

VIETNAM MACRO & MARKET OUTLOOK 2023



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Acronym**S1**

Negative scenario

S2

Positive scenario

Appendix

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Investment strategy in 2023 – It's always darkest before the dawn

Facing a not-good world business environment caused by the slowdown in growth of major economies, the trend of tightening monetary policy on a global scale, geopolitical conflicts, Vietnam's economy still recorded an GDP growth of 8.02% in 2022, a record high in more than 10 years. Total import-export value reached 730.2 billion USD, continuously being in the group of 30 countries with the largest import-export value. Macro-economic factors such as inflation, exchange rate, etc. are under control, creating the foundation for the growth momentum in 2023.

Moving against the positive movements of the macro economy, investment activities in 2022 were negative and contrary to market expectations. If the COVID-19 pandemic period 2020-2021 was a favorable environment for investment channels, the post-COVID 2022 period brought about many difficulties due to expensive asset prices and high interest rate. In addition, some events related to price manipulation activities in the real estate market, stock market, mistakes in the issuance of corporate bonds as well as disturbances in exchange rates, interest rates, and liquidity made VN-Index decline significantly.

Although 2022 experienced the sharpest decline in more than a decade, Vietnam's stock market still recorded bright spots with a record number of investors opening new accounts, foreign investors's high net buying and low valuation of VN-Index. These are the foundations to help the market revive and move in sync with the economy in 2023.

In terms of macroeconomics in 2023, BSC forecasts 2 scenarios for GDP growth: 6.2% and 6.7% in 2023, and 6.3% and 6.6% in 2024; CPI at 5.1% and 3.5% in 2023 and at 4.2% and 3.2% in 2024, respectively. In both scenarios, interest rate may stay at 7.0% and 6.5% in 2023, then gradually decrease to 6.5% and 6.0% in 2024. The exchange rate may increase slightly and stably from 23,700 to 24,400 in the next 2 years.

In terms of securities market in 2023, VN-Index can recover thanks to: (1) The Government plans to amend some regulations on corporate bonds, promotes public investment and supports businesses; (2) VN-Index's P/E and P/B are still at historic lows, at 11.0 and 1.6 times, respectively; (3) Foreign investors returned by the end of 2022 and are likely to remain positive in 2023. VN-Index is forecasted to increase by 2.0% to 1,028 points in scenario 1 and increase by 22.8% to 1,240.3 points in scenario 2. (Refer to the methods of Forecasting by large-cap stocks and large-cap stock technical analysis).

Regarding the topics of investment in 2023, Information Technology, Industrial Park, Consumer Retail, Oil & Gas, Banking and Aviation Services sectors were positively evaluated in 2023. 3 investment themes in 2023: (1) Lower interest rates and reversal policies: Banking (VCB, ACB, MBB), Real Estate (VHM, KDH, NLG, VRE), Industrial real state (GVR, IDC); (2) Public investment: (HPG, PLC, PC1); (3) China reopening: Chemicals (DGC, DPM, DRC), Fisheries (VHC, ANV), Logistics (ACV); (4) Other stocks: VNM, FPT, MWG, PLX, PVS, PVD, POW, PVT,...

Regarding the prospects of sectors and stocks in 2023, see details in the report "Vietnam Sector Outlook 2023".

Notable issues in 2023

Global factors affect significantly on the macro economy and the stock market in 2023. To build a vision for 2023, we consider two international and domestic issues affecting Vietnam macro economy and stock market: (1) Global economic growth slowing down and China reopening; (2) Liquidity & corporate bond market.

Global economic growth slowing down and China reopening

After two years (2020-2021) being severely affected by the COVID-19 pandemic, the global economy in 2022 continued to experience many challenges. After central banks around the world applied super-easy monetary policy to boost the economy, global GDP growth in 2021 reached 6%, recovering from the -3% of the previous year. However, the consequence of this policy was that global inflation began to rise at the end of 2021 (*Appendix 01*). Right after that, the war between Russia and Ukraine broke out in early 2022, causing inflation to rise uncontrollably. Central banks therefore had to tighten monetary policy. For example, the US raised interest rates 7 times in 2022 (from 0%-0.25% to 4.25%-4.5%); Europe raised interest rates 4 times in 2022 (details on inflation and monetary policy of countries in *Quarter 1, Quarter 3, Quarter 4*). In the context of high inflation and interest rates, global economic growth is expected to slow down in 2023.

It is forecasted that in 2023, world economic growth will slow down due to the following 3 factors:

- The global monetary policy tightening trend has a direct impact on the production and consumption capacity of the economy, potentially leading to a recession. (*Market macro report November 2022*).
- The disruption of the global supply chain of goods and services has not been resolved due to the Russia-Ukraine war.
- Energy crisis in Europe due to scarcity of crude oil, especially when Europe's embargo on crude oil imported from Russia via sea officially took effect from December 5th, 2022

In the context that the US and Europe are likely to face a decelerating economic growth in 2023, China, as the world's second largest economy (with GDP in 2021 reaching \$17,734 billion, ranking only after the US \$23,315 billion), officially reopened from January 8th, 2023. This is the main driving force of the global economy in 2023. Considering the impact of China opening to Vietnam (for details, refer to the report *China "Reopening"*),

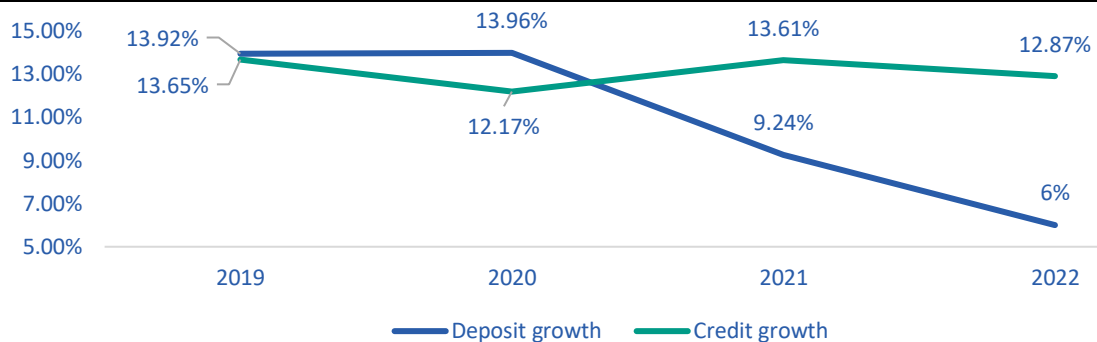
(1) China is Vietnam's largest import market and one of Vietnam's largest export markets. China's reopening will help resume the broken supply chain, partly reduce pressure on production costs of domestic enterprises, and be a driving force for Vietnam's import and export growth in 2023.

(2) Before China implemented the zero-COVID policy, the proportion of Chinese tourists accounted for about 30% of the total number of foreign tourists in Vietnam, but this number decreased to 3% in 9M2022. Therefore, China's reopening is expected to increase the number of tourists to Vietnam.

Liquidity & corporate bond market

System liquidity began to show signs of scarcity from the second half of 2022 for the following reasons: **(1) The SBV raised the operating interest rates, controlled credit growth, and made a net withdrawal through OMO to protect the exchange rate when the FED tightened monetary policy.** In September 2022 and October 2022, the SBV raised the operating interest rates twice in a row, bringing the interest rate from 4% which was held in the two years 2020-2021 to 6%, causing the deposit and lending rates of the commercial banks to increase simultaneously. After a sharp increase in deposit rates, deposits in the banking system also increased; however, due to inflationary pressure, people had to spend more, and businesses had high capital demand, which made deposit growth still lower than that of previous years.

Figure 01. Vietnam Deposit growth and credit growth



Source: Collected, BSC Research

(2) The corporate bond market declined sharply in 2022 due to corporate bond issuances that violated the law and stricter regulations on private placement of corporate bonds. By the end of December 2022, the total value of corporate bond issuance decreased by more than 65% YoY (Figure 02). The liquidity pressure will be even greater when there are more than 700,000 billion dong of corporate bonds due to mature in the period of 2023-2025, of which more than 350,000 billion dong are due in 2023 (Figure 03), peaking in June, July, and August.

Figure 02. Corporate bond issue amount



Source: Collected, BSC Research

Figure 03. Yearly maturity value



Source: Fiinpro, BSC Research

Decree 65/2022/ND-CP on private placement of corporate bonds was issued in line with the path of improving the quality of the corporate bond market in the long term. In the short term, almost

businesses could not meet strict requirements. This made it difficult to issue corporate bonds, affecting systematic liquidity. The real estate sector before 2022 accounted for the largest share of corporate bond issuance. In the period of 2017-2021, real estate sector accounted for roughly 39%, of which in 2021 it reached 46.8%. However, 11T2022, this figure dropped to 20.45%. Real estate businesses could not even issue corporate bonds to reverse debts. Besides, accessing to bank capital was also difficult when banks gave priority to lending to the manufacturing field. Due to current difficulties, the Ministry of Finance has proposed to delay the application of Decree 65/2022/ND-CP to 2024 instead of 2023.

(3) Pressure from domestic inflation. In the context of inflation in major economies such as the US and Europe started to show signs of cooling down in the last months of 2022, Vietnam's inflation YoY has been still on the rise, especially in the third quarter of 2022. The main reason came from the low base level of the third quarter of 2021 and the strong recovery of consumption, leading to a sharp increase in prices of most groups of goods and services. The strong upward trend of commodity prices was even more evident in the fourth quarter (+4.41% YoY) with inflation increasing strongly at the end of the year in almost all sectors. In 2023, inflationary pressure will still exist, especially in the context that several tax and fee support policies expire from the beginning of 2023 such as VAT reduction and environmental protection tax reduction for Petroleum, etc. In addition, the prices of goods managed by the State such as electricity prices, education prices, etc. may also be adjusted up in 2023 (for details on inflation, refer to the [Inflation](#)) causing pressure for the SBV to continue tightening monetary policy.

Thus, in 2023, the opening of China will be the driving force for Vietnam's import and export in the context that global economic growth is forecasted to slow down. However, Vietnam is facing high inflationary pressure in 2023, making it more difficult to support liquidity for the system that is in short supply.

Macro picture in 2022 and forecast for 2023

Macroeconomic forecast in 2023

- GDP in 2022 reach 8.0% thanks to the strong recovery of the service industry after two years of COVID-19.
- GDP in 2023 is estimated to grow at **6.2% in S1** and **6.7% in S2**.

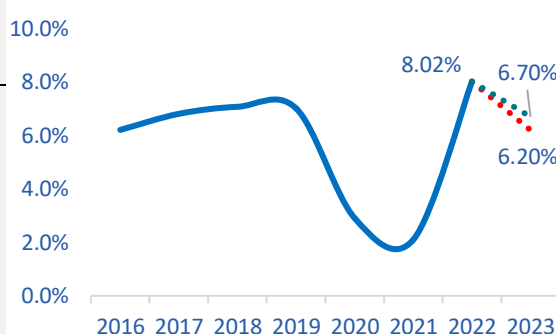
For 2023, BSC develops two scenarios to predict economic growth:

- **Scenario 1:** Negative scenario with estimated GDP growth rate of 6.2%.
- **Scenario 2:** Positive scenario with estimated GDP growth rate of 6.7%.

Table 01. Macro indicators in 2023

Indicators	7YR AVG (15-21)	2022	2023	
			KB 1	KB 2
GDP (YoY%)	5.6	8.0	6.2	6.7
CPI (YoY%)	2.6	4.6	5.1	3.5
Ex (YoY%)	12.3	10.6	7.2	10.6
Im (YoY%)	12.5	8.4	6.7	9.6
Refinancing rate (%)	5.79	6.0	7.0	6.5
USD/VND	22,784	23,408	24,400	23,900

Figure 04. GDP over the years 2016 -2023



Source: Bloomberg, BSC Research

Factors affecting GDP in 2023:

- **Expansionary fiscal policy** (1) Fiscal policy is the highest in history with a figure of VND 792 trillion (including public investment from the economic stimulus package) (2) Disbursement speed can reach high level when the North-South route projects have reached the bidding stage at the end of 2022.
- **Import-export growth weakens** as global economic growth is forecast to slow compared to 2022 (Appendix 02).
- **Monetary policy:** (1) It is possible to increase interest rates further by 0.5-1% when the FED maintains a high interest rate at 5.1%. (2) Domestic inflation will continue to be challenged in 2023 by increasing pressure of goods and services price starting in the second half of 2022.
- **Stable USD/VND exchange rate:** (1) The interest rate differential is at a reasonable level, reducing the amount of hot foreign currency withdrawing from the Vietnamese economy. (2) The reopening of China leads to the growth of the tourism sector and the flow of foreign currency into Vietnam.

