BSC

Công ty Cổ phần chứng khoán
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VIETNAM
MARCRO & MARKET
OUTLOOK
2018

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Investment Strategies in 2018

In the evaluation part of the report of the last 6 months in 2017 (Link), we stated: "Market capitalization and volume are rising sharply indicating a clear message of economic growth. Music is on, there will be more chairs and the stock party is coming, the market is expected to rise in the last two quarters if based on the expected boom cycle after 10 years (2006-2007) and compared to the boom after 9-10 years in China's stock market in 2015-2016." Singaporean investor, Jardine Cycle & Carriage (JC&C) realized this in November when getting the bid 3.33% of VNM equity from SCIC, and subsequently raised the ownership of this company to over USD 1 billion. The total net purchase by foreign investors on the market exchange was nearly USD 1,009 billion; if the deal of VNM sale was counted, the total value of net purchase would be nearly USD 1.5 billion equivalents to the prosperous period of 2007. With stable macroeconomic environment, businesses grew rapidly; the inflow of foreign capital creates a positive impact, making Vn-Index to return to the peak of 2006-2007 with a new record of trading volume and market capitalization.

After the period of rapid price rise, blue-chip stocks are overvalued, and may limit the growth prospect of the market in 2018. Investment trend can switch partly to the auction of equitisation and sale of government's ownership in large public companies. These stocks with the sector of newly listed banks will be the new force for the market to keep its uptrend. In 2017, the derivative market came into operation with the first product of future contract. However, when the market size got larger, demand for investment rose, new products such as warrant, equity future, option, … and synchronized solution to shorten liquidity interval, consequently aiding demand, increasing liquidity, and making the market improve the capability of absorbing large capital inflows becomes urgent. These changes simultaneously helped Vietnam's security market satisfy MSCI's criteria about the capability of rising rank in 2019. We will make some forecasts about the security market and the investment strategy in 2017:

Publicly traded stocks market will rise to 150-160 billion USD, bringing the market capitalization to 73-75% GDP. The wave of equitization, IPO, and government's capital withdrawal will be promoted in 2018. 10 large companies only (Table 6) are estimated to have the total market capitalization of 7.8 billion USD. Together with the listings of banks and other large private enterprises (Table 8), if the schedule of government's capital withdrawal from public companies is on time as planned and together with the listings activities, the market capitalization will increase from 15 to 20 billion USD in 2018.

Market liquidity. Average trading volume is forecasted to be 272 million USD/trading day, increasing 25% compared to 2017 value.

- Capital inflows from domestic investors will grow well, but the leverage activity will not catch up with the rise in initial margin due to the regulation limiting the lending ratio

- from the banking sector when the issuance process of equity and bonds of security companies will be slow and asymmetric.
- Capital will continue to flow in uptrend sectors and stocks; mid-cap and penny stocks will have more opportunities to rise after a period of sideway and accumulation.
- Foreign investors will purchase because of the growing trend in 2017 and the established funds, which got new capital inflows and sold a large amount of capital, will look for investment opportunities in the market and equitisation corporations.
- M&A transactions, IPO auction will be in full swing. IPOs activities of public companies will attract a large amount of capital from foreign sector.

About VN-Index, VN-Index is forecasted to be from 785 to 1,053 at the end of 2017; the market may increase to a high price level in 2nd quarter (1,165 points). Newly listed large enterprises are the new growing force of the market.

About the developments of market in 2018, the uptrend will last until the first half of 2018. The market performance during the rest of the year will be complicated, depending largely on the foreign capital flows. Positive information supporting the uptrend in the first 6 months:

- Positive price movement trend is spreading effect and attracting capital inflows from foreign and domestic sectors.
- From March to May, the market has a lot of supporting information about shareholder meetings, annual reports in 2017 and prospects in 2018.
- This period is the time of auction or listing of popular stocks.
- Positive macroeconomic news in 2017, policy guidance in 2018; simultaneously, the market often has positive results after the Lunar New Year.

The last 6 months of the year is often evaluation period. The market is confronted with present factors such as economic growth, operating results of businesses and lack of supporting information, so the market performance will be complicated. The trend will depend mostly on the foreign capital flows and the supporting information. Therefore, the forecast for the last 6 months will be updated and adjusted in detail in"Semiannual Vietnam Macro & Market Outlook in 2018" Report.

About the security investment sectors in 2018, (1) Large enterprises will be equitized and listed; (2) On the recovery phase of world commodities such as steel, oil, …; (3) The sector improves related to the business cycled such as Banking, Construction, Real Estate, and Technology; (4) Defensive stocks with high dividends, sectors with stable long-run potential growth, blue-chips stocks will continue to be the force leading the market. (5) Fundamental stocks undervalued in mid-cap and small-cap stocks; (6) Sectors concentrating in domestic consumer goods growth such as retail, material, beverage, pharmacy, airlines, …

About the prospect of popular sectors and stocks in 2018 see details in "Vietbam Sector Outlook 2018 Report."

Transforming and optimistic Vietnam

GDP grew 8 times in 20 years from 27 billion USD in 1997 to nearly 220 billion USD in 2017. The targeted number is 300 billion USD in 2020. This is the announcement of Prime Minister in the Vietnam's Enterprises conference on December 12th. After slow pace in Quarter I (5.1%) and Quarter II (6.17%), GDP rose rapidly in Quarter III (7.46%), causing international organizations to raise the economic growth forecast in 2017 and 2018. When WB forecasted the growth to be 6.7% in 2017 and 6.5% in 2018, ADB forecasted the growth rate of 6.7% for 2 years compared the previous forecasts of 6.3% and 6.5%. From the policy "Private sector has an important role, is one of the force of the economy" to the slogan "Constructive and serving government," practical actions such as anti-corruption programs, deregulations of procedure and barriers in many industries make the policy change directly appear in daily life. Optimistic sentiment returns, start-up movement occurs in every corner of society. The beneficial reform to the economy is supporting the stock market in long run:

The economy remains the growth rate over 6.5%. GDP overcame the trough phase of average 5.88% growth rate in 2011-2015 periods. The forecast for growth rate is 6.5%-7.0% average in 2016-2020 periods. Income per capita in 2017 is approximately 2,550 USD and is expected to be 3,200-3,500 USD in 2020. 10% of the population belongs to middle class and is expected to rise to 50% in 2035 according to WB. Consumption is the important part of growth, changing the economic structure.

Population rising more than 1 million in 2017 and maintaining the golden population structure created advantage to the economic growth in the next 10 years. According to the statistics by United Nation, Vietnam population is approximately 95.58 million, increasing 1.06 million in 2017, accounted for 1.27% world population and ranking as 14th in the world. Average age of the population is 31 years old, urbanization rate is 34.7%. Population aging from 15 to 64 is 65.82 million, accounted for 69.3% population. Population over 45 years old is 20.1 million, equivalent to 21.1% labor force and will shift to be dependent in the next 10-15 years. The golden population opportunity is the force for economic growth in the next 10 years.

Business environment improvement, deregulations of procedures and barriers. Ministry of Industry and Commerce first moved by cutting 675 investment conditions, accounted for 55.5% investment and business conditions. The business environment sharply rose 14 ranks from 82 to 69 in a total of 190 economies. The number of newly registered companies was more than 125,000 businesses, making record and rising nearly 20% compared to 2016. FDI into Vietnam rose with more than USD 33 billion. The total trade volume exceeded 400 billion USD with the average growth rate of over 21%.

FDI continued to the most important force of economic growth. During the 10-year period from 2008 to 2017, registered FDI and average annual disbursement were USD 20.6 billion and USD 12.6 billion respectively, especially rapidly increasing in 2017 to around 30.3 and 17.5 billion USD. Vietnam participated in the global production chain, continued to attract FDI thanks to government's preferential policies, many signed FTAs, and the low labor cost. Together with export and consumption, FDI will still be the bright spot and the pillar of the economy for the next many years.

Stock market size will exceed 70% GDP in 2018 and will be highly likely to reach the 80% GDP target earlier than 2020. 2017 is the year of many records, the index returned to the peak 10 years ago, the trading volumes reached record, foreign sector purchased the most in the last 10 years, and especially the market capitalization rose sharply. The market capitalization in 2017, estimated to be 68.7% GDP, increased to 89.4% compared to 2016. The wave of equitization, listings of public companies, banking sector, and large private companies will make the market capitalization to surpass 70% GDP and may

reach 73-75% GDP in 2018. The target of 80% GDP in 2020 is possible and likely to be reached earlier. With this market capitalization target, Vietnam's stock market gets close to the common level of the surrounding countries' stock market.

Important factors of Macroeconomic & Stock market in 2018

The economy and the stock market are moving in a positive trend in 2017. However, international and domestic issues in 2018 are sure to affect the economy and stock market. We ask 9 questions about macro-economy and the stock market of Vietnam with the issues that we think will have the most powerful impact on the prospect of 2018. Specified as follows:

1. How will the US economy recovery and approved tax reform by President Donald Trump affect the exchange rate USD/VND?

Stabilizing the exchange rate in the narrow range from 22,700 to 22,850 VND/USD and increasing the foreign exchange reserves to USD 47 billion are the highlights in monetary management in 2017. However, with strong growth in US economy, unemployment rate has fallen sharply and the Fed maintains momentum to raise interest rates, the USD will tend to rise against other major currencies in 2018. Vietnam continues to maintain exchange rate stability to attract investment capital and economic stability:

The USD is appreciating strongly among the international currencies thanks to the US domestic economy, regulatory policies and correlation with other currencies:

On the domestic economy and policies, the US economy grew 3.3% in the third quarter, the second consecutive quarter that saw growth of more than 3%, along with the low unemployment rate were the reasons maintained the Fed's decision to hike interest rates. FED's inflation rate was only 1.9% at the end of Q3, but this is expected to exceed the target of 2% in the fourth quarter. The expansion of the economy is expected to continue as the economy robust. President Donald Trump's tax reform was passed. The new corporate tax rate reduced the corporate tax rate from 35% to 21%, the lowest since 1939, with the reduction of the personal income tax rate of 39.6% to 37%. According to a report by the Center for Tax Policy Studies (TTPC) in the US, the new tax policy will help the economy grow by more than 0.7% in 2018 and help GDP growth rate to 2.5%. The unemployment rate, at 4.1%, was the lowest since 2000 and is expected to fall to 3.9% in 2018, the new fiscal policy will continue to support the growth of employment wages and provide the necessary conditions for monetary policy to remain stable. The pace of GDP growth is expected to continue its performance as the positive effect of tax reform widespread into economic sectors next year. In addition, the Fed announced it would hike interest rates three times in 2018 and maintain a plan to reduce the balance sheet. The impact of the reduction of the balance sheet will also contribute to increasing the Fed's interest rate as large amounts of US Treasury bonds expire. Fed interest rates attract foreign currency inflows and penetrate US investment market, making the USD scarce and appreciate the value of the USD on the international market and boosting the US Dollar Index. The Wall Street Journal survey found that 66.1% of investors

agreed that the Fed would continue interest rates hike one more time in 18/03/2018 meeting and 30.6% in 16/8/2018 meeting. Market expectations for a recovery of the US economy may affect the US Dollar Index in the coming period.

Other major economies have also seen positive but weaker than the US:

The EU economy (57.6% DXY) forecasted real GDP growth is 2.2%. The EU is expected to grow in both the Euro zone and the EU at 2.1% by 2018. However, the labor market and wage growth are weak in the region. Some European Union member countries are expected to adopt fiscal expansion policies by 2018, but the Euro zone in general financial position will continue to be broadly neutral.

Japan (JPY 13.6% DXY), GDP growth is estimated at 1.5% in 2017, supported by global trade and financial stimulus package. The pace is expected to remain near 1% in 2018 as the growth in exports remains strong. Labours are forecast to be at peak in 2018 as the number of working-age population dwindles. High growth potential will increase inflation by 1% by 2018 (except for the effect of increasing the consumption tax rate). Bank of Japan will maintain its loose monetary policy until the inflation target of 2% is reached.

The UK (Pound Sterling is 11.9% DXY), economic growth in 2017 is estimated at 1.5% and will continue to weaken to just 1.1% in 2018. Personal consumption expenditure is expected to remain at a lower level due to high inflation, affected by the depreciation of the pound, the purchasing power of households and the uncertainty surrounding the progress of monetary and diplomatic policies around the Brexist problem. High consumer debt growth, along with stagnant household incomes, is a major risk to financial stability. Household debt is rising, reaching 140% of disposable household income. Bank loans for consumer loans are on the rise and the depreciation rate on these loans is 10 times higher than for mortgage loans in the past decade.

Canada (Canada dollar is 9.1% DXY), GDP growth in 2017 is estimated at 3.0% and will decline to just 2.1% in 2018. Growth is driven by household consumption and will slow by rapid job growth along with the effect of rising real estate prices. The sharp rise in exports since the beginning of the year has been significantly weakened, in part by the stronger dollar. CPI is expected to reach 1.5% in 2018 and 2% in 2019 due to the scarcity of foreign exchange reserves and the effect of the exchange rate will be lost. Rising interest rates this year have dampened the effects of monetary stimulus. Inflation is expected to stabilize at an average of 1-3%. Fiscal expansion has supported growth in 2016 and 2017, boosting the recovery of the economy back to full employment. However, the deferment of infrastructure projects has limited the benefits of the plan to increase spending in this area.

The sharp rise in exports since the beginning of the year has been significantly weakened, partly due to the increase of CAD dollar. CPI is expected to reach 1.5% in 2018 and 2% in 2019 due to the scarcity of foreign exchange reserves and the efficiency of the exchange rate will no longer exist. Rising interest rates this year have dampened the effects of monetary stimulus. Inflation is expected to stabilize at an average of 1-3%. Fiscal expansion supported growth in 2016 and 2017, boosting the recovery of the economy back to full employment. However, the deferment of infrastructure projects has limited the benefits of the increased spending plan in this area.

With the positive trend of USD, and some favorable conditions in 2017, VND is forecast to maintain a stable range between VND 22,700 - 23,000 in the first half of 2018, due to 3 factors:

(1) Registered FDI continued to grow strongly as macroeconomic conditions and legal procedures of the Government supported the trend of foreign direct investment and the medium-term effect of the multiple effect of tariffs on imports and exports will be reduced to 0% in 2020 in accordance with the rules of the 10 signed trade agreements;

(2) The divestments of SOEs are expected to bring in USD 15-20 billion in 2016-2020. In 2016, these deals contributed USD 5.8 billion to the state budget. In 2017, the total revenue from divestment and listing shares reached USD 5.95 billion with divestments from well-known companies like VNM, DIG, HDG and SAB (nearly USD 5 billion). In 2018, foreign investment will maintain the same level and possibly more than this year as the state actively divesment in stocks with good fundamental factors such as Petrolimex, ACV, VEAM and VCG.

(3) Source of remittances will remain at the level of USD 10-11 billion, the average level of 2011-2016 when interest rates and signals of investment channel still attractive in a robust macroeconomy.

With foreign exchange reserves of USD 47 billion at present, the SBV still has sufficient financial resources to keep the exchange rate stable from VND 22,700-23,000 despite the impact of the interest rates increased by FED one more time in the first half of 2018. The stability of the exchange rate will ensure the safety in foreign currency transactions and promote the international trade of Vietnam.

2. China's economy restructuring, opportunities and risks for Vietnam's economy.

Since the late 1980s, China has undergone a massive industrialization and urbanization process by bringing together the vast peasantry (ultimately the establishment of huge industrial parks) and give them the capital equipment (technology from the Western). The cheap labor with improved productivity has boosted China's export boom (this has been the trend of Vietnam for the last 10 years). However, the world economy has limits to absorb Chinese products, and that limit is quickly approached. With the slowdown of the European economy and the crisis of the US economy, this problem has made China face difficulties since 2007. After that, the Chinese government has announced the USD 586 billion stimulus package by the end of 2008 to focus on infrastructure and real estate, which has been a key driver of China's economic growth in this decade together with export. As part of the industrialization and urbanization process, China has incurred huge debt on fixed-asset investment (China's debt is growing from 160% of GDP in 2004 to 259.3% of GDP In 2016 according to Bloomberg, in which government and local debt accounted for more than 200% of GDP). It can be said that fixed asset investment will help the economy to grow in the early years in terms of economic efficiency such as investment in ports, roads, transportation systems, etc. Money supply and credit issued outside the market were high, but allocated according to government designation to State Owned Enterprises (SOEs) rather than the real needs of the economy itself which led to the ghost cities, real estate bubbles occur in many places.
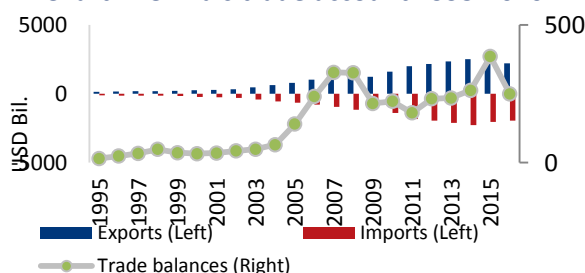
Chart 1: China's trade account 1995-2016

Chart 2: Public investment 1995-2016

Source: Bloomberg, BSC Research

Therefore, China's policies, instead of accelerating the business cycle as a natural part of the economy, lead to the contraction stage come later with a higher scale. Deutsche Bank forecasted China's GDP growth at 6.3% for 2018 and continued to decline for coming years. However, China is changing its strategy of promoting domestic consumption in combination with the application of high technology to the economy.

This structural change will provide Vietnam with a source of FDI for excess industrial and labor-intensive sectors. (1) China's labor is no longer cheap when the annual wage rate for the manufacturing sector in China is CNY 59,470 ~ USD 8,900 in 2016 while Vietnam is about VND 20 million ~ USD 900, along with Chinese workers' rights have increased considerably compared to nearly 20 years ago. (3) China-plus-1 strategy began to be strengthened when countries such as the EU, Singapore, Japan and Korea invested heavily in China, and they came to Vietnam as a place for geographical diversification to prevent losing investment of the factory in case of a bad case occurs, while maintaining the source of raw materials from China and ultilizing Vietnam materials (4) The companies in China moved to Vietnam to exploit tax incentives to circumvent the law in order to export to the US under a more favorable tax rates. FDI inflows from China to Vietnam reached USD 1.35 billion in 11 months 2017, an increase of 43% over the same period of 2016 and expected to continue to rise sharply. (5) Vietnam has signed 10 FTAs while negotiating 6 FTAs. These agreements help Vietnam become a potential trading hub in Southeast Asia that links Laos and Cambodia to the world maritime network. As a result, all sectors will benefit from the positive effects of a robust economy.

Particularly to Department of Vietnam customs data, Vietnam still maintains trade deficit from China, but the imports gradually decreased from 2.3 times exports in 2012 to 1.68 cumulative 11 months 2017. The trade structure has been strengthened in value and has been strongly improved to the amounts of high quality goods from 2012 to present. In 2012, most of the exports were crude oil, coal and agricultural products, accounting for about one-third of the value while the manufacturing sector value was low except machinery accounted for high proportion. However, by the end of November 2017, these sectors contributed only 20% of the export value, of which agriculture for fruits and agricultural products bring out in USD 2.4 and USD 1 billion, respectively, while the proportion of coal and crude oil dropped very low. In 2012, only computer exports to China worth USD 1.8 billion are significant number, while others are low value and weak. However, the processing and manufacturing sectors in the first 11 months of 2017 exports surged as computers increased to USD 6 billion and mobile phones, cameras, machinery, footwear and fiber increased sharply to USD 5.4 billion, USD 1.77 billion, USD 1.4 billion, USD 1 billion and USD 1.8 billion respectively. Regarding the import structure, major items such as machines, computers, mobile phones, fabrics and steel remained in high proportion and the general structure tends to increase in manufacturing materials and decreased in the consumer goods. However, in the near future, Vietnam will focus on completing the supply chain for key sectors such as processing of high-tech products and manufacturing industries around brand name factories such as Intel, Sony, Samsung, LG, Cannon, Uniqlo or Nike, which will attract new FDI as well as reinvestment of domestic capital for missing phases of manufacturing. These missing phases are reflected in the trade deficits between Vietnam and China, increased sharply from 2012 to now due to the import of materials needed to support production for Vietnam while the total trade balance of Vietnam, for the first time, become positive (USD 2 billion in

2016 and more than USD 3 billion in 11 months 2017). The basic materials such as plastics, rubber, aluminum, iron and steel will benefit greatly in this trend. In addition, BSC has a positive outlook on the real estate industrial park as well as the construction companies for reasons of new factories demand. The retail sector also has a great opportunity to grow as domestic supplies are cheaper and more active to help distributors stabilize their stocks with low manufacturing and shipping costs. The seafood, agriculture products and textiles industries benefit from China's high demand for food with huge populations while new technologies take time to apply to production. Given the tightening of China's environmental management, building materials (cement, brick, glass), wood and wood products (paper, packaging) will benefit greatly from demand of China and the world when the main supplier is reducing production.

3.   **How will GDP growth, Exchange rate, and Interest rate be in 2018?**

The manufacturing industry has been an important driving force for GDP growth in recent years. By the end of Q3/2017, total GDP of the whole industry reached VND 907.10 billion, accounting for 27% of Vietnam total GDP. Of which, the manufacturing industry achieved VND 508.64 billion, accounting for 56% of the total GDP of the whole industry and 15% of the total GDP of Vietnam, showing the important role of the manufacturing industry in promoting economic growth. Vietnam's GDP in 9M2017 increased by 6.41% yoy, thanks to the support from the high growth rate of 12.8% in the manufacturing industry. Additionally, the PMI index has been continuously above 50 points in 11 consecutive months and increased sharply by 17.2% yoy, mainly due to a 24.3% increase in the Manufacturing Index in this period.

Graph 3: Growth rates of GDP and PMI
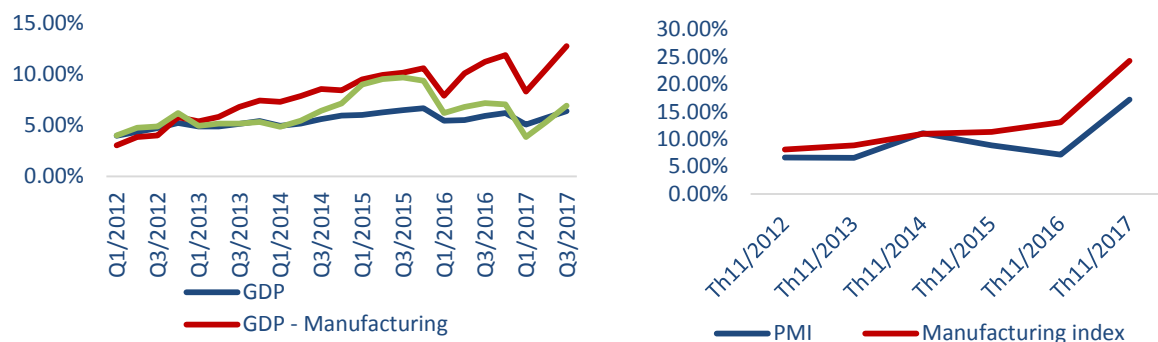
Source: Finpro, BSC

Trade surplus with large contribution from FDI enterprises. Total import and export value in 11M2017 was $ 194 billion (+22% yoy) and $ 191 billion (+21%) respectively, of which FDI accounted for 71% and 60%, respectively. Trade balance reached $ 3.17 billion (+43% yoy), mainly due to a trade surplus of $ 4.4 billion contributed by FDI enterprises. This shows that the dependence of Vietnam's trade balance on import-export activities of FDI enterprises tends to increase over the years.

