August 5th 2020

Investment Strategy August 2020

PRUDENCE WITH MACROECONOMIC OUTLOOK

Since recovering and peaking at 900 in mid-June, VNIndex has continuously adjusted and currently trades at 800 points. We believe that the correction of the market is entirely reasonable when the macroeconomic data does not recover as quickly as previously expected of the market. Besides that, the second wave of epidemics came back, making the fast recovery is unlikely. However, we do not appreciate the possibility that the market will return to the March bottom when investors, now, have sense of Covid-19's impact instead of the panic sentiment in the first outbreak. In addition there are some key similarities and differences between the first and second wave.

Firstly, the net selling pressure of foreign investors was not too high now as in the first outbreak. Foreign investors net sold strongly in the first phase and put pressure on the stock market. However, this is not likely to repeat because 1) dollar liquidity is guaranteed by the Central Bank of America (Fed), 2) Besides, Vietnam dong trades stably against the USD and SBV is willing to stablize FX market.

The second is that the domestic cash flow is abundant at both times. The second wave will make the ability to absorb credit, which are already weak in the first six months of the year will even be more limited. Therefore, it is likely that deposit interest rates will remain low because the redudant liquidity in the system. While the demand for credit for production activities is limited, the possibility of a surge in real estate roadshows is not high when the Government recommends limited crowding evnts. In this context, the stock market, despite its recent volatility, continues to be a potential investment channel.

However, the recovery of Vietnam's economy in particular and the world in general may be slower than previously expected. While the stock market recovered quickly, economic data such as production activities and consumption did not grow impressively. There are times when the Government sets a target of 5% GDP growth for 2020 before adjusting the figure to 3-4%. In addition, expectations of opening of international flights may need to be revised because the epidemic can comeback anytime. Therefore, expectation of economic recovery quickly in Vietnam will need to be considered carefully.

***In summary**, we believe that the market will not react too negatively in this second outbreak because investors are more experienced. Besides, the stock market still proved to be quite attractive in the context of redundant liquidity and other investment channels have not backed. However, Vietnam economy has not recovered as expected and this second wave will significantly slow down the speed. Therefore, we believe that the market can fluctuate in the range of 780 - 860. In the negative case that the disease causes the Government to announce a social distance in the two major cities of Hanoi and Ho Chi Minh City, VNIndex is likely to fall to 720.*

Strategy Board

Lam Nguyen

lam.ntp@vdsc.com.vn

Bernard Lapointe

bernard.lapointe@vdsc.com.vn

Tu Vu

tu.va@vdsc.com.vn

Hoang Nguyen

hoang.nt@vdsc.com.vn

Vu Tran

vu.thx@vdsc.com.vn

Ha Tran

ha.ttn@vdsc.com.vn

Vi Truong

vi.ttt@vdsc.com.vn

Please see penultimate page for additional important disclosure

CONTENTS

As the second wave of the pandemic is happening, the economic recovery will take longer than our previous expectations because of weaker domestic consumption. The second outbreak has impacted negatively consumer buying power and mobility. Vietnam is heavily dependent on exports. Hence, the global recession will result in a decreasing manufacturing orders, then dragging down production activities. However, there are supportive elements for the economy, especially the government' support to power infrastructure construction activities through pubic investment.

The stock market went down but investors did not panic as they did in March. Based on the drastic government's actions and past disease control experience, we believe that the bottom of the market will be the peak of the current range. However, we think that the VN-Index could drop to 720 points in the worst case scenario if the Government applies localized social-distancing policies in Ha Noi and Ho Chi Minh city.

Despite an abundance of cash and liquidity in the context of low deposit rates, the stock market has not fell significantly enough. As a result, there is little motivation for investors to return to the market. The unpredictability of Vietnam's macroeconomic data is unlikely to entice people to buy the market at this stage. We believe that investors should continue to focus only on buying industries / companies with clear prospects.

Building materials (rock construction industry, metal or asphalt) should be the beneficiaries, in the back of rising public investment disbursement as PLC, DHA have all posted good results in 2Q2020. Livestock companies will enjoy the benefit of high domestic pork prices.

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

Europe and the Euro

Bottom line:

- **Chances of the Eurozone breaking up is much lower than a few months ago as countries work together to support the economies**
- **The Euro is in an ascending trend and will stay strong versus the USD**

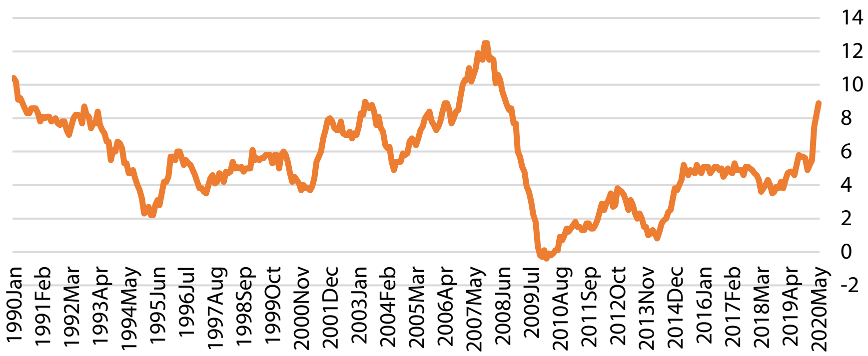
The discussions to approve the European Union Coronavirus (EC) recovery fund (€750bn) on July 21st were just a few minutes shorter than the record-holding debate to enlarge the EU in Nice 20 years ago. After some bickering and hustling, the announcement of the EC fund has been positive for equity markets and the Euro as it is seen to help underwrite growth in 2021. After four days and four nights, EU leaders not only agreed to the EC recovery fund but also to a €1.82 trn (US$2.1trn) budget. Of course, there were compromises and it is not perfect but the fact that the 27 leaders gave their seal of approval to the EU jointly issuing debt was the proverbial Rubicon being crossed that investors were watching the most avidly. In light of Brexit, this is quite an achievement.

In a recent interview, Fabio Panetta[1], Member of the Executive Board of the ECB made the following comments about the EC recovery fund: "It could mark a turning point. If we look back in 20 years' time, the past few months might look like the start of a new phase in European integration. The approval of the recovery fund was a necessary decision to meet the economic challenges facing Europe. But, above all, it is a decision that shows awareness, including on the part of countries that were initially lukewarm to the agreement, of the need for a common response and the benefits – for everyone – of providing that response."

As far as the recovery fund goes, the EU will borrow the money on financial markets and distribute just under half of it — €390 billion euros ($446 billion) — as grants to the hardest hit EU states, with the rest provided as loans. At first glance, Italy, Spain, Greece - the most impacted by the pandemic - will likely be the biggest beneficiaries while about of a third of the funds are targeted to fighting climate change. Indeed, **European companies in environmental systems, EV, clean energy may end up being the recipients of one of the largest green budgets in history.** In fact the EU President, Mrs. Von Der Leyen, called this agreement an "enormous achievement and a large stimulus for investing in 5G, grid infrastructure, AI, digitalization, investment in renewables, energy efficient buildings" and so on.

On the macro front, Europe has seen some of the ECB's infusion of money translate into increased liquidity in the banking system. For example M3 is rising at its fastest pace in a decade (Figure 1).

Figure 1: Euro area M3 annual growth rate, seasonally adjusted, %



Source: ECB, Rong Viet Securities

[1] www.ecb.europa.eu/

This money could find itself 'recycled' in riskier asset markets.

More than the 'positive' news from Europe is the fact that broad dollar weakness has been supporting the EUR lately (Figure 2). The EURUSD is known as the 'anti-euro' index due to its strong EUR component (57.6%) in the Dollar Index. As a result, the pair has a strong negative correlation. When the USD drops the EUR rises and vice versa. However, it is not only USD weakness that is supporting the EURUSD pair. The Bloomberg EUR Index is also up around 2.5% this month and up about 8% since its February's low (Figure 3). The advantage of this Index (Table 1) is that it includes more currencies and the Euro's share is much lower than in the DXY.

Figure 2 : EUR vs USD, daily

Figure 3: REER of the Euro

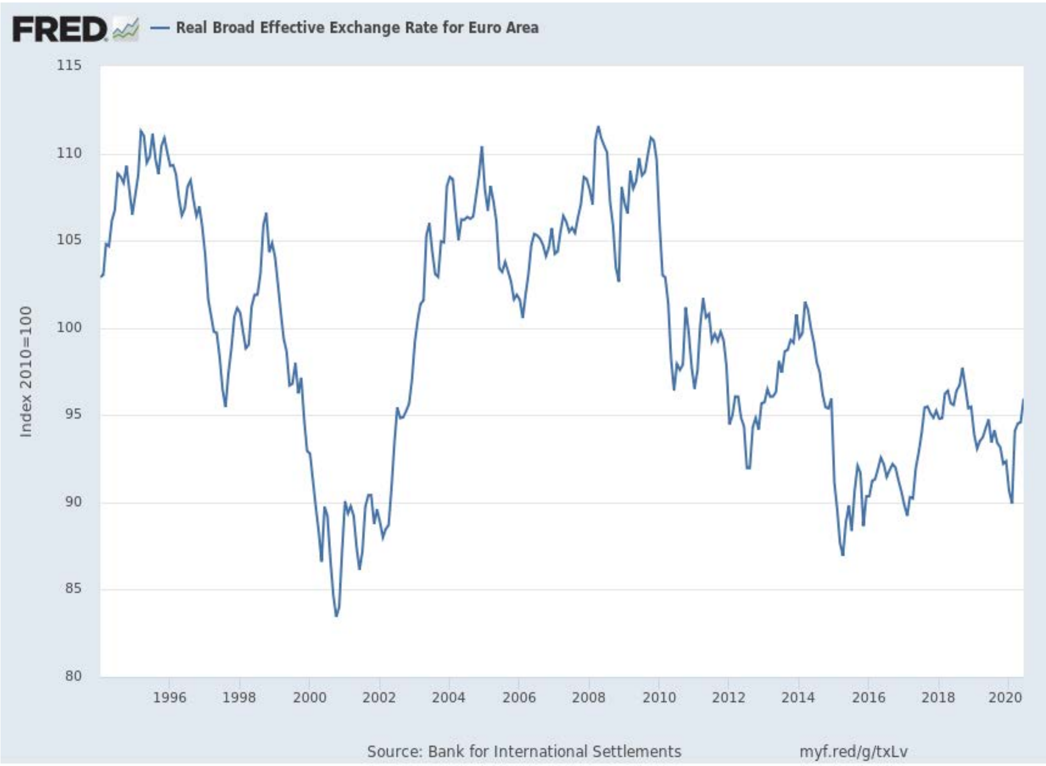


Table 1: Currency weight in the Bloomberg Dollar Index

Currency	2020 Weight	Weight difference between 2019
Euro	32.7%	+1.1%
Japanese Yen	14.6	-3.4
Canadian $	11.9	+0.5
British Pound	11.5	+1.0
Mexican Peso	10.0	-0.1
Australian $	5.2	+0.1
Swiss Franc	4.8	+0.3
Korean Won	3.4	-0.3
Chinese RMB	3.0	Flat
Indian Rupee	3.0	+0.8

Source: Bloomberg

Note: Each currency in the basket and its weight is determined annually based on their ***share of international trade*** *and* ***liquidity****.*

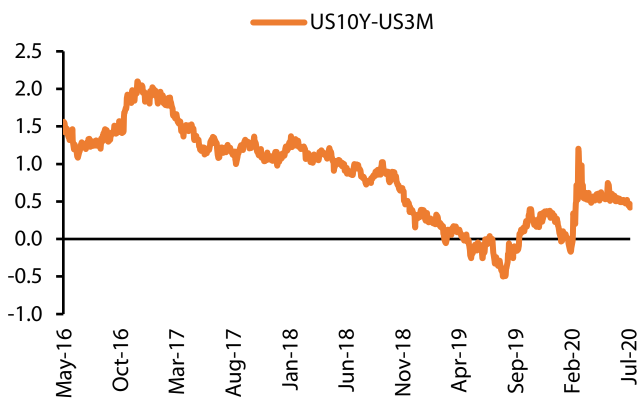
In the options markets there is a strong call option skew on EURUSD options, so more EUR strength is anticipated by the market going forward. The majority of these are 'call' options which means the market is positioning itself for more Euro strength. The Swiss Franc is also indicating that the USD is not a favorite among global investors as it appreciated by almost 7% since May (Figure 4).