Table 02. Macro indicators over the years and forecast for 2023

Indicators /years	2018	2019	2020	2021	2022	2023	
						KB1	KB2
GDP YoY (%)	7.08	7.02	2.91	2.58	8.02	6.2	6.7
Inflation YoY (%)	2.98	5.3	0.2	1.81	4.55	5.1	3.5
Export (USD billion)	243.5	263.45	281.5	336.25	371.5	393.4	402.6
Import (USD billion)	236.7	253.51	262.4	332.25	360.3	380.1	387.4
Trade balance (USD billion)	6.8	9.9	19.1	4.0	11.2	13.3	15.2
Exchange rate (VND/USD)	23,355	23,229	23,229	22,920	23,480	24,400	23,900
Public debt/GDP (%)	58.4	57.4	56.8	43.7		-	
Government debt/GDP (%)	50	49.9	50.8	39.5		-	
Public investment	324,906	342,948	466,597	423,647	511,562		
Credit growth (%)	14	13	12	13	13	8%	14%
FDI registered (USD billion)	25.57	22.5	21.1	24.3	22.5	-	
FDI disbursed (USD billion)	19.1	20.4	20	19.9	22.4	24.8	27.0

Source: Bloomberg, BSC research

Macro picture in 2022

GDP in 2022 increased by 8.02% (up by 5.05% in the first quarter; 7.83% in the second quarter; 13.71% in the third quarter; 5.92% in the fourth quarter) over the previous year as the economy recovered and achieved the highest growth rate. in the period 2011-2022.

The service sector is the key growth driver of the economy in 2022 with an increase of 9.99% and contributes 56.65% to economic growth. Total retail sales of consumer goods and services is estimated at VND 5,679.9 trillion, up 19.8% YoY, if excluding the price factor, it will increase by 15.6% YoY and increase by 15% compared to 2019 - the year before the epidemic. COVID-19. The booming service sector also led to a rapid increase in inflation in the second half of 2022.

Industry and construction increased by 7.78%, contributing 38.24% to economic growth. The industry recovered quite well from the Q1.2022 to Q3.2022 but slowed down significantly in the Q4.2022. Industrial production in Q4.2022 is estimated at 3.6% YoY. For the whole year of 2022, the added value of the industry increased by 7.69% YoY (in the first quarter, by 7.16%; in the second quarter by 9.51%; in the third quarter by 11.06%; in the fourth quarter by 3.6%). In which, the processing and manufacturing industry increased by 8.10% YoY. The growth rate slowed down due to weakening global consumer demand under the influence of tight monetary policy. This effect is illustrated by the weakening import-export growth rate in the second half of 2022.

PMI in December decreased to 46.4 points, from 47.4 points in November. The average PMI in 2022 reached 51.7 points. December was also the second consecutive month that PMI stayed below 50 points, showing that the decline in the manufacturing industry increased at the end of the year. The main reason comes from the current state of domestic demand and the decline in export areas when the tightening monetary policy slows down the economy's growth. The number of new orders decreased, leading to a decrease in output and employment. On the other hand, although production costs are still on the rise, the increase is relatively slight, enabling companies to reduce selling prices for the second month in a row to stimulate customer demand.

Monetary Policy

Inflation

- CPI in 2022 increased by 4.55% YoY in December 2022, making the average CPI in 2022 reach 3.15%. In 2022, the CPI of the first quarter reached 1.76% YoY, of the second quarter reached 2.78% YoY, of the third quarter reached 3.32% YoY and of the fourth quarter reached 4.41% YoY.
- CPI at the end of 2023 is estimated at **5.1% in S1** and **3.5% in S2**.

CPI in 2022 increased by 4.55% YoY in December 2022, making the average CPI in 2022 reach 3.15%. CPI remained at a low level (+1.76% YoY) in the Q4.2021 when the economy just reopened, and business activities were in the recovery phase. The recovering trend continued in the Q2.2022 (+2.78% YoY) and spiked in the Q3.2022. The sudden increase in the third quarter (+3.32% YoY) came from two main factors: (1) The low base level of Q3.2021 due to the economic shutdown; (2) The consumer component recovered strongly, leading to a sharp increase in prices of most goods and services. The strong upward trend of commodity prices was shown in the Q4.2022 (+4.41% YoY) with inflation increasing strongly at the end of the year in almost all sectors. Only the Transport and Post & telecommunications sectors showed signs of decline because gasoline and oil prices were adjusted down 16 times (Ron A95 decreased -11.12% YTD, E5 decreased -11.4% YTD) to curb inflation and stimulate economic growth.

Figure 05. CPI over the years

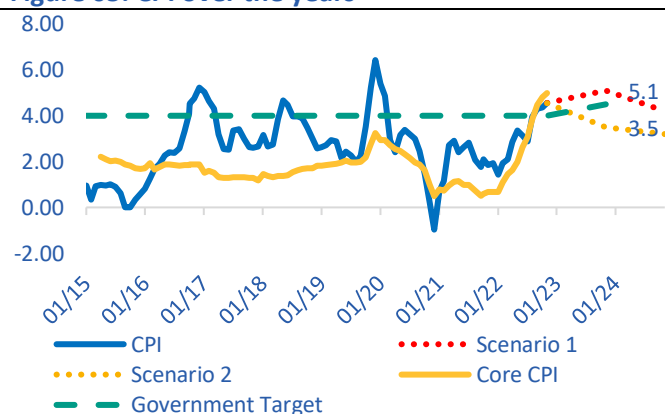


Table 03. CPI forecast

Scenario	S1	S2
Year	2023	2023
CPI YoY	5.1%	3.5%
Pork	+1.8%	+0.5%
Oil	+0.6%	0.0%

Source: GSO, BSC Research

CPI at the end of 2023 will be influenced by the following factors:

- **Oil prices range from 82-96 USD/barrel:** According to predictions of world economic organizations, oil price can maintain at the price range of USD 82-112/barrel with an average level of USD 96/barrel in 2021 (*Appendix 04*). The cause of this sideways movement and decline is due to the following two factors: (1) The deceleration of the world economy leads to an increase in world oil demand (*Appendix 02*). (2) OPEC+ does not increase oil production and may cut if oil prices fall too low when oil production is at its peak (*Appendix 05*).
- **Pork price is estimated in the range of 60,000-80,000 VND/kg** as inflation pressure increases and consumer demand grows.
- **Inflation pressure increased sharply.** Inflationary pressure was strong especially when the core CPI surpassed the CPI with an average increase of 0.4%/month, the highest level in the past 10 years. This phenomenon clearly shows that the uptrend has spread to all goods and services of the economy. However, the impact of the SBV's tightening of monetary policy will partly curb this increase in the second quarter of 2023.

S1: CPI is estimated to reach 5.1% YoY

- The hypothetical oil price will reach 96 USD/barrel, equivalent to the average price predicted by economic organizations.
- The hypothetical pig price will reach 80,000 VND/kg, equivalent to the average price in 2020. This case occurs when the pig supply factor is still lacking due to the slow re-herd rate and the Chinese pig price recovering after reopening.
- Electricity prices in 2022 and medical service prices may increase again after moving sideways in the 3 years 2020-2022. In this case, the price of electricity and the price of medical services can cause CPI to increase by 1.3%.

S2: CPI is estimated to reach 3.5% YoY

- The hypothetical oil price will reach USD 82/barrel, equivalent to the lowest predicted price of economic organizations.
- The hypothetical pig price will reach at 60,000 VND/kg. This situation occurs when the rate of re-herd pigs increases sharply and the supply from abroad is abundant.
- Electricity and health service prices will remain as low as in the 2020-2022 period if the Government is still determined to implement the policy of stabilizing commodity prices.

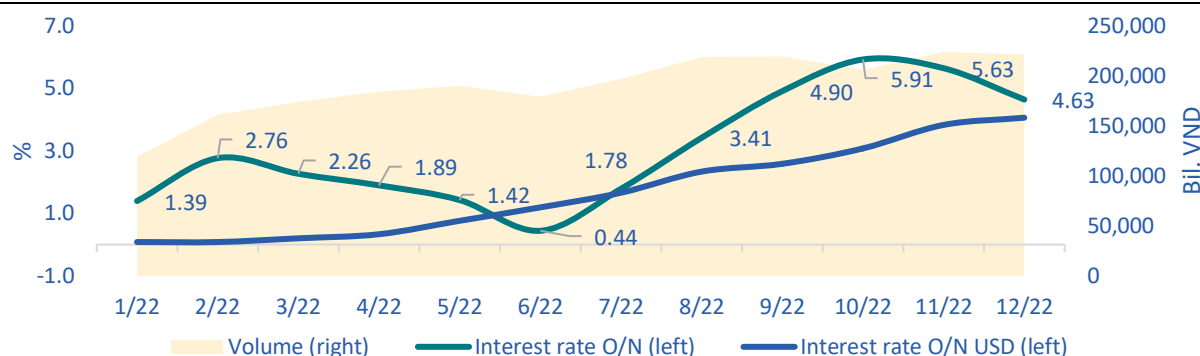
Bank – Interest rate

- As of December 21st, 2022, credit growth is about 12.9% compared to the end of 2021. Total means of payment (M2) increased by 3.85% YTD.
- The liquidity of the interbank system will decline sharply in 2022 with high interest rates due to the pressure of the USD appreciation and the freezing of the corporate bond market in the second half of 2022.

In the past year, the State Bank of Vietnam (SBV) raised interest rates twice in September and October under pressure from a strong USD, high FED interest rates and rising inflation. The rediscount rate increased from 2.5% to 4.5% and the refinance rate increased from 4% to 6%. At the same time, Decree 65/2022 tightening the corporate bond market (mainly real estate) also puts strong pressure on long-term investment capital. Since then, total means of payment had the slowest increase in history and only reached 3.85%. The difference between the total means of payment shows the lack of capital of enterprises. The volume of interbank transactions increased sharply in 2022 despite the increase in interest rates, showing strained pressure on the interbank system. However, the pressure eased at the end of the year thanks to (1) the stable exchange rate and (2) the Ministry of Finance also made some recommendations related to reducing the tightening level of Decree 65/2022.

Given that Vietnam's inflation is on the rise and the Fed may raise interest rates by +0.75% according to their current plan (*Appendix 08*), the SBV may increase interest rates by +0.5-1.0%. This phenomenon will also directly affect the amount of money flowing into the Vietnamese economy.

Figure 06. Overnight interbank transaction

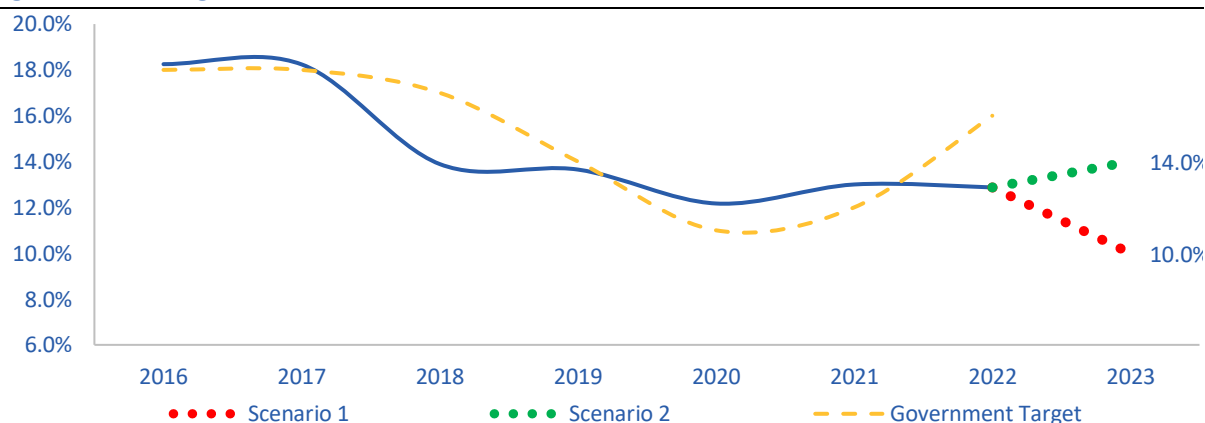


Source: Bloomberg, BSC Research

BSC divides two main scenarios for credit growth and M2 for 2022.

