



MACRO & MARKET 3Q 2021

**Social distance incoming end,
recovery potential**

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MACRO 3Q 2021

**Conclusion of social distance measures
bringing potential for recovery**

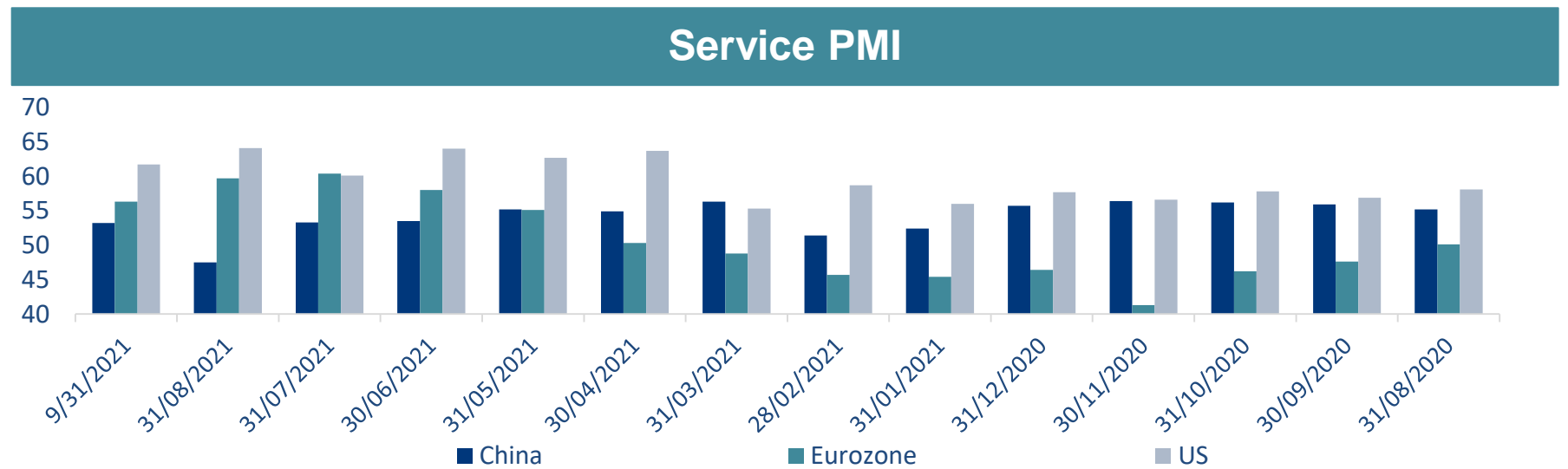
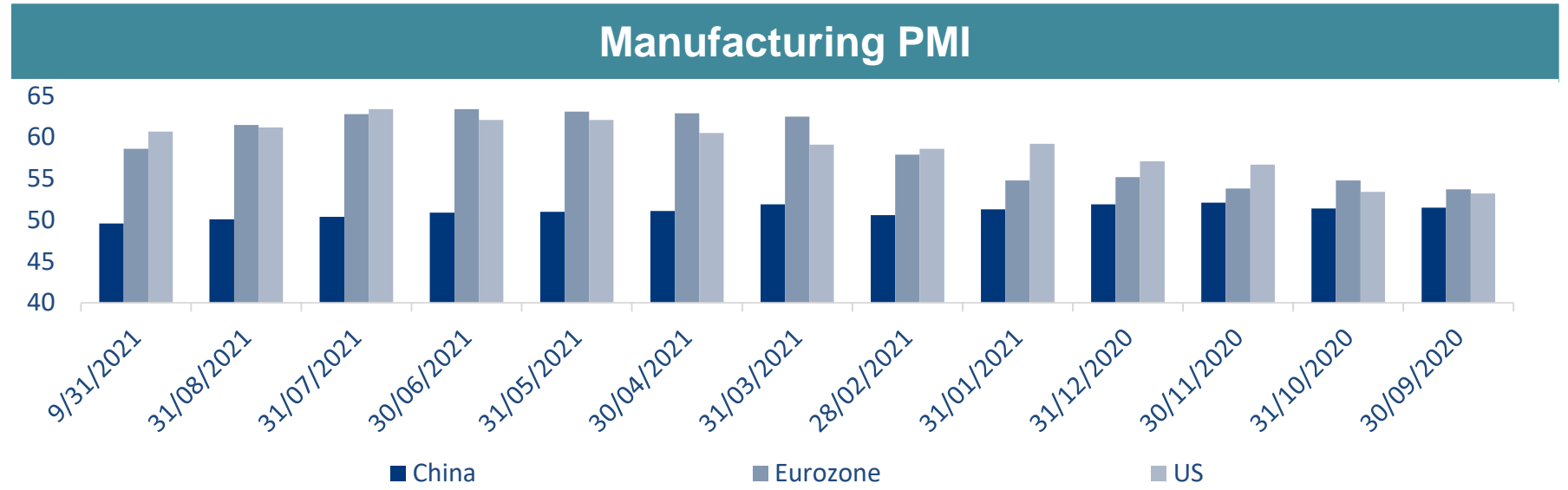


MACRO: ECONOMIC GROWTH IN EU AND US POSITIVE

❖ Manufacturing PMI: The manufacturing sector maintained its growth trend in the US and EU.

❖ Service PMI: Service industry structure in 3 growing economies.

❖ Economic growth in the EU and the US is expected to achieve positive results when PMIs of both manufacturing and services remain at high levels in the third quarter of 2021. In contrast, China's economic growth showed signs of slowing down in the manufacturing sector and weakened in the service sector in August due to social distancing in China.



Source: Bloomberg, BSC Research

MACRO: INTERNATIONAL MONETARY POLICY

Nations	US	EU	China
Monetary Policy	Easing	Easing	Normal
Interest rate	0 - 0.25%	-0.50%	2.00%
Economic Support Program	- Purchase of bonds worth 120 billion USD/month.	- Purchase of PEPP bonds worth 2.140 billion USD.	- Cut reserve requirement ratio from 9.9% to 8.9%.
Highlights	- The Fed signaled it could raise interest rates in 2022 and may halt or shrink its government bond buying chapter in 2021 (November).	- The ECB will keep interest rates on hold and will meet on normal settings.	- The PBOC will maintain its monetary policy

Source: FED, ECB, PBOC, BSC Research incorporated

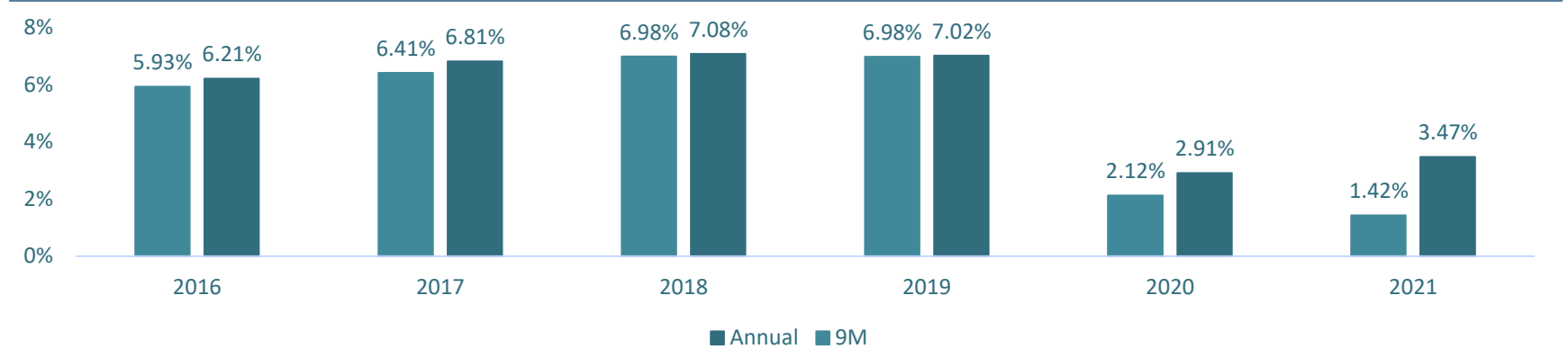
- ❖ The fourth wave of the epidemic prolonged, putting pressure on maintaining the economic momentum in the past five months. The impact of the epidemic during the third quarter caused a negative GDP decrease of -6.17%. The epidemic is generally under controlled by the end of the third quarter, and the vaccine supply is expected to increase in the fourth quarter, which might be the factors that help the macro recover in the last months of the year.

- ❖ BSC revised down 2021 GDP outlook to 3.47%. However, it is not possible to exclude the possibility that the epidemic will still have a partial negative impact, leading to a low GDP growth, estimated at 2.54% YoY.

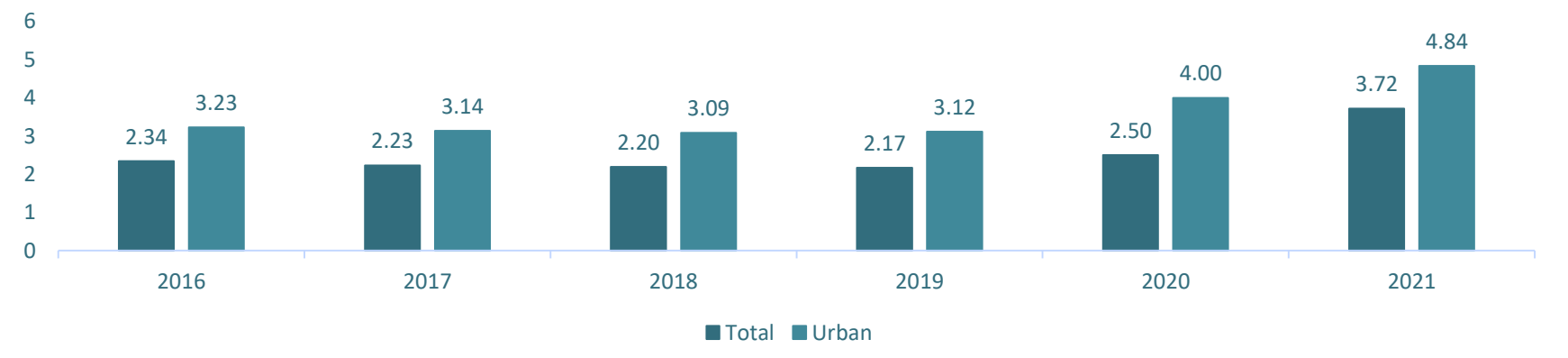
- ❖ Some factor likely to affect GDP: (1) Covid-19 vaccine distribution, (2) weak labour market, reflected in the decrease in the number of employees at the end of the third quarter by -7.24% over the same period last year, and down -9.2% over the same period in 2019.

MACRO: RECOVERY EXPECTATION AFTER CONCLUSION OF SOCIAL DISTANCE MEASURES

GDP 9M YoY% and annual YoY% and 2021 estimates



Unemployment rate Q3 YoY%

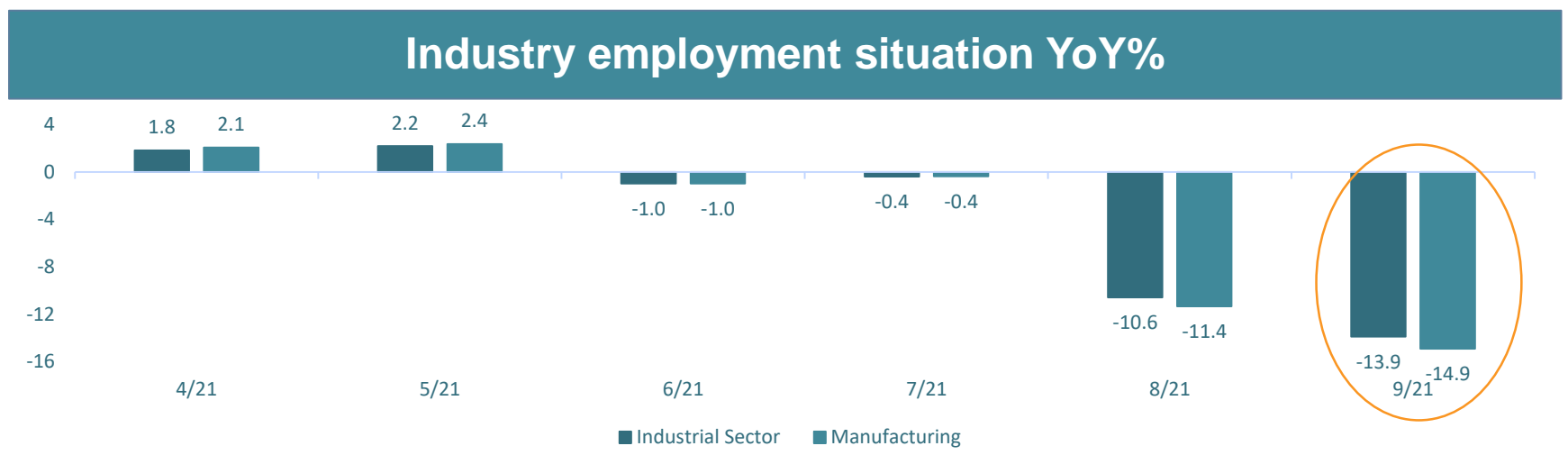
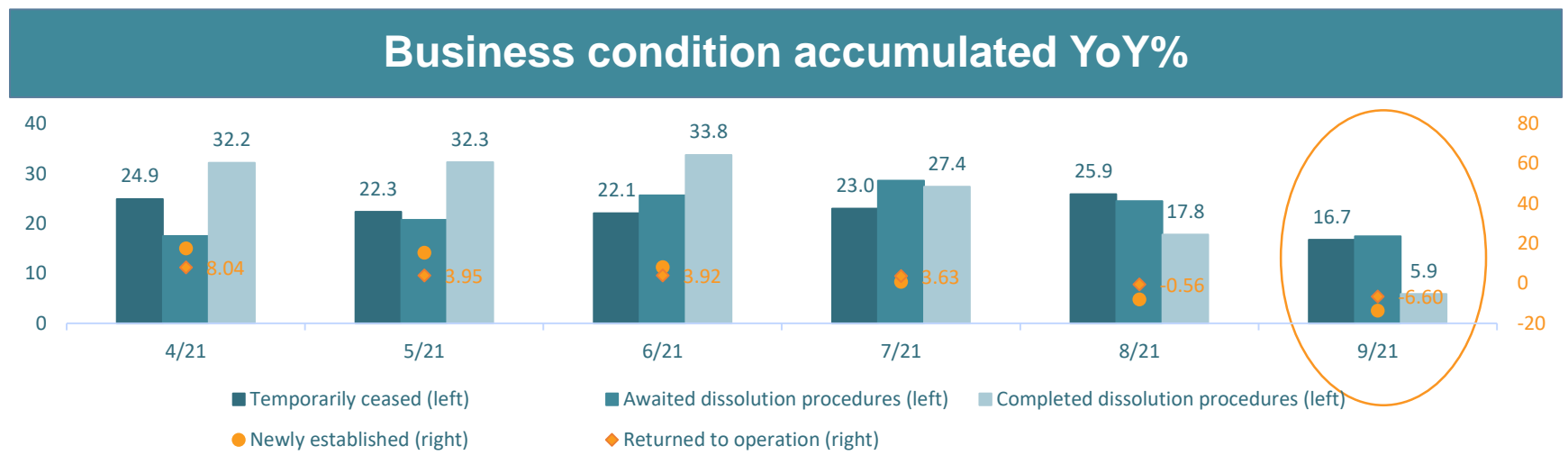


- ❖ Number of enterprises experiencing short-term stoppage decreased -28.2% MoM, completing dissolution decreased by -25.4% MoM. However, the number of established businesses decreased by -32.3%.