Figure 4: Swiss Franc versus USD, daily

Our call is for a 1.21 level on EURUSD and some more strength in some EM currencies, including VND, MYR and MXN. That, however, does not necessarily imply strength for EM equity markets.

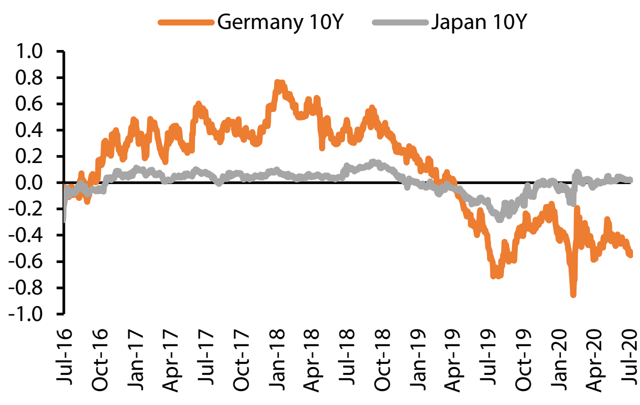
GLOBAL ECONOMIC INDICATORS IN JULY

US G-Bond yields gap (%/year)



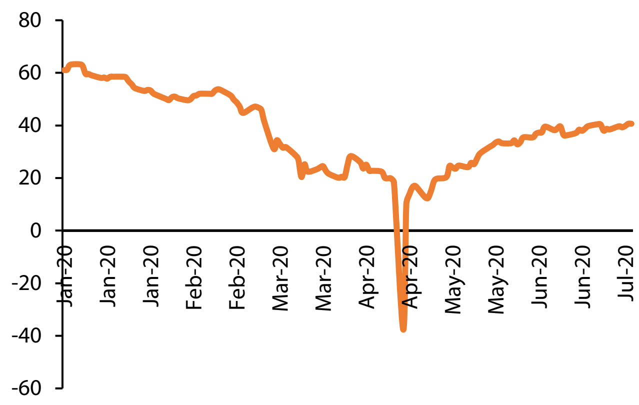
Source: Bloomberg, Rong Viet Securities

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



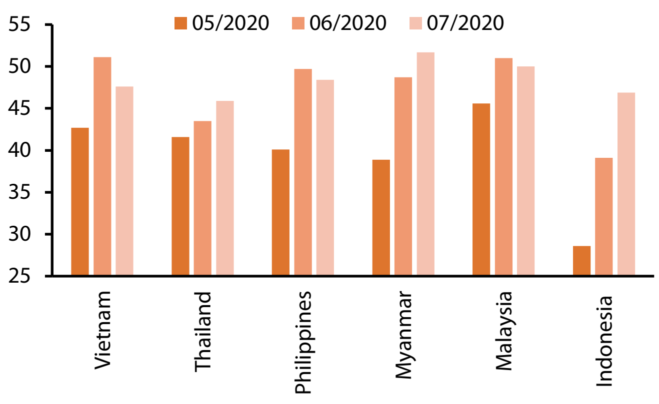
Source: Bloomberg, Rong Viet Securities

WTI crude oil price (USD/barrel)



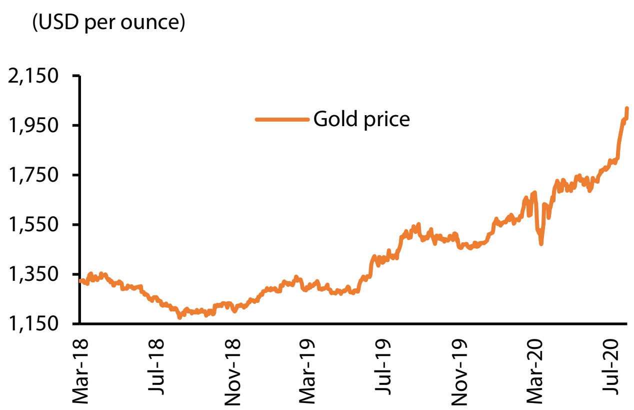
Source: Bloomberg, Rong Viet Securities

ASEAN's PMI



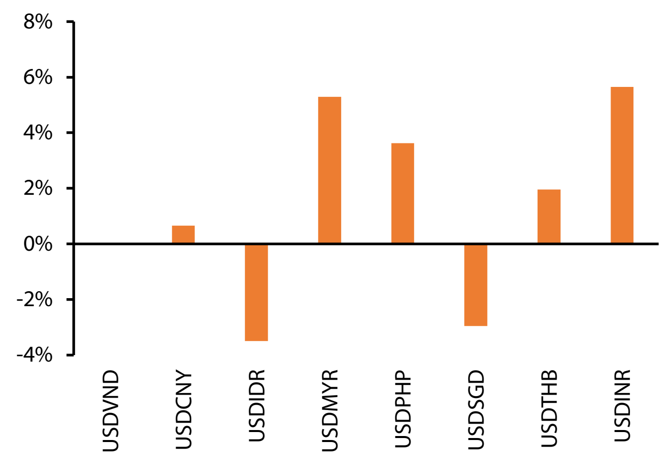
Source: Bloomberg, Rong Viet Securities

Gold prices



Source: Bloomberg, Rong Viet Securities

FX rates (%, YTD)



Source: Bloomberg, Rong Viet Securities

A bumpy road to a new normal

It's admitted that there are many recurrent episodes of the pandemic on the globe, which implies of a bumpy road to a new normal. In Vietnam, after four months of virus control successes, the second outbreak is resurging and there exits death at the end of July for the first time. The government is applying localized social-distancing policies in order to lower transmission rates among provinces and cities. As a result, Vietnam's stringency index start increasing remarkably to 64 points, up 10 points compared to a week ago. The index will go up in upcoming weeks.

The second wave of COVID-19 is weakening the economic recovery as many businesses in municipalities are required to temporarily close since the beginning of August in the context of a noticeably weak external demand. The domestic consumption, especially tourism, is hard hit again. The citizens are encouraged to stay at home, protect themselves and the summer holiday comes to an end. Driving mobility and walking mobility, as measured by Apple map searches, start declining to just above 100 points, down 20 points compared to a week ago. The travel web search, tracked by Google trend, dropped sharply in the last week of July after the outbreak appeared in Da Nang city, a hot pot of tourism in Vietnam. The stock market experienced volatility.

Figure 5: High-frequency data

	Vietnam indicators	26/01	02/02	09/02	16/02	23/02	01/03	08/03	15/03	22/03	29/03	05/04	12/04	19/04
Virus	New Covid-19 cases	2	4	7	3	0	0	14	26	57	75	53	21	6
	Govt Stringency Index	0	26	29	45	47	47	47	47	47	67	96	96	87
Real economy	Driving mobility	125	108	101	103	105	107	92	78	69	54	42	46	58
	Walking mobility	112	100	103	106	105	104	92	78	67	53	44	46	58
	Travel web search	44	64	39	43	51	39	33	28	22	19	17	23	25
	Loan web search	18	24	31	45	41	37	46	42	53	47	45	51	66
Financial markets	VNIndex	2%	-4%	-3%	-3%	-4%	-9%	-8%	-22%	-27%	-28%	-28%	-22%	-19%
	5Y CDS	94	94	92	87	109	121	215	274	233	301	288	263	282
	USDVND	0.0%	0.2%	0.3%	0.3%	0.3%	0.3%	0.1%	0.2%	0.9%	2.0%	1.6%	1.1%	0.9%

	Vietnam indicators	26/04	03/05	10/05	17/05	24/05	31/05	07/06	14/06	21/06	28/06	05/07	12/07	19/07	26/07	30/07
Virus	New Covid-19 cases	2	1	17	32	5	3	3	3	15	6	0	17	11	37	39
	Govt Stringency Index	78	75	66	66	66	66	66	66	55	52	52	52	52	52	64
Real economy	Driving mobility	74	101	103	102	99	105	105	101	105	108	112	122	128	120	100
	Walking mobility	71	89	98	101	100	103	106	102	108	111	115	126	129	119	103
	Travel web search	33	54	39	42	50	53	66	69	70	69	75	76	77	77	58
	Loan web search	70	54	45	54	50	44	41	40	43	39	46	44	45	48	38
Financial markets	VNIndex	-20%	-21%	-16%	-15%	-12%	-11%	-9%	-11%	-11%	-12%	-13%	-10%	-10%	-15%	-17%
	5Y CDS	282	279	276	229	220	184	183	172	175	167	169	169	163	162	161.3
	USDVND	1.4%	1.1%	0.9%	0.8%	0.4%	0.5%	0.4%	0.1%	0.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%

Source: Bloomberg, Rong Viet Securities

Although the domestic consumption has recovered thanks to the heathy savings and the government's 3-month cash transfer, it likely peaked. The second outbreak begin hurting the consumer buying power and the mobility. The sales of goods and services will slow down in the rest of the third quarter.

According to GSO, total sales of goods and services only increased 3.3% mom and 4.3% yoy in July. Retail sales rose by 7% yoy compared to an annual pace of over 10% last year. People prioritized necessary goods and home appliances whose sales rose by 7.5% yoy. Spending on methods of transportation declined by 6.4% yoy. Except municipalities, many tier-1 and tier-2 cities saw a weak recovery in consumption.

In term of the government's stimulus, only a third of the package was disbursed. The process remain sluggish and there are no companies getting access to the preferred loans used for wage payment. Notably, the employment growth in industrial zones went into the negative territory for the first time in recent years. The number of employees in the manufacturing industry dropped by 1.8% yoy. Shortages of export orders have been forcing more and more factories to shut down and raising the unemployment. The reduction in working hours is omnipresent.

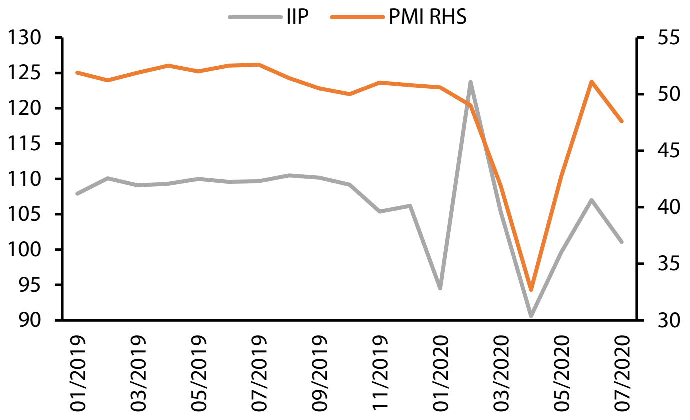
The IHS Markit's survey show that the recovery in the Vietnamese manufacturing sector took a step back in July. The manufacturing PMI dipped back below the 50 no-change mark in July, posting 47.6 from 51.5 in June. There was a modest reduction in manufacturing output while new orders fell following a rise in June. New export orders recorded a sharp contraction due to restrictions on travel and falling demand in export markets due to the pandemic. In the content, manufacturers scaled back their purchasing activity and let staffing levels decrease.

Similarly, the production slightly increased 1.1% yoy in July after an impressive jump of over 7% yoy last month, according to GSO's data. In which, mining dropped 7.9% yoy while manufacturing and electricity output rose by 2.1% yoy and 2.7% yoy, respectively. Except electronics, computers and machines, other sectors have recorded very poor performance in the first seven months.

