	202	16,500	11,200	47.3	Buy	-22.3	-43.4	32.6	12.7	9.9	82.6	15.7	12.3	0.3	0.0	-32.1	2,479	36.6
PC1	HOSE	124	26,800	18,200	47.3	Buy	14.9	-23.8	1.8	28.5	3.7	33.8	8.1	4.8	0.8	0.0	-5.7	743	30.1
POW	HOSE	1,063	15,300	10,600	47.2	Buy	138.8	477.4	14.9	23.0	3.5	-14.0	12.1	9.5	0.9	2.8	-31.6	2,345	37.4
NT2	HOSE	260	27,100	21,100	40.3	Buy	-0.2	-2.9	2.8	3.9	7.9	1.7	8.0	7.8	1.4	11.8	-17.4	356	31.1
DIG	HOSE	167	17,700	12,700	39.4	Buy	-8.9	32.7	82.9	34.4	20.7	26.9	8.9	5.6	1.0	0.0	-4.1	1,030	14.6
QNS	UPCOM	396	33,000	25,900	37.1	Buy	-4.4	3.2	-6.6	-18.7	13.9	19.5	7.4	6.4	1.5	9.7	-7.6	347	32.1
NLG	HOSE	260	30,500	23,821	28.0	Buy	-26.8	25.8	-19.8	5.7	-12.4	30.9	6.6	4.7	1.2	0.0	-6.3	1,065	1.5
PAC	HOSE	45	27,300	22,500	28.0	Buy	3.6	8.7	9.0	-4.1	7.5	-4.8	6.4	7.4	1.5	6.7	-34.5	93	28.2
REE	HOSE	425	38,300	32,000	25.3	Buy	-4.1	-8.1	1.7	5.2	5.4	0.8	6.4	5.7	1.0	5.6	5.1	1,182	0.0
PNJ	HOSE	614	77,500	63,700	24.5	Buy	16.7	24.0	-4.5	-5.8	13.9	19.5	12.2	11.7	2.9	2.8	-13.1	2,895	0.0
PVS	HNX	270	15,700	13,200	24.2	Buy	17.9	-7.6	19.4	32.4	-35.8	-27.7	13.3	9.1	0.5	5.3	-36.4	2,734	36.3
CVT	HOSE	28	20,300	17,800	22.5	Buy	1.1	-1.0	-21.3	-20.7	7.1	1.9	4.7	4.9	0.9	8.4	-3.8	182	38.2
MSH	HOSE	78	41,200	36,200	22.1	Buy	11.7	21.6	-23.6	-58.9	16.6	63.8	4.2	6.6	1.5	8.3	-31.2	206	45.0
STK	HOSE	52	20,000	17,650	21.8	Buy	-7.0	20.3	-11.8	-15.2	11.7	22.5	5.6	5.6	1.1	8.5	-21.6	107	43.3
MBB	HOSE	1,859	21,200	18,000	21.1	Buy	26.2	29.2	20.8	17.5	19.5	29.4	5.4	3.9	1.0	3.3	-4.5	5,630	-3.0
KDH	HOSE	517	27,300	23,000	20.9	Buy	-3.5	13.2	14.9	37.1	15.5	15.1	12.4	8.7	1.6	2.2	-1.8	970	5.1
PME	HOSE	196	71,000	61,000	19.7	Accumulate	10.3	3.9	12.6	14.0	13.9	12.3	14.0	11.2	2.3	3.3	30.8	72	37.9
LHG	HOSE	39	22,000	18,400	19.6	Accumulate	-30.4	6.1	-9.6	57.8	15.7	19.6	6.5	3.6	0.7	0.0	-2.6	189	42.1
SMB	HOSE	41	34,000	31,900	19.1	Accumulate	-2.2	47.9	-10.4	-28.0	2.0	2.7	5.2	6.9	2.1	12.5	6.6	29	36.0
