

## Vietnam Monthly Review

### 2018 M06

## BSC Research

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## Macroeconomics

- Q2 FY2018 GDP increased by 7.38% YoY, the highest level in 10 years. Industrial and construction sector recorded the highest growth sector with 9.07% YoY.
- PMI in June increased to 55.7 points, as some indicators in the manufacturing sector grew more strongly thanks mainly to the fact that the manufacturing sector maintained a high growth rate.
- Total retail sales of consumer goods and services 6M2018 were estimated at VND 2,120 billion, up 10.7% over the same period last year.
- Total registered FDI of 6M2018 reached USD 16.234 million (down 3.4% against the same period of 2017). The manufacturing and real estate industries are the two leading sectors in attracting FDI.
- The fluctuation band of the interbank exchange rate in Q2 was narrower than Q1 and fluctuated between 22,765 - 22,990 VND/USD. The interbank rates increase slightly, and the frequency of SBV net withdrawal in Q2 showed that the liquidity of the system has declined but still in an abundance state.

## Stock market

- Both HSX and HNX shook sharply in June with strong support stocks while VIC and VHM supported the index. The VN-Index and HNX-Index lost -1.08% MoM and -7.61% MoM respectively; -2.38% Ytd and -9.15% Ytd.
- Average liquidity on both exchange decreased 21.88% compared to May 2018, and remained at 5,519 bil per session and equivalent to nearly 242 million per session. Compared to the second half of 2017, order matching value in the first half of 2018 increased 49%.
- Foreigners were net buyers on the HSX with a value of VND 120.17 bil and net-selling on the HNX with VND 341 bil. In the first half of 2018, foreigners net bought VND 33,924.3 bil on the HSX and net sold VND 1,020 bil on the HNX.
- The VN-Index and HNX-Index reached 18.11 and 11.24 respectively, -1.67% MoM and -7.13% MoM respectively; -0.05% Ytd and -10.05% Ytd. The P/E of the HNX-Index dropped one position to 16th position, the VN Index dropped one position to the sixth position in the region.

## Market outlook

The market is testing the old bottom, and in the accumulating trend waiting for news. The second quarter results will be supportive news for investors in the short term. The market has the opportunity to create a bottom and rise back over 1,000 points, nevertheless. the world factors are the variable of the capability to attract cash flow and help the market recover. Investment activities focus on fundamental stocks that are well - priced. In the third quarter, BSC provided two scenarios for the market as follows:

- In positive case, the VN Index, after fluctuating in the first half of July, will be tested at the 1,000 points levels in the second half of July and maintained a rally mid-August. Adjustment will take place in September. Liquidity will be improved due to the demand of foreign investors and cash flow of domestic investors, although the market will be highly divided. VN-Index will accumulate around the 1,000 points level and its SMA200 moving average.
- In negative case, the VN-Index will perform well until mid-August and continue to decline due to lacks of supportive news and the restructuring process of foreign investors. Index will be tested at short-term bottom and have possibility to drop below 900 points when the blue-chip stocks have weakened significantly.
- **Stock recommendation:**
  - Industry sector and stocks that we consider positive in the industry report of 2018 ([Link](#)) and ([Link](#));
  - Banking and Finance stocks have highly improved business results and these stocks benefited from the Law on Supporting Restructure of Credit Institutions and NPLs.
  - Real estate and construction stocks benefited from the economic recovery cycle.
  - Leading retail stocks have high growth and dividend yields.
  - High defensive stocks in consumer, pharmaceutical and electricity sectors.

## Macroeconomics of June 2018

### Economic growth

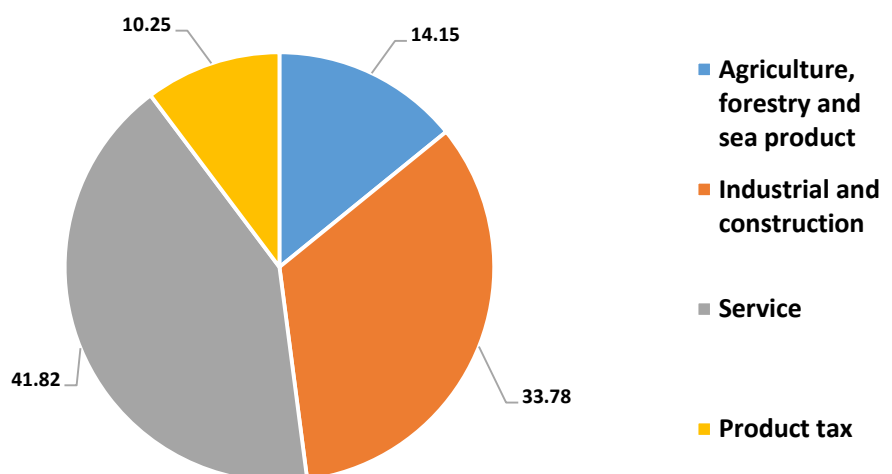
- **Gross domestic product (GDP) in Q2 / 2018 is estimated to increase 6.79% over the same period.**

- **The PMI in June of 2018 increased 55.7 points (+3.3% MoM and + 6.1% YoY)**

**Gross domestic product (GDP) in the second quarter of 2018 is estimated to increase 6.79%.** Of which, Industrial and construction sector recorded the strongest growth with 9.07% YoY, contributing 3.05 percentage points to the overall growth rate. It was followed by the service sector up 6.7% YoY and the agricultural and forestry sector up 4.05% YoY.

In the industrial and construction sectors, the industry grew by 9.28%, much higher than the 7.01% and 5.42% increase in the same period of 2016 and 2017, contributing 3.05 percentage points to the growth rate of the total value increase. The highlight of this sector is the strong growth of the manufacturing and manufacturing industry with a 13.02% increase (the highest increase in seven years), contributing 2.63 percentage points. At the same time, the mining industry remained negative (down 1.3%), down 0.1 percentage point on the 6-month growth rate, but the decrease rate has narrowed considerably compared to the 7.8% decrease in the same period last year. Construction in the first 6 months of the year maintained a healthy growth rate of 7.93%, contributing 0.48 percentage points.

Chart 1  
**GPD structure Q2/2018**



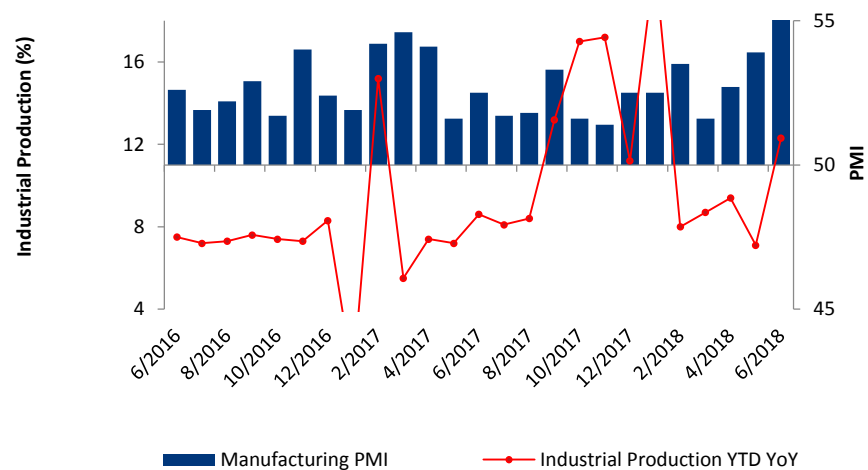
Source: GSO, BSC Research

Industrial production index in June was up by 12.3% yoy, mainly due to a 15.5% increase in the manufacturing sector. Generally for the first 6 months of

2018, industrial production index increased 10.5% over the same period last year (in the first quarter increased 12.9%, second quarter up 8.4%), higher than the increase of 7% in the same period of 2017. Of which, the manufacturing sector continued to be the bright spot for overall industry growth with a 12.7% increase, contributing 9.7 percentage points to the overall growth rate but tending to slow down (quarter I increased 15.7%, second quarter increased 10.1%).

Chart 2

### Industrial production index and PMI



Source: GSO, Markit, BSC Research

**Inventory index of the entire processing and manufacturing industry is estimated to increase by 11.4% compared to the same period of the previous year (30% in 2017).** Some sectors have high inventory levels:

- **Coke, refined petroleum** products increased by 216.5% as this time last year Dung Quat Oil Refinery stopped working for regular maintenance of machinery and equipment;
- **Electronics, computers and optical products** rose by 144.1%, due mainly to the inventory of Samsung mobile phones and tablet PCs.
- **Transportation vehicles production** increased by 132.7%

**The average inventory level of the whole processing industry in the first 6 months of 2018 is 63.4%, the lowest inventory level in recent years.** Some sectors have high stocking rate: Textile is 287.5%; wood processing and products from wood, bamboo (except bed, wardrobe, table, chair) - 117.2%; production of motor vehicles - 79.4%; Food processing - 75.1%

**The PMI rose sharply to reach 55.7 in June as some indicators in the manufacturing and manufacturing sectors grew strongly.** The average PMI in the second quarter was 54.1, up 1.9% from the fourth quarter of 2017.

## Inflation

- Average CPI in the first 6 months of 2018 increased by 3.29% over the same period of 2017;
- CPI in June increased by 0.61% over last month thanks to 10/11 groups of goods and services.
- Retail sales of goods and services increased 9.3% over the same period.

**Consumer Price Index (CPI) in June increased by 0.61% MoM, and increased 4.67% YoY.** Core inflation in June increased 0.1% over the previous month and 1.37% YoY.

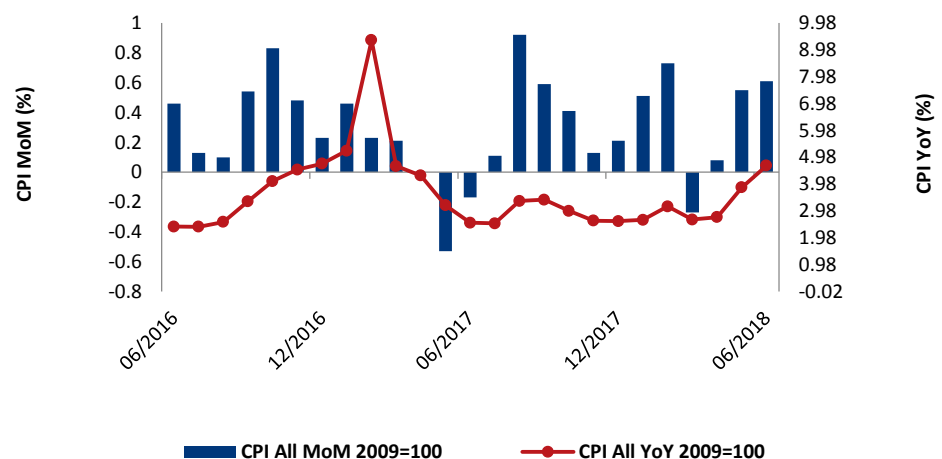
**Average CPI in the first 6 months of 2018 rose by 3.29% over the same period last year,** mainly due to the following reasons:

- (1) Localities adjust medical service prices and implement a roadmap for increasing fees;
- (2) The world market price of fuel in the first 6 months increased sharply, causing the average gasoline price rose by 13.95% YoY;
- (3) Prices of food items increased by 4.29% YoY due to the high prices of rice during the Lunar New Year and the increase in rice prices;
- (4) Prices of housing maintenance materials increased 9.09% YoY.

From a general perspective, the average CPI in the first 6 months of 2018 increased by 1.35% over the same period last year.

Graph 3

**Monthly CPI movements**



Source: GSO, BSC Research

**The price index of 10/11 commodity and service groups has increased over the previous month,** of which food and beverages sector saw the highest increase of 1.08%, mainly due to a 1.75% increase in the food sector when the starch food dropped by 0.45%. In contrasts, the telecommunication group decreased 0.11% compared to the previous month.

**Total retail sales of consumer goods and services in 6/2018 were estimated at VND 365.4 trillion, up 1.9% MoM and 12.5% YoY.** For the whole 6M2018,

total retail sales of goods and services reached VND 2,120 trillion, up 10.7% YoY, if we excluded the rising price factor, it would increase by 8.3% YoY. In the first half, retail sales reached VND 272 trillion, up 12.9% YoY; Revenue from accommodation and food services reached VND 44.9 billion, up 9.4 percent YoY; Tourism revenue reached 3.4 trillion, up 5% YoY; Other service revenue was VND 43.9 trillion, up 14% yoy.