- ❖ Industrial labour increased by +1.5% MoM (processing and manufacturing +1.7%) at the beginning of September.

- ❖ The amount of business shutdowns in the short term and the number of dissolutions continue to decrease, showing the ability to adapt, in the context of the prolonged pandemic, impacting the operation of businesses. In the context of the fourth wave of epidemics being gradually controlled, the vaccination rate continues to be maintained at a high level, business activities are likely to recover positively in the last months of 2021.

MACRO: NUMBER OF BUSINESS CLOSING CONTINUE TO DECREASED

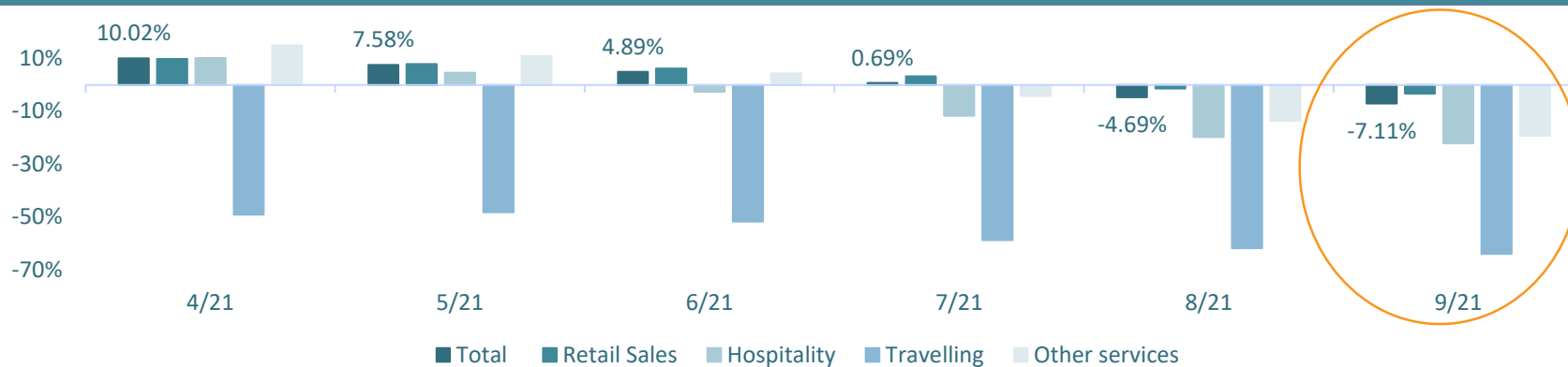


MACRO: VACCINATION ACCELERATED BRINGING PROSPECT OF RECOVERY

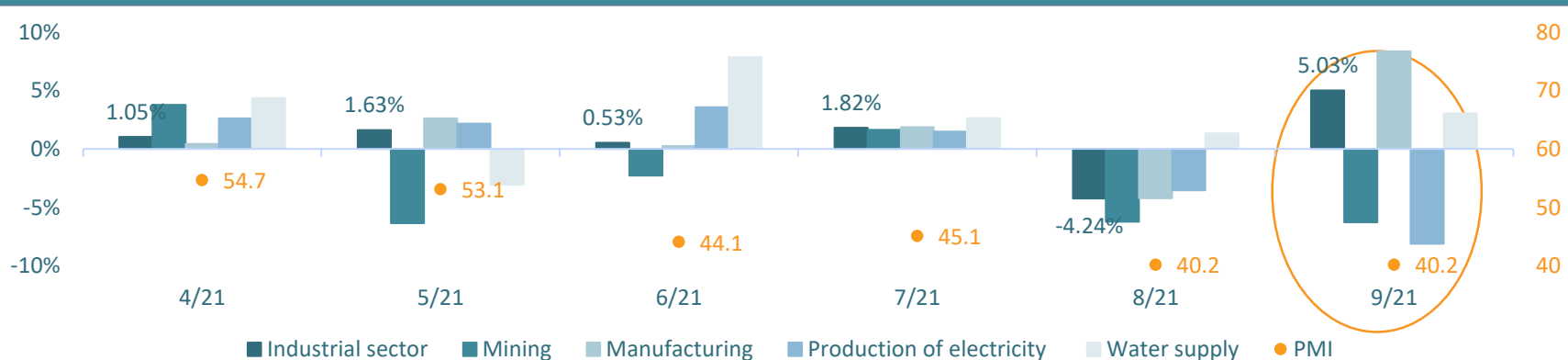
❖ Retail sale decreased by -3.4%, and services decreased by -19.4% in the first nine months of 2021. In September, the rate of transmission decreased rapidly, as disease prevention measures remained in place in some high-risk areas. high. Vaccination continues to be distributed (average 7,120 doses/million people/day), which is still the major factor for a positive recovery in the medium term. In general, the fact that many provinces and cities have concluded the distancing measures, creates favorable condition for the recovery of consumption, especially at the end of the year.

❖ PMI remains at a low of 40.2 points in September. By the end of September, industrial production reached +4.1% YoY over the same period in 2020.

Retail and Consumer services accumulated YoY%



IIP + PMI MoM%

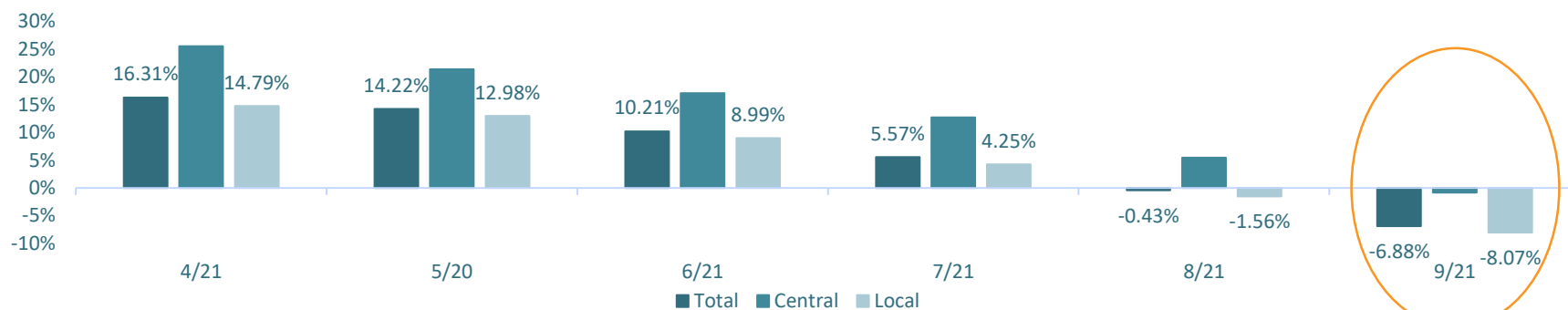


❖ In the first nine months of 2021, disbursement decreased by -6.88% YoY (equivalent to 276,319 bil. VND, equal to 57.3% of the plan in 2021). Social distance measures is maintained in many cities, causing disruption in disbursement (local government disbursement -8.07% YoY). However, in the fourth quarter, the effect of Resolution 63/NQ-CP, is expected to contribute to acceleration of disbursement, in addition to the conclusion of social distance measures. In the base case, it is estimated that disbursement will reach 95.89% of the plan in 2021.

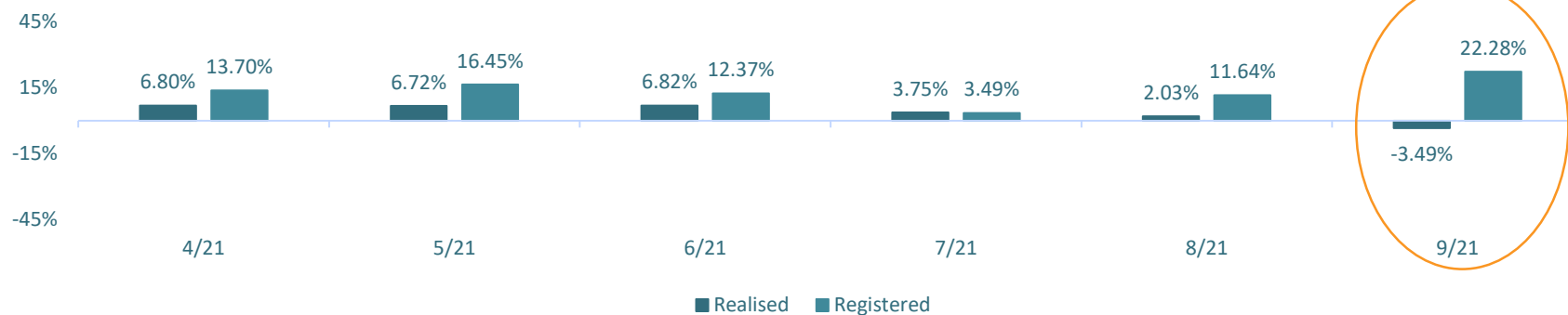
❖ In the first nine months of 2021, realized FDI is estimated to decreased by -3.49%. Registered FDI increased by +22.28%. Newly granted capital reached +20.64%. Additional capital increased +25.59%. Indication for recovery is consolidated. FDI is estimated to increase by +14.71% in 2021.

MACRO: FDI PROSPECT IMPROVED

Disbursement of State capital budget accumulated YoY%



FDI accumulated YoY%



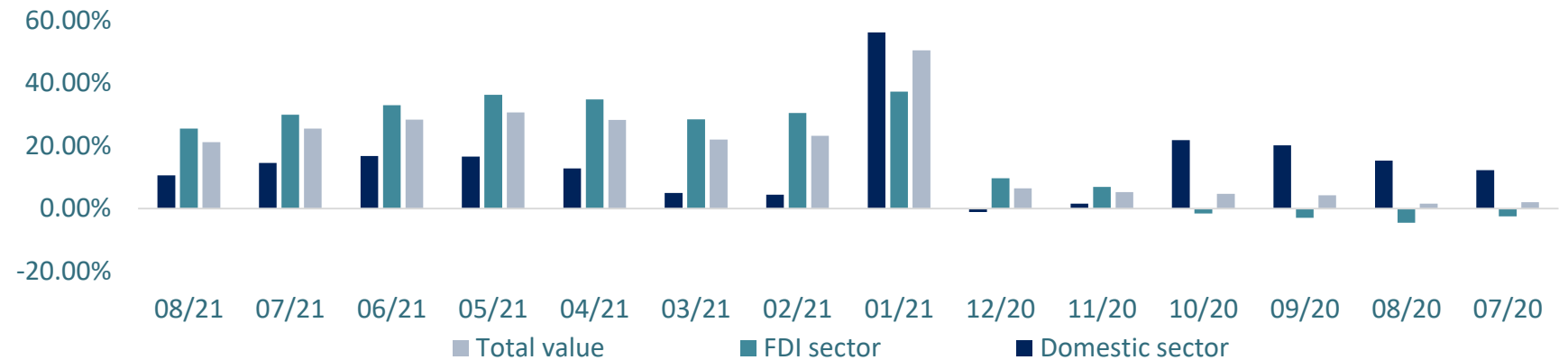
MACRO: DECLINE IN TRADE GROWTH RATE

❖ Accumulated to the end of August, exports increased by +25.5% YoY, while imports increased by 36.4% YoY. August had a trade deficit of 1.3 billion USD, making the trade balance to be 3.71 billion USD by the end of August

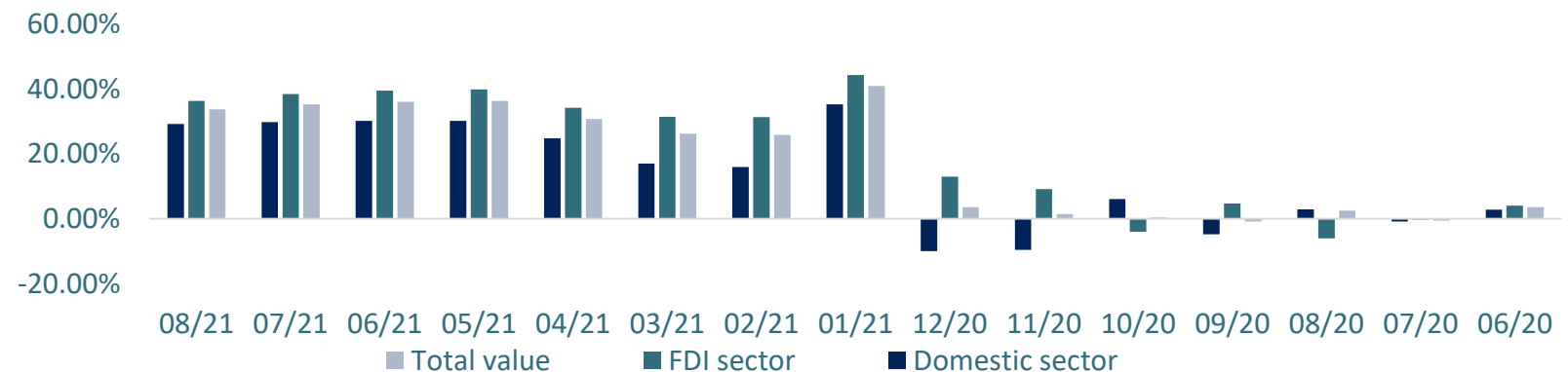
❖ The trade deficit continued due to: (1) import of machinery, equipment and spare parts continued to increase. (2) social distancing measures caused slow down in growth of export.