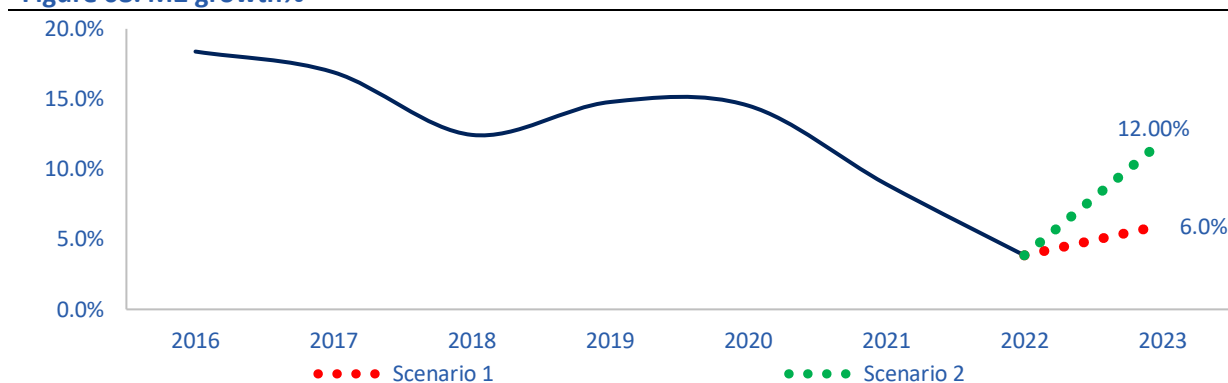
- **S1:** Vietnam's high inflation and the Fed raising interest rates by more than 0.75% may cause the operating interest rates to increase by +1%. In addition, if the corporate bond market recovers slowly, it will cause M2 and credit growth to be lower than in the period of 2020-2021. M2 and credit are estimated to increase by 6.0% and 10.0%, respectively.
- **S2:** If Vietnam's inflation is under control and the FED raises interest rates by 0.75%, it can cause the operating interest rates to increase by 0.5%. Besides, if the corporate bond market recovers quickly, it will make M2 and credit grow faster in the period of 2020-2021. **M2 and credit are estimated to increase by 12.0% and 14.0%, respectively.**

Figure 07. Credit growth



Source: Bloomberg, BSC Research

Figure 08. M2 growth%



Source: Bloomberg, BSC Research

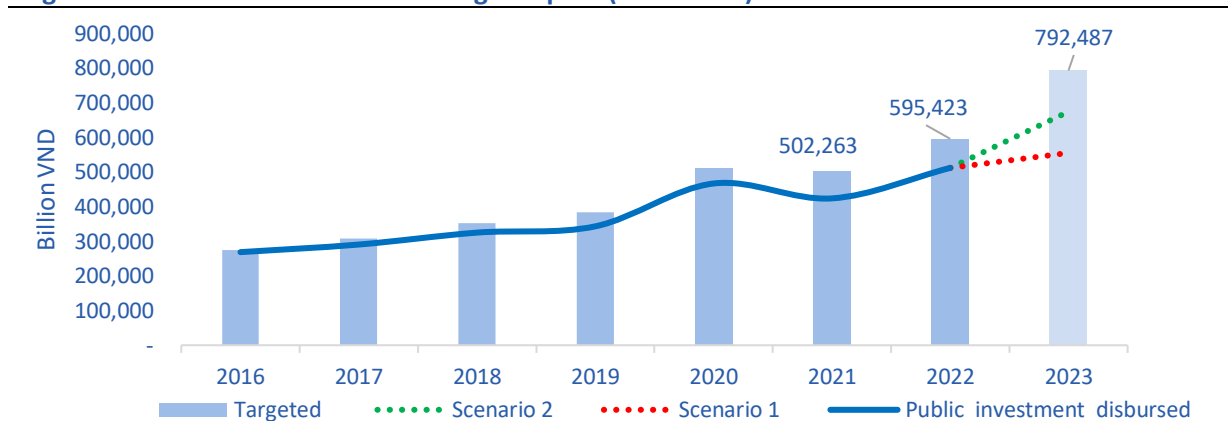
Fiscal policy

- In 2022, budget disbursement is estimated at VND 511,562 billion, equaling 85.2% of the plan, of which: the central government is estimated at VND 91,627 billion, equaling 78.9% of the plan, the locality is estimated at VND 419.935 billion, equaling 86.7% of the plan.

Disbursement of State budget in 2022 is estimated at 511,562 billion (+18.8% YoY). Although the level of completion of the plan is almost similar to 2021 (84%), the growth rate in absolute value still shows the Government's efforts in promoting public investment. Nevertheless, the state of public investment in 2022 slows down due to two main factors: (1) Overbudget for a number of large projects; (2) Procedures related to planning for projects are quite slow. These two factors have caused the disbursement rate of projects to fall into scenario 1 of BSC in the *Market Macro report in 2022*.

In the situation of high interest rates and inflation in 2023, the difficult business environment of domestic enterprises will make the disbursement of state budget investment capital one of the powerful drugs to promote economic growth. This is further reflected in the 2023 state budget estimate package with a total investment of VND 792 trillion (including VND 103 trillion of the economic stimulus package). **Disbursement of state budget in 2023 is estimated to reach from VND 554.740 billion to VND 673,614 billion, equivalent to a growth rate of 8.4-31.7% YoY).**

Figure 09. Disbursement of State budget capital (2016-2023)



Source: Bloomberg, GSO, BSC Research

BSC estimates 2 scenarios for the planned disbursement of state budget capital. S1 occurred when disbursement of public investment mainly focused on the North-South route plan with the annual disbursement plan at a low level. S2 took place with disbursement progress focused on both plans.

Table 04. State budget disbursement 2016-2022

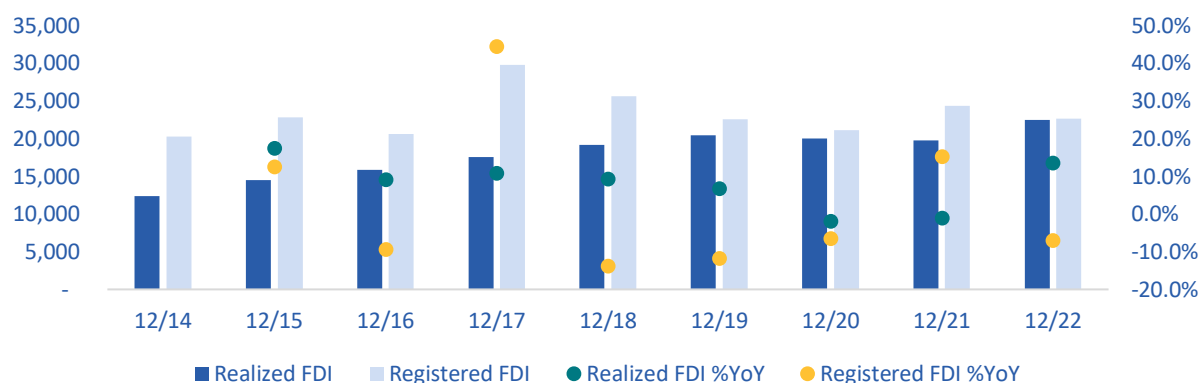
	2017	2018	2019	2020	2021	2022	2023FC
Annual Plan (VND bil)	307,661	352,017	383,336	512,037	502,263	595,423	792,487
12M % Plan							S1 S2
Total	94.41	92.3	89.46	91.13	84.3	85.2	70 80
Central	91.13	89.94	85.29	91.42	81.2	78.9	70 80
Local	95.38	92.84	90.25	91.06	85.0	86.7	70 80
12M %YoY							
Total	7.23	12.52	5.81	34.45	-8.60	18.8	8.4 23.9
Central	3.91	-6.14	-12.03	59.69	-8.25	23.4	14.5 30.9
Local	8.21	17.75	9.78	29.95	-8.68	17.9	7.1 22.4

Source: BSC Research

FDI

- Newly registered and additionally registered FDI as of December 22th, 2022 reached USD 22.56 billion, -6.99% YoY. Realized FDI in 2022 was USD 22.40 billion, +13.45% YoY.
- In terms of structure, processing and manufacturing accounted for 67.32% of the total newly and additionally registered capital.
- FDI disbursement in 2023 is estimated at USD 25.1 billion (+10.7% YoY) in scenario 1 and USD 28.2 billion (+12.4% YoY) in scenario 2.

Figure 10. FDI (USD million)



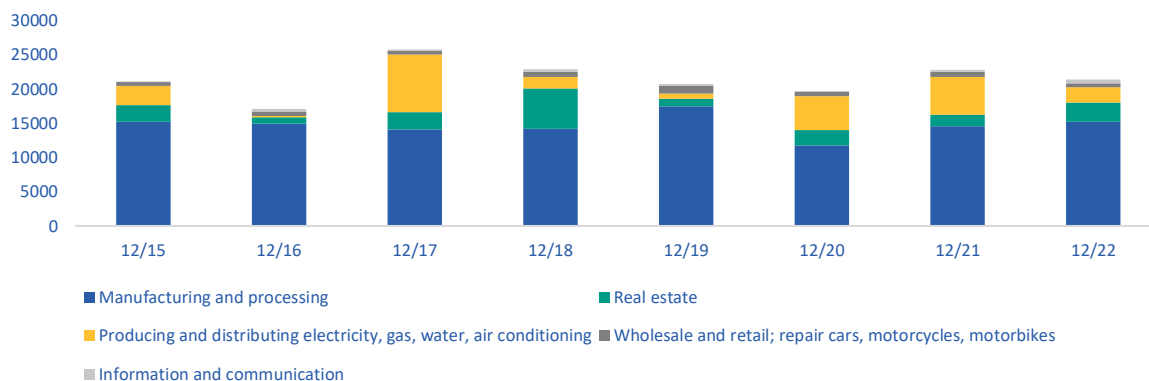
Source: MPI, BSC Research

By the end of December 22th, the total newly registered FDI capital of 2,036 projects (+17.1% YoY) reached USD 12.45 billion (-18.36% YoY), the additionally registered FDI capital of 1,107 projects (+12.39% YoY) reached USD 10.12 billion (+12.24% YoY). Thus, **the total newly and additionally registered FDI capital reached USD 22.56 billion (-6.99% YoY). Realized FDI in 2022 will reach USD 22.40 billion (+13.45% YoY).**

Regarding FDI capital structure: The processing and manufacturing field took the lead with USD 15.19 billion, equaling 67.32% of the total newly and additionally registered capital. Real estate

business reached USD 2.87 billion, equaling 12.74%. The production and distribution of electricity, gas, water, and air conditioners reached USD 2.17 billion, equaling 9.62%.

Figure 11. FDI by sectors (USD million)



Source: MPI, BSC Research

Regarding partners: Singapore continued to lead with USD 4.62 billion, equal to 20.48% of total newly and additionally registered capital. Japan reached USD 4.56 billion, equaling 20.20%. China and Hong Kong reached USD 4.42 billion, equaling 19.58%. Korea reached USD 3.94 billion, equaling 17.45%. Denmark reached USD 1.32 billion, or 5.85%.

In terms of location: Ho Chi Minh City led with USD 2.20 billion, accounting for 9.76% of total newly and additionally registered capital. Bac Ninh ranked second with USD 2.19 billion, equivalent to 9.70%. Quang Ninh ranked third with USD 2.18 billion, equivalent to 9.67%.

In the context of world economic fluctuations, Vietnam's FDI disbursement still grew well in 2022, although partly due to a low base of last year's growth. However, although the number of newly registered projects increased, the newly registered capital decreased, showing that the scale of new foreign investment projects in Vietnam in 2022 showed signs of decline. Some factors are likely to affect FDI in 2023:

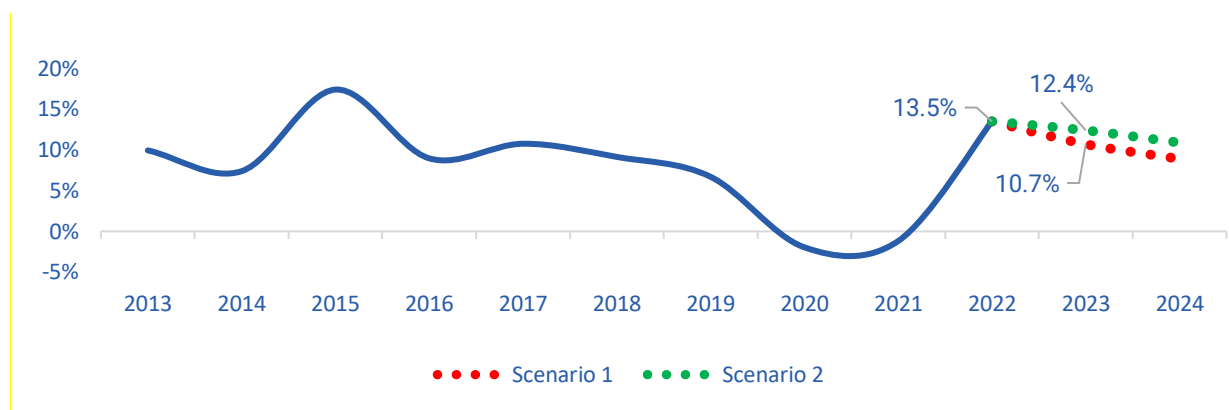
- **The global economy in 2023 is forecasted to slow down:** In the context of the global economic slowdown, consumption demand, production and investment are all affected. FDI inflows into Vietnam will also be affected negatively.
- **Increasing, consolidating and expanding trade agreements:** in recent years, Vietnam has been a member of many large-scale bilateral and multilateral trade agreements (Annex 03). Favorable geographical location and terms of trade agreements with major economies will continue to maintain Vietnam's attractiveness to FDI enterprises.
- **The wave of production shift out of China is reinforced:** (1) The US-China trade war which is not over yet will continue to support this shift trend (2) China environmental policy causing energy crisis and power shortage has pushed up production costs and reduced the productivity of factories (*Heavy Industry Report*). These will cause foreign enterprises to further disperse production supply chains to countries other than China.
- **Disbursement of North-South Expressway project may be accelerated:** In 2022, a number of component projects of the North-South Expressway project phase 1 could not be completed on schedule, mainly due to problems such as: Geopolitical stability from the beginning of the year affected raw material prices, domestic weather, administrative procedures, etc. In 2023, if

projects behind schedule are completed and component projects under the phase 2 are accelerated, freight traffic will be improved, which attracts FDI inflows into Vietnam.