Chart 4  
Retail sales

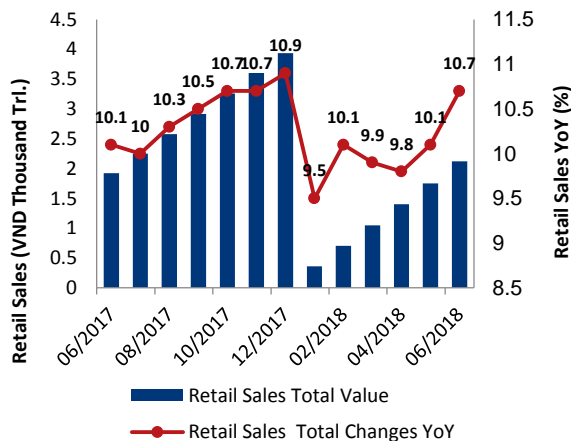


Table 1: Increase/decrease of service sectors in September

Nr.	Sector	MoM (%)	YoY (%)
1	Food and catering	1.08	5.1
2	Beverage and	1.4	9.72
3	Cigarette	0.3	12.96
4	Clothing	0.65	3.88
5	Housing &	0.13	0.99
6	Construction material	0.09	1.37
7	Housing appliance	0.06	1.44
8	Health care	0.03	1.17
9	Transportation	0.11	6.12
10	Telecommunication	-0.11	-0.71
11	Education	0.02	2.44

Source: GSO, BSC Research

## Foreign Direct Investment (FDI)

- **Newly registered foreign investment continued to increase in June. Total foreign investment registered 6M2018 decreased 4.4% over the same period last year.**
- **FDI continued to flow into electricity and gas production and distribution, air conditioning; and the processing industry.**

Total new and additional registered FDI up to June 20, 2018 of 1,366 projects (+ 15.5% YoY), reaching USD 11,799 million (-0.3% yoy), plus USD 4,434 million adjusted capital of 507 licensed projects in previous years. As a result, total newly registered FDI and additional capital increased to USD 16.234 million (-4.4% YoY) which was doubled the previous month thanks to two large projects in Hanoi and Vung Tau. FDI disbursed was estimated at US USD 8.37 billion (+ 8.4% YoY).

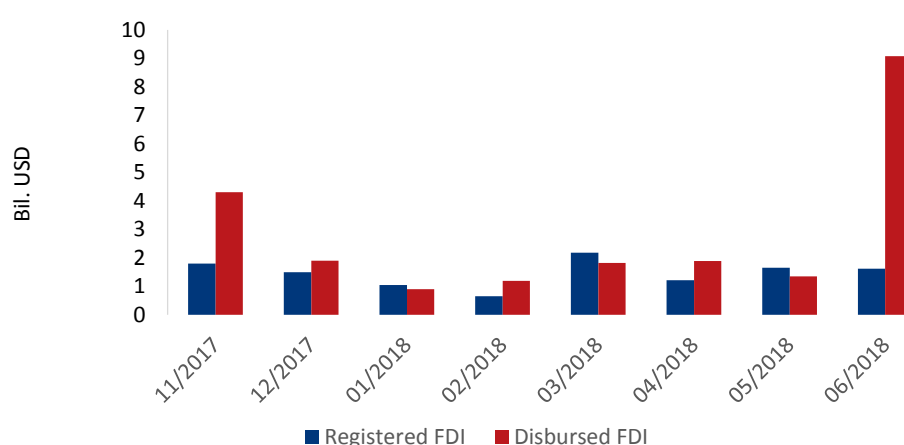
In the first six months, real estate business attracted the largest foreign direct investment (FDI) with registered capital of US USD 4,971.1 million, accounting for 42.1% of the total newly licensed capital; processing and manufacturing industry reached USD 4,098.4 million, accounting for 34.7%; the remaining sectors reached USD 2,730.3 million, accounting for 23.2%. Including additional registered capital of licensed projects from previous years, foreign direct investment in processing and manufacturing in the first six months of this year

reached USD 6,921.3 million, accounting for 42.6% of the total registered capital; Real estate business was USD 5,155 million, accounting for 31.8%; the remaining sectors reached USD 4,157.7 million, accounting for 25.6%.

Top three regions attracting FDI in the whole country: Hanoi (5,503 million USD - 46%), Ba Ria - Vung Tau (1,639.8 million USD - 13.9%), Ho Chi Minh City (US USD 542.5 million - 4.6%). The FDI attraction in Hanoi is the Smart City project in Dong Anh, Hanoi, with a registered capital of US USD 4,138 million.

Chart 5

**FDI (USD billion)**



Source: GSO, BSC Research

In 6M2018, Japan was the largest foreign direct investor in Vietnam with total investment of USD 5,573 million, accounting for 47.2% of the total newly licensed capital; followed by South Korea with USD 3,137 billion, accounting for 26.6% and Thailand with USD 660.4 million, accounting for 6.4%.

In the first five months, Korea was the largest direct investor in Vietnam with USD 1,019.5 million, accounting for 21.9% of the total newly licensed FDI, followed by Japan with USD 904.8 million, accounting for 19.4% and Thailand with USD 536.2 million, accounting for 11.5%.

## Trade, Import and Export

- **Trade balance in June estimated a trade deficit of USD 100 million. From the beginning of the year to June 2018, Vietnam has an export surplus of USD 3.1 billion.**

Export turnovers in June were estimated at USD 19.6 billion, down 5.1% MoM and up 9.9% YoY. In which the domestic economic sector reached 5.93 billion USD, down 1.3% MoM and up 15.8% YoY; Foreign-invested sector gained USD 13.67 billion, down 1.9% MoM and up 7.6% YoY. Import turnovers in June were estimated at USD 19.7 billion, down 5.1% MoM and up 8.5% YoY. In

which the domestic economic sector reached 8.3 billion USD, down 7.9% MoM and up 12.5% YoY. Foreign-invested sector was USD 11.4 billion, down 3% MoM, and up 5.7% YoY.

For the first six months, export turnover was estimated at 113.93 billion US dollars, up 16% YoY, of which the domestic economic sector gained USD 33.07 billion, up 19.9%; Foreign invested sector (including crude oil) reached USD 80.86 billion (accounting for 71% of total export turnover), increasing by 14.5%. Excluding the price factor, export turnovers in the first 6 months increased by 15.2% over the same period of 2017. Regarding the structure of 6M2018 export commodities, mobile phones and components continued to maintain their first position and export USD 20.3 billion, up 15.0% yoy.

Chart 6  
**Export-import activities (Bil. USD)**



Source: GSO, BSC Research

In the first 6 months of this year, the US was the biggest export market of Vietnam with an export turnover of 21.5 billion USD (+ 9.2% YoY); followed by the EU with USD 20.5 billion (+ 12.3% YoY); China earned USD 16.6 billion (+ 28% YoY).

For the first six months, import turnover was estimated at USD 111.22 billion, up 10% against the same period last year, of which the domestic economic sector gained USD 46.01 billion, up 12.9%; Foreign invested sector reached USD 65.21 billion, up 8.1%. Excluding the price factor, the import turnover of six months increased by 8.9% over the same period in 2017.

In all 6M2018, there are 23 items estimated import turnover reached over USD 1 billion, accounting for 82% of total imports. Many items in service of production, processing and assembly in the country increased turnover over the same period last year. Of which, electronic products accounted for the largest share of 18.1 billion (+ 15.7% YoY).

In the first six months of this year, China remained the largest importer of Vietnam with a total turnover of USD 31.1 billion (+ 15.6% YoY). Korea came in

at USD 22.5 billion, down 0.8% YoY; ASEAN reached USD 15.3 billion, up 11.8% YoY.

Table 2

Top 10 Export goods

No.	Export goods	Value (Bil. USD)	%YoY
1	Mobile phone	20.7	15.0%
2	Textile	12.2	16.2%
3	Electronics	12.2	16.1%
4	Other machines	7.1	32.0%
5	Shoes	7.0	9.7%
6	Woods	3.7	12.0%
7	Vehicles	3.7	23.1%
8	Aquaculture	3.6	13.0%
9	Steel	1.9	58.8%
10	Camera	1.9	37.5%

Source: GSO, BSC Research

Table 3

Top 10 Import goods

No.	Import goods	Value (Bil. USD)	%YoY
1	Electronics	18.1	15.7%
2	Machine	14.5	-8.1%
3	Mobile phone	5.7	14.9%
4	Fabric	5.5	-0.7%
5	Steel	4.5	4.4%
6	Plastic	4.2	39.1%
7	Gasoline	3.9	18.3%
8	Textile Materials	3.1	14.8%
9	Other metals	2.6	4.0%
10	Plastic Products	2.6	11.8%

Source: GSO, BSC Research

## Forex market

- **USD exchange rate maintained a strong uptrend from the second half of June due to the FED's raising interest rate to 2.00%, up by 0.25%.**

**VND/USD central exchange rate in June 2018 fluctuated in the range of 22,562 – 22,655 VND/USD**, increased from the range of 22,539 – 22,596 VND/USD in February. March's average level was 22,596 VND/USD.

**VND/USD interbank exchange rate in June 2018 fluctuated in the range of 2,765 – 22,990 VND/USD**, increased from the range of 22,790 – 22,845 VND/USD in February. March's average level was 22,855 VND/USD.

**VND/USD free exchange rate in June 2018 fluctuated stronger in the range of 22,860 – 23,120 VND/USD** compared to the range of 22,820 – 22,870 VND/USD in February. March's average level was 22,967 VND/USD.

Since the beginning of 2018, the VND/USD exchange rate in the unofficial market has stabilized until the first half of February, and then started to increase steadily and reached the level of 22,820 VND/USD as of 28/3/2018. Meanwhile, the interbank rate tends to move sideways during the second half of 2017 and early 2018. However, recently, especially during the period of June, strong fluctuations due to international trade tensions have pushed the exchange rate above the peak of 2017. In addition to this effect, five other macroeconomic factors has caused the exchange rate reached 22,990 VND/USD (YTD + 1.1%) on June 29th. These five factors are:

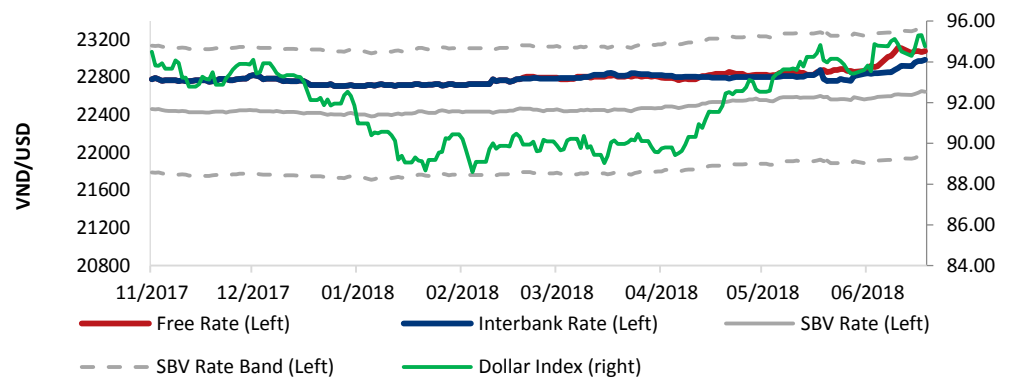
- The Federal Reserve (FED) raised interest rates to 2.00%
- Trade deficit returned in May and maintained until June;
- Foreign investors were net sellers on both stock exchanges;
- CDS remained the highest in the ASEAN region;



- United Overseas Bank Limited (UOB) stops trading foreign currencies on a global scale. UOB is a major importer of foreign currency from banks in Vietnam, accounting for 80-85% of the market. However, UOB has foretold their decision to Vietnamese banks so the impact of this event has minimized.

Chart 7

### Exchange rate movements



Source: Bloomberg, BSC Research

**Dollar Index on June 29, 2018 increased 0.8% compared to the end of May, down 1% YoY.** Since the beginning of the year, the dollar index was in a downtrend, plus the financial market reacts more strongly to the fear of trade war between the United States and China has created a negative impact lasted until mid-April when positive information on the US economy was released, which together with the estimation of FED raising interest rate in June has helped the index maintain a significant upward momentum. and reach 94.77 on 29/06/2018.

**CDS: Vietnam's CDS remains the highest in the region,** only the Indonesian market sometimes surpasses Vietnam market but only for a short time during the 6M2018 period (see Appendix 04 for more details). As of June 29, 2018, regional CDS fluctuated with a large increase. Vietnam 5 years CDS closed up at 170.75 which is higher than year-start rate of 121.38 on 01/01/2018. The high level of risk of the Vietnamese market is one of the main reasons for the strong pressure on the exchange rate.

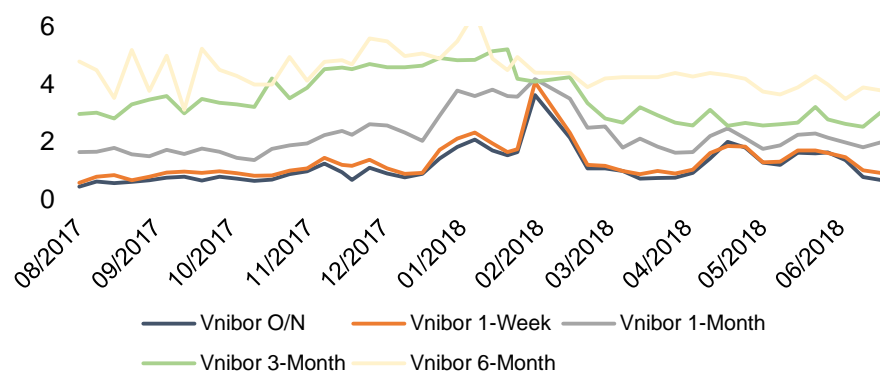
## Bank - Interest rate

- Credit growth in Q2 / 08 reached 6.35%.
- The interbank rates in June tended to decrease in short and long term while rebounding in medium-term (3 months and 6 months).
- The deposit and lending interest rates are stable.