❖ BSC revised forecast for export to 19.5%YoY while imports increased by +30.2% YoY in 2021. Export growth continued to be affected negatively by social distancing. Consumption in United States heading towards food and beverage, and entertainment products instead of machinery and equipment.

Export accumulated 2021 YoY%



Import accumulated 2021 YoY%



Source: GSO, BSC Research

IMPORT-EXPORT : RECOVERY SIGNAL

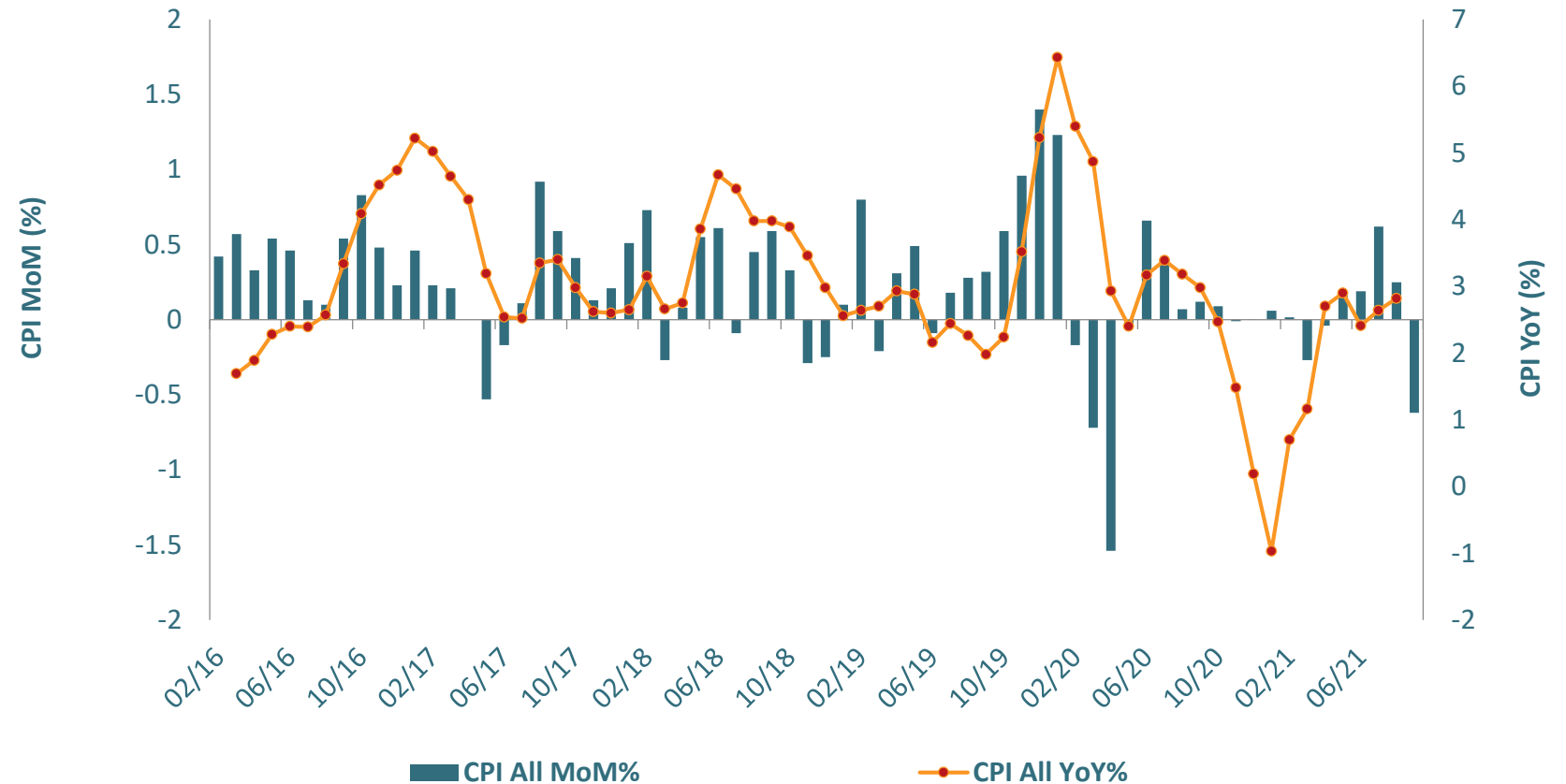
Export	%	08/20	09/20	10/20	11/20	12/20	01/21	02/21	03/21	04/21	05/21	06/21	07/21	08/21	09/21
Total Value (Month)	100%	7.0%	16.3%	12.5%	10.7%	22.6%	55.8%	-3.2%	22.9%	51.0%	36.5%	17.4%	8.6%	-5.4%	-0.6%
Phone types and accessories	17%	-9.5%	-4.0%	3.5%	-2.1%	61.4%	126.3%	-24.4%	-13.6%	52.4%	22.4%	-9.5%	0.3%	10.3%	15.1%
Computers, electronic products and components	16%	17.6%	28.3%	20.7%	17.7%	21.5%	46.2%	23.0%	27.0%	28.3%	14.2%	1.3%	-13.9%	-11.9%	3.0%
Textile products	10%	-12.0%	1.3%	-4.7%	-13.2%	-4.7%	7.7%	-18.5%	16.5%	52.8%	37.9%	15.3%	8.5%	-9.0%	-18.5%
Others machinery, equipment, tools and spare parts	10%	64.3%	74.2%	71.0%	61.8%	80.2%	119.1%	41.9%	78.2%	85.7%	47.9%	20.6%	16.0%	11.6%	10.9%
Others	6%	-12.6%	-5.4%	-12.2%	-11.0%	-1.9%	33.4%	-11.1%	23.3%	42.8%	44.1%	38.1%	2.3%	-38.4%	-44.1%
Import	%	08/20	09/20	10/20	11/20	12/20	01/21	02/21	03/21	04/21	05/21	06/21	07/21	08/21	09/21
Total Value (Month)	100%	1.2%	11.3%	8.7%	15.7%	25.1%	42.3%	11.2%	28.5%	49.9%	55.5%	33.5%	31.7%	21.1%	9.5%
Computers, electronic products and components	24%	21.7%	33.9%	39.9%	44.1%	48.4%	33.7%	10.6%	17.7%	48.4%	28.1%	11.7%	11.8%	4.5%	8.3%
Others machinery, equipment, tools and spare parts	14%	0.2%	16.2%	4.7%	7.7%	14.0%	38.6%	20.7%	32.4%	31.8%	61.2%	36.2%	33.5%	25.0%	13.8%
Phone types and accessories	6%	-6.4%	12.8%	28.3%	62.5%	66.5%	101.0%	32.4%	7.7%	70.8%	88.3%	39.4%	42.9%	11.4%	1.6%
Fabric of all kinds	4%	-8.7%	-3.3%	-9.5%	-5.3%	7.1%	30.3%	10.4%	2.0%	52.8%	62.0%	37.0%	20.9%	9.7%	1.8%
Iron and Steel of all kinds	3%	-21.1%	-16.7%	-32.8%	-0.7%	-0.9%	47.6%	18.2%	32.0%	52.1%	44.1%	75.2%	34.2%	51.7%	63.2%

Source: Fiinpro, BSC Research

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

MACRO: INFLATION GRADUALLY STABILIZED

Inflation



Source: Bloomberg, BSC Research

- ❖ September 2021 increased by +2.06% YoY with the corresponding cumulative average CPI of 1.82%. The increase and decrease compared to the previous month was mainly due to:

- ✓ Food and food prices stabilized again.

- ✓ No. 83/NQ-CP to support electricity price reduction, 4th phase of electricity bill reduction

- BSC estimates the CPI at the end of Q4 at 3.2%-3.5% based on the following assumptions:

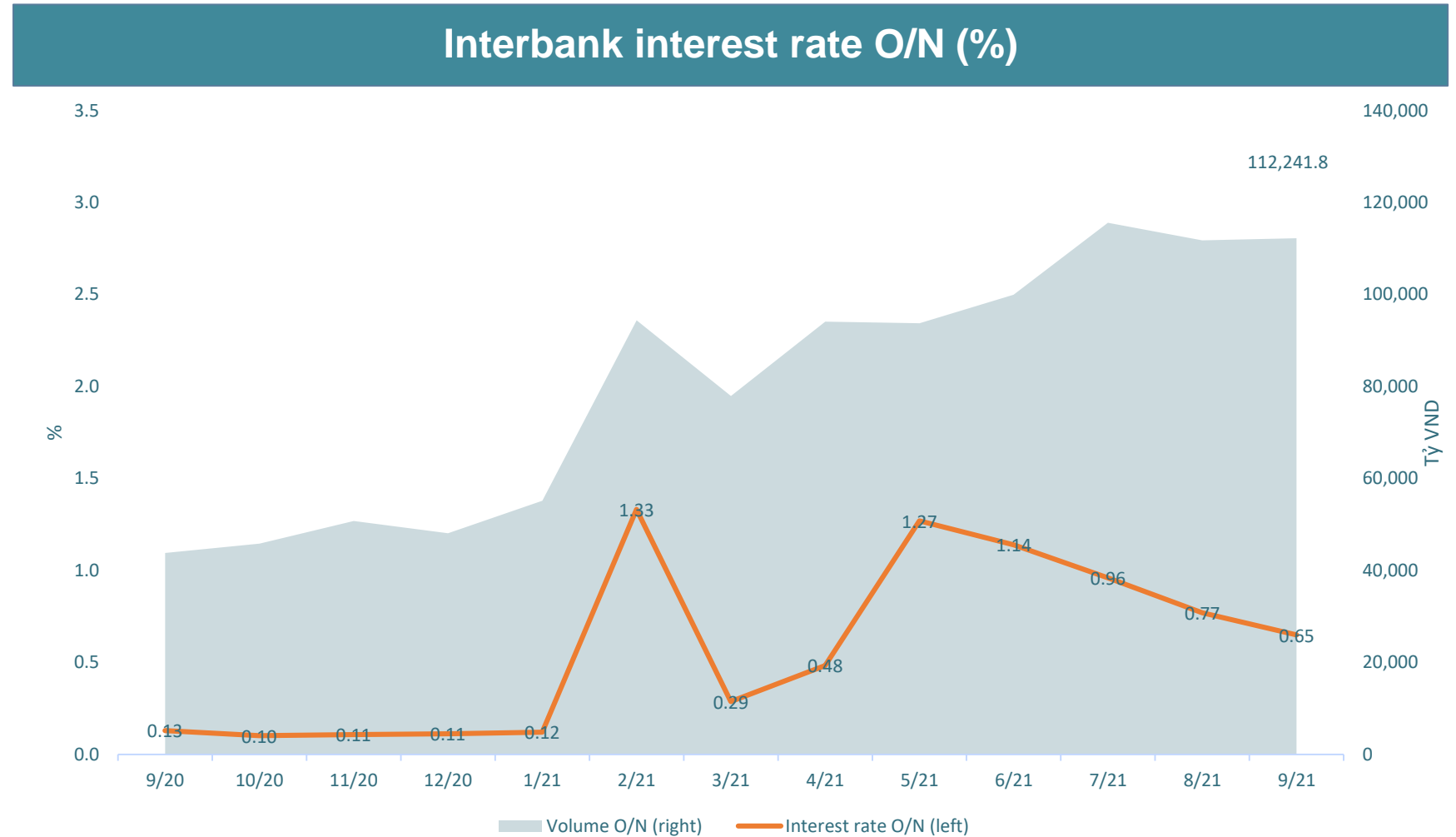
- ✓ (1) Brent oil price fluctuated in the range of 75-80 USD/barrel in the third quarter.

- ✓ (2) Food and food prices usually increase again at the end of the year.

