



MACRO & MARKET MAY

Domestic cash flow progressively casts aside worries about the epidemic

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MARKET MAY 2021

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MACRO ECONOMY IN MAY

Prolonged epidemic along
with the slow down in uptrend

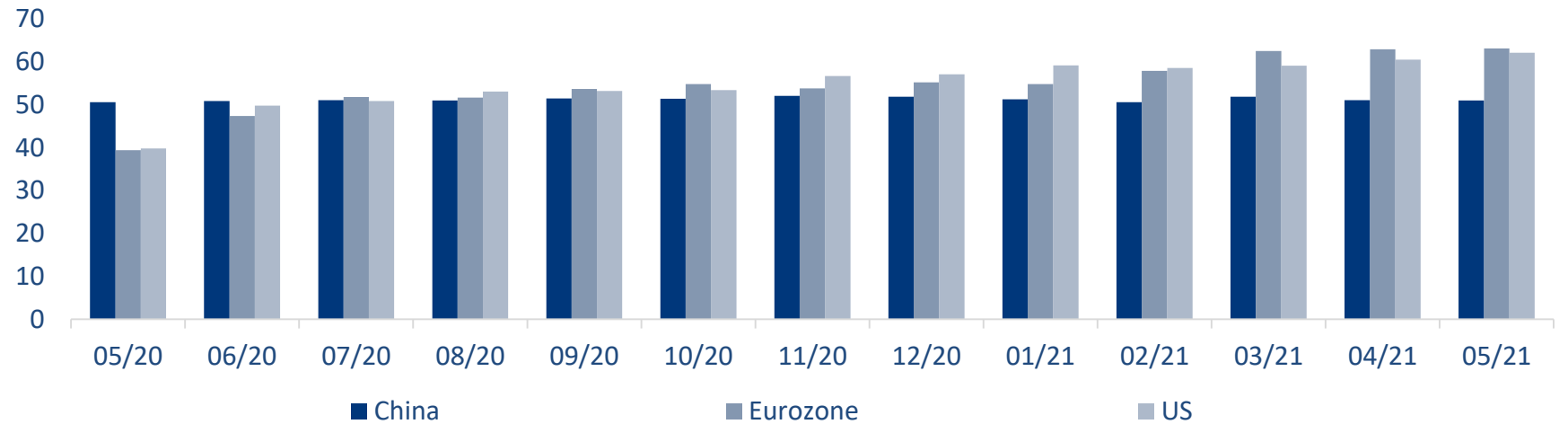
MACRO: POSITIVE GROWTH IN THE GLOBAL ECONOMY

❖ Manufacturing PMI: The manufacturing sector continued to grow in all three sectors.

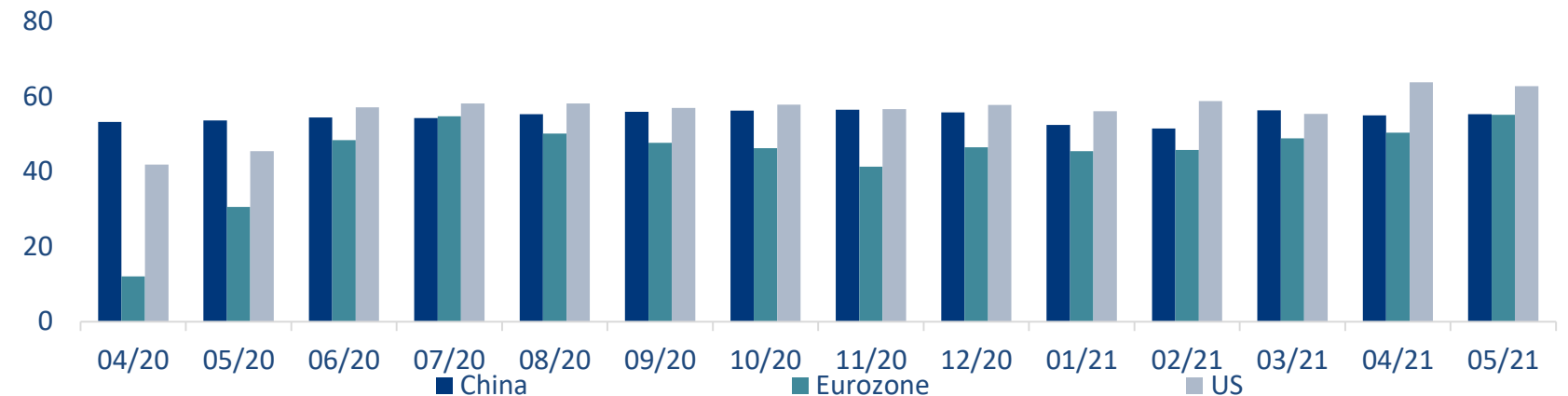
❖ Service PMI: The service industry also keep up a recovery in all three major economic sectors.

❖ BSC Assessment: The positive status of vaccination against COVID-19 in the US, EU and China is the driving force for the recovery of service industry in these 3 blocks. In addition, since governments in all 3 sectors are still maintaining loosening policies, the potential for a worldwide economy recovery will continue to be strengthened.

Manufacturing PMI



Service PMI



Source: Bloomberg, BSC Research

- ❖ The number of enterprises stopping long-term business increased +20.7% YoY, dissolved increased 32.3% (Industry +43.1%, service +29.0%). At the same time, the number of newly established enterprises rose by +15.4%

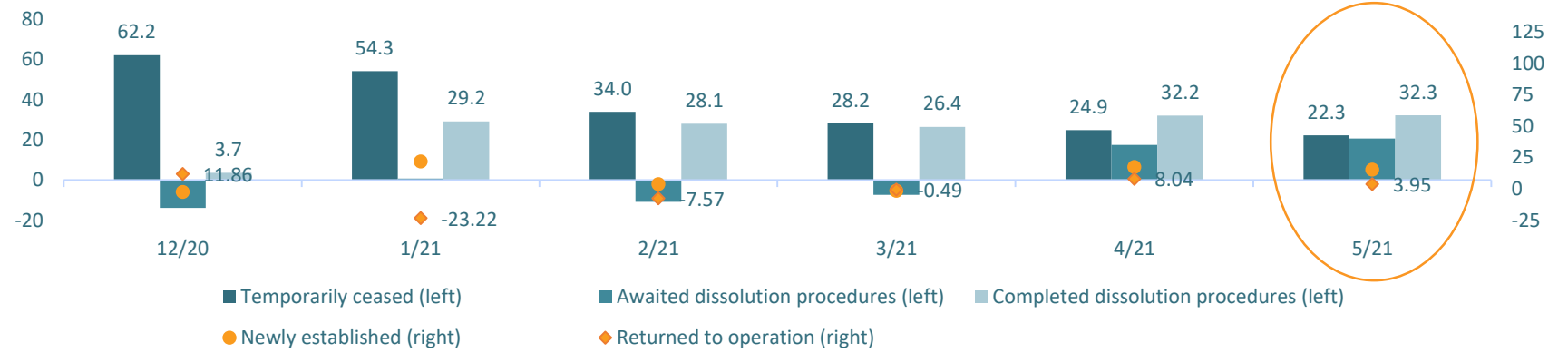
- ❖ The industrial labour increased by +2.2% (processing +2.4%) at the beginning of May.

- ❖ The increase amount of long-term business shutdowns reflects the negative impact of the diseases on the recovery prospects in 2021, given the latest outbreak is not under control.

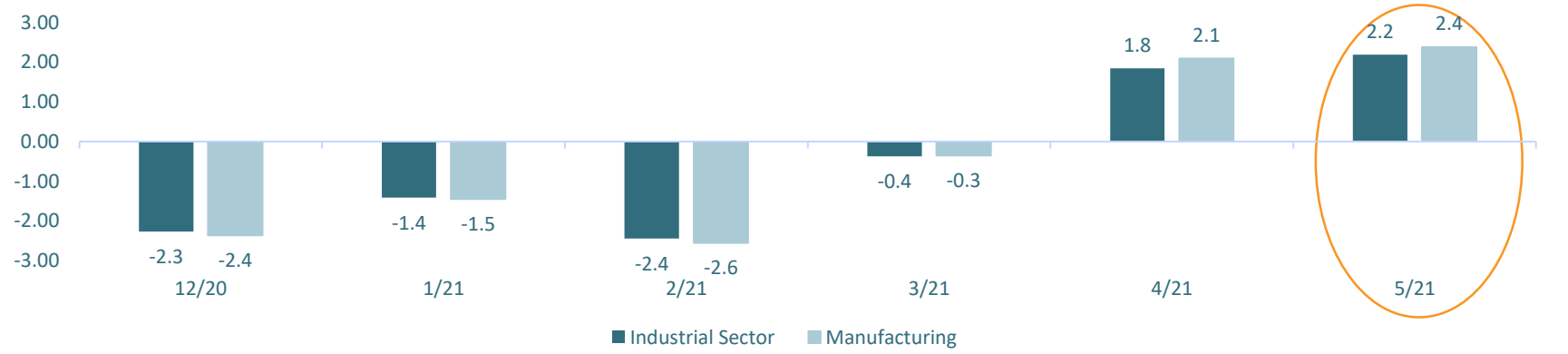
- ❖ GDP could increase by 6.2% with the base scenario, +7.1% with the positive scenario. For the negative scenario, the epidemic prolongs while it is still difficult for us to access the vaccine supply, making the likelihood of GDP increase to be only 5%.

MACRO: UNFAVORABLE OUTLOOK IN THE CONTEXT OF THE UNCONTROLLABLE EPIDEMIC

Business condition YoY%



Industry employment situation YoY%

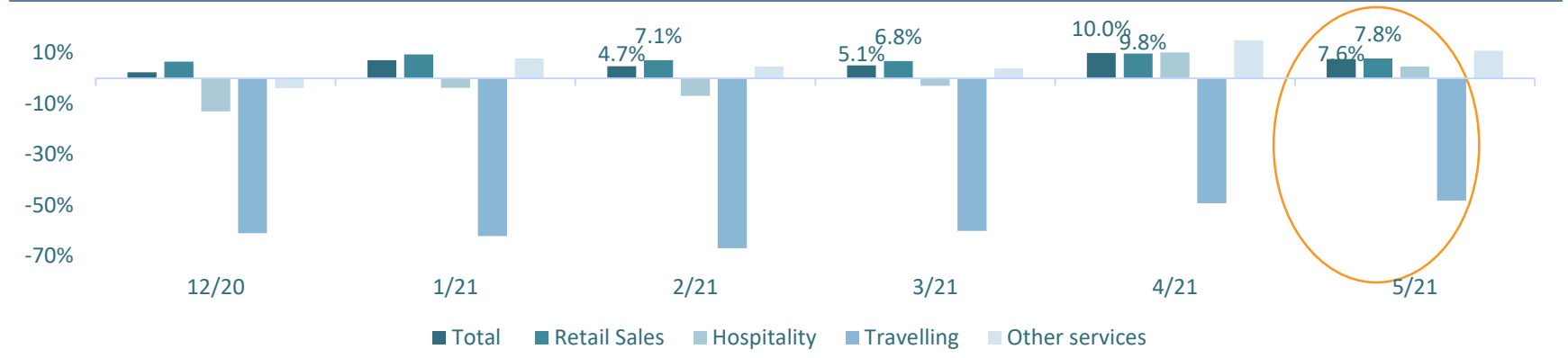


❖ Trade and services increased by 7.8% and 10.9% respectively. We can clearly see certain negative impacts on consumer demand caused by disease prevention measures. **Resolution 53/ N-CP and Decision 779/QD-TTg** helps create a mechanism to mobilize resources and accelerate access to the Covid-19 vaccine. However, limited vaccine supply continues to be a major obstacle, negatively impacting the prospect of a recovery consumption.