Up to June 20, 2018, the total liquidity increased 7.96% compared to the end of 2017 (same period last year increased 5.69%); capital mobilization of credit institutions increased 7.78% (the same period in 2017 increased 5.89%); Credit growth in the first 6 months of 2018 reached 6.35% (same period last year increased 7.54%). Mobilization of capital grew strongly over the same period, helping credit institutions to maintain their liquidity, ready to meet the demand for credit for the economy and ensure a safe deposit/credit ratio.

**The current deposit interest rates are stable.** Lending rates for priority sectors continued to fall, in which State-owned commercial banks and some commercial joint stock banks having reduced lending interest rates by around 0.5% per year to good customers. The average lending rate is 6% -9% per annual for short term; 9% -11% per year for medium and long term.

Chart 8  
**Interbank interest rate**



Source: Bloomberg, BSC Research

**The interbank rates tended to decrease. Particularly, overnight and one-week interbank rates fell sharply to below 1%.** Meanwhile, for 1-month, 3-month term, the interest rate increased from the bottom in the second half of June. The 6 months interest rates continued to move sideways after the rhythm of the bottom.

From the beginning of the year, the interbank rates in all terms were adjusted up sharply at the time of the Lunar New Year when demand for payment and clearance in the system increased, then adjusted down to at the end of March, interest rates at all maturities fluctuated widely, especially for short terms. After two rebound sessions in April and May, this downtrend continues at overnight and one week rates while medium and long-term rates are showing signs of recovery. Interest rate movements are showing that demand for short-term loans between banks is not large. On the contrary, long-term loans, especially 3-month term is preferred, pushing interest rates up quite fast.

The net withdrawal via OMO and the downward trend in interbank rates in the second quarter showed that the liquidity of the whole system was down but still in abundance.

## Macro Forecast in Q3 2018

On the global scale, Vietnam macro-economy in April 2018 may be affected by some of the following macroeconomic events:

(1) **Trade war.** A global trade war is moving from talking to reality when US President Donald Trump prepares to impose tariffs on China's USD 34 billion imported goods and Beijing vows to take revenge. This is only the first stage when Trump is considering a USD 10bil tax of over USD 200 bil imported from China, and even more if Beijing revisits it. He has imposed tariffs on steel exports of some countries and is aiming for 20% of the tax on auto shipments from the European Union. Canada, on June 29, pledged to impose sanctions on USD 12.63 billion worth of US goods in response to aluminum and steel import taxes. The new tax will take effect on July 1. If the war continues to expand and prolong it will be detrimental to the world economy and Vietnam is no exception.

(2) **Brexit:** After months of debate, the Brexit bill has just become a law, ensuring that Britain leaves the European Union, the House Speaker John Bercow said on June 26. Under this law, the UK will leave the EU at 23:00 on March 29, 1919 - two years after Article 50 of the Treaty of Lisbon was enacted. It is also the time for negotiations to end the EU membership. Meanwhile, 27 countries have put pressure on Theresa May, urging member states to step up preparations for "all Outcome" - "No deal Brexit" - and note that "no. significant progress" in comparison with the plan to prevent the reproduction of border controls between Northern Ireland, which was part of the United Kingdom when Ireland, continuing to be a member of the European Union. It is expected that the EU summit on October 18-19 will be the final agreement of the divorce deal between England and Europe and a declaration of future relations. Brexit could create more trade opportunities between the UK and Vietnam when the UK needs to compensate for the lost trade volume generated from its membership with EU.

(3) **EU Migration Agreement:** Merkel suggests that refugees arriving in Germany who are registered in another EU country should be brought to special shelters ones. AFP said that two of these countries, Hungary and the Czech Republic, rejected the proposal despite Merkel's announcement that it had reached a separate agreement with Spain and Greece. At the summit in Brussels, European leaders agreed to consider building "refugee camps" outside the EU, mostly in North Africa, to prevent refugees from seeking illegal migrations into Europe. On the other hand, Merkel had less than 100 days for her fourth term in office, faces a backlash from the CSU after allowing more than a million refugees into Germany by 2015. Merkel's proposition will be discussed on July 2, 2018 at the CDU ruling meeting with the conservative opposition CSU. This meeting will also determine the fate of Merkel's government.

With regard to the domestic situation, the focus in April included the following issues:

**(1) Decree 88/2018 / ND-CP regulates pension, social insurance and monthly allowance.** Accordingly, as from 1.7.2018, an increase of 6.92% on the pension, social insurance and monthly allowance of 6.2018 for the following subjects: Officials, public servants, workers, civil servants and employees; military personnel, people's policemen and cipher workers who are enjoying monthly pensions.

**(2) Increasing base salary in accordance with Decree 72/2018 of the Government and Circular 06/2018 / TT-BILV of the Ministry of Home Affairs.** Accordingly, the base salary increased from 1,300,000 VND to 1,390,000 VND / month. Officials, public employees, wage earners, allowances and laborers working in agencies, organizations and non-business units of the Party, the State, socio-political organizations and associations State-funded funds operating at central, provincial, district and commune levels, special administrative-economic units and armed forces are the beneficiaries. This salary is used as a basis for calculation of salary in the payroll allowance in order to calculate the level of operation of charges and allowances according to the provisions of law and to calculate the deductions and regimes enjoyed at the base salary level.

**(3) Inflation may increase.** The two major commodity groups that affect Vietnam's inflation are the prices of health services and petrol. In particular, the price of petroleum is dependent on developments on the international market. OPEC forecasts rising demand, and tight supply has created a powerful push for oil prices. The price surge comes from concerns over US sanctions against Iran and ongoing conflicts in Libya. In addition to rising oil prices in the international market, the local authorities continue to adjust the price of medical services in the increase direction plus the price of construction materials increased due to rising demand from construction projects, will continue to put pressure on inflation.

**(4) Interest rates and exchange rates may increase slightly.** Due to FED raising interest rates from 1.75% to 2%, the international and domestic exchange rates of USD increased sharply after this news despite the impact of information on trade wars. BSC forecasts that the exchange rate will move sideways in the third quarter as the adverse effects of the Federal Reserve's interest rate hikes and trade warnings continue to affect the dollar. Due to rising inflationary pressure and the Fed's tendency to raise USD interest rates, plus the uptrend of interbank rates in the medium term, which are likely to rebound in June, we expect interest rates in the 3<sup>rd</sup> quarter will continue to rise slightly and then move sideways till the end of the third quarter.

Table 4  
Monthly macro indicators

Indicator/Month	2017M11	2017M12	2018M1	2018M2	2018M3	2018M4	2018M5	2018M6
PMI	51.4	52.5	53.4	53.5	51.6	52.7	53.9	55.7
IIP yoy (%)	17.2	11.2	20.9	8.0	8.7	9.4	7.1	10.5
IIP ytd yoy (%)	9.3	9.4	20.9	15.2	11.6	11.4	9.7	12.3
Retail Sales yoy (%)	11.7	11.2	9.5	10.7	22.4	1.3	10.7	12.5
Retail Sales ytd yoy (%)	10.7	10.9	9.5	10.1	9.9	9.8	10.1	10.7
CPI mom (%)	0.13	0.21	0.51	0.73	-0.27	0.08	0.55	0.61
CPI yoy (%)	2.62	2.60	2.65	3.15	2.66	2.80	3.86	4.67
Registered FDI (Bil. USD)	27.8	29.7	0.9	2.09	3.91	5.8	7.15	16.23
Disbursed FDI (Bil. USD)	16	17.5	1.05	1.70	3.88	5.1	6.75	8.37
Export (Bil. USD)	19.2	19.3	2.02	14.4	21.1	18.3	19.7	19.6
Import (Bil. USD)	19	19.8	2.00	14.0	18.9	17.2	20.7	19.7
Trade Balance (Bil. USD)	0.2	-0.5	1.8	0.9	2.2	1.1	-0.8	-0.1
Exchange rate (VND/USD)	22,761	22,750	22,720	22,801	22,820	22,800	22,840	22,967
Credit growth (%)	-	18.17	0.6	-	2.23	0.6	-	6.35

Source: BSC Research

Table 5  
Quarterly macro indicators

Indicators/Quarter	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017	Q3/2017	Q4/2017	Q1/2018	Q2/2018
GDP yoy (%)	5.52	6.68	6.68	5.15	6.28	7.46	7.65	7.38	6.97
IIP yoy (%)	7.4	7.6	8.3	4.0	8.2	9.7	14.4	11.6	12.3
Retail Sales yoy (%)	11	9.7	10.2	9.2	11.6	11.6	10.9	9.9	10.7
CPI yoy (%)	2.4	2.57	4.7	4.65	2.54	2.54	2.73	2.66	4.67
Registered FDI (Bil. USD)	7.35	5.2	3.17	6.86	4.98	4.98	5.00	3.91	4.5
Disbursed FDI (Bil. USD)	6.01	3.7	6.12	3.6	4.1	4.1	8.4	3.88	12.3
Export (Bil. USD)	43.5	44.9	47	36.6	53.2	56.4	58.8	55.8	57.9
Import (Bil. USD)	43.9	44.7	48.2	39	53.7	54.2	56.9	52.9	57.7
Balance of Trade (Bil. USD)	-0.4	0.2	-1.2	-2.4	-0.5	2.2	1.9	2.9	0.2
Exchange rate (VND/USD)	22,177	21,940	22,760	22,829	22,680	22,743	23,720	22,820	22,967
Credit growth (%)	6.2	10.46	18	2.81	7.54	7.54	18	2.23	6.35

Source: BSC Research

## Stock market in June 2018

### Market outlook

**In June, the market volatility was very strong due to the large selling pressure from the financial and consumer stocks.** As of 29/06/2018, the VN-Index officially dropped 10.5 points compared to the previous month (-1.08% MoM) and HNX-Index decreased 8.74 points (-7.61% MoM). Since the beginning of the year, the VN-Index has dropped 23.46 points (-2.38% YTD) and the HNX-Index has dropped 10.69 points (-9.15% YTD)

**Stocks fell sharply with the large selling pressure.** In June, 5 stocks supported the VN-Index including VIC (11.3 points), VCB (4.5 points), VNM (3.3 points), VJC (3 points), VPB (2 points). The most draggers of the VN-Index, including BID (down 3.6 points), CTG (down 3.4 points), ROS (down 3.3 points) and SAB (down 2.9 points). In June, blue chip stocks fell at the same time with low liquidity, creating caution for investors. June was period of no new information month, leading to most of the transactions only clustered into the VN30 and some large external stocks such as MWG, DXG, VRE.

**In the first half of 2018, the market index is strongly affected by the blue chip stocks in the market.** VN-Index supports VIC (gain 50 points), HPG (gain 4.8 points), VCB (gain 4.7 points), VPB (gain 4.5 points), BVH (gain 4.5 points). VN-Index declined by 22 points, VNM (down 20 points), PLX (down 6 points), VRE (down 5.1 points) and TCB (down 4.1 points).

Table 6  
Market index performances in the last 6 months  
on HOSE

Month	Index	Volume (Bil Shares)	Capitalization (VND trillion)
6	960.78	2.84	3,041.04
5	971.25	2.89	2,944.71
4	1050.26	3.53	2,876.60
3	1174.46	4.45	3,185.53
2	1121.54	3.04	3,036.19
1	1110.36	5.55	3,010.36

Source: HSX, Bloomberg, BSC Research

Table 7  
Market index performances in the last 6 months  
on HNX

Month	Index	Volume (Bil Shares)	Capitalization (VND trillion)
5	106.17	0.87	119.56
5	114.91	1.11	213.74
4	122.64	1.17	225.08
3	128.05	1.02	234.86
2	116.86	1.36	222.90
1	114.72	1.20	221.39

Source: HNX, Bloomberg, BSC Research

**After an exciting period in the first quarter of 2018, the VN-Index fell more deeply than at the beginning of 2018 with the majority of stocks falling in the market, proving that VIC contributed 50 points to VN-Index though this index only dropped by 10 points from the beginning of the year and did not eliminate the increase of capitalization from the large capitalization codes such as TCB, VHM or YEG.** Due to the dominance of VIC, VHM and VRE, the market will always pay special attention to these tickers. IT will be leaded by

these three stocks not only in term of index scores but also the market sentiment in the second half of the 2018.