- ✓ (3) A sharp increase in gas prices may put mild pressure on inflation

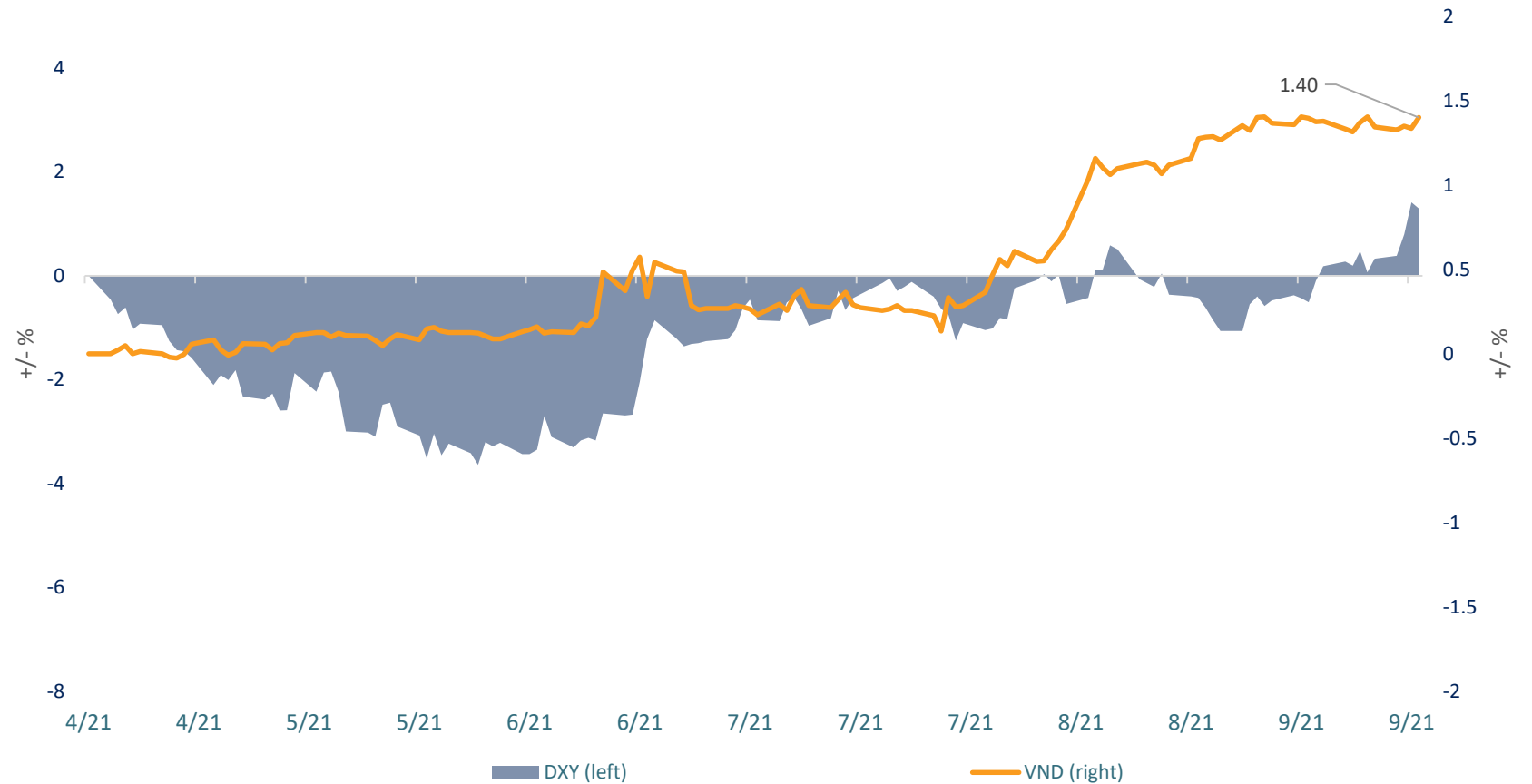
MACRO: MAINTAINING SUPPORTIVE POLICY

- ❖ Interbank interest rate adjusted downward to an average of 0.65%. Trading volume increased, averaging 112,241.8 billion/session. By the end of August, credit growth reached 7.42% YTD. Official adoption of Circular 14/2021/TT-NHNN, amending the timelines for many restructured debts, exempted fees, and expanding the scope of restructured debt, might assist strongly in the process of recovery.
- ❖ Core CPI increased by +0.74% YoY in September. Inflation remained low, creating favorable conditions for maintenance of interest rate at current level. However, FED's move to end easing and tightening of interest rates in countries like South Korea might put some pressure on the SBV's management of monetary policy.



MACRO: VND CONTINUED APPRECIATING

VND movements



Source: Bloomberg, BSC Research

- ❖ DXY Index increased slightly compared to August due to: (1) FED announced that it will start cutting bond buying program in November. (2) ECB still maintains its loose monetary policy.

- ❖ VND appreciated strongly due to decline in demand for import . Exchange rate is expected to maintain a stable level due to:

- ✓ Vietnam's foreign exchange value reached 105 billion USD.

- ✓ The accumulated trade balance in 9 months had a trade deficit of 2.13 billion USD.

- ✓ The state of isolation in the provinces may end in October in a positive case.

MACRO PICTURE

	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	5/21	6/21	7/21	8/21	9/21
Retail Sales + Customer Services	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%	7.58%	4.89%	0.69%	-4.69%	-7.11%
Retail Sales	12.00%	12.20%	12.30%	12.40%	13.10%	14.40%	13.40%	13.20%	12.70%	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%	7.83%	6.16%	3.19%	-1.37%	-3.38%	
Hospitality	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%	4.60%	-2.68%	-11.77%	-19.77%	-22.14%
Travelling	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%	-48.22%	-51.76%	-58.81%	-61.81%	-63.95%
Other services	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%	10.90%	4.38%	-4.23%	-13.65%	-19.37%
Index of Industrial Production	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%	1.63%	0.53%	1.82%	-4.24%	5.03%
Mining	-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%	-6.36%	-2.27%	1.64%	-6.24%	-6.29%
Manufacturing	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%	2.63%	0.26%	1.88%	-4.22%	8.37%
Electricity production	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%	2.19%	3.58%	1.51%	-3.55%	-8.12%
Water supply	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%	-3.07%	7.88%	2.65%	1.36%	3.06%
PMI	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	53.1	44.1	45.1	40.2	40.2
Export	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%	30.72%	28.40%	25.50%	21.20%	18.75%
Import	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%	36.36%	36.10%	35.28%	33.76%	30.54%
State budget disbursement	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%	14.22%	10.21%	5.57%	-0.43%	-6.88%
FDI realised	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%	6.72%	6.82%	3.75%	2.03%	-3.49%
FDI registered	-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%	16.45%	12.37%	3.49%	11.64%	22.28%
CPI core YoY	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%	1.13%	1.14%	0.99%	0.98%	0.74%
CPI YoY	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%	2.90%	2.41%	2.64%	2.82%	2.06%
Credit growth ΔYTD%	-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%	2.76%	2.95%	2.79%	2.87%		
Total means of payment ΔYTD%	-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%	0.25%	0.98%	0.34%	-0.72%	-0.78%		
Interest O/N (%)	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	1.27	1.14	0.96	0.77	0.65



MARKET 4Q 2021

Market momentum depends on the opening speed and investors' expectations



MARKET: 4Q2021 FORECAST

SCENERIO 1

VN-Index turned positive after a narrow accumulation period from 1,320 to 1,360 points thanks to positive psychology and cash flow again after the epidemic. Strong economic activity after the epidemic and foreign investors not selling too strongly will support VN-Index to remain positive and re-test the threshold of 1,400 points by the end of 2021..

SCENERIO 2

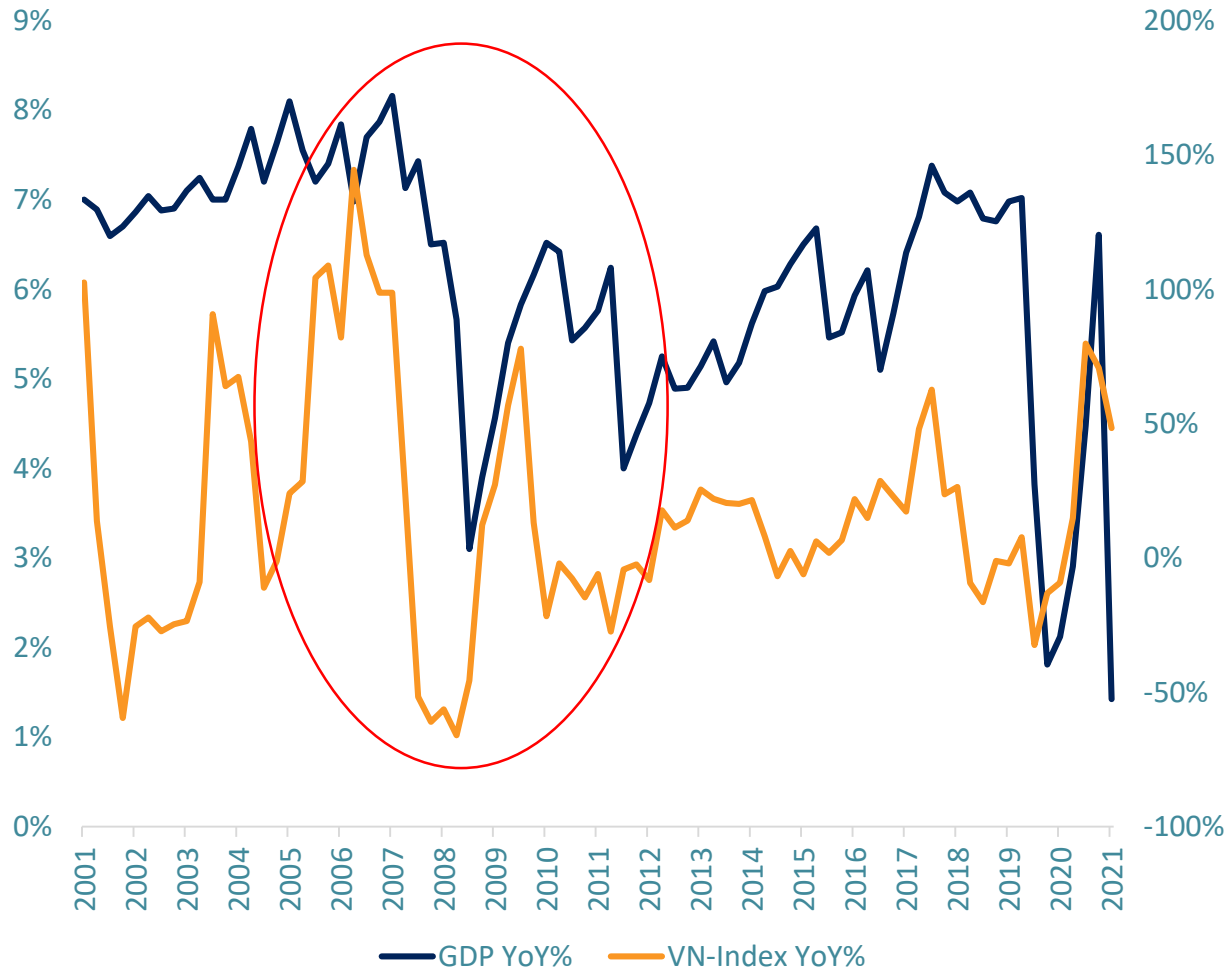
VN-Index would struggle if there is a lack of leading large cap stocks. The circumstance that the economy cannot recover quickly after the epidemic, plus that foreign investors maintain the current net selling momentum could result in VN-Index continuing to fluctuate in range of 1,300 - 1,360 points with strong differentiation of stocks as expected.