BSC estimates that realized FDI in 2023 will reach about USD 25.1 billion (+10.7% YoY) in scenario 1 and USD 28.2 billion (+12.4% YoY) in scenario 2. In both scenarios, realized FDI growth is lower than that of 2022 due to the forecast of slowing global economic growth.

- **Scenario 1:** Realized FDI in 2023 increase by 10.7% YoY
- **Scenario 2:** Realized FDI in 2023 increase by 12.4% YoY

Figure 12. Realized FDI growth rate (USD million)

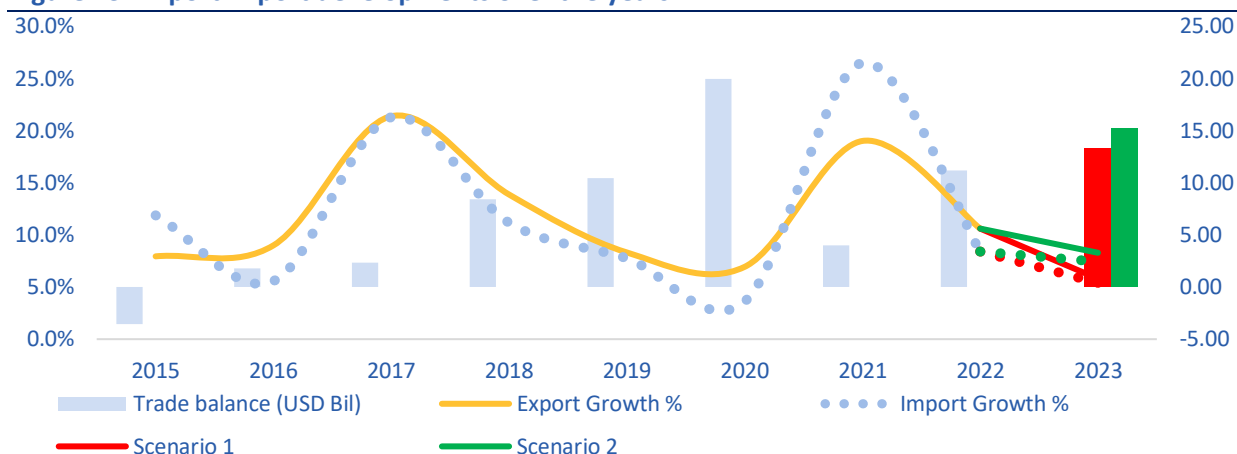


Source: MPI, BSC Research

Trade, Import and Export

- In 2022, the total export turnover of goods will reach USD 371.9 billion, up 10.6%; goods import reached USD 360.7 billion, up 8.4%. Trade balance is estimated at USD 11.2 billion.
- BSC estimates that export growth will reach USD 393-402 billion (+5.8%-8.3% YoY) in 2023. Import growth will reach USD 380-387 billion (+5.4%-7.3% YoY). Trade balance is estimated at USD 12.7-15.2 billion.

In 2022, the total export turnover of goods will reach USD 371.9 billion, up 10.6%; goods import reached USD 360.7 billion, up 8.4%. The balance of trade in goods in 2022 is estimated to have a trade surplus of USD 11.2 billion. The growth rate of import and export maintained a good increase in Q1.2022 but gradually decelerated over time from Q2.2022 to Q4.2022. The reason for this phenomenon is that the FED accelerated tightening of monetary policy and created a trend of increasing interest rates of central banks in the world. Such tightening has affected the consumption demand of the economy and thereby, weakened the number of export orders from Vietnam. At the same time, China's restriction on import and export trade transactions under the Zero-COVID policy also reduced the number of goods imported into Vietnam.

Figure 13. Import-Export developments over the years

Source: GSO, BSC Research

In 2023, BSC estimates that export growth will reach USD 393-402 billion (+5.8%-8.3% YoY), import growth will reach USD 380-387 billion (5.4%-7.3% YoY). According to the above forecast results, Vietnam may have a trade surplus of USD 12.6-15.2 billion in 2023. Assumptions about import-export growth forecast:

- **Global consumer demand for goods declined** due to the impact of tight monetary policy.
- **The US-China trade war continues to be challenged** by the tension from bilateral diplomatic negotiations.

Table 05. Composition of import and export growth

Export	2018	2019	2020	2021	2022	2023	
						S1	S2
Total	13.9%	8.3%	6.9%	19.0%	10.6%	6.0%	8.3%
Phone types and accessories	8.5%	4.7%	-0.4%	12.4%	12.4%	5.0%	6.2%
Computers, electronic products and components	12.4%	22.8%	24.4%	14.4%	14.4%	3.9%	5.2%
Textiles	16.6%	7.9%	-9.7%	9.8%	9.8%	4.0%	8.1%
Other machinery, equipment, tools and spare parts	28.1%	11.8%	48.0%	41.0%	41.0%	9.0%	12.8%
Other goods	6.4%	13.2%	19.6%	2.0%	2.0%	-5.8%	-3.2%

Import	2018	2019	2020	2021	2022	2023	
						S1	S2
Total	11.2%	7.7%	3.6%	26.5%	8.4%	5.8%	7.4%
Computers, electronic products and components	12.6%	22.0%	19.7%	18.7%	8.6%	6.0%	11.4%
Other machinery, equipment, tools and spare parts	-1.5%	9.6%	1.4%	24.1%	-2.4%	2.0%	3.5%
Other goods	10.1%	14.3%	-10.3%	19.8%	5.7%	5.0%	10.1%
Phone types and accessories	-3.5%	-7.8%	2.7%	29.5%	-1.0%	3.0%	6.6%
Textiles	12.0%	4.2%	-11.5%	13.8%	3.0%	1.0%	2.0%

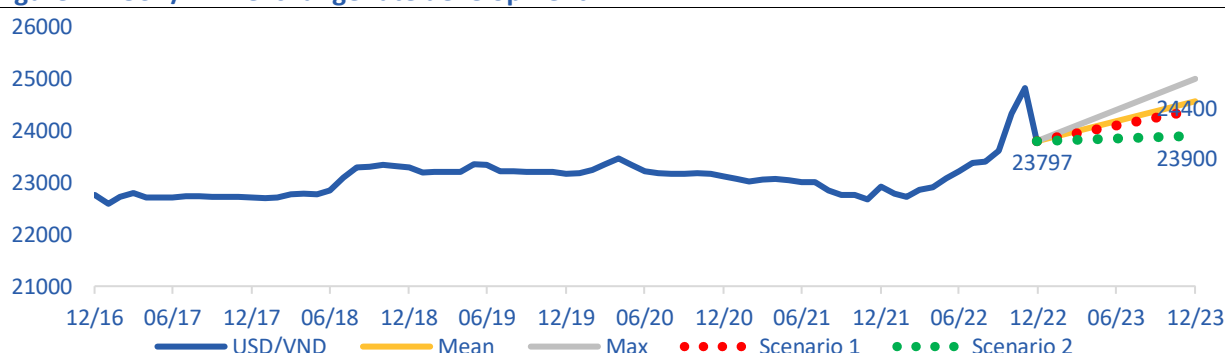
Source: GSO, BSC Research

Exchange rate USD/VND

- The USD/VND interbank rate in 2022 increased sharply due to the increasing pressure of the USD in the world when the FED raised interest rates.
- The USD/VND interbank exchange rate in 2022 is estimated to fall under the following two scenarios. **S1 at 24,400 USD/VND, S2 at 23,900 USD/VND.**

The USD/VND exchange rate increased sharply in the second half of 2022 when the Fed accelerated the tightening of monetary policy. As of December 30, the interbank rate USD/VND reached 23,633 (+3.4% YTD). The USD/VND exchange rate increased sharply due to: (1) The narrowing interest rate gap between USD and VND puts strong pressure on the VND market; (2) Foreign exchange reserves declined during stressful periods in the Q2.2022 and Q3.2022 mainly due to the withdrawal of foreign capital from the Vietnamese economy under the increasing pressure of the global dollar appreciation.

Figure 14. USD/VND exchange rate development



Source: Bloomberg, BSC Research

Note: Mean = Global average forecast.

Max = Global maximum forecast.

Compared with other countries, the USD/VND exchange rate is still quite stable and lower than the average of these countries. This result shows the stability of the VND exchange rate and reduces worries about the withdrawal of hot USD capital from the Vietnamese economy. (Table 06)

Table 06. Comparison of VND with other currencies

Exchange	2017	2018	2019	2020	2021	YTD
CNYUSD	6.73%	1.05%	-0.65%	6.24%	9.35%	-7.85%
EURUSD	14.15%	8.81%	6.28%	15.94%	8.11%	-5.85%
KRWUSD	13.22%	8.14%	4.19%	9.81%	1.61%	-5.67%
JPYUSD	3.83%	6.11%	6.89%	13.13%	1.64%	-12.20%
SGDUSD	8.41%	6.02%	7.11%	8.92%	7.39%	0.67%
IDRUSD	-0.70%	-7.07%	-3.26%	-5.25%	-5.32%	-8.51%
THBUSD	10.05%	10.02%	18.83%	19.37%	7.92%	-4.12%
MYRUSD	10.45%	8.03%	8.70%	10.45%	7.76%	-5.45%
PHPUSD	-0.75%	-5.53%	-2.36%	3.23%	-2.74%	-8.51%
VNDUSD	0.27%	-1.81%	-1.74%	-1.56%	-0.24%	-3.41%
Average	6.6%	3.4%	4.4%	8.0%	3.5%	-7.2%
VND Rank	8	8	8	9	8	2
Reserve (Bil USD)	49	55	79	95	109	85.7

Note: Data updated on 30/12/2022.

Source: Bloomberg, BSC Research

In terms of foreign exchange supply for 2023, foreign exchange reserves will remain stable based on the following 3 factors:

- The trade surplus is expected to continue in 2023 when macro factors are still supporting Vietnam's trade surplus. According to BSC calculations, this figure is estimated at USD 13-15 billion.
- Remittances are estimated to have a 3-year average growth rate of 4.4% and reach USD 19.7 billion in 2023.
- The State Bank of Vietnam maintains a stable exchange rate policy and can buy back the USD if there are favorable conditions such as controlling inflation and adjusting the Dollar Index after the strong rally in 2022.

BSC expected that the interbank rate will most likely be at 2 scenarios:

- **S1: 24,400 USD/VND (+3.2% YTD).** This case happened when the Fed raised interest rates to 5.25% along with Vietnam's inflation at 5.1% and the slow recovery of the tourism industry.
- **S2: 23,900 USD/VND (+1.1% YTD).** This case occurs when the Fed maintains interest rates at 5.25% along with Vietnam's inflation below 4.5% and the rapid recovery of the tourism industry.

Vietnam stock market in 2022 and forecast for 2023

Vietnam's stock market has experienced 02 years of sublimation (2020-2021), but it witnessed a contrasting picture in 2022. The negativeness overwhelmed positiveness since April. VN-Index experienced a "bear market" with a significant decline in all aspects: score, market capitalization, liquidity... especially investors' confidence.

The positive market sentiment of the previous period helped VN-Index maintain a bullish momentum in the first quarter of 2022. On January 6th, 2022 VN-Index ended the session with a historical peak of 1,528.57 points – marking a new milestone for Vietnam's stock market.

However, geopolitical developments in the world as well as the perspective of central banks in managing monetary policy began to change, which had a significant impact on the world stock market as well as Vietnam's stock market. The conflict between Russia and Ukraine that occurred on February 24th, 2022 caused the prices of many commodities such as crude oil, corn, wheat, etc. to skyrocket, and many major economies in the world such as the United States of America, UK, Germany... to record the highest inflation rates in 30-40 years. High inflation pulled central banks into an unprecedented race of increasing interest rates.

In the situation of high inflation and interest rates increased, especially the strong appreciation of the US dollar (USD) – after the drastic actions of the US Federal Reserve (FED) to raise interest rates - cash flow began to seek safer havens, and the stock market became less attractive to investors - especially in emerging and frontier markets.

On the other hand, Vietnam began to reveal problems when domestic cases of economic corruption and stock market manipulation, such as the cases of FLC, Tan Hoang Minh Group, and Van Thinh Phat Group were exposed. The breakdown in the corporate bond market have had a significant impact on market sentiment.

The sharp drop made sectors in 2022 mostly decrease; however, with a strong return of foreign investors in the second half of the fourth quarter of 2022, VN-Index recovered positively and created psychological momentum for the market with a positive outlook in 2023.