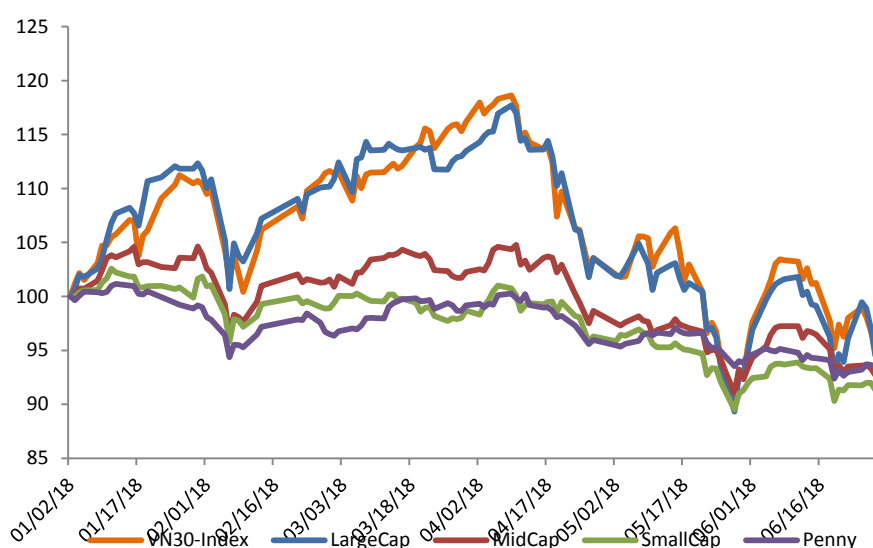
## Stock groups performances

### Group of stocks by market capitalization moved by different strengths.

From the beginning of June, all groups were negative. LargeCap down -5.5%, VN30 down -2.2%, MidCap down -1.3% and SmallCap down -1.1% while penny down -0.4%. In the first half of 2018, the SmallCap Group fell the most with a performance of -8.6%, followed by MidCap -6.9%, Penny -5.8%, LargeCap -5.5% and the VN30 down -4.6%.

Chart 9

### All market caps type stocks performances

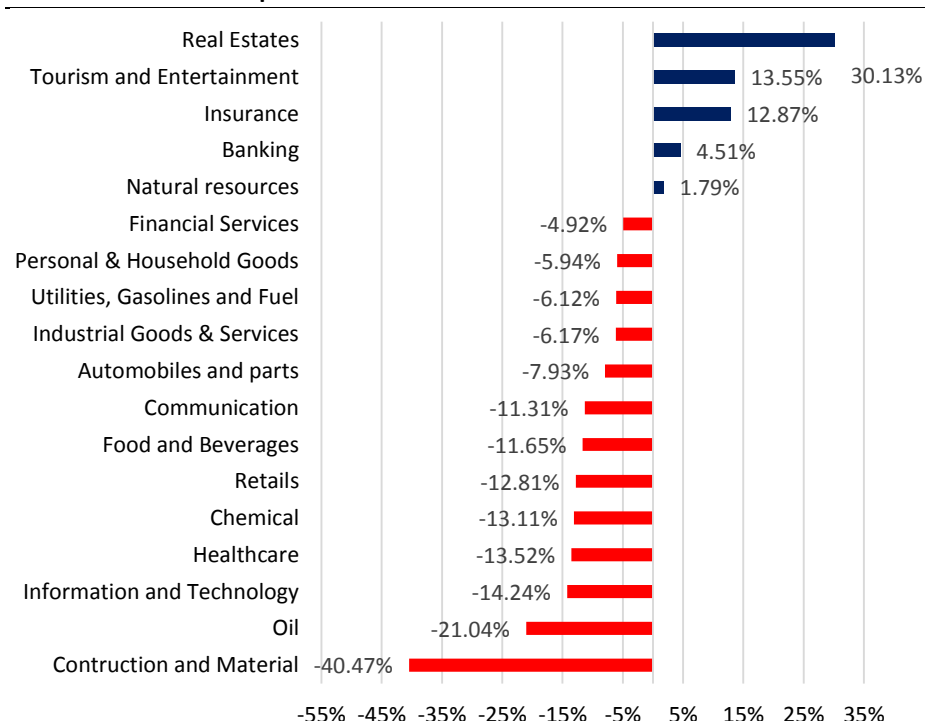


Source: Bloomberg, BSC Research

In June, the market had 11/18 sectors gaining points. Of which, the three sectors were down by 10%, including IT, personal and home appliances, and spare parts, while tourism and leisure increased by 11%.

In the first half of 2018, only 5/18 sectors increased. The strongest groups included real estate increased 30.1% with contribution of VIC and Tourism and entertainment increased 13.6% with the contribution of HOT and Insurance 12.9% with BVH. The biggest losers were Construction & Materials - 40.5% with ROS and CTD down, Oil & Gas down -21% with GAS, PVS and IT down 14.2%.

Chart 10  
Tier 2 sectors 6M2018 performances

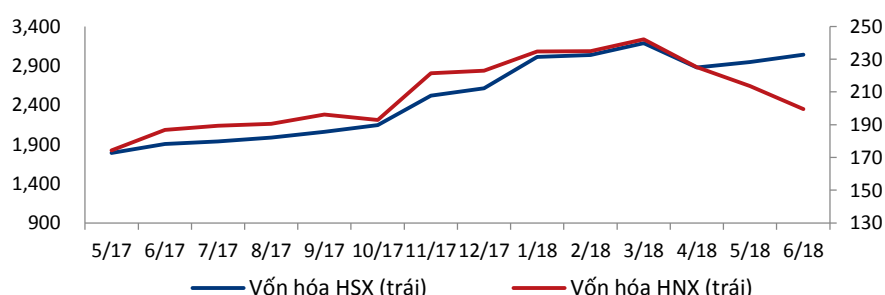


Source: FiinPro, BSC Research

## Capitalization scale

The market capitalization on both exchanges was VND 3,240.6 trillion equivalent to USD 142.35 bil, up 2.6% MoM and 14.2% Ytd. In 6M2018, 122.2 million shares were newly listed on HOSE and 435.9 million shares were seasonal listed on the HOSE; 0.3 million ETF seasonal listed and delisting 23.5 million certificates. Market capitalization increased during the month mainly due to the new listing, which featured the strong net buying of foreigners.

Chart 11  
Market capitalization scale



Source: Bloomberg, BSC Research



**In the first half of 2018, the stock market has confirmed a lot of memorable milestones as well as witnessed the successful IPO on HOSE.** Since the beginning of the year, HOSE had 5.15 bil shares listed for the first time including big deals such as TCB, VHM and many stocks change listing exchange such as DPG, GEX; 1.5 bil additional listed shares such as HPG, VJC, ROS, VPB; only 127.5 million shares were delisted. In terms of bonds, 31.3 million bonds were listed for the first time and only 4.5 million bonds were canceled. Considering the ETF certificate, there were 0.5 million ETFs listed for the first time, 174.4 million additional listing and 95.2 million delisting only.

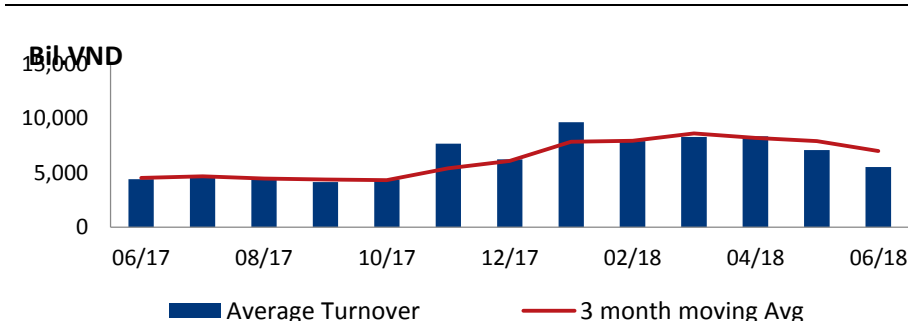
**On the scale of listing on HOSE on 29/6,** the total market stock was at 67.76 bil shares (99.29% of the market), 204.7 million bonds (0.3% of the market), 20 million fund certificates (0.03% of the market), 259.6 million ETF certificates (0.38% of the market).

## Average Market Liquidity

**Average liquidity on the two exchanges decreased by 21.88% compared to May 2018, and remained at VND 5,519 bil per session and equivalent to nearly USD 242.1 million per session.** In June, the market liquidity fell sharply as this month lack new information as well as foreign investors were selling on the market creating a cautious psychology for investors. Liquidity in the first 6 months of this year reached VND 7,796 bil per session mainly due to the excitement of the market in the first quarter. Compared to the second half of 2017, liquidity in the first half of 2018 increased 49%.

Chart 12

**Average market liquidity**



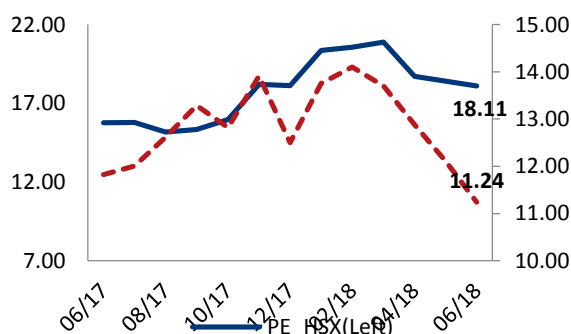
Source: Bloomberg, BSC Research

## Price level of VN stock market

**The VN-Index and HNX-Index fell to 18.11 and 11.24, respectively, -1.67% mom and -7.13% MoM respectively; -0.05% Ytd and -10.05% Ytd.** Compared to May, P/E of the VN-Index dropped one rank to the sixth and the HNX-Index fell one rank to 16th position in the Asia. The P/E of the HSX dropped

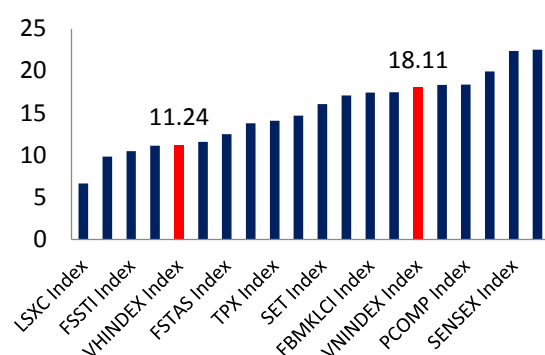
one level compared with the 15th position and the HNX fell to the 16th position of the beginning of 2018.

Chart 13  
P/E indicator performances on both exchange



Source: Bloomberg, BSC Research

Chart 14  
Vietnam's P/E indicator compared to other countries in the region



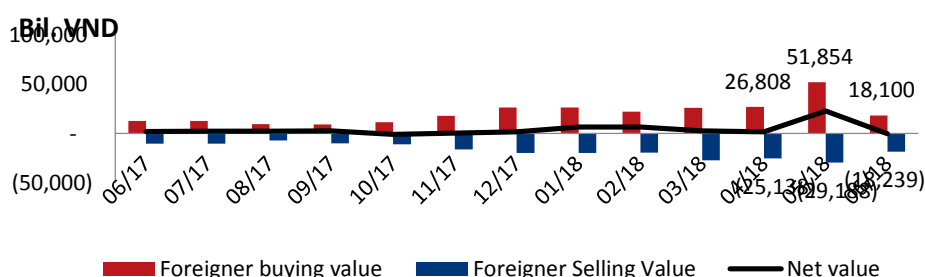
Source: Bloomberg, BSC Research

## Foreigner Trade

In June, foreigners trade differently on the two exchanges, of which YEG was bought aggressively by foreigners in the month and VIC was sold the most in June. The market suffered a weak sentiment as foreigners were net sellers in June.

Up to 29/6, foreigners were net buyers on the HSX VND 201.17 bil, net sales VND -341 bil on HNX. On the HSX, foreigners were active buyers of YEG (VND 2,412.7bil), VCB (VND 555.9bil), VNM (VND 441.8bil), ROS (VND 248bil), CTD (VND 220.8bil) and VIC (VND 1,800.9 bil), E1VFN30 (VND 341.5 bil), VHM (VND 330 bil). On the HNX, the group focused on buying PVS (VND 76.4 bil), DL1 (VND 22.8 bil) and VGC (VND -384.1 bil), and CEO (VND -21.7 bil).

Chart 15  
Foreigner transaction performances on both Exchanges



Source: BSC Research

In the first half of 2018, foreigners were net buyers of VND 33,924.3 bil on the HSX focusing on VHM (VND 27,377.8 bil), MSN (VND 5,157 bil), HDB (VND 4,238.5 bil), VIC (VND 3,842.5 bil) and DXG (VND 3.691 bil). On the HNX, foreigners were net sellers with VND 1,020 bil worth of shares with SHB

(VND 344.9 bil), SHS (VND 113.7bil) and VGC (VND 1,205.4bil), TAG (VND - 272 bil).