Figure 6: Retail sales of goods and services, % yoy

Source: GSO, Rong Viet Securities

Figure 7: IIP and PMI, points

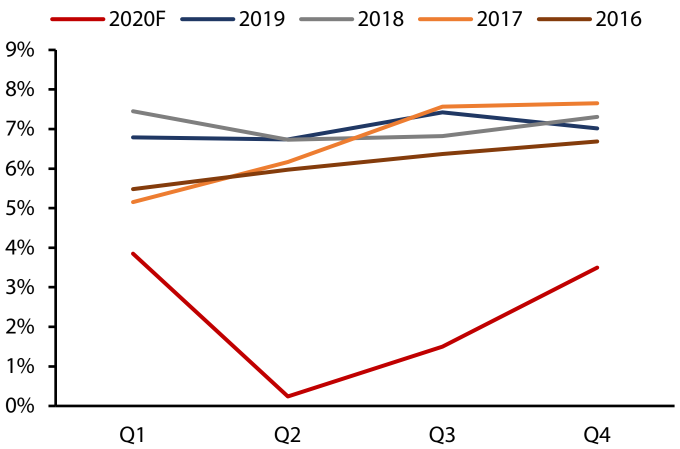


Source: GSO, Rong Viet Securities

Since 2014, it's true that export-driven manufacturers made a big push into the economy. Vietnam is highly sensitive to external demand and supply chain shocks as its trade surplus accounted for over 3% of GDP in 2019. Global recessions have been damaging Vietnam's export growth as well as its economic transmission into GDP growth. In 2020, there is a high chance that export turnover will remain flat, dragging the economic growth off as well. Under the circumstances of weak consumption and manufacturing, GDP growth is revised down to around 2% in 2020.

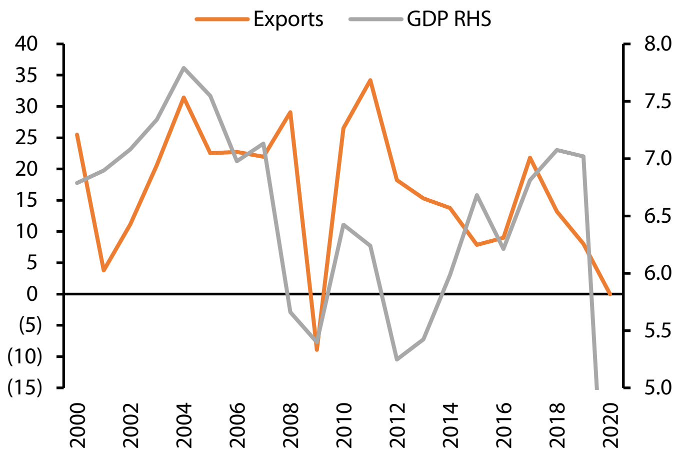
While the first stimulus targets at rebooting household spending after being refrained by the social distancing order, the upcoming stimulus is expected to support for sectors facing particularly great difficulties and maintain the employment.

Figure 8: GDP growth[2]



Source: GSO, Rong Viet Securities

Figure 9: Exports and GDP, % yoy



Source: GSO, Rong Viet Securities

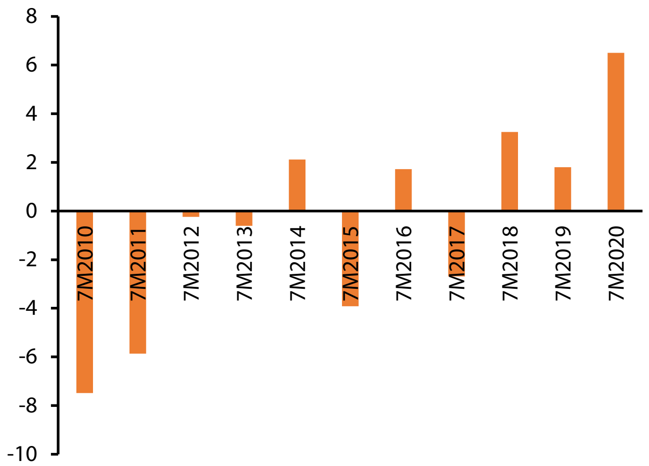
[2] *Forecast on 2020's GDP growth*

In the rest of 2020, there are highlights supportive to the economy. Firstly, we believe in a new record of trade surplus in 2020, surpassing 2019's performance of nearly USD 11 Bn. Up to the end of July 2020, the preliminary estimate of trade surplus reached USD 6.5 Bn. Most of them come from the production of electronics, computers and machine while delivering stocks of textiles, wooden products, and fishery goods has added a large amount as the western countries ease the social distancing orders. The massive amount of trade surplus insures the economy against global financial market's high volatility.

Secondly, export to EU is expected to recover strongly in the rest of 2020 although it has decreased continuously for the last 18 months. Our main argument is the appreciation of the EUR after the bloc's historical approval of the recovery fund, noted in the part of global economy. Up to now, EURVND reached over 27,000, up 6% ytd. By the end of 2020, that likely scales up to over 8% ytd. A relative depreciation of the Dong against the EUR is big deal, especially the EVFTA has taken effective in 1st August 2020. The bloc is also recording initial successes in controlling the pandemic's outbreak.

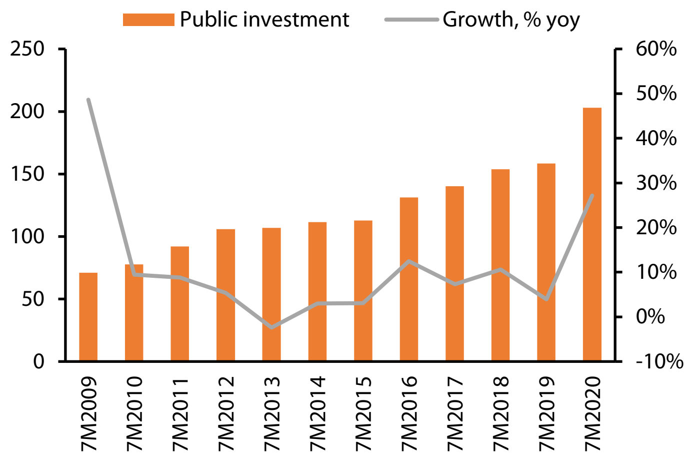
Thirdly, the government support continued to power infrastructure construction activities, similar to what happened in 2019 when the pubic investment rose by 50% yoy. 7M2020's public investment was recorded at VND 203 Trn, up 27.2% yoy and equivalent to 42.7% of 2020's plan. The central state investment was at VND32.5 Trn, up 60.1% yoy. Investment from ministry of transportation completed 41.6% of the whole year plan and rose by 91.7% yoy, followed by ministry of health (34,7%, +36,1% yoy), ministry of agriculture and rural development (39,6%, +34,7% yoy), ministry of education (31,3%, +84,4% yoy). The local government investment reached VND 170.5 Trn, up 22.5% yoy and equivalent to 43.6% of the plan.

Figure 10: Trade balance, USD Bn



Source: Customs, GSO, Rong Viet Securities

Figure 11: Public Investment, VND Trn

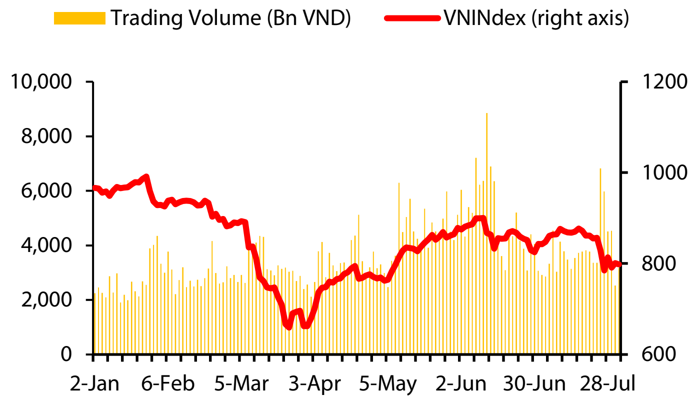


Source: GSO, Rong Viet Securities

STOCK MARKET IN JULY: MARKET CORRECTED BECAUSE OF THE SECOND WAVE

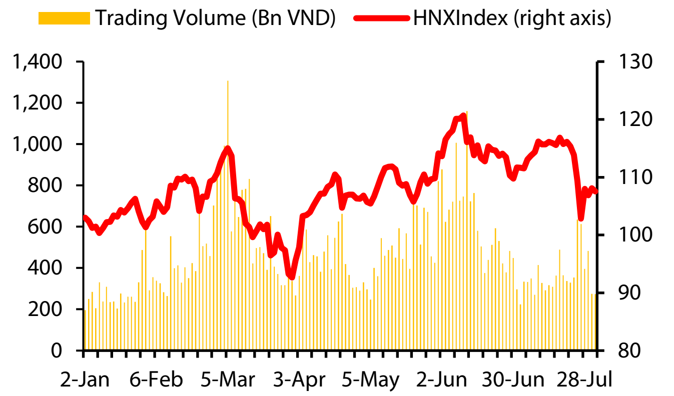
After correcting from a peak of 900 in June, the market recovered slightly in early July and moved sideways the following days. However, as of July 23, the market started to turn negative due to the news of a new Covid-19 case in Da Nang city. That, along with a sharp drop in the US in the previous days, due to disappointing jobless claims pressured the VNIndex to 780 points. However, the positive point at this time is that cash flow is still strong and some of this money can eventually find its way into the market. By the end of July, the VNIndex and HNX Index decreased by 3.2% and 2.0% compared to the end of June. Liquidity fell sharply as the average daily trading value on HOSE decreased by 26% MoM. However, liquidity in July was still much better than in March and April.

Figure 12: VNIndex in 2020



Source: Fiinpro, Rong Viet Securities

Figure 13: HNXIndex in 2020

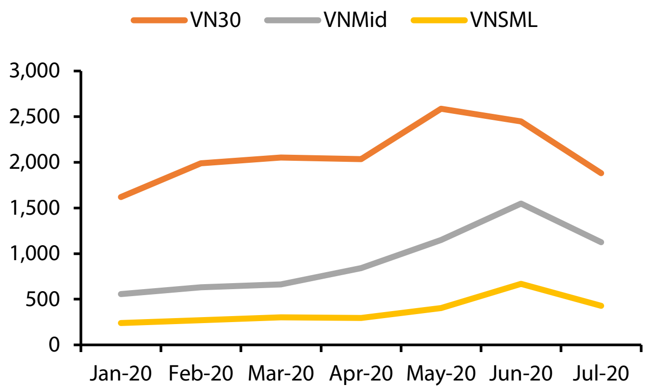


Source: Fiinpro, Rong Viet Securities

The VN30 (-3.9% MoM), VNMid (-5.0%) and VNSmall (-4.6%) decreased compared to the previous month. Liquidity in these groups also lost steam compared to June. However, liquidity of the VNMid and Small groups was still quite positive compared to the average of recent months, while the liquidity of VN30 group dropped below the low level of the last six months (Figure 14).

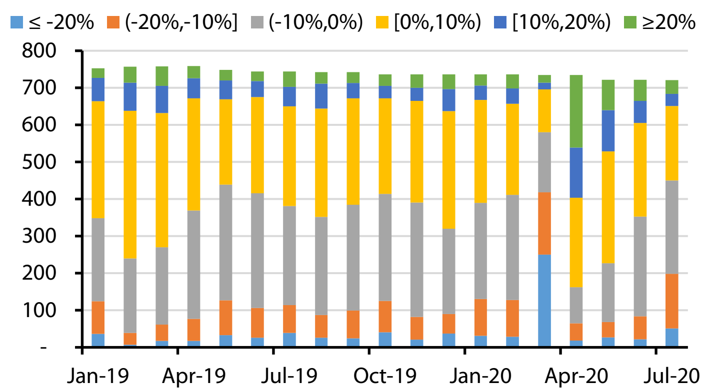
Different from the fairly balanced picture in June on HOSE and HNX, the number of losers outnumbered gainers. Most stocks fluctuated in the range of +/- 10% MoM, but the number of stocks falling over 10% was quite high.