Vietnam's macroeconomics in 2023 will face many challenges when an economic recession is expected to occur in major countries such as the United States, Europe, etc. In addition, there are geopolitical tensions: The United States - China, Russia - Ukraine and sanctions/retaliatory between countries are still potentially unpredictable. However, Vietnam is still a country recognized by many reputable organizations as an ideal investment destination with good growth. The Government of Vietnam is trying to implement policies and solutions to remove difficulties for the market - especially the amendment of Decree 65. Besides, the pressure on exchange rate and interest rates management has been reduced. The above will be the factors that support and create growth momentum in 2023. Information technology, Industrial real estate, Retail services, Oil and gas, Aviation are the sectors that are forecasted to be positive next year.

Stock market forecast in 2023

Market forecast scenarios 2023

- VN-Index forecast: scenario 1_1,028.8 points with the assumption: EPS growth of -2%; P/E 1 time; scenario 2_1,240.3 points with the assumption: EPS growth of +4%; P/E 12.5 times.
- Average liquidity level of the 3 exchanges: scenario 1_ USD 680 million per trading day (-22.7%); scenario 2_ USD 800 million per trading day (-10%) when the market passes the peak zone, cash flows are dispersed to safe channels in a high-interest rate environment. Along with that, the number of new accounts opened increased by 14% and 17.5% respectively for 2 scenarios. Market cap increased by 4% and 11%, respectively.
- Foreign investors net selling position of USD 200 million in scenario 1 and net buying position of USD 700 million in scenario 2 from the expectation of reversing foreign capital flows thanks to the promotion of net buying from ETFs and P-Notes from November 2022 to 2023 as well as M&A deals from listed banks and large companies.

Table 07. Forecast market indicators for 2023

Criteria	Scenario 1	Scenario 2
VN-Index	1,028.8 (+2%)	1,240.3 (+22.8%)
Account Number (accounts)	7.8 (+14%)	8.0 (+17%)
Market Cap (USD billion)	243 (+2%)	295.5 (+24%)
Net trading position of foreign investors on listed financial assets (USD million)	200	700
Average value of a trading day (USD million)	680 (-22.7%)	800 (-10%)
P/E VN-Index	11.0 (+4.7%)	12.5 (+19%)

Source: BSC Research

VN-Index forecast in 2023

BSC uses EPS, P/E forecasting methods and considers the suitability of large-weighted stock methods to forecast VN-Index. Forecasts for the VN-Index are: scenario 1 at 1,028 points and scenario 2 at 1,300 points. The forecast is based on an assessment of existing stocks, the degree of change will depend on the price of the listing and the weighting of the newly listed stocks affecting the index. BSC forecasts Net Income of sectoral stocks to contribute to the market by expected proportion in 2023. According to the BSC projection, 61 different stocks will grow and account for 65% of market profits. The remaining 35% of market profits are made up of other businesses, whose after-tax profit growth is average for the sector. The total profit after taxes rose by 4% in the favorable scenario, fell by -2% in the adverse scenario, and was 5.6% diluted (equivalent to the period of 2020).

Method overview

- Market EPS forecast increased by 4% in 2023 (Net income increased by 9.6% and dilution level is 5.6%).
- Market PE forecast 11 times for Scenario 1 and 13 times for Scenario 2.
- VN-Index is built on the basis of EPS (VN-Index dividing factor) in 2023 multiplied by the forecast P/E.
- EPS calculated by analysis of BSC stocks' projections

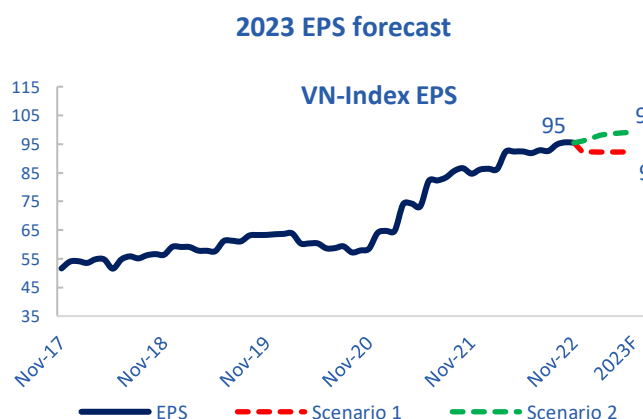
Table 08. Market EPS growth forecast in 2023

Sector Level 1	% Net income/Market forecast in 2023	% Net income growth forecast in 2023	EPS growth
Information Technology	2.3%	21.6%	0.5%
Industry	5.2%	-10.6%	-0.6%
Petroleum	0.7%	178.7%	1.3%
Consumer Services	1.1%	198.2%	2.2%
Pharmacy and medical	0.7%	10.0%	0.1%
Consumer goods	9.9%	-8.9%	-0.9%
Bank	51.5%	9.5%	4.9%
Building Materials	8.2%	-28.6%	-2.3%
Finance	13.4%	-13.8%	-1.8%
Utilities	7.0%	9.0%	0.6%
Telecommunication	2.3%	21.6%	0.5%
Total	100.0%		4.0%
EPS growth			4.0%

Source: BSC Research

		EPS					
		-4.0%	-2.0%	0.0%	2.0%	4.0%	6.0%
P/E	10	916	935	954	973	993	1,012
	11	1,008	1,029	1,050	1,071	1,092	1,113
	12	1,099	1,122	1,145	1,168	1,191	1,214
	13	1,191	1,216	1,241	1,266	1,290	1,315
	14	1,283	1,309	1,336	1,363	1,390	1,416

Table 09. Summary of VN-Index, P/E and EPS forecasts in 2023



VN-Index forecast in 2023			
	EPS forward	P/E	VN-Index 2023
Scenario 1	93.5	11.0	1,028.8
Scenario 2	99.3	13.1	1,300.3

Source: Bloomberg, BSC Research

Comparison with market expectations

- The VN-Index forecast is based on the valuation of key stocks in 2022 for the next 6-12 months conducted by domestic and foreign securities and financial institutions.
- The VN-Index is built on the average price (arithmetic average price of all price forecasts), the highest price, the lowest price of the 35 largest stocks (accounting for 77.5% of VN-Index). Other stocks took the closing price on 30th December.
- Stocks that are not included in the forecasts of securities companies and financial institutions will be taken the closing price of 30th December as the index price.

The calculation results are as follows: (*Appendix 10*)

	Target price	Maximum price	Minimum price
VN-Index 2023	1,330.29	1,578.16	1,118.38

Source: Bloomberg, BSC Research

Following the events

In the first quarter, the VN-Index maintained a positive position, but as we moved into the second quarter, the market started to move negatively and experienced sharp declines over an extended period of time as the administration dealt with numerous serious violations on the stock market and corporate bond market. However, by the end of March 2022, the Fed started its efforts to control inflation by increasing the interest rate and reducing the balance sheet, kicking off an unprecedented "interest rate race" among numerous central banks around the world.

The stock market in Vietnam has declined substantially overall, with falls of -32.6% and -56.4% for the VN-Index and HNX-Index, respectively. On all 3 exchanges, the average transaction value per session was VND 19,920 billion, or USD 849.45 million, down 24.11% from the average in 2021. When the market enters a bear market, the positive volatility of some industrial groupings in response to the progression of global geopolitical events is insufficient to keep investors optimistic. (*Appendix 09 contains notable industry developments.*)

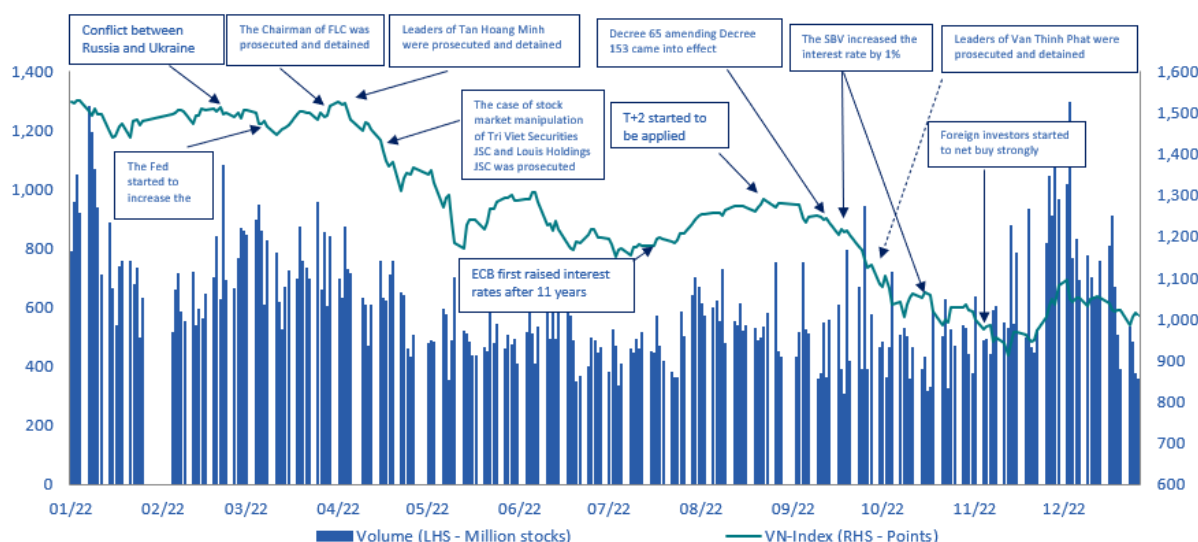
VN-Index maintained a positive trend in the first quarter and entered a bearish market since the second quarter:

- **The first quarter of 2022 maintains positive sentiment:** VN-Index continues to gain inertial momentum from the previous sublimation period, but the bullish market occurs in a bounded range and the sideways trend is dominant. The index fluctuates between 1,430 and 1,520 points; at one point, it reached 1,530 points, which is a significant historical high for Vietnam's stock market. The geopolitical conflict between Russia and Ukraine, which broke out at the end of February 2022, and the Fed's decision to start raising interest rates at the beginning of March 2022, on the other hand, signaled unpredictable developments for the rest of 2022 for the global stock market in general and Vietnam in particular. When 9 out of 11 Level 1-industries increased, the movement of industry groups showed a favorable trend. Some industry groups, like information technology, oil and gas, and telecommunications, benefited from global fluctuations and had positive increases compared to the previous quarter.
- **The second quarter of 2022 witnessed a deep decline:** In the second quarter, the VN-Index lost 318.84 points (equal to a fall of -21.03%) because of unstable sessions, severe declines when profit-taking mentality and margin calls combined, as well as force-sell situations in the market. On the other hand, when geopolitical tensions between Russia and Ukraine showed no signs of easing and

major central banks started to participate in the "race to hike interest rates" to stabilize excessive inflation, the global economy started to enter a new phase with many unpredictable surprises.

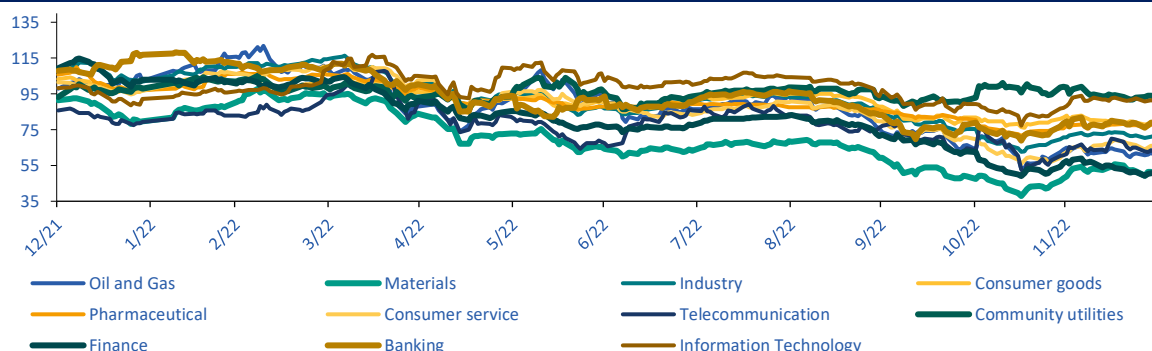
- The third quarter of 2022 saw 2 intertwined colors:** The stock market in this period was divided into 2 times when the positive recovery period began from mid-July and lasted until the end of August - VN-Index regained 139.27 points (equivalent to an increase of +12.11% since the bottom) before returning to the downtrend in September. Worries about the possibility of an economic recession in the world and the Fed's strong interest rate hikes in prioritizing anti-inflation have caused the VN-Index to return to the downtrend and set a new bottom in 2022. At the end of Q3.2022, VN-Index closed at 1,132.11 points – down 24.44% compared to 31/12/2021. The Raw Materials, Financial Services and Oil and Gas sectors witnessed a deep decline from the second quarter until the end of the third quarter when the real estate market received negative information in addition to the market-healthy activities of the regulator, causing pessimism and confidence to be strongly affected.
- In the fourth quarter of 2022, foreign investors returned strongly with positive signals:** Negative sentiment from the third quarter continued until mid-November, VN-Index lost 900 points and fell to 873.78 points (equivalent to a decrease of 42.69% since April 4 – the time when VN-Index marked the decline process). However, it is also the time to witness the strong net buying of the group of foreign investors, VN-Index increased spectacularly and marked the recovery after the previous long decline streak. Banking, Financial Services, Tourism and Entertainment are the sectors with better resilience than the rest. At the end of 2022, the VN-Index closed at 1,007.09 – equivalent to a decrease of -32.78% compared to 31/12/2021.