FPT	HOSE	1,625	55,500	48,400	18.8	Accumulate	19.4	19.7	17.2	19.7	15.2	18.5	11.6	7.4	2.6	4.1	33.5	5,246	0.0
HDG	HOSE	144	32,600	28,400	18.3	Accumulate	34.3	33.0	13.4	27.7	-9.6	-3.6	4.5	2.9	1.3	3.5	-4.9	542	33.3
PGI	HOSE	61	17,500	16,000	17.5	Accumulate	8.0	17.2	-6.5	-21.1	0.3	46.6	8.3	7.4	1.0	8.1	3.6	2	28.4
VPB	HOSE	2,506	28,000	24,000	16.7	Accumulate	17.0	12.4	9.5	10.8	14.0	23.0	6.4	5.2	1.3	0.0	33.3	6,915	-0.1
VHC	HOSE	272	40,000	34,900	18.5	Accumulate	-15.1	-18.2	6.9	-19.1	14.1	9.7	6.2	6.2	1.3	4.3	-21.5	816	67.5
DXG	HOSE	264	13,500	11,900	13.4	Accumulate	25.1	3.2	-5.1	-4.8	7.9	14.9	5.8	4.6	0.9	0.0	-15.0	1,544	9.1
GMD	HOSE	252	22,000	19,850	13.4	Accumulate	-2.5	-72.1	-13.0	-23.6	7.9	-7.5	11.6	17.6	1.0	2.5	-18.7	484	0.0
IMP	HOSE	128	66,000	60,300	12.8	Accumulate	18.4	17.1	20.6	17.0	18.0	17.9	17.8	15.1	1.9	3.3	24.9	176	0.0
DRC	HOSE	100	21,100	19,600	12.8	Accumulate	8.6	80.6	-9.2	4.4	15.9	25.7	8.6	7.6	1.4	5.1	6.0	485	28.4
LTG	UPCOM	72	21,300	20,933	11.3	Accumulate	-8.0	-19.7	-7.4	32.2	12.1	11.9	7.2	4.1	0.7	9.6	-1.0	169	4.9
HAX	HOSE	18	11,400	11,600	11.2	Accumulate	8.3	-48.2	-29.7	0.0	4.6	0.0	8.4	8.3	0.9	12.9	-3.5	113	41.9
VNM	HOSE	8,785	126,000	117,800	10.8	Accumulate	7.1	3.5	8.5	5.6	4.5	2.0	19.4	20.0	6.8	3.8	-5.0	9,334	41.2
VGC	HOSE	366	20,100	19,050	10.5	Accumulate	14.8	15.4	-11.7	2.3	5.0	21.5	13.1	10.5	1.3	5.0	-0.1	493	39.2
PTB	HOSE	93	52,200	47,250	10.5	Accumulate	17.6	13.3	-12.3	-13.4	5.8	2.4	5.3	5.8	1.2	0.0	-23.8	426	30.5
SCS	HOSE	265	125,000	123,000	8.1	Accumulate	10.8	15.0	3.6	6.6	12.2	14.5	13.6	11.6	5.5	6.5	-19.9	297	24.1
BMP	HOSE	172	48,200	49,200	8.1	Accumulate	10.7	-1.1	6.4	11.4	7.2	-5.9	9.3	10.0	1.6	10.2	24.4	402	19.9
PPC	HOSE	336	22,500	23,500	6.4	Accumulate	15.0	12.9	11.7	-13.0	0.6	-1.5	6.8	8.5	1.3	10.6	3.7	212	32.6
ACV	UPCOM	5,852	65,000	62,768	5.0	Neutral	13.7	35.8	-37.5	-58.7	45.5	79.2	17.3	24.6	3.7	1.4	-20.7	893	45.6