Graph 4: Import-Export and FDI 2011-2017
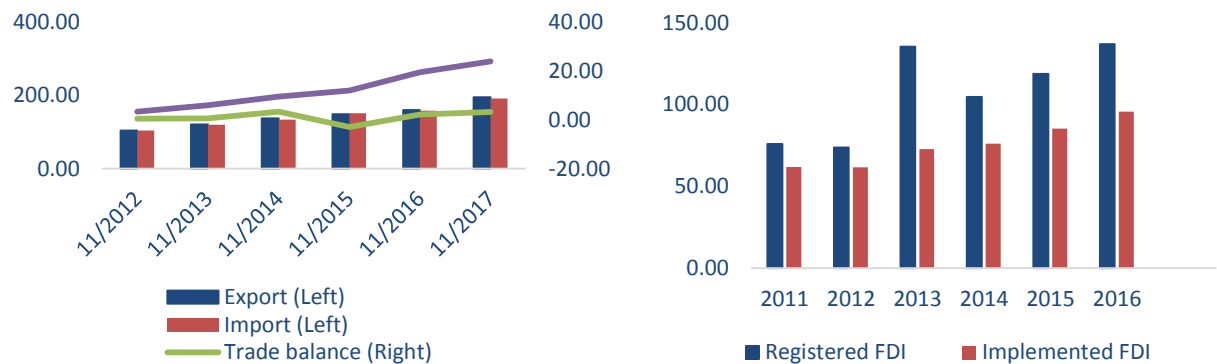
Source: Finpro, BSC

FDI's registered and implemented capitals have continuously increased. The total of FDI's registered and implemented capitals in 11M2017 reached US $ 187 billion (+61% yoy) and US $ 87 billion (+9% yoy) respectively. The manufacturing industry is the most attractive to FDI, with a total value of about $ 15 billion, accounting for about 45.2% of total FDI. This represents a positive indicator for the growth potential of the manufacturing industry and the economy.

Graph 5: Retail sales and Credit Growth
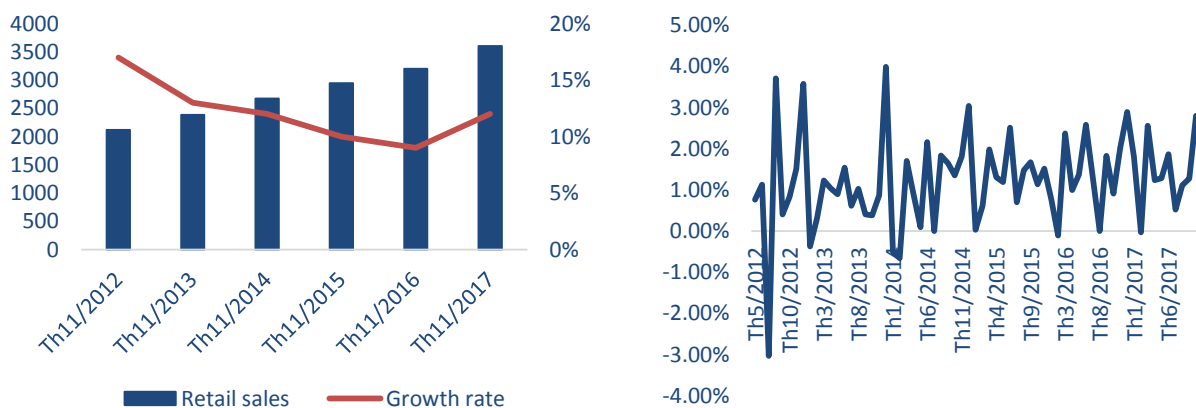
Source: Finpro, BSC

Incresing consumption demand is shown by an increase of 12% yoy in retail sales in 11M2017. Thanks to stable economic growth, credit growth stimulus package and increasing consumption demand at the end of the year, we forecast that demand will continue to increase in the coming time.

Government's investment spending is still relatively low compared to the budget. By mid-November 2017, the investment spending for development only reached VND 203 trillion, about 57% of the year's budget, lower than the 66% of the same period of 2016. However, with the good economic growth in 11M2017, the pressure of increasing public investment in December will not be large.

2018 GDP is expected to increase by 6.6% based on the following factors:

• Vietnam will still be attractive to FDI inflows thanks to Government's incentives, a series of FTAs signed, and low labor costs, especially in the manufacturing sector.

• Consumption demand has been recovering well, especially in the service sector.

• Policy to expand credit thanks to inflation under control.

• Improved disbursement rate.

• The VND/USD exchange rate has been stable since April due to: (1) relatively low inflation (average 0.073% per month), (2) abundant supply of foreign currency from directly and indirectly foreign investments, and (3) the constant depreciation of the US dollar against other currencies have reduced the pressure on the VND/USD exchange rate. Therefore, both the central rate and the exchange rate at commercial banks have not fluctuated significantly. The fluctuation band of the selling rate at Vietcombank was low (± 0.04%) in the range of 22.690-22.795 VND/USD. The central rate, after a slight increase at the beginning of the year, has remained stable with a fluctuation range of ± 0.02%. By the end of November, the central rate was at 22.433 VND/USD, only rising by 1.2% compared to the beginning of the year.

• **The VND/USD exchange rate in 2018 will be quite stable and depreciated by no more than 2% thanks to the strong support from abundant foreign currency supply and foreign exchange reserves.** Specifically, (1) trade surplus in November is estimated at $ 2.76 billion; (2) both of the registered and implemented FDI have been in the upward trend, respectively USD 187 billion (+ 61% yoy) and USD 87 billion (+ 9% yoy); (3) foreign currency flows from state-owned companies' divestments, such as the sale of 51% stake in Sabeco, amounted to $ 5 billion, (4) in the third quarter, the SBV bought about USD 3 billion, and (5) Vietnam will still attract foreign investors thanks to political stability and maintaining monetary easing policy. In 2018, we note that the VND/USD exchange rate will continue to be under pressure from: (1) FOMC increased the US's economy growth rate in 2018 from 2.1% to 2.5%; and (2) FED will raise interest rates three times in 2018. However, the abundant supply of foreign currency will help the SBV to be more active in managing and stabilizing the market when necessary.

Graph 6: Monthly average deposit and lending rate
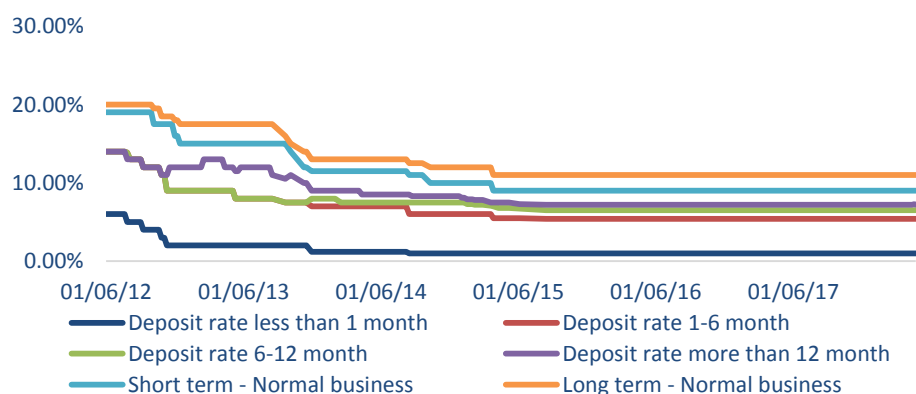
Source: Finpro, BSC

Generally, from the beginning of this year, the deposit and lending interest rates have been stable thanks to the interest rate adjusting policies of SBV, including: (1) reviewing credit institutions when they issued certificates of deposit with high interest rates at the beginning of the year; (2) lowering interest rates in July; and (3) a draft amendment to Circular 6 to extend the revised Circular 36. By the end of November, the lending interest rates were quite stable, prevailing at 6% -6.5% pa for short term and 9% -10.5% pa for medium and long term. Lending rates for normal business were at 6.8% -9% pa for short term; 9.3% - 11% pa for medium and long term.

We expect the interest rate in 6M2018 to be relatively stable and only fluctuate around the end of 2017; and most of the interest rate pressure will be concentrated in the second half of 2018. This pressure comes from (1) world market volatility, especially Fed increasing interest rates, (2) exchange rate risk, (3) credit growth. However, in the context of: (1) Inflation remains under control - CPI in November increased by 2.62% yoy mainly from the group of commodities managed by the State; (2) The foreign exchange market and the stable VND/USD exchange rate fluctuated as expected; (3) Prospects for plentiful foreign currency supply continuing to support the liquidity of the system, we believe that the SBV still has room to regulate the market and reduce interest rate pressures

4. **Budget overspending is no longer a hot spot, disbursement in 2017 was slow, and capital disbursement in 2018 is high thanks to the transfer of investment capital.**

The budget overspending rate in 2017 was sharply reduced thanks to positive GDP growth and new regulations of the State Budget Law. Government budget deficits over GDP has remained high at 6.14% for the period 2012-2016. This ratio for 2013-2016 also accounts for about 18% of total government budget expenditures. This rate increased from 14.8% in 2012 to 18.5% in 2013 and 17-18% in the following years. The average level of this period was 18.3%. In addition, in the budget deficits spending, the amount carried forward from the previous year to the following year statement were the highest amount, followed by the previous year's budget remittances, not yet settled and transferred to the current year, settle according to the process. As a result, the government budget regularly short of a large proportion of budget expenditures and has undergone major pressure over the years. This ratio will fall to only 3.8% in 2017, thanks to a positive GDP growth of 6.7% together with the new government budget law passed by 2015 and started to apply in 2017. Under the new regulation for government budget, the budget deficit from 2017 will not include the principal repayment, so the budget deficit is estimated to decrease compared to previous years, whereby the value decreased by 42.5% from VND 254 trillion dong down to VND 178,300 billion.

As of 15/11/2017, the budget deficit reached VND 66,100 billion, equal to 37.3% of the plan, down 61.3%, compared with the same period last year. The phenomenon of deep reduction is not the reduction of revenue and expenditure, but the government budget revenue and expenditure are slower than the average budget estimate. Specifically: Despite receiving support from crude oil (reaching 103.2% of estimate, exceeding the plan after years of deficits due to oil price recovery) and positive import-export revenue (reaching 91.5%), but the domestic revenue reached the total state budget revenue was estimated at VND 999 trillion, equaling to 82.4% of the estimate (84.1% in the same period of 2016). Similarly, total government budget expenditure was estimated at VND 1.065 trillion, equaling 76.6% of the estimate (80.5% in the same period of 2016). Government budget revenue has been slow as

income from production and business activities in the domestic market and low capital expenditure. The revenue from new production and business activities was 69.9% of the estimate; while the expenditure on capital construction was only 56.2%, much lower than the 65.8% and 73.2% of the same period of 2016 and 2015.

Table 1. State budget revenue and expenditure from 2012 to 20/11/2017 (VND billion)

Indicator	2012	2013	2014	2015	2016	20/11/2017	2018
Nominal GDP	**2,950,684**	**3,584,262**	**3,937,856**	**4,192,862**	**4,502,733**	**4,908,842**	**5,513,514**
Total revenue	**1,031,451**	**1,084,064**	**1,130,609**	**1,291,342**	**1,101,377**	**999,100**	**--**
According to	734,883	828,348	877,697	998,217	1,014,500	1,212,180	1,319,200
Beyond estimates	296,568	255,716	252,912	293,125	86,877	--	
Total balance	**1,170,924**	**1,277,710**	**1,339,489**	**1,502,189**	**1,360,077**	**1,065,700**	**--**
According to	978,463	1,088,153	1,103,983	1,265,625	1,273,200	1,390,480	1,523,200
Beyond estimates	192,461	189,557	235,506	236,564	86,877	--	--
State budget deficit	**173,815**	**236,769**	**249,362**	**263,135**	**254,000**	**66,100**	**--**
% GDP	5.9%	6.6%	6.3%	6.3%	5.6%	1.3%	
Estimates	140,200	162,000	224,000	226,000	254,000	174,800	204,000
% overspending /	**14.84%**	**18.53%**	**18.62%**	**17.52%**	**18.68%**	**6.25%**	

Source: Annual reports and reports of the state budget, General Statistics Office, BSC Research

Note: The data from 2012 to 2015 were the data of state budget settlement.
The figures for 2016 were estimated by the Ministry of Finance but have not been finalized.
Data from the beginning of 2017 to 20/11/2017 were taken from the General Statistics Office, GDP is estimated   under the economic growth rate of 6.7%.
The 2018 figures were taken from Resolution No. 49/2017 / QH14 on the State Budget Estimation 2018.

The government reduced the debt ratio and remained focused on the domestic market. In 2017, the total government borrowing and repayment plan reduced 34% from the previous year to VND 342.060 billion. Accordingly, total net public debt in 2017 also decreased 27.3% over the same period last year to VND 280.272 billion. This decline is mainly due to the decreasing estimation of the budget deficit calculation in the 2017's state budget plan along with the reduction of the original repayment schedule and re-lending. Total guarantees and principal repayments (including debt reversal) are maintained at the same level as in the previous year. Instead of issuing government bonds this year, the government has set a plan to divest VND 60 trillion from state-owned enterprises to supplement development capital.

Table 2. Government Loan Plan (VND billion)

Criteria	2016	2017
Total debt	**452,000**	**342,060**
Debt reversal	95,000	
Compensation overdraft	245,000	172,300
Repayments	56,650	144,000
Investment Bonds	60,000	
Re-lending	43,000	25,760
Total Guarantee	**85,025**	**82,212**
Development banks	23,000	25,145

VBSP	13,000	9,250
Key project	3,000	8,000
Bank bonds	12,500	23,857
Commercial loans of enterprises	33,525	15,960
Total net debt	**385,375**	**280,272**
Total debt	**2,974,804**	**3,255,076**
% GDP	66.0%	63.4%

Table 3. Source of government debt (VND billion)

Criteria	2016	2017
Total debt of the Government	452,000	342,060
Domestic borrowing sources	336,000	243,300
Government bonds	250,000	183,396
Social insurance, SCIC	86,000	59.904
ODA	99,000	98,760
Foreign Currency Bonds	17,000	0

Source: Decision No. 1011 / QD-TTg and Decision No. 583 / QĐ-TTG of the Prime Minister, the final settlement report and state budget report, BSC Research.

Note: Total net debt = total debt except for debt repayment, principal repayment and total guarantee sum.

In 2017, the Government maintained a policy of borrowing from local sources, reaching VND 243,300 billion, accounting for 71.2% of total borrowing demand, down slightly from 74.3% over the same period last year. This rate has declined, but still within the scope of the policy of promoting domestic borrowing in the context of rising cost of foreign loans.

According to the resolution of the state budget estimation in 2018, the Government estimates the level of debt in 2018 will increase to VND 363,284 billion (+6.2% yoy), of which offset the deficit reached VND 206,150 billion and repayment of principal reached VND 157.134 billion, increased by 19.6% and 9.1% respectively. The level of debt financing increased slightly compared to last year; The trend of offsetting overspending has continued to increase as the overspending estimate has also grown over last year, especially in the year 2018, as the effect of tariff reductions on FTAs starts to increase.

The progress of disbursement in 2017 was slow, large disbursement in 2018. The government has consistently urged ministries and agencies to speed up disbursement of investment capital and register the business unit by issuing resolutions to reform disbursement procedures for projects in (Decree No. 70 / NQ-CP, amending Decree No. 136/2015 / ND-CP, Decree No. 161/2016 / ND-CP). However, as of 15/11/2017, total state budget expenditure was estimated at VND 1,065 trillion, equaling 76.6% of the estimate. Besides key projects such as Long Thanh Airport, expressway ... development investment activities will be promoted in 2018.

5.   **How will the effect of the trade agreements on the tariff reduction schedule affect the budget for 2018**

At present, Vietnam has signed 10 international trade agreements (Appendix 1). The implementation of FTAs commitments also led to a fall in revenue from import tariffs, which affected general fiscal revenue.

Since 2018, the import tax on many important commodities such as automobiles, motorbikes, car accessories, electronics, steel products, electronic components, computers, telephones will be 0%. Taxable items will also be reduced and tariffs will be eliminated by 2022. According to estimates by the General Department of Customs, the average tariff rate for all commodities will decline to 2.98% in 2018.

The trend of rising domestic revenue to offset revenue from import-export activities, Up to now, revenues from import-export activities account for an average of 17.8% of total state budget revenues. In the phase of 2012-2017, we saw a shift in the structure of revenue and expenditure in terms of the proportion of income that is primarily domestic. It is forecasted that in 2018, revenues from import and export are estimated at only 13.6% due to the tax cut effect of the 10 FTAs, while the domestic income is estimated at 83.3%. This change is suitable with the restructuring policy towards reducing import and export revenue and increasing domestic revenue from value added tax, excise tax, corporate income tax personal income tax, and resource tax.

Table 4. The proportion of domestic income and export-import figure in total revenue

Year	Year 2012	Year 2013	Year 2014	Year 2015	Year 2016	11M 2017	2018 F
Total revenue (trillion)	658.6	790.8	814.1	884.8	943.3	999.1	1319
Import-Export turnover (trillion)	119.5	140.8	160.3	160	156.2	164.8	179
Proportion (%)	*18.1*	*17.8*	*19.7*	*18.1*	*16.6*	*16.5*	*13.6*
Domestic revenue	419.1	530	551.4	657	744.9	790.4	*1,099*
Proportion (%)	*63.6*	*67.0*	*67.7*	*74.3*	*79.0*	*79.1*	*83.3*

Source: General Department of Customs, the 2018 figures are taken from Resolution No. 49/2017 / QH14 on the State Budget Estimation 2018; BSC Research

According to calculations by the Ministry of Finance, with the plan of reducing tariffs, the reduction of revenue due to the implementation of FTAs commitments in 2018-2020 will be expected as follows: VND 30,150 billion, VND 36,340 billion and VND 43,965 billion. Based on these estimates, the expected impact of the income on the state budget over the next five years will be as follows:

Table 5. Expected revenue in the next 5 years

Indicator	2016	2017F	2018 F	2019F	2020F
Export-Import	156.2	180.0	196.0	223.3	252.9
%Growth	15%	9%	14%	13%	
Proportion	17%	17%	17%	17%	16%
Domestic	744.9	860.0	976.5	1127.3	1293.0
% Growth	15.5%	15.7%	13.5%	15.4%	14.7%
Total revenue before deduction	943.3	1040	1172.4	1350.6	1545.9
%Growth		10.3%	12.7%	15.2%	14.5%
Export-Import	156.2	180.0	196.0	223.3	252.9
Tax rate cut	--	--	30.15	36.34	43.96
Export turnover after the cut	156.2	180.0	165.82	186.95	208.96
%Proportion	17%	17%	15%	14%	14%

Total revenue after cut	**943.3**	**1,040.0**	**1,142.3**	**1,314.2**	**1,502.0**
%growth		10.3%	9.8%	15.1%	14.3%

This shift does not have a significant impact on budget balancing, but it is necessary to develop an appropriate plan, especially for VAT adjustments to raise domestic revenues. The effect of cutting import and export activities would not have a significant impact on the total state budget revenues due to the shift to a domestic income structure and there have been changes in income tax policy from 2015, when Vietnam began signing trade agreements. According to the Budget Committee of the 13th National Assembly, the mobilization rate from taxes, fees and charges for 2011-2015 were about 20-21% of GDP. It is estimated that in 2018, the government budget estimates that this ratio will reach 19.7% of GDP, down from 20.1% in 2017 and will not meet the target set for 2016-2020, about 21% of GDP. This rate is higher than that of Thailand (16.1%), Philippines (13.5%), Indonesia (12.4%) and Malaysia (14.3%). Budget revenues, which depend mainly on local income streams, will put pressure on domestic trade and investment. Raising taxes may ensure budget balance, while raising revenue will be a task set for the Ministry of Finance. The draft VAT increase to 12% in 2019 and the excise tax of 6% should be carefully calculated in terms of percentage and plan for two mentioned objectives. Thus, the draft and debate about VAT will be one of the focal points in the 2018 National Assembly agenda.

6.   **How will the recovery of oil price impact on the Vietnam's economy?**

Based on Brent's forecasts of 57 global organizations such as Citigroup Inc, Raiffeisen Bank, Deutsche Bank, BMI, ... we use the median as a Brent oil's price forecast for 2018-2020. The Brent oil price in 2018 is based on two main factors: (1) world oil demand is projected to increase 1.4% to 99.1 mb/d; (2) OPEC and Russia currently accounting for 40% of global oil production have agreed to sign a deal to cut crude oil production through 2018.

Year	2018	2019	2020
Brent oil price (USD/bbl)	57.5	60	63

Source: Finpro, BSC

An increase in oil price will not have a significantly direct impact on the state budget revenues as much as in previous years. The graph shows that the total value of crude oil exports, especially the crude oil export share in the state budget revenue structure, has decreased over the years 2012-2016. The total value of crude oil exports decreased from 140.106 (19%) billion in 2012 to 54.500 billion (5%) in 2016

Graph 7: State budget revenues, Petroleum import - export
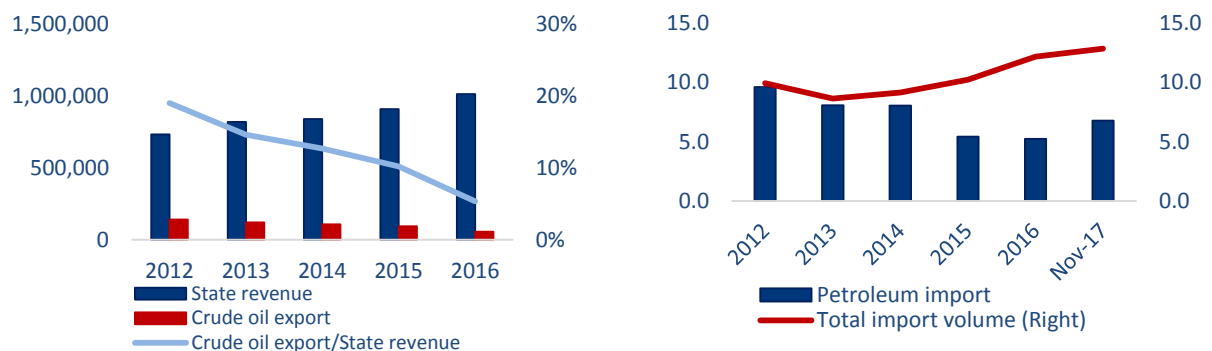
Souce: Finpro, BSC

The oil and gas sector will be benefited most from the rebound in oil prices as:

Demand of petroleum for production and consumption has increased steadily over the years, reflected by the petroleum import trend from 2012 to present. Specifically, the volume of petroleum imports increased from 10 million tons in 2012 to 13 million tons in 11/2017. BMI forecasts that Vietnam's petroleum consumption will grow at a compound annual rate of 4.7%, 3.6 times higher than the world average for the period 2018-2023, based on high GDP growth and low petroleum consumption level, and 0% car import tax from Asean.