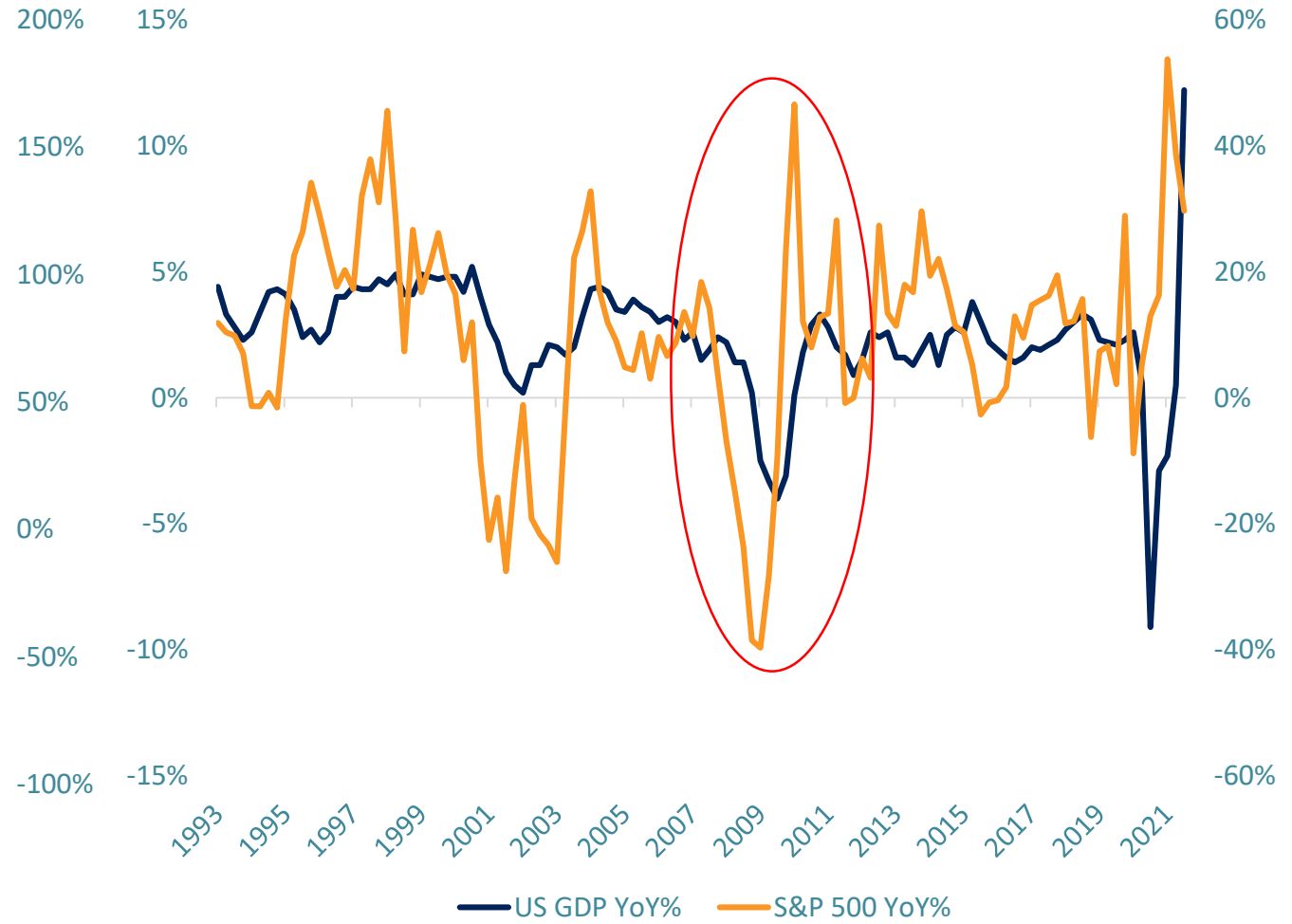
Source: FireAnt, BSC Research

MARKET: GDP Movements vs. Stock Market

GDP vs. VN-Index



US GDP vs. S&P500

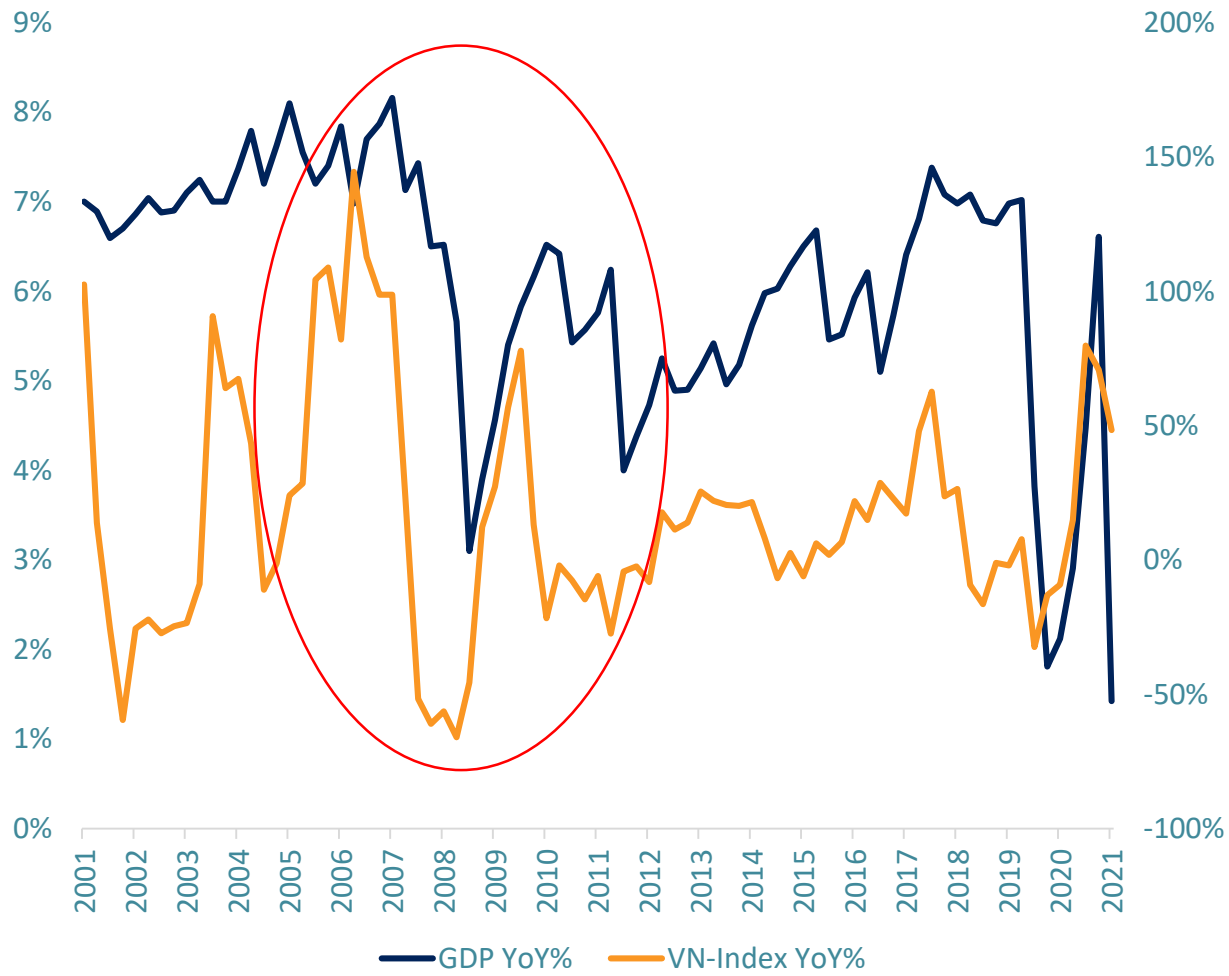


Source: Bloomberg, BSC

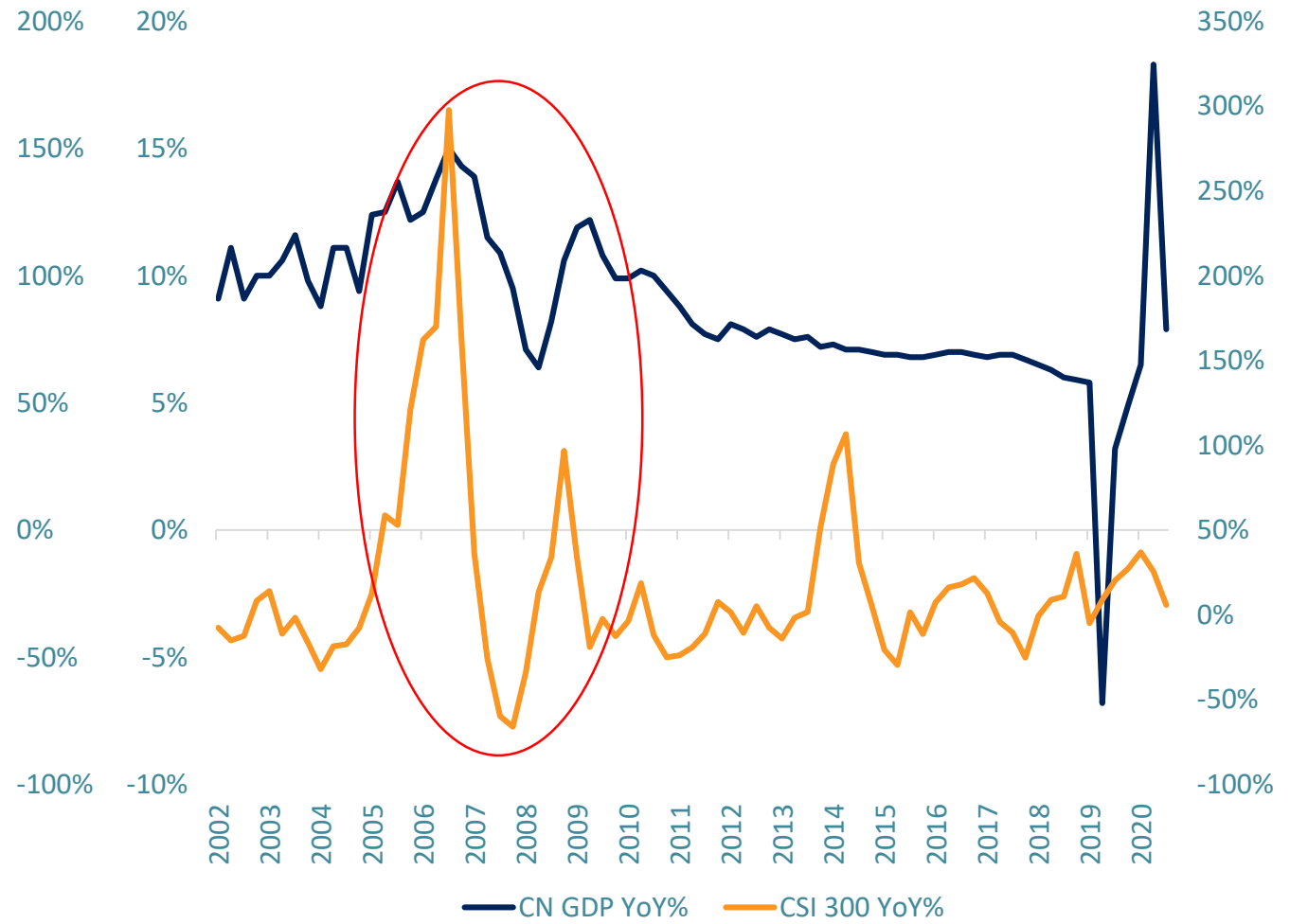


MARKET: GDP Movements vs. Stock Market

GDP vs. VN-Index



CN GDP vs. CSI 300

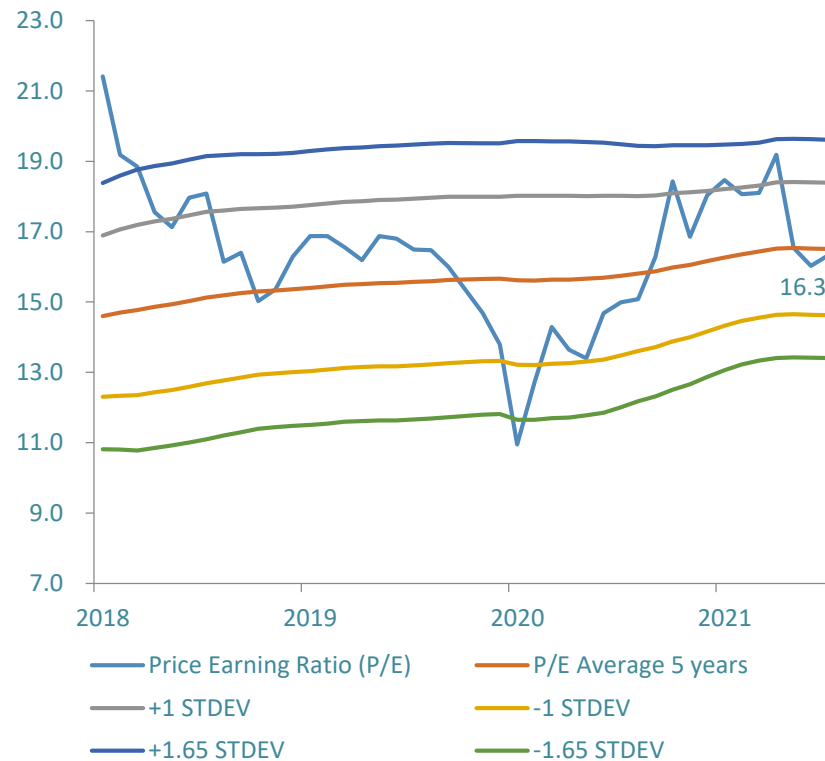


Source: Bloomberg, BSC

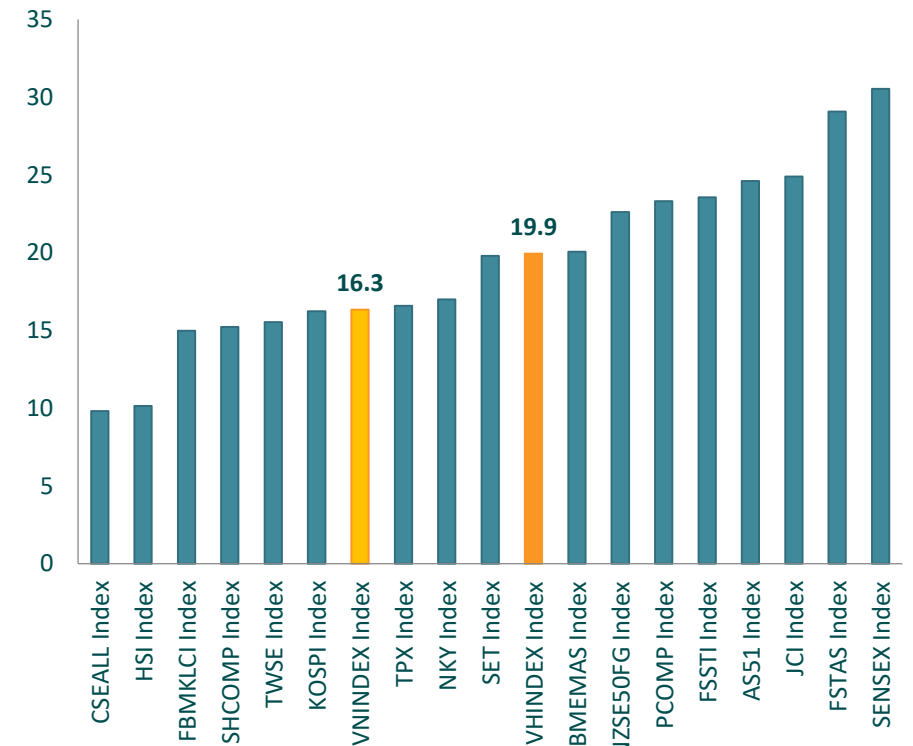
MARKET: P/E OF VN-INDEX RISES TO ASIA'S 13TH POSITION

- ❖ VN-Index decreased by -4.72% while HNX-Index increased by 10.5% in Q2. These indices rose by 0.8% and 0.4% in September, respectively.
- ❖ P/E VN-Index at the end of the third quarter was at 16.3, a -14.8% decrease compared to the previous quarter, lower than the 5-year average P/E (16.5 times). It is because of the decrease in stock prices and the improved earnings in Q2.
- ❖ P/E VN-Index is still quite low compared to other regions in Asia.
- ❖ P/E VN-Index is forecasted to increase to 17.5 as a result of the expected decline by 15-20% yoy in

