

## Vietnam Quarterly Review

### 3<sup>rd</sup> Quarter 2018

## BSC Research

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## Macroeconomics

- Q3/2018 GDP increased by 6.88% YoY. Industrial and construction sector saw the strongest growth of 8.61% YoY.
- The PMI in September of 2018, falling to 51.7, was only 51.6 points higher than the 51.6 in the third quarter, reducing the average annual decline to 53.3 (2017 is 52.6).
- Total retail sales and services 9M2018 were estimated at VND3,235 trillion, up 11.3% yoy
- Total registered FDI of 9M2018 reached VND 19.67 billion (-7% yoy) but total capital inflows were VND 13.25 billion (+ 6% yoy). The manufacturing and real estate industries are the two leading players in attracting FDI.
- The fluctuation band of the interbank exchange rate in Q3 was higher than Q2 and ranged from 23,050 to 23,349 VND/USD. The interbank rates tended to move in line with exchange rate movements and are rebounding at all terms. This strength and the frequency of SBV's net injecting in Q3 showed that the liquidity of the system continued to decline and under pressure by the exchange rate.

## Stock Market

- Both HSX and HNX continued their recovery momentum in September, but the pace slowed down. VN-Index increased 27.6 points, 2.73%, 5.87% QoQ, 32.9 points (3.34% YTD) and the HNX-Index rose 3.49 points or 3.09% MoM, points (9.52% QoQ), -0.58 points (-0.5% Ytd).
- The average liquidity on both exchanges increased 9.03% compared with 8/2018, and remained at VND 5.376 billion/session (~ USD 231.7 million/session). In Q3, the average liquidity on both exchanges decreased -29.92% compared to Q2 and remained at VND 4.891 billion/session (~ USD 210.8 million/session)
- In September, foreigners were net buyers on the HSX VND 474.08 billion, net selling VND -46 billion on the HNX. In the third quarter, foreigners were net sellers on the HSX VND -3648.66 billion, net buying of VND 235 billion on the HNX. Since the beginning of the year, they bought a net of VND 30.3 trillion on the HSX and sold a net of VND 1.097 trillion on the HNX
- The P/E of the VN Index increased to 18.33, equal to 2.39% MoM, 5.09% QoQ, -0.1% YTD and the HNX-Index rose to 11.07%, respectively 4.66% MoM, -19.29% QoQ and -11.44% Ytd. Compared to August, the P/E of the VN-Index kept at 7th place and the HNX-Index stayed at 17th position in Asia.

## Market outlook next quarter

VN-Index is likely to maintain over 1,000 points at the end of 2018. The market is expected to increase to 1,050-1,080 points in October thanks to quarterly business results and cash flows before the adjustments at the end of November or early November. The cumulative and divergence trend taking place in November will lay the foundation for the recovery in December or early 2019. In addition, **Vietnam was included on FTSE's monitoring market upgrade list in September**. Vietnamese stock market has the opportunity to participate in the large playground of the global stock market. This information not only has a positive psychological effect and short-term cash flow but also marks a turning point. Viet Nam is ready for the big game which is to join and integrate into the global financial market in the long run:

- In the positive case, the world market still does not react strongly to the key information as in September, VN-Index will close above 1,000 points with the central point of 1,080 at the end of the year. Major stocks such as Banking, Petroleum, Consumer, Real Estate, Manufacturing take turns to be the market's pillar. Liquidity maintains well, cash flow moves positively which gradually push the market.
- In case of negative, the negative information of world spreads, the market sensitivity reacts to these impacts, VN-Index will form the shake waves, these big fluctuations can weaken pillar stocks and cash flow. VN-Index may return to 1,000 points at the end of the year.