Oil supply is ensured through large projects being implemented such as Bo Mon Block, Nam Con Son 2, Red Dragon Fish, and Green Whale. Of which Lot Bo Mon is the largest project with total investment cost about 7 billion USD in 20 years, expected to exploit 12.65 million barrels of condensate. The remaining projects are expected to be completed in 2018-2020.

7.   **How Divestment, Equitization and Listing activities affect the size and development of the stock market in 2018?**

Divestment and equitization in 2017 was slowed down compared with the progress but there were important deals such as VNM, SAB, and IDICO have created a good effect for the stock market. Accumulated 11 months of 2017, the total amount of money from equitization and divestment reached over VND 22,709 billion, fulfilling 38% of the plan. The divestment contributed VND 25,000 billion, of which VND 220 billion was contributed by VNM and VND 2,215 billion from equitization. In terms of quantity, 43 state-owned enterprises were equitized (22 enterprises were under the Ministry of Defense and non-income-generating administration agency), including four corporations which were Song Da, IDICO, Becamex Binh Duong and Thanh Le Binh Duong. It is expected that there will be 55 SOEs equitized, equal to the number of 2016. Divestment and equitization did not reach the target but the SCIC divestment at VNM has been completed which can create good psychology and cash flow to support VN-Index back to the peak region 10 years ago in period 2006-2007.

New listings have been boosted in 2017, with more than 1,400 listed companies on three exchanges, up 27% from 2016. Market capitalization soared 72% to USD 135 billion at the end of November and expected to reach USD 148.5 billion by the end of 2017. Positive performance in the stock market, with new listings making the average trading volume reach USD 218 million/session (including put through transaction), up 59% compared with 2016.

In 2018, the wave of equitisation, new listing and divestment of the state was boosted. If the progresses for divesting state-owned enterprises and listed activities are on schedule, the market capitalization will increase by USD 15-20 billion in 2018. The average liquidity is forecasted to be USD 272 million per session, up 25% over the value in 2017. Vietnam stock market is entering a period of strong growth in terms of scale and quality. Market size in 2018 is forecasted based on the main factors:

New equitization and listing in 2018 contributed to the growth of Vietnam stock market. As of November, only 22/44 enterprises has equitized under Decision 991 / TTg-DMDN in 2017. Equitization activities are concentrated in in 2018. 10 large-scale equitized enterprises have an estimated value of USD 7.8 billion, Capital sales value worth USD 3.25 billion (IPO estimated at USD 0.98 billion, capital for strategic shareholders USD 2.27 billion).

Table 6. Equitization plans of 10 major companies have been approved

No.	Name	IPO (Bil VND)	Sale (Bil VND)	Total (Bil VND)	Note
1	PV Power	6,744.6	9,739.9	16,484.5	Chartered capital is VND 23,419 billion, of which, foreigners account for 51%. The IPO is expected to be 20% of equity, sold to strategic shareholders 28.8%. IPO is organized in Q1/08, starting price is 14,400 VND/share.
2	PV Oil	2,771.7	6,197.6	8,969.3	Chartered capital is VND 10,342 billion. 20% IPO and 44.72% for the strategy shareholders. Auction will be organized in Q1/2018, starting price is 13,400 VND/share.
3	Binh Son Refining and Petrochemical Company Limited (BSR)	3,526.3	22,181.0	25,707.3	Chartered capital is VND 31,005 billion. 7.79% IPO and sell 49% for strategic shareholders. Auction will be organized in Q1/2018, starting price is 14,600 VND/share.
4	Vinafood2	1,234.7	1,345.0	2,579.7	Value of equitized enterprises: VND 14,610.1 billion. Value of foreign capital is VND 5,380 billion. 22.95% IPO and offering to strategic investors 25%.
5	Vicem	2,574.6	-	2,574.6	Chartered capital is VND 12,873 billion. Equitization implemented in 2018. (assuming 20% IPO, 0% strategy).
6	HUD	806.6	851.3	1,657.9	Draft of equitisation plan in April 2017 was not approved due to unreasonable time of valuation of enterprises, as well as the ratio for strategic shareholders. (Former plan: sell 25% for strategic investors, 23.69% IPO). The value of the Ministry of Construction is VND 3,405 billion.
7	VTV cab	481.2	-	481.2	The value of enterprises valuated at VND 3,999 billion, the value of the capital of state is VND 2.406 billion. (Assuming 20% IPO, 0% for

No.	Name				
					strategic shareholders).
8	Genko3	3,198.0	8,856.0	12,054.0	The value of enterprises is VND 91,433 billion, the capital of state is VND 24,600 billion. Expected to be IPO in 2018. The old plan is IPO 13%, strategic shareholders 36%.
9	Hapro	754.3	1,400.8	2,155.0	The value of enterprises at 01/07/2016 is VND 3.557 billion, the value of the capital of the state: VND 2.155 billion. On 07/07/2017, the Government approved the equitization plan, withdrew all state capital, sold 65% of the capital to strategic shareholders.
10	Thalexim	118.3	1,077.7	1,196.0	Equitization was plan on 10/08/2017, chartered capital of VND 2,366 billion, State holds 49% of charter capital, sold to strategic investors 45.55%, public auction of 5% of charter capital.
11	Vietnam rubber group	13,000	6,178	13,000	Charter capital of VND 40,000 billion. It is expected to be offered at VND 13,000, of which the government will hold the remaining 3 billion shares after the IPO and public auction of 475.1 million shares, strategic sale of 475.1 million shares and the remaining 1.3% for staff members.
Total		35,210.4	57,827.2	86,859.6	

Source: BSC Research

Divestment at joint stock companies re-start after the unsucessful auctionof VCG, In addition to the large divestment of the Ministry of Industry and Trade at BHN (the State owns 81.79% and has not announced yet), the divestment of equitized enterprises in 2018 is mainly managed by SCIC. SCIC plans to divest nearly VND 6 trillion, including many large enterprises:

Table 7: List of stocks that will be divested by SCIC

No.	Name	State capital	Value of divestment (Bil VND)
1	Domesco Medical Import Export Joint Stock Company	35.0%	120.5
2	Vinaplast	65.8%	241.6
3	Bao Minh Joint Stock Company	51.0%	463.1
4	Vinaconex	58.0%	2,415.0
5	Hai Phong Thermal Power JSC	9.0%	450.0
6	Quang Ninh Thermal Power JSC	11.0%	514.0
7	Tien Phong Plastic Joint Stock Company	37.0%	331.1
8	Binh Minh Plastic Joint Stock	30.0%	241.6

	Company		
9	General Corporation of Electronics and Informatics VN	88.0%	385.3
10	FPT Corporation	6.0%	316.3
	Total		5,478.5

Source: SCIC, BSC Research

New listing from the group of banks and privatized companies. The positive trend in 2017 has helped many listed private companies successfully include VRE, VJC and banks such as VPB, VIB, LPB and KLB. Many large enterprises are planning to list in 2018:

Table 8: Large businesses plan to be listed in 2018

No.	Name	Charter Capital (mil USD)	Capitalization (mil USD)
1	Techcombank	390	2,145
2	Maritimebank	517	517
3	HDBank (listed)	432	1,361
4	TP Bank	247	618
5	OCB	176	282
6	Seabank	241	289
7	ABBank	234	257
8	Saigonbank	135	88
9	NamA Bank	133	93
10	VietA Bank	154	154
11	Thaco	155	1,938
12	Becamex	580	1,797
13	VEAM	585	1,316
14	FPT retail	9	88
15	Viettel Global	988	1,778
	Total	**4,975**	**12,719**

Source: BSC Research

Large cap companies moved from Upcom to Hose. Market capitalization will increase when some of the large cap enterprises being listed on UPCom with low trading volume, bound by investment regulations move to HOSE. Some of the large companies featured on Upcom:

Table 9: Companies capitalized at over USD 100 million on Upcom

No.	Name	Stocks	Capitalization (mil USD)
1	Vietnam Airports Corporation	ACV	8,923.4
2	Vietnam Airlines Corporation	HVN	2,086.0
3	Masan Consumer Products	MCH	1,655.3
4	Masan Resources	MSR	696.8
5	Quang Ngai Sugar Joint Stock Company	QNS	606.4
6	Vietnam International Commercial Joint Stock Bank	VIB	566.6

7	FPT Telecom Joint Stock Company	FOX	497.8
8	Viet Nam Expo Center	VEF	475.3
9	Sai Dong Urban Development and Investment JSC	SDI	464.9
10	Lien Viet Post Office	LPB	397.9
11	Electrical Equipment Joint Stock Company of Vietnam	GEX	304.2
12	Saigon Commodity Corporation	SCS	285.9
13	Industrial Park Development Joint Stock Company	SNZ	275.1
14	Vietnam Textile and Garment Corporation	VGT	250.9
15	Vietnam Steel Corporation	TVN	229.8
16	Vietnam Pharmaceutical Joint Stock Company	DVN	208.7
17	Vietnam Forestry Science Corporation	VIF	204.9
18	Hai Phong Thermal Power JSC	HND	187.1
19	Tan San Nhat Airport Airlines	SAS	175.7
20	Quang Ninh Thermal Power JSC	QTP	164.4
21	Minh Phu Seafood Corporation	MPC	160.2
22	Saigon Ground Service Joint Stock Company	SGN	158.2
23	Vietnam Animal Husbandry Joint Stock Company	VSN	147.8
24	Kido Frozen Foods Joint Stock Company	KDF	142.7
25	Binh Dinh Pharmaceutical JSC	DBD	129.6
26	Loc Thien Group Joint Stock Company	LTG	127.1
27	Kien Long Commercial Joint Stock Bank	KLB	117.4
28	Viet Tien Garment Corporation	VGG	106.8
29	Vietnam Vegetable Oil Industry Joint Stock Company	VOC	106.7
30	Hua Na Hydropower Joint Stock Company	HNA	104.3

Source: Blooomberg, BSC Research

Market size extends for new foreign investment institutions. As of December 20, foreign investors bought VND 174,791 billion on 3 exchanges, equivalent to 14.4% of the total trading value while selling VND 148,015 billion, equivalent to 12.2%. The total net buying value reached VND 26,776 billion, accounting for 2.2% of the total trading value. In 11/2017, Singapore Jardine Cycle & Carriage (JC & C) successfully won 3.33% of VNM's shares at a price of VND 186,000 per share, higher than the starting price of 24% and keep rasing more stocks to over USD 1 billion. This deal made the total value of net bought increase to USD 1.4 billion. This transaction is very significant when it has released a large amount of funds previously invested and generated the capital for auctions in 2018.

New large-scale foreign investors' participation in the short term is signaling the competition of investment funds for the opportunity of divestment and equitized SOEs. The concerns of a shortage of counterpart funds to absorb all the shares in the big state sale have been reduced. Accelerating the equitization of large-scale state-owned enterprises is an attractive thing for foreign investors to participate even though the prospect of 2019 Vietnam has the opportunity to be considered to upgrade

the market as the MSCI representative has spoken by the end of 2017. Opportunities remain open for investors.

8.   Forecasting the VN30 stock in Q1/2018

As of 12/12, VN30 and VN-Index increased by 45.6% and 39.5%, respectively. VN30 stocks played an important role in leading the trend and attracting foreign capital inflows in 2017. In terms of scale, the VN30 only accounts for 67.6% of the market capitalization, but contributes to 88.8 % increase of VN-Index.

Chart 8: Market capitalization in groups
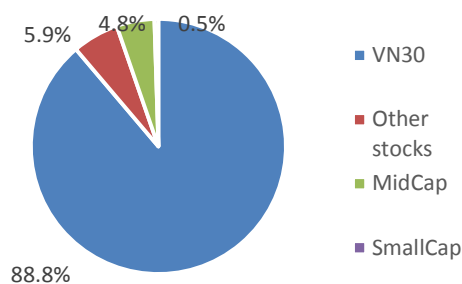
Chart 9: Group contribution structure
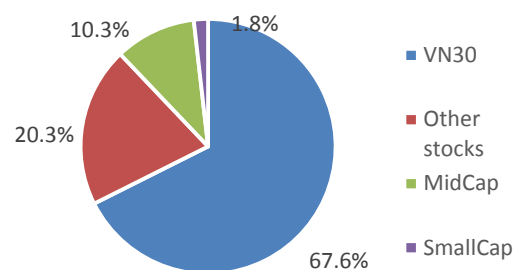
Source: Finpro, BSC Research

VN30 stocks are not only highly representative of market capitalization, liquidity and free transfer rates, but also capable of attracting domestic and international investors in 2018. VN30 in Q1/2018 will be determined by the end of the trading session on December 29th and officially announced at least 5 days before the effective date of 22/1/2018. Based on data from 12/12/2017, the conditions for joining VN30 are as follows: (1) Stock listed on Hose is not warning due to violations of disclosure, control or stop transaction within 3 months and have transaction length over 6 months; (2) Freefloat rate ≥10%, or 10% ≥ Freefloat ≥5% if the stock is in the top 10.; (3) Turnover ratio >0.05%; (4) Set the average market capitalization of 6 months, select the top 50 stocks by replacing the stocks by the next stocks 50 stocks; (4) The average daily trading value (including put-through) for 6 months, stocks being at 20 and above will be in VN30, stocks 41 and below were excluded from the list and stocks from 21 to 40 stocks will be recommend stocks in VN30 last year then considering new stocks. We expect the change in VN30 as follow:

Stocks are expected to be qualified: PLX, VJC, PNJ, HBC, PDR, DXG.

Stocks are expected to be disqualified: BVH, CTD, DHG, DPM, KDC, NT2.

Table 10. Check the stock criteria into and out of the VN30 in the first period of 2018

Stock	Average market capitalization for 6 months	Expected Freefloat	The average liquidity of the 6-month session (41st place - 1.1 million / session)	Other conditions	Status
PLX	3. USD 3.26 billion came in 7th	10%	1.9 mil USD/session, ranking 27th	Trading over 6 months, reached turnover and other criteria.	Qualified
VJC	USD 2.06 billion	55%	4.8 mil USD/session,	Trading over 6 months,	Qualified

	came in 14th		ranking 8th	reached turnover and other criteria.	
PNJ	USD 0.51 billion came in 27th	65%	1.4 mil USD/session, ranking 38th	Trading over 6 months, reached turnover and other criteria.	Qualified
HBC	USD 0.31 billion came in 39th	70%	3.9 mil USD/session, ranking 12th	Trading over 6 months, reached turnover and other criteria.	Qualified
PDR	USD 0.29 billion came in 42nd	40%	1.6 mil USD/session, ranking 34th	Trading over 6 months, reached turnover and other criteria.	Qualified
DXG	USD 0.24 billion came in 49th	72%	3.5 mil USD/session, ranking 16th	Trading over 6 months, reached turnover and other criteria.	Qualified
BVH	USD 1.67 billion came in 17th	10%	0.95 mil USD/session, ranking 51st	Meet other criteria.	Removed because of liquidity ranking lower than 41st
CTD	USD 0.72 billion came in 22nd	40%	1.06 mil USD/session, ranking 46th	Meet other criteria	Removed because of liquidity ranking lower than 41st
DHG	USD 0.62 billion, ranking 24th	35%	1.04 mil USD/session, ranking 48th	Meet other criteria	Removed because of liquidity ranking lower than 41st
DPM	USD 0.38 billion ranking 31st	40%	0.66 mil USD/session, ranking 63rd	Meet other criteria	Removed because of liquidity ranking lower than 41st
KDC	USD 0.37 billion ranking 32nd	60%	0.8 mil USD/session, ranking 55th	Meet other criteria	Removed because of liquidity ranking lower than 41st
NT2	USD 0.36 billion ranking 14th	30%	0.46 mil USD/session, ranking 71st	Meet other criteria	Removed because of liquidity ranking lower than 41st

Source: BSC Research

The exposures of stocks in VN30 are forecasted to have no fluctuations in the top four. New stocks such as VJC, PLX, PNJ, HBC, PDR and DXG will have the exposure of 6% 1.7%, 2.2%, 1.2%, 0.6% and 1% respectively (Details at appendix 4)

9. **Will capital flow into small and medium stocks?**

The stock market is in a strong growth cycle in terms of liquidity. With the advantage of strong buying from foreign investors, the VN30 stocks have surged 51% compared to other groups. A strong uptrend led to a shifting of money flows between stocks, pushing the price level, SmallCap and MidCap increased 34% and 22%, respectively, compared with the beginning of the year. Looking at the performance of stock groups in 2017, we noticed that the MidCap stocks were the strongest gainers in the first half with 33% upside compared to the 20% gain of VN30 and 20% SmallCap. However, this stocks group and SmallCap corrected until October and only increased again together with market in November making a quite limited year-performance. In contrast, VN30 accumulate in July, August and accelerate, maintaining the upward momentum until year-end.

Chart 9: Performances of stock groups up to 20/12/2017
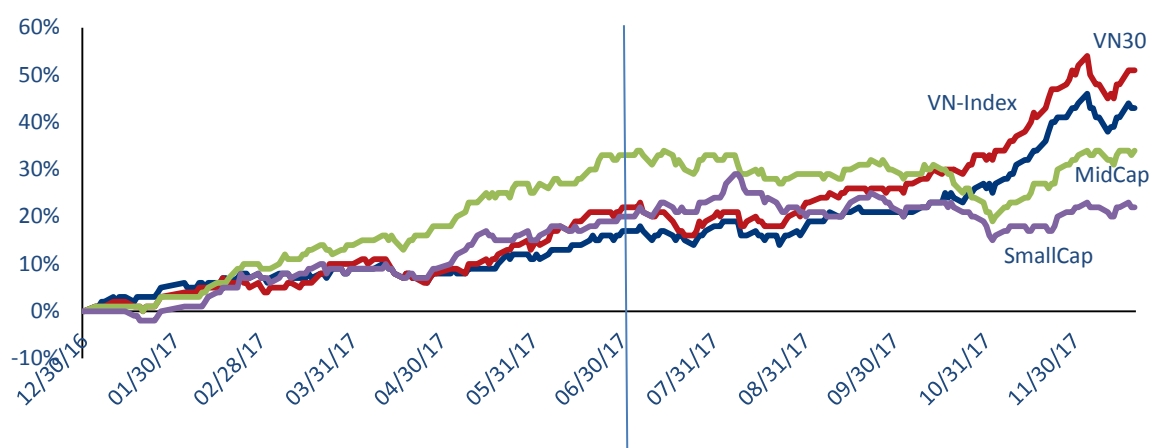
Source: Finpro, BSC Research

Market trend is forecasted positive in the first and second quarter of 2018, whether the small and medium stocks will have a strong advance in the first quarter. We think this probability is quite high based on the following factors:

The market is in the cycle of growth in price, strong cash inflow to the stock market. Besides foreign capital inflows of nearly USD 1 billion in the listed market, domestic capital inflows also increased market participation. In the first 3 quarters, the margin value of securities companies was estimated to be VND 28,955 billion, an increase of over 30% compared to Q1/2016. Although margin is still of high record, new cash flow is helping the margin over asset value ratio not too high. This shows that the market is not in danger. As the cash flow stabilizes and new money participates in the market, the trend of shifting money among sectors and stocks will surely occur.

The bullish trend factors, a bullish trend usually causes by the Blue-chip stocks and VN30 stocks to play a leading role in the trend and cash flow then moves into other sectors and smaller capitalize groups of stock to form the price level. This is happening with the current uptrend, however if in the 2009 bull market the trend is reversed (Chart 11). Most groups advanced thanks to the USD 1 billion stimulus package. The money flow was mainly from domestic investors so the cash flow tended to move strongly in the small and medium stocks while the Blue-chip stocks were lower than the market. Particularly to the period of a strong and long rally, usually the group of stocks will have consensus and no big gap in

term of price among stock groups. The rise of stocks was driven by the nature of the cash flow movements. In the current cycle, the MidCap and SmallCap groups have been accumulated around for about 6 months, which is a good time to form good price level in many stocks and will have a great opportunity to attract cash inflow.

Chart 10: Performances of stock groups in 2009
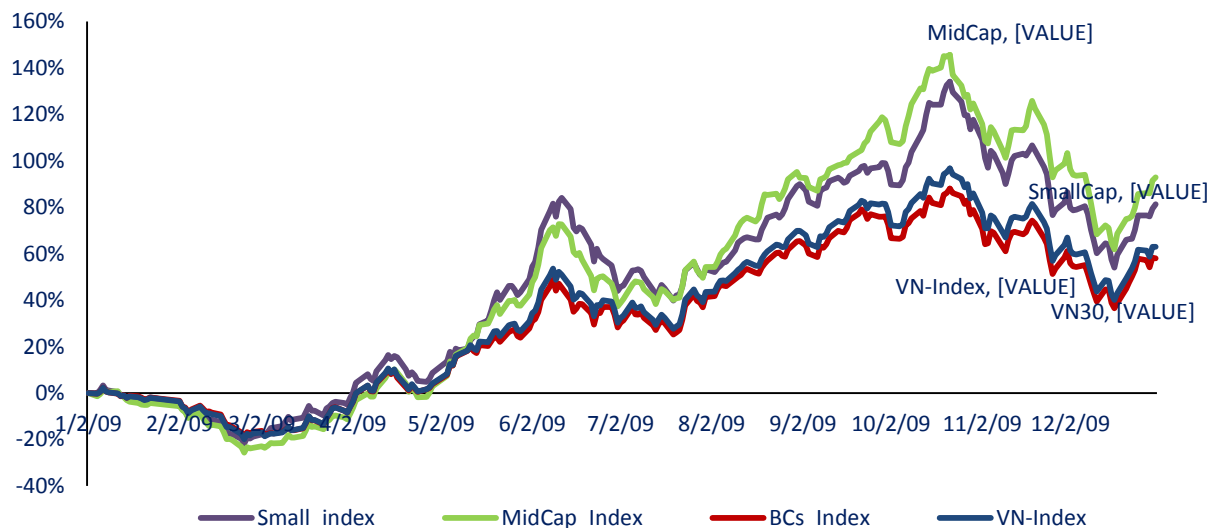
Source: Bloomberg, BSC Research

Valuation factors, average P/E and P/B increase over 20% and 12% in 2017. The arithmetic average of VN30 group (except P/E above 60) is at 19.3, is far away from MidCap (P/E =12.8) and SmallCap (P/E=10.4). VN30 group, however, is still attractive for EPS growth in 2017 with an average increase of 8% over the 2% and 1% of MidCap and SmallCap respectively. Due to the large number of stocks, the MidCap and SmallCap teams are less well classified than the VN30 group. Therefore, this data does not accurately reflect the picture of improving the profitability of this group. Many stocks had positive changes in profit growth in the two groups and low P/E (details in Appendix 5). Moreover, the difference between VN30 and the rest of the group is very big, so cash flow will soon shift to find outstanding stock opportunities in the two groups MidCap and SmallCap.

Under the current market movements and the mentioned factors, we forecast that cash flow will soon shift into small and medium stocks, especially after the Lunar New Year the period of annual meetings and reports of 2017.