Table 8

**Top 10 stocks traded by foreigners on HSX in June**

Ticker	Net value (VND Bil)	Ticker	Net value (VND Bil)
YEG	2412.7	VIC	(1800.9)
VCB	555.9	E1VFN30	(341.5)
VNM	441.8	VHM	(330.0)
ROS	248.0	HPG	(302.8)
CTD	202.8	MSN	(192.4)
SSI	163.6	BID	(155.1)
VJC	88.4	DXG	(138.1)
BMP	77.6	CII	(103.8)
VHC	77.4	HNG	(100.8)
FRT	61.5	HSG	(99.0)

Source: BSC Research

Table 9

**Top 10 stocks traded by foreigners on HNX in June**

Ticker	Net value (VND Bil)	Ticker	Net value (VND Bil)
PVS	76.4	VGC	(384.1)
DL1	22.8	CEO	(21.7)
QNC	15.1	PLC	(14.8)
SHS	11.9	STC	(8.5)
KDM	8.9	SHB	(6.9)
NRC	5.8	DBC	(6.7)
VNC	2.7	VCG	(6.4)
PCG	2.0	VNT	(5.7)
TTZ	1.5	NDN	(4.0)
VIX	1.4	NTP	(2.5)

Source: BSC Research

Table 10

**Top 10 stocks traded by foreigners on HSX in the first half of 2018**

Ticker	Net value (VND Bil)	Ticker	Net value (VND Bil)
VHM	27,377.8	HPG	(7,734.9)
MSN	5,157.0	VNM	(4,196.2)
HDB	4,238.5	CTD	(2,404.3)
VIC	3,842.6	DHG	(1,670.4)
DXG	3,691.0	VND	(992.8)
SSI	3,191.9	KBC	(924.9)
NVL	2,678.0	GMD	(825.6)
PLX	2,642.7	VJC	(668.1)
STB	2,642.3	PAN	(540.5)
GAS	2,461.3	E1VFN30	(520.7)

Source: BSC Research

Table 11

**Top 10 stocks traded by foreigners on HNX in the first half of 2018**

Ticker	Net value (VND Bil)	Ticker	Net value (VND Bil)
SHB	344.9	VGC	(1,205.4)
SHS	113.7	TAG	(272.0)
VCG	110.0	NDN	(110.5)
PVS	73.2	HUT	(69.2)
DL1	22.6	PGS	(61.3)
TNG	18.7	ACB	(54.0)
QNC	15.2	PLC	(42.8)
KDM	9.0	DBC	(33.4)
VMC	8.8	DNP	(29.8)
TTZ	7.5	VIX	(26.6)

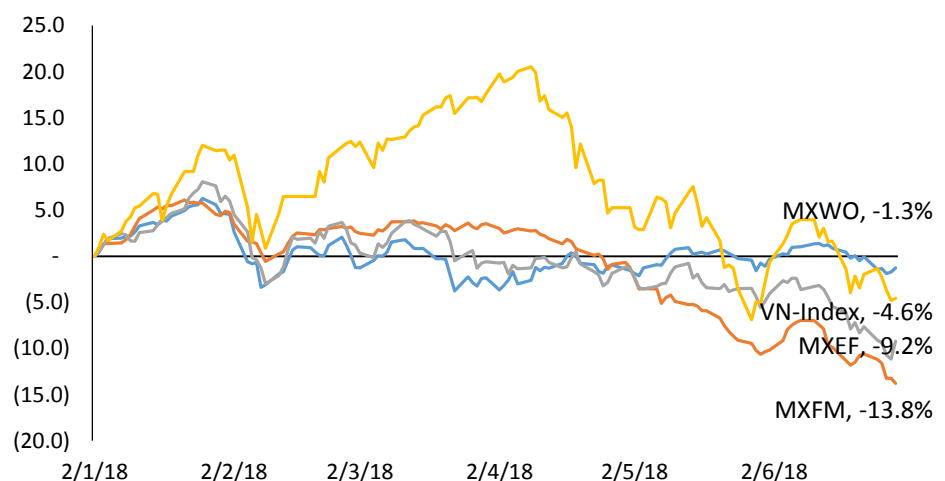
Source: BSC Research

## Stock Market Outlook: 3<sup>rd</sup> Quarter

The US-China trade crisis, the Italian political crisis, the war in Syria, the US-Korea negotiations made the world market fluctuate abnormally in the second quarter. In addition, 10-year US Treasury yields exceeded 3 percent, the Fed raised rates by 0.25 percent, and is likely to double by the end of the year, resulting in significant turmoil in the currency markets. This has a negative impact on the stock market especially in the developing countries. The dollar index gained 5 percent in the second quarter against a 2.5 percent decline in the first quarter, prompting a steady decline in the currencies of key nations, including EUR, JPY (Japan), INR (India), CNY (China) lost 5.5%, 4.2%, 5.3% and 4.8% respectively, especially RUB (Russia), TRY (Turkey) and BRL (Brazil) lost 9.1%, -16.1% and -16.6% respectively. This volatility has led to the recession of foreign capital inflows in emerging and marginalized markets, which are riskier than the developed economies. In the second quarter, the MSCI for Development (MXWO) index was up 1.1%, while the MSCI Emerging Markets (MXEF) and MSCI Margin (MXFM) dropped sharply -17.3% and -8.6%. For the first 6 months, the MXWO, MXEF and MXFM index dropped -1.3%, -9.2% and -13.8% respectively.

Graph 16

**The MSCI Emerging and Climatic Development Index for 2018 (USD)**



Source: Bloomberg, BSC Research

In the developed market segment, the US and Japan stock markets reversed the trend with a 0.5% increase in June. In general, most of the major stock indexes rose in the second quarter. UK increased 8.2%, Japan increased 4%.

In the BRIC region, stock indexes declined in June, with a decrease of -8% in China and -5.2% in Brazil. In the second quarter, the region saw a strong divergence as the Indian and Russian stock indices increased 5.9% and 1.1%, respectively, while the Chinese and Brazilian stock indices declined sharply by 10.1% and -14.9%.

In regional markets, the indexes fell in June. The markets were down significantly including Thailand and Singapore with a drop of -7.6% and -4.7%. The markets have fallen sharply earlier than the slower rate like Vietnam -1.1%, Malaysia -2.8%. In the second quarter, Vietnam's stock index continued leading the decline with -18.2%, followed by Thailand -10.2% and the Philippines -9.9%.

Graph 17  
Volatility of stock indexes in the second quarter

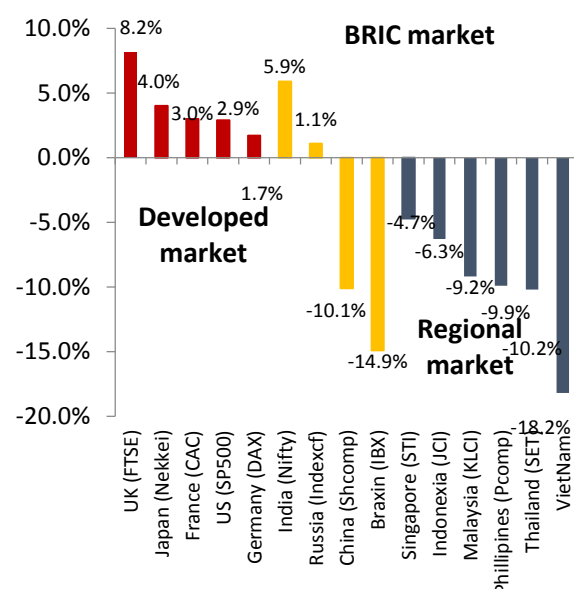


Table 12  
Foreign investors trading in the second quarter

Country	Q2 (Mio USD)	6 months (Mio USD)
India	(3,001)	(875)
Indonesia	(1,857)	(3,570)
Japan	(1,552)	(37,776)
Malaysia	(2,323)	(1,773)
Philippines	(598)	(1,219)
Korea	(2,624)	(3,708)
Sri Lanka	8	76
Taiwan	(6,555)	(8,919)
Thailand	(3,803)	(5,642)
Pakistan	(160)	(129)
Vietnam	1,085	1,573

Source: Bloomberg, BSC Research

In the second quarter, currency devaluations in the developing countries were closely related to the downturn of the stock market. The weakness of the economy and the domestic currency depreciation caused the stock market to fall sharply due to withdrawal of foreign capital. There are also exceptions, Vietnam exchange rate dropped -0.2% while the stock market decreased by 18.2%; Russia and India lost about -9.5% and -5.3%, respectively, while the stock market gained 1.1% and 5.9%, respectively.

Table 13

**Exchange rate fluctuations associated with the sharp decline of the stock market in the second quarter**

Country	Exchange rate compared to USD	Market index
Thailand	-6.0%	-10.2%
Indonexia	-4.2%	-6.3%
Malaysia	-3.2%	-9.2%
Brazil	-16.6%	-14.9%
China	-4.8%	-10.1%
Turkey	-16.1%	-16.0%
Parkistan	-5.1%	-6.6%

*Source: Bloomberg, BSC Research*

In the second quarter, VN Index dropped 213.68 points, or 18.19%, and was one of the strongest losers in the region. With this decline, the stock market has lost all of its initial gains in the first quarter. In terms of leading stocks impacts, the five major stocks were down 95 points or 44.5% including GAS (-31.1%, -26.5 points), BID (-40.1%, -20.8 points), VNM (-15.5%, -17.1 points), VCB and MSN (-30.4%, contributing -14 points). VIC (+10.1%, +11.6 points), VHM (+1.7%, +1.8 points), LGC (+36.1%, 0.5 points), HNG TCH (+5.1%, contributed 0.3 points) are the stocks that supported the market. In addition to the external factors that have accelerated the adjustment process as the withdrawal of foreign capital due to the US 10-year government bonds interest rate increased over 3%, the Fed increased interest rates dragged up the USD price and strong currency devaluations in emerging and marginal markets; US-China trade and geopolitical issues in Syria and North Korea, the internal market factors also appear after a long cycle of rises such as: (1) The P/E and P/B ratios of the VN Index are high compared to the world, and the high valuations have created pressure for foreign capital inflow and sentiment. (2) The market was also distorted by the large newly listed stocks and (3) The market was soaking up and weakening in the face of the large volume of stocks in recent times. The supply increased sharply while the demand did not change in quality and also unstable in volume.

The shareholders' meeting was held mainly in the second quarter, we issued the General Meeting of Shareholders in 2018 updated at ([Link](#)). In addition, we have met with businesses, and released the following reports that stated our recommendations and updates such as DHG ([Link](#)), HDG ([Link](#)), PDR ([Link](#)), FPT ([Link](#)), PPC ([Link](#)), PNJ ([Link](#)), LPB ([Link](#)), TPB ([Link](#)), FRT ([Link](#)), SHB ([Link](#)), CTG ([Link](#)), Hapro ([Link](#)), VCB ([Link](#)), OIL ([Link](#)), RAL ([Link](#)), TNG ([Link](#)), PHR ([Link](#)), CSV ([Link](#)), GMD ([Link](#)), VPI ([Link](#)), CTD ([Link](#)), VGC ([Link](#)), DRC ([Link](#)), VNM ([Link](#)) and DRI ([Link](#)). In the face of strong market volatility, we also made a quick report on the April correction ([Link](#)), geopolitical impact on oil prices and stock market ([Link](#)), Iran report and the link to Oil price ([Link](#)). In addition, we also take the view of investment strategy in Q2 / 201 ([Link](#)).

Information in July and the third quarter:

**With macro indicators being published, the macro-economic picture in six months becomes clear, which is the basis for the policy-making body, and helps investors to plan their investment for the second half of the year.**

GDP in the second quarter of 2018 increased by 6.79%, contributing to 7.08% growth in the first 6 months and also the highest level since 2011. Growth drivers was maintained with a growth of 9.07% and contributed 48.9% from the industrial and construction sectors, the service sector also increased by 6.9%, contributing 41.4% while the agriculture, forestry and fisheries sector maintained a positive growth rate of 3.93%, contributing 9.7% of the overall increase. Import-export turnover increased 16.6% over the 200 billion USD mark and trade surplus of 2.71 billion USD. Expected export turnover is 475 - 477 billion, twice as much as GDP. Regarding monetary policy, total liquidity increased 7.96% and credit reached 6.35% compared to the end of 2017. The interest rates were stable, the exchange rate tended to increase in June but still controlled well. However, risk factors have also appeared when CPI in June of 2018 increased by 0.61%, the highest level in seven years, contributed mainly by food and transportation. Average CPI increased by 3.29% over the same period in 2018. Oil prices are rising and food prices are on the upward trend, creating a considerable pressure on keeping CPI below 4%, a key factor of 2018 macroeconomic stability. Exports growth depends on the FDI sector when the foreign enterprise only accounts for 2% of total enterprise, while the export value of these foreigners accounts for 70% of the total export value. As the trade war developed negatively, the turmoil in international trade will have a significant impact on exports and trade balance in the second half of the year. In addition, the exchange rate is the one of the macro-economic bright spots in the first 6 months is also under pressure to increase prices. After nearly half a year of maintaining stability, USD exchange rate approached 23,000 VND at the end of June. Unusual fluctuations of the exchange rate at the end of June should be closely monitored, especially when the regional and world currencies strongly depreciated against USD as well as some countries have actively raised interest rates to stabilize the exchange rate. In the context of external environment is complicated and unpredictable macro stability in which to stabilize inflation, the exchange rate must be placed on the top to avoid major shocks can occur in cycles and from the impact of external factors. Macro stabilization will help foreign investors to support the stock market, thereby achieving the objectives of equalization, divestment of the state and thus contribute to the stabilization of exchange rate.