P/E ratio VNindex



Vietnam P/E compared to region

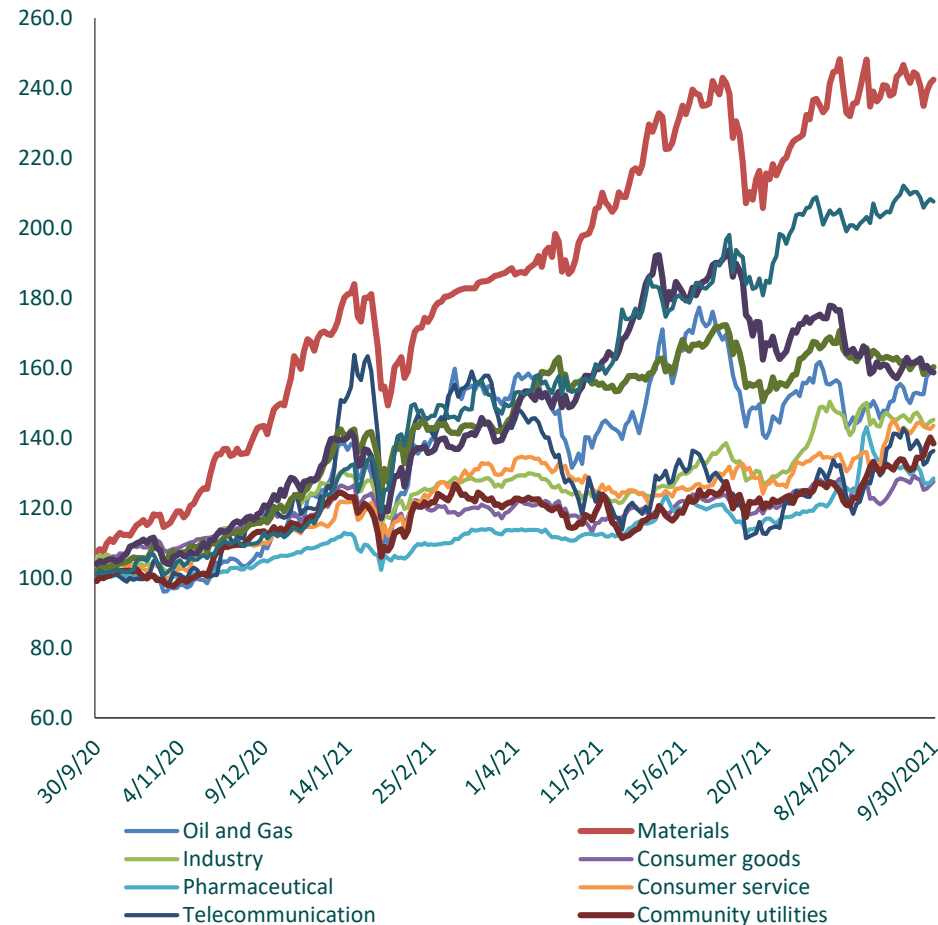


Source: Bloomberg, BSC Research

MARKET: 9/11 TIER-I INDUSTRIES GAINED POINTS IN Q3 DESPITE THE DECREASE OF VN-INDEX

- ❖ 9/11 tier-I industries gained points in the third quarter despite the decrease of VN-Index.
- ❖ The market had a strong divergence as small and medium-sized stocks gained well while large sectors such as Banking, Finance, and Oil and Gas declined. After a strong increase of 31.3% in Q2, the Banking sector decreased by -13.1% in Q3.
- ❖ There are 3/11 industry groups with P/E below the market average.
- ❖ There are 8/11 industries with increased P/B compared to the end of the second quarter, except for Banking, Finance, and Oil and Gas.

INDUSTRY DEVELOPMENT



Source: Bloomberg, BSC Research

Sector	%QoQ	P/E	± %	P/B	± %
Oil and Gas	-5.1%	16.50	-41.3%	1.73	-7.1%
Materials	9.3%	13.33	-19.7%	2.46	2.0%
Industry	12.1%	20.04	0.7%	2.38	13.6%
Consumer goods	7.4%	21.01	4.3%	3.40	4.0%
Pharmaceutical	6.9%	18.29	4.2%	2.36	11.5%
Consumer service	14.4%	-	0.0%	4.60	21.5%
Telecommunication	5.1%	89.81	-54.8%	3.72	3.1%
Community utilities	10.5%	16.03	3.5%	2.15	9.2%
Finance	-4.9%	18.22	-16.1%	2.87	-8.7%
Banking	-13.1%	12.35	-19.1%	2.17	-16.1%
Information Technology	10.7%	23.22	6.1%	3.66	9.2%

- ❖ Market capitalization increased by 0.7% compared to the end of the second quarter.

- ❖ Market movements decreased in July then recovered and remained sideways for most of August and September.

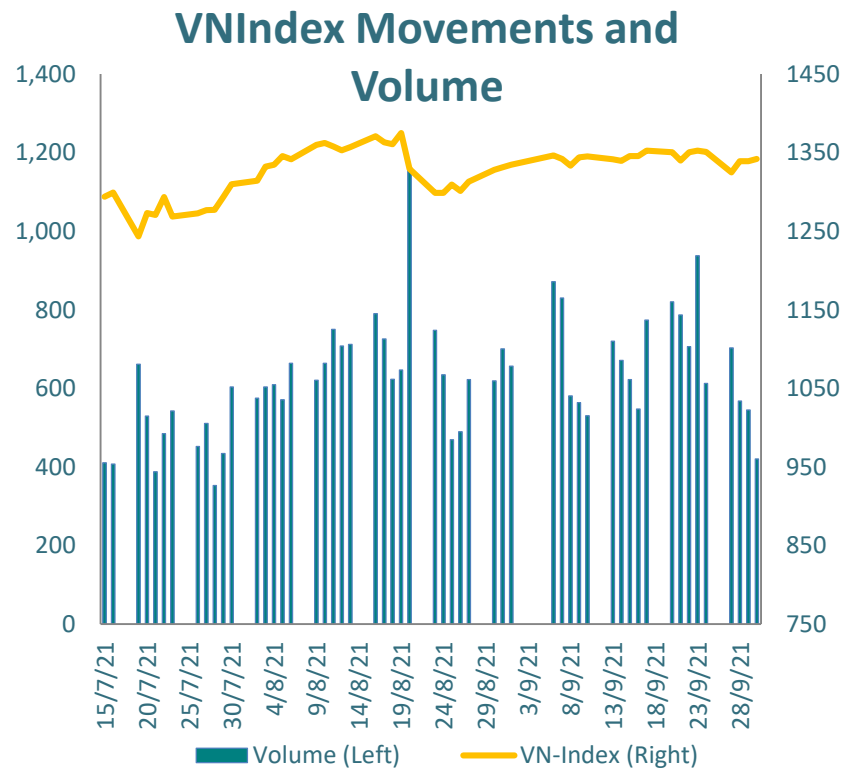
- ❖ The average trading value reached 1,153.9 million USD/session in Q3, 1% higher than that in the second quarter. However, the average trading value in September was 8% lower than that in August, which implied a down trend.

- ❖ The liquidity has gradually decreased recently, showing a certain caution of investors on the threshold of the earnings season.

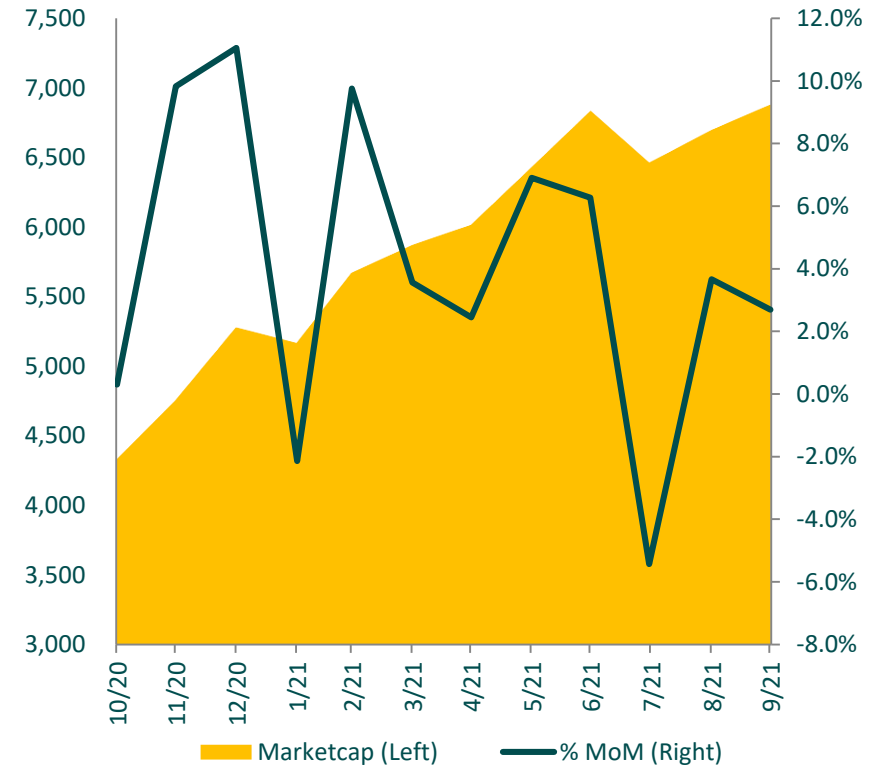
- ❖ With the scenario that VN-Index continues to accumulate and diverge, the market capitalization and liquidity is forecasted to remain sideways in the fourth quarter.

MARKET: CAPITALIZATION OF 3 EXCHANGES REACHED 6.87 MILLION BILLION VND

Liquidity decreased at the end of Q3



Capitalization increased by 2.7% in September and by 0.6% in Q3

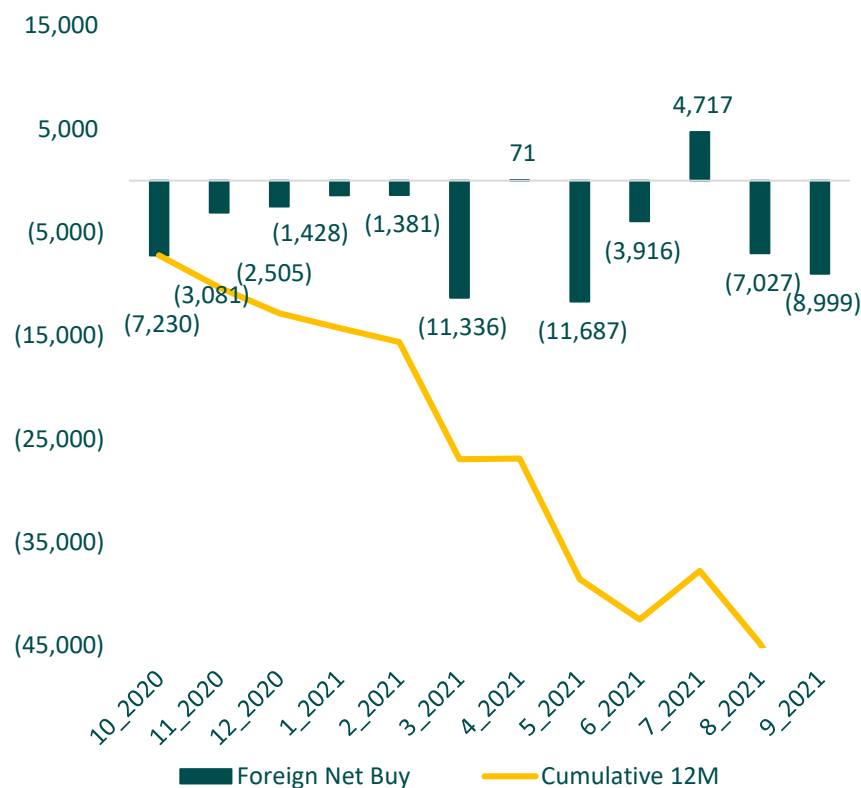


Source: Bloomberg, BSC Research

MARKET: FOREIGN INVESTORS MAINTAIN SELLING MOMENTUM IN Q3

- ❖ Foreign investors turned back to net selling in August and September after net buying in July. In last 10/12 months, they net sold 53,800 billion VND.
- ❖ Foreign investors net sold 11,309 billion dong, of which VIC was the main net sold stock whose trading value was 6,322 billion dong in Q2.
- ❖ In contrast to July, in August and September, Fubon ETF has the strongest net withdrawal among all the ETFs. ETFs had a divergence in status during Q3.
- ❖ Net-selling trend is not likely to reverse soon in the fourth quarter.

Foreigner net sold a cumulative 53,800 billion VND in 12M



Source: Bloomberg, BSC Research

Stock	Value (billion VND)	Stock	Value (billion VND)
MBB	2,583	VIC	(6,322)
STB	1,894	FUEVFNVD	(1,484)
HSG	523	VPB	(1,380)
VND	325	HPG	(939)
DXG	282	MSN	(898)
PLX	276	CTG	(827)
AGG	239	SSI	(804)
DGC	226	DPM	(611)
HDB	218	VRE	(489)
NVL	188	VJC	(482)

Net buying and selling value of foreign investors in Q3/2021

- ❖ Domestic individual investors continued to maintain active trading activities, which is in contrast to native and non-native institutional investors.

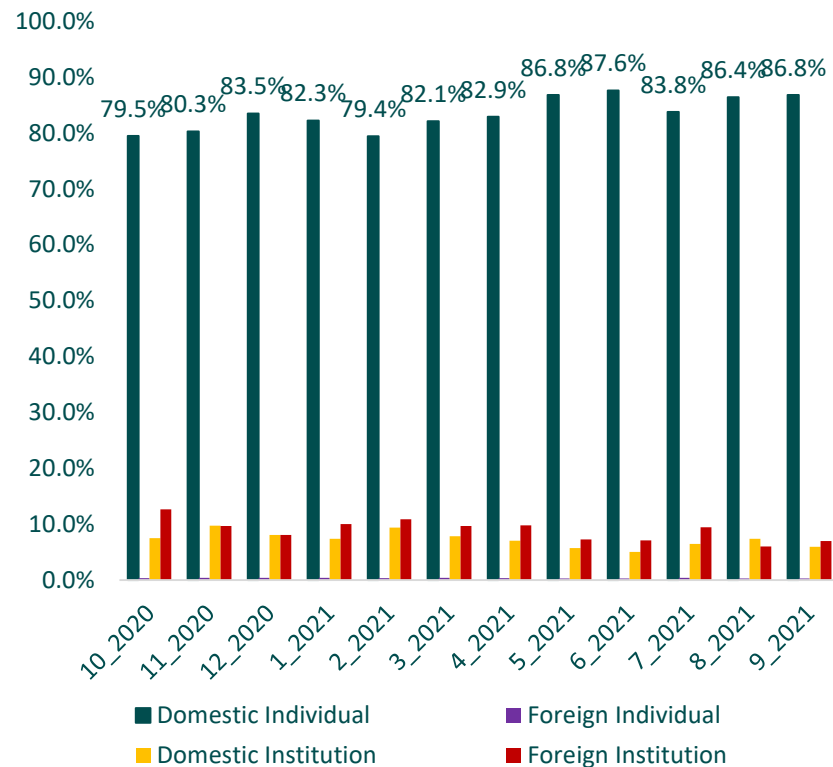
- ❖ In Q3, domestic individual investors accounted for 86.8% of the market compared to an average of 83.5% in one year.