### Recommended Stocks:

- Industry sectors and stocks that we are evaluating in the 2018 Industry Outlook ([Link](#)) and ([Link](#));
- Banking – finance stocks that have significant business results, Petroleum stocks benefited from oil price and stocks benefited from trade agreements and manufacture transfers from trade war;
- Real Estate-Construction stocks are on the profit cycle;
- Leading retails stocks have high growth and dividend yields;
- Stocks recommended by us on BSC website.

# Macroeconomics of September 2018

## Economic growth

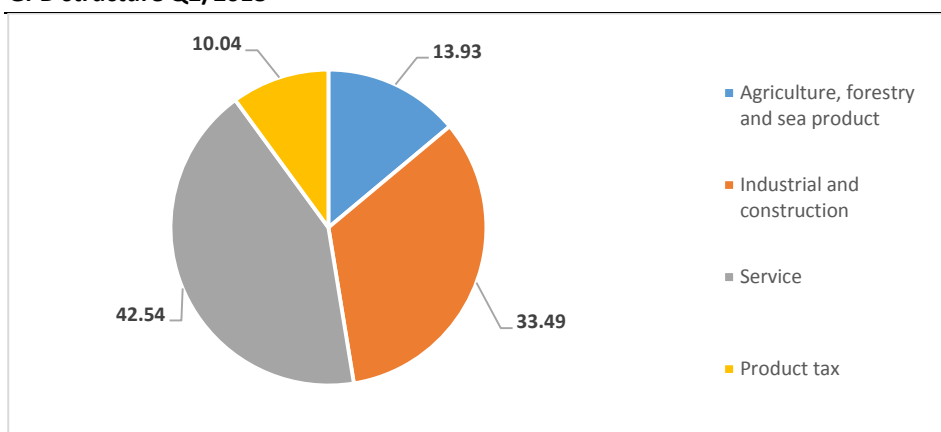
- The gross domestic product (GDP) of the third quarter of 2018 is estimated to increase by 6.88% over the same period, although lower than the growth rate of 7.45% in the first quarter but higher than the growth rate of 6.73% in the second quarter.
- The PMI in September of 2018, falling to 51.7, was only 51.6 points higher than the 51.6 in the third quarter, causing the average annual PMI decline to 53.3 (2017 was 52.6).

**Gross domestic product (GDP) in Q3/2018 is estimated to rise by 6.88% over the same period.** Of which, agriculture, forestry and fishery increased by 3.46%; Industrial and construction sector increased 8.61% and service sector increased 6.87%. Looking at the third quarter GDP in 2018, final consumption rose 7.02% over the same period last year; asset accumulation increased 8.61%; Export of goods and services increased by 15.13%; Imports of goods and services increased by 14.76%.

In the industrial and construction sectors, the industry maintained a healthy growth rate of 8.98% in nine months, contributing 2.91 percentage points to the growth rate of the total value added of the economy. Manufacturing and processing continue to be the highlight of this sector and the main driver of economic growth with the highest increase of 12.65%, although lower than the same period of 2017 but much higher than that of the 9-month growth for the period 2012-2016, contributed 2.56 percentage points. The mining industry remained negative (down 1.97%), down 0.14 percentage points on the increase in total value added of the economy but the decrease rate was significantly narrowed compared to the 8.08% decrease of the same period last year. Construction sector in 9 months maintained a good growth rate of 8.46%, contributing 0.55 percentage points.