**After-tax profit of listed companies on HOSE grew by 30%, of which banking sector grew by 56%. Second quarter financial reports will be announced in the second half of July and August. Profit is expected to grow by over 20% and, coupled with deep correction to the reasonable prices, will open opportunities for basic investment.** In the first quarter, after tax profit of listed companies on HOSE increased 30% over the same period

while the number of diluted shares increased 6%. Improved margins and broader price discounts helped the P/ E and P/B VN Index fall from 21.5 and 3.3 times to 18.1 and 2.6 times respectively at the end of June. This trend will continue when the financial reports is announced in the next two months. Average P/E of VN30 is 17.6x, while small and medium stock are 11.6x and 10x respectively. In the first 6 months, the VN Index dropped -23.5 points, the VN30 rose 5.6 points, MidCap and SmallCap contributed -10.2 and -7.3 points respectively. This shows that the VN30 stocks have not decreased correspondingly to the market due to 50 index points contributed by VIC. The decrease was mainly due to small and medium stocks along with some newly listed stocks. The price gap between these groups is expanding. Many stocks in the VN30, MidCap and SmallCap groups have P/E around and below 10 (details in appendix). The net selling position of foreign investors is slowing down in the developing countries, and the stable market sentiment will create investment opportunities when the second quarter financial reports announces in the second half of July and August.

Table 14  
Expended the list of the VN30 Q2/2018

Code	Market Cap (Mio USD)	Freefloat	Turnover	Liquidity ranking	Status
VPB	3,030	75%	0.52%	4	adding
VRE	3,213	35%	0.87%	5	adding
DXG	405	75%	1.83%	20	adding
PNJ	615	70%	0.75%	30	adding
NT2	365	30%		46	Replacing(low liquidity)
KDC	299	60%		43	Replacing(low liquidity)
BMP	209	50%			Replacing(low capitals)
HSG	203	60%			Replacing(low capitals)

Source: BSC Research

**The US and China trade wars are the major factor in July when tax decisions come into effect on July 6. Trade tensions are expected to last before the mid-term presidential election on 6/11.** The US-China trade war has become increasingly drastic. After China's decision to levy 20 percent of its \$ 50 billion in high-tech goods on June 15, it faced a 25 percent tax retaliation on \$ 34 billion of US goods in the agricultural, automotive and seafood sectors from China. US-China trade tension pushed up a new ladder, the US government decided to levy 10% tax on 200 billion imported goods from China on 19/6. In the context of China's trade surplus with the United States reaching a record of \$ 375 billion in 2017 and \$ 119 billion in the first four months of this year, with the mid-term Congressional election coming, The US president has a strong reason to pursue his campaign commitments. The total \$ 450 billion worth of Chinese imports that the United States wants to levy is divided into three packages. \$ 50 billion package with the first 20% tax rate, of which \$ 34 billion of 818 imported goods from China will be taxed starting July 6, the remaining \$ 16 billion will be reviewed by the US government after conducting public consultation and hearing. At the same



time, if China imposed a 20% tax on the \$ 34 billion of US goods as previously announced, the taxation of a \$ 200 billion package of Chinese goods would be processed. Negotiations are still ahead and both sides are eager to avoid direct confrontation, though there is no sign that the two sides can come to a mutual agreement. This will continue to affect the world stock markets, which are quite sensitive to the prospect of trade war between the two powers.

**US continues to lead the policy of raising interest rates, the EU stopped the stimulus plan at the end of the year while countries are tending to raise interest rates to protect the domestic currency.** FED raised interest rates by 0.25% in June and the interest rate is expected to double by the end of the year. The organization will have four policy meetings in the second half of 2018, including twice in the third quarter on August 31<sup>st</sup> and September 25-26. According to the Bloomberg survey, the possibility of raising interest rates in the August session is at 21% while the September session is 77%. The possibility of raising interest rates in September is almost the same as October at 78%. Therefore, the Fed may raise interest rates in September. The tightening of monetary policy also spread to other regions, The EU meeting on June 14 also planned to halt the corporate and government buyout program worth € 30 billion/month by the end of 2018 despite declining growth in the region. Indonesia is a typical country that is raising interest rates to curb the downward momentum of the domestic currency. The Indonesia central bank has raised interest rates by 0.5%, the third interest rate increase in recent 6 weeks. Indonesia has spent US \$ 9 billion in foreign exchange reserves to save the rupiah since the end of January 2018 and the interest rates increase is not out of the target to stop the sharp decrease of the domestic currency. This trend continues to assert that the cheap money age has ended, countries must deal with internal problems and inflows of capital will differentiate between nations after this recent mass withdrawal in the developed countries.

**Crude oil price has a strong impact on the national income and oil stocks, but it also put pressure on macro-economic stability.** In the end of June, WTI oil for August delivery on the Nymex rose 1 percent to \$ 74.15 a barrel, its highest closing price since November 2014. Oil futures rose 11 percent in June, 14 percent in the second quarter, and nearly 23 percent since the beginning of the year. Oil prices are rising sharply in the short term due to:

(1) Critical productivity level in North America, the world has no excess capacity to cope with supply disruptions in the last week of June due to a power outage incident in Canada. and the risk of a 780,000 barrel-a-day supply drop in Libya; (2) US President Donald Trump has tightened control over Iran, the world's fifth-largest oil producer with 2.4 million barrels a day; (3) Domestic crude oil supplies fell 9.9 million barrels in June 22, 2018, marking the strongest weekly decline since the beginning of the year. Rising oil prices will have a positive impact on oil and gas stocks in July but are also putting pressure on inflation. Early gasoline prices adjusted up after a slight

drop last month and will impact CPI against the cyclical downturn in several months of the year before rebounding at the end of the year.

Table 15

**Factors affecting the market in July 2018:**

Events	Stock market effects
Growth dynamics are maintained. Stabilizing macroeconomic, which curb inflation, stabilizing the exchange rate should be placed on top in the context of the world is complicated and difficult to forecast.	Positive, the risk factors appear
Price decrease helps P/ E gradually to reasonable level, which promotes long-term investment. Some companies will announce second quarter financial reports in the second half of July and August, growth.	Positive
Announcement of adjustment of VN30 listing, expected to add some large stocks and eliminate the medium stocks.	Create a proactive investment effect
ETFs structure third quarter listing	Increase liquidity
Oil prices rose sharply, closing at the end of June at the highest level since November 2014.	Positive with oil stocks, pressure on inflation
Trends in monetary tightening and raising the interest rate to protect the domestic currency. The Fed has two meetings in the third quarter on August 31st and September 25-26. The fed is likely to raise interest rates by 0.25% at the September meeting.	Negative, foreign money flows are narrowed and divided between countries
The US trade wars continue to be worsen when it comes into effect on July 6.	Negative

Source: BSC Research

VN-Index remained to be above 1,000 points in the first half of June, weakening and accumulating around 960 points at the end of June. Due to negative world news, foreign investors were net sellers at some time and because of insufficient supporting information, causing investors to be cautious and keep liquidity low. The exchange rate is the bright spot that holds the foreign capital flow. Foreigners remain net buyers in the process of restructuring and looking for opportunities in newly listed shares. This activity does not support the market although overall net buying position is maintained. The market is testing the old bottom, and tends to accumulate again waiting for the second quarter financial reports, which will be supportive news for investors in the short term. The market has the opportunity to create a bottom and rise back over 1,000 points although the factors from the world are unknown for the ability to attract cash flow and help the market recover. Speculative activities have the advantage when the market diversifies due to published second quarter financial results and the cash flow has not improved.

- In the positive case, after the strong fluctuation in the first half of July, the market will be stabilized gradually and tested at 1000 points in the second half of July and then it will maintain a rally in mid-August. The uptrend does not last long and the correction trend will take place. The liquidity was improved thanks to the demand of foreign investors and domestic cash flow, although the market would be highly diversified. VN-Index will accumulate around 1,000 points and its SMA200 moving average.
- In case of negative, VN-Index is only active until mid-August and continues to decline when the market is out of support information and foreign investors continue to push up the portfolio structure. Index will be tested at the short-term bottom and likely to fall below 900 points when the blue-chip stocks have weakened significantly.

Investors can refer to a number of topics, and updated reports in the months:

- Industry sector and stocks that we consider positive in the industry report of 2018 ([Link](#)) and ([Link](#));
- Banking and finance stocks have strongly improved business results and gain benefits from the Law on the restructuring of credit institutions and dealing with bad debts;
- Real estates, Construction stocks gain benefits from the economic recovery cycle;
- Petroleum stocks rise due to the recovery of oil prices.
- Highly defensive stocks belong to Consumption, Pharmacy, and Electricity.
- In the long run, BSC's recommended stocks will be mentioned in Vietnam Sector Outlook 2018 ([Link](#)), stocks with positive movements are recommended in Weekly Investment Report ([Link](#)) and Sector/Company Analysis ([link](#)).

### Appendix

Appendix 01. Market volatility and indicators compared to 2017 of VN30

Tickers	Market cap (mio USD)	P/E	FF	% State owned	% Foreign owned	%± EPS	%±P/E	%±P/B	± % to 31/5	Contributing VN-Index
BID	3,872.2	12.8	5%	95%	2%	35%	-25%	-2%	1.96	1.68
BMP	209.0	10.6	50%	0%	73%	-3%	-29%	-34%	-28.13	(0.73)
BVH	2,482.3	34.3	10%	74%	25%	4%	20%	21%	24.5	4.48
CII	283.7	21.9	75%	9%	57%	-80%	268%	-25%	-24.64	(0.84)
CTD	519.8	7.5	40%	0%	42%	-1%	-32%	-34%	-32.72	(2.14)
CTG	3,933.5	11.5	10%	64%	30%	36%	-26%	-3%	0.21	0.85
DHG	581.0	23.5	35%	44%	47%	-1%	-11%	-13%	-10.91	(0.59)
DPM	293.2	12.1	40%	60%	20%	-7%	-14%	-22%	-15.42	(0.46)
FPT	1,109.2	8.4	80%	6%	49%	11%	-25%	-20%	-14.26	(1.06)
GAS	7,379.0	17.2	5%	96%	3%	3%	-12%	-14%	-7.08	(2.62)
GMD	314.6	4.3	55%	0%	45%	193%	-79%	-31%	-23.65	(0.74)
HPG	3,553.0	9.7	60%	0%	39%	0%	14%	8%	14.75	4.84
HSG	202.9	5.2	60%	0%	21%	-30%	-33%	-56%	-42.53	(1.32)
KDC	299.2	22.3	60%	0%	20%	-6%	-10%	-15%	-15.44	(0.54)
MBB	2,072.2	11.4	55%	32%	20%	18%	-12%	-1%	5.36	1.24
MSN	3,624.8	22.9	40%	0%	29%	22%	-16%	3%	3	1.65
MWG	1,603.6	14.5	65%	0%	49%	10%	-21%	-28%	-11.74	(1.96)
NT2	364.9	11.0	30%	65%	21%	-4%	-9%	-17%	-7.28	(0.25)
NVL	2,016.1	20.1	30%	0%	10%	0%	3%	3%	2.63	(0.43)
PLX	2,953.2	20.0	6%	76%	11%	-3%	-20%	-25%	-18.13	(6.05)
REE	430.9	6.9	60%	1%	49%	4%	-26%	-22%	-19.93	(0.86)
ROS	1,063.2	31.1	25%	0%	2%	-8%	-69%	-72%	-71.6	(22.06)
SAB	6,299.7	31.2	15%	36%	10%	5%	-13%	-16%	-8.32	(3.99)
SBT	334.5	13.9	60%	0%	7%	-6%	-53%	-57%	-25.48	(1.05)
SSI	620.6	11.0	65%	0%	55%	18%	-16%	-5%	-1.04	0.07
STB	907.5	15.2	90%	0%	11%	37%	-34%	-12%	-10.12	(0.78)
VCB	9,090.4	20.1	10%	77%	21%	37%	-22%	0%	6.81	4.70
VIC	14,946.6	55.7	30%	0%	9%	29%	31%	62%	68.27	50.18
VJC	3,345.7	15.0	50%	0%	25%	0%	16%	16%	17.2	4.44
VNM	10,747.6	27.3	50%	36%	59%	-2%	-17%	-26%	-17.8	(20.02)
<b>Sum</b>	<b>85,454.1</b>	<b>17.6</b>				<b>10%</b>	<b>-9%</b>	<b>-15%</b>	<b>(8.72)</b>	<b>5.64</b>
VN-Index	64.3%									-24.0%