BSC

Macro economy 2017

Economic growth

- **GDP Q42017 increased by 7.65 causing the 2017 GDP growth rates to be 6.81%.**
- **2017 IIP indexes increased stronger than 2016 and rebounded in 2015 due to a significant growth rate of manufacture and production sector.**
- **Consumption rate was maintained at a positive level, noted some sectors that had decreasing inventory rates.**
- **Retail sales grew well due to increasing price and purchasing power.**

Chart 2: Annual GDP growth rates

Chart 3: GDP proportion (%)
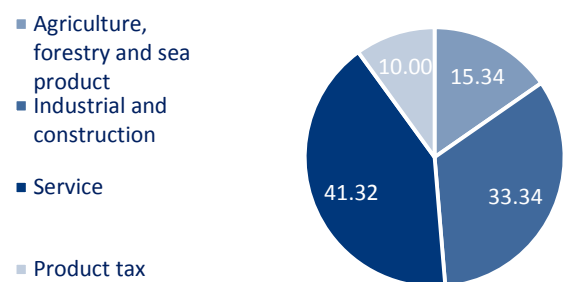
Source: GSO, BSC research

Total 2017 (GDP) growth rate was estimated to be 6.81% YoY (1st quarter increased by 5.15%, Second quarter increased by 6.28%, third quarter increased by 7.46%, and fourth quarter increased by 7.65%) The agriculture, forestry and fishery sector recovered significantly in 2017, reaching 2.90% (1.36% in 2016), contributing 0.44 percentage points to the overall increase. Industrial and construction sector increased by 8.00% which was higher than the rate of 7.57% in the previous year, contributing 2.27 percentage points. Services rose by 7.44%, contributing 2.87 percentage points.

The manufacturing industry recorded a record increase in the past seven years, at 14.40%, contributing 2.33 percentage points to the overall increase. The mining sector continued to fall sharply to 7.10%, which was the lowest level since 2011, down 0.54 percentage points overall.

December industrial production index increased by 11.2% over the same period last year. For the whole of 2017, the industrial production index rose 9.4% from 2016, much higher than the 7.5% rise in 2016 and close to 9.8% in 2015 thanks to the fact that the significant growth rate of manufacturing and processing industry (14.4%) neutralized a sharp decline in the mining industry.

The consumption index of manufacturing and manufacturing in November 2017 increased by 1% MoM and 18.6% YoY. The sector consumption index increased by 13.6% YoY (higher than the 8.4% of 2016). Many industries with high consumption indexes: Textile increased by 28.7% YoY; metal production rose by 27.6% YoY; pharmaceutical, pharmaceutical and pharmaceutical production rose by 21.7% YoY; Bed, cabinet, table and chair production rose by 20.2% YoY; leather and related products rose 17.6% YoY; Apparel production rose 16.7% YoY.

Inventory index of manufacturing industry as of 01/12/2017 increased 8.0% YoY, the lowest inventory level in many years. Some sectors have a fall in inventories: metal production fell 2.7%; drug production, pharmaceutical chemistry and medicine decreased 9.4%; Production of rubber and plastic products fell by 30.2%. Some sectors have higher inventories than general growth: Beverage production increased by 49.1%; production of motor vehicles increased by 35.2%; electronic products, computers and optical products up 29.7%; electricity production increased by 20.7%; Paper and paper products increased by 18.2%; Production of non-metallic mineral products increased by 16.2%.

Chart 4: Sector growth rates (2014-2017)	Chart 5: IIP & PMI
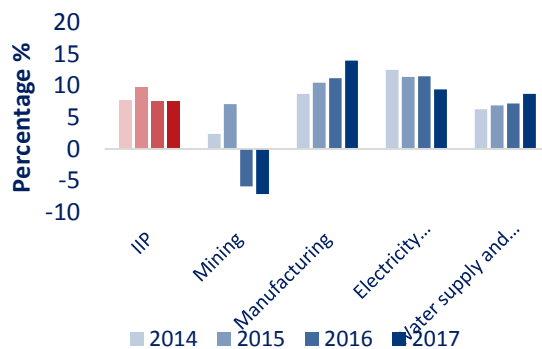
Source: GSO, BSC research
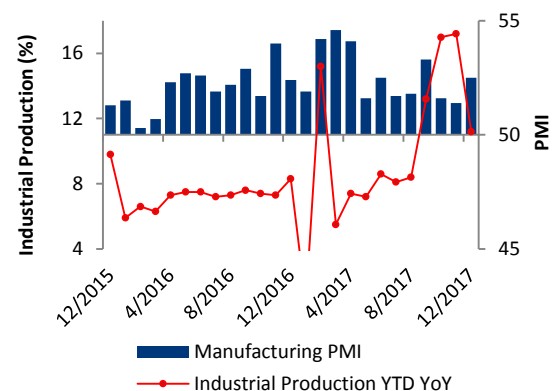
PMI in December rose to 52.5 from 51.4 in November. The PMI in 2017 remained above 50 and with an average of 52.6 higher than 52.1 in 2016, indicating that business conditions are improving and economy is expanding

Inflation

CPI in December was 0.21% MoM and 2.6% YoY. For the whole year, the annual average CPI increased by 3.53% in comparison to the average in 2016, bellowed the targeted rate of the government.

Average CPI of 2017 increased due to the following main factors:

- Many regions adjusted medical and healthcare service fees which caused CPI in December increased approximately by 1.35% YoY; average CPI in 2017 increased by 2.04% over the same period in 2016.
- Executing raising education fees in accordance to Decree 86/2015/NĐ-CP which caused CPI in December increased by 0.41% in comparison to 2016, making annual average CPI in 2017 0.5% higher than that in 2016.
- Raising the minimum wage rate since 1/7/2017 had caused the average fees of the following services, including repairing home appliances, home maintenance, electricity services, water service, hiring domestic helpers in 2017, to increase within the range 3%-8% in comparison to that in 2016.
- In addition, other factors including increasing tourist demands, some regions affected by natural disasters and adverse weather also make CPI this year increase compared to 2016.

Table 7: Changes of Good and Services in December (MoM and YoY)

TT	Goods and Services	MoM (%)	YoY(%)
1	Restaurant and Food	-0.23	-1.8
2	Service	0.84	6.04
3	Transportation	2.55	27.79
4	Pharmaceutical & Healthcare	0.22	4.67
5	Housing &Construction Material	0.03	0.76
6	Entertainment	0.17	1.37
7	Beverage & Cigarettes	0.43	1.14
8	Apparel, hats & footwear	0.12	1.08
9	Household Appliances	0	7.29
10	Education	-0.03	-0.46
11	Postage and telecommunications	0.16	2.33
	Total	**0.21**	**2.60**

Source: GSO, BSC research

Chart 6: CPI development
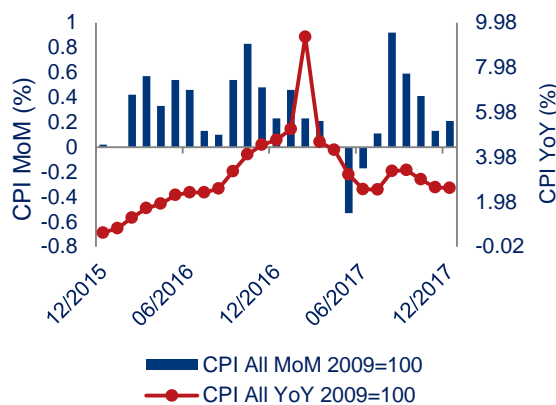
Source: GSO, BSC research

Chart 7: Total retail sales
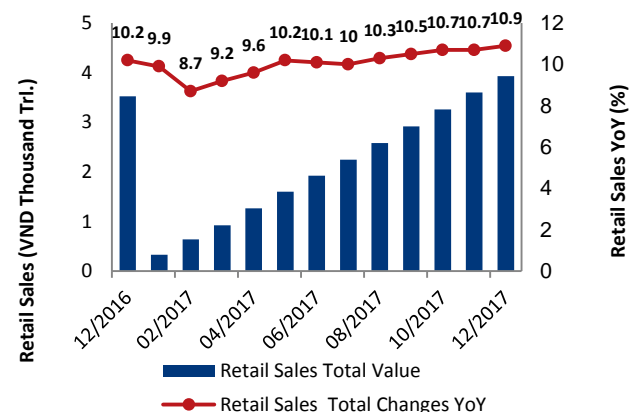
Total retail sales of consumer goods and services in December were estimated at VND 320.3 trillion, up 3.7% MoM and 9.8% YoY.

For the whole year, total retail sales of consumer goods and services reached VND 3,934.2 trillion (+ 10.9% YoY), excluding price factor, up by 9.46% yoy, higher than the previous year of 8.5% due to rising purchase power and price.

Foreign direct investment (FDI)

- **FDI registered in 2017 increased significantly, up 42.3% over the same period in 2016.**
- **Electricity & electric distribution, air conditioning sector and processing & manufacturing sector is the main attraction for foreign direct investment.**
- **Thanh Hoa attracted a FDI number ò USD 3,159.4 million, accounting for 14.8%, the highest among all provinces.**

Chart 8: FDI register and disbursed (USD billion)
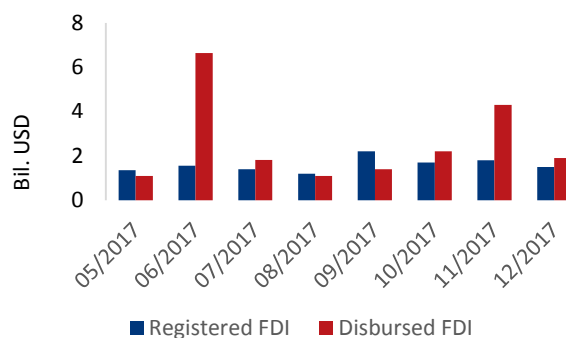
Chart 9: Import & Export (USD billion)
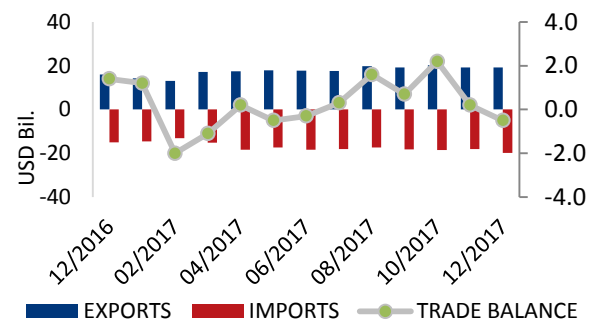
Source: GSO, BSC research

In the first 12 months, FDI attracted 2,591 new registered projects with a registered capital of 21.3 billion USD, increasing 3.5% in number of projects and 42.3% in registered capital over the same period of 2016. In addition, there were 1,188 registered projects from previous years registered to adjust capital with additional capital of USD 8.4 billion, up 49.2% YoY, bringing the total newly registered capital and additional capital in 2017 to USD 29.7 billion, up 44.2% YoY in term of projects, but down 8.0% YoY in term of value. Foreign direct investment (FDI) in 2017 is estimated at $ 17.5 billion, up 10.8% over 2016.

The structure of 12-month accumulative FDI is as follows: electricity & electric distribution and gas, hot water, steam and air conditioning sector attracted the highest amount of registered FDI, reaching USD 8.4 billion and accounting for 39.3% of the total newly registered capital; Manufacturing and processing sector reached USD 6.9 billion, accounting for 32.3%; the remaining sectors reached USD 6 billion, accounting for 28.4%. Adding additional registered capital of registered projects from previous years, FDI in manufacturing and processing sector reached USD 14.1 billion, accounting for 47.6% of the total registered capital. Electricity & electric distribution and gas, hot water, steam and air conditioning sector reached USD 8.4 billion, accounting for 28.2%; the remaining sectors reached 7.2 billion USD, accounting for 24.2%.

Top 3 provinces with the largest registered capital are Thanh Hoa with $ 3,159.4 million, accounting for 14.8% of the total newly registered capital; followed by Khanh Hoa with 2,584.9 million USD, accounting for 12.1%; Ho Chi Minh City earned US $ 2,314 million, accounting for 10.9%. In addition, Japan is the largest investor with USD 7,745.8 million, accounting for 36.4% of the total newly registered capital; followed by South Korea with USD 3,973.3 million, accounting for 18.7%; Singapore invested USD 3,771.8 million, accounting for 17.7%; China reached USD 1,409.7 million, accounting for 6.6%

Trade, Export - Import

- **Year to date, trade surplus is estimated at $ 2.7 billion.**
- **Trade deficit in December is estimated at $ 500 million.**

Export turnover in 12/2017 is estimated at $ 19.3 billion, down 3.5% MoM and the cumulative export turnover is estimated at $ 214 billion, up 21.1% YoY. The domestic economic sector export reached $ 5.2 billion, down 1.5%; FDI areas (including crude oil) reached $ 14.1 billion, down 4.1%. Export turnover

decreased from the previous month due to heavy-weighted goods fell sharply: Phones and components decreased by 19.5%; electronic, computer and components fell by 16.2%

Graph 10: Top 10 exported goods till 1H December (billion USD)

- Beginning of year to 15/12/2017
- beginning of year to 15/12/2016

Source: GSO, BSC research
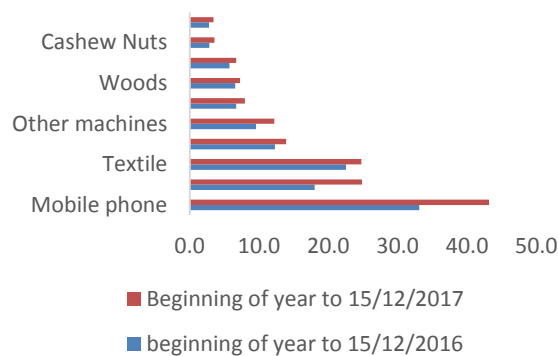
Graph 11: Top 10 imported goods till 1H December (billion USD)

- Beginning of year to 15/12/2017
- Beginning of year to 15/12/2016
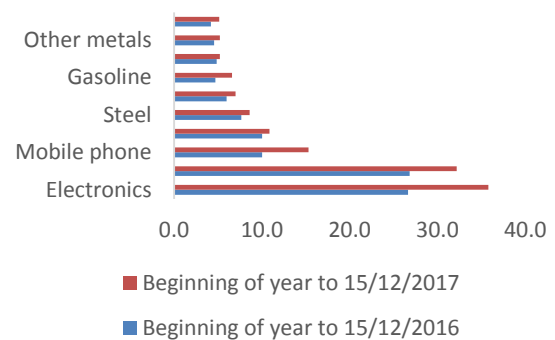
Forex

Central exchange rate maintained stable trend in 2017. As of December 22, the interbank exchange rate slightly increased by 0.13%, while the free exchange rate was down 0.11%. This is partly supported by the strong dollar depreciation against other major currencies; government stabilization policies; and abundant supply of foreign currency in 2017.

At the end of 2017, Dollar Index (DXY) dropped by 7.5% and the dollar was devalued against many other currencies such as VND (-0.18%); EUR (-12%), GBP (-9%), CHF (-4%).

Graph 12: USDVND movement

- Free Rate (Left)
- Interbank Rate (Left)
- SBV Rate (Left)
- SBV Rate Band (Left)

Source: GSO, BSC research
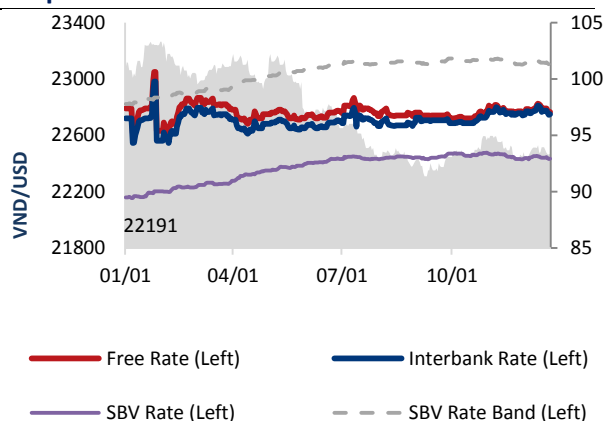
Graph 13: Exchange rates movement in 2017

- USDVND
- USDGBP
- USDJPY
- USDCHF
- USDCNY
- USDCAD
- USDEUR
- USDAUD
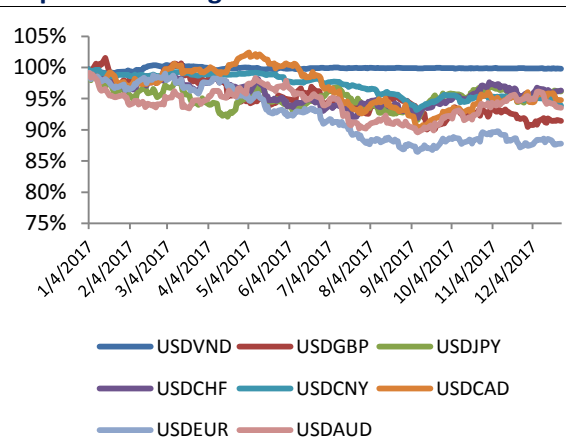
Banking – interest rates

- **Credit growth in 2017 is estimated at 19%, rose considerably YOY, deposit growth is estimated at 16.9%.**
- **Stable deposit and lending rates, no signs of interbank liquidity stress.**

Interest rate pressures were mostly at the beginning of the year. As of December 19, interbank interest rates were relatively stable compared to November. Banking liquidity is stable; there are no signs of liquidity shortage at year end.

Deposit rates were relatively stable. Interest rate level of common priority areas is 6% -6.5% for short term, 9% -10.5% for medium and long term. Interest rates for loans of popular business sectors were at 6.8% -9% for short term; 9.3% -11% for medium and long term.

Graph 14: Interbank rates
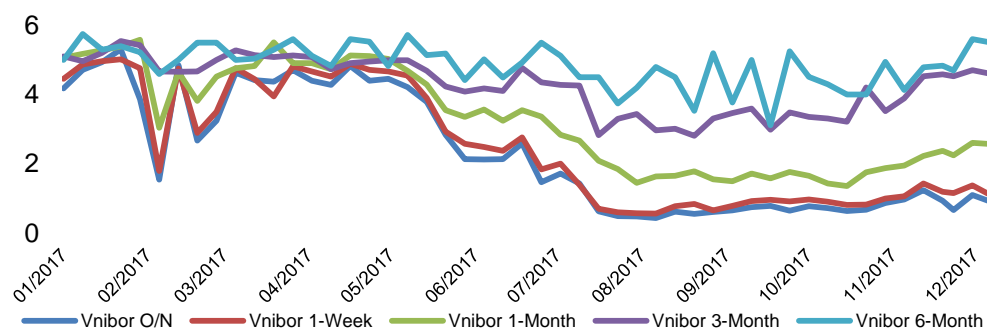
Source: Bloomberg, BSC Research

Table 8: Lending rates

Terms	2016	2017M12	Diff.
VND short term	6,8 - 9,0	6,8 – 8,5	-0,5
VND mid, long term	9,3 – 11	9,3 – 10,3	-0,7
USD Short term	2,8 - 4,8	2,8 - 4,2	-0,6
USD mid, long term	4,9 - 5,6	4,6 – 6,0	0,4

Source: GSO, BSC research

Table 9: Deposit rate

Term	2016	2017M12	Diff
VND			
Demand and below 1 month	0,8 – 1,0	0,8 – 1,0	0
1 month - 6 month	4,5 – 5,4	4,3 – 5,5	0,1
6 month - 12 month	5,4 – 6,5	5,3 – 6,5	0
Over 12 month	6,4 – 7,2	6,5 – 7,3	0,1
USD			
Citizen	0	0	-0,25
Institution	0	0	0

Source: SBV, BSC research

Macroeconomic indicators and forecasting 2018

- GDP growth was 7.46% in Q3 / 2017 thanks to strong growth in manufacturing sector. This achievement will help the GDP growth rate reach 6.7% for the whole of 2017. The average growth rate in 5 years is 6.0%, but the BSC considers that the GDP can still reach the growth rate from 6.5-6.6% as the growth rate of recent years is over 6% and the macroeconomic conditions remain good and stable such as increased FDI inflows, recovered consumption demandy, especially in the service sector and the policy of expanding credit thanks to inflation rates remains under control.

- CPI is estimated to reach 4% in 2017. The average CPI for the period 2012-2017 is 4.8%. In 2018, if incorporates the rising price of electricity, the CPI will be maintained at 4.5% thanks to a stable interest rate and abundant liquidity in the banking system.

- Import-export turnover is estimated to reach record growth of 20% as the manufacturing industry and the manufacturing and distribution of electricity, gas, hot water, steam and air conditioners continue to be the two main attractions for foreign investment capital. The average growth rate of export import turnover in the period 2012-2017 reached 13.1%. It is expected that in 2018, Vietnam's import and export turnover will continue to grow steadily when the effect of the 10 FTAs comes to the next stage in 2018. Considering the total import-export this year is very high, BSC estimates that the growth rate of import-export turnover in 2018 to be a conservative level of 10%.

- The registered FDI in 2017 increased sharply, reaching 45% compared to last year, making the 5-year average growth rate of 21.8%. In 2018, the continuos growth of FDI will maintain trade surplus as long as Samsung still selects Vietnam as the place to export its products to neighboring countries in the region and attractive effects from the tariff cuts of 10 trade agreements entering the final stage by 2020.

- Public debt and government debt will likely increase slightly in 2018, as (1) GDP continues to grow, (2) government gains more revenue from divestments of state-owned enterprises and (3) Vietnam is no longer eligible for ODA loans from World Bank, and has shifted to using preferential loans and proceeding to borrow in market loans according to market conditions.

- Credit growth is projected to reach 18% by 2017, bringing the average five-year growth to 14.9%. BSC estimates that credit growth rate will remain stable next year since liquidity in the banking system remains plentiful and the government maintains an expanding economic policy to prop up the market.

Table 10: Macro indicators over recent years and forecast for 2018

Indicator /year	2013	2014	2015	2016	2017E	2018E
GDP YoY (%)	5.4	6	6.7	6.2	6.8	6.6
Inflation (%)	6.59	4.08	0.62	4.7	3.5	4.5
Trade balance (billion USD)	0.86	2.14	-3.54	2.6	2.7	4
Total trade (billion USD)	263	298	327	349.2	424.87	463.3
Exchange rate (VND/USD)	21,095	21,388	22,485	22,365	22,750	23,000
Public debt/GDP (%)	54.2	59.6	61.3	63.6	62.6	63.9
Government debt/GDP (%)	42.3	47.4	48.9	52.6	51.8	52.5
Credit growth (%)	12.51	14.16	17.29	18.7	17	19-20
FDI disbursed (billion USD)	11.5	12.4	14.5	15.8	17.5	19.4
FDI registered (billion USD)	21.6	20.2	22.76	20.9	29.7	33.5

Source: BSC Research

Vietnam stock market movements in 2017

Vietnam Macro & Market Outlook 2017 report noted that "VN-Index is forecasted to fluctate with strong intensity. There will likely be a strong recovery in March - April. Psychological effects from new listings in 2016 and the first quarter of 2017 help the market to remain stable in 6 months. About VN-Index, we expect 758 points in the positive scenario. "

According to the half-year report of 2017, prospects for the third quarter, "VN-Index continues to conquer the new peak with the support of Blue-chips. Index moves in the range of 740-800 points in the third quarter and may reach 820-850 at the end of the year ""

According to the third quarter report of 2017, "the outlook for the fourth quarter is to remain unchanged. In the positive scenario, VN-Index will continue to reach the new peak, Banking stocks, key stocks with the divestment information will be the main supporters of the stock market.