Chart 1

**GPD structure Q2/2018**



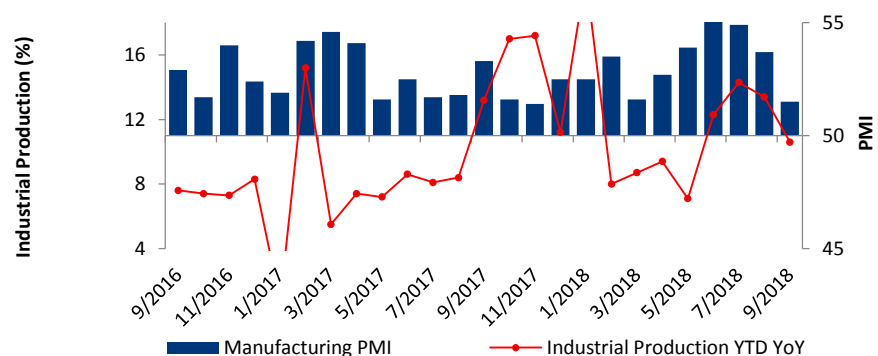
Source: GSO, BSC Research

September Industrial Production Index (IIP) was up 9.1% over the same period last year, of which the mining sector fell by 2.7%; Processing and manufacturing sector increased by 11.2%; electricity production and distribution increased by 5.1%; water supply and waste disposal increased 8.4%. For the third quarter of 2018, IIP is estimated to increase 10.7% over the same period last year, of which mining down 3.4%; processing and manufacturing increased 13.2%; electricity production and distribution increased by 7.6%; water supply and waste disposal increased 7.4%.

In the first nine months of 2018, the IIP was up 10.6% over the same period last year (first quarter increased 12.7%, second quarter increased 8.2%, third quarter increased 10.7%), the highest growth since 2012 here. Of which, the manufacturing sector continued to be the leading indicator of overall growth of the industry with a 12.9% increase (15.7% in the first quarter, 9.6% in the second quarter, 13.2% in the third quarter), contributed 9.9% percentage point increase in overall growth, this is the highest increase of this sector over the years; Power production and distribution increased 9.7%, contributing 0.9 percentage points; Water supply and waste disposal increased by 6.4%, contributing 0.1 percentage point; Mining alone fell by 2% (mainly due to a decrease in crude oil by 11.7%), which decreased by 0.3 percentage points overall.

Chart 2

### Industrial production index and PMI



Source: GSO, Markit, BSC Research

**In 9M2018, the total consumption of processing and manufacturing increased 12.2% over the same period last year (the same period in 2017 increased 12%).** Inventory index of the entire processing and manufacturing sector is estimated at 30.9% up 30.8% over the same period last year (up by 8.8% in 2017). The inventory rate of manufacturing and processing in the first 9 months of 2018 is 63.8% (65.6% same period last year).

**The PMI dropped sharply to 51.7.** Average annual PMI fell to 53.33 (2017 is 52.6); PMI in the third quarter dropped to 53.37, the lowest quarter-on-quarter.

**The main factor that reduced the PMI in September was the slowed down new orders in term of both quality and quantity.** Manufacturing output rose at the slowest pace since March as the growth rate slowed for the third month. This situation also occurs with the number of new orders. The number of new export orders increased only moderately, and the increase was the slowest in 16 months. In addition, the number of jobs in the manufacturing sector increased in September, as recorded in the past two and a half years. However, the pace of job creation is weak and has been the weakest since August 2017. On input prices, Nikkei said that although prices continued to rise in the end of the third quarter but the pace of growth has slowed and is weaker than the historical average of the index. Similar situation also occurred in China, China's manufacturing growth stagnated in September after 15 months of expansion, with export orders falling the fastest in more than two years, The PMI is back at 50.5. China remains a big importer in Vietnam, ranking third after the United States and the EU. Production in China has been ruled out by trade wars, which has had a significant impact on the number of new orders in Vietnam.

## Inflation

- **Average CPI in the first nine months of 2018 rose 3.57% over the same period last year;**
- **CPI in September increased by 0.59% over the previous month thanks to 10/11 groups of goods and services increased.**
- **Retail sales of goods and services 9M2018 increased 12.5% over the same period of last year.**