Figure 14: Average daily trading value via matching-order transaction on HOSE (Billion VND)



Source: Fiinpro, Rong Viet Securities

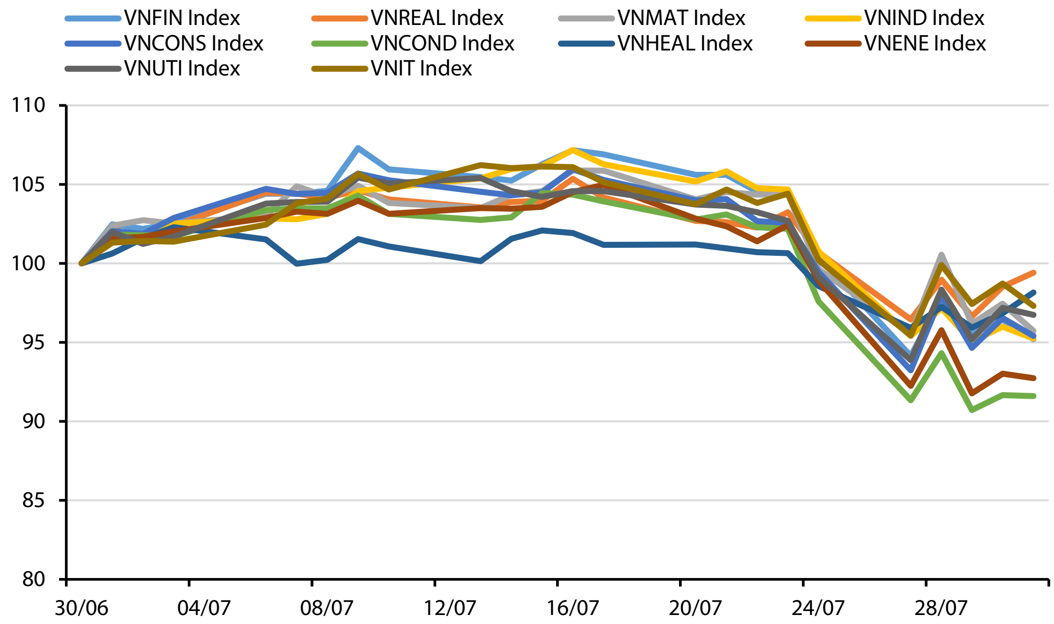
Figure 15: The number of stock by monhtly peformance on HOSE and HNX



Source: Fiinpro, Rong Viet Securities

The movements by sectors on HOSE in July had similarities with June as most industries gained compared to the end of the previous month in the early part of the month before dropping. However, the extent of the fall was different among industries. Consumer discretionary and energy dropped the most. Meanwhile, real estate did not decrease significantly compared to the end of June. The healthcare sector continued to be less volatile than the rest of the market.

Figure 16: Sectors' performance in July



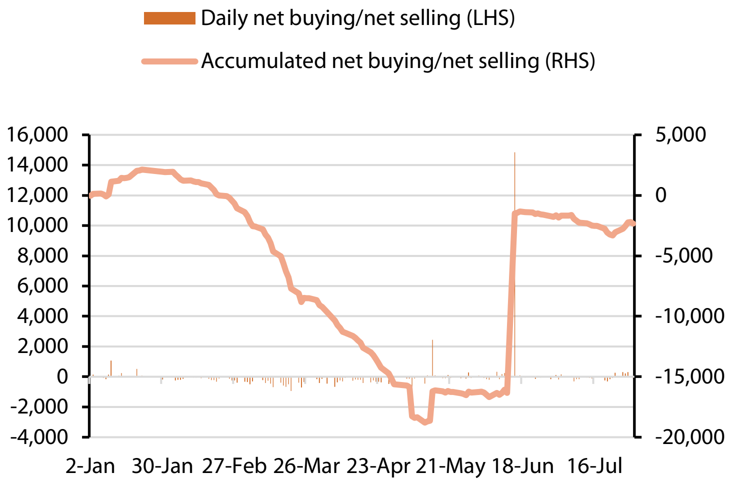
Source: Bloomberg, Rong Viet Securities

Foreign trading

Foreigners were net sellers of VND 1.6 trillion during the recovery period and net bought nearly VND 650 bn via order-matching transaction on HOSE when the VNIndex shrank. In summary, foreign investors net sold over a trillion VND through matching orders on HOSE. Different from the movement of the first outbreak when foreign investors were net sellers, one of the main reasons that caused the market to plummet, they net bought strongly when the second wave broke out in Da Nang city. VHM (+VND 204 bn), VRE (+123), CTG (+108) and PLX (+105) were net bought the most by foreigners through matching transactions on HOSE in July. In contrast, HPG (-VND 315 bn), DXG (-151), VCB (-143), MSN (-122), DBC (-111), CII (-108), VIC (-94) and GAS (-92) were noticeably net sold.

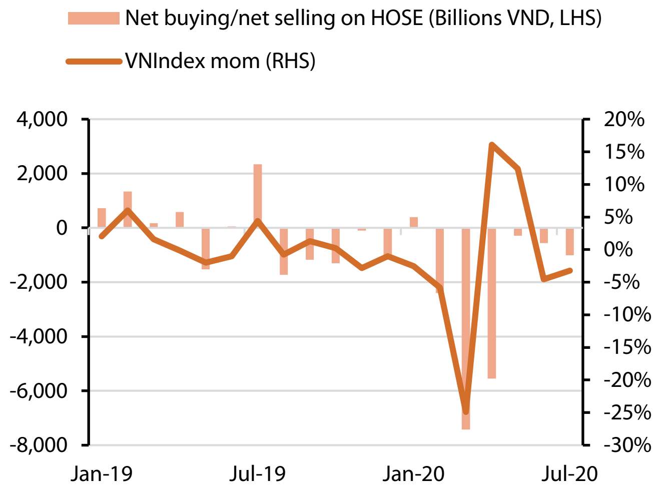
ETFs in July as were net issuers, notably Vaneck ETF (USD +7.6 mn), FUEVFVND (7.6) , FTSE Vietnam ETF (+6.3), FUESSVFL (+5.4). Meanwhile, the wave of redeeming at the largest domestic fund, E1VFVN30 ETF, has somewhat slowed down with more than USD 2.5 mn of new issues in July.

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



Source: Fiinpro, Rong Viet Securities

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



Source: Fiinpro, Rong Viet Securities

Table 2: Foreign net buying value by sectors on HOSE and HNX

Sector	HSX Net trading volume (thousand shares)	HSX Net trading value (billion VND)	HNX Net trading volume (thousand shares)	HNX Net trading volume (thousand shares)
Oil & Gas	9,693	482	-1,127	-14
Financial Services	13,808	96	-179	-5
Personal & Household Goods	1,826	79	-142	-1
Health Care	902	13	738	23
Technology	-468	1	-98	-1
Telecommunication	21	1	-118	-1
Media	0	0	3	0
Retail	1,055	-18	-177	-2
Food & Beverage	7,005	-20	63	1
Automobiles & Parts	-1,583	-25	-192	-1
Insurance	-825	-30	33	1
Real Estate	-14,105	-31	46	1
Chemicals	-5,124	-62	232	4
Banks	2,759	-73	-1,996	-25
Industrial Goods & Services	-6,292	-84	506	4
Utilities	-968	-86	-116	-1
Construction & Materials	-4,242	-109	-419	-1
Travel & Leisure	-2,393	-110	107	0
Basic Resources	-24,324	-571	-1,238	-1

Source: Fiinpro, Rong Viet Securities

6M's earning results

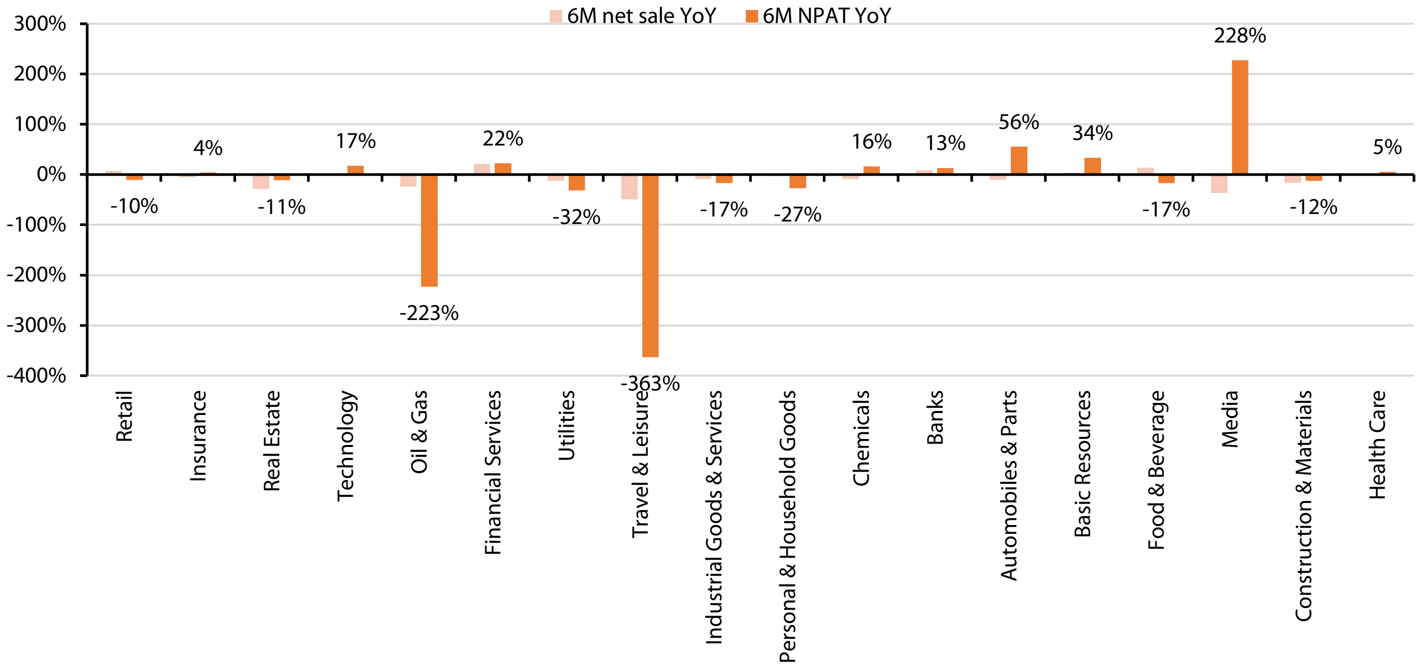
The data of 6M business results from more than 550 enterprises representing 91% of market capitalization on HOSE and HNX showed the differentiation between the two exchanges. While 6M NPAT of the HSX decreased by 15% YoY, the figure of HNX increased by nearly 3% YoY. In general, 2Q business results showed more positive results than expected as the 2Q NPAT of the HSX dropped only 7% YoY while 2Q NPAT of HNX even increased by nearly 10% YoY.

In terms of market cap, business results in 2Q were better than in the first quarter in all groups (VN30, VNMid or VNSmall). The 2Q NPAT of VN30, VNMId and VNSmall were 1.2%, 3.3% and -0.9% YoY respectively compared to 6M NPAT of -5.2%, -13.8% and -16.7% YoY. In contrast, 2Q net sales YoY dropped more sharply than 1Q net sales YoY in all groups.