The stock market in 2017 has jumped in many aspects such as index, liquidity, number of listed companies and market capitalization. Looking back at the Vietnam Macro & Market Outlook 2017 report on 3 aspects (1) indexes, (2) performances and (3) different market-cap stocks, market performances surpassed BSC forecasts on target price VN-Index which is 820-850 points in the semi-annual report 2017 However, performances and group of stocks were similar to what we consulted in the last 6 months.

In term of index, BSC has corrected our view in November about the probability of VN-Index moving in the range of 900-1,000 points. However, there was still a big gap between the forcasted index for half year and the index at the year end, VN-Index closed at 952.3 points in 22/12, the difference was 12% compared to the highest price level forecasted. The stocks with large exposure in the VN30 rose sharply exceeded the forcasted number of financial institutions by the weighting method due to the effect of foreign capital and the divesment of state capital. In addition, the newly listed stocks with the 3 leading stocks of PLX, VJC and VRE added 29.6 points to the VN Index, contributing to the above forecasted difference.

Secondly, in term of movements, there were two big corrections in the 6-month report (updated as mentioned in the first report in 2017) and November macro-monthly report adjusted the price range to 900-1,000 points. Our monthly report was close to the market movements. In the August report, although the market corrected, we still saw the opportunity to exceed 800 points of market index.

Thirdly, in term of group of stocks, Vietnam Macro & Market Outlook 2017 reports that "the large-cap stocks which was newy listed with the state exit plan will attract attention; Steel, Petroleum, Rubber, etc ... sectors benefited from the recovery of world commodity prices; The sectors focus on consumption such as Retail, Materials, Beverages, Pharmaceuticals, Aviation. " In fact, large-cap stocks, divestment stocks, new listing stocks of Beverages, Steel, Oil, Gas, Aviation, ... sectors were rhe groups of stocks with outstanding growth in this year. (Details in appendix 6)

The flow of events

Continuing the uptrend in 2016, two indexes consecutively set new highs and rose 43.2% and 42.3%, respectively, accounted to 22/12. The indexes rose sharply, surpassing the 10-year peak accompanied by a record of trading value. Average trading value on both exchanges was VND 5,032 billion, equivalent to USD 221.5 million, up 64.3% over the same period of 2016.

Chart 24: The flow of events of VN-Index
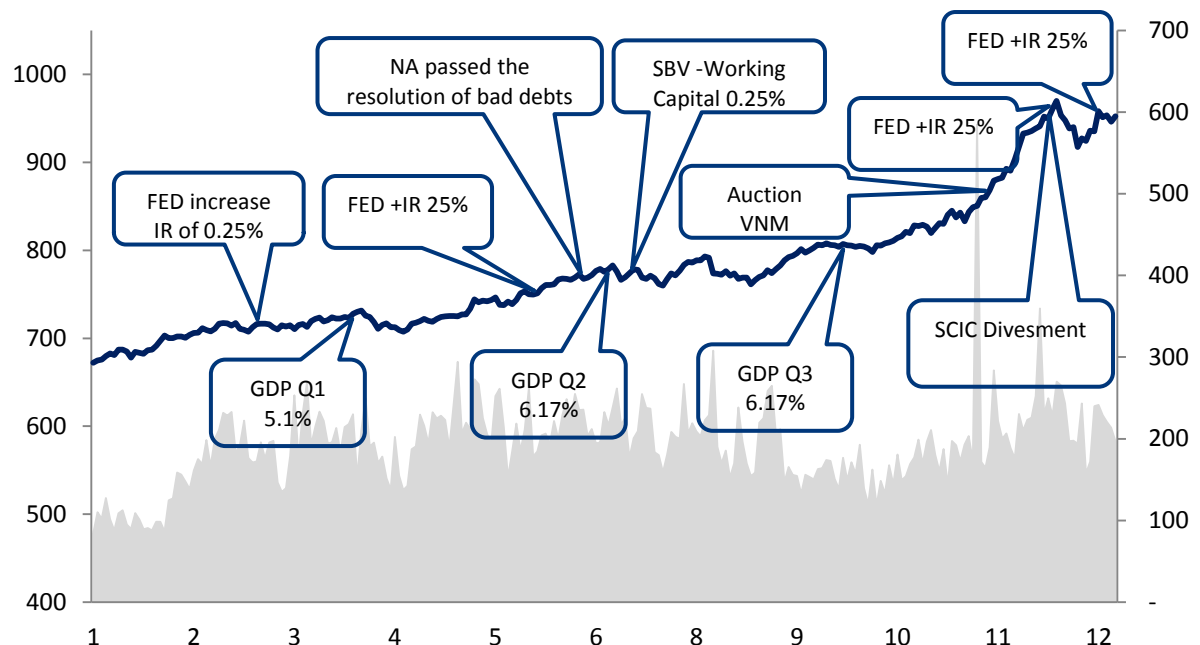
Source: BSC Research

The general trend is strong rally, low insensity of correction; Market movements can be divided into three phases**:**

- **Phase 1 (from 3/1/2016 to 30/6/2017):** The index gained sharply by 16.79% thanks to the support of large cap stocks such as VNM, PLX and Banking stocks. The top 6 stocks including VNM, PLX, CTG, BID, MBB and VCB contributed 62 points or 55.5% of the VN Index. Improved business results and information on the National Assembly will consider the resolution of bad debt that will help the banking group to be one of the key sectors of the market. On the uptrend, the money flowed strongly into the medium-cap stocks, especially Real estate. FED raised interest rates twice in March and June, though it did not affect foreign capital flows. Foreigners remained net buyers of VND2,114 billion on HSX.

- **Phase 2 (from 3/7/2016 to 31/8/2017):** The index gained 0.8% but liquidity improved. Major stocks were divided; the market entered a period of accumulation of fluctuations. The fluctuation made the money flow into group of speculative stocks. These stocks increased sharply and liquidity also increased in a short time. Foreign investors continued to buy strongly at VND 5,000 billion.

- **Phase 3 (from 1/9/2017 to 22/12/2017):** The index boomed by 21.6% as the cash flowed among the major stocks. Large consortium of blue-chips including VNM, VIC, GAS, VCB, MSN contributed 114.4 points, equivalent to 67.4% of VN-Index increase in the same period. Vietnam successfully held APEC, VNM successfully auctioned beyond expectation and VPB, VRE listed with strong foreign buying and sudden transactions before and after listing has excited the market. Liquidity hit a record high and foreigners maintained their buying momentum even though Fed continued to raise rates one more time in mid-December. Overall this period was the dominance of large stocks, cashflow weaken in small and medium stocks. Signs of sector movement appeared in Oil and Gas stocks in December.

Chart 25: VN-Index performance
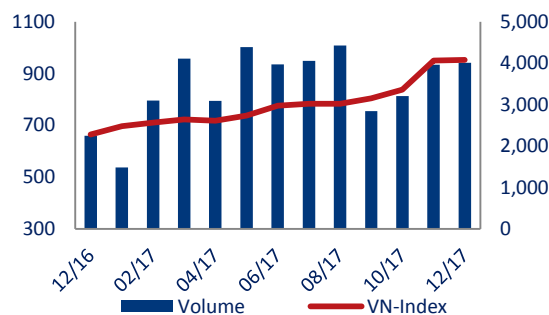
Chart 26: HNX-Index performance

Source: HNX, HSX, Bloomberg, BSC Research

Performances of Index groups 1

Performance up to 22/12/2017, only the BCs group was more efficient than the VN Index, the other groups were lower performance as BCs increased 47%, VN-Index increased 41.7%, SmallCap increased 32.1%, LargeCap increased 30%, MidCap increased 23.9%. The MidCap group has the lowest performance. For the whole year, BSC divided the group of stocks into 2 periods (1) the first 10 months of the year (2) the last 2 months of the year. Especially, the LargeCap, MidCap and SmallCap groups outperformed the VN-Index in the period (1) but underperformed the VN-Index in the period (2). In

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1 BSC categorize stock groups by market capitalization as follow: BCs included stock with market cap more than VND 6,000 billion, LargeCap included stock with market cap from VND 2,000 to VND 6,000 billion, MidCap included stock with market cap from VND 800 to VND 2,000 billion, SmallCap included stock with market cap less than VND 800 billion as of 03/01/2017

the period (2), BCs received foreign capital inflows which made the group 20% active in October, rising to a peak at 50% in November compared to the beginning of the year. Due to the large weight in VN-Index, this group made the market index increase strongly. In the period (2), the BCs received a great deal of attention from local and foreign investors, causing the remaining groups to trade weaker and only returned from mid-December.

Chart 27: Index group performances
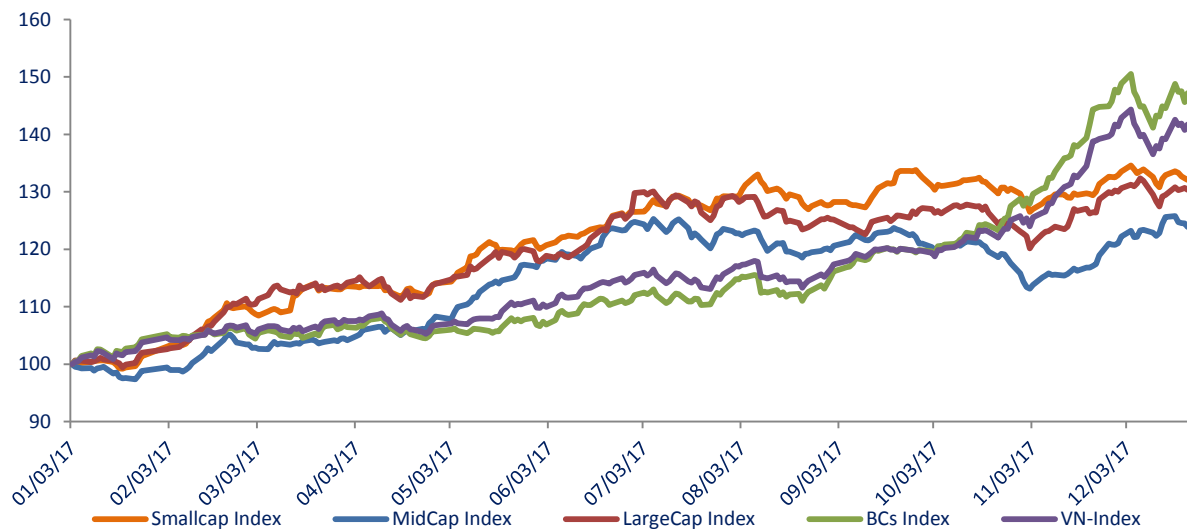
Source: Bloomberg, BSC Research

Market statistics in 2017

Market liquidity

Average order matching value in 2017 reached VND 6,225 billion per session, increased sharply from the average market order matching value at VND 2,936 billion per session in 2016, corresponding to 57.52%. Market liquidity is quite stable in 2017 and sudden increased in November and December due to the successful state capital divestitures from SCIC for VNM has released a large amount of cash and good sentiment for Blue chip stocks has good liquidity, strong rally leading market psychology.

Chart 28: Average order matching value in 2017
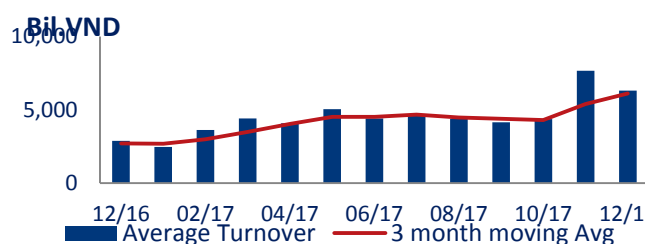
Chart 29: Market capitalization

Source: HNX, HSX, Bloomberg, BSC
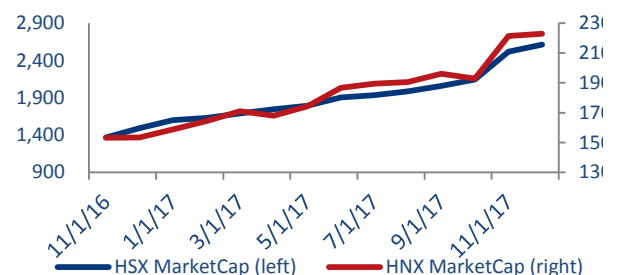
Market capitalization

By the end of December 2017, the capitalization of the two exchanges reached VND 2,740 trillion equivalent to USD 101.6 billion, up 67.1% over 2016.

The market capitalization of UPCOM continues to outperform HNX. As of the beginning of December 2017, the market capitalization of Upcom reached over VND 627 trillion, while HNX was estimated at VND 217.3 trillion. The market capitalization in the year 2017 has attracted large amounts of money from investors such as HVN, ACV, LPB and VIB. The equitization of many SOEs by public auction and listing on the stock market has provided the stock market with many high quality stocks, influenced strongly on capital market development.

Rising prices, new listing activity contributes mainly to the increase in market capitalization. As of 22/12/2017, Upcom listed 324 new stocks, 8 times higher than 43 listed stocks on both exchanges (HSX: 26 and HNX 17). Listing scale increased sharply thanks to both new listings and existing stocks increased in market capitalization. Especially, the HSX increased by VND 1,010 trillion with 323 newly listed (31.9 percent) and VND 690 (68.1 percent) trillion with exist listings; The HNX saw an increase of VND 66.5 trillion by VND 8.3 trillion with new listings (12.5 percent) and VND 58.2 trillion with exist listings (87.5 percent); And Upcom increased VND 337.4 trillion by VND 217.1 trillion with new listings (64.3 percent) and VND 120.3 trillion with exist listings (35.7 percent). Due to the high listing standards on HSX exchange, it is common for new stocks to be listed on Upcom before considering to HSX. With very large listed companies on Upcom this year, BSC expects that there will be plenty of good fundamental stock choices for investors on the HSX which delist in Upcom in 2018.

Foreign transaction

In 2017, foreign cash flow still plays the role of leading and orienting the market, especially in the end of the year. Contrary to 2016, foreign investors no longer consider Vietnam as a non-strategic market, which has upgraded to a strategic market, continuously increasing the proportion of investment in their portfolio. The current trend is very similar to 2006-2007 but much better because (1) the stock market is more diversified and the market scale is also much larger than in previous years (2) large free cash flow is waiting for investment. BSC expects that the 2018 market will continue to maintain its upward momentum in both index and liquidity as the end of 2017 thanks to the inflow of foreign cash into the market.

- By the time of data collection in December, foreigners performed a net buying of USD 934.6 million for the whole market, equivalent to VND 21,233 trillion, in contrast to the trend of net selling in 2016.
- Foreign investors were net buyers in the whole year of 2017 and the most active trading activity was in November with two main factors namely VNM and VRE. Particularly VRE at 7/11, foreign investors net bought VND 5,500 billion to help the market trading up to VND 20,000 billion highest in the year.
- Upcom exchange also had a net buy of about VND 1,400 billion focusing on QNS, ACV, HVN, GEX, SGN

The market in the short term will also receive large support from foreign investors with new listing and SOEs divestment. BSC expects that the demand from the foreign investors will continue to release a large amount of cash from existing investors to help boosting the quality of the stock market.

Chart 30: Foreign transaction 2013-2017
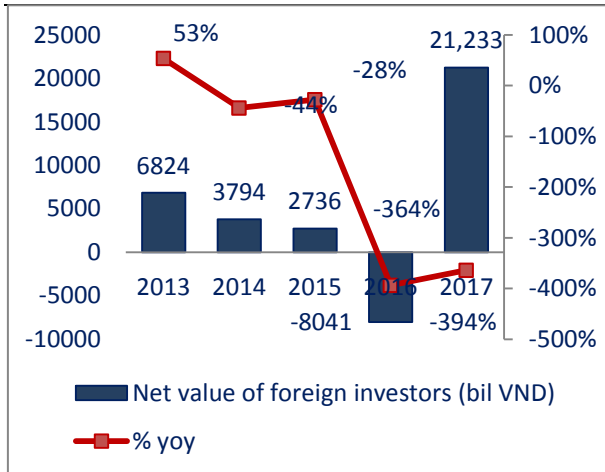
Table 31: Foreign transaction in Asia countries (USD million)

Country	December	Quarter 4	FY2017
India	(1,043.4)	2,203.9	7,710.2
Indonesia	(316.6)	(2,151.6)	2,958.0
Japan	(7,765.4)	20,097.1	3,036.8
Malaysia	194.9	137.9	2,415.2
Phillipines	(12.5)	(38.7)	1,027.2
Korea	(1,414.5)	1,716.6	7,950.4
Taiwan	(1,568.0)	(1,195.0)	5,641.2
Thailand	(326.9)	(1,128.4)	(848.2)
Vietnam	**(24.5)**	**412.7**	**934.6**

Source: Bloomberg, BSC Research

Foreign capital flows into the stock market surged in 2017 together with the general trend of Asia market. While markets in the same region traded in opposite directions in the year, foreign investors were net buyers in Vietnam. Although net buying value is modest compared to other countries in the region, the net buying value in Vietnam is very high compared to GDP as well as historical data.

Chart 32: Foreign transactions on HSX
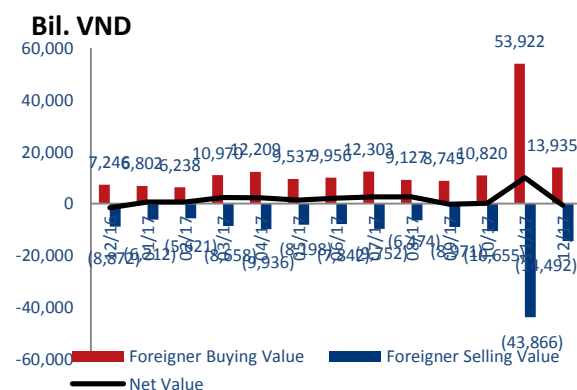
Chart 33: Foreign transactions on HNX
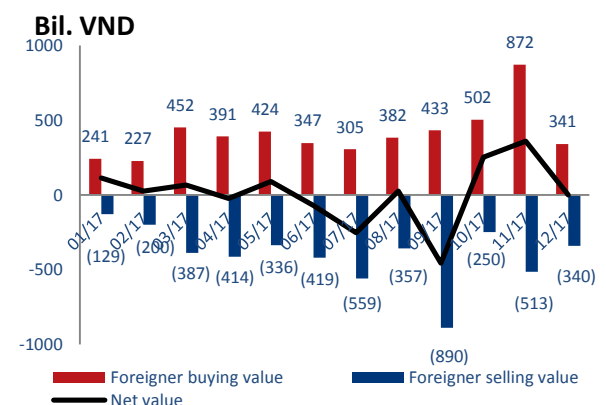
Source: Bloomberg, BSC Research

Foreign investors bought a net of VNM (VND 7,644.8 billion), VRE (VND 5,486.4 billion), HPG (VND 2,571.7 billion), PGD (VND 1,243.7 billion), CTD (VND 1,074.2 billion) on HOSE in 2017, while they sold strongly on NVL (VND 1,416.9 billion), MSN (VND 1,347.7 billion), VIC (VND 1,266 billion), PVD (VND 586.7 billion).

Foreign investors bough a net of VGC (VND 227.3 billion), HUT (VND 222.3 billion), DBC (VND 70.5 billion), VCG (VND 65.3 billion), IDV (VND 51.3 billion), on HNX in 2017, while net sold strongly in PVS (VND 717.3 billion), NTP (VND 682.5 billion), SHB (VND 145.2 billion), PGS (VND 58 billion). On UPCOM, they net bought strongly in QNS (VND 416.6 billion), ACV (VND 354.7 billion), GEX (VND 339.6 billion), SGN (VND 141.6 billion) and net sold MSR (VND 20 billion), SDI (VND 11 billion).

Chart 34: Top 10 foreigners net bough value on HOSE

Source: Bloomberg, BSC Research
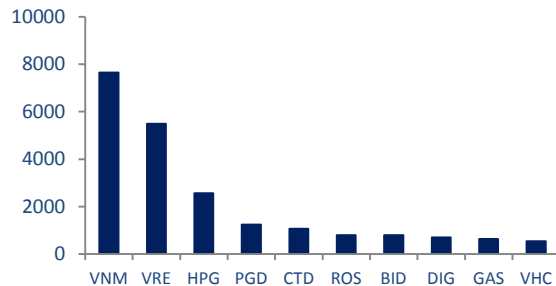
Top 10 Top 10 foreigners net bought value on HNX
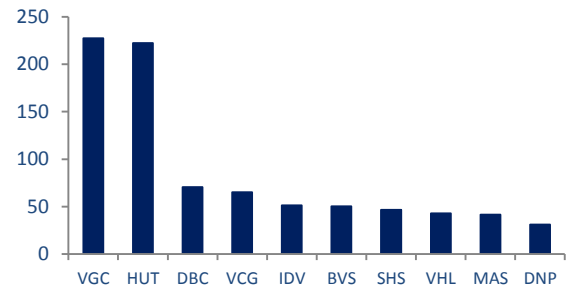
Chart 35: Top 10 foreigners net sold on HOSE

Souce: Bloomberg, BSC Research
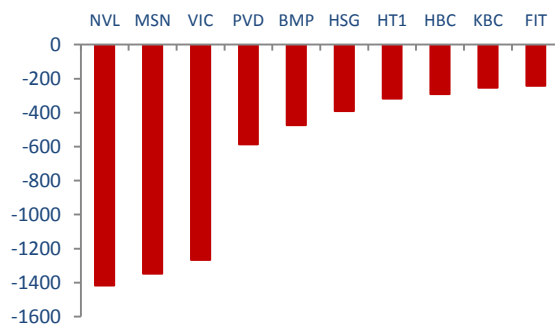
Top 10 foreigners net sold on HNX
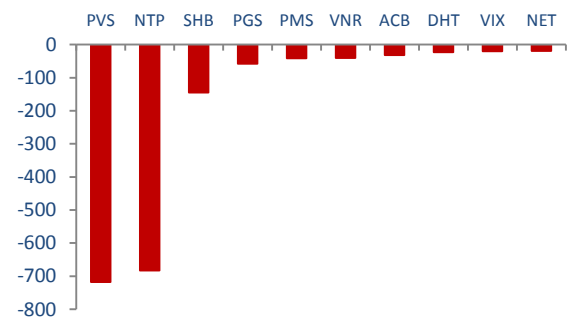
Chart 36: Total asset and number of shares of ETF VNM

Source: Bloomberg, BSC Research
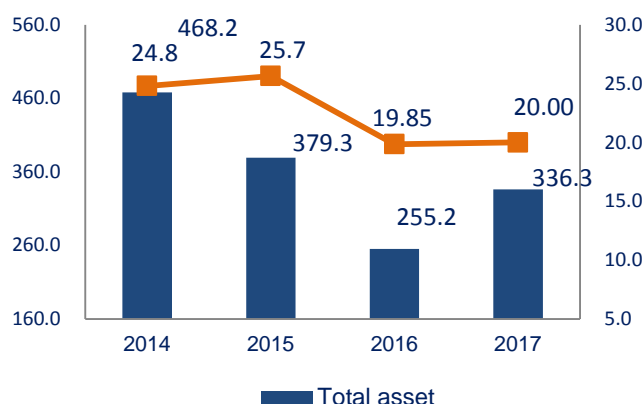
Chart 37: Total asset and number of shares of ETF FTSE VN
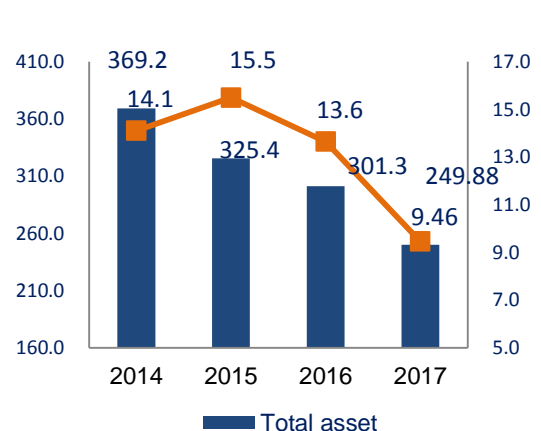
2 ETFs VNM and FTSE VN are different on changing size and outstanding shares in 2017.