- ❖ The buying momentum increased when the market moved to the support levels. However, investors was trading cautiously at the end of the third quarter.

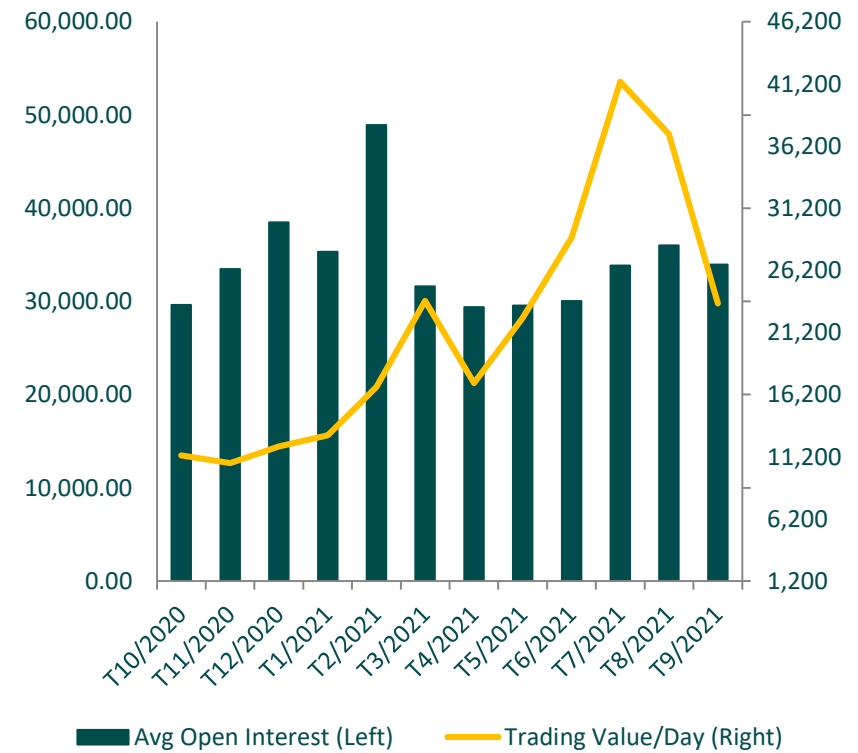
- ❖ The average daily trading value of futures contracts decreased month by month in Q3 while the number of open contracts remained high, showing that trading activity has shown signs of reducing as the market's trend was

MARKET: DOMESTIC INVESTORS REMAIN A POSITIVE TRADE IN Q3

Domestic investors traded more 4% than the average of 12M



Average daily trading value of futures contracts increased by 8.74% MoM



Source: Bloomberg, BSC Research

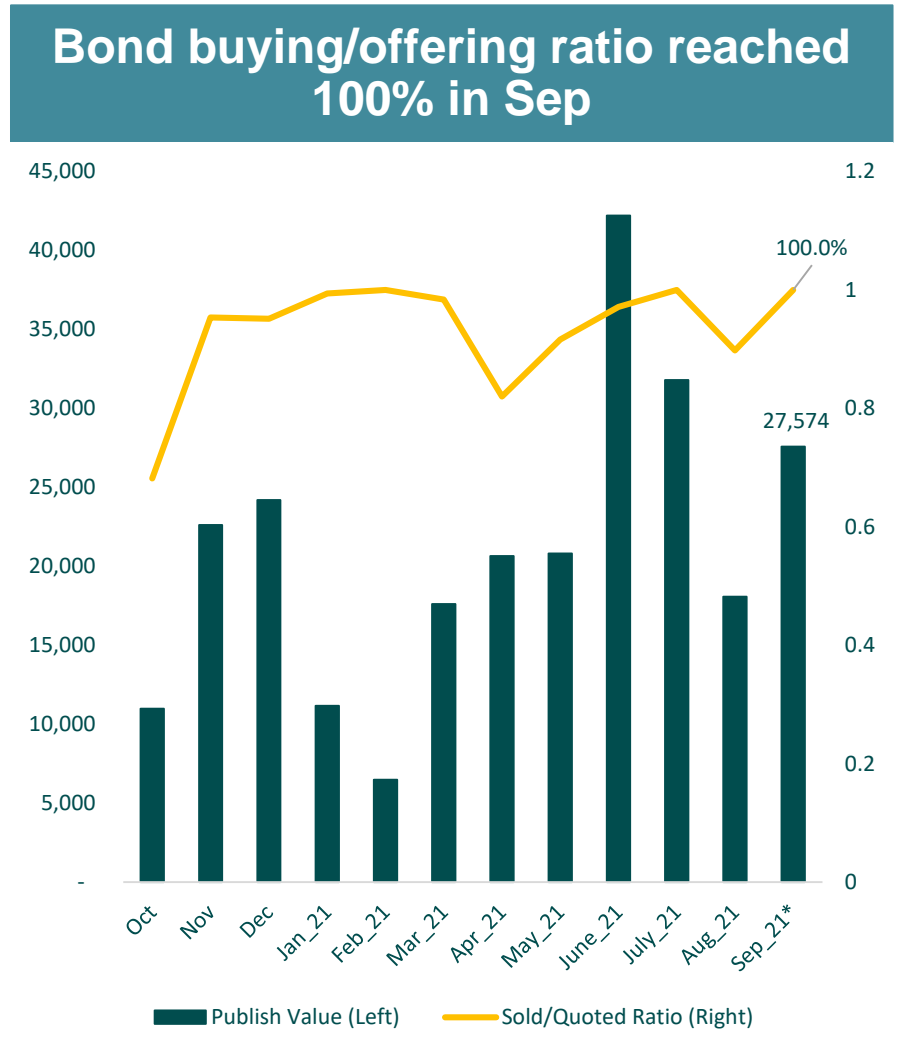
- ❖ The monthly average corporate bond issuance value in the third quarter reached VND 25,807 billion, down 7.5% compared to that of the second quarter. Issuance value in September showed signs of recovery.

- ❖ 122 bonds were issued in the third quarter and 96.6% of them were purchased.

- ❖ In Q3, the average maturity of the bonds was 4.0 years, which was higher than the 3.8 years average of 12-month bonds

- ❖ The movements of the corporate bond market in Q2 showed that the market's demand for debts securities remained stable. However, in Q4, the demand for corporate bonds may be affected by the negative effects of the Evergrande event.

MARKET: BOND ISSUANCE RATE REMAINS AT A HIGH LEVEL



Source: Bloomberg, BSC Research

Month	Number of bonds issued	Average yield to maturity	Issuance value
October	58	5.2	10,976
November	99	4.9	22,613
December	38	4.2	24,187
January_21	21	3.3	11,166
February_21	12	2.7	6,475
March_21	37	3.1	17,615
April_21	43	3.6	20,649
May_21	40	3.5	20,810
June_21	77	3.8	42,200
July_21	25	3.8	31,777
August_21	53	4.5	18,070
September_21	44	3.7	27,574
Total	547	3.8	254,112

FACTORS AFFECTING MARKET IN Q4

Event

Impacts on Stock market

- ❖ Accelerating disbursement of public investment and loosening monetary policy to overcome the negative impact of the Covid-19 epidemic and support economic growth
 - ❖ Gradually reopening the economy after the 4th wave of the epidemic; solutions to support social security and support businesses after the epidemic.
 - ❖ **Covid-19 is still unpredictable, Vietnam needs time to gradually reopen the economy.**
 - ❖ Foreign investors maintain their net selling activity and show no sign of stopping.
 - ❖ Negative third-quarter business results from the prolonged epidemic and quarantine time.
 - ❖ FED may scale back its bond-buying program starting in November and completing by mid-2022. Interest rates could also begin to rise in 2022.
 - ❖ Commodity and input material prices are fluctuating and increasing sharply
- ❖ Positive
 - ❖ Positive
 - ❖ Affect the recovery of businesses and the economy.
 - ❖ Negative
 - ❖ Create short-term structural pressure , leading to significant divergence.
 - ❖ The stock market would become less attractive, thereby affecting the US and global stock markets
 - ❖ Difficult to forecast in order to stabilize the inflation as well as maintaining current ultra-

INVESTMENT STRATEGY IN Q4/2021

- ❖ Investors can consider some industries related to the field of public investment such as Infrastructure Construction, Raw Materials (Stone, Steel, Cement, Asphalt ...) to take profits from national or international public investment. Please refer to the report at [Link](#).
- ❖ Consider holding stocks that benefit from the economic opening such as retail, transportation, manufacturing, as well as potential stocks such as Information Technology – Posts and Telecommunications. Please refer to the report at [Link](#).
- ❖ Consider holding export companies' stocks such as Chemicals, Stone, Wood, Garment, Seafood, Logistic... as a result of the recovery of global demand..
- ❖ Keep the portfolio weight at a reasonable level; buy and open new positions when stocks move back to strong support levels or accumulate in short term. However, avoid chasing stocks.

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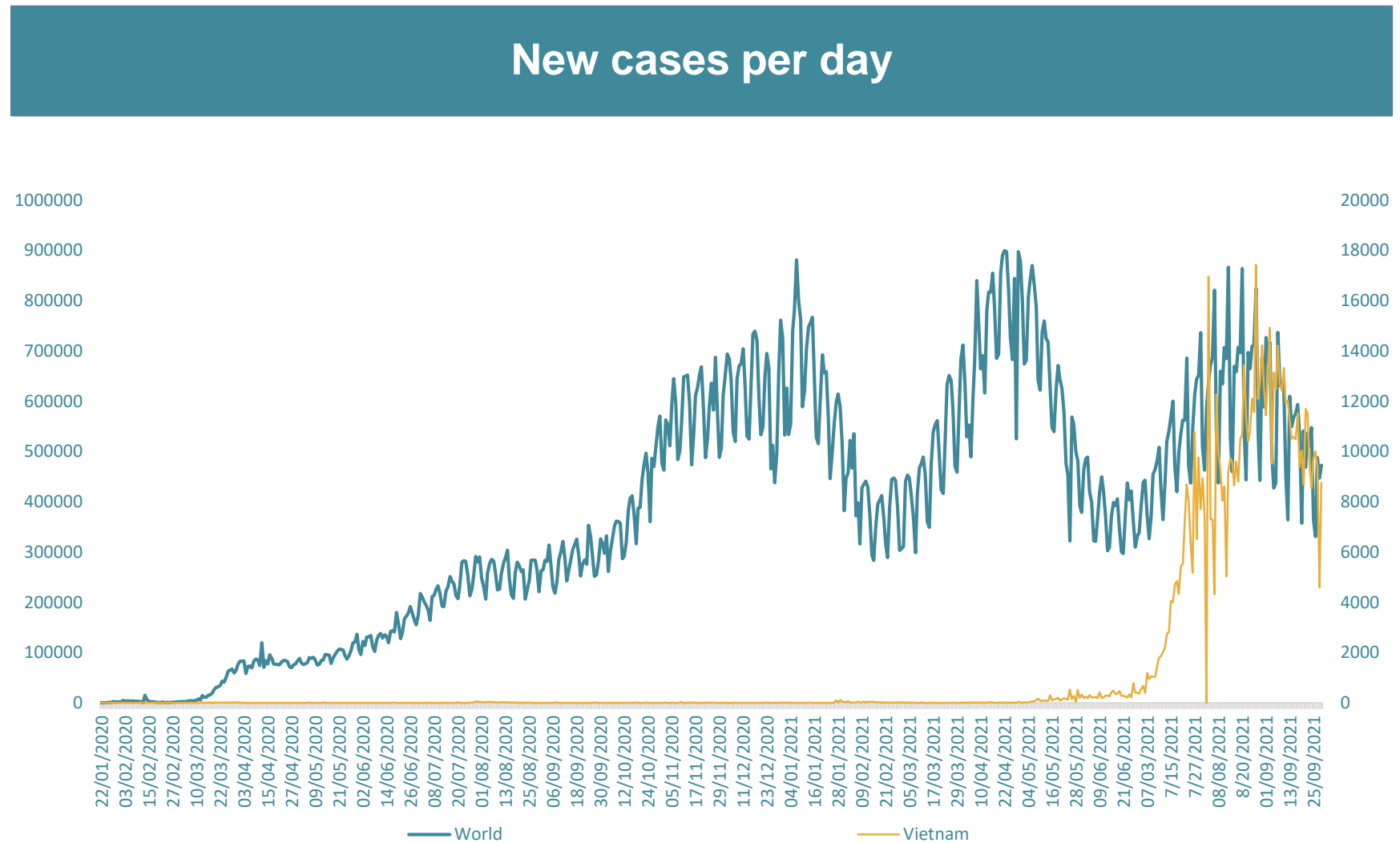
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Appendix: COVID-19 4TH WAVE IN VIETNAM