Ticker	Exchange	Market cap (USD mn)	Target price (VND)	Current price (VND)	Total Return (%)	Rating	2019		2020F		2021F		PER Trailing (x)	PER 2020F (x)	PBR Cur. (x)	Div Yield (%)	+/- Price 1y (%)	3-month avg. daily turnover (USD thousand)	Foreign remaining room (%)
							+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)							
VRE	HOSE	2,764	29,800	28,400	4.9	Neutral	1.5	18.6	3.8	-2.8	9.6	15.9	24.1	20.1	2.4	0.0	-17.2	4,061	18.3
PVT	HOSE	138	11,890	11,450	3.8	Neutral	3.1	5.8	-9.6	-36.2	17.2	37.7	5.4	6.8	0.7	0.0	-25.9	814	23.7
ACB	HNX	1,802	25,000	25,300	2.8	Neutral	14.7	16.7	12.6	14.6	13.1	13.1	6.7	5.5	1.4	4.0	15.0	4,762	0.0
HPG	HOSE	3,145	27,300	26,600	2.6	Neutral	14.0	-12.4	25.5	47.1	20.4	29.4	9.2	5.5	1.5	0.0	9.5	9,696	12.7
BID	HOSE	7,200	42,000	41,800	2.2	Neutral	8.3	15.3	15.1	19.6	16.7	65.5	19.4	12.2	2.2	1.7	35.1	2,367	12.3
DPM	HOSE	245	13,600	14,600	0.0	Neutral	-15.8	-49.6	7.7	56.6	2.9	-7.4	13.3	12.3	0.7	6.8	-12.9	1,426	36.7
KBC	HOSE	286	14,200	14,200	0.0	Neutral	30.4	14.6	-17.2	-2.3	4.9	12.1	8.1	7.1	0.7	0.0	5.4	1,654	26.9
CTG	HOSE	3,931	24,500	24,650	-0.6	Neutral	41.0	74.8	10.2	14.4	13.6	50.5	9.8	6.7	1.2	0.0	23.3	6,376	0.2
VSC	HOSE	67	27,000	28,300	-1.1	Neutral	5.8	-22.1	-15.7	3.2	-7.1	-4.3	6.2	6.8	0.9	3.5	-10.4	174	15.6
VCB	HOSE	14,137	85,000	89,000	-3.6	Neutral	20.1	28.6	15.6	16.1	18.7	21.3	18.4	13.8	3.9	0.9	33.6	4,928	6.2
ANV	HOSE	99	16,400	18,150	-4.1	Neutral	8.8	17.4	-10.4	-48.7	14.7	37.4	4.2	4.7	0.9	5.5	-31.7	266	47.8
PHR	HOSE	312	47,500	53,700	-6.0	Reduce	4.8	-24.3	27.9	141.7	-12.7	-32.1	12.7	11.4	2.7	5.6	5.5	2,343	39.0
AST	HOSE	107	52,000	55,500	-6.3	Reduce	29.2	23.4	-27.7	-61.2	23.2	113.4	15.9	16.3	4.2	0.0	-9.4	197	5.9
HDB	HOSE	1,150	26,000	27,800	-6.5	Reduce	23.6	26.2	13.6	18.0	13.7	21.1	7.4	5.3	1.4	0.0	4.5	1,716	8.8
TCM	HOSE	48	17,300	19,300	-7.8	Reduce	-0.5	-16.6	-20.1	-35.1	6.2	24.3	5.4	7.2	0.8	2.6	-26.1	498	0.0
BFC	HOSE	33	9,100	13,300	-24.1	Sell	-4.4	-56.7	-9.0	-50.0	4.8	26.2	10.3	15.7	0.8	7.5	-28.9	224	45.2