The size of the ETF VNM increased from 19.9 million shares in 2016 to 20.0 million shares in 2017, corresponding to 0.1 million shares (0.8%). Total assets increased from USD 255.2 million to USD 336.3 million, injecting a net USD 81 million.

The size of the ETF FTSE fund fell from 13.6 million shares in 2016 to 9.46 million shares in 2017, corresponding to -4.14 million shares (-30.7%). Total assets decreased from USD 301.3 million to USD 249.9 million, with a net withdrawal of USD 51.4 million

2017 stock movement assessment

Increased 10/12 months, VN-Index maintained a strong rebound to the peak in 2007 and almost no significant correction. Along with 2016, the stock market was being in a strong uptrend thanks to macroeconomic stability, growth of the economy and especially strong foreign buying. FED raised the interest rate three times in this year; however it did not prevent the flow of foreign capital into Vietnam, resulting in strong increases in large stocks in term of price, cash flow which shifted between large stocks pushed the index increased strongly. Continuing its momentum in 2016, the uptrend of VN-Index in 2017 was very strong, the liquidity improved markedly and set many records of capitalization and liquidity. Some tendencies of major stock groups in 2017 (detailed industry movements in Appendix 6):

- **Moving follows the outstanding performances of stock**. Groups of stocks that had significant change in their business results such as Banking sector (VCB, ACB, MBB), Real estate sector (DXG, LDG, KAC), Construction (REE, HBC, LCG), Materials (HPG, POM, VIS) increased strongly in term of price.

- **Moving follows the expectation of divestment of listed companies and the new wave of listing**. Newly listed stocks (VJC, PLX, BHN, VRE …), and stocks in divesting group of SCIC (VNM, VCG, DMC, etc) had good fundamental and effected positively to the market. The trend to invest in the OTC market, buying at the beginning of the wave of listing on the main market, especially in Banking sectors in the second half of 2017. This trend continues to extend to the first months 2018 when many Oil companies will be equitized in January and the wave of listing in the Banking sector in the first quarter.

- **Moving follows the commodities in the world.** Many basic commodities increased their price such as Oil, Steel, … had a strong influence on stocks in their sectors. Oil prices rebound and keep up the second half of 2017 to help Oil and Gas stocks (GAS, PVD, PVS) grow strongly by the end of 2017. Similarly, steel prices maintained stable momentum in the second half of 2017. It also helped HSG, HPG, NKG, and POM to grow well.

- **Moving follows the large cap stock**. Thanks to the buying effect from the foreigners, the cashflow was invested into largecap stocks from August to the end of 2018. The price level of VN30 stocks pushed up to an average P/E of 19.3 in mid-December.

Chart 38: Sectors in 2017 according to ICB
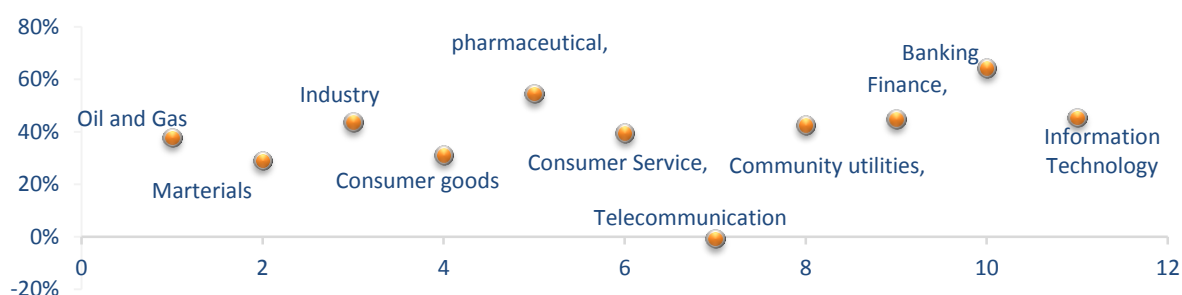
Source: Finpro, BSC Research

2018 market outlook

Factors affecting the stock market

We consider the factors affecting the outlook of the 2017 stock market based on the following aspects: (1) economic environment and macroeconomic outlook, (2) market internalities, (3) capital, (4) world economy and (5) other issues. The stock market is still supported by favorable business environment and economic cycle. Market size has been increasing due to new listing, divesment and equitization. Foreign capital inflows helped the market to absorb the state equity and divested liquidity. However, when many stocks are priced so high, next year supply and demand correlations and international news will have a significant impact on market fluctuations in 2018.

Table 15: Factors affect the stock market in 2018

No	Content		Level of impact	Impact direction
1	Economic environment	Population, income and urbanization	•••••	Long-term
		VN was ranked up 14 places by WB	•••••	
		Increase the ownership ratio of foreign investors	•••	Attracting foreign investors
		Decree 71 completes the legal framework for the management of public companies	••••	Improving governance
		Reduce administrative procedures and business conditions	••••	Improve quality and behavior
2	Domestic market	Market capitalization	•••	Market valuation
		Market liquidity	••••	The attractiveness
		Upgrading of the stock market (Prospect on 6/2019	•••••	Attracting foreign capital, improving the market size
		Divestment of state	••••	Providing better goods
		IPO and M & A	•••••	Promoting growth
		The degree of improved profitability	••••	Market valuation
		Finishing the Derivative Market	••••	The level of attractiveness and diversity of the market
3	Capital flows	Interest rates and exchange rates are stable	•••••	Market valuation and cash flow
		Foreign investment inflows	••••	New investment flow
		Credit growth	•••	Market risk
4	Other problems	Trade agreements	••••	
		Public debt is high	•••	Pressure on public investment
		Resolution 42 dealing with bad debt	••••	Credit growth is sustainable
		Geopolitical issues	•••	
5	International economy	Fed raised interest rates	•••••	Influence of foreign capital flows
		OPEC cuts oil output	•••	Pressure on inflation
		Trend of protectionism	••••	Implication of import and export
		Large economies growth	••••	Export prospect

Source: BSC Research

Forcasting stock market for 2018

- The uptrend has been maintained but many leading stocks had high price. Having been forecastedx by 3 methods, VN-Index will fluctuate in the range of 785-1,053 with the peak in the second quarter at 1,165 points. The upside will depend on new cash flow and the surge of new listed stocks in 2018, which is also create a surprise for 2018.
- Number of listed companies, based on an average of 10% growth, and was adjusted because IPOs are mostly listed on Upcom-Index. Account number is based on 5-year average growth. The net buy volume was calculated on the amount of capital divestment from VNM. Liquidity increased 18% on average in 4 years, thanks to newly listed stocks.
- VN-Index EPS of the whole market (total EAT / total number of listed stocks) last 4 quarters of VND 2,188, the average growth rate of 3 years is about 7%. Estimated to increase to VND 2,341 in 2018. On average, the VN-Index is forecasted in 2018 to have P/E and P/B of 16.6 and 2.4 respectively. Similarly, the P/E and P/B of the HNX-Index in 2018 are forecasted at 12.2 and 1.1 respectively

Table 16: Stock market fundamental ratios and forecasting 2018

Indicators	2015	2016	2017F	2018F
Indicators				
Stock market				
- VN-Index	579.0	664.8	984.24	785–1,053
% growth	*6.1%*	*14.8%*	*44.4%*	
- HNX-Index	79.9	80.1	116.86	100-130
- UPCOM-Index	51.0	53.8	54.91	60-64
Number of listed companies	1,045.0	1,103.0	1,417.0	1,548.0
% growth	*8.8%*	*5.6%*	*28.5%*	*9.2%*
- VN-Index	317.0	320.0	349.0	370.0
- HNX-Index	375.0	376.0	383.0	393.0
- UPCOM-Index	353.0	407.0	685.0	785.0
Number of accounts (thousands unit)	1,570.6	1,690.0	1,902.0	2,092.2
% growth	*12.9%*	*7.6%*	*12.5%*	*10.0%*
- Domestic account	18.6	20.1	23.0	25.3
- Foreign account	1,552.0	1,670.0	1,879.0	2,066.9
Market capitalization (bil USD)	61.8	78.4	148.5	170.0
% growth	*11.2%*	*26.8%*	*89.4%*	*16.0%*
Net of foreign purchase/sale on listed market (mil USD)	125.5	(355.1)	1,009	500.0
Market liquidity				
Avg transaction value/session including put-through trading value of 3 exchanges (mil USD)	117.1	136.9	217.8	272.2
% growth	*-17.3%*	*16.9%*	*59.1%*	*25.0%*
Market liquididty turn-over (stock turn over/year)	0.6	0.6	0.7	0.8
- HSX	0.5	0.6	0.7	
- HNX	1	1	1.1	
- Upcom	0.1	0.1	0.1	
Average trading session above 1 mil USD/days	27	23	45	50
Fundamental ratios				

VN-Index				
- P/E	12.5	15.6	19.3	16.6
- P/B	1.7	2.0	2.8	2.4
HNX-Index				
- P/E	10.3	10.0	14.1	12.2
- P/B	1.0	0.9	1.2	1.1

Nguồn: BSC Research

Forecast the VN-Index in 2018

We use 3 methods of Monte Carlo simulation, large weighted stocks and technical analysis to forecast VN-Index. VN-Index is forecasted to move from the negative case 785 points and positive case 1,053 points by the end of the year; the peak of the second quarter could reach 1,165 points. The forecast is based on the valuation of the existing stocks; the degree of change will depend on the listing prices and the weight of the new listed stocks affecting the index. VN-Index is forecasted as follows:

Forecasting VN-Index Monte Carlo simulation:

Method overview

- The VN-Index is forecasted by Monte Carlo Simulation with data from 16/12/2016 to 19/12/2017 as the market structure of the first two quarters of 2018 is quite different from historical data.
- In addition, BSC expects the current trend of the VN-Index will continue to be maintained thanks to the strength of Blue chip stocks, the consensus from the remaining groups and the good economic growth.
- Based on the Index simulation, BSC statistics after the simulation 1,000 times of VN-Index.
- BSC forecasts VN-Index to Q2/2018 as follows:

	Q1/2017	Q2/2017
Mean index	1,042.30	1,133.72
Median	1,041.86	1,133.03
Standard deviation	12.77	19.47
Percentile 5%	1,021.91	1,100.93
Percentile 95%	1,062.90	1,165.59
Percentile 25%	1,033.03	1,120.36
Percentile 75%	1,050.81	1,146.76

Forecasting the VN-Index in Q1 and Q2 in 2018

	Q1/2018	Q2/2018
Negative case	1,021.9	1,100.9
Positive case	1,062.9	1,165.6

Forecasting the VN-Index by large weighted stocks method

Method overview

- This method is based on valuation of the key stocks in 2017 for the next 6-12 months by domestic and international securities companies and financial institutions.
- VN-Index is built based on the average price (the arithmetic average of all price forecasts), the highest price, and the lowest price of the 35 largest shares (weighting 83.5% VN-Index). Other stocks had a growth rate equal to a 7% gain which is average market growth for 3 years.
- Stock markets have rallied for a long time, and many of the major stock prices have surpassed previous forecast of institutions. However, we still use the maximum price of the forecasting units, although the forecasting prices arelower than the current price. For stocks without forecasted price such as ROS, BHN, STB, SBT, we use current price to calculate the VN-Index.

Calculated results as follow: (Details in appendix 7)

	Target	Maximum	Minimum
VN-Index 2018	914	1,021	767

Source: BSC Research

Forecasting the VN-Index by technical analysis

Price of many stocks exceed the forecast of securities companies, local and global financial institutions, we use technical analysis method for to forecast the price of 30 stocks that had largest proportion of VN-Index to speculate the future market index points.

Method overview

- VN-Index is defined as the peak price and the bottom of 30 stocks with the largest proportion (81.9% market capitalization), other stocks with the growth rate equal to the 3 years profit growth rate of 7%.
- Using the technical chart of the week, the bottom price of the stocks is considered to be the cumulative price level before the price increase or technical lines and the strong support zone is usually level 2 support, while Peak price is the price determined by the Fibonacci extension lines, Elliot wave, price channel and acceptable model, etc.

Calculated results as follow: (Details in appendix 8)

	Maximum	Minimum
VN-Index 2018	1,085	803

Source: BSC Research

Appendix

Appendix 1. Trade agreements

No.	Agreement	Parties	Process of execution	Counter party
1	ATIGA	ASEAN	In 2017, 8,603 tariffs have been cut, down to zero tariffs. In 2018, 669 tariffs will be cut to 0% by 2018, including cars, motorcycles, motorbike components, cooking oils, tropical fruits, refrigerators, air conditioners, milk and dairy products etc	
2	ACFTA	ASEAN - China	From 01/01/2018, 588 tariffs will be cut to 0%, bringing the number of zero tariff to 8,571, accounting for 90.3% of the total tariff, including some meat products, cereals, electric motors, household goods, chemicals, auto parts, building materials, plastics, rubber, paper etc By 2020, there are about 475 sensitive tariffs cut to 5% including steel products, electric cables, household electrical appliances; rubber products, ceramics, paper, cement, plastic and other industrial products; processed agricultural products; Some trucks and special vehicles tariffs, etc	On the Chinese side, by 2015, there will be 7,845 tariffs cut to 0%, accounting for 95.35% of total amount and 91.59% of total imports from Vietnam. The average tariff of the China Tariff Table for ASEAN in the period 2015 - 2017 is 0.73% per year and in 2018 is 0.56% per year.
3	AKFTA	ASEAN – South Korea	On the Vietnamese side, from 2015, Vietnam eliminated 7,366 tariffs (accounting for 77.6% of total amount) focused on a number of products belonging to agricultural products, machinery and components, textiles, seafood, paper, chemicals, products from iron and steel base metals, etc By 2018, the total tariffs to be eliminated are 8,184 (accounting for 86% of total amount). In addition to the tariffs that have been eliminated in 2018, it is estimated that around 620 tariffs will be reduced to 5% (focusing on a number of groups such as electronics, mechanics, steel and basic metals, petrochemical	On the Korean side, the elimination of import tariffs as agreed in the AKFTA has been completed since 2010. Up to 2015, 90.9% of Vietnam's exports to Korea will be subject to a tax rate of 0% for certificate of original holders. The group of Korean products does not commit or only cut import tariffs at the end of the plan (2021), mainly consisting of some types of seafood (shrimp, crab, frozen fish, canned), agricultural products (dairy, honey, garlic, ginger, red bean, sweet potato), tropical fruits and industrial

			products, machine components, some specialized automobile items ...).	goods such as textiles, mechanical products, etc
4	AJCEP	ASEAN - Japan	Vietnam committed to eliminate 8,281 tariffs (88.6% of total amount) within 16 years. By 2015, there will be 2,874 tariffs with a 0% tax rate (equivalent to 30% of the total). By 2018, Vietnam committed to eliminate tariffs on 62.2% of total tariff, focusing on commodities such as plastics, chemicals, machinery, equipment, tools, assessories, computers, electronic products, components, fibers, textile raw materials, leather and footwear, pharmaceutical products. By 2025, Viet Nam committed to eliminate 26.4% of all tariff tables, bringing the total tariff lines to 0% to 88.6% of total tariff table.	On the Japanese side, as of April 1, 2015, tariffs have been removed for 923 agricultural products from Vietnam. By 2019, 338 additional agricultural tariffs will be removed. By the end of the plan in 2026, Japan committed to eliminate tariffs on 96.45% of tariff table for products with certificate of origin is Vietnam, concentrated mainly on agricultural, textiles, footwear, furniture, electronic components, etc
5	VJEPA	Vietnam-Japan	As of April 1, 2015, Vietnam has eliminated 32.92% of tariff lines in VJEPA. In 2018, the number of tariff table cutting the import tax to 0% of Vietnam will account for 41.78% of the total tariff. By 2026, the last year of the tariff reduction schedule, Vietnam committed to eliminate on 90.64% of tariff table.	
6	AANZFTA	ASEAN - Australia – New Zealand	Executed AANZFTA agreement, in 2015, Vietnam eliminated 2,666 tariffs (28.1% of total amount), focusing on cereals, timber, vegetables, seafood, cotton, plastic materials, ceramics, pharmaceutical materials, textile raw materials, footwear. By 2018, 8,127 tariffs will be eliminated (accounting for 86% of the tariff table) and 8,669 tariffs (92% of tariff table) will be eliminated by the end of the plan (2022).	
7	AIFTA	ASEAN - India	Vietnam committed to eliminate 80% of tariffs by 2021 (71% of tariffs in 2018 and 9% of tariffs by 2021), and cut the remaining 10% by the end of the plan	India committed to eliminate 80% of tariffs by 2016 (71% of tariffs in 2013 and 9% of tariffs by 2016), and 10% of tariffs reduce tax rate in 2019, the exclusion list accounts for about 10%

			(2024).	of the tariff table.
8	VCFTA	Vietnam - Chile	Vietnam committed to eliminate 87.8% of total tariff (accounting for 91.22% of Chilean imports in 2007). Over the next 15 years, the expected plan to end at 2029, the number of fully cut or partially cut tariffs accounting for 12.2% table, is concentrated in some sensitive sectors such as agriculture, oil and gas.	Chile has a greater degree of openness to Vietnamese goods. Accordingly, 83.54% of the total tariff will be eliminated as soon as the VCFTA becomes effective, accounting for 81.8% of Vietnam's exports to Chile in 2007. Some key export items of Vietnam will be promptly tariff reductions are now coming from the current 6 percent of textiles, seafood, coffee, tea, computers and components. By 2029, Chile would eliminate most of the tariffs from Vietnam, accounting for 99.62% of the total tariff and equivalent to 100% of Vietnam's exports to Chile in 2007.
9	VKTA	Vietnam – South Korea	VKFTA was officially signed on 05/5/2015 in Hanoi. On the basis of ASEAN-ROK agreement, Viet Nam's agreement to VKFTA added 265 items, worth USD 917 million from Korea. This category included commodities such as textiles and garments; plastic materials, electronic components, auto parts, electric components, some steel products, electrical cables.	South Korea's agreement included 506 items, of which 4 items with a current MFN tax rate of 0%. South Korea has committed to give Vietnam concession tariffs and open quotas on key export items of Vietnam such as seafood (shrimp, crab, frozen and canned fish), agricultural products, tropical fruits and industrial goods such as textiles, garments, mechanical products.
10	VCUFTA	Vietnam –Eurasian Economic Union	VCUFTA was officially signed on May 29, 2015 and is expected to be effective from 2016. Vietnam is committed to opening up the market of eliminating about 90% of tariff table with a plan within 10 years. Accordingly, the elimination of tariffs on some agricultural products (beef, dairy products, wheat); to open with a plan of 3-5 years for meat, fish processing, electrical machinery and equipment, agricultural machines; 5 years for chicken, pork; 10 years for some kinds of alcohol and cars; Import tax on petrol will not be eliminated before 2027. Iron and steel have a plan to eliminate tariff 0 - 5 - 7 - 10 years.	The Eurasian Economic Union committed to promptly abolish import tariffs on about 53% of total tariffs, focusing on agro-forestry-fishery products, including most products of seafood, some fresh vegetables and fruits and processed vegetables, processed meat - fish, cereals, rice (the quota is 10,000 tons); A number of industrial products which Vietnam has advantages in exports such as textiles and garments (in quotas) and garment and textile materials, leather and footwear (especially fitness shoes), electronic machinery and parts and some pharmaceuticals, steel, rubber products, wood and furniture

Appendix 2: MACRO-ECONOMIC FUNDAMENTAL INDICATORS IN THE PERIOD 2000 - 2017

YEAR	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 FW
Macro-economic data																		
GDP(%)	6.8	6.9	7.1	7.3	7.8	8.4	8.2	8.5	6.2	5.3	6.8	5.9	5.3	5.4	6.0	6.7	6.2	6.8
Population (million)	77.1	78.1	79.1	80.0	81.0	81.9	84.1	85.1	86.0	86.2	86.9	87.8	88.8	89.7	90.7	91.7	92.7	93.7
IIP(%)	17.5	14.6	14.8	16.8	16.6	17.1	16.8	16.7	13.9	8.5	15.3	7.3	4.7	5.9	7.6	9.8	8.3	12.5
Import/Export																		
Export (USD billion)	14.5	15.0	16.7	20.1	26.5	32.4	39.8	48.6	62.7	57.1	72.2	96.9	114.5	132.2	150.0	162.4	175.9	213.77
Import (USD billion)	15.6	16.2	19.7	25.3	32.0	36.8	44.9	62.8	80.7	69.9	84.8	106.7	111.6	132.0	148.1	165.6	173.3	211.1
Trade balance (USD billion)	(1.2)	(1.2)	(3.0)	(5.1)	(5.5)	(4.3)	(5.1)	(14.2)	(18.0)	(12.9)	(12.6)	(9.8)	2.9	0.1	2.0	(3.2)	2.6	2.67
Foreign Direct Investment																		
FDI registered (USD billion)	2.8	3.1	3.0	3.2	4.5	6.8	12.0	21.3	21.7	21.5	19.8	14.7	13.0	21.6	20.2	22.8	20.9	29.7
FDI disbursed (USD billion)	2.4	2.5	2.6	2.7	2.9	3.3	4.1	8.0	11.5	10.0	11.0	11.0	10.5	11.5	12.4	14.5	15.8	17.5
Credit growth																		
M2 (%)	56.2	25.5	17.6	24.9	29.5	29.7	33.6	46.1	20.3	29.0	33.3	12.1	12.6	4.4	17.7	16.2	18.4	13.7
Credit growth(%)	N/a	N/a	N/a	N/a	42.0	32.0	25.0	53.9	25.4	37.5	31.2	12.0	8.9	12.5	14.2	17.3	18.7	17
CPI(%)	(1.7)	(0.4)	3.8	3.2	7.8	8.3	7.4	8.3	23.1	7.1	8.9	18.7	9.1	6.6	4.1	0.9	4.7	3.5
Exchange VND/USD	14,514	15,084	15,403	15,646	15,777	15,916	16,054	16,114	16,977	17,941	18,932	20,828	20,828	21,036	21,199	21,923	22,365	22,750
VND Interest rates																		
No maturity	0.2	0.2	2.4	2.4	2.4	3.0	3.0	3.1	3.7	2.9	3.0	3.2	2.2	1.0	0.8	0.8	1.0	0.2

| 12 months | 6.2 | 6.8 | 7.8 | 7.2 | 7.6 | 8.4 | 8.4 | 8.8 | 13.5 | 10.4 | 11.5 | 13.0 | 11.5 | 8.5 | 6.8 | 6 | 6.4 | 6.5 |