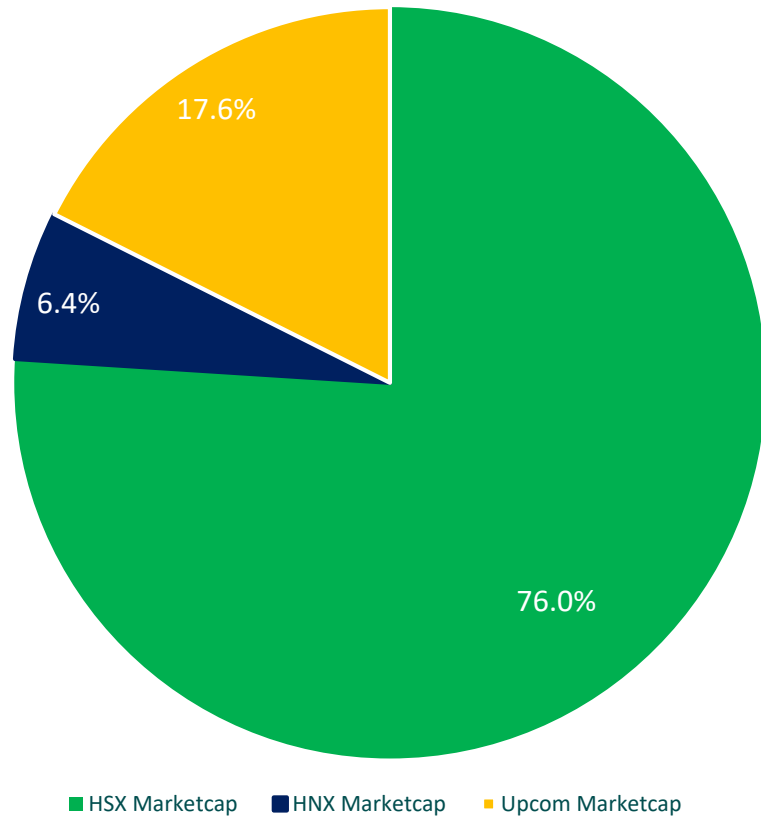
- ❖ **GLOBAL:** The world had 233,257,063 cases on September 29, 2021. The rate of COVID-19 cases is also declining as global disease control measures take effect.
- ❖ **VIETNAM:** there were 779,398 cases of COVID-19 on September 29, 2021. The number of COVID-19 infections is in decline.
- ❖ **VACCINE COVID-19:** As of late afternoon on September 28, Vietnam had injected 32,171,641 doses of COVID-19 vaccine. In which, the number of people who have received 2 injections is 8,981,400 people.



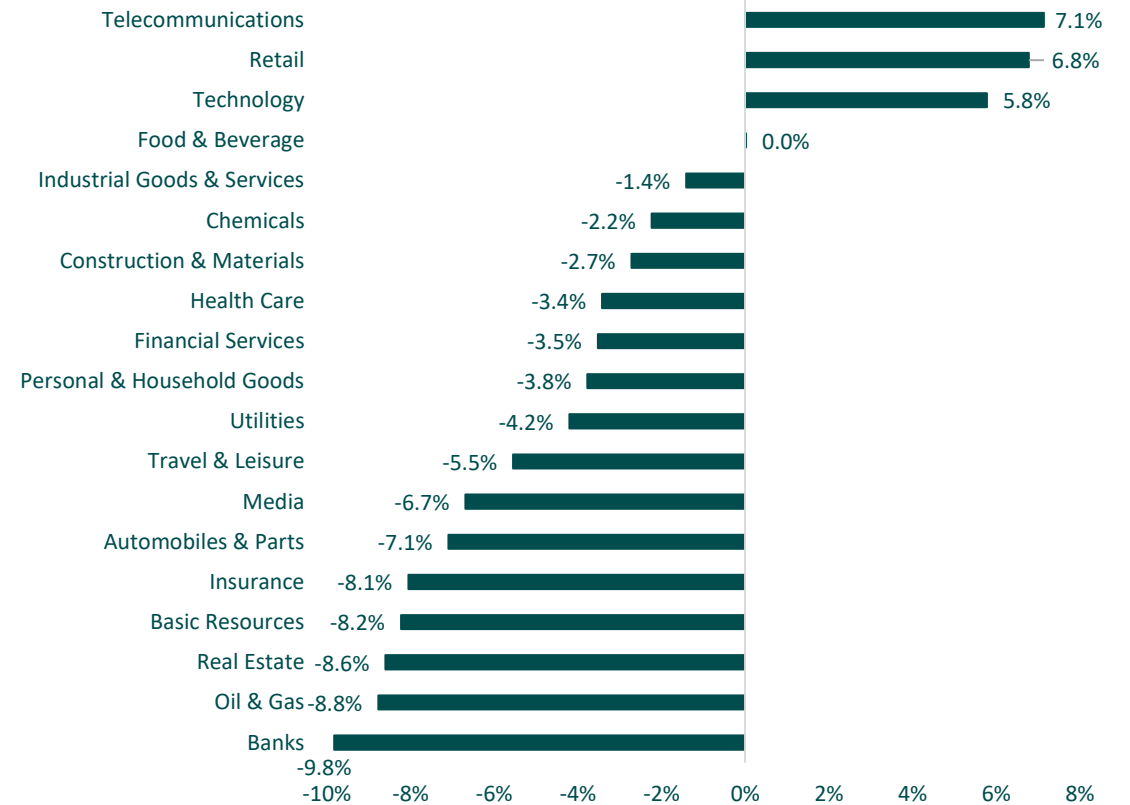
Source: WHO, BSC Research

APPENDIX

Capitalization of 3 exchanges



15/19 Sectors that gained points in July



APPENDIX

VN-Index median 1508.6 points, assessed by financial institutions

No	Stock	Weight	31/08/2021	Mean	Max	Min	P/E	P/B	No	Stock	Weight	31/08/2021	Mean	Max	Min	P/E	P/B
1	VCB	7.51%	99,400	113,470	130,400	100,086	18.0	3.5	19	PLX	1.31%	49,700	66,167	67,000	65,200	15.5	2.5
2	VHM	7.26%	106,400	131,373	150,000	117,300	10.6	3.7	20	VRE	1.29%	27,300	35,121	42,500	28,800	22.8	2.0
3	VIC	6.48%	94,100	120,472	143,111	106,667	53.3	3.9	21	VIB	1.15%	36,250	42,850	48,100	35,500	9.7	2.7
4	HPG	4.49%	49,300	60,588	68,000	52,000	8.8	3.0	22	MWG	1.07%	111,000	120,356	148,400	83,830	17.3	4.3
5	VNM	3.72%	87,400	109,911	130,000	100,000	19.1	5.8	23	STB	1.05%	27,350	24,888	34,100	7,853	14.2	1.6
6	GAS	3.49%	89,400	104,843	121,700	90,400	21.9	3.7	24	BCM	0.99%	46,900	46,900	46,900	46,900	21.0	3.1
7	TCB	3.46%	48,500	61,910	78,000	47,883	10.5	2.0	25	SSB	0.89%	36,000	36,000	36,000	36,000	22.0	3.2
8	MSN	3.25%	135,000	154,311	172,000	136,000	75.5	7.5	26	PDR	0.87%	87,900	87,900	87,900	87,900	30.3	7.7
9	BID	3.19%	38,950	41,973	52,000	22,836	15.8	1.9	27	BVH	0.86%	57,000	67,400	71,000	64,900	22.6	2.0
10	GVR	3.16%	38,750	35,850	40,200	31,500	32.8	3.2	28	HDB	0.85%	25,950	29,941	32,000	25,280	9.8	2.0
11	NVL	3.13%	104,400	109,014	133,500	82,500	29.0	4.6	29	SSI	0.83%	61,800	41,953	42,706	41,200	21.9	3.6
12	CTG	3.11%	31,800	40,611	52,900	19,684	9.3	1.6	30	TPB	0.74%	34,100	43,473	46,400	40,600	8.1	1.8
13	VPB	3.08%	61,600	75,924	86,200	67,000	12.2	2.5	31	MSB	0.68%	28,300	31,400	31,400	31,400	8.5	1.6
14	MBB	2.15%	27,900	33,697	36,400	25,358	10.1	2.0	32	EIB	0.64%	25,350	17,200	17,200	17,200	29.0	1.8
15	SAB	1.96%	150,000	206,317	260,000	180,000	20.6	4.6	33	HVN	0.61%	21,100	18,825	21,670	16,141	-	-
16	ACB	1.76%	32,000	38,072	41,800	33,578	8.9	2.1	34	POW	0.57%	11,850	15,420	17,300	14,000	10.9	0.9
17	FPT	1.71%	92,400	103,762	111,593	93,000	21.8	5.0	35	KDH	0.52%	39,750	41,606	47,000	35,489	20.2	2.9
18	VJC	1.40%	126,500	126,050	138,900	113,200	436.0	4.0		Tổng	81.15%					18.6	3.8

Source: Bloomberg, BSC Research

Performance heatmap 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%	6.06%	-6.99%	1.60%	0.80%				27.60%
Average	5.03%	1.59%	0.64%	3.60%	1.44%	1.19%	-1.69%	1.30%	1.03%	0.08%	1.89%	1.88%	13.03%

Phụ lục: Vận động thị trường

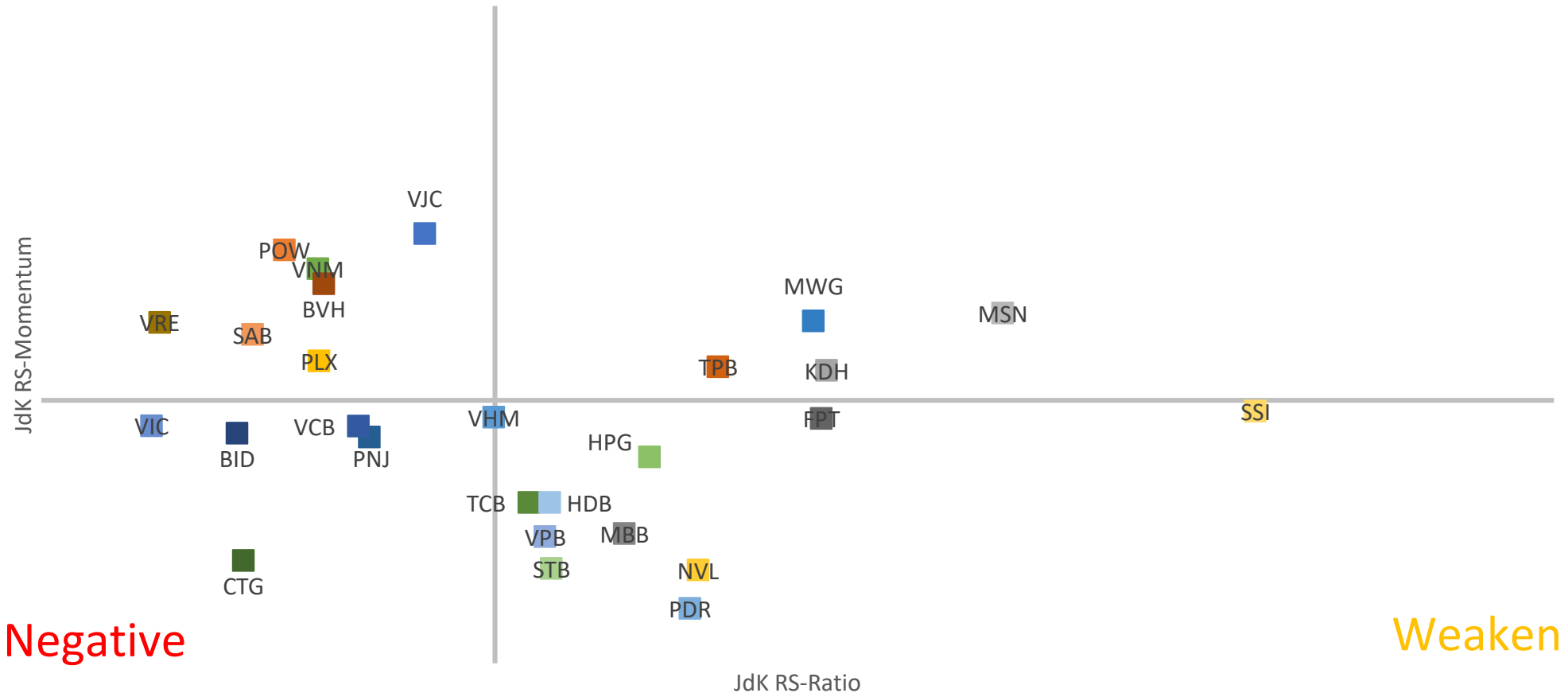
VN30 relative performance

Mã	RS-Ratio	RS-Mom'	12W%Δ
MSN	116.78	103.31	17.34%
GVR	112.97	103.60	18.50%
KDH	110.96	101.13	12.11%
MWG	110.52	103.01	18.50%
TPB	107.37	101.27	24.04%
GAS	100.77	101.54	19.89%
VRE	88.92	102.96	-5.18%
POW	93.04	105.71	13.31%
SAB	91.99	102.49	0.32%
VNM	94.15	105.00	7.06%
BVH	94.35	104.43	17.65%
VJC	97.68	106.33	9.64%
PLX	94.19	101.49	5.48%
SSI	125.13	99.58	7.55%
FPT	110.79	99.31	6.24%
PDR	106.45	92.07	-5.54%
NVL	106.72	93.54	-8.39%
MBB	104.28	94.92	-12.46%
HPG	105.11	97.84	11.63%
VPB	101.66	94.81	-9.81%
HDB	101.81	96.10	-9.38%
TCB	101.12	96.11	-14.05%
VIC	88.65	99.02	-6.75%
CTG	91.69	93.90	-15.87%
BID	91.48	98.74	-7.88%
VCB	95.49	99.01	-7.32%
PNJ	95.85	98.60	2.81%
VHM	99.96	99.35	-10.69%

Recovery

CP VN30 vs. VN-Index

Positive



Negative

Weaken

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