Tourism & entertainment (-363%) and oil and gas (-223%) were the two sectors that were affected the most by Covid-19. The biggest names in this sector, HVN and VJC, recorded a fall of 6M NPAT by VND 7.8 and 1.9 trillion, respectively. While in the oil and gas group, PLX turned from profit of nearly VND 2.4 trillion in 6M2019 to a loss of VND 1.2 trillion in 6M2020. Net income in the banking sector rose by 13% YoY, but real estate dropped by 11% YoY. Business results of the banking group were mainly supported by positive outcomes of private commercial banks such as VPB, TCB, HDB and TPB and a state-owned commercial bank, CTG.

Besides the overall negative business results of most industries, media, cars & spare parts, basic resources and information technology managed to record good outcomes. However, most of these industries were dominated by a few big names and their business results do not reflect the general results of most businesses in that industry.

Figure 19: 6M's earning results by sectors



Source: Fiinpro, Rong Viet Securities

Since recovering and peaking at 900 in mid-June, VNIndex has continuously adjusted and currently trades at 800 points. We believe that the correction of the market is entirely reasonable when the macroeconomic data does not recover as quickly as previously expected of the market. Besides that, the second wave of epidemics came back, making the fast recovery is unlikely. However, we do not appreciate the possibility that the market will return to the March bottom when investors, now, have sense of Covid-19's impact instead of the panic sentiment in the first outbreak.

Similarities and differences in second wave compared to first wave

Foreign investors' net selling pressure was not too high now as in the first outbreak. One of the reasons for the sharp decline of the market in March was the continuous net selling from foreigners via matching orders. The net selling value reached to a record high in March. Even when the market rebounded strongly in April, foreigners' net selling value was still high. However, this is not likely to repeat due to 1) dollar liquidity is guaranteed by the Central Bank of America (Fed), 2) Vietnam dong trades stably against USD and SBV is willing to stablize FX market. In addition, although exports and FDI disbursement were negatively affected by the epidemic, the sharp increase in trade surplus compared to the same period last year, plus the minimal decrease in FDI, had helped SBV to add more USD reserves. Foreigner investors even net bought over VND 600 bn in the last few sessions of July since the second outbreak was announced in Da Nang.

The basic similarity in the two periods is that the domestic cash flow is abundant. Indeed, when businesses and people are reluctant to invest and expand businesses, the epidemic has returned. This makes the ability to absorb credit which are already weak (only rising by 3.26% after 6 months) will even be more limited. In that context, banks will not rush on raising capital when the liquidity in the system is still quite redundant. Therefore, the possibility of low deposit interest rates will maintain at least until a strong credit recovery signals. While the demand for credit for production activities is limited, the possibility of a surge in real estate roadshows is not high when the Government suggests limited crowding events. In this context, the stock market, despite strong fluctuations in recent months, continues to be a potential investment channel. According to Bloomberg statistics, there were 139 out of 386 stocks gained YTD, in which the stock prices of 83 ticker increased by more than 11% YTD.

However a quick recovery of Vietnam in particularly and the world in general may not as fast as expected

Indeed, the stock market in Vietnam and the world has witnessed a rapid recovery after a sharp decline in March. Besides the participation of new cash flow, there is an expectation that the economy will recover quickly after the epidemic is contained. There are times when the Government sets a target of 5% GDP growth for 2020 before adjusting the figure to 3-4%. However, economic data shows that the pace of recovery is not as expected when production figures rose by only 1% YoY in July, while total retail sales of goods and services only increased by 4.6 % YoY compared to a two-digit number in normal period. July PMI figures were even more negative when it dropped to less than 50 (the boundary between expansion and recession) due to lower production and lower new orders compared to June. In addition, expectations of opening international flights may need to be revised because of the epidemic can comeback anytime. Therefore, the expectation that the economy will recover quickly in Vietnam in the second half of this year will need to be considered carefully.

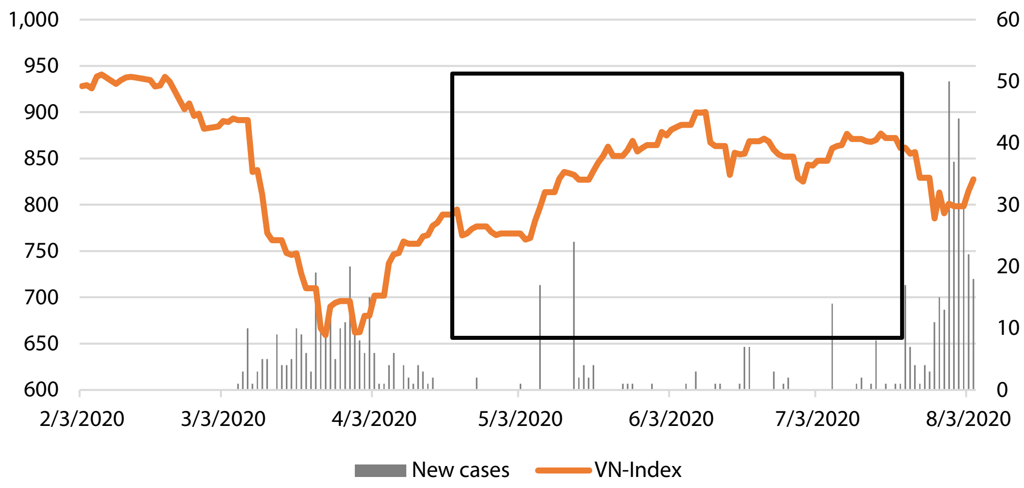
In summary, we believe that the market will not react too negatively in this second outbreak as investors are more experienced. Besides, the stock market still proved to be quite attractive in the context of redundant liquidity and other investment channels have not backed. However, Vietnam economy has not recovered as expected and this second wave will significantly slow down the recovery speed. Therefore, we believe that the market can fluctuate in the range of 780 - 860. In the negative case that the disease causes the Government to announce a social distance in the two major cities of Hanoi and Ho Chi Minh City, VNIndex is likely to fall to 720.

investors to react more calmly

The second pandemic outbreak has come at a more intense level with more risk than the first one. However, looking at the overall behavior of the market, we find that the majority of investors have reacted more calmly as there was not a sell-off as in the beginning of March 2020. The VN-Index only decreased by 9% (from the start of the second wave to the latest lowest level), compared to the 11.5% drop in the first wave. The second wave started in the context that July macro indicators were not optimistic. This has made cash flow into the market more cautious. Average liquidity from the start of the second wave until now was only VND 4,200 bn but has tended to fade out in the past few sessions and remained at VND 3,000 bn, lower than the level of VND 4,000 bn - VND 5,000 bn in the recovery period in April and May.

Similarly since the first wave, we do not change our view on the market at this time. In the previous wave, after 16 to 18 days from the beginning, containment measures were basically effective and the stock market bottomed out at the same time. Therefore, with the determined actions of the Government in containing the contagion in the second wave, we believe that the market can "bottom" around August 4-8.

Figrue 20: New cases (RHS) and VN-Index (LHS)



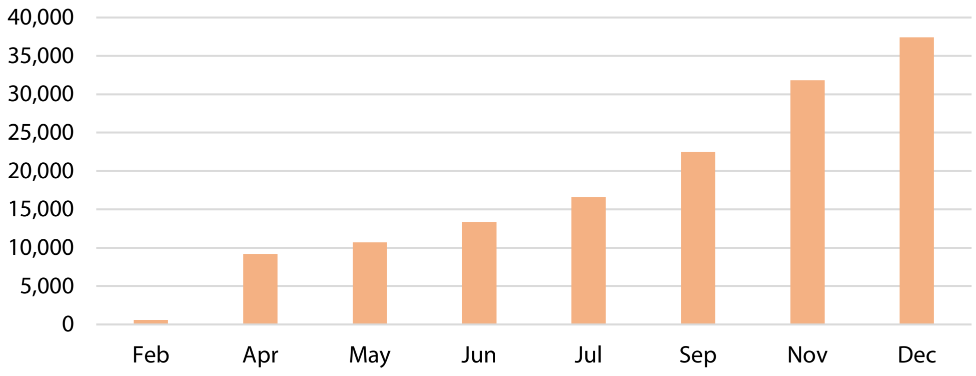
*Source: Rong Viet Securities, *black box is the time that have no domestic virus cases.*

Cautious as the macroeconomic was not really positive

Despite abundant liquidity in the context of low deposit rates, the stock market has not fallen significantly. Contrary to the expectation that Vietnam's economy will recover strongly in the second half of 2020, the macroeconomic data announced in July was not really positive. The second outbreak, therefore, has raised concerns about the prospect of a recovery in the second half of the year.

Public investment got the attention of the government as it is the key GDP’s growth driver in 2020. 7M2020’s public investment was VND 203 Trn, up 27.2% yoy and equivalent to 42.7% of the 2020’s plan. The ministry of transportation has completed 41.6% of the whole year plan, rising by 91.7% yoy. For the rest of this year, the Ministry of transportation will focus on highway construction so that the disbursement will achieve 85% of the 2020 target in November and complete 100% at the end of this year. Previously, three main expressway projects that have been transformed from PPP investment to public investment such as Mai Son - QL45, Phan Thiet - Dau Giay, Vinh Hao - Phan Thiet, will be expected to be promoted together with eight remaining PPP projects in the North-South expressway. For public investment projects, contractor selection and commencement will be implemented in August while PPP projects are likely to be started next year.

Figure 21: Public investment's disbursement of the Ministry of transportation (Unit: VND Bn)



*Source: Rong Viet Securities, *Sep, Nov and Dec data is the guideline.*

Building material companies such as rock construction, metal or asphalt will be clear winners when pusing the public investment.

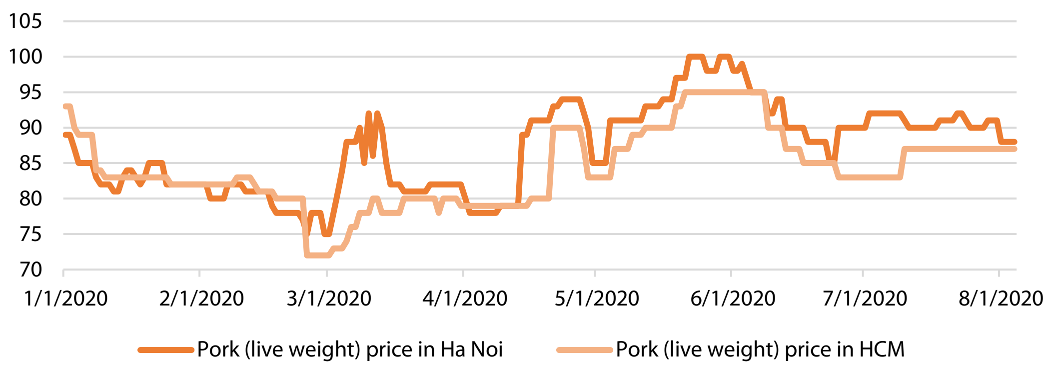
- ***PLC***. 2Q2020 profit recorded a strong growth at VND57bn, up 46.1% YoY thanks to the improvement in gross margin as well as financial activities (increasing financial income while decreasing interest expenses). The asphalt segment – benefiting from public investment-posted a 22.7% revenue's growth in 1H2020. The company expects that the total sales volume of asphalt will increase by 30% in 2020. Besides, the slump in oil price will support gross margin.

- ***DHA***. Benefits from the rising demand for stone, used for high-speed projects in the South. In addition, owning a quarry in Tan Cang Mine will help DHA to have advantages, compared to its peers, as quarries in Tan Dong Hiep and Nui Nho Mine stopped exploiting from the end of 2019. In 2Q2020, DHA's revenue and profit reached VND101bn and VND26.2bn, up by 22.1% and 46.3% respectively, which is the best results in recent years. The main reason was likely due to the shift in demand from Tan Dong Hiep and Nui Nho Mine to Tan Cang Mine. In addition, sales volume of Thanh Phu II mine was more positive than expected when some highways have been started recently. In addition to business activities supported by public investment policy, stable cash dividend is also a highlight.