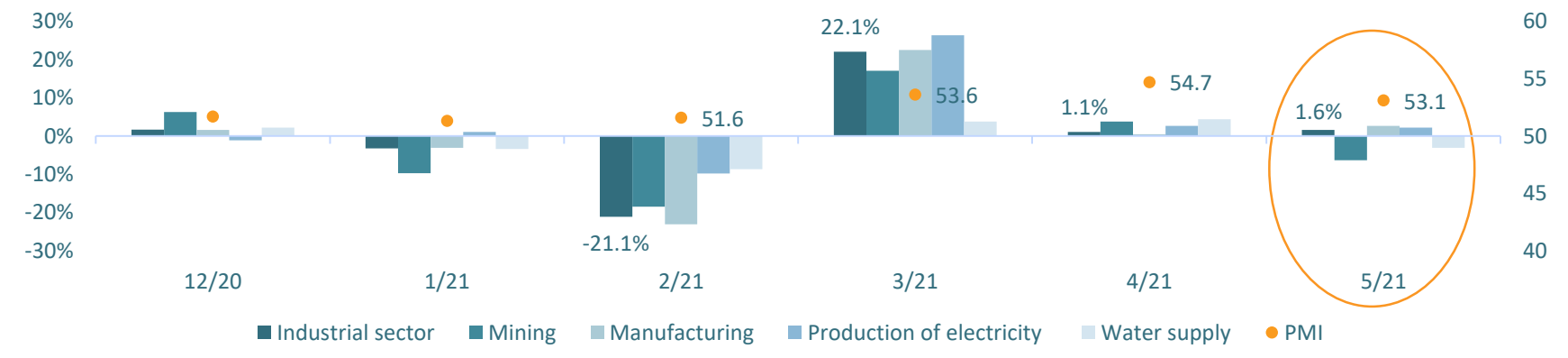
❖ The epidemic situation is complicated, negatively affecting the production sector. PMI dropped slightly to 53.1 points in May. By the end of May, the manufacturing index reached +9.9% YoY compared to the same period in 2020. **The epidemic has not been controlled** while commodity prices (crude, oil, iron, steel) anchored at a high level. Both continue to have negative impact on short-term prospects.

MACRO: INTERRUPTION OF PRODUCTION PROCESS WHEN THE EPIDEMIC RETURNS

Retail and Consumer services YoY%



IIP + PMI MoM%

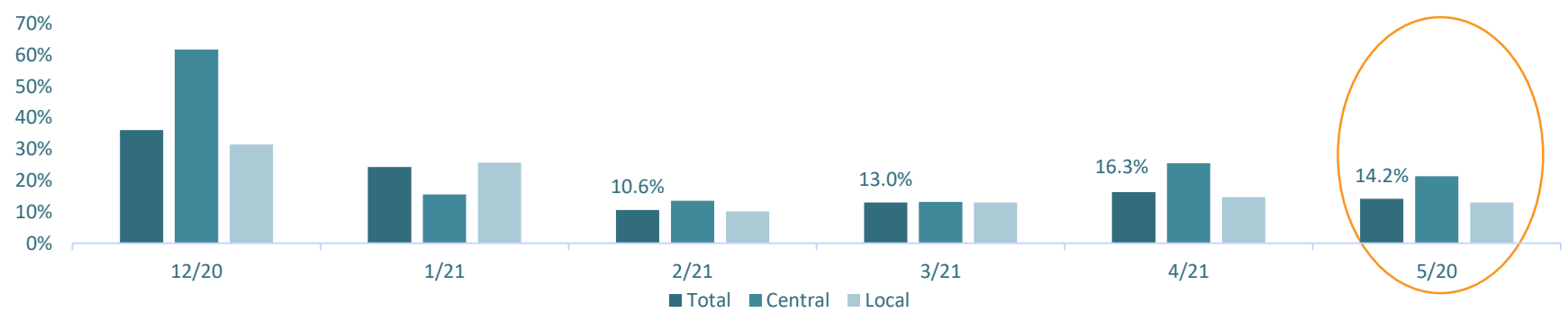


❖ In the first 5 months, disbursement is +14.2% (equivalent to 28.7% of the 2021 plan). Material prices increased sharply, partially affecting the progress (local block +13.0%). However, in the context of the weak production and consumption sector, disbursement is expected to remain as the mainstay of economic support, estimated at 458,636 billion VND (equivalent to 101.7% of what is estimated in 2021)

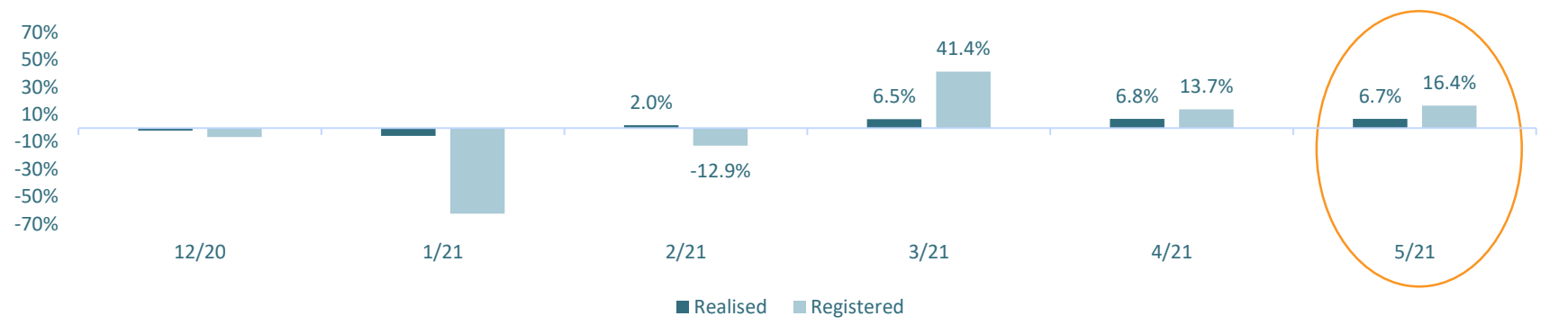
❖ The data that was accumulated till the end of May shows: realized FDI is estimated to increase by +6.7%, registered FDI increased by +16.4%, newly granted capital reached +18.6%, additional capital reached +11.7%. **The FDI situation is relatively positive in the context of the return outbreak in Vietnam.** However, prolonged epidemic could still have negative impacts on capital flows in the second half of 2021.

MACRO: PROSPECTS FROM THE FOREIGN CAPITAL ARE NOT BRIGHT

Disbursement of State capital budget YTD YoY%



FDI YTD YoY%



MACRO: STRONG GROWTH IN IMPORT IN MAY

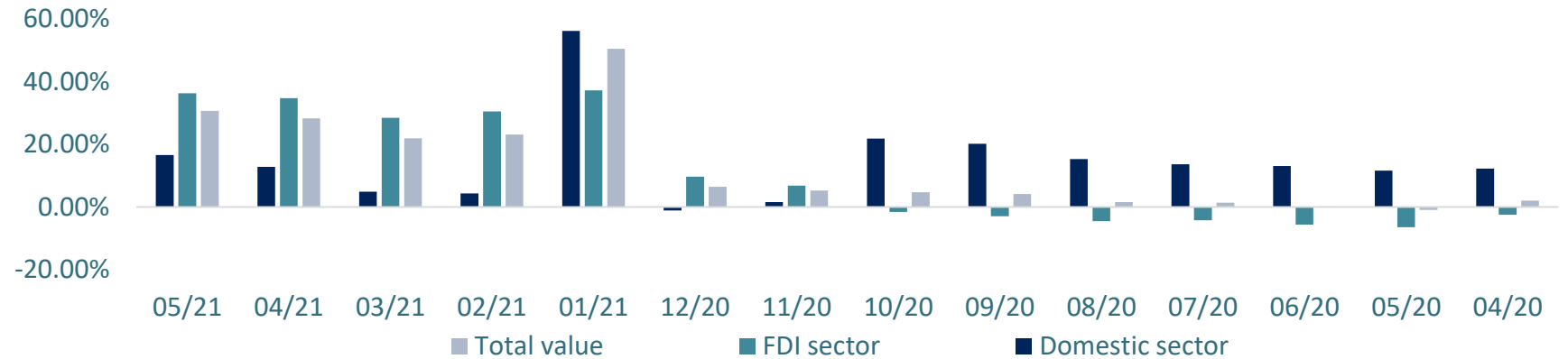
❖ Accumulated to the end of May, exports increased +30.7% YoY, while imports increased 36.3% YoY.

❖ There was a trade deficit of 2 billion USD in May, making the 2021 accumulated trade balance to be -0.36 billion USD

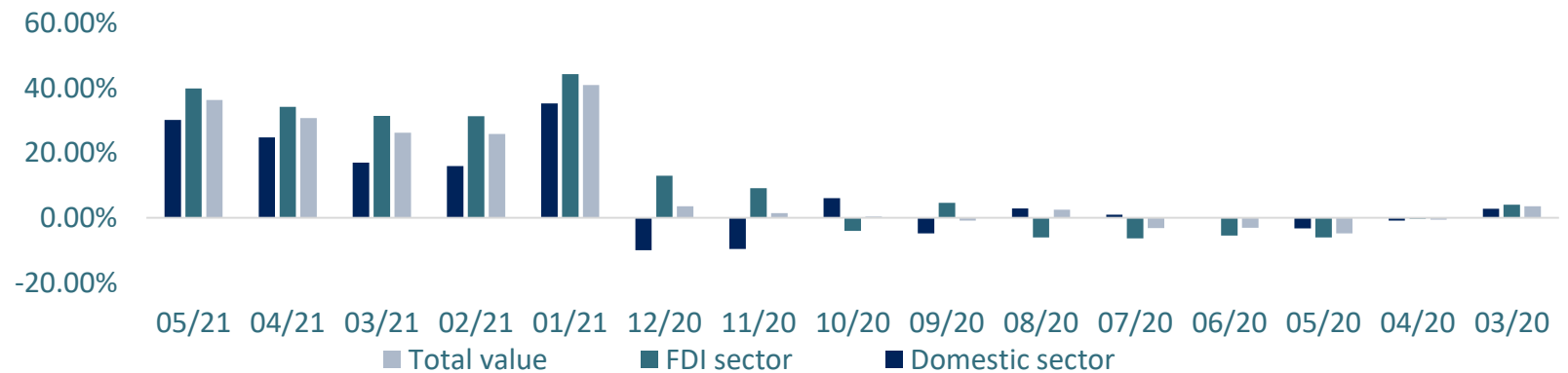
❖ Import growth trend increased sharply in May due to: (1) Sharp rise in phones and electronic components because Samsung may launch new phone models in June and July. (2) The machinery, equipment, tools and spare parts surged in May.

❖ BSC estimates exports to reach 10.2% YoY while import increase +12.1% YoY in 2021.

Export accumulated 2021 YoY%



Import accumulated 2021 YoY%



Source:GSO, BSC Research

IMPORT-EXPORT MOVEMENTS: STABLE GROWTH

Export	%	04/20	05/20	06/20	07/20	08/20	09/20	10/20	11/20	12/20	01/21	02/21	03/21	04/21	05/21
Total Value (Month)	100%	-14.0%	-12.4%	5.3%	8.2%	7.0%	16.3%	12.5%	10.7%	22.6%	55.8%	-3.2%	22.9%	51.0%	35.5%
Phone types and accessories	18%	-35.6%	-21.1%	-3.5%	7.3%	-9.5%	-4.0%	3.5%	-2.1%	61.4%	126.3%	-24.4%	-13.6%	52.4%	26.3%
Computers, electronic products and components	16%	17.9%	16.3%	32.8%	33.8%	17.6%	28.3%	20.7%	17.7%	21.5%	46.2%	23.0%	27.0%	28.3%	9.0%
Textile products	10%	-31.3%	-31.7%	-9.7%	-7.8%	-12.0%	1.3%	-4.7%	-13.2%	-4.7%	7.7%	-18.5%	16.5%	52.8%	36.6%
Other machinery, equipment, tools and spare parts	10%	23.4%	14.6%	35.3%	49.0%	64.3%	74.2%	71.0%	61.8%	80.2%	119.1%	41.9%	78.2%	85.7%	56.6%
Others	6%	-17.3%	-23.8%	-12.2%	-15.9%	-12.6%	-5.4%	-12.2%	-11.0%	-1.9%	33.4%	-11.1%	23.3%	42.8%	49.0%
Import	%	04/20	05/20	06/20	07/20	08/20	09/20	10/20	11/20	12/20	01/21	02/21	03/21	04/21	05/21
Total value	100%	-11.8%	-21.6%	6.2%	-3.7%	1.2%	11.3%	8.7%	15.7%	25.1%	42.3%	11.2%	28.5%	49.9%	54.1%
Computers, electronic products and components	24%	-4.1%	0.9%	34.4%	18.8%	21.7%	33.9%	39.9%	44.1%	48.4%	33.7%	10.6%	17.7%	48.4%	18.9%
Other machinery, equipment, tools and spare parts	14%	-0.9%	-21.3%	5.1%	-0.7%	0.2%	16.2%	4.7%	7.7%	14.0%	38.6%	20.7%	32.4%	31.8%	51.2%
Phone types and accessories	6%	-23.1%	-28.0%	8.2%	-17.3%	-6.4%	12.8%	28.3%	62.5%	66.5%	101.0%	32.4%	7.7%	70.8%	72.7%
Import	4%	-23.5%	-32.2%	-9.5%	-12.2%	-8.7%	-3.3%	-9.5%	-5.3%	7.1%	30.3%	10.4%	2.0%	52.8%	72.0%
Others	3%	-17.6%	-35.4%	-9.4%	-8.6%	-21.1%	-16.7%	-32.8%	-0.7%	-0.9%	47.6%	18.2%	32.0%	52.1%	44.7%