Figure 15. A look back to VN-Index in particular events of 2022



Source: BSC Research

Figure 16. Movement of level 1 _ ICB in 2021



Source: FiinPro, BSC Research

The year of many unpredictable developments

In 2022, the world experienced many unexpected events and welcomed landmark decisions of central banks around the world. On the other hand, the internal problems of the Vietnamese economy as well as the stock market have begun to manifest, the drastic action of regulators in healthy, purifying and stabilizing the market is essential for the stock market to have more sustainable growth in the future – but it also causes certain effects on the market and general investor sentiment.

VN-Index officially entered the bearish market for the 5th time in history. In the past, VN-Index has experienced 4 times entering a bearish market period with the longest lasting period of 26.8 months in the period from 2009-2012. The VN-Index fell below the 900-point threshold at one point in November and registered a drop of 42% since April 4th, but the index recovered thanks to a robust repatriation of foreign capital that began in mid-November and persisted until the end of December. VN-Index showed a drop of 32.78% from the end of 2021 to the end of 2022.

The market capitalization size decreases in response to changes in the market. Market capitalization was USD 238.31 billion, dropping 30.6% year over year, or 58.7% of GDP. After the preceding era of sublimation, the market capitalization was adjusted because of the sharp downward correction of stock prices when unfavorable, cautious sentiment became the norm.

Market liquidity level began to decline but remained at a positive level. The average liquidity level of 3 exchanges reached USD 0.86 billion, down 25.8% YoY, but compared to the average of 5 years, it increased by +99.6%. The first quarter liquidity continued to remain at a good level so that the decline in the rest of the year was not too great. Moreover, the strong return of the foreign investors in the fourth quarter, helped liquidity not to decline much. The number of new accounts opened by the end of November reached 2.48 million accounts, an increase of 62.02% YoY and nearly equal to the number of new accounts opened 5 years earlier – including 2021 recorded new openings of 1.53 million new accounts.

Many unexpected events and developments negatively affect the stock market. The fact the arrest of many leaders of corporations and influential companies in the real estate and stock market in Vietnam has negatively impacted the market sentiment. Investors have been seriously tested when many cases of corruption, stock price manipulation and the risk of a crisis in the bond market have caused the sell-off sentiment to overwhelm the positive news about the growth of Vietnam's economy. On the other hand, the geopolitical conflict between Russia and Ukraine occurred in February, causing the world and central banks to enter an unprecedented race to raise interest rates – the world stock market in general and Vietnam in particular experienced a period of sharp decline after the positive developments of the 2020-2021 period.

The foreign investors came back strongly - the bright spot at the end of the year for the market. Foreign investors net sold USD 336 million in secondary government bond markets in 2022, but they net purchased USD 910 million in 2022, including USD 1.25 billion in net stock market purchases. Particularly in the final two months of 2022, foreign buyers spent a net amount of VND 30,268 billion on three exchanges, which boosted the index's recovery and kept investor sentiment moderate despite a sharp market downturn. The position changed to a net buy in the entire year of 2022, which is nearly like the period in 2017.

Table 10. Market indicators from 2018 – 2022

Criteria	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022
General criteria					
- VN-Index	892.5	960.9	1,103.80	1,498.30	1,007.09
% growth	-9.30%	7.7%	14.87%	35.74%	-32.78%
- HNX-Index	109	102.5	203.1	473.99	205.31
- UPCOM-Index	53.8	56.6	74.5	112.68	71.65
Number of listed companies	1,625	1,687	1,754	1,733	1,590
% growth	14.70%	3.82%	3.97%	-1.20%	-8.25%
- VN-Index	386	389	408	415	401
- HNX-Index	382	381	363	343	336
- UPCOM-Index	857	917	983	975	853
Account number (thousand accounts)	2,180.0	2,360.0	2,710.0	4,310.2	6,797.9
% growth	14.60%	8.26%	14.83%	59.05%	57.72%
- Foreign accounts	28.8	32.8	34.7	39.4	42.5
- Domestic accounts	2,151.20	2,327.20	2,675.30	4,270.80	6,755.40
Market Cap (USD billion)	184	190	231.5	343.6	238.31
% growth	23.90%	3.26%	21.84%	48.42%	-30.64%
Foreign net trading value (USD million)	1,820.0	315.0	(876.0)	(2,535.6)	1,254.3
Liquidity criteria					
ATV ¹ /session on 3 exchanges includes put through (USD)	282	199.8	320.1	1,165.40	846.37
% growth	29.50%	-29.15%	60.21%	264.07%	-27.38%
Market liquidity turnover (stock turnover/year)	0.5	0.4	0.68	1.3	1.08
- HSX	0.6	0.5	0.8	1.5	1.20
- HNX	1	1	1.2	2.6	1.54
- Upcom	0.1	0.2	0.2	0.4	0.42
Avg ² trading shares over USD 1 million per day	58	45	55	177	144
Basic indicators					
VN-Index					
- P/E	16.8	16.8	15.8	17.5	10.5
- P/B	2.6	2.6	2.2	2.8	1.6
HNX-Index					
- P/E	9.5	9.5	10	30.6	13
- P/B	1	1.1	1	3.1	1.16

(1) ATV: Average transaction value

(2) Avg: Average

Source: BSC Research

The troubling aspects of domestic investors

- 2.56 million new accounts opened in 11M.2022 is equivalent to the number of new accounts opened 5 years ago, an increase of +59.4% YoY.
- Domestic individual investors traded 84.5% of the total market value, down 0.84% compared to 2020.

Domestic investors continue to set record on newly opened accounts.

Domestic individual investors accounted for 99.85% of new accounts opened in 11M.2022, the number of new accounts opened reached 2.5 million accounts – almost equivalent to the number of new accounts opened in the previous 5 years. The number of newly opened accounts grew well, but the cash position of investors at securities companies at the end of the third quarter of 2022 witnessed a decline compared to 2021 – this also reflects the sentiment of investors when the market fell deeply and the interest rate on capital mobilization was high. The cash position at securities companies at the end of the third quarter reached VND 88.6 trillion, a slight decrease of 2.8% compared to 2021. Moreover, the cash position on an account reached VND 12.9 million, down 41% compared to VND 22 million/account in 2021. In general, the amount of cash tends to decrease slightly in 2022, but the balance is still at a large level, which shows that investors are still willing to wait for the opportunity to disburse when market conditions are favorable.

Figure 17. Investor account at the end of November 2022

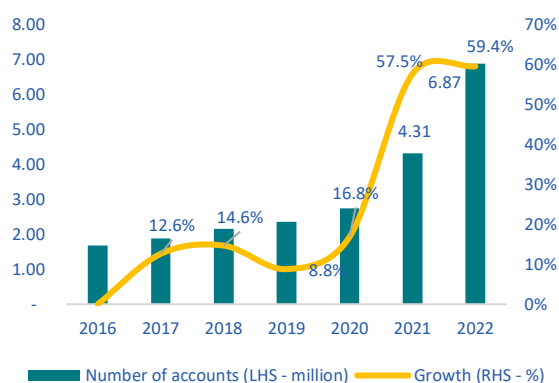
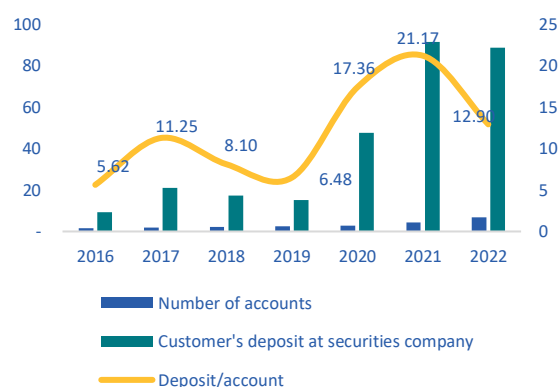
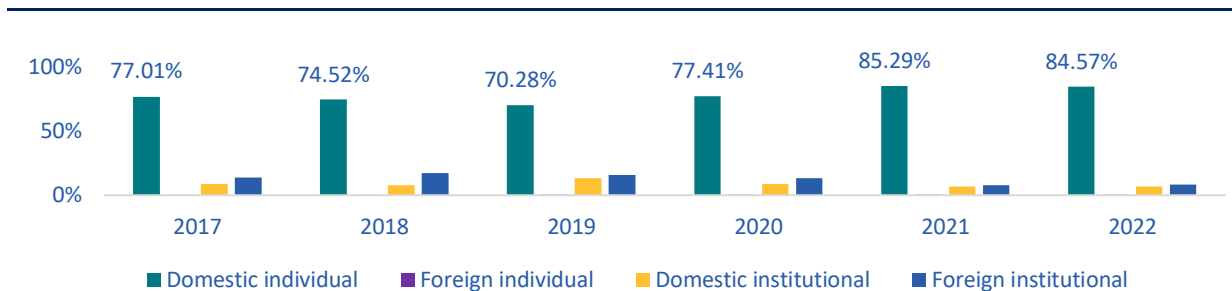


Figure 18. Investor deposits at the end of the third quarter of 2022



Source: FiinPro, BSC Research

Individual investors continue to play a leading role in the market. The average transaction rate of domestic investors in 2022 will reach 84.5%, a slight decrease of 0.84% compared to 2020. The group of institutional investors increased transactions again compared to 2020, especially the group of foreign institutional investors when transactions accounted for 8.45% - an increase of 9.16% compared to 2020. This also explains the strong return of foreign investors in the year-end period when the market corrected down and the group of individual investors sold net.

Figure 19. Average trading rate of investors participating in the market

Source: FiinPro, BSC Research

Margin trading decreases sharply according to the general movement of the market.

Government agencies concentrate on cases of economic corruption and stock market manipulation including FLC Group, Tan Hoang Minh Group, and Van Thinh Phat Group. To tighten up Decree 153, they promulgated Decree 65. This had a tremendous impact on market sentiment, causing a dramatic decrease. The market then slipped into a margin settlement spiral in the fourth quarter, which put many business executives at a disadvantage when it came time to sell their stocks (in September - October 2022).

The margin turnover fell from 6.6 days to 6.4 days at the end of the third quarter of 2022 because of the 28.57% fall in margin trading value and the 26.4% decline in transaction value. Margin trading is not a significant risk factor, as evidenced by the drop in margin trading value compared to the prior period of sublimation, a minor decline in margin turnover, and a gradual stabilization of investor sentiment.

The margin/equity lending ratio decreased significantly and fell below the securities company's maximum lending capacity (according to the regulation of 200% equity) because of watchful sentiment following the market's sharp decline, from 116.4% at the end of 2021 to 65.5% at the end of the third quarter of 2022. Therefore, the room to provide margin is still positive in case the market moves favorably.

Table 11. Margin trading, 2017 – Q32022

Year	2016	2017	2018	2019	2020	2021	Q3_2022
Margin value (USD billion)	1.0	1.8	1.8	2.4	3.6	7.7	5.5
Market Cap (USD billion)	78.4	140.5	173.8	191.9	231.5	343.6	254
Margin/Market Cap Ratio (%)	1.3	1.3	1.1	1.2	1.6	2.2	2.2
Avg ¹ liquidity per trading day (USD million)	136.9	217.8	282	200	320	1,165.4	857
Margin rotation (days)	7.3	8.3	6.4	11.9	11.2	6.6	6.4
Margin/Equity securities (%)	60.2	76.7	67.1	88.9	116.4	65.5	61.7
Margin/Total assets of securities (%)	35.8	40.6	35.8	36.4	39.1	47.2	38.6
Market share of the top 10 companies	67.9	67.8	62.2	61.9	67.8	65.3	65.1

(1) Avg: Average

Source: FiinPro, BSC Research

Strong return of foreign investors

- Foreign investors own USD 41.7 billion (18.6% market capitalization) and decrease by 21.2% compared to 30/11/2021;
- Foreign investors net bought USD 342 million, of which they net bought USD 660 million in equity market and net sold USD 318 million in the secondary government bond market;
- The drop of 29.06% of VN-Index caused all groups of foreign investors to reduce their size except for ETFs;

When the negative sentiment prevailed making the group of domestic individual investors be net sellers, foreign investors became strong net buyers - especially in the early November 2022 and lasted until the end of the year.

Foreign investors were net buyers in 6/11 sectors and net sellers in sectors including: Basic Materials, Consumer Goods, Finance, Utility. 11M2022, foreign investors net bought VND 15,858 billion on 3 exchanges, of which on HSX they net bought VND 13,931 billion. Net buying concentrated in the following sectors: Banking, Consumer Services, Industry, and Finance.

They strongly bought STB (VND 3.299 billion), FUEVFVND (VND 3,139 billion), DGC (VND 2.492 billion), CTG (VND 2.422 billion), DPM (VND 2,154 billion) on HOSE and strongly sold HPG (VND -5.703 billion), NVL (VND -3.876 billion), VIC (VND -3.757 billion), EIB (VND -3.293 billion), MSN (VND -2.872 billion).