Beside the story of public investment, high domestic pork price will push up the bottom line of livestock companies. Although the governement is trying to drag down the pork price, the impact, in generally, has been insignificant. We expect that the abnormal profits in 2020 could be a short-term supportive factor for these companies.

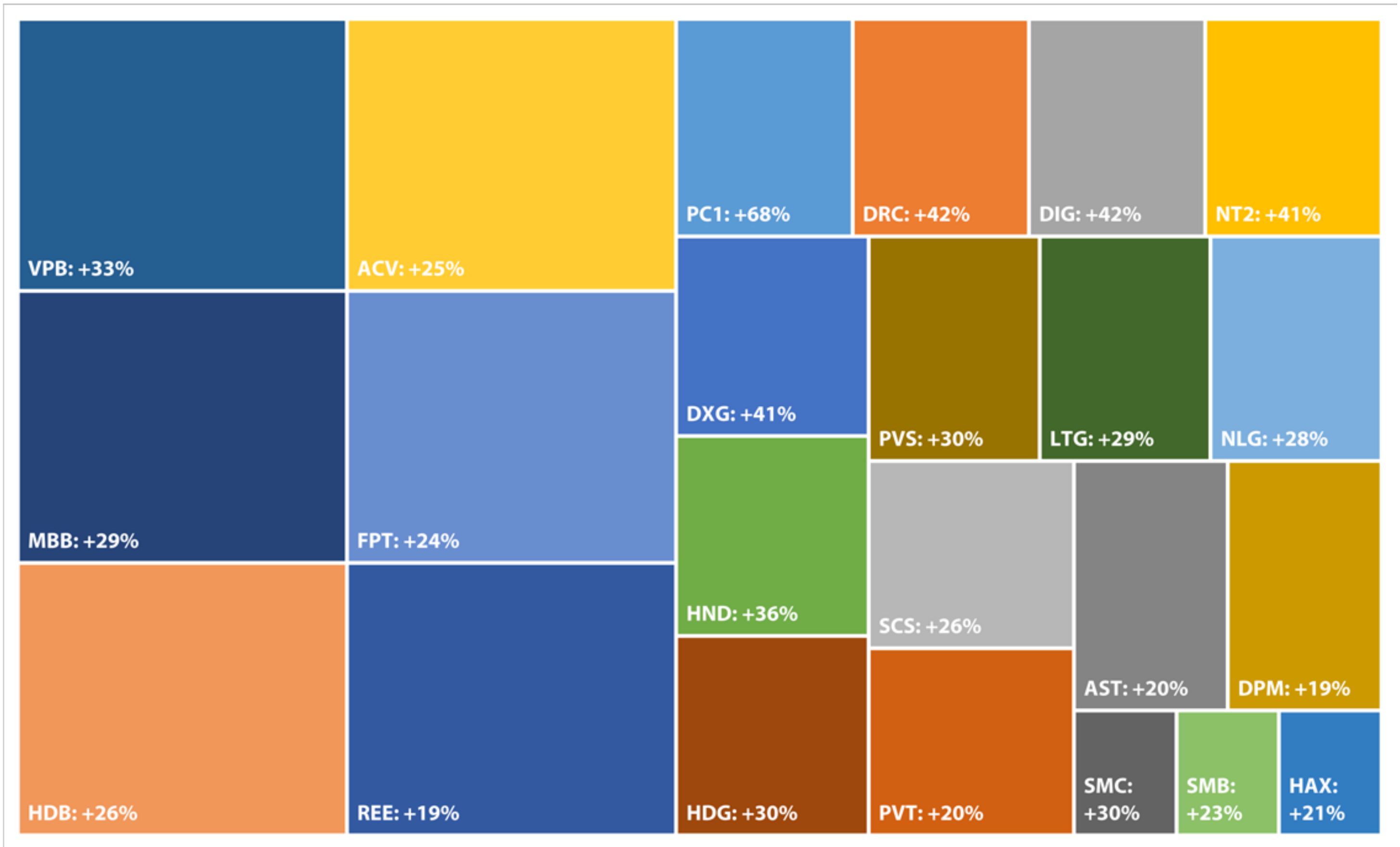
- ***DBC***. In this sector, DBC is one of the highest profit's growth companies as earnings skyrocketed in 1Q and 2Q. The gross margin stayed at 26%-30%, compared to only 13% in the same period last year. With the pork price per kg ranging from VND80,000 to VND85,000, we think that DBC's profit can be stable at VND300bn, meaning that the total profit will be around VND1,300bn in 2020, 4.4x higher compared to 2019.

Figure 22: Domestic pork live weight price YTD (Unit: Thousand dong/kg)



Source: Rong Viet Securities

Figure 23: Our favorite stocks for this month



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

HIGHLIGHTED STOCKS

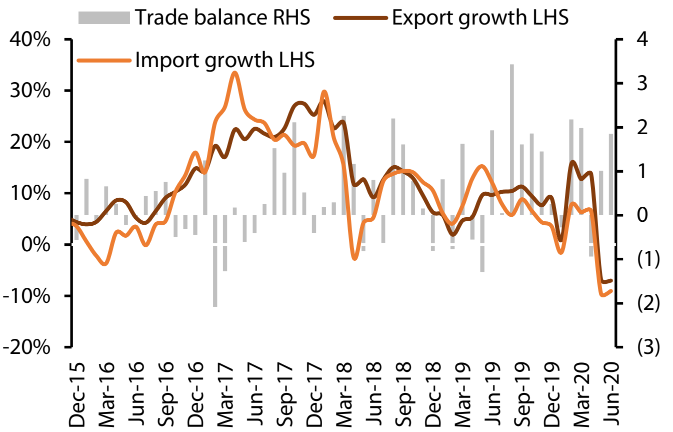
Ticker	Exchange	Market cap (USD mn)	Target price (VND)	Current price (VND)	Total Return (%)	Rating	2019 +/- Rev. (%)	2019 +/- NPAT (%)	2020F +/- Rev. (%)	2020F +/- NPAT (%)	2021F +/- Rev. (%)	2021F +/- NPAT (%)	PER Trailing (x)	PER 2020F (x)	PBR Cur. (x)	Div Yield (%)	+/- Price 1y (%)	3-month avg. daily turnover (USD thousand)	Foreign remaining room (%)
MWG	HOSE	1,498	131,000	77,000	72.1	Buy	18.1	33.2	12.2	2.5	22.7	26.2	9.2	7.2	2.4	1.9	-28.7	4,226	0.0
PC1	HOSE	122	29,900	17,800	68.0	Buy	14.9	-23.8	13.5	4.7	1.0	34.3	8.2	5.7	0.8	0.0	7.6	845	32.4
MSH	HOSE	63		29,300		Monitor	11.7	21.6	-27.3	-58.4	36.4	3.7	4.2	8.4	1.2	15.4	-50.0	307	45.5
DRC	HOSE	81	21,500	15,800	42.4	Buy	8.6	80.6	-9.2	4.4	15.9	25.7	7.7	6.2	1.2	6.3	-12.6	471	29.0
DIG	HOSE	164	17,700	12,450	42.2	Buy	-8.9	32.7	82.9	34.4	20.7	26.9	8.7	5.4	1.0	0.0	0.2	1,317	15.0
NT2	HOSE	260	27,100	21,000	41.0	Buy	-0.2	-2.9	2.8	3.9	7.9	1.7	7.6	7.8	1.3	11.9	-5.6	349	30.7
DXG	HOSE	214	13,500	9,600	40.6	Buy	25.1	3.2	-5.1	-4.8	7.9	14.9	6.8	3.7	0.7	0.0	-30.6	2,117	10.8
PNJ	HOSE	518	73,000	53,500	39.8	Buy	16.7	24.0	-9.4	-24.8	20.4	24.4	11.6	11.5	2.6	3.4	-32.0	2,369	0.0
HND	UPCOM	381	22,900	17,727	36.0	Buy	18.6	183.2	8.1	19.9	-21.6	-44.5	6.2	11.6	1.4	6.8	41.2	146	48.9
VPB	HOSE	2,210	28,000	21,100	32.7	Buy	17.0	12.4	8.7	9.2	13.9	22.9	5.1	4.6	1.1	0.0	10.8	5,580	-0.1
PAC	HOSE	44	27,300	22,050	30.6	Buy	3.6	8.7	9.0	-4.1	7.5	-4.8	7.0	7.2	1.5	6.8	-22.9	68	29.4
HDG	HOSE	133	25,077	20,000	30.4	Buy	34.3	33.0	13.4	27.7	-9.6	-3.6	3.1	2.1	1.1	5.0	-28.0	756	39.0
SMC	HOSE	25	11,600	9,680	30.2	Buy	2.2	-46.6	-11.8	0.9	12.1	90.1	7.4	3.4	0.4	10.3	-21.0	52	15.9
PVS	HNX	234	13,800	11,400	29.8	Buy	17.9	-7.6	-3.5	-2.1	-21.8	-7.0	10.8	7.8	0.4	8.8	-46.1	2,388	37.6
MBB	HOSE	1,700	21,200	16,400	29.3	Buy	26.2	29.2	10.7	2.3	22.2	32.5	4.8	3.9	0.9	0.0	-19.3	4,671	-3.0
LTG	UPCOM	63	22,400	18,155	28.9	Buy	-8.0	-19.7	-7.4	32.2	12.1	11.9	7.4	3.5	0.6	5.5	-16.5	167	4.7
NLG	HOSE	271	31,500	25,300	28.5	Buy	-26.8	25.8	-22.2	-15.8	4.1	54.5	7.2	5.3	1.2	4.0	-8.3	1,337	0.8
STK	HOSE	42	16,900	14,500	26.9	Buy	-7.0	20.3	-20.1	-55.7	16.3	70.5	6.4	6.3	1.0	10.3	-31.1	107	42.4
HDB	HOSE	1,023	31,000	24,650	25.8	Buy	23.6	26.2	15.3	16.6	18.3	24.5	5.8	4.6	1.1	0.0	-5.4	1,284	9.5
SCS	HOSE	240	130,000	109,900	25.6	Buy	10.8	15.0	-9.9	-11.6	11.5	14.0	13.1	12.8	5.9	7.3	-25.5	204	23.9
ACV	UPCOM	4,951	65,000	52,925	24.5	Buy	13.7	35.8	-37.5	-58.7	45.5	79.2	19.8	20.7	3.1	1.7	-35.3	861	45.7
FPT	HOSE	1,568	55,500	46,550	23.5	Buy	19.4	19.7	17.2	19.7	15.2	18.5	10.9	7.1	2.4	4.3	13.9	4,373	0.0
SMB	HOSE	40	34,000	31,000	22.6	Buy	-2.2	47.9	-10.4	-28.0	2.0	2.7	5.7	6.7	1.8	12.9	-16.4	30	35.8
HAX	HOSE	19	12,800	11,850	20.7	Buy	8.3	-48.2	-29.7	0.0	4.6	0.0	13.2	8.5	1.0	12.7	-29.4	105	42.3
PVT	HOSE	120	11,890	9,900	20.1	Buy	3.1	5.8	-9.6	-36.2	17.2	37.7	4.7	5.9	0.6	0.0	-42.8	663	26.4
AST	HOSE	84	52,000	43,500	19.5	Accumulate	29.2	23.4	-27.7	-61.2	23.2	113.4	22.2	12.8	3.3	0.0	-29.0	215	6.8
DPM	HOSE	240	15,000	13,599	19.1	Accumulate	-15.8	-49.6	6.7	61.9	3.5	-14.2	8.0	11.9	0.7	8.8	5.7	1,902	38.2
REE	HOSE	449	38,300	33,700	19.0	Accumulate	-4.1	-8.1	1.7	5.2	5.4	0.8	7.1	6.0	1.0	5.3	7.1	764	0.0
GMD	HOSE	244	22,000	19,150	17.5	Accumulate	-2.5	-72.1	-13.0	-23.6	7.9	-7.5	12.9	17.0	0.9	2.6	-22.0	452	0.0
VNM	HOSE	8,329	126,000	111,300	17.3	Accumulate	7.1	3.5	8.5	5.6	4.5	2.0	18.1	18.9	6.4	4.0	-6.8	7,349	41.3
PVD	HOSE	171	11,000	9,460	16.3	Accumulate	-22.3	-43.4	26.2	-51.3	15.4	322.8	15.8	10.4	0.3	0.0	-41.6	2,182	37.2
IMP	HOSE	123	49,600	44,500	16.0	Accumulate	18.4	17.1	20.6	17.0	18.0	17.9	15.7	11.2	1.8	4.5	22.6	135	0.0
VHC	HOSE	278	39,700	35,550	15.9	Accumulate	-15.1	-18.2	3.2	-20.5	12.5	-2.1	7.9	7.2	1.2	4.2	-20.1	1,030	67.6
PTB	HOSE	89	52,200	45,050	15.9	Accumulate	17.6	13.3	-12.3	-13.4	5.8	2.4	5.5	5.5	1.2	0.0	-29.4	386	30.3
KDH	HOSE	549	27,300	24,350	14.2	Accumulate	-3.5	13.2	14.9	37.1	15.5	15.1	11.9	9.2	1.7	2.1	6.3	1,274	5.0
TCM	HOSE	57	24,000	21,500	14.0	Accumulate	-0.5	-16.6	-8.7	-20.7	5.7	11.7	5.7	7.3	0.9	2.3	-10.2	795	0.1