Source: Fiinpro, BSC Research

?: Monthly average proportion of merchandise over the specified period in the table

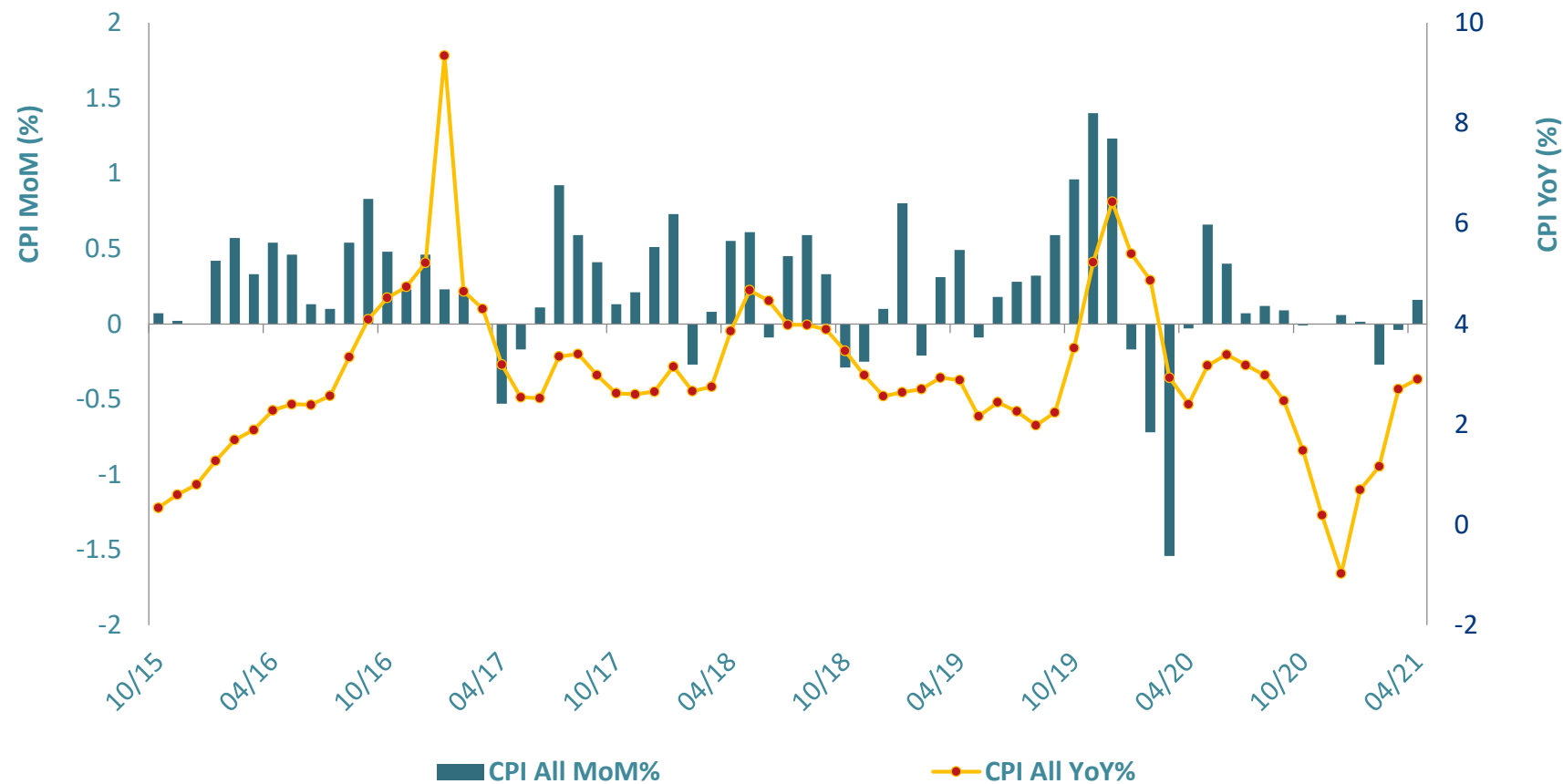
- ❖ CPI in May 2020 increased by +2.90% YoY with an average cumulative CPI of 1.30%, mainly due to a sharp increase in the transportation sector thanks to high oil prices compared to the same period last year.

- ❖ BSC adjusted CPI YoY t the end of Q2 to 2.9%-3.1%, corresponding to the average CPI of 1.57%-1.60% due to the increase in food prices is lower than what we expected. Assumptions for the estimate:

- ✓ (1) Pork price fluctuates in the price range of 70,000 – 80,000 VND/kg.
- ✓ (2) Brent oil price fluctuated in the range of 60-65 USD/ barrel in the first quarter.
- ✓ (3) Electricity prices may increase in the second quarter due to high demand for electricity at the peak of the hot period and commodity production.

MACRO: INFLATION IN MAY INCREASED SHARPLY

Inflation

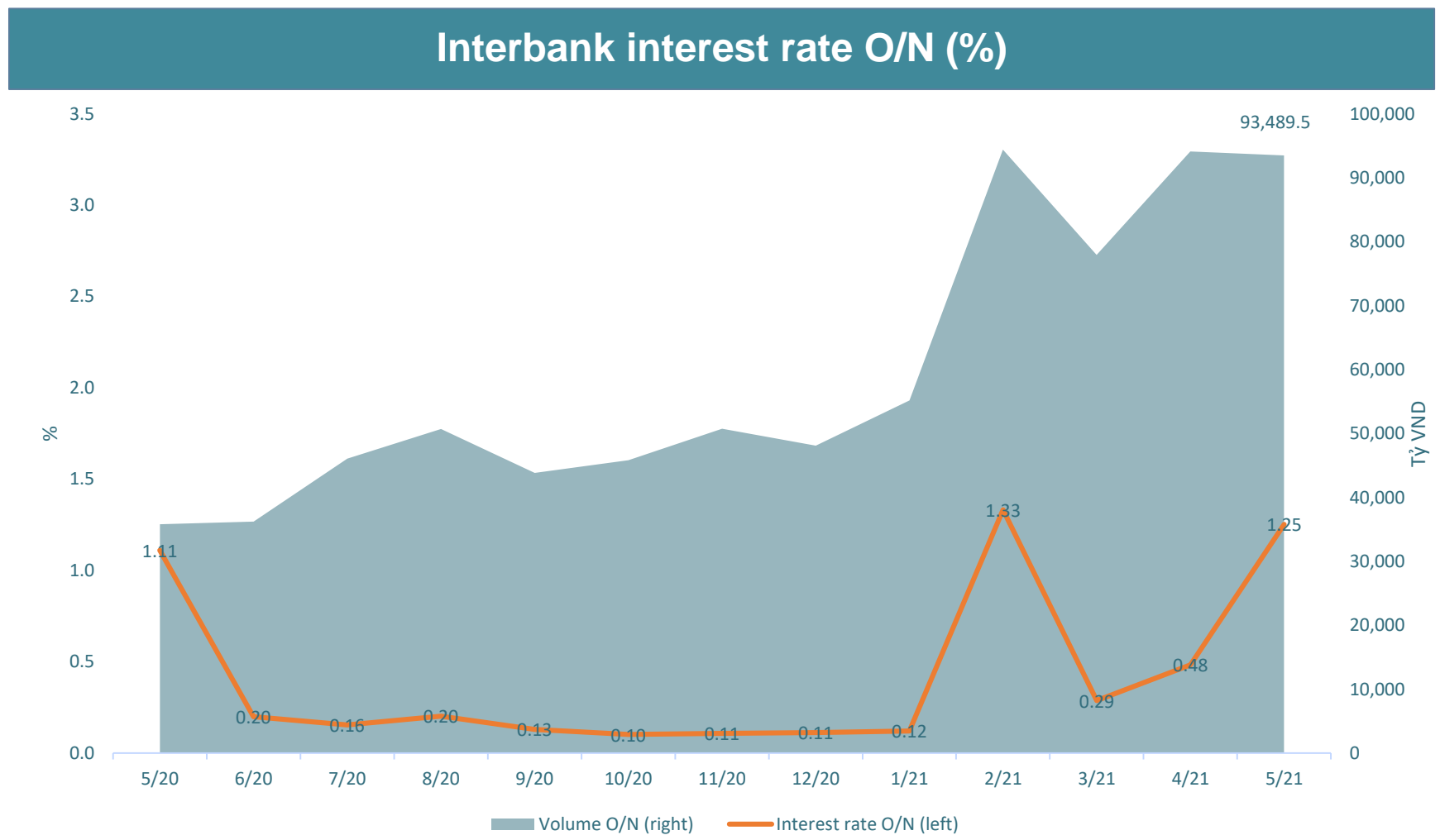


Source: Bloomberg, BSC Research

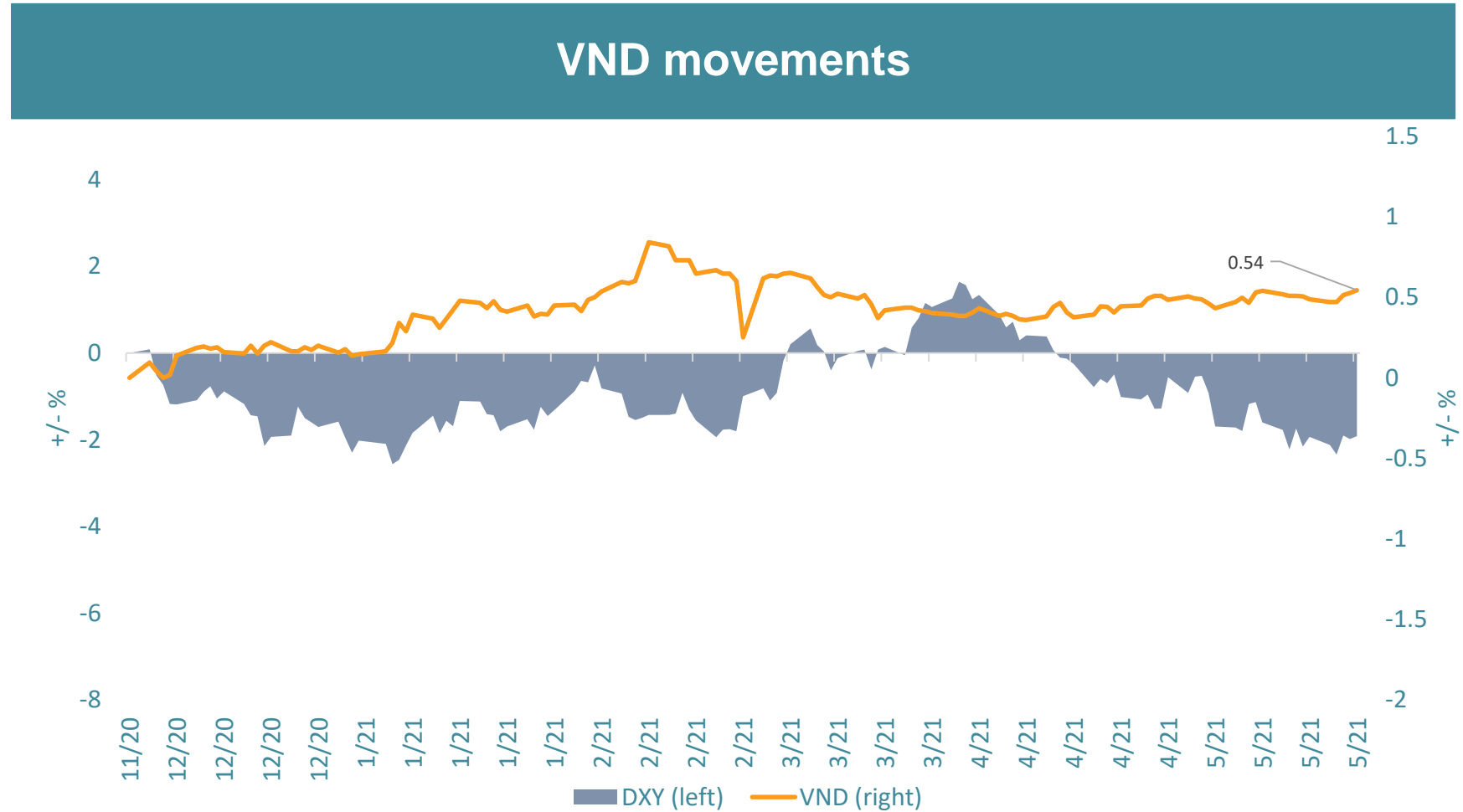
❖ Interbank interest rate O/N continues to increase strongly in the last week of the month. The average monthly interest rate increased to 1.25%, at them same time, the trading volume decreased to 93,489.5 billion/ session. A more cautious view of monetary management is reflected in the issuance of Official Letter 3029/NHNN-TTGSNH. In the context of the epidemic's return, when accessing the vaccine is still limited, the above dispatch shows a sign of credit control in risky areas, while maintaining the loosening policy direction, macro support, when there is no change in interest management. This contributed to an increase in credit demand in the month.