As of November 30th, foreign investors owned USD 41.7 billion in the market, equivalent to 18.6% of the total market value. Major shareholders, strategic and other ownership groups accounted for 62.48% and 10.38% respectively. The value owned by all groups decreased according to the general movement of the VN-Index, except for ETFs. This showed that the cash flow through ETFs poured into Vietnam's stock market, helping this group to decrease only slightly by 0.55% compared to November 30th, 2021.

Table 12. Ownership structure of foreign investors as of November 30th (USD million)

Criteria	31/12/2020	30/11/2021	30/11.2022	2022 vs 2021
Value of foreign ownership in the market	42,146	52,925	41,707	-21.20%
In which, estimated value owned by each group:				
- Strategic ownership	25,771	30,402	26,060	-14.28%
- Onshore foreign funds	7,076	8,340	7,034	-15.66%
- Offshore foreign funds	2,343	2,199	1,456	-33.79%
- Foreign funds tracking ETFs, MSCI, FTSE	1,293	2,842	2,826	-0.55%
- Others (State funds, private funds, and others)	5,663	9,142	4,331	-52.63%
VN-Index (Point)	1,104	1,478	1,048.42	
% VN-Index growth	14.9%	33.9%	-29.1%	
% Growth in the value of foreign investors' ownership	10.2%	25.6%	-21.2%	
% of market capitalization	19.0%	16.3%	18.6%	

Source: Bloomberg, BSC Research

The group of ETFs was the brightest spot among foreign investors when foreign ETF cash flows increased strongly, except for KIM and Premia ETFs which were net withdrawn. For domestic ETFs, there was a mixed situation when ETF E1, VN100 was net withdrawn while Diamond, Finlead continued to increase in size.

Table 13. Size and volatility of ETFs in 2022

From 01/01 – 30/11/2022	Total assets (USD million)	Net capital flow 11T2022	% Domestic capital	Net foreign capital	Net foreign capital (in VND)	% Foreign capital
ETF (USD million)	2,980.29	722.49			13,282.22	83.76%
Foreign ETFs	1,838.54	495.64		459.21	11,021.02	69.50%
Fubon	642.88	422.73	100%	422.73	10,145.54	
VNM	372.95	14.40	75%	10.80	259.11	
FTSE	256.78	29.05	100%	29.05	697.30	
Kim	106.08	(12.93)	100%	(12.93)	(310.37)	
Premia	16.08	(1.83)	100%	(1.83)	(44.01)	
iShare	433.35	44.00	25.75%	11.33	271.94	
CUBS	10.42	0.22	28.50%	0.06	1.51	
Domestic ETFs	1,141.76	226.85			2,261.21	14.26%
Diamond	683.22	248.39			3,139.32	
E1	307.63	(54.04)			(1,379.12)	
Finlead	123.83	35.68			623.03	
SSIVN30	2.85	(0.24)			9.69	
VN100	9.12	-			(145.15)	
MiraeVN30	15.10	(2.93)			13.43	
Total of all 3 exchanges (VND billion)		15,857.97			15,857.97	
HSX		13,931.12			13,931.12	
HNX		1,474.00			1,474.00	
Upcom		452.85			452.85	

Source: Bloomberg, BSC Research

Highlights in 2023

Uncertainty factors affecting growth and macro stability are still present. Vietnam is out of phase with the world due to a slower step out of the COVID-19 pandemic. By the end of 2021, when Vietnam's economy was weakened due to COVID-19, the world's key economies grew well. But in 2022, while Vietnam's economy grew well, the key economies weakened. Therefore, a cautious view on both the stock market and the economy is needed in 2023. Favorable factors for the stock market include:

- Domestically, the macro-economy is stable; growth drivers have been shaped after the epidemic; the fiscal policy room is still large enough to support the economy to reach the potential output level of the years before the epidemic.
- The government focused on removing bottlenecks in the money and corporate bond markets in order to smooth capital flows to bring stability to businesses in particular and the stock market in general.
- The valuation of the Vietnam stock market has remained at a low-price range.
- Foreign investors returned to net buying clearly in November and December 2022 and may still maintain their net buying position in 2023. This is the driving force to pull domestic capital flow back to the market.

In addition to the above favorable factors, BSC believes that risks come not only from outside but also from within the economy, especially in some following factors. Internationally: (1) Central banks maintain high interest rates, affecting economic growth momentum and strengthening the possibility of recession in the context of high inflation; (2) Geopolitical conflicts and commodity prices fluctuating. Domestically: (1) High interest rate; exporting has shrunk; unemployment is likely to increase, and inflation expectations are high; (2) Investment channels peaking and take a long time to stabilize.

BSC assesses the factors affecting the prospect of the stock market in 2023 on the following basis: (1) Current status and prospects of domestic economy; (2) Profits of listed companies; (3) Capital flows; (4) World economic outlook and (5) Other issues.

Table 11: Factors affecting the stock market in 2023

No	Factors	Level of impact	Details of the impact
1	Economy environment	Population structure, income, middle class and urbanization	••••• Affecting in the long term
		High growth rate thanks to the economic restructuring, joining international production chains as well as integrating into the international economy	••••• Affecting in the medium and long term
		Completing Land Law, Real Estate Law, Housing Law, Securities Law ...	••••• Supporting businesses, attracting new capital flows
		High interest rates; production, business and exporting activities being narrowed; unemployment being likely to increase; high expected inflation	••••• Impacting on the business of enterprises, affecting economic growth prospects
		Making the business environment transparent and healthy; fully protecting the interests of economic participants	••••• Improving quality, transparency, improving code of conduct, building trust in the market
2	The inside of the market	Many good fundamental stocks are undervalued for many years	••••• Valuating the market, attracting long-term cash flow
		Consolidating organizations, adjusting regulations in order that securities market can be upgraded by FTSE in 2023-2024 and MSCI in 2024-2025	•••• Integrating international economy; improving quality, scale, professionalism in the domestic market.
		Individual investors increased in both quantity and quality in addition to the return of foreign investors	•••• Increasing the attractiveness of Vietnam's securities market.
		Speed of implementation and realization of the equitization and divestment roadmap according to Decision 1479/QĐ-TTg dated November 29 th	•••• Expanding the market size; improving the quality of goods; increasing the supply in the market.
3	Capital flows	The Government accelerates disbursement of public investment and support policies from the Socio-Economic Development Recovery Package	••••• Impacting positively on cash flows and profits of the related businesses
		Movement of global investment flows	••• Being balanced again after the net withdrawal
		The trend of saving and investing continues to develop and the middle class is increasing day by day	••• Attracting more cash flow to investment channels
		USD/VND exchange rate remaining stable	••• Valuating the market and attracting foreign investment
4	Others	Bilateral and multilateral trade agreements	•••• Thoroughly integrating with the world
		Regional Geopolitical Issues	••• Potential instability
5	World economy	World economic growth prospects in 2023 declining; Some countries officially entering recession	••••• Impacting on global trade and consumer demand
		China removing strict zero-COVID regulations, gradually restoring production and business activities	••••• Impacting on global and regional growth
		The Fed and major central banks being expected to reduce the rate of interest rate hikes but the interest rate remaining at a high level	•••• Affecting the attractiveness of the domestic stock market and foreign capital inflows
		Commodity prices having the potential to fluctuate strongly	•••• Increasing inflation, affecting the rate of stabilizing and lowering interest rates
		Geopolitical issues	•••• Potential instability

Appendix

Appendix 01. Inflation in some nations

Nations	01/21	02/21	03/21	04/21	05/21	06/21	07/21	08/21	09/21	10/21	11/21	12/21
The US	1.4	1.7	2.6	4.2	5	5.4	5.4	5.3	5.4	6.2	6.8	7
Eurozone	0.9	0.9	1.3	1.6	2	1.9	2.2	3	3.4	4.1	4.9	5
China	-0.3	-0.2	0.4	0.9	1.3	1.1	1	0.8	0.7	1.5	2.3	1.5
Russia	5.19	5.67	5.79	5.53	6.02	6.5	6.46	6.68	7.4	8.13	8.4	8.39
Malaysia	-0.2	0.1	1.7	4.7	4.4	3.4	2.2	2	2.2	2.9	3.3	3.2
Indonesia	1.55	1.38	1.37	1.42	1.68	1.33	1.52	1.59	1.6	1.66	1.75	1.87
Thailand	-0.34	-1.17	-0.08	3.41	2.44	1.25	0.45	-0.02	1.68	2.38	2.71	2.17
Philippines	3.7	4.2	4.1	4.1	4.1	3.7	3.7	4.4	4.2	4	3.7	3.1
Singapore	0.2	0.7	1.3	2.1	2.4	2.4	2.5	2.4	2.5	3.2	3.8	4
Vietnam	-0.97	0.7	1.16	2.7	2.9	2.41	2.64	2.82	2.06	1.77	2.1	1.81

Source: Bloomberg, BSC Research

Appendix 01. Inflation in some nations (cont)

Nations	01/22	02/22	03/22	04/22	05/22	06/22	07/22	08/22	09/22	10/22	11/22
The US	7.5	7.9	8.5	8.3	8.6	9.1	8.5	8.3	8.2	7.7	7.1
Eurozone	5.1	5.9	7.4	7.4	8.1	8.6	8.9	9.1	9.9	10.6	10.1
China	0.9	0.9	1.5	2.1	2.1	2.5	2.7	2.5	2.8	2.1	1.6
Russia	8.73	9.15	16.69	17.83	17.1	15.9	15.1	14.3	13.68	12.63	11.98
Malaysia	2.3	2.2	2.2	2.3	2.8	3.4	4.4	4.7	4.5	4	4
Indonesia	2.18	2.06	2.64	3.47	3.55	4.35	4.94	4.69	5.95	5.71	5.42
Thailand	3.23	5.28	5.73	4.65	7.1	7.66	7.61	7.86	6.41	5.98	5.55
Philippines	3	3	4	4.9	5.4	6.1	6.4	6.3	6.9	7.7	8
Singapore	4	4.3	5.4	5.4	5.6	6.7	7	7.5	7.5	6.7	6.7
Vietnam	1.94	1.42	2.41	2.64	2.86	3.37	3.14	2.89	3.94	4.3	4.37

Source: Bloomberg, BSC Research

Appendix 02. Forecast for global GDP in 2022-2024

Contributors	As of	2022	2023	2024
Thru the Cycle	12/27/22	2.8	2	2.5
Bank of America Merrill Lynch	12/20/22	3.4	2.3	
Bank of the West	12/20/22	3	1.9	2.9
Barclays	12/20/22	3.3	1.8	2.6
Commerzbank	12/20/22	3.6	2.4	3
Credit Suisse Group	12/20/22	2.8	1.5	2.3
Dai-ichi Life Research Institute	12/20/22	2.9	2.7	2.9
Desjardins Financial Group	12/20/22	3	2	3.5
Deutsche Bank	12/20/22	3.2	2.2	3.1
Fitch Ratings	12/20/22	2.6	1.4	2.7
HSBC Holdings	12/20/22	3	1.9	2.4
ING Group	12/20/22	2.8	1.8	2.9
Julius Baer	12/20/22	3.3	1.9	3.4
Kennesaw State University	12/20/22	0.6	-0.4	0.2
MacroFin Analytics & Rutgers Business School	12/20/22	3.3	3.5	3.6
Natixis	12/20/22	3.1	2.3	3
Nomura Securities	12/20/22	3.1	1.6	2.7
Oxford Economics	12/20/22	2.9	1.3	2.9
Scope Ratings	12/20/22	3.3	2.6	3.4
Scotiabank	12/20/22	3.1	2.1	2.6
SMBC Nikko	12/20/22	3.1	2.1	2.9
Standard Chartered	12/20/22	3.4	2.5	3.3
University of Texas/El Paso	12/20/22	2.8	2.4	3.7
Wells Fargo	12/20/22	2.4	1.7	2.5
BMO Capital	12/16/22	3.1	2.3	
Berenberg Bank	12/09/22	2.9	1.3	2.6
UBS	12/09/22	2.9	2.1	2.7
EconForecaster	11/15/22	2.8	3.5	4.7
Natl Truck Equipment	11/15/22	1	2	3
Regions Financial	11/15/22	2.6	1.9	2.9
CaixaBank	10/14/22	3.2	3.4	
Erste Group Bank	10/14/22	3.2	2.9	
Helaba Bank	10/14/22	2.8	2.6	
JPMorgan Chase	10/14/22	3.3	2.3	

Source: Collected, BSC Research

Appendix 03. Vietnam's trade agreements

No	Trade agreements	No	Trade agreements
1	ASEAN	9	AIFTA
2	ACFTA	10	VN-EAEUFTA
3	AKFTA	11	Laos
4	VKFTA	12	Campuchia
5	AANZFTA	13	AHKFTA
6	AJCEP	14	CPTPP
7	VJEPA	15	VN-Cuba
8	VCFTA	16	EVFTA
		17	UKVFTA