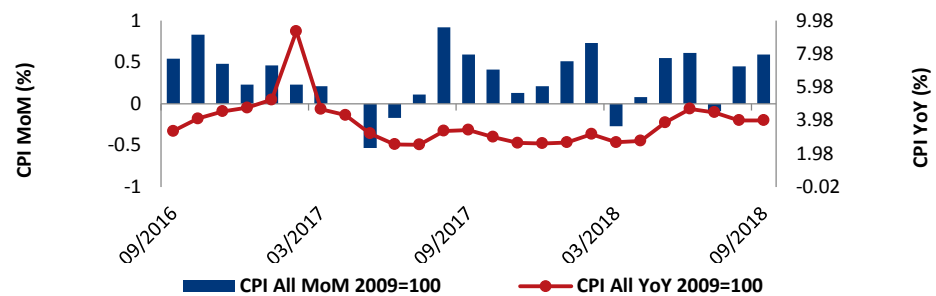
**CPI in September increased 0.59% over the previous month, and increased 4.67% over the same period in 2017.** Basic inflation in September 2018 increased 0.14% over the previous month and up 1.61% over the same period last year. In the third quarter of 2018, CPI increased by 0.72% qoq and increased 4.14% compared to Q3/2017, of which the transport group increased by 9.14% YOY.

**Average CPI for the first month of 2018 rose by 3.57% over the same period last year,** mainly due to the following factors:

- (1) Localities adjusted prices of health services as the price of health services increased by 18.26%;
- (2) Localities implementing tuition fees roadmap increased education services by 7.02%;
- (3) World fuel price in the first nine months increased sharply, causing the average gasoline price rose by 13.95% YoY;
- (4) Food prices rose 4.09% mainly due to 5.49% rise in pork prices.
- (5) Prices of essential commodities in the world such as fuel, fuel and steel prices increase again.

In general, the average inflation in the first nine months of 2018 rose 1.41% over the same period last year.

Graph 3  
Monthly CPI movements



Source: GSO, BSC Research

The CPI of 10/11 goods and services in September rose over the previous month, with the highest increase by 5.07%. Traffic sector increased by 0.82% due to the effect of two rounds of gasoline price increase which were 6/9/2018 and 21/9/2018. Catering and food service increased 0.44%, of which starch food increased 0.28% due to increased demand for rice exports; food increased by 0.51%

Total retail sales of consumer goods and services in 9/2018 were estimated at VND 374.8 trillion, up 1.3% MoM and up 12.5% YoY. In the third quarter of 2018, total retail sales of consumer goods and services were estimated at VND 1,113.1 trillion, up 3.8% QoQ and up 12.5% YoY. For the whole 9M2018, the total retail sales of goods and services reached 3.235 trillion, up 11.3% YoY, excluding the price factor rose by 8.8% YoY. In 9 months, retail sales of goods reached 2.433 trillion, up 12% YoY; Revenue from hospitality, catering services reached VND396 trillion, up 8.4% YoY; Tourism revenue reached VND 30.3 trillion, up 16.9% YoY; Other service revenue reached VND 375.3 trillion, up 9.7% YoY.

Chart 4  
Retail sales

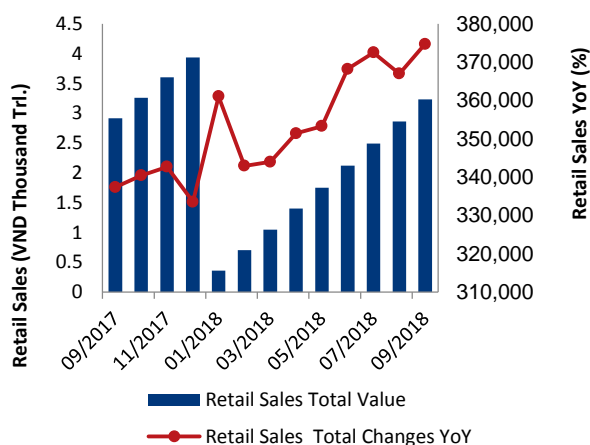


Table 1: Increase/decrease of service sectors in September

Nr.	Sector	MoM (%)	YoY (%)
1	Food and catering	0.44	5.17
2	Beverage and	0.82	7.93
3	Cigarette	0.01	2.82
4	Clothing	0.2	3.23
5	Housing &	0.09	1.64
6	Construction material	0.09	1.48
7	Housing appliance	0.11	1.58
8	Health care	0.13	1.32
9	Transportation	5.07	6.07
10	Telecommunication	-0.08	-0.78
11	Education	0.14	2.35