❖ Core CPI increased by 1.1% in May. Except for short-term price volatility factors, moderate inflation continued to facilitate the keeping of current levels's interest rate.

MACRO: INTERBANK INTEREST RATE IS HELD AT HIGH LEVEL



MACRO: USD VALUE DROPPED IN MAY



Source: Bloomberg, BSC Research

MACRO OVERVIEW

	4/18	5/18	6/18	7/18	8/18	9/18	10/18	11/18	12/18	1/19	2/19	3/19	4/19	5/19	6/19	7/19	8/19	9/19	10/19	11/19	12/19	1/20	2/20	3/20	4/20	5/20	6/20	7/20	8/20	9/20	10/20	11/20	12/20	1/21	2/21	3/21	4/21
Retail Sales + Customer Services	9.80%	10.10%	10.70%	11.10%	11.20%	11.30%	11.40%	11.50%	11.70%	12.20%	12.20%	12.00%	11.90%	11.60%	11.50%	11.60%	11.50%	11.60%	11.80%	11.80%	11.80%	10.20%	8.30%	4.70%	-4.30%	-3.90%	-0.80%	-0.40%	-0.02%	0.70%	1.27%	2.03%	2.62%	6.42%	5.49%	5.10%	10.02%
Retail Sales	10.80%	11.00%	11.30%	11.70%	11.70%	12.00%	12.20%	12.30%	12.40%	13.10%	14.40%	13.40%	13.20%	12.70%	12.50%	12.50%	12.50%	12.60%	12.80%	12.70%	12.70%	10.70%	9.80%	7.70%	0.40%	1.20%	3.40%	3.60%	4.00%	4.80%	5.44%	6.22%	6.78%	8.65%	7.83%	6.84%	9.77%
Hospitality	9.40%	8.90%	9.60%	9.10%	9.10%	8.40%	8.30%	8.60%	9.10%	11.50%	5.70%	9.20%	9.20%	9.20%	9.80%	10.00%	9.80%	9.60%	9.60%	9.60%	9.80%	6.80%	1.70%	-9.60%	-23.60%	-25.80%	-18.10%	-16.60%	-16.40%	-15.00%	-14.70%	-13.72%	-12.97%	-4.13%	-4.30%	-2.97%	10.14%
Travelling	26.10%	23.00%	19.50%	17.70%	17.60%	16.90%	15.60%	14.70%	14.10%	7.90%	7.80%	12.80%	13.10%	12.40%	13.30%	12.50%	12.10%	12.00%	11.90%	12.20%	12.10%	7.40%	1.10%	-27.80%	-45.20%	-54.10%	-53.20%	-55.40%	-54.40%	-56.30%	-57.66%	-58.60%	-59.50%	-62.18%	-62.06%	-60.08%	-49.17%
Other services	3.20%	4.60%	7.30%	9.00%	9.50%	9.70%	9.30%	9.80%	9.80%	7.40%	4.90%	5.10%	5.70%	6.10%	6.30%	6.70%	7.00%	7.30%	7.70%	8.10%	8.50%	10.70%	5.20%	1.50%	-13.20%	-11.80%	-7.40%	-5.90%	-5.70%	-5.60%	-5.40%	-4.76%	-4.03%	7.31%	3.00%	3.90%	14.95%
Index of Industrial Production	9.40%	7.10%	12.30%	14.30%	13.40%	9.10%	7.70%	9.60%	11.40%	7.90%	10.30%	9.10%	9.34%	10.00%	9.60%	9.70%	10.50%	10.20%	9.20%	5.40%	6.20%	-5.50%	23.70%	5.40%	-10.50%	-3.10%	7.00%	1.10%	-0.60%	3.80%	5.40%	9.20%	9.52%	22.16%	7.35%	22.08%	1.05%
Mining	-5.00%	-7.60%	-3.60%	2.80%	2.40%	-2.70%	-9.50%	0.20%	-3.20%	-6.70%	-5.00%	0.40%	1.96%	-1.50%	4.00%	4.40%	14.40%	-6.60%	-0.20%	-5.30%	2.10%	-12.90%	9.20%	-9.50%	-10.70%	-13.00%	-8.90%	-7.90%	-5.10%	-5.70%	-14.54%	6.24%	-10.41%	-6.22%	-11.00%	17.06%	3.78%
Manufacturing	12.30%	9.10%	15.50%	16.60%	16.00%	11.20%	10.10%	11.00%	13.70%	10.10%	12.80%	10.30%	10.53%	11.60%	10.60%	10.40%	10.30%	12.30%	10.80%	6.50%	7.00%	-4.80%	26.40%	7.30%	-11.30%	-2.40%	10.30%	2.10%	-0.10%	4.60%	8.30%	0.119	13.13%	27.15%	10.35%	22.49%	0.45%
Electricity production	9.60%	11.20%	10.00%	12.20%	6.70%	5.10%	8.90%	9.20%	11.70%	8.80%	10.90%	9.80%	9.39%	11.00%	8.60%	10.50%	10.30%	10.60%	8.10%	7.50%	3.30%	-3.50%	22.50%	7.30%	-6.90%	2.00%	1.70%	2.70%	-0.70%	5.50%	0.98%	5.30%	2.12%	16.27%	4.25%	26.40%	2.64%
Water supply	2.60%	8.20%	8.00%	7.60%	7.10%	8.40%	9.50%	4.50%	5.60%	9.40%	7.20%	11.00%	6.77%	8.40%	6.00%	7.40%	7.60%	8.90%	6.90%	6.30%	6.20%	1.60%	8.30%	9.50%	2.00%	2.30%	2.10%	4.50%	2.20%	5.30%	9.91%	5.30%	7.95%	8.40%	4.84%	3.77%	4.36%
PMI	52.7	53.9	55.7	54.9	53.7	51.5	53.9	56.5	53.8	51.9	51.2	51.9	52.5	52.0	52.5	52.6	51.4	50.5	50.0	51.0	50.8	50.6	49.0	41.9	32.7	42.7	51.1	47.6	45.7	52.2	51.8	49.9	51.7	51.3	51.6	53.6	54.7
Export	18.97%	18.13%	16.99%	16.66%	17.32%	16.29%	15.21%	14.50%	13.19%	9.18%	4.65%	8.38%	7.42%	7.20%	7.31%	8.16%	8.13%	8.46%	8.31%	8.01%	8.50%	-17.00%	8.21%	7.43%	2.05%	-0.90%	0.21%	1.46%	2.37%	4.07%	4.78%	5.30%	6.50%	50.53%	23.25%	22.01%	28.30%
Import	10.05%	11.39%	10.50%	11.74%	13.13%	12.44%	12.38%	12.15%	11.12%	6.09%	6.39%	8.66%	11.53%	10.80%	9.13%	9.21%	7.94%	8.29%	7.69%	6.66%	6.92%	-12.51%	3.01%	3.56%	-0.51%	-4.81%	-2.99%	-3.18%	-2.44%	-0.78%	0.35%	1.50%	3.60%	41.00%	25.87%	26.29%	30.80%
State budget disbursement	10.13%	8.24%	7.95%	9.66%	10.30%	11.26%	12.30%	12.66%	11.86%	11.47%	3.93%	4.30%	3.48%	3.58%	3.81%	3.00%	3.08%	4.42%	4.93%	5.16%	5.55%	3.65%	22.17%	17.04%	13.98%	16.83%	19.77%	28.26%	32.40%	35.27%	36.17%	35.84%	34.45%	24.53%	10.60%	13.03%	16.31%
FDI realised	6.25%	9.76%	8.42%	8.84%	9.22%	6.00%	6.34%	3.13%	9.14%	47.62%	51.76%	6.19%	11.76%	8.15%	8.72%	7.11%	6.31%	7.32%	7.35%	6.79%	6.70%	3.23%	-5.04%	-6.55%	-9.65%	-8.22%	-4.95%	-4.08%	-5.10%	-3.23%	-2.53%	-2.38%	-1.96%	4.14%	2.04%	6.49%	6.80%
FDI registered	-37.26%	-30.84%	-4.40%	-3.47%	-4.01%	-7.72%	-8.48%	-16.56%	-13.88%	27.34%	57.76%	30.89%	28.57%	27.09%	-36.26%	-35.56%	-31.20%	-19.86%	-15.15%	-11.38%	-11.83%	318.66%	70.98%	28.85%	32.17%	19.90%	17.53%	21.20%	11.37%	-1.82%	-5.09%	-3.22%	-6.59%	-62.55%	-12.88%	41.37%	13.70%
CPI core YoY	1.33%	1.37%	1.37%	1.41%	1.54%	1.61%	1.67%	1.72%	1.70%	1.83%	1.82%	1.84%	1.88%	1.90%	1.96%	2.04%	1.95%	1.96%	1.99%	2.18%	2.78%	3.25%	2.94%	2.95%	2.71%	2.54%	2.45%	2.31%	2.16%	1.97%	1.88%	1.61%	0.19%	-0.97%	0.79%	0.73%	0.95%
CPI YoY	2.75%	3.86%	4.67%	4.46%	3.98%	3.98%	3.89%	3.46%	2.98%	2.56%	2.64%	2.70%	2.93%	2.88%	2.16%	2.44%	2.26%	1.98%	2.24%	3.52%	5.23%	6.43%	5.40%	4.87%	2.93%	2.40%	3.17%	3.39%	3.18%	2.98%	2.47%	1.48%	0.99%	0.49%	0.70%	1.16%	2.70%
Credit growth ΔYTD%	-0.53%	-0.58%	-1.15%	-1.48%	-1.82%	-1.88%	-2.56%	-3.41%	-4.35%	0.94%	-0.30%	-0.37%	-0.67%	-0.44%	-0.50%	-0.62%	-0.82%	-0.93%	-1.13%	-1.30%	-0.24%	-1.80%	-0.90%	-1.82%	-3.05%	-3.78%	-3.71%	-3.43%	-3.34%	-3.32%	-3.24%	-2.59%	-1.48%	0.66%	0.49%	1.62%	
Total means of payment ΔYTD%	1.83%	2.12%	1.50%	0.31%	-0.44%	-1.51%	-1.07%	-2.89%	-4.46%	1.73%	-0.76%	-1.12%	-2.09%	-1.53%	-1.28%	-0.89%	-0.49%	0.42%	0.24%	0.93%	2.34%	-1.26%	-0.85%	-1.17%	-1.68%	-2.01%	-1.96%	-1.46%	-0.98%	-0.83%	-0.77%	-0.60%	-0.25%	-0.98%	0.03%		
Interest O/N (%)	1.01	1.36	1.09	1.83	3.65	2.99	3.24	4.50	4.40	4.20	4.08	3.51	3.71	3.02	3.06	2.88	2.98	2.56	1.72	2.40	2.92	1.63	2.10	1.96	2.15	1.06	0.22	0.11	0.14	0.10	0.10	0.10	0.10	0.10	0.88	0.17	0.27

Source: Bloomberg, BSC Research

MARKET IN MAY

**Positive movement owing
to domestic cash flow**



MARKET: FORECAST FOR JUNE 2021

SCENERIO 1

VN-Index maintained its uptrend and headed towards the threshold of 1400 points. Cash flow from foreign funds returned and new domestic investors continued to participate in the market. The pandemic situation is not adverse like before and the 4th wave of the COVID-19 is being repelled.