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 (%)							
CVT	HOSE	30	20,300	19,200	13.5	Accumulate	1.1	-1.0	-21.3	-20.7	7.1	1.9	4.6	5.2	1.0	7.8	-1.0	214	37.9
VRE	HOSE	2,568	29,800	26,300	13.3	Accumulate	1.5	18.6	3.8	-2.8	9.6	15.9	24.8	18.6	2.2	0.0	-27.4	3,791	18.1
QNS	UPCOM	482	33,000	31,410	13.0	Accumulate	-4.4	3.2	-6.6	-18.7	13.9	19.5	9.4	7.8	1.8	8.0	12.6	919	32.3
LHG	HOSE	42	22,000	19,600	12.2	Accumulate	-30.4	6.1	-9.6	57.8	15.7	19.6	6.1	3.9	0.8	0.0	19.4	342	44.2
CTG	HOSE	3,528	24,500	22,050	11.1	Accumulate	41.0	74.8	3.5	1.3	17.8	66.8	7.4	6.1	1.0	0.0	8.4	5,294	0.0
PME	HOSE	203	67,500	63,000	11.1	Accumulate	10.3	3.9	12.6	14.0	13.9	12.3	15.2	11.6	2.5	4.0	33.4	53	37.9
BID	HOSE	6,551	42,000	37,900	10.8	Accumulate	8.3	15.3	6.6	4.2	17.1	73.7	17.5	12.1	2.0	0.0	9.5	2,142	12.3
KBC	HOSE	263	14,200	13,050	8.8	Accumulate	30.4	14.6	-17.2	-2.3	4.9	12.1	11.8	6.5	0.6	0.0	-11.6	1,838	28.0
PPC	HOSE	318	22,500	23,100	8.2	Accumulate	15.0	12.9	11.7	-13.0	0.6	-1.5	6.7	8.3	1.2	10.8	1.1	173	32.5
ACB	HNX	1,693	25,000	23,700	5.5	Accumulate	14.7	16.7	11.1	12.7	16.6	25.1	6.3	4.7	1.3	0.0	6.3	4,058	0.0
BMP	HOSE	178	48,200	50,500	5.3	Accumulate	10.7	-1.1	6.4	11.4	7.2	-5.9	8.8	10.3	1.6	9.9	14.4	406	18.0
VCB	HOSE	13,054	85,000	81,900	3.8	Neutral	20.1	28.6	13.7	14.0	21.0	23.8	16.7	12.7	3.4	0.0	4.5	4,165	6.3
PGI	HOSE	71	17,500	18,500	1.6	Neutral	8.0	17.2	-6.5	-21.1	0.3	46.6	8.4	8.6	1.1	7.0	21.3	4	28.3
VSC	HOSE	76	30,000	32,150	-0.5	Neutral	5.8	-22.1	-8.5	4.0	-4.7	8.4	6.7	6.7	1.0	6.2	18.4	268	17.4
PHR	HOSE	302	47,500	51,800	-0.6	Neutral	4.8	-24.3	27.9	141.7	-12.7	-32.1	8.3	11.0	2.4	7.7	-24.4	3,262	38.0
HPG	HOSE	3,275	21,300	23,000	-3.0	Neutral	14.0	-12.4	25.5	47.1	20.4	29.4	8.8	4.7	1.5	4.3	25.2	14,427	13.3
BFC	HOSE	30	10,000	12,200	-8.2	Reduce	-4.4	-56.7	-4.7	51.2	3.5	-15.0	5.8	7.0	0.7	9.8	-16.4	276	45.0
ANV	HOSE	85	12,500	15,650	-20.1	Sell	8.8	17.4	-24.0	-78.4	21.5	177.0	4.7	4.7	0.9	0.0	-36.6	257	47.7

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

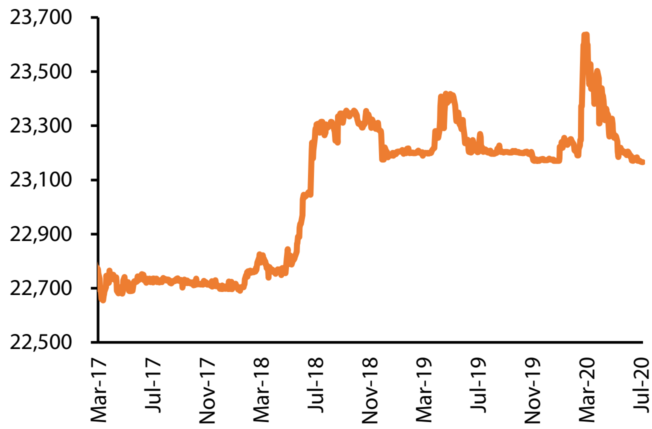
VIETNAM ECONOMIC INDICATORS IN JULY

Trade balance (US Billion)



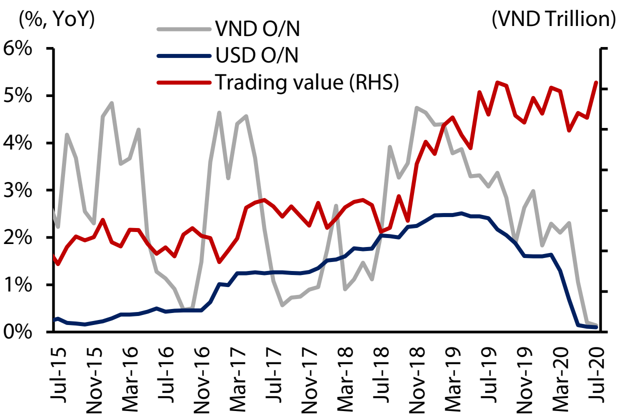
Source: GSO, Rong Viet Securities

USDVND exchange rate



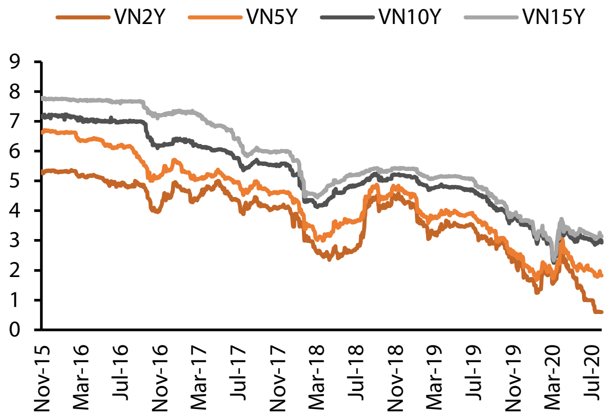
Source: SBV, Rong Viet Securities

Interbank interest rate (%/year)



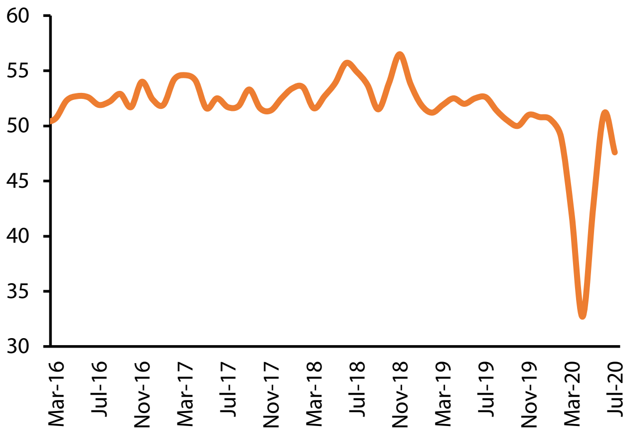
Source: SBV, Rong Viet Securities

G-Bond yields (%/year)



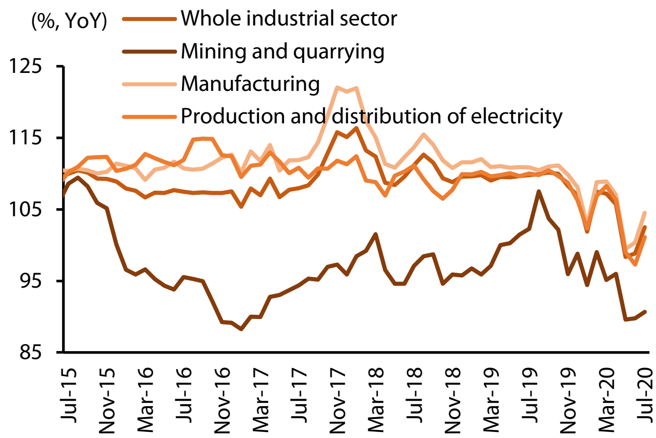
Source: Bloomberg, Rong Viet Securities

Manufacturing PMI



Source: IHS Markit, Rong Viet Securities

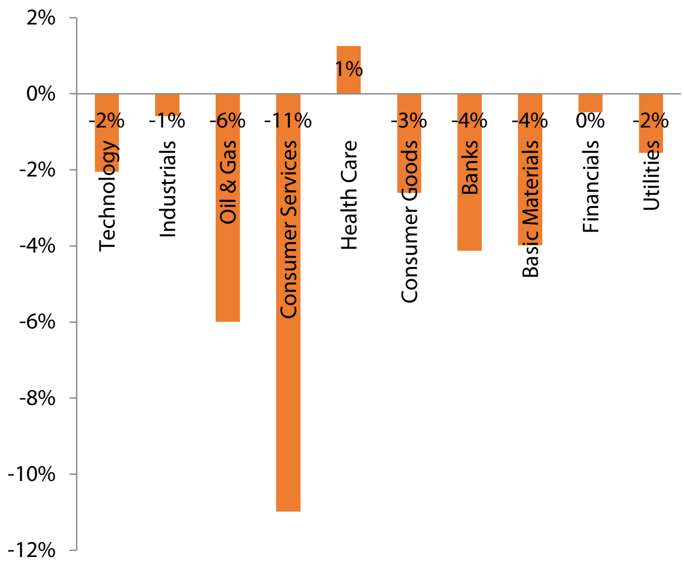
3-month MA Industrial Production Indices