### Appendix 02. Market volatility and indicators compared to 2017 of MidCap

Tickers	Marketcap (m USD)	P/E	FF	% State owned	% Foreign owned	%± EPS	%±P/E	%±P/B	± % to 31/5	Contributing VN-Index
AAA	137.7	8.1	60%	0%	18%	-12%	-16%	-26%	-22.49	(0.31)
ASM	134.4	4.7	60%	0%	1%	275%	-68%	7%	20.28	0.20
BFC	67.2	6.6	35%	65%	14%	-8%	-13%	-20%	-15.52	(0.10)
BIC	138.7	21.9	15%	51%	48%	6%	-30%	4%	-24.58	(0.37)
BMI	85.4	10.3	30%	51%	45%	36%	-56%	-41%	-39.58	(0.44)
CAV	125.5	9.2	20%	0%	0%	11%	-13%	-4%	-0.99	(0.01)
CHP	138.9	16.2	35%	60%	4%	-52%	99%	-4%	1.8	0.01
CMG	62.5	8.7	30%	0%	9%	43%	4%	46%	-26.55	(0.18)
CSM	62.7	47.4	50%	51%	4%	-45%	61%	-11%	-8.94	(0.06)
CSV	61.6	5.8	30%	65%	20%	10%	-23%	-15%	-9.99	(0.05)
CTI	79.9	11.2	55%	0%	28%	4%	-8%	-5%	-4.59	(0.02)
DCM	243.3	10.3	25%	76%	4%	-5%	-19%	-25%	-22.43	(0.58)
DIG	183.7	19.0	75%	0%	41%	17%	-26%	-14%	-14.08	(0.21)
DMC	136.9	14.8	15%	35%	63%	2%	-23%	-26%	-21.71	(0.31)
DPR	68.2	6.8	40%	56%	20%	7%	-7%	-5%	0	0.00
DQC	42.9	8.8	50%	0%	18%	14%	-32%	-22%	-15.63	(0.07)
DRC	122.1	24.1	50%	51%	24%	-30%	39%	-4%	0.99	(0.01)
DRH	38.0	13.0	90%	0%	1%	2%	-9%	-9%	-7.53	(0.03)
DXG	404.9	10.1	75%	0%	42%	23%	16%	33%	42.36	1.07
FCN	66.3	6.6	80%	0%	38%	-1%	-18%	-22%	-19.31	(0.12)
FIT	49.3	10.3	55%	0%	2%	3%	-49%	-49%	-47.46	(0.36)
FLC	150.5	10.7	80%	0%	8%	-15%	-9%	-23%	-18.91	(0.28)
GTN	99.1	71.1	65%	0%	42%	-21%	-29%	-44%	-43.83	(0.63)
HAG	210.5	32.6	65%	0%	3%	100%	-65%	-27%	-29.12	(0.73)
HBC	202.4	5.7	80%	0%	24%	5%	-23%	-24%	-18.23	(0.41)
HCM	321.7	9.4	40%	29%	60%	41%	-33%	-13%	-2.14	0.01
HDG	114.1	14.1	55%	0%	14%	10%	-4%	8%	6.75	0.11
HHS	43.2	8.6	60%	0%	4%	35%	-39%	-18%	-17.29	(0.08)
HNG	394.1	14.5	40%	0%	1%	2%	5%	10%	6.69	0.16
HQC	41.7	17.0	85%	0%	8%	-17%	-7%	-23%	-22.99	(0.10)
HT1	191.1	9.5	20%	80%	6%	-6%	-22%	-27%	-26.05	(0.54)
IJC	54.8	6.2	25%	79%	4%	21%	-23%	-10%	-6.9	(0.03)
IMP	113.0	24.0	65%	23%	49%	4%	-12%	-10%	-8.52	(0.09)
ITA	107.5	-	65%	0%	4%	-381%	-100%	-19%	-19.33	(0.23)
KBC	244.5	9.1	75%	0%	18%	5%	-15%	-13%	-10.82	(0.22)
KDH	523.8	18.5	55%	0%	44%	-5%	19%	7%	13.14	0.42
KSB	70.8	6.7	75%	0%	6%	4%	-21%	-19%	-18.62	(0.14)
LDG	99.5	8.3	40%	0%	8%	-22%	-8%	-27%	-28.07	(0.21)
LIX	58.9	10.0	50%	51%	25%	-1%	-3%	-10%	-0.59	0.00
NBB	82.8	27.7	60%	2%	35%	-20%	21%	-4%	-2.5	(0.02)
NCT	106.0	9.7	35%	55%	18%	-1%	-18%	-18%	-13.97	(0.15)

NKG	123.7	3.5	35%	0%	41%	-8%	-39%	-46%	-43.71	(0.77)
NLG	256.0	10.0	50%	0%	49%	2%	10%	23%	12.93	0.21
NNC	49.2	6.1	45%	38%	22%	5%	-5%	-6%	6.2	0.02
NSC	73.8	8.0	25%	0%	10%	0%	2%	-1%	3.84	0.02
PAC	84.4	12.8	40%	51%	30%	7%	-20%	-14%	-7.66	(0.08)
PC1	162.5	14.0	60%	0%	38%	-1%	-15%	-18%	-16.32	(0.27)
PDR	356.3	15.4	40%	0%	7%	28%	-19%	-1%	3.19	0.14
PGD	149.6	16.5	25%	51%	28%	5%	-3%	-1%	1.73	0.03
PGI	69.6	1.8	25%	45%	21%	504%	-87%	34%	-15.36	(0.12)
PHR	122.8	7.7	35%	67%	9%	37%	-41%	-20%	-15.67	(0.09)
PNJ	614.5	17.9	70%	0%	49%	14%	-16%	-12%	-4.64	0.52
PPC	245.8	6.2	25%	51%	16%	6%	-27%	-25%	-16.88	(0.46)
PTB	118.6	6.7	60%	0%	14%	8%	-32%	-40%	-26.58	(0.30)
PVD	227.7	-	50%	50%	24%	-119%	-100%	-41%	-41.54	(1.32)
PVT	187.0	9.1	40%	51%	33%	16%	-30%	-22%	-19.1	(0.33)
QCG	107.9	5.7	30%	0%	1%	8%	-44%	-40%	-35.47	(0.52)
SAM	73.7	14.1	95%	0%	3%	16%	-18%	-6%	-4.5	(0.02)
SCR	122.2	9.7	85%	0%	3%	4%	-4%	0%	-0.12	0.02
SJD	78.2	8.9	50%	51%	30%	-12%	25%	7%	10.4	0.05
SJS	103.2	13.2	50%	36%	11%	37%	-42%	-22%	-20.53	(0.20)
SKG	49.7	6.7	50%	0%	43%	-2%	-23%	-29%	-20.5	(0.11)
STG	70.3	20.7	15%	0%	0%	-80%	354%	-11%	-8.7	(0.05)
TCH	334.7	17.8	55%	0%	4%	-11%	40%	23%	2.84	0.22
THI	73.8	5.7	20%	0%	0%	0%	-6%	-6%	-4.83	(0.03)
VFG	48.9	7.7	70%	0%	15%	15%	22%	36%	45.31	0.14
VHC	236.0	8.9	40%	0%	40%	1%	9%	13%	14.17	0.22
VNS	43.2	8.0	50%	0%	27%	-34%	43%	-6%	-5.5	(0.02)
VSC	76.1	6.8	95%	0%	36%	20%	-32%	-22%	-16.5	(0.13)
VSH	155.4	12.8	30%	0%	14%	4%	-12%	-12%	6.43	0.08
Sum	10,094.6	11.6				7.2%	-9.8%	11.2%	(10.20)	(8.25)

### Appendix 03. Market volatility and indicators compared to 2017 of SmallCap

Tickers	Market cap (m USD)	P/E	FF	% State owned	% Foreign owned	%± EPS	%±P/E	%±P/B	± % to 31/5	Contributing VN-Index
ABT	19.0	16.7	20%	0%	3%	-7%	37%	27%	30.53	0.05
ACC	7.8	7.8	20%	73%	19%	16%	-24%	-14%	-3.08	(0.00)
ADS	17.6	5.2	40%	0%	0%	0%	-9%	-9%	2.21	0.00
AGM	6.8	13.8	20%	28%	6%	0%	-4%	-4%	2.13	0.00
AGR	31.8	28.9	25%	75%	2%	-61%	48%	-43%	-42.9	(0.20)
AMD	25.6	6.4	90%	0%	1%	-9%	-57%	-60%	-60.46	(0.26)
ANV	118.4	12.5	30%	0%	2%	53%	29%	97%	109.02	0.56
APC	15.3	5.1	40%	0%	10%	12%	-68%	-66%	-63.88	(0.23)
APG	3.3	9.0	80%	0%	0%	3%	5%	8%	17.61	0.00

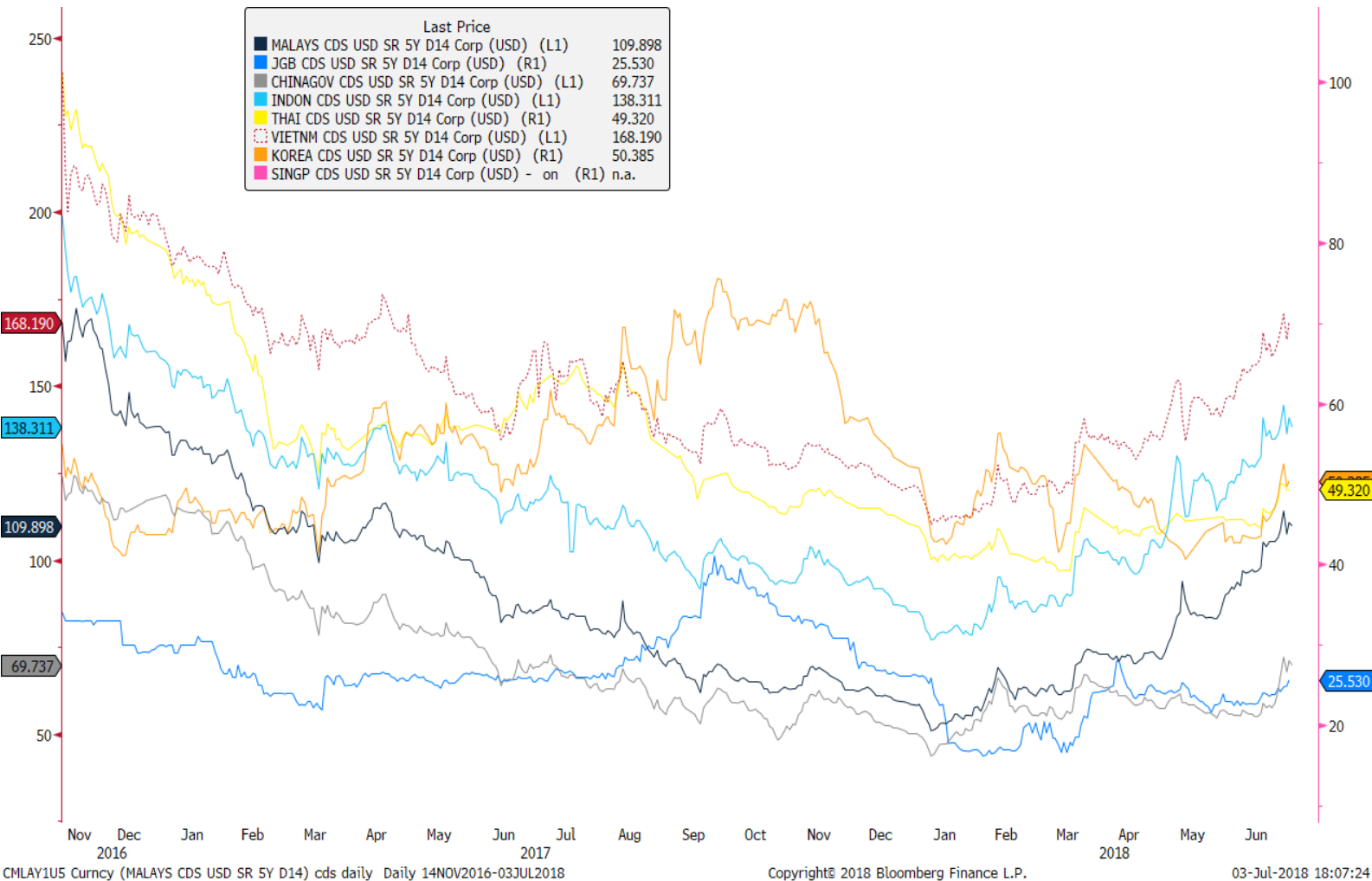
ASP	11.5	6.0	40%	0%	49%	0%	-2%	-3%	-1.4	(0.00)
ATG	1.2	8.0	85%	0%	2%	0%	-37%	3%	-37.24	(0.01)
BCE	8.4	7.9	45%	52%	5%	0%	14%	14%	14.29	0.01
BCG	27.8	46.7	65%	0%	23%	0%	-5%	-4%	-4.38	(0.01)
BMC	7.2	17.4	55%	25%	11%	-2%	-9%	-12%	-6.84	(0.00)
BSI	60.9	6.1	15%	86%	9%	15%	-19%	11%	-6.54	(0.03)
BTP	30.3	2.8	20%	80%	10%	169%	-64%	-13%	4.09	0.01
C32	17.0	4.4	90%	38%	27%	-4%	-22%	-27%	-22.34	(0.04)
C47	7.1	7.4	75%	0%	0%	1%	-41%	-40%	-39.94	(0.04)
CCL	7.6	10.2	90%	0%	5%	36%	-33%	-7%	-8.48	(0.01)
CDC	11.8	9.3	50%	24%	0%	1%	5%	2%	16.42	0.01
CEE	33.1	9.5	49%	0%	0%	0%	-22%	-22%	-21.75	(0.08)
CLC	34.0	7.3	45%	51%	5%	-2%	-8%	-32%	-4.81	(0.02)
CLG	2.7	36.7	35%	0%	9%	2%	-43%	-42%	-41.92	(0.02)
CMX	2.8	3.0	65%	0%	1%	-9%	21%	22%	10.63	0.00
CNG	32.7	7.3	40%	0%	24%	5%	-17%	-16%	-8.25	(0.03)
CTF	13.4	14.5	30%	0%	0%	0%	-31%	-31%	-30.77	(0.05)
CTS	46.1	8.3	25%	0%	12%	16%	-23%	-11%	-11.07	(0.04)
D2D	31.8	11.5	40%	58%	9%	-1%	8%	2%	12.02	0.03
DAG	20.1	6.7	50%	0%	5%	10%	-7%	10%	1.74	0.00
DAH	7.8	7.4	65%	0%	3%	-11%	20%	6%	6.73	0.00
DCL	36.6	12.5	30%	0%	4%	-10%	-28%	-42%	-33.5	(0.15)
DGW	46.0	11.5	40%	0%	10%	13%	9%	20%	26.67	0.09
DHA	19.6	7.6	60%	25%	12%	1%	-10%	-13%	-9.67	(0.02)
DHC	64.3	15.5	60%	0%	36%	20%	-22%	-10%	-7.16	(0.04)
DHM	3.5	13.9	80%	0%	0%	56%	-56%	-4%	-31.2	(0.01)
DIC	6.0	11.5	80%	6%	8%	16%	-28%	-16%	-15.95	(0.01)
DLG	34.5	17.9	85%	0%	13%	-25%	-1%	-26%	-25.27	(0.09)
DSN	29.3	8.0	60%	0%	21%	11%	-23%	17%	-5.81	(0.01)
DTA	4.4	26.4	45%	0%	0%	4%	-36%	1%	-33.47	(0.02)
ELC	22.1	13.6	40%	0%	23%	-17%	-12%	-27%	-27.01	(0.07)
EMC	6.7	131.1	35%	0%	0%	7%	-22%	-16%	-15.67	(0.01)
EVE	28.4	10.9	85%	0%	63%	25%	-34%	-19%	-13.25	(0.04)
EVG	6.7	6.1	53%	0%	1%	0%	-12%	-12%	-12.24	(0.01)
FCM	11.2	6.9	65%	0%	5%	11%	-9%	0%	10.11	0.01
FMC	34.3	6.0	75%	11%	6%	18%	-10%	6%	-6.22	(0.01)
FTM	35.9	21.9	45%	0%	0%	0%	33%	33%	33.06	0.07
FTS	66.7	7.4	55%	0%	22%	15%	8%	14%	28.19	0.13
GIL	25.3	3.6	70%	0%	7%	6%	13%	11%	22.34	0.04
GMC	19.6	6.6	70%	10%	15%	4%	8%	6%	17.9	0.02
GSP	16.5	7.2	30%	0%	13%	6%	-15%	-13%	0.11	0.00
GTA	6.1	8.8	30%	11%	10%	-2%	-3%	2%	2.1	0.00
HAH	29.9	3.3	55%	0%	25%	5%	-33%	-33%	-25.21	(0.06)
HAI	28.7	24.2	85%	0%	1%	-49%	-4%	-51%	-50.95	(0.25)
HAP	8.9	11.1	85%	0%	7%	39%	-36%	-12%	-10.9	(0.01)
HAR	25.0	20.1	80%	0%	0%	22%	-46%	-33%	-33.29	(0.11)