SCENERIO 2

VN-Index fluctuates and accumulates in the range of 1270-1350 points if the world market moves in a sideways phase, the domestic epidemic has not been completely controlled and foreign investors maintain their net withdrawal status. The two scenarios are evaluated as having equal probability.

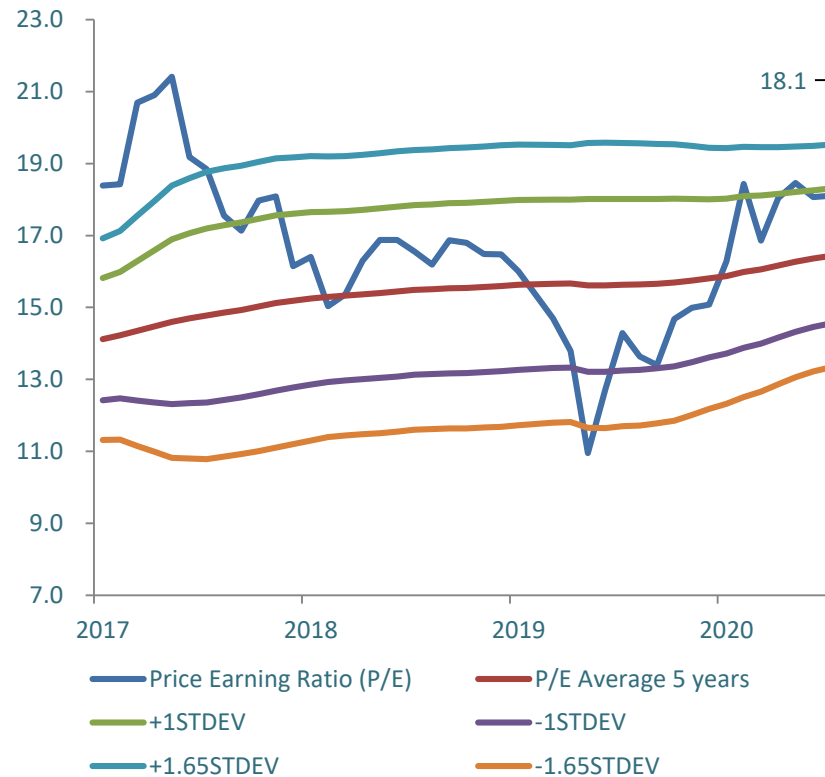


Source: FireAnt, BSC Research

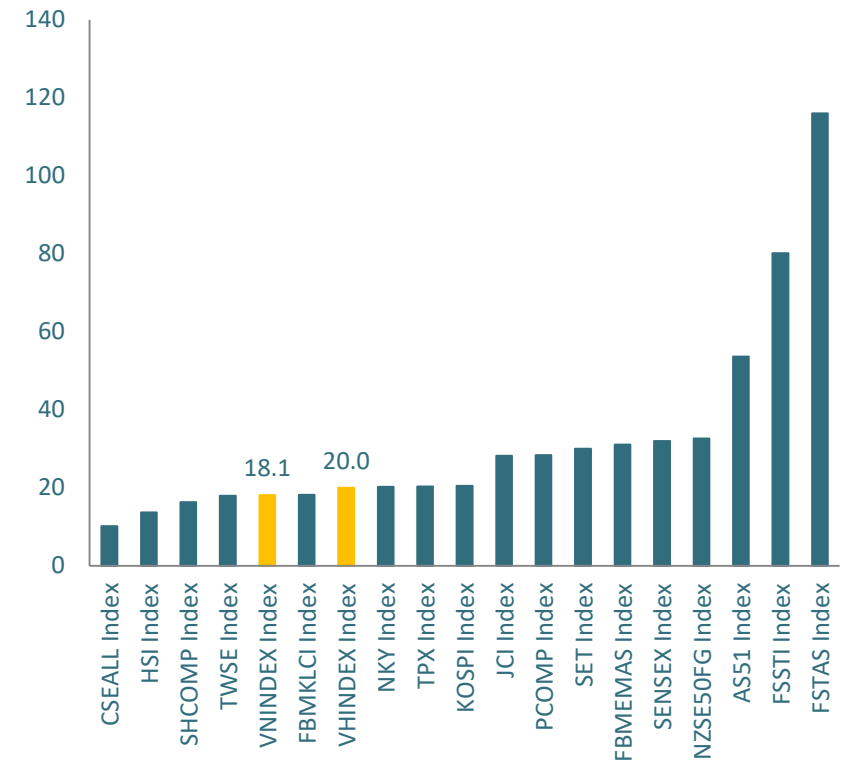
MARKET: P/E OF VN-INDEX HOLDING ASIA'S 15th POSITION

- ❖ The VN-Index rose 7.15% while the HNX-Index fell 12.81% in May.
- ❖ P / E at the end of May was 18.1, remained unchanged from the previous month, 10.16% higher than the 5-year average P / E (16.43 times), though still quite low compared to Asia.
- ❖ P/E VN-Index is forecasted to increase to 18.4 in June.

P/E ratio VNindex



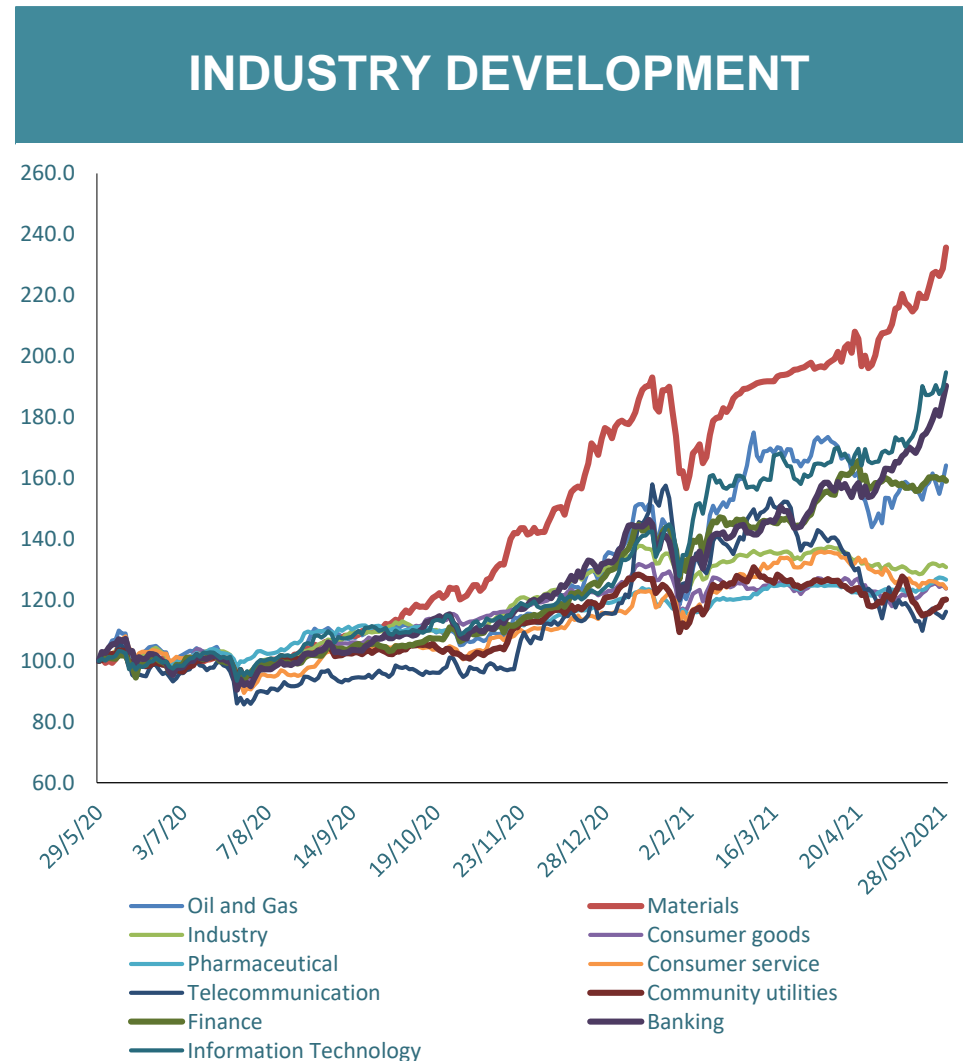
Vietnam P / E compared to region



Source: Bloomberg, BSC Research

MARKET: MOST LEVEL I INDUSTRY GROWTH IN MAY

- ❖ 4/11 level I industries increased in May, 2021 when the market maintained a strong upward momentum.
- ❖ The group of Banking, Information Technology and Materials had the strongest growth in May. The banking sector led the market with an increase of 20.1%.
- ❖ There are 5 out of 11 industry groups with P / E below the market average.
- ❖ There are 7 out of 11 industries with increased P/B compared to the end of April.



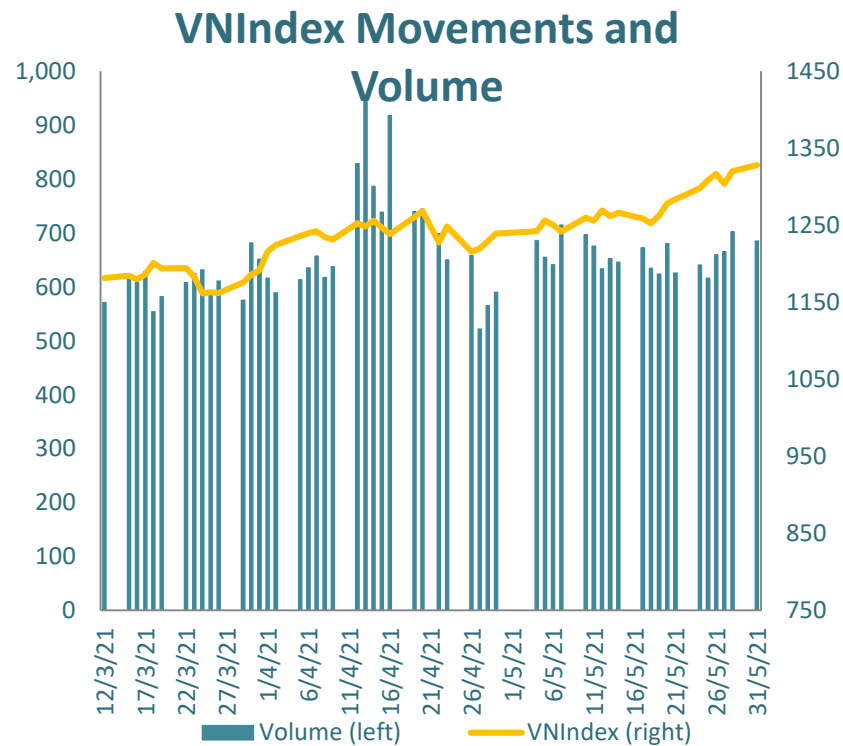
Source: Bloomberg, BSC Research

Sector	Change	P/E	± %	P/B	± %
Oil and Gas	10.6%	25.04	-41.0%	1.65	9.7%
Materials	14.8%	15.64	8.5%	2.27	16.6%
Industry	-0.8%	17.97	-6.2%	1.89	-5.3%
Consumer goods	1.1%	19.66	-1.9%	3.18	0.5%
Pharmaceutical	3.4%	16.82	3.9%	2.03	1.5%
Consumer service	-4.2%	-	-	3.57	-1.1%
Telecommunication	-1.6%	185.65	242.6%	3.38	0.8%
Community utilities	0.6%	14.42	-4.6%	1.84	-2.2%
Finance	0.5%	19.94	-7.9%	2.85	-2.8%
Banking	20.1%	14.81	13.1%	2.51	19.8%
Information Technology	17.8%	21.11	17.4%	3.23	12.8%