Appendix 3: STOCK MARKET FUNDAMENT INDICATORS IN THE PERIOD 2000 - 2017

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Ước 2017
Stock market indicators																		
VN-Index	206.8	235.4	183.3	166.9	239.3	307.5	751.8	927.0	315.6	494.8	484.7	351.6	413.7	504.6	545.6	579.0	664.8	960.0
Growth (%)	106.8	13.8	(22.1)	(9.0)	43.4	28.5	144.5	23.3	(66.0)	56.8	(2.0)	(27.5)	17.7	22.0	8.1	6.1	14.8	44.4
HNX-Index							242.8	323.6	105.1	168.2	114.2	58.7	57.7	67.8	83.0	80.0	80.1	115.0
Growth (%)							142.8	33.3	(67.5)	60.0	(32.1)	(48.6)	(1.7)	17.5	22.4	(3.6)	0.2	43.5
Account number (million)	0.003	0.009	0.014	0.017	0.022	0.031	0.11	0.35	0.53	0.82	1.05	1.18	1.26	1.28	1.39	1.57	1.69	1.9
Growth (%)		200.0	55.6	21.4	29.4	40.9	254.8	218.2	51.4	54.7	28.0	12.4	6.8	1.6	8.6	12.9	7.6	12.4
Operating Securiities Corporations	8	9.0	10.0	12.0	13.0	13.0	34.0	58.0	77.0	83.0	86.0	86.0	87.0	88.0	89.0	81.0	79.0	79.0
Market cap (bil USD)	0.03	0.07	0.08	0.06	0.1	0.21	9.33	30.72	11.69	31.93	34.86	25.35	35.96	46.35	54.69	61.84	78.38	140.5
Growth (%)		133.3	14.3	(25.0)	66.7	110.0	4,342.9	229.3	(61.9)	173.1	9.2	(27.3)	41.9	28.9	18.0	13.1	26.7	79.2
% GDP		0.10	0.20	0.20	0.20	0.40	14.00	39.70	11.80	30.10	30.10	18.70	24.50	27.10	29.40	32.30	38.90	69.30
Liquidity (mil USD)	0.1	0.4	0.3	0.1	0.5	0.7	9.9	66.8	46.0	134.5	130.0	50.6	64.1	66.2	141.6	117.1	136.9	217.8
Growth (%)		366.7	(38.1)	(50.0)	276.9	36.7	1,371.6	577.5	(31.1)	192.1	(3.3)	(61.1)	26.7	3.3	113.9	(17.3)	16.9	59.1
Foreign trading (mil USD)	0.1	0.7	5.4	4.7	24.6	17.7	401.5	1,422.2	358.2	186.9	797.0	71.9	213.5	324.5	178.9	124.8	-360.9	980
Fundamental Ratios																		
- P/E VN-Index							45.03	24.31	13.49	12.14	10.44	8.76	11.73	12.39	12.88	12.53	15.55	18.9
- P/B VN-Index							6.82	4.62	1.6	2.21	1.88	1.2	1.52	1.77	1.78	1.72	1.97	2.7

- P/E HNX-Index								23.05	8.8	12.97	10.03	8.01	24.48	16.91	11.03	10.33	10.02	13.9
- P/B HNX-Index								5.06	1.43	2.14	1.44	0.78	0.76	0.92	0.08	1.01	0.86	1.2

Appendix 4: Forecast of listing stocks in VN30

#	Stock	Market cap (mil USD)	FF rates	Market cap proportion limit	Forecasted proportion
1	VNM	10,106.60	45%	41.2%	10.0%
2	VIC	6,220.92	35%	86.2%	10.0%
3	HPG	2,412.89	60%	100.0%	7.7%
4	MSN	2,619.54	45%	100.0%	6.3%
5	VJC	2,060.04	55%	100.0%	6.0%
6	SAB	7,481.24	15%	100.0%	6.0%
7	MWG	1,576.25	65%	100.0%	5.5%
8	MBB	1,772.78	55%	100.0%	5.2%
9	FPT	1,176.40	80%	100.0%	5.0%
10	STB	955.71	80%	100.0%	4.1%
11	ROS	2,640.17	25%	100.0%	3.5%
12	VCB	6,358.58	10%	100.0%	3.4%
13	NVL	1,720.47	35%	100.0%	3.2%
14	GMD	529.34	85%	100.0%	2.4%
15	PNJ	512.01	80%	100.0%	2.2%
16	SSI	543.96	65%	100.0%	1.9%
17	PLX	3,260.79	10%	100.0%	1.7%
18	CTG	3,241.49	10%	100.0%	1.7%
19	REE	487.55	60%	100.0%	1.6%
20	SBT	485.34	60%	100.0%	1.6%
21	GAS	5,794.73	5%	100.0%	1.5%
22	CII	365.29	75%	100.0%	1.5%
23	HSG	423.19	60%	100.0%	1.4%
24	HBC	318.42	70%	100.0%	1.2%
25	KBC	295.82	75%	100.0%	1.2%
26	DXG	244.01	80%	100.0%	1.0%
27	BVH	1,671.11	10%	100.0%	0.9%
28	BID	3,221.57	5%	100.0%	0.9%
29	BMP	294.22	50%	100.0%	0.8%
30	PDR	295.01	40%	100.0%	0.6%

Appendix 5: Movement of fundamental indicators in VN30, MidCap and SmallCap sectors in 2017.

VN30 (Top 30 stocks satisfied requirments in question 8)

Stock	Marketcap (Mil USD)	P/E	FF	% Government	% Foreign ownership	%± EPS**	%±P/E	%±P/B	% ± 12/12	Contribute VN-Index
BID	3,221.6	14.4	5%	95%	2%	24%	37%	65%	79.48	15.28
BMP	294.2	16.4	50%	30%	43%	-31%	19%	-23%	-11.96	(0.18)
BVH	1,671.1	30.0	10%	74%	25%	16%	-15%	-8%	1.55	0.16
CII	365.3	5.6	75%	9%	57%	88%	-36%	-12%	25.09	0.85
CTD	723.9	10.7	35%	0%	49%	-2%	22%	8%	27.12	1.54
CTG	3,241.5	10.6	10%	64%	30%	38%	3%	38%	66.74	13.71
DHG	624.8	22.3	35%	44%	49%	3%	59%	67%	77.71	2.39
DPM	386.5	12.3	40%	60%	21%	-30%	34%	-8%	1.29	0.09
FPT	1,176.4	13.1	80%	6%	49%	20%	17%	26%	54.39	4.00
GAS	5,794.7	18.8	5%	96%	3%	30%	10%	41%	63.38	25.22
GMD	529.3	21.3	55%	0%	20%	-6%	59%	101%	50.28	1.03
HPG	2,412.9	7.3	60%	0%	40%	21%	22%	9%	47.24	6.73
HSG	423.2	6.1	60%	0%	25%	-8%	7%	-20%	-16.71	(0.83)
KBC	295.8	10.8	75%	0%	25%	4%	-7%	-11%	-3.26	(0.07)
KDC	372.6	14.1	60%	0%	17%	-52%	122%	-1%	14.8	0.60
MBB	1,772.8	11.2	55%	32%	20%	31%	38%	68%	104.46	9.06
MSN	2,619.5	38.0	45%	0%	27%	-23%	118%	35%	86.17	15.16
MWG	1,576.2	19.6	65%	0%	49%	26%	29%	19%	61.78	5.65
NT2	362.5	13.8	30%	65%	22%	-37%	89%	26%	43.31	1.17
NVL	1,720.5	18.4	30%	0%	6%	0%	4%	4%	3.99	0.73
PVD	255.0	-	50%	50%	21%	-323%	-100%	2%	2.72	0.01
REE	487.6	7.2	60%	1%	49%	50%	4%	45%	76.51	2.14
ROS	2,640.2	154.0	25%	0%	2%	-9%	53%	35%	40.6	8.38
SAB	7,481.2	45.5	15%	90%	10%	7%	48%	22%	58.88	29.93
SBT	485.3	15.9	55%	0%	9%	14%	-24%	-24%	-17.33	(0.77)
SSI	544.0	14.2	65%	0%	54%	9%	23%	8%	45.42	1.68
STB	955.7	32.8	80%	0%	9%	675%	-83%	28%	32.45	1.99
VCB	6,358.6	23.2	10%	77%	21%	23%	2%	12%	31.62	15.49
VIC	6,220.9	55.4	35%	0%	9%	9%	55%	65%	69.93	30.04
VNM	10,106.6	30.3	45%	36%	60%	10%	41%	43%	59.59	41.97
Total	65,120.6	19.3*				8%*	20%*	12%*	39.24	**233.1472**
VN-Index	67.6%									88.8%

MidCap (stocks that, were ranked bellowed VN30, were rearranged in an average daily descending order without flee foat adjustment until the 40th position in the index, stocks below 81th position will be excluded; from rank 41th to 80th position stocks are preferably selected, and then new stocks are considered to be categorized as Midcap)

Stock	Marketcap (Mil USD)	P/E	FF	% Goven	% Foreign	%± EPS**	%±P/E	%±P/B	% ± 12/12	Contribute VN-Index
ASM	119.0	21.5	60%	0%	2%	-29%	15%	-22%	-18.06	(0.23)
BCI	114.4	22.6	45%	0%	9%	336%	-66%	42%	49.12	0.39
BFC	98.5	6.9	35%	65%	18%	10%	4%	6%	35.42	0.24
BIC	179.4	30.9	15%	51%	48%	-2%	-12%	-12%	-15.29	(0.27)
BMI	119.5	12.2	30%	51%	45%	40%	1%	39%	52.13	0.44
CAV	135.7	8.9	25%	0%	1%	36%	-33%	-48%	12.1	0.14
CHP	150.5	7.3	35%	60%	3%	98%	-31%	31%	57.92	0.55
CMG	57.6	17.9	30%	0%	6%	58%	74%	152%	224.64	0.76
CNG	34.8	6.9	35%	0%	27%	8%	-34%	-26%	-16.24	(0.07)
CSM	70.3	12.4	50%	51%	5%	-49%	53%	-16%	-9.16	(0.07)
CSV	67.7	7.7	30%	65%	20%	27%	8%	36%	61.65	0.27
DCM	312.5	8.3	25%	76%	3%	48%	-18%	16%	30.81	0.70
DIG	170.1	85.1	45%	0%	43%	8%	153%	172%	188.48	1.33
DLG	49.2	14.8	85%	0%	14%	-15%	47%	25%	24.4	0.08
DMC	178.0	20.2	15%	35%	63%	18%	45%	59%	75.6	0.74
DPR	73.1	5.8	40%	56%	21%	73%	-40%	9%	31.26	0.19
DQC	55.3	10.4	50%	0%	20%	-36%	-3%	-37%	-32.02	(0.26)
DRC	127.3	11.8	50%	51%	25%	-38%	23%	-21%	-11.42	(0.16)
DRH	51.9	10.3	90%	0%	0%	24%	-34%	-23%	-14.17	(0.07)
DXG	244.0	6.7	75%	0%	31%	18%	55%	67%	98	1.26
ELC	39.8	11.7	40%	0%	22%	-34%	-9%	-38%	-34.74	(0.17)
EVE	32.6	16.5	85%	0%	64%	-47%	48%	-20%	-12	(0.05)
FCN	55.8	6.0	85%	0%	40%	30%	-1%	28%	42.24	0.15
FIT	102.1	20.6	55%	0%	1%	-26%	161%	89%	88.6	0.43
FLC	202.1	7.5	80%	0%	9%	-48%	158%	31%	35.09	0.51
GTN	179.5	124.3	45%	0%	47%	19%	-22%	-6%	-6.93	(0.10)
HAG	340.2	11.7	65%	0%	6%	-144%	NA	53%	36.38	0.62
HBC	318.4	7.3	80%	0%	21%	70%	28%	74%	129.19	1.46
HCM	245.1	15.3	40%	29%	58%	44%	35%	81%	105.34	1.42
HDG	108.4	16.3	45%	0%	21%	-30%	112%	63%	64.34	0.44
HHS	52.5	19.1	60%	0%	7%	-49%	177%	40%	40.76	0.16
HNG	319.6	9.5	40%	0%	2%	-179%	NA	58%	57.47	1.18
HQC	64.9	409.0	85%	0%	9%	-85%	689%	13%	15.86	0.06
HT1	276.0	12.7	20%	80%	7%	-38%	32%	-16%	-9	(0.33)
IJC	65.4	7.7	25%	79%	6%	38%	-57%	10%	69.97	0.40
IMP	123.9	23.1	65%	18%	49%	5%	20%	-12%	30.99	0.22
ITA	160.9	67.0	70%	0%	4%	14%	-28%	-18%	-17.75	(0.25)
KDH	335.7	15.7	60%	0%	48%	28%	24%	77%	71.4	1.27

Stock	Marketcap (Mio.USD)	P/E	Free Float	% Gover	% Foreign	%± EPS**	%±P/E	%±P/B	% ± 12/12	Contribute VN-Index
KSB	101.1	10.0	75%	0%	4%	14%	19%	19%	43.49	0.22
LIX	65.6	10.7	50%	51%	24%	-9%	-16%	-32%	-11.35	(0.09)
NBB	72.6	16.6	55%	2%	35%	113%	-39%	29%	59.23	0.28
NCT	98.5	10.3	35%	55%	17%	0%	16%	36%	52.48	0.37
NKG	167.8	5.9	35%	0%	39%	-7%	72%	21%	69.41	0.58
NLG	196.3	8.8	45%	0%	48%	48%	-2%	37%	50.49	0.63
NNC	53.9	5.9	45%	38%	21%	13%	-17%	-22%	11.77	0.07
NSC	77.5	8.7	25%	0%	15%	12%	8%	12%	29.56	0.17
PAC	103.9	11.4	40%	51%	32%	15%	29%	52%	67.79	0.40
PC1	159.1	16.8	60%	0%	38%	-34%	112%	29%	37.14	0.40
PDR	295.0	18.4	40%	0%	1%	77%	59%	157%	183.46	1.99
PGD	169.9	29.0	25%	51%	28%	-42%	71%	3%	10.8	0.17
PGI	73.5	11.9	25%	45%	21%	8%	-21%	-11%	-5.45	(0.03)
PHR	137.8	11.7	35%	67%	10%	27%	30%	59%	82.11	0.65
PNJ	512.0	19.8	70%	0%	49%	42%	31%	12%	92.65	2.47
PPC	294.2	3.9	25%	51%	17%	200%	-59%	10%	55.44	1.05
PTB	148.5	11.8	65%	0%	16%	23%	2%	4%	32.03	0.34
PVT	186.1	13.6	40%	51%	30%	-5%	54%	50%	66.63	0.79
QCG	217.3	9.1	30%	0%	1%	808%	-61%	240%	263.63	1.23
SAM	77.9	41.2	95%	0%	12%	108%	-49%	4%	12.47	0.11
SCR	109.1	22.9	80%	0%	7%	-36%	82%	13%	16.56	0.14
SJD	72.0	7.4	50%	51%	33%	51%	-8%	37%	70.42	0.29
SJS	128.9	90.1	50%	36%	11%	-80%	593%	44%	40.17	0.38
SKG	77.8	7.7	45%	0%	36%	-4%	-35%	-46%	-37.26	(0.34)
STG	81.8	2.4	20%	0%	1%	434%	-86%	-45%	-24.3	(0.21)
TCH	272.8	18.8	55%	0%	3%	-7%	NA	NA	63.67	1.31
VFG	55.2	7.7	75%	0%	19%	-8%	-27%	-34%	-28.28	(0.14)
VHC	204.7	9.0	40%	0%	38%	-1%	-8%	-22%	-8.95	(0.23)
VNS	51.8	4.4	50%	0%	41%	-27%	-47%	-65%	-52.17	(0.42)
VSC	108.7	9.5	95%	0%	42%	6%	-16%	-17%	-8.42	(0.07)
VSH	161.2	12.5	30%	0%	15%	13%	-2%	11%	28.54	0.34
Tổng	**9,964.3**	**12.8***				**2%***	**0%***	**8%***	**40.5**	**12.6337**
VN-Index	**10.3%**									**4.8%**

SmallCap (Other stocks after VN30 and MidCap)

Stock	Marketcap (Mio.USD)	P/E	Free Float	% Gover	% Foreign	%± EPS**	%±P/E	%±P/B	% ± 12/12	Contribute VN-Index
AAA	85.4	9.1	65%	0%	16%	29%	2%	27%	53.98	0.26
ABT	16.7	14.8	20%	0%	5%	-53%	39%	-31%	-24.46	(0.05)
ACC	10.7	9.5	20%	73%	18%	-35%	6%	-27%	-19.69	(0.02)
ADS	15.6	8.7	40%	0%	0%	0%	-13%	-13%	22.64	0.02

AGM	7.3	11.6	20%	28%	6%	102%	-57%	-15%	-17	(0.01)
AMD	28.9	18.7	65%	0%	0%	-33%	6%	-34%	-32.7	(0.13)
ANV	47.2	11.2	30%	0%	1%	528%	-45%	241%	342.69	0.40
APC	25.2	15.8	40%	0%	6%	57%	177%	269%	351.05	0.30
APG	3.3	15.8	75%	0%	2%	3796%	-97%	-2%	-4.31	(0.00)
ASP	10.1	4.9	40%	0%	49%	157%	-35%	59%	75.5	0.04
ATG	2.4	120.8	80%	0%	2%	0%	-45%	-45%	-48.76	(0.02)
BCE	7.6	7.9	45%	52%	5%	65%	-43%	-3%	19.54	0.01
BCG	32.4	33.3	75%	0%	18%	-23%	59%	23%	22.55	0.05
BMC	9.3	19.0	50%	25%	11%	6%	-7%	-1%	9.3	0.01
BSI	59.7	5.8	15%	86%	9%	65%	-29%	2%	15.37	0.07
BTP	30.2	28.1	20%	80%	10%	-80%	312%	-5%	1.99	0.01
C32	22.0	5.5	90%	38%	31%	-5%	-3%	-18%	0.54	0.00
C47	14.5	10.5	75%	0%	3%	486%	-74%	36%	60.59	0.04
CCL	7.2	54.5	85%	0%	5%	-32%	150%	68%	78.28	0.02
CDC	11.5	9.5	50%	24%	0%	76%	-27%	19%	47.32	0.04
CDO	4.8	-	100%	0%	1%	-114%	-100%	-70%	-72.22	(0.10)
CLC	39.9	7.1	45%	51%	6%	7%	15%	10%	25.52	0.08
CLG	5.5	26.6	35%	0%	9%	-68%	308%	29%	32.14	0.01
CTI	80.7	11.1	50%	0%	28%	-4%	16%	2%	28.52	0.13
D2D	23.2	12.7	40%	58%	9%	27%	50%	72%	99.99	0.14
DAG	22.3	6.6	50%	0%	5%	16%	-44%	-39%	-25.01	(0.05)
DAH	8.1	4.8	65%	0%	4%	8%	-41%	-34%	-12.05	(0.01)
DCL	56.8	13.3	30%	0%	3%	8%	-9%	-9%	-3.36	(0.02)
DGW	30.5	11.7	40%	0%	11%	0%	23%	17%	36.7	0.09
DHA	23.2	7.4	60%	25%	9%	51%	-26%	3%	33.59	0.06
DHC	45.3	18.4	60%	0%	36%	-19%	73%	1%	28.03	0.08
DHM	5.3	8.3	80%	0%	0%	-6%	-51%	-54%	-57.31	(0.05)
DIC	7.4	11.9	85%	6%	8%	61%	-25%	24%	33.87	0.02
DSN	29.5	8.9	60%	0%	18%	25%	-23%	-6%	1.99	0.00
DTA	5.5	16.6	50%	0%	0%	3415%	-89%	298%	308.56	0.05
DXV	2.0	12.3	35%	66%	0%	-35%	39%	-12%	-8.84	(0.00)
FCM	12.4	6.9	65%	0%	6%	-9%	26%	14%	32.63	0.03
FMC	33.6	6.9	40%	11%	7%	18%	-5%	17%	76.86	0.15
GIL	21.4	8.2	70%	0%	11%	-35%	15%	-28%	-15.23	(0.03)
GMC	20.0	6.5	70%	10%	15%	0%	10%	5%	33.82	0.05
GSP	17.9	9.9	35%	68%	12%	-8%	41%	31%	63.36	0.07
GTA	7.1	9.4	30%	11%	9%	18%	5%	28%	51.97	0.02
HAH	34.2	4.9	55%	0%	29%	13%	-31%	-34%	-15.67	(0.05)
HAI	52.8	13.3	85%	0%	1%	22%	86%	121%	127.08	0.22
HAP	10.8	45.5	85%	0%	8%	-61%	247%	37%	48.45	0.03
HAR	48.2	127.4	80%	0%	0%	-57%	783%	275%	281.44	0.30
HAS	3.0	3.8	60%	28%	23%	23%	-19%	-1%	13.37	0.00
HAX	40.8	11.9	60%	0%	15%	-22%	88%	26%	46.73	0.10
HCD	5.1	4.6	85%	0%	4%	30%	-28%	-9%	9.64	0.00

HDC	32.6	8.3	85%	0%	19%	48%	2%	50%	71.55	0.13
HID	6.4	4.3	80%	0%	8%	38%	NA	NA	-86.67	(0.37)
HLG	19.5	4.1	20%	0%	2%	-10%	33%	0%	13.04	0.02
HMC	10.6	3.9	35%	56%	1%	7%	38%	40%	82.35	0.05
HTI	19.8	5.4	40%	48%	15%	27%	-28%	-13%	5.81	0.01
HTL	23.6	26.3	15%	0%	48%	-67%	133%	-19%	-16.88	(0.04)
IDI	63.3	9.5	50%	0%	2%	130%	27%	164%	226.27	0.62
ITC	42.7	10.8	65%	16%	7%	232%	-57%	40%	44.93	0.13
ITD	16.4	4.8	70%	0%	19%	36%	-34%	-14%	-17.11	(0.02)
KHA	20.2	11.6	80%	31%	4%	-24%	-14%	-36%	-24.34	(0.05)
KHP	17.3	-	50%	52%	18%	-124%	-100%	-12%	6.39	0.01
KMR	10.6	-	55%	0%	46%	-112%	-100%	-19%	-21.26	(0.02)
KPF	4.8	22.6	40%	0%	0%	0%	14%	14%	15.24	0.01
KSH	6.8	28.2	55%	0%	1%	322%	-77%	0%	0.44	(0.00)
LAF	8.0	6.9	20%	0%	3%	4%	4%	1%	0.83	0.00
LBM	14.7	6.4	30%	0%	7%	-4%	1%	-20%	5.66	0.01
LCG	36.4	8.8	95%	0%	26%	34%	100%	170%	200.11	0.24
LDG	95.1	7.2	60%	0%	4%	70%	114%	237%	270.71	0.56
LGL	17.0	10.8	50%	0%	0%	93%	-24%	68%	55.26	0.06
LHG	31.0	3.2	50%	0%	14%	0%	14%	-3%	29.48	0.05
LM8	8.9	4.3	50%	51%	10%	7%	-22%	-18%	-2.52	(0.00)
LSS	36.6	7.3	40%	0%	7%	8%	-46%	-41%	14.63	0.05
MCG	8.8	38.2	80%	1%	5%	-39%	222%	94%	96.08	0.05
MCP	17.9	14.8	35%	39%	1%	70%	-15%	50%	72.96	0.08
MDG	6.2	7.5	35%	19%	1%	207%	-58%	34%	31.57	0.02
MHC	8.6	60.1	75%	0%	3%	-94%	1653%	7%	8.74	0.01
NAF	32.7	10.8	70%	0%	14%	30%	-44%	-35%	-27.01	(0.10)
NTL	26.4	5.7	80%	0%	8%	54%	-30%	11%	12.09	0.03
NVT	13.6	-	95%	0%	51%	-1246%	-100%	172%	56.14	0.04
PET	40.1	6.7	75%	25%	19%	-6%	3%	-1%	15.2	0.05
PGC	39.2	7.1	35%	52%	11%	23%	-6%	15%	42.8	0.12
PJT	9.4	5.5	35%	51%	16%	2%	13%	19%	30.6	0.02
PTC	4.6	-	30%	0%	0%	-179%	-100%	-18%	-8.02	(0.00)
PXS	22.8	11.6	40%	0%	11%	-54%	64%	-20%	0.42	0.00
PXT	3.6	8.4	50%	51%	1%	-66%	181%	-11%	1.14	(0.00)
QBS	28.1	11.3	65%	0%	8%	238%	-55%	52%	58.13	0.08
RAL	65.4	8.6	30%	0%	5%	25%	15%	33%	55.16	0.24
RDP	25.2	14.5	30%	0%	0%	-37%	49%	-2%	14.06	0.02
SAV	6.2	8.9	35%	0%	49%	414%	-72%	39%	44.81	0.02
SBA	41.7	6.9	65%	39%	0%	124%	-35%	38%	67.68	0.17
SCD	15.2	266.9	30%	62%	11%	-95%	1690%	2%	0.93	0.00
SFG	28.8	5.9	30%	67%	2%	10%	-4%	1%	33.63	0.07
SFI	15.2	8.0	55%	0%	35%	-27%	36%	-5%	8.62	0.01
SGT	28.5	3.4	30%	0%	13%	177%	-56%	3%	22.6	0.04
SHA	8.6	5.2	55%	0%	1%	-18%	19%	-4%	3.32	0.00