Source: Rong Viet Securities; Price as of June 4th 2020

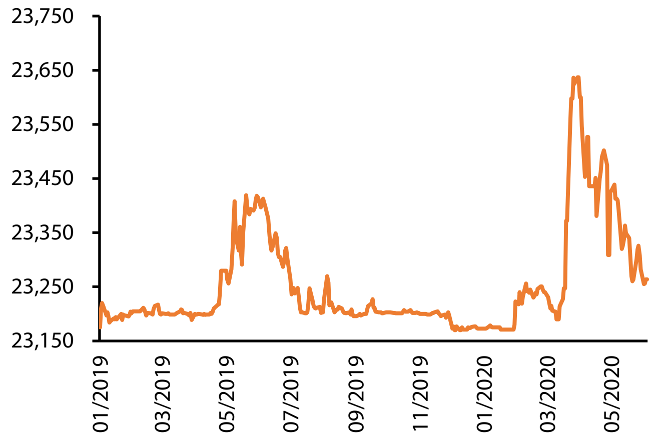
VIETNAM ECONOMIC INDICATORS IN MAY

Trade balance (US Billion)



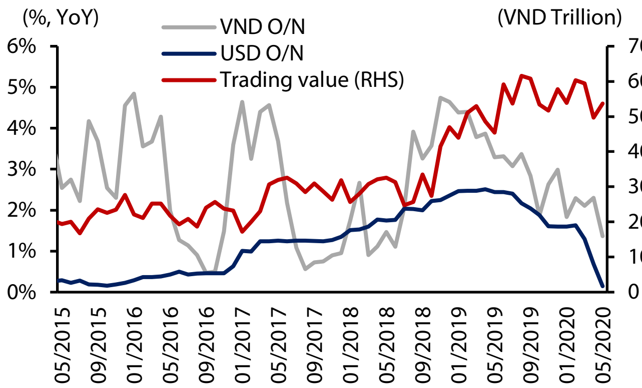
Source: GSO, Rong Viet Securities

USDVND exchange rate



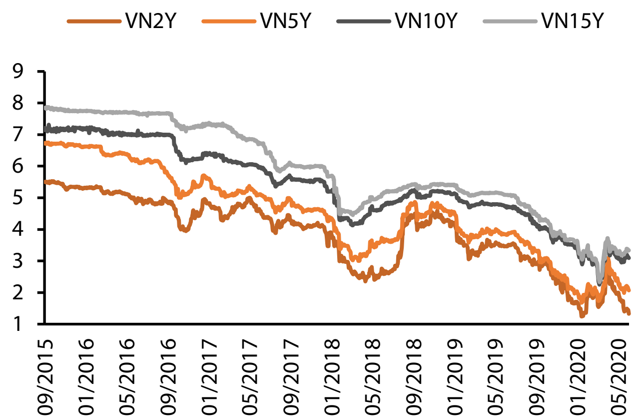
Source: SBV, Rong Viet Securities

Interbank interest rate (%/year)



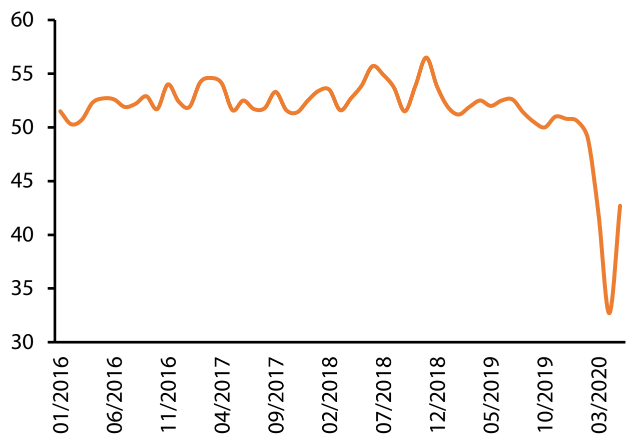
Source: SBV, Rong Viet Securities

G-Bond yields (%/year)



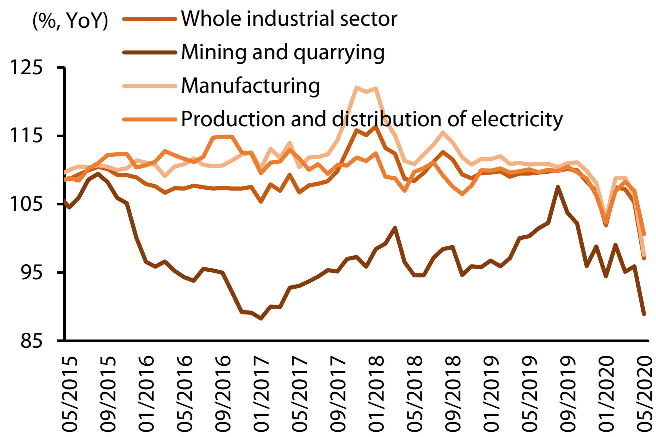
Source: Bloomberg, Rong Viet Securities

Manufacturing PMI



Source: IHS Markit, Rong Viet Securities

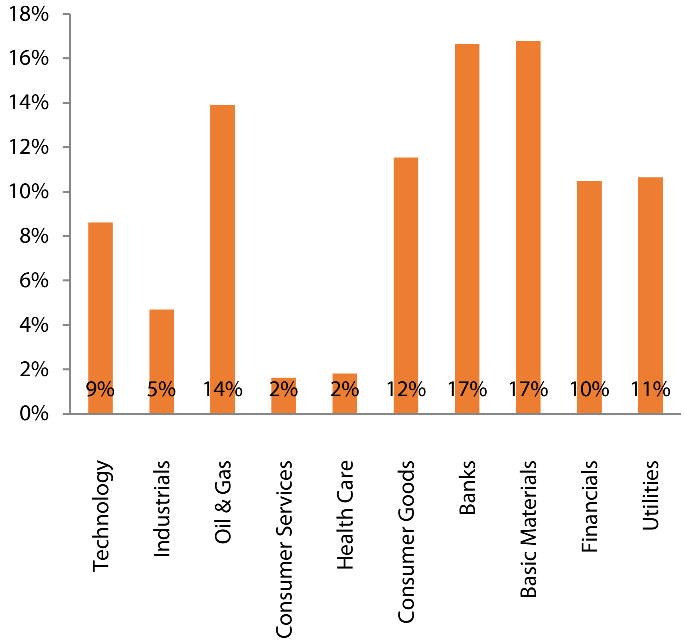
3-month MA Industrial Production Indices