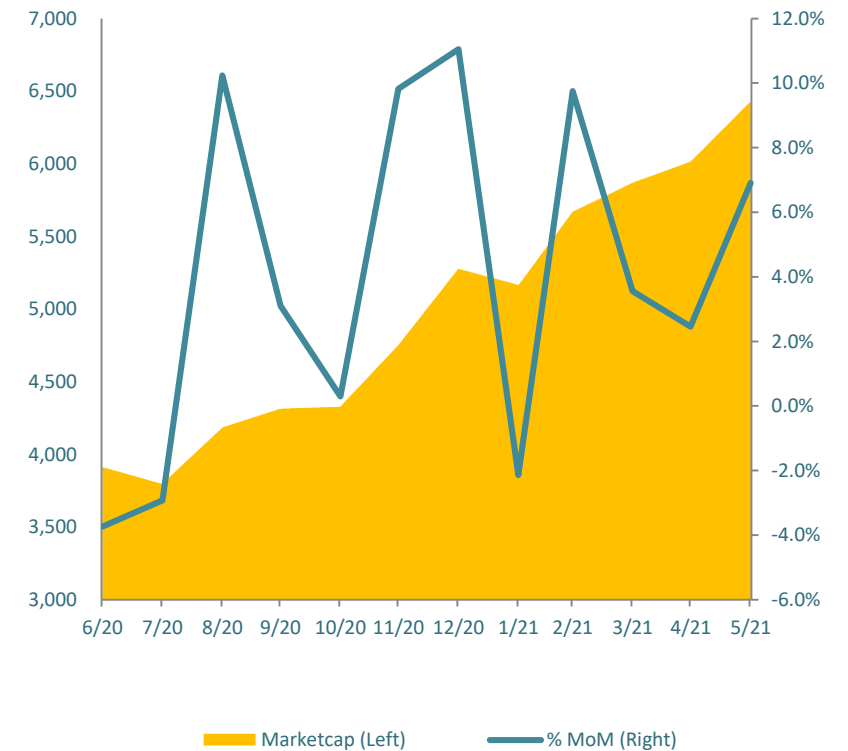
- ❖ Market capitalization increased by 6.9% compared to the end of April.
- ❖ Market movements increased sharply in the second half of May.
- ❖ Liquidity kept stable at the level during the increase phase of the market, showing a certain optimism in the current time of investors.
- ❖ With the scenario that VN-Index reaches 1,350 points at the end of June, the market capitalization is forecasted to be increase by 1.5%.

MARKET: MARKET CAPITALIZATION STRUCTURE OF 3 EXCHANGES REACHED VND 643 MILLION BILLION

Liquidity remained stable in May



Marketcap increased by 6.9% in May

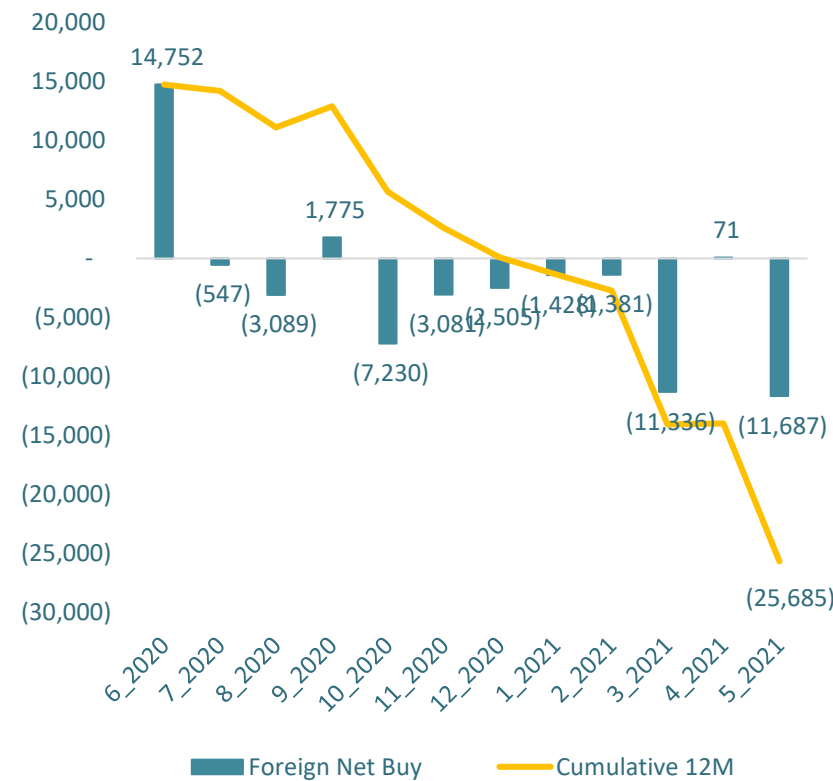


Source: Bloomberg, BSC Research

- ❖ Foreign investors returned to net selling, partly showing a certain caution of international investors at the moment when the 4th wave of the COVID 19 appeared in Vietnam.
- ❖ In general, in May 2021, foreign investors net sold 11,687 billion VND, in which HPG was the most sold stock with a value of 3,968 billion VND.
- ❖ The majority of ETFs were net withdrawn in the last month, only ETF Diamond and VNM were still attracting foreign capital while ETFs FTSE and KIM had the strongest net withdrawal.

MARKET: FOREIGN INVESTORS NET BUY IN MAY

Foreign investors net sold a cumulative VND 25,685 billion in 12M



Source: Bloomberg, BSC Research

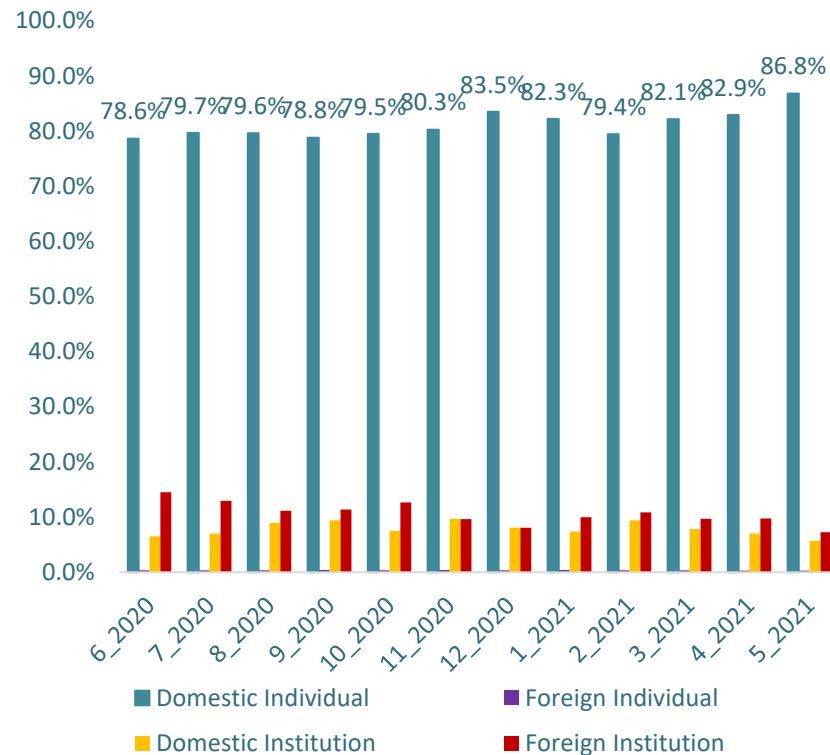
Stock	Value (billion VND))	Stock	Value (billion VND))
VHM	312.57	HPG	(3,968.08)
PLX	233.99	CTG	(1,338.67)
FPT	229.07	VPB	(1,272.13)
STB	219.51	VIC	(1,200.25)
DHC	143.72	VNM	(764.78)
GMD	140.89	NVL	(614.12)
NKG	111.45	MBB	(530.41)
DGC	108.59	VCB	(409.84)
HSG	103.32	KBC	(380.32)
OCB	102.39	VRE	(329.63)

Table of net buying and selling value of foreign investors in May 2021

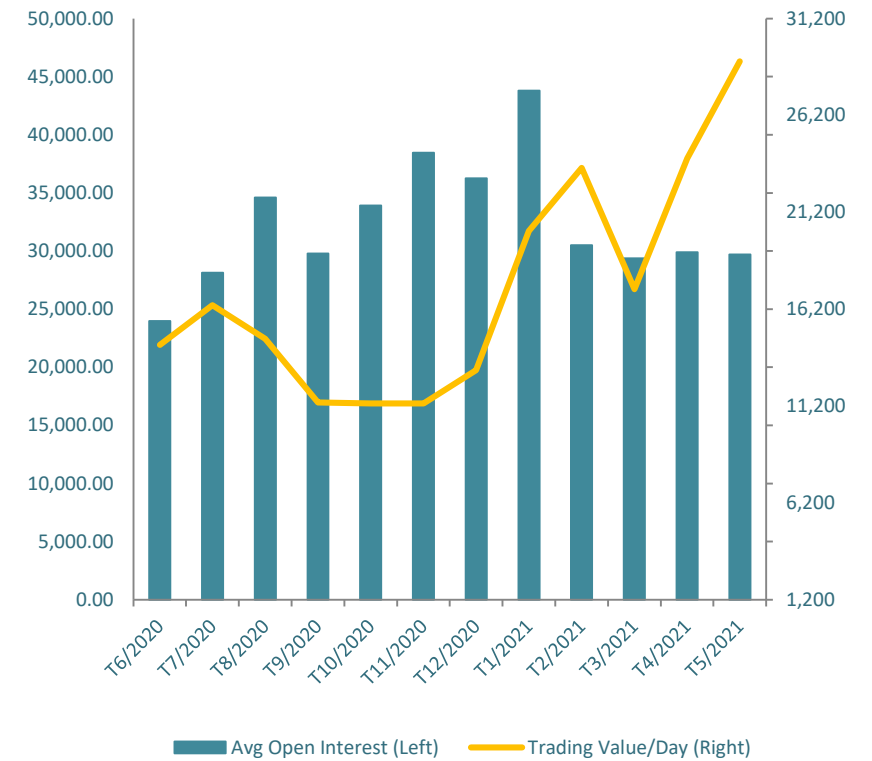
- ❖ Domestic individual investors continued to maintain active trading activities.
- ❖ Domestic individual investors accounted for 86.8% of the market compared to an average of 81.1% per year.
- ❖ The buying momentum increased when the market held the 1,250 point mark, showing that some traders are still quite proactive with the current market movements
- ❖ The average transaction value of daily futures contract rose sharply in the last month shows the current traders increased their interests in the derivative products.

MARKET: DOMESTIC INVESTORS MAKES POSITIVE TRADING IN MAY

Domestic investors traded more than 5.7% compared to the average of 12M



Number of open interest in future contract increased by 20.83% MoM

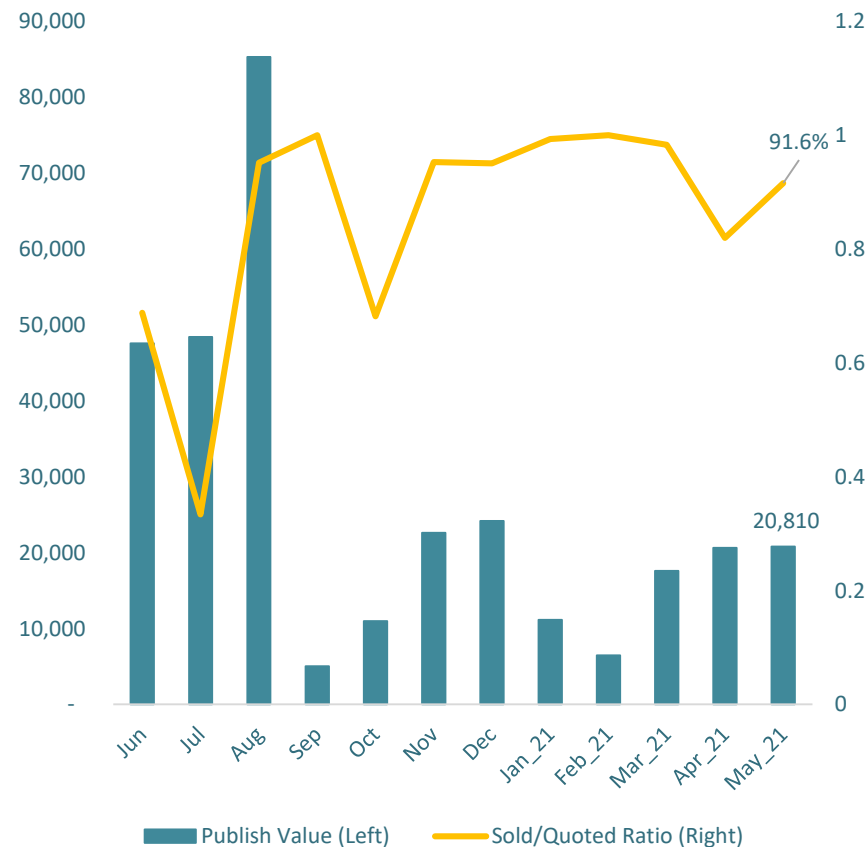


Source: Bloomberg, BSC Research

- ❖ The value of corporate bond issuance reached 20,810 billion, a relatively high level since Sep 2020 up to now.
- ❖ 40 bonds were issued and the purchase volume reached 91.6%.
- ❖ The average yield to maturity of the bond fell to 3.5 years. Maturity is lower than the average of 3.8 years out of 12 months.
- ❖ Movements of corporate bond market in May continued to support the flow of capital to the stock market, while the market's demand for debt securities increased again.