HAS	2.3	3.0	60%	28%	20%	-8%	-12%	-4%	-13.5	(0.00)
HAX	24.1	9.6	55%	0%	11%	-32%	-5%	-36%	-32.56	(0.07)
HCD	17.9	10.2	75%	0%	0%	-11%	105%	102%	83.57	0.06
HDC	31.1	7.6	85%	0%	18%	16%	-16%	-3%	-2.64	(0.01)
HID	4.1	16.7	80%	0%	5%	-82%	251%	-38%	-24.04	(0.01)
HII	20.4	5.8	65%	0%	1%	0%	-27%	-27%	-23.88	(0.03)
HLG	18.7	3.7	20%	0%	1%	-9%	-10%	-19%	-17.8	(0.03)
HMC	11.3	3.2	35%	56%	0%	2%	-9%	8%	11.68	0.02
HTI	13.6	4.8	40%	48%	17%	-17%	-9%	-27%	-14.47	(0.02)
HU1	4.1	15.3	50%	51%	3%	6%	19%	27%	26.67	0.01
IDI	100.5	4.8	50%	0%	1%	42%	-19%	14%	14.41	0.11
ITC	42.5	12.4	65%	16%	6%	0%	0%	-1%	2.39	0.02
ITD	10.1	6.9	70%	0%	14%	-48%	-15%	-54%	-12.23	(0.01)
KHP	16.7	4.2	50%	52%	18%	221%	-70%	-5%	-1.31	(0.00)
KMR	9.4	22.8	55%	0%	48%	18%	-25%	-12%	-11.63	(0.01)
KPF	23.2	32.5	25%	0%	0%	0%	8%	8%	8.2	0.02
KSH	5.0	22.5	55%	0%	0%	41%	-36%	-10%	-9.5	(0.00)
LAF	4.2	-	20%	0%	3%	-318%	-100%	-49%	-48.91	(0.03)
LBM	11.3	5.7	30%	0%	6%	-3%	-8%	-14%	-6.2	(0.01)
LCG	40.7	9.5	90%	0%	30%	2%	-16%	-15%	-15.09	(0.05)
LEC	21.6	25.8	40%	0%	0%	0%	-7%	-7%	-6.86	(0.01)
LGL	14.1	3.0	50%	0%	0%	15%	-29%	-20%	-18.61	(0.03)
LHG	39.9	3.5	50%	0%	17%	15%	-6%	10%	15.78	0.06
LM8	10.1	21.2	50%	51%	5%	-39%	77%	7%	13.2	0.01
LSS	22.4	15.5	45%	0%	5%	-72%	93%	-46%	-30.19	(0.08)
MCG	6.3	63.7	70%	1%	5%	10%	-36%	-30%	-30	(0.02)
MDG	5.6	4.7	30%	19%	1%	8%	-17%	-12%	1.29	(0.00)
MHC	8.0	9.8	75%	0%	3%	51%	-45%	-19%	-9.85	(0.01)
NAF	18.3	7.4	70%	0%	14%	-2%	-36%	-38%	-37.39	(0.09)
NTL	25.6	6.6	80%	0%	9%	9%	-19%	-12%	-3.04	(0.01)
PET	35.3	6.8	75%	25%	19%	-5%	-16%	-22%	-10.54	(0.04)
PGC	39.4	6.1	35%	52%	12%	4%	-8%	1%	2.8	0.01
PJT	8.2	5.7	35%	51%	15%	6%	-19%	-18%	-3.47	(0.00)
PTC	4.5	-	25%	0%	0%	-154%	-100%	7%	6.67	0.00
PXS	13.4	-	40%	0%	12%	-4424%	-100%	-49%	-50.29	(0.11)
PXT	1.7	2.0	50%	51%	1%	88054%	-100%	14%	-58.52	(0.02)
QBS	19.0	27.6	70%	0%	0%	-30%	25%	-13%	-12.26	(0.02)
RAL	51.3	5.5	30%	0%	4%	0%	-23%	-28%	-21.39	(0.11)
RDP	16.0	-	30%	0%	0%	1%	-32%	-30%	-27.37	(0.05)
SAV	4.9	5.7	35%	0%	49%	4%	-16%	-14%	-7.78	(0.00)
SBA	38.9	6.4	60%	39%	0%	2%	-11%	-13%	-5.23	(0.02)
SBV	34.4	7.4	22%	0%	21%	0%	-19%	-19%	-14.4	(0.05)
SCD	8.9	-	30%	62%	10%	12%	-75%	-40%	-39.77	(0.05)
SFG	24.9	6.1	30%	67%	1%	2%	-2%	0%	4.56	0.01
SGT	18.4	6.9	25%	0%	13%	-45%	48%	-21%	-18.57	(0.04)
SHA	8.4	5.0	60%	0%	1%	-10%	-4%	-13%	-12.8	(0.01)



SHI	20.4	4.8	70%	0%	2%	6%	-5%	-3%	8.38	0.01
SMA	9.8	5.8	85%	3%	0%	1%	24%	25%	38.04	0.02
SMC	46.7	4.4	40%	0%	35%	-17%	16%	-10%	-4.14	(0.01)
SPM	8.1	17.6	25%	0%	3%	-33%	47%	-2%	-1.82	(0.00)
SRC	13.4	11.6	45%	51%	0%	-16%	1%	-16%	-12.81	(0.02)
SRF	20.1	5.7	35%	13%	27%	23%	-35%	-13%	-16.13	(0.03)
SSC	39.7	13.5	15%	19%	1%	20%	-8%	17%	14.21	0.05
ST8	18.8	13.0	20%	0%	49%	34%	-37%	-18%	-16	(0.03)
SVC	52.4	12.6	60%	41%	49%	12%	-19%	-12%	-3.31	(0.01)
SZL	27.5	8.1	40%	61%	16%	10%	-14%	-11%	-5.96	(0.02)
TCD	22.5	9.2	46%	0%	15%	0%	-15%	-15%	-15.25	(0.03)
TCM	46.7	6.5	60%	0%	49%	1%	-28%	-29%	-25.72	(0.14)
TCR	5.1	-	50%	0%	49%	-3%	86%	-22%	-21.92	(0.00)
TCT	35.7	10.6	35%	0%	19%	3%	-3%	-20%	0	(0.00)
TDC	39.0	5.9	40%	61%	2%	28%	-5%	21%	21.41	0.06
TDG	7.5	5.9	56%	0%	5%	0%	15%	15%	15.09	0.01
TDH	49.6	9.6	90%	6%	48%	1%	-6%	-5%	0.65	0.00
THG	16.4	4.5	80%	0%	0%	-4%	-27%	-33%	-26.1	(0.04)
TIP	16.8	6.6	40%	57%	14%	5%	-13%	-9%	0.39	0.00
TLH	38.0	2.6	55%	0%	5%	-3%	-13%	-18%	-11.36	(0.04)
TMT	11.1	12.4	45%	9%	4%	132%	-67%	-22%	-22.47	(0.02)
TNA	17.1	5.4	45%	21%	13%	-15%	7%	-6%	-5.73	(0.01)
TNC	10.8	9.5	40%	51%	2%	-2%	14%	11%	20.52	0.02
TNI	17.8	9.2	77%	0%	0%	0%	21%	21%	26.12	0.03
TNT	2.1	41.3	95%	0%	0%	-70%	133%	-30%	-30.08	(0.01)
TRC	32.9	6.2	40%	60%	7%	-16%	7%	-9%	-10.07	(0.03)
TS4	4.1	22.3	25%	27%	2%	-38%	27%	4%	-21.72	(0.01)
TSC	11.6	-	45%	0%	0%	-30%	33%	-51%	-51.35	(0.10)
TYA	15.3	5.5	20%	0%	41%	-10%	16%	3%	25.06	0.01
UDC	4.7	20.8	35%	68%	0%	-1%	-17%	-17%	-17.33	(0.01)
UIC	8.9	4.9	50%	51%	17%	-13%	-12%	-26%	-14.48	(0.01)
VID	7.1	9.9	60%	0%	0%	-85%	429%	-22%	-20.3	(0.01)
VIP	19.8	5.4	40%	56%	7%	12%	-24%	-16%	-5.5	(0.01)
VIS	94.2	141.9	25%	0%	70%	-69%	183%	-12%	-10.68	(0.08)
VNE	23.3	8.8	90%	0%	14%	10%	-22%	-14%	-13.83	(0.03)
VNG	47.2	16.3	45%	0%	1%	162%	-66%	-15%	-10.56	(0.05)
VPH	25.0	2.4	55%	0%	14%	14%	-29%	-20%	-14.14	(0.03)
VRC	39.6	6.2	50%	0%	0%	-4%	12%	6%	7.69	0.02
VSI	14.4	10.3	40%	60%	1%	3%	66%	71%	71.23	0.05
VTB	8.2	12.2	40%	56%	8%	-10%	6%	-4%	0.2	0.00
VTO	25.1	5.9	50%	52%	2%	4%	-20%	-18%	-7.29	(0.02)
<b>Sum</b>	<b>3,162.4</b>	<b>10.0</b>				<b>3.7%</b>	<b>-4%</b>	<b>-10%</b>	<b>(7.27)</b>	<b>(2.19)</b>
VN-Index	2.4%									9.3%
ABT	19.0	16.7	20%	0%	3%	-7%	37%	27%	30.53	0.05

## Appendix 04. Vietnam CDS vs.ASEAN region



Source: Bloomberg, BSC research

## Disclosure

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