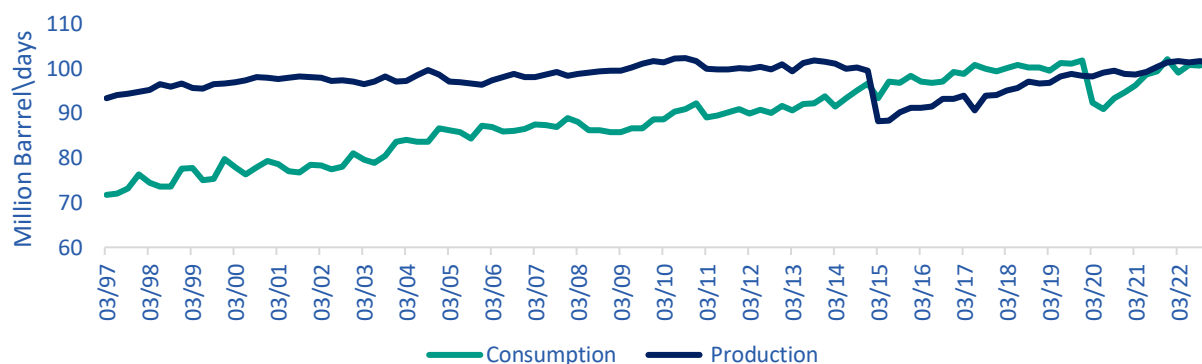
Source: Collected, BSC Research

Appendix 04. Forecast for Brent oil price (as of 15/12/22)

Contributors	2022	2023	2024	2025	2026
Intesa Sanpaolo SpA	99.6	87.0	82.0	80.0	78.0
Goldman Sachs Group Inc/The	101.2	110.0	90.0		
Capital Economics Ltd	99.4	92.9	80.0		
Citigroup Inc	101.0	88.0	75.0		
Rabobank International	101.0	99.3	103.5	105.6	
Fitch Solutions	102.0	95.0	88.0	88.0	85.0
Banco Santander SA	102.0	82.0	72.0	65.0	61.0
MUFG Bank	103.0	104.9	98.4		
Commerzbank AG	100.0	98.0			
ABN AMRO Bank NV	100.0	115.0	100.0		
Market Risk Advisory Co Ltd	98.1				
Emirates NBD PJSC	111.2	100.0			
Westpac Banking Corp	94.5	87.4	102.8	105.1	
Landesbank Baden-Wuerttemberg	96.0	87.5			
MPS Capital Services Banca per le Imprese SpA	95.0				
Natixis SA	106.2	100.0			
Deutsche Bank AG	107.4	96.3	85.0	82.0	82.1

Source: Bloomberg, BSC Research

Appendix 05. World crude oil production/day and crude oil consumption/day



Source: Bloomberg, BSC Research

Appendix 06. Impact of oil price on CPI

Brent oil price	Base price	Impact on the Transportation industry	Impact on CPI
(USD/barrel)	(%)	(%)	(%)
75	-3.85%	-1.10%	-0.10%
82	-0.28%	-0.08%	-0.01%
85	8.97%	2.56%	0.24%
90	15.38%	4.39%	0.41%
96.3	17.11%	4.89%	0.46%
100	28.21%	8.05%	0.75%
110	41.03%	11.71%	1.10%
120	53.85%	15.37%	1.44%
130	66.67%	19.03%	1.78%

Source: BSC Research

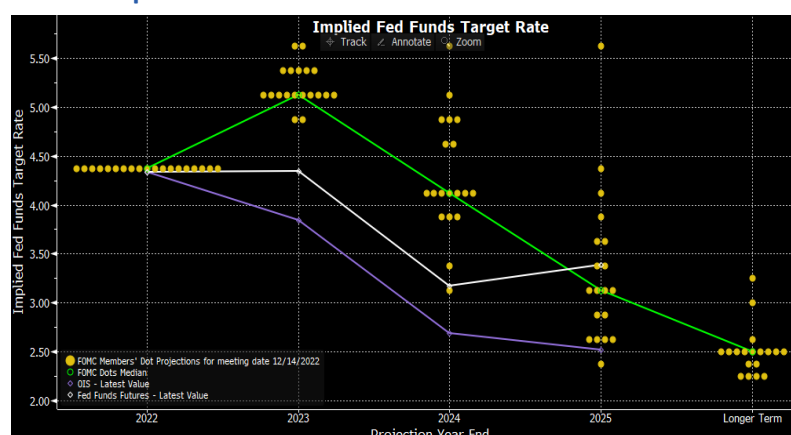
- Brent oil price has an impact of 21.3% on the Transportation industry and 4.5% on the Building Materials & Housing industry in the period 2015-10M2020..
- Weight: Transportation industry is 9.37%
- Brent base price: USD 82.23/barrel (as of 12.2022).

Appendix 07. Impact of pork prices on CPI

Pork price	% Base price	Impact on the food industry	Impact on CPI
50000	-4.6%	-0.71%	-0.16%
55000	5.0%	0.77%	0.17%
60000	14.5%	2.25%	0.51%
65000	24.0%	3.72%	0.84%
70000	33.6%	5.20%	1.18%
75000	43.1%	6.68%	1.51%
80000	52.7%	8.16%	1.84%
85000	62.2%	9.63%	2.18%
90000	71.8%	11.11%	2.51%

Source: BSC Research

- Pork prices have an 8.1% impact on the food industry from 2015-2020.
- The food industry accounts for 22.4% in the CPI basket of goods and services.
- Pig base price: 52,400 VND/kg (as of 12.2022).

Appendix 08. Fed's Dot-plot chart

Nguồn: Bloomberg, BSC Research

Appendix 09: Industry movement by level in 2022

No	Industry	Level	%YoY	P/E	P/B
1	Oil and Gas	1	-38.83%	6.35	1.00
	Oil and Gas	2	-38.83%	6.35	1.00
	Petroleum Production	3	-42.14%	5.24	1.08
	Oil and Gas Equipment, Service and Distribution	3	-21.09%	37.59	0.77
2	Materials	1	-49.14%	6.55	1.03
	Chemicals	2	-45.50%	5.52	1.18
	Basic Resources	2	-51.71%	7.76	0.93
	Forestry and Paper	3	-48.34%	9.48	1.02
	Metal	3	-51.08%	6.81	0.91
	Mining	3	-55.29%	14.14	0.94
3	Industry	1	-28.29%	12.64	1.64
	Construction and Materials	2	-46.00%	11.44	1.07
	Industrial Goods & Services	2	-16.23%	13.26	2.14
	Industrial goods	3	-41.81%	0.00	1.06
	Electronics & Electrical Equipment	3	-39.60%	16.67	1.28
	Heavy industry	3	3.23%	8.48	1.92
	Transportation	3	-13.46%	14.87	2.67
	Business Consulting & Support	3	-53.78%	8.49	0.83
4	Consumer goods	1	-20.90%	13.49	2.46
	Cars and spare parts	2	-25.76%	10.23	1.22
	Food & Beverage	2	-20.36%	14.61	2.78
	Beer and drinks	3	7.61%	17.84	3.38
	Food production	3	-25.59%	13.93	2.66
	Personal & Household Goods	2	-21.38%	8.37	1.34
	Household appliances	3	-17.46%	7.00	1.13
	Leisure goods	3	-51.10%	4.38	1.16
	Personal goods	3	-20.03%	8.68	1.38
	Tobacco	3	-12.79%	6.82	0.88
5	Pharmaceutical and Medical	1	-20.69%	13.09	1.54
	Medical	2	-20.69%	13.09	1.54
	Medical Equipment and Services	3	-28.22%	9.96	0.97
	Pharmaceutical	3	-19.67%	13.51	1.63
6	Consumer Services	1	-33.99%	3559.21	2.90
	Retailing	2	-34.33%	12.47	2.35
	Food distribution	3	-13.35%	5.73	0.91
	Retailing	3	-34.67%	12.78	2.43
	Media	2	-62.13%	29.77	1.39
	Travel and Leisure	2	-22.41%	0.00	4.90

7	Telecommunication	1	-37.22%	17.18	1.97
	Telecommunication	2	-37.22%	17.18	1.97
8	Community Utilities	1	-6.58%	11.62	1.85
	Electricity, water & petrol	2	-6.58%	11.62	1.85
	Electricity Production & Distribution	3	-18.34%	8.94	1.26
	Water & Gas	3	4.85%	14.16	2.56
9	Banking	1	-22.37%	7.89	1.45
10	Finance	1	-49.31%	13.97	1.48
	Insurance	2	-13.20%	17.45	1.45
	Real estate	2	-49.53%	14.78	1.56
	Financial services	2	-57.85%	9.30	1.18
11	Information Technology	1	-7.83%	15.60	3.02
	Information Technology	2	-7.83%	15.60	3.02
	Computer Software & Services	3	-0.82%	16.00	3.68
	Equipment and Hardware	3	-60.37%	10.59	0.68

Nguồn: BSC Research

Appendix 10. Valuation of 35 stocks with the largest proportion by securities companies & financial institutions

No	Stocks	%	30/12/2022	Average price	Highest price	Lowest price	P/E	P/B	Highest 52W	Lowest 52W
1	VCB	9.44%	80,000	90,401	97,679	84,000	14.33	2.95	96,000	62,000
2	VHM	5.21%	48,000	78,412	108,100	50,693	6.65	1.54	87,400	41,250
3	VIC	5.12%	53,800	81,350	89,400	73,300	185.61	1.81	106,400	49,700
4	BID	4.87%	38,600	36,794	41,800	21,910	12.06	2.03	49,950	28,000
5	GAS	4.84%	101,500	137,857	170,000	118,301	14.57	3.43	134,000	92,600
6	VNM	3.97%	76,100	88,527	108,000	77,000	20.14	5.11	87,500	64,500
7	MSN	3.30%	93,000	120,900	146,000	100,000	13.79	5.16	143,000	69,100
8	CTG	3.27%	27,250	30,146	34,400	21,082	8.41	1.24	38,200	19,500
9	VPB	3.01%	17,900	27,854	35,578	20,889	5.98	1.27	27,367	13,650
10	SAB	2.67%	166,900	219,760	240,000	204,000	19.80	4.39	203,000	142,900
11	HPG	2.61%	18,000	19,836	22,500	15,700	6.76	1.07	40,385	11,800
12	TCB	2.27%	25,850	49,192	77,000	26,049	4.28	0.84	54,900	19,300
13	FPT	2.10%	76,900	105,975	128,500	95,400	16.01	4.24	99,083	61,300
14	BCM	2.08%	80,600	88,700	88,700	88,700	48.72	4.77	101,800	58,200
15	MBB	1.93%	17,100	33,458	51,975	25,500	4.41	1.07	29,083	13,200
16	ACB	1.84%	21,900	30,901	39,932	26,300	5.58	1.33	29,080	17,450
17	SSB	1.63%	32,900	32,900	32,900	32,900	17.03	2.65	35,519	25,419
18	MWG	1.57%	42,900	69,353	101,200	43,500	12.24	2.70	81,400	35,250
19	VRE	1.53%	26,300	35,235	40,100	26,474	28.93	1.84	37,000	21,400
20	VJC	1.48%	109,500	125,100	125,100	125,100	959.07	3.39	149,000	96,100
21	GVR	1.38%	13,800	16,300	30,600	30,600	12.99	1.10	39,400	9,300
22	STB	1.06%	22,500	24,769	29,800	11,215	10.23	1.15	36,700	14,050
23	PLX	1.02%	31,700	44,120	66,300	28,400	42.98	1.73	65,900	22,950
24	HDB	1.01%	15,950	28,587	48,512	23,000	5.31	1.14	26,000	13,050
25	VIB	1.00%	19,000	26,700	27,700	25,900	4.77	1.31	36,296	16,200
26	BVH	0.86%	46,600	64,600	76,000	57,200	19.75	1.55	70,000	41,200
27	EIB	0.86%	27,950	35,199	35,199	35,199	12.57	1.71	42,400	17,000
28	TPB	0.83%	21,050	26,633	29,000	22,800	5.50	1.09	44,000	18,300
29	HVN	0.77%	13,900	12,100	14,100	10,100	-	-	27,500	8,010
30	SHB	0.76%	9,950	23,827	51,100	51,100	3.73	0.72	21,043	7,165
31	NVL	0.68%	14,000	74,800	80,700	70,400	9.56	0.73	91,000	13,100
32	SSI	0.66%	17,700	24,846	26,092	23,600	7.86	1.20	50,660	13,050
33	REE	0.64%	71,500	85,102	93,209	79,000	9.21	1.72	100,000	54,435
34	POW	0.62%	10,650	14,964	18,400	12,157	21.36	0.84	20,800	8,910
35	MSB	0.62%	12,500	15,500	15,500	15,500	5.41	0.96	22,346	9,630
Total		77.49%	1,007.09	1,330.29	1,578.16	1,118.38	45.02	1.99		

Source: Bloomberg, BSC Research, close price of SSB on December 30th is used to calculate the index.

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