MARKET: BOND ISSUANCE RATE INCREASED SUCCESSFULLY

Bond buying/offering ratio reached 91.6% in May



Source: Bloomberg, BSC Research

Month	Number of bonds issued	Average yield to maturity	Issued value
06/20	163	3.8	47,569
07/20	194	4.1	48,411
08/20	501	3.9	85,343
09/20	17	3.8	6,745
10/20	58	5.2	10,976
11/20	99	4.9	22,613
12/20	38	4.2	24,187
01/21	21	3.3	11,166
02/21	12	2.7	6,475
03/21	37	3.1	17,615
04/21	43	3.6	20,649
05/21	40	3.5	20,810
Total	1,223	3.8	322,559

FACTORS AFFECTING THE MARKET IN JUNE

Events

Impact on the stock market

- | | |
|--|--|
| ❖ Continued disbursement of public investment and an easing monetary policy limit the negative impact of Covid-19 translation and support growth | ❖ Positive |
| ❖ The new leadership accelerates the planning and enactment of new policies | ❖ Positive |
| ❖ The Covid-19 epidemic is unpredictable in the world, and Vietnam is also facing the risk from 4th wave of Covid-19 outbreak | ❖ Market sentiment influence |
| ❖ ETFs FTSE, VNM, MSCI announced adjustment and implementation of portfolio structure | ❖ Increase market liquidity |
| ❖ Oil prices fluctuate | ❖ Difficult to forecast to stabilize inflation |
| ❖ Geopolitical tensions between China - Taiwan - USA | ❖ Negative influence on market sentiment |

INVESTMENT STRATEGY JUNE 2021

- ❖ Investors can consider increasing the proportion of stocks in the Oil and Gas Industry when the potential oil price returns to the uptrend, refer to the Report at [Link](#).
- ❖ Consider holding some stocks with good profit growth in the long run such as Retail or stocks with potential for continued recovery such as Technology , Posts and Telecommunications, refer to the report at [Link](#).
- ❖ Consider buying stocks in some industries such as Textiles, Seafood, etc. which benefiting from the impact of disruptions due to epidemics in India, Myanmar.
- ❖ Consider carefully in trading decisions and just buy when stocks move to strong support levels or accumulate short-term.
- ❖ Be cautious when trading derivatives, keep the number of open positions at a moderate level and keep a Long position.

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Bloomberg: RESP BSC ResearchV <GO>



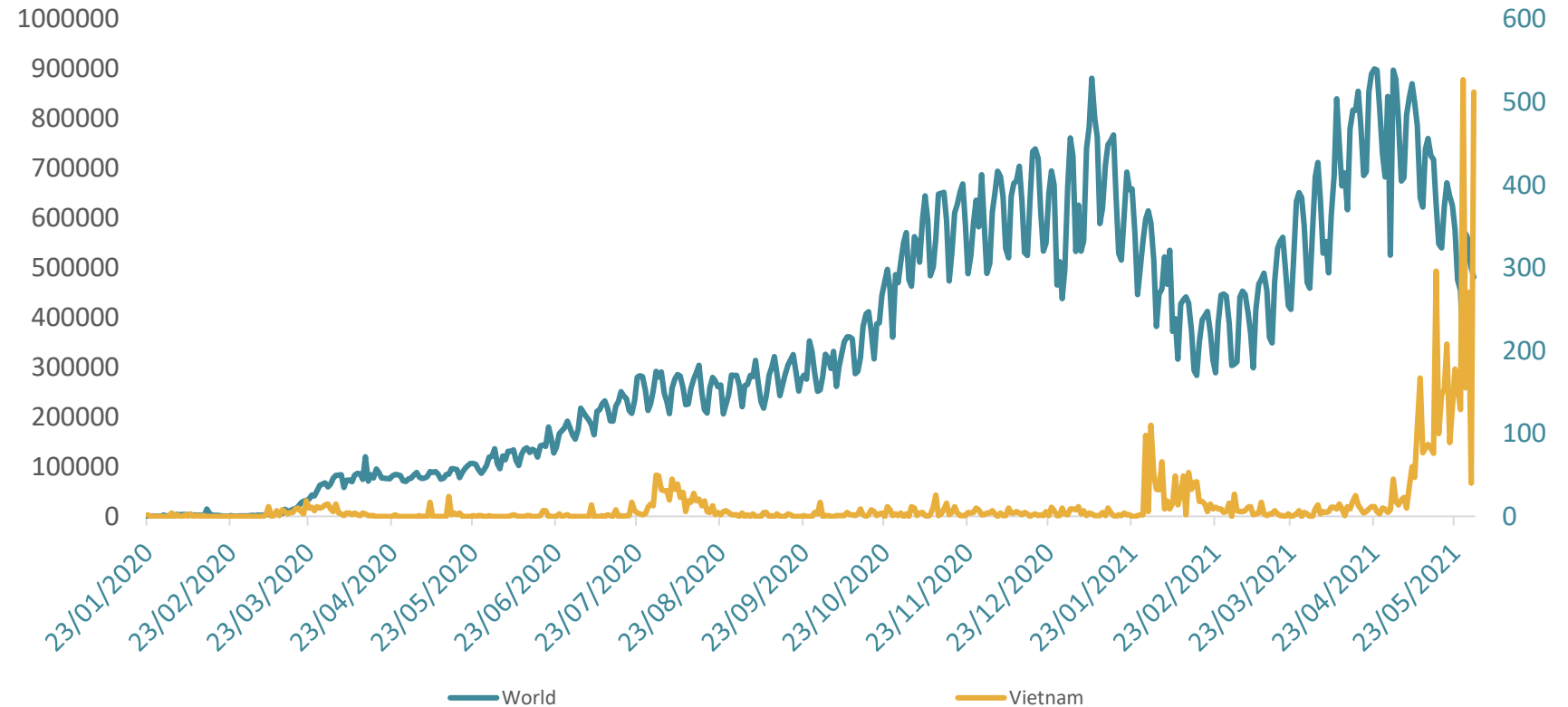
APPENDIX: 4RD COVID-19 WAVE TAKES TOLL ON VIETNAM

❖ **GLOBE:** There were 170,348,523 Covid-19 cases on May 30, 2021. The rate of infections has continued to decrease after a sharp increase in India.

❖ **VIETNAM:** There were 7,107 cases of COVID-19 on May 30, 2021. The 4th wave of COVID-19 infection is still spreading widely in Vietnam.

❖ **COVID-19 VACCINES:** : As of 4 p.m. on May 25, 2021, a total of 1,034,072 COVID-19 vaccination phase 1 and 2 have been carried out in many provinces and cities.

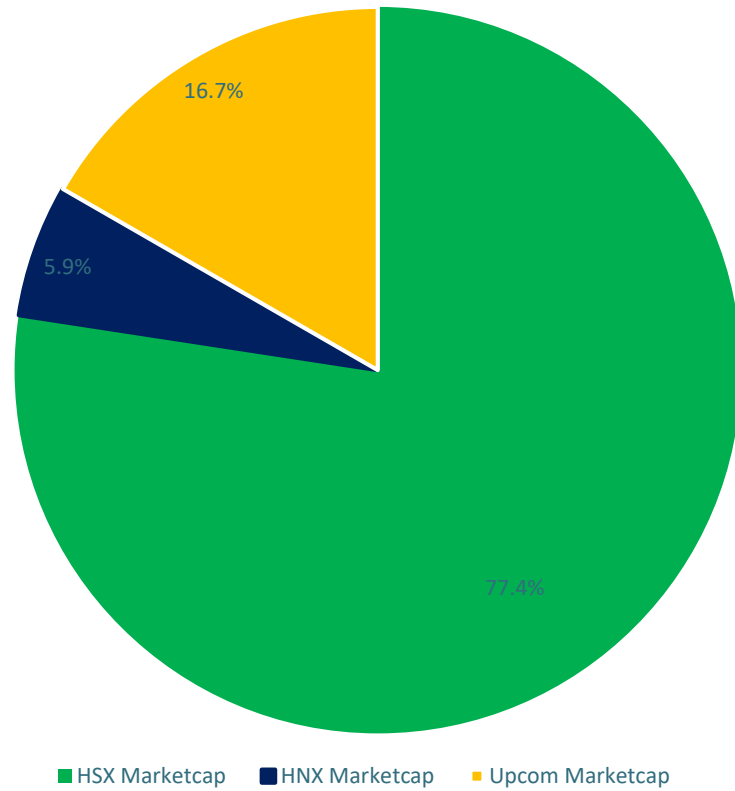
COVID-19 development (number of new cases by day)



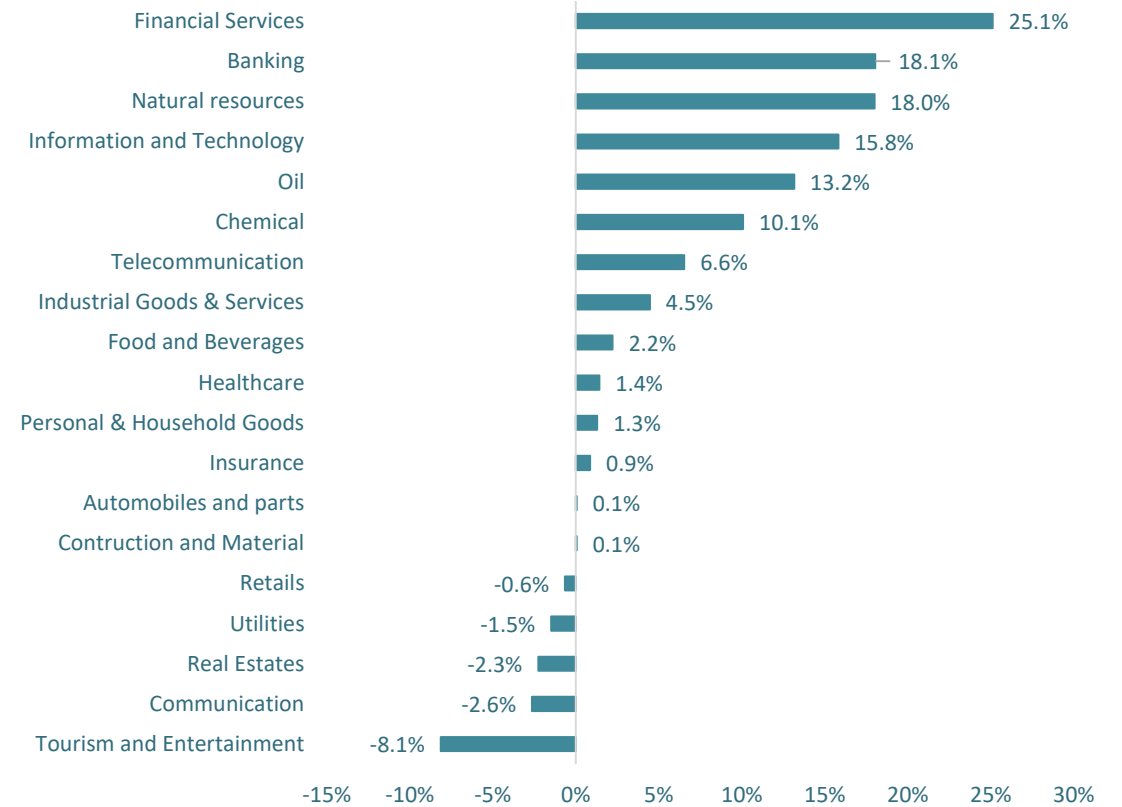
Source: WHO, BSC Research

APPENDIX

3-floor capitalization structure



14/19 sectors increased in May



APPENDIX

VN-Index median 1389.2 points, identified by financial institutions

No	Stock	Weight	31/05/2021	Mean	Max	Min	P/E	P/B
1	VIC	8.05%	117,500	117,125	131,500	105,000	54.04	4.93
2	VCB	7.41%	98,600	115,305	128,300	103,000	17.27	3.62
3	VHM	6.96%	102,600	113,985	135,000	94,862	13.03	3.70
4	CTG	4.01%	53,100	47,867	54,900	29,200	11.14	2.17
5	BID	3.97%	48,700	44,140	52,000	37,300	23.78	2.48
6	VNM	3.83%	90,500	114,928	135,000	98,000	19.33	6.04
7	TCB	3.81%	53,700	54,630	63,000	46,400	13.18	2.40
8	HPG	3.54%	52,700	47,215	58,519	38,296	12.99	3.57
9	VPB	3.44%	69,200	62,739	73,400	51,500	14.96	3.03
10	GAS	3.20%	82,600	103,038	121,700	92,700	20.93	3.13
11	NVL	2.93%	134,600	110,215	152,800	75,000	32.15	4.58
12	MSN	2.62%	110,100	113,514	142,500	95,000	85.95	8.00
13	GVR	2.32%	28,600	35,200	40,200	30,200	26.22	2.39
14	MBB	2.15%	38,000	35,815	41,700	29,400	10.52	2.07
15	SAB	2.02%	155,500	220,575	260,000	173,800	20.57	5.02
16	ACB	1.81%	41,400	40,501	43,700	35,600	10.37	2.36
17	FPT	1.57%	97,900	95,850	117,000	70,500	18.04	4.01
18	VIB	1.54%	68,500	46,275	57,200	35,700	14.53	3.93