Source: GSO, Rong Viet Securities

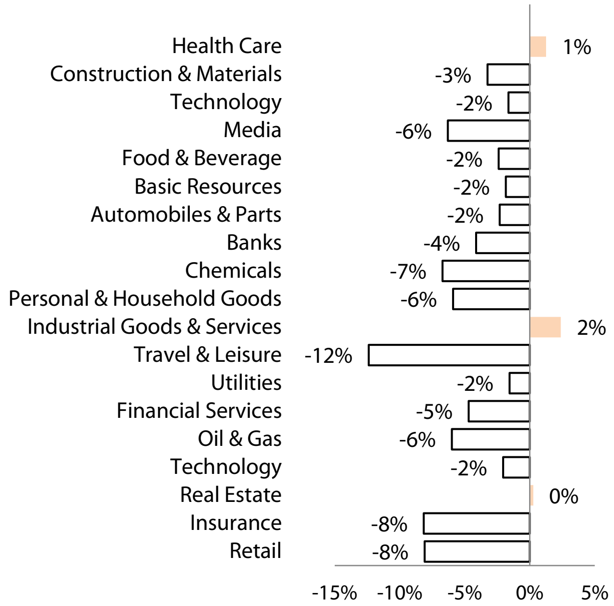
INDUSTRY INDEX

Level 1 industry movement



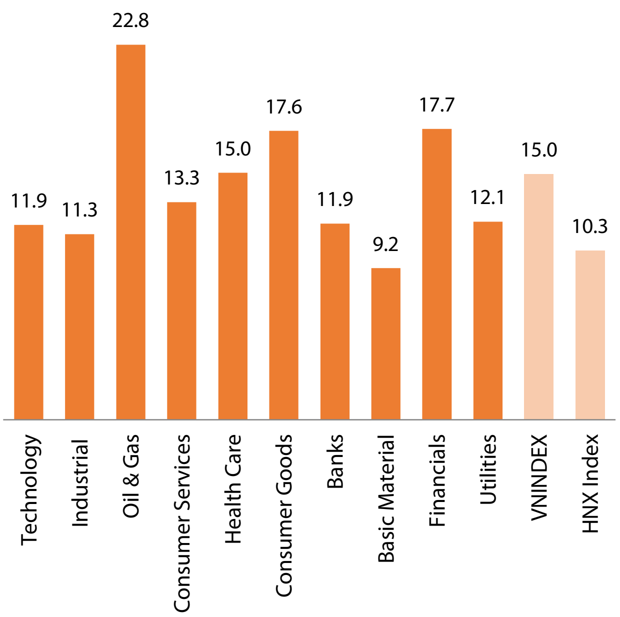
Source: Fiinpro, Rong Viet Securities

Level 2 industry movement



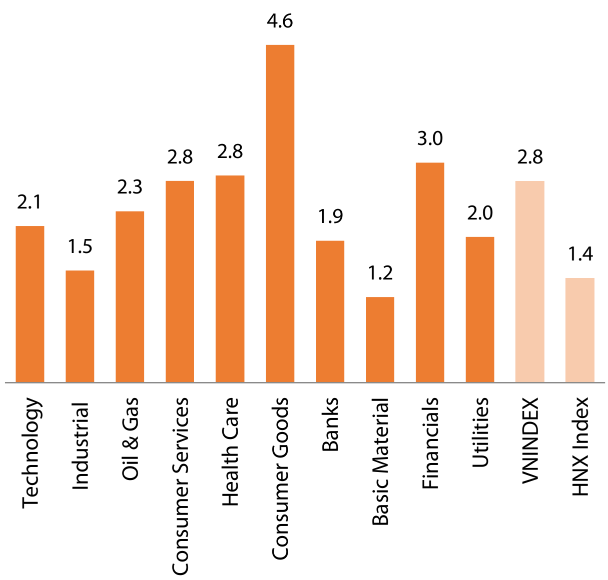
Source: Fiinpro, Rong Viet Securities

Industry PE comparison



Source: Fiinpro, Rong Viet Securities

Industry PB comparison



Source: Fiinpro, Rong Viet Securities

ANALYSIS & INVESTMENT ADVISORY DEPARTMENT

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

Duong Lai
Senior Analyst
duong.ld@vdsc.com.vn
+ 84 28 6299 2006 (1522)
- Real Estate
- Building Materials

Vu Tran
Senior Analyst
vu.thx@vdsc.com.vn
+ 84 28 6299 2006 (1518)
- Oil & Gas
- Fertilizer

Trinh Nguyen
Senior Analyst
trinh.nh@vdsc.com.vn
+ 84 28 6299 2006 (1551)
- Steel
- Construction
- Utilities

Tu Vu
Analyst
tu.va@vdsc.com.vn
+ 84 28 6299 2006 (1511)
- Macroeconomics

Tung Do
Analyst
tung.dt@vdsc.com.vn
+ 84 28 6299 2006 (1521)
- Logistics
- Aviation

Tam Pham
Analyst
tam.ptt@vdsc.com.vn
+ 84 28 6299 2006 (1530)
- Insurance
  Fishery

Anh Nguyen
Analyst
anh2.ntt@vdsc.com.vn
+ 84 28 6299 2006 (1531)
- Banking

Hoang Nguyen
Analyst
hoang.nt@vdsc.com.vn
+ 84 28 6299 2006 (1538)
- Market Strategy

Hoang Bui
Analyst
hoang.bh@vdsc.com.vn
+ 84 28 6299 2006 (1514)
- Natural Rubber
- Agriculture

Tu Pham
Analyst
tu.pm@vdsc.com.vn
+ 84 28 6299 2006 (1536)
- Steel

Khoa Ngo
Analyst
khoa.nc@vdsc.com.vn
+ 84 28 6299 2006 (1519)
- Retails

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

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

Vi Truong
Assistant
vi.ttt@vdsc.com.vn
+ 84 28 6299 2006 (1517)

RONG VIET SECURITIES CORPORATION

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

141 Nguyen Du St. - Dist 1 – HCMC

Tel: (84 28) 6299 2006

Fax: (84 28) 6291 7986

Email: info@vdsc.com.vn

Website: www.vdsc.com.vn

Hanoi Branch

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

Tel: (84 24) 6288 2006

Fax: (84 24) 6288 2008

Can Tho Branch

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

Tel: (84 292) 381 7578

Fax: (84 292) 381 8387

Nha Trang Branch

50Bis Yersin St, Nha Trang

Tel: (84 258) 382 0006

Fax: (84 258) 382 0008

DISCLAIMERS

This report is prepared in order to provide information and analysis to clients of Rong Viet Securities only. It is and should not be construed as an offer to sell or a solicitation of an offer to purchase any securities. No consideration has been given to the investment objectives, financial situation or particular needs of any specific. The readers should be aware that Rong Viet Securities may have a conflict of interest that can compromise the objectivity this research. This research is to be viewed by investors only as a source of reference when making investments. Investors are to take full responsibility of their own decisions. VDSC shall not be liable for any loss, damages, cost or expense incurring or arising from the use or reliance, either full or partial, of the information in this publication.

The opinions expressed in this research report reflect only the analyst's personal views of the subject securities or matters; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or opinions expressed in the report.

The information herein is compiled by or arrived at Rong Viet Securities from sources believed to be reliable. We, however, do not guarantee its accuracy or completeness. Opinions, estimations and projections expressed in this report are deemed valid up to the date of publication of this report and can be subject to change without notice.

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by Viet Dragon Securities Corp. ("VDSC"), a company authorized to engage in securities activities in Vietnam. VDSC is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Additional Disclosures

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither VDSC nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report.

VDSC may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of VDSC.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by VDSC with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior.

RESEARCH DISCLOSURES

Third Party Research

This is third party research. It was prepared by Rong Viet Securities Corporation (Rong Viet), with headquarters in Ho Chi Minh City, Vietnam. Rong Viet is authorized to engage in securities activities according to its domestic legislation. This research is not a product of Tellimer Markets, Inc., a U.S. registered broker-dealer. Rong Viet has sole control over the contents of this research report. Tellimer Markets, Inc. does not exercise any control over the contents of, or the views expressed in, research reports prepared by Rong Viet.

Rong Viet is not registered as a broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" and other "U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Tellimer Markets, Inc., located at 575 Fifth Avenue, 27th Floor, New York, NY 10017. A representative of Tellimer Markets, Inc. is contactable on +1 (212) 551 3480. Under no circumstances should any U.S. recipient of this research report effect any transaction to buy or sell securities or related financial instruments through Rong Viet. Tellimer Markets, Inc. accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor.

None of the materials provided in this report may be used, reproduced, or transmitted, in any form or by any means, electronic or mechanical, including recording or the use of any information storage and retrieval system, without written permission from.

Rong Viet is the employer of the research analyst(s) responsible for the content of this report and research analysts preparing this report are resident outside the U.S. and are not associated persons of any U.S. regulated broker-dealer. The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of Tellimer Markets, Inc. and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Tellimer Markets, Inc. or its affiliates has not managed or co-managed a public offering of securities for the subject company in the past 12 months, has not received compensation for investment banking services from the subject company in the past 12 months, and does not expect to receive or intend to seek compensation for investment banking services from the subject company in the next three months. Tellimer Markets, Inc. has never owned any class of equity securities of the subject company. There are no other actual, or potential, material conflicts of interest of Tellimer Markets, Inc. at the time of the publication of this report. As of the publication of this report, Tellimer Markets, Inc. does not make a market in the subject securities.

About Tellimer

Tellimer is a registered trade mark of Exotix Partners LLP. Exotix Partners LLP and its subsidiaries ("Tellimer") provide specialist investment banking services to trading professionals in the wholesale markets. Tellimer draws together liquidity and matches buyers and sellers so that deals can be executed by its customers. Tellimer may at any time, hold a trading position in the securities and financial instruments discussed in this report. Tellimer has procedures in place to identify and manage any potential conflicts of interests that arise in connection with its research. A copy of Tellimer's conflict of interest policy is available at www.tellimer.com/regulatory-information.

Distribution

This report is not intended for distribution to the public and may not be reproduced, redistributed or published, in whole or in part, for any purpose without the written permission of Tellimer. Tellimer shall accept no liability whatsoever for the actions of third parties in this respect. This report is for distribution only under such circumstances as may be permitted by applicable law.

This report may not be used to create any financial instruments or products or any indices. Neither Tellimer, nor its members, directors, representatives, or employees accept any liability for any direct or consequential loss or damage arising out of the use of all or any part of the information herein.

United Kingdom: Distributed by Exotix Partners LLP only to Eligible Counterparties or Professional Clients (as defined in the FCA Handbook). The information herein does not apply to, and should not be relied upon by, Retail Clients (as defined in the FCA Handbook); neither the FCA's protection rules nor compensation scheme may be applied.

UAE: Distributed in the Dubai International Financial Centre by Exotix Partners LLP (Dubai) which is regulated by the Dubai Financial Services Authority ("DFSA"). Material is intended only for persons who meet the criteria for Professional Clients under the Rules of the DFSA and no other person should act upon it.

Other distribution: The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restriction.

Disclaimers

Tellimer and/or its members, directors or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities referred to herein. Tellimer may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups of Tellimer.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States. The value of any investment or income from any securities or related financial instruments discussed in this report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Frontier and Emerging Market laws and regulations governing investments in securities markets may not be sufficiently developed or may be subject to inconsistent or arbitrary interpretation or application. Frontier and Emerging Market securities are often not issued in physical form and registration of ownership may not be subject to a centralised system. Registration of ownership of certain types of securities may not be subject to standardised procedures and may even be effected on an ad hoc basis. The value of investments in Frontier and Emerging Market securities may also be affected by fluctuations in available currency rates and exchange control regulations. Not all of these or other risks associated with the relevant company, market or instrument which are the subject matter of the report are necessarily considered.