Source: GSO, Rong Viet Securities

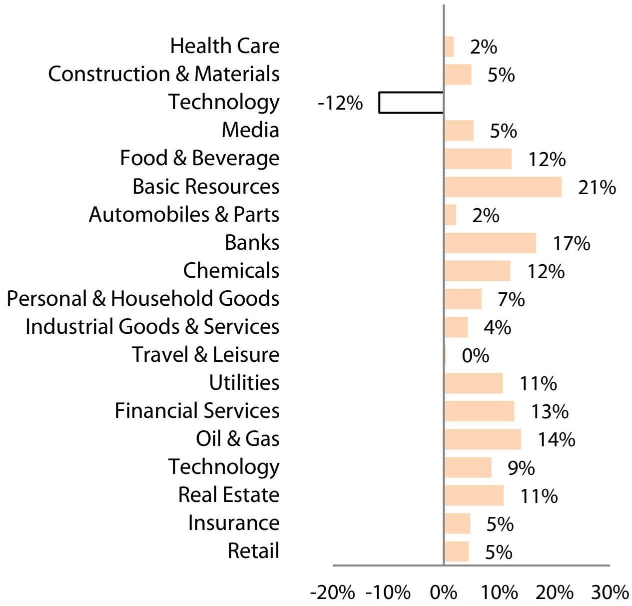
INDUSTRY INDEX

Level 1 industry movement



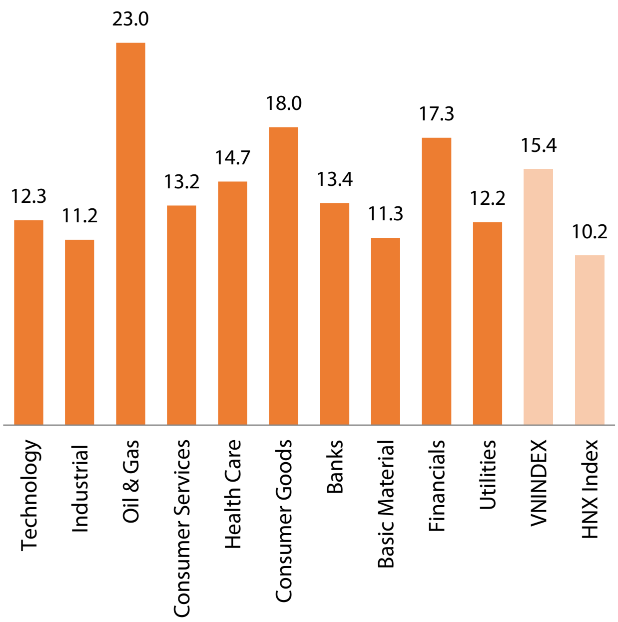
Source: Fiinpro, RongViet Securities

Level 2 industry movement



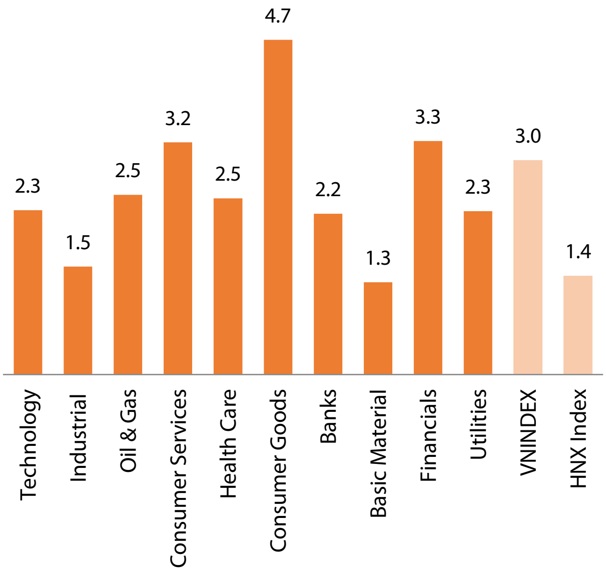
Source: Fiinpro, RongViet Securities

Industry PE comparison



Source: Fiinpro, RongViet Securities

Industry PB comparison



Source: Fiinpro, RongViet Securities

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