No	Stock	Weight	31/05/2021	Mean	Max	Min	P/E	P/B
19	PLX	1.43%	54,600	65,367	66,300	64,800	18.73	2.90
20	VRE	1.39%	29,400	38,678	43,000	36,000	25.01	2.22
21	MWG	1.33%	138,500	170,167	227,400	140,600	15.30	3.81
22	STB	1.29%	33,800	29,675	32,400	26,949	22.60	2.05
23	VJC	1.21%	110,000	139,400	143,100	135,700	48.76	3.94
24	BCM	1.11%	53,000	53,000	53,000	53,000	25.88	3.37
25	HDB	1.10%	33,800	30,788	34,000	27,970	10.94	2.19
26	SSB	1.00%	40,800	40,800	40,800	40,800	28.40	3.47
27	EIB	0.82%	32,800	32,800	32,800	32,800	46.02	2.37
28	BVH	0.81%	54,100	70,700	74,400	66,300	21.23	1.96
29	TPB	0.81%	37,450	35,048	38,690	30,900	9.83	2.15
30	PDR	0.76%	77,000	77,000	77,000	77,000	28.52	7.04
31	HVN	0.74%	25,850	26,150	28,700	23,600	0.00	###
32	MSB	0.65%	27,450	23,500	23,500	23,500	11.20	1.79
33	LPB	0.65%	29,950	25,667	27,000	24,000	14.29	2.13
34	OCB	0.64%	28,850	30,425	32,100	29,000	0.00	1.71
35	SSI	0.58%	44,400	27,500	27,500	27,500	16.00	2.52
	VN-Index	81.54%	1,328.05	1,389.20	1,573.57	1,211.61	19.88	3.84

Source: Bloomberg, BSC Research

Heatmap performance of VNIndex by month

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YP (*)
2000							1.55%	13.39%	4.83%	16.68%	19.80%	22.58%	106.83%
2001	18.84%	2.69%	6.70%	19.22%	25.91%	23.75%	-15.56%	-34.34%	-11.87%	6.48%	10.85%	-18.41%	13.81%
2002	-11.83%	-7.93%	4.74%	4.16%	-0.65%	-2.44%	-2.22%	-2.99%	-4.97%	-2.48%	0.15%	3.07%	-22.12%
2003	-5.97%	-4.51%	-11.66%	4.90%	-0.20%	0.02%	-3.91%	-2.47%	-2.38%	-2.23%	20.31%	1.87%	-8.94%
2004	28.38%	21.59%	6.46%	-4.69%	-4.70%	-0.91%	-4.51%	-2.54%	0.35%	-0.26%	-1.30%	4.24%	43.34%
2005	-2.49%	0.76%	4.85%	-0.11%	-0.82%	1.05%	2.65%	0.45%	13.69%	6.25%	1.28%	-1.23%	28.51%
2006	1.57%	25.08%	28.90%	18.25%	-9.50%	-4.33%	-18.07%	16.28%	7.24%	-2.88%	23.75%	18.75%	144.48%
2007	38.52%	9.25%	-5.83%	-13.76%	17.06%	-5.25%	-11.39%	0.05%	15.25%	1.74%	-8.71%	-4.66%	23.31%
2008	-8.94%	-21.42%	-22.08%	1.07%	-20.73%	-3.55%	13.01%	19.44%	-15.28%	-24.01%	-9.31%	0.28%	-65.95%
2009	-3.93%	-18.95%	14.21%	14.59%	27.99%	8.90%	4.12%	17.14%	6.24%	1.07%	-14.14%	-1.85%	56.76%
2010	-2.59%	3.10%	0.47%	8.64%	-6.44%	-0.06%	-2.61%	-7.86%	-0.12%	-0.42%	-0.23%	7.32%	-2.04%
2011	5.35%	-9.64%	-0.05%	4.11%	-12.23%	2.65%	-6.21%	4.69%	0.68%	-1.59%	-9.53%	-7.65%	-27.46%
2012	10.36%	9.19%	4.10%	7.42%	-9.41%	-1.59%	-1.87%	-4.45%	-0.87%	-1.06%	-2.73%	9.50%	17.69%
2013	15.97%	-1.09%	3.47%	-3.37%	9.25%	-7.19%	2.23%	-3.89%	4.22%	0.97%	2.08%	-0.62%	21.97%
2014	10.28%	5.38%	0.87%	-2.29%	-2.76%	2.87%	3.10%	6.81%	-5.95%	0.34%	-5.70%	-3.70%	8.12%
2015	5.58%	2.86%	-6.99%	2.04%	1.27%	4.12%	4.72%	-9.07%	-0.37%	7.95%	-5.63%	1.02%	6.12%
2016	-5.83%	2.59%	0.33%	6.62%	3.35%	2.23%	3.16%	3.43%	1.65%	-1.45%	-1.59%	-0.03%	14.82%
2017	4.87%	1.94%	1.62%	-0.63%	2.80%	5.24%	0.91%	-0.10%	2.77%	4.08%	13.45%	3.61%	48.03%
2018	12.81%	1.01%	4.72%	-10.58%	-7.52%	-1.08%	-0.46%	3.47%	2.79%	-10.06%	1.29%	-3.67%	-9.32%
2019	2.03%	6.02%	1.58%	-0.11%	-2.02%	-1.04%	4.39%	-0.77%	1.27%	0.23%	-2.81%	-1.01%	7.67%
2020	-2.54%	-5.81%	-24.90%	16.09%	12.40%	-4.55%	-3.24%	10.43%	2.67%	2.24%	8.39%	10.05%	14.87%
2021	-4.86%	11.26%	1.97%	4.02%	7.15%								20.31%
Average	5.03%	1.59%	0.64%	3.60%	1.44%	0.94%	-1.44%	1.29%	1.04%	0.08%	1.89%	1.88%	12.69%

Appendix: Market movement

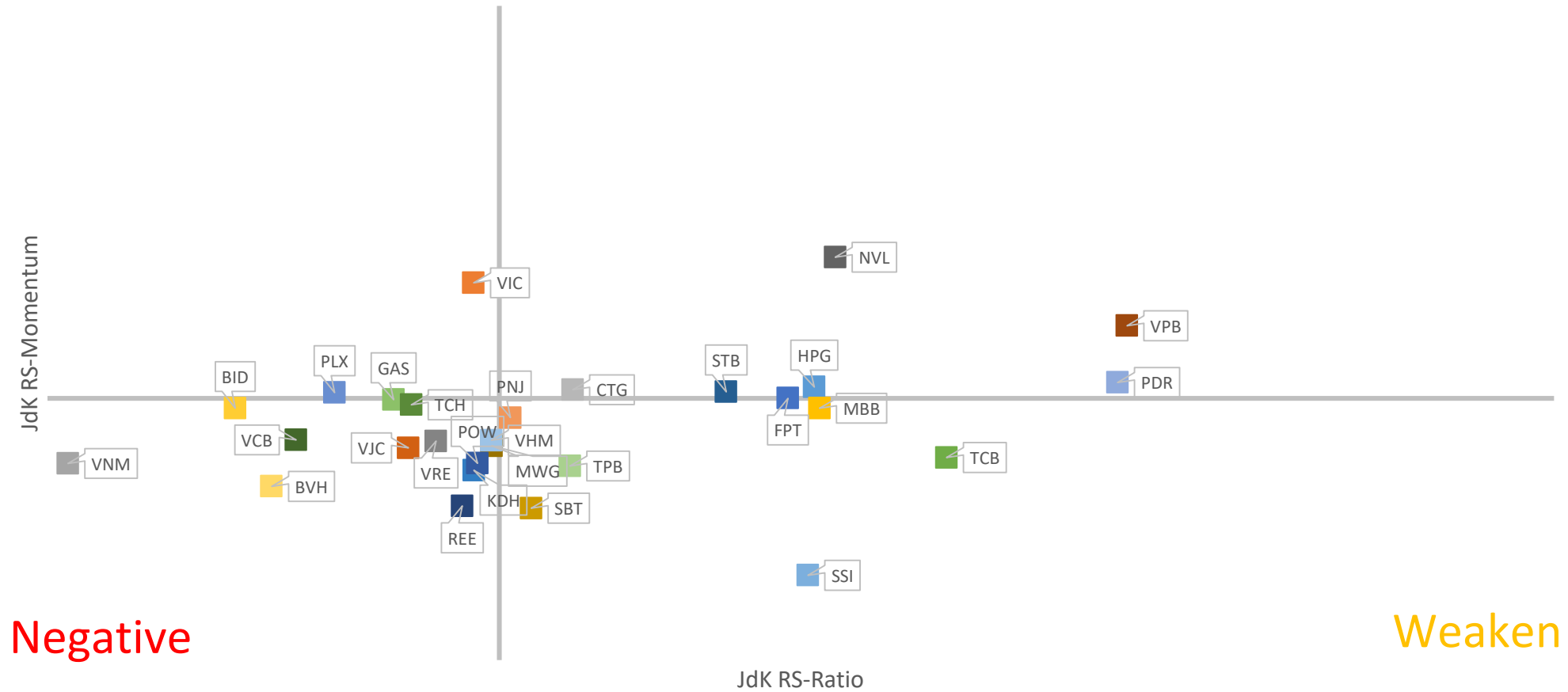
VN30 relative performance

Stocks	RS-Ratio	RS-Mom ¹	12W%Δ
VPB	120.82	102.78	83.67%
PDR	120.52	100.61	46.19%
NVL	111.15	105.39	61.82%
HPG	110.45	100.43	44.17%
FPT	109.58	100.00	28.41%
STB	107.53	100.25	38.55%
CTG	102.44	100.33	17.58%
VIC	99.14	104.41	24.76%
PLX	94.53	100.22	-1.95%
TCB	114.84	97.73	22.39%
MBB	110.62	99.62	26.46%
SSI	110.24	93.24	9.40%
HDB	101.86	99.34	15.71%
TPB	102.34	97.41	3.40%
PNJ	100.36	99.26	19.36%
SBT	101.05	95.80	1.27%
VHM	99.73	98.39	5.75%
MWG	99.74	98.18	9.65%
TCH	97.08	99.75	-5.65%
POW	99.27	97.52	-3.91%
GAS	96.49	99.95	3.09%
KDH	99.15	97.25	2.63%
VRE	97.90	98.36	-7.11%
VJC	96.98	98.10	-4.51%
REE	98.77	95.88	0.19%
VCB	93.25	98.41	1.11%
MSN	95.44	95.91	9.50%
BID	91.23	99.62	-1.20%
BVH	92.44	96.64	-1.38%
VNM	85.68	97.51	-14.06%

Recover

CP VN30 vs. VN-Index

Positive



Note: stocks in the quadrant:

- **Positive** → recommended in the buy list
- **Weaken** → should be on watch list for a downward correction
- **Negative** → should be on the avoid list
- **Recover** → should be on the watchlist for an upward movement

Source: Bloomberg, BSC Research