SHI	22.4	4.2	70%	0%	2%	-3%	-6%	-11%	2.29	0.01
SMA	6.9	9.7	85%	3%	0%	264%	-56%	65%	63.87	0.03
SMC	42.6	3.0	40%	0%	32%	-28%	73%	14%	36.94	0.12
SPM	9.1	-	25%	0%	3%	-122%	-100%	-24%	2.11	0.00
SRC	17.1	9.8	45%	51%	0%	-39%	21%	-29%	-13.29	(0.03)
SRF	27.8	6.9	30%	13%	26%	6%	-16%	-6%	4.59	0.01
ST8	26.3	14.2	20%	0%	49%	-34%	34%	-13%	-5.78	(0.00)
SVC	53.6	11.7	60%	41%	41%	1%	1%	0%	4.83	0.02
SZL	30.8	9.5	40%	61%	16%	-14%	30%	15%	31.3	0.08
TCL	26.1	6.7	50%	51%	14%	5%	-7%	-7%	7.77	0.02
TCM	62.7	8.7	60%	0%	49%	90%	5%	74%	105.46	0.32
TCR	7.5	-	50%	0%	49%	-223%	-100%	-16%	-15.12	(0.00)
TCT	30.3	12.0	35%	0%	17%	3%	11%	1%	38.76	0.09
TDC	34.8	3.8	40%	61%	1%	65%	-28%	30%	57	0.12
TDH	54.0	7.0	90%	6%	48%	65%	-2%	59%	98.59	0.25
THG	26.9	5.7	85%	0%	1%	14%	-30%	-27%	-6.18	(0.01)
TIE	4.2	15.1	40%	70%	4%	30%	-25%	7%	5.62	0.00
TIP	18.8	7.7	40%	57%	14%	-11%	6%	-11%	3.22	0.01
TLH	47.5	2.7	60%	0%	6%	-18%	22%	-11%	-0.65	0.00
TMT	18.1	41.9	45%	9%	5%	-82%	278%	-34%	-36.42	(0.08)
TNA	21.5	5.7	45%	21%	14%	-24%	-3%	-29%	-19.32	(0.04)
TNC	10.0	8.9	40%	51%	2%	9%	-1%	8%	23.25	0.02
TNT	4.5	100.4	95%	0%	0%	-55%	185%	26%	23.28	0.01
TRC	36.4	7.7	40%	60%	7%	56%	-31%	4%	17.88	0.06
TS4	5.6	-	25%	27%	2%	-25%	NA	1%	15.68	0.01
TSC	29.6	-	45%	0%	0%	-115%	-100%	44%	42.64	0.07
TV1	22.0	44.8	30%	54%	0%	-70%	288%	14%	22.67	0.04
TYA	14.9	6.2	20%	0%	42%	11%	-7%	-1%	26.21	0.01
UDC	6.0	3.0	35%	68%	0%	758%	-78%	89%	85.64	0.03
UIC	12.4	4.9	50%	51%	20%	56%	-24%	6%	36.34	0.03
VHG	11.8	-	95%	0%	1%	808%	NA	-26%	-40.37	(0.05)
VIP	22.4	10.8	45%	56%	6%	-40%	66%	0%	25.91	0.05
VIS	79.2	16.3	25%	0%	25%	37%	28%	39%	77.37	0.33
VMD	18.9	15.5	20%	14%	5%	-41%	37%	-24%	-7	(0.01)
VNE	33.8	6.4	95%	0%	15%	968%	-90%	-5%	5.34	0.02
VNG	43.7	21.6	45%	0%	5%	66%	-28%	23%	20.14	0.11
VPH	30.6	2.6	55%	0%	12%	204%	-38%	47%	91.03	0.13
VRC	27.0	8.8	95%	0%	1%	1423%	-92%	32%	20.51	(0.01)
VSI	8.8	6.3	40%	60%	3%	0%	15%	24%	47.67	0.03
VTB	8.3	8.7	40%	56%	8%	37%	-9%	34%	66.04	0.04
VTO	25.5	7.0	50%	52%	2%	7%	-9%	-3%	22.41	0.05
Total	1,762.1	10.4*				1%*	-7%*	3%*	31.3	**1.278**
VN-Index	1.8%									0.5%

(*) Caculated based on average arithmetic and erase value that are above 60, or % above 60%.

(**) EPS trailing 2017/EPS 2016

Appendix 6: Sectors trend and notable stocks in 2017

#	Sector	Level	± 22/12	P/E	P/B	Top 3 notable stocks
1	**Petroleum**	**1**	**38.0%**	**20.0**	**4.0**	
	Petroleum	2	38.0%	20.0	4.0	PLX+41.1%, PVC+57.5%, PVB+92.4%
	Petroleum production	3	48.0%	19.0	5.0	PVC+57.5%, PEQ+57.9%, PVB+92.4%
	Equipment, Services and Distribution of Petroleum	3	27.2%	26.0	1.0	PLX+41.1%
2	**Materials**	**1**	**28.9%**	**11.0**	**2.0**	
	Chemicals	2	9.9%	12.0	1.0	PHR+68.3%, HVT+73%, HAI+131.8%
	Basic resources	2	37.8%	10.0	2.0	HPG+64.8%, POM+88.2%, VIS+103.6%
	Forestry and Paper	3	15.4%	8.0	2.0	TTF+40.1%, VID+51.3%, MDF+53.6%
	Metals	3	46.8%	8.0	2.0	TIS+72%, POM+88.2%, VIS+103.6%
	Mining	3	24.0%	38.0	4.0	SPI+87%, MIM+144.1%, ALV+332.2%
`	**Industry**	**1**	**43.6%**	**20.0**	**6.0**	
	Construction and Materials	2	27.5%	18.0	6.0	REE+76.1%, HBC+115.6%, LCG+179.6%
	Goods & Services Industry	2	60.3%	23.0	6.0	PAC+50.7%, VOS+240.2%, DL1+304.4%
	Industry goods	3	-12.0%	89.0	1.0	CKD+56.5%,REE+76.1%, CTT+90.9%
	Electronics & Electrical Equipment	3	13.0%	12.0	2.0	PAC+50.7%, VTB+54.5%, TGP+97.6%
	Heavy Industry	3	52.7%	8.0	2.0	MCP+55.4%, BTG+62.2%, DAP+95.3%
	Transportation	3	72.2%	30.0	7.0	ACV+100.6%, PJC+102.2%, DL1+304.4%
	Consulting & Support Business	3	6.2%	11.0	1.0	SMA+72%, PVM+101.7%, IPA+145.4%
4	**Consumer goods**	**1**	**31.0%**	**23.0**	**8.0**	
	Cars and spare parts	2	10.9%	15.0	2.0	TCH+34.4%, HHS+37.4%, HAX+45.9%
	Food & Beverage	2	33.4%	25.0	9.0	VNM+63.8%, MSN+79.6%, IDI+181.6%
	Beer and beverages	3	22.5%	32.0	9.0	VTL+76.1%, VCF+78.9%, VKD+87.7%
	Food production	3	39.2%	23.0	8.0	HNF+177.5%, S33+177.8%, IDI+181.6%
	Personal & Household Goods	2	9.0%	12.0	3.0	TMW+61.3%, PNJ+96.8%, TCM+106.7%
	Household appliances	3	3.6%	8.0	2.0	GDT-0.6%, RAL+46.2%, TMW+61.3%
	Recreational goods	3	-20.6%	20.0	4.0	GTL+134.9%, TAG-27.9%
	Individual goods	3	11.5%	13.0	3.0	TET+42.9%, PNJ+96.8%, TCM+106.7%
	Cigarette	3	15.8%	6.0	1.0	HLG+18.9%, CLC+28.7%, VTJ+49.1%
5	**Pharmaceuticals and Health**	**1**	**54.6%**	**16.0**	**4.0**	
	Medical	2	54.6%	16.0	4.0	HDG+76.1%, DMC+77.8%, DP3+156%
	Medical Equipment and Services	3	49.2%	12.0	4.0	DNM-28.3%, JVC+26.1%, MEF+33.3%
	Pharmaceuticals	3	54.6%	16.0	4.0	AMV+97.5%, DP3+156%, APC+352.6%
6	**Consumer Services**	**1**	**39.3%**	**21.0**	**6.0**	
	Retail	2	76.7%	18.0	7.0	DGW+25.3%, CMV+40.6%, MWG+70.6%
	Distribution of food &	3	-16.3%	-	1.0	AGX-42.6%, TH1-51.8%

	pharmaceuticals				
	Retail	3	78.3%	18.0	7.0 VT1+26.5%, CMV+40.6%, MWG+70.6%
	Media	2	20.4%	46.0	5.0 VEF+46.4%, PNC+70%, IN4+164.2%
	Travel and Entertainment	2	25.0%	21.0	5.0 SGH+42.2%, ATS+471.4%, TTR+760.3%
7	**Telecommunication**	**1**	**-0.6%**	**9.0**	**3.0**
	Telecommunication	2	-0.6%	9.0	3.0 PTP+30.6%, ABC-14.7%
8	**Public utilities**	**1**	**42.6%**	**15.0**	**4.0**
	Electricity, water & gasoline gas	2	42.6%	15.0	4.0 GAS+55.7%, SEB+66.2%, ASP+96.3%
	Electrical Manufacturing & Distribution	3	12.0%	9.0	2.0 SJD+37.5%, SBA+50.7%, SEB+66.2%
	Water & Gas	3	53.7%	19.0	4.0 PGS+52.2%, GAS+55.7%, ASP+96.3%
9	**Banking**	**1**	**64.0%**	**15.0**	**2.0** MBB+88.5%, SHB+95.7%, ACB+96.6%
10	**Finance**	**1**	**45.1%**	**25.0**	**4.0**
	Insurance	2	10.0%	20.0	2.0 PVI+27.6%, ABI+42.9%, BMI+49.4%
	Real-estate	2	53.3%	27.0	5.0 LDG+272.7%, DTA+276.7%, KAC+398.7%
	Financial services	2	61.9%	16.0	2.0 AGR+120.1%, MBS+188%, SHS+326.1%

Appendix 7: 35 stocks price evaluation that have the highest proportion incorporating all Securities corporations and financial institution

#	Stocks	VN-Index prop	Price 20/12	Avg TP	% 20/12	Max price	% 20/12	Min price	% 20/12	P/E	P/B
1	VNM	11.5%	202,000	172,500	-14.6%	187,200	-7.3%	155,000	-23.3%	31.6	12.3
2	VIC	7.6%	73,600	86,870	18.0%	105,000	42.7%	47,800	-35.1%	57.2	6.5
3	GAS	7.0%	92,800	78,600	-15.3%	98,500	6.1%	62,900	-32.2%	19.5	4.4
4	VCB	6.9%	48,900	38,400	-21.5%	50,300	2.9%	29,900	-38.9%	24.8	3.2
5	SAB	6.7%	267,500	165,000	-38.3%	186,000	-30.5%	142,000	-46.9%	41.8	12.4
6	PLX	3.5%	69,900	68,800	-1.6%	79,400	13.6%	60,000	-14.2%	18.0	4.0
7	MSN	3.4%	75,600	60,000	-20.6%	80,600	6.6%	52,400	-30.7%	40.0	4.6
8	VRE	3.4%	45,650	44,250	-3.1%	48,000	5.1%	38,700	-15.2%	22.2	3.7
9	CTG	3.3%	22,300	22,500	0.9%	27,000	21.1%	19,000	-14.8%	10.9	1.3
10	BID	3.3%	24,350	21,900	-10.1%	26,100	7.2%	17,500	-28.1%	14.4	1.9
11	ROS	3.1%	167,500	167,500	0.0%	167,500	0.0%	167,500	0.0%	166.1	14.7
12	HPG	2.6%	44,100	43,990	-0.2%	51,450	16.7%	38,200	-13.4%	8.1	2.2
13	VJC	2.5%	142,700	130,600	-8.5%	166,000	16.3%	100,000	-29.9%	23.0	13.3
14	VPB	2.4%	40,300	51,000	26.6%	58,000	43.9%	45,100	11.9%	8.7	1.9
15	MBB	1.8%	24,900	26,600	6.8%	29,500	18.5%	19,500	-21.7%	11.5	1.6
16	BVH	1.6%	60,300	56,150	-6.9%	43,060	-28.6%	42,900	-28.9%	31.4	2.9
17	MWG	1.6%	133,000	145,800	9.6%	182,800	37.4%	99,400	-25.3%	20.7	7.9
18	NVL	1.5%	61,500	64,900	5.5%	69,500	13.0%	57,000	-7.3%	18.1	4.0
19	FPT	1.2%	56,300	57,400	2.0%	69,400	23.3%	44,300	-21.3%	13.5	2.8
20	BHN	1.2%	127,400	127,400	0.0%	127,400	0.0%	127,400	0.0%	40.2	5.3
21	STB	0.9%	12,500	12,500	0.0%	12,500	0.0%	12,500	0.0%	33.1	1.0
22	CTD	0.7%	219,000	248,700	13.6%	271,000	23.7%	235,000	7.3%	11.0	2.5
23	EIB	0.6%	12,400	10,400	-16.1%	10,400	-16.1%	10,400	-16.1%	28.8	1.1
24	DHG	0.6%	114,000	92,800	-18.6%	108,500	-4.8%	80,000	-29.8%	24.2	5.4
25	PNJ	0.6%	131,200	122,600	-6.6%	140,000	6.7%	104,700	-20.2%	21.0	5.2
26	SSI	0.5%	28,100	24,800	-11.7%	26,600	-5.3%	23,000	-18.1%	15.0	1.5
27	REE	0.5%	42,300	35,900	-15.1%	47,700	12.8%	26,300	-37.8%	8.1	1.7
28	GMD	0.5%	40,350	40,300	-0.1%	50,700	25.7%	30,000	-25.7%	21.4	1.9
29	SBT	0.5%	20,750	20,750	0.0%	20,750	0.0%	20,750	0.0%	16.1	1.7
30	CII	0.4%	35,500	36,000	1.4%	44,000	23.9%	28,900	-18.6%	5.8	1.8
31	KDC	0.4%	38,400	34,400	-10.4%	36,500	-4.9%	32,200	-16.1%	14.0	1.2
32	NT2	0.4%	33,000	36,500	10.6%	44,000	33.3%	31,900	-3.3%	14.0	2.0
33	PVD	0.4%	23,750	17,000	-28.4%	23,600	-0.6%	13,800	-41.9%	NA	0.7
34	KDH	0.4%	27,700	25,400	-8.3%	27,400	-1.1%	23,500	-15.2%	15.6	2.4
35	VCI	0.3%	73,100	59,500	-18.6%	59,500	-18.6%	59,500	-18.6%	19.4	6.4
	Total	83.5%									
	Average				-5.1%		8.1%		-19.1%	25.6	4.2

Source: Bloomberg, BSC Research, Other stocks that have not been forecasted would beusing closing price as at 23/12 to caluculate index points.

Appendix 8: Assessing 30 stocks having the largest proportion based on technical analysis

STT	Stock	Proportion	Trend	Support 2	Support 1	Resistance 1	Resistance 2	bottom level FW	Peak level FW	Notes
1	VNM	**11.50%**	↑	150,000	175,000	205,000	230,000	150,000	230,000	Forecasted bottom price: 150 is the accumulating level before breaking out, support by last peak and SMA50 weeks; Forecasted peak price is Fibonacci extension 161.8% of the 5th wave long-term since 2011.
2	VIC	**7.60%**	↑	58,000	69,000	81,600		58,000	81,600	Forecasted bottom price: Fibonacci 50% from 8/2016, MA100 chart daily; Forecasted peak price same to highest price in 2017.
3	GAS	**7.00%**	↑	65,000	75,000	105,000		65,000	105,000	Forecasted bottom price: SMA100 weeks; Forecasted peak price is the highest of Elliot wave 1-1 from the 5/2014 trend.
4	VCB	**6.90%**	↑	37,000	43,000	50,000	52,000	37,000	52,000	Forecasted bottom price: Support by the peak of the 1st wave from 2016, SMA200 day; Forecasted peak price is the highest price in 2014.
5	SAB	**6.70%**	↓	225,000	240,000	285,000	305,000	225,000	305,000	Forecasted bottom price: Support by the 1st wave of trend from 2016; Forecasted peak price Fibonacci retracement 23.6% of the 3rd wave.
6	PLX	**3.50%**	↑	55,000	61,000	73,300		55,000	73,300	Forecasted bottom price: Fibonacci retracement 61.8% to the peak of 6/2017; Forecasted peak is similar to peak in 6/2017.
7	MSN	**3.40%**	↑	60,000	68,000	85,700		60,000	85,700	Forecasted bottom price: Fibonacci retracement 50% from bottom 4/2017 to current peak; Forecasted peak price is the highest price in 2013.
8	VRE	**3.40%**	↑	40,500	43,100	51,600		40,500	51,600	Forecasted peak price and bottom price similar to highest and lowest price since listed date.
9	CTG	**3.30%**	↑	18,500	21,000	25,000		18,500	25,000	Forecasted bottom price: Fibonacci retracement 61.8% from bottom 12/2016 to current peak and accumulating price; Forecasted peak is the highest price in 2017.
10	BID	**3.30%**	↑	19,000	21,000	27,000		19,000	27,000	Forecasted bottom price: Fibonacci retracement 50% from bottom 1/2015 and the accumulating price; Forecasted peak is the highest price in 2015.
11	ROS	**3.10%**	↑	130,000		230,000				Peak price: SMA 20 days, Forecasted peak is the highest price in 2017.
12	HPG	**2.60%**	↑	29,100	36,200	45,000	52,000	29,100	52,000	Forecasted bottom price: accumulating price level, Fibonacci retracement 50% from bottom in 1/2016 to present; Forecasted peak price: Fibonacci extension 161.8% of the 5th wave in the trend since 2012 to present.
13	VJC	**2.50%**	↑	115,000	130,000	143,800				Forecasted bottom price: Fibonacci retracement 50% from the bottom in 8/2017 to present; forecasted peak is the highest price in 2017.

14	VPB	2.40%	↑	40,100	41,600	43,720	45,220	40,100	45,220	Forecasted bottom price: Fibonacci retracement 50% from bottom in 8/2017 to present; Forecasted peak is the Fibonacci extension 127.2%
15	MBB	1.80%	↑	18,500	22,520	26,000	29,700	18,500	29,700	Forecasted bottom price: Accumulating price level, Fibonacci retracement 50% from bottom in 1/2016 to present; Forecasted peak price: Fibonacci extension 161.8% of the Elliott wave since 2015.
16	BVH	1.60%	↑	51,000	55,000	70,300	81,000	51,000	81,000	Forecasted bottom price: Fibonacci extension 50% and forecasted peak price is Fibonacci 127.2%
17	MWG	1.60%	↑	102,000	110,000	157,000	157,000	102,000	157,000	Forecasted bottom price: Fibonacci 50% and Forecasted peak price is Fibonacci 127.2%
18	NVL	1.50%	↑	57,600	61,700	72,300	76,790	57,600	76,790	Historical Bottom and peak price in 2017
19	FPT	1.20%	↑	49,500	54,000	59,000	66,400	49,500	66,400	Forecasted bottom price: Fibonacci 50% and Forecasted Peak price is Fibonacci 127.2%
20	BHN	1.20%	↓	110,000	131,000	150,000	167,000	110,000	167,000	Forecasted bottom and peak price are Fibonacci retracement 23.6% and 78% respectively
21	STB	0.90%	↑	12,500	13,700	15,500	17,500	12,500	17,500	Forecasted bottom price: Fibonacci retracement 50% and Forecasted peak price is Fibonacci retracement 100%
22	CTD	0.70%	↑	180,000	194,000	215,000	242,000	180,000	242,000	Forecasted bottom price: Fibonacci extension 50% and Forecasted peak price is Fibonacci extension 127.2%
23	EIB	0.60%	↑	11,500	12,000	14,000	15,000	13,600	16,000	Forecasted bottom price: Fibonacci extension 50% and Forecasted peak price is Fibonacci extension 127.2%
24	DHG	0.60%	↑	94,000	101,000	130,000	148,000	93,000	148,000	Forecasted bottom price: Fibonacci extension 50% and Forecasted peak price is Fibonacci extension 127.2%
25	PNJ	0.60%	↑	96,000	104,000	128,000	145,000	95,000	145,000	Forecasted bottom price: Fibonacci extension 50% and Forecasted peak price is Fibonacci extension 127.2%
26	SSI	0.50%	↑	23,000	24,000	28,000	31,000	23,000	31,000	Forecasted bottom price: Fibonacci extension 50% and Forecasted peak price is Fibonacci extension 127.2%
27	REE	0.50%	↑	33,000	35,000	41,000	45,000	33,000	45,000	Forecasted bottom price: Fibonacci extension 50% and Forecasted peak price is Fibonacci extension 127.2%
28	GMD	0.50%	↑	39,000	41,000	46,000	50,000	39,000	50,000	Forecasted bottom price: Fibonacci extension 50% and Forecasted peak price is Fibonacci extension 127.2%
29	SBT	0.50%	↑	20,000	25,000	33,000	41,000	20,000	41,000	Forecasted bottom price: Fibonacci extension 50% and Forecasted peak price is historical peak in July 2017
30	CII	0.40%	↑	33,500	35,000	39,500	43,200	33,500	43,000	Forecasted bottom price: Fibonacci extension 50% and Forecasted peak price is Fibonacci extension 127.2%

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