Source: GSO, BSC Research

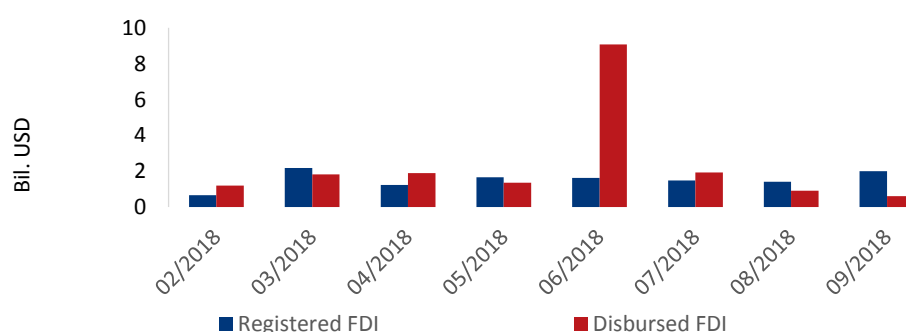
## Foreign Direct Investment (FDI)

- Newly registered foreign investment increased only slightly in September. Total foreign investment registered 9T2018 decreased 7.7% compared with the same period last year.
- In 9M2018, the largest foreign direct investment (FDI) industry with registered capital of newly licensed projects was US \$ 6.26 billion, accounting for 44.3%..

Total FDI registered new and increased to the end of 20/09/2018 of 2,182 projects (+ 18.3% YoY), reaching 14,124 million USD (-3% yoy), plus \$ 5.542 million of registered capital of 841 the previous years licensed projects. As a result, total newly registered FDI and additional capital increased to US \$ 19.68 billion (-7.7% YoY). Disbursed FDI was estimated at \$ 13.25 billion (+ 6% YoY).

In the third quarter, registered FDI reached \$ 3.44 billion, down more than 20% over the same period last year and less than three times the previous quarter, the lowest level in all three quarters of 2018. Disbursed FDI for the quarter was \$ 4.88 billion, up 8.4% from the previous quarter and up 1.67% over the same period last year.

Chart 5  
FDI (USD billion)



Source: GSO, BSC Research

In nine months, the processing and manufacturing sector was the largest FDI sector; its registered capital of newly licensed projects was USD 6,261.8 million, accounting for 44.3% of the total newly licensed capital; real estate sector reached 4,953.7 million USD, accounting for 35.1%; Other sectors reached USD 2.909 million, accounting for 20.6%. Including additional registered capital of licensed projects from previous years, foreign direct investment in manufacturing and processing in the first 9 months of this year reached USD 9,670.7 million, accounting for 49.2 % of total registered capital; Real estate sector achieved 5,444.2 million USD, accounting for 27.7%; the remaining sectors reached USD 4,553.8 million, accounting for 23.1%.

Top three provinces attracted FDI in the whole country: Hanoi (US \$ 4,934

million - 34.9%), Ba Ria - Vung Tau (US \$ 1,774.6 million - 12.6%), Binh Duong (US \$ 684.5 million - 4.8%).

In 9M2018, Japan is the largest foreign direct investor in Vietnam with total investment of \$ 5.837 billion, accounting for 41.3% of the total newly registered capital; followed by South Korea with \$ 3.094 million, accounting for 21.9% and Singapore with \$ 1.101 million, accounting for 7.8%.

## Trade, Import and Export

- **The trade balance in September was estimated at USD 700 million. From the beginning of the year to September 2015, the trade surplus was \$ 5.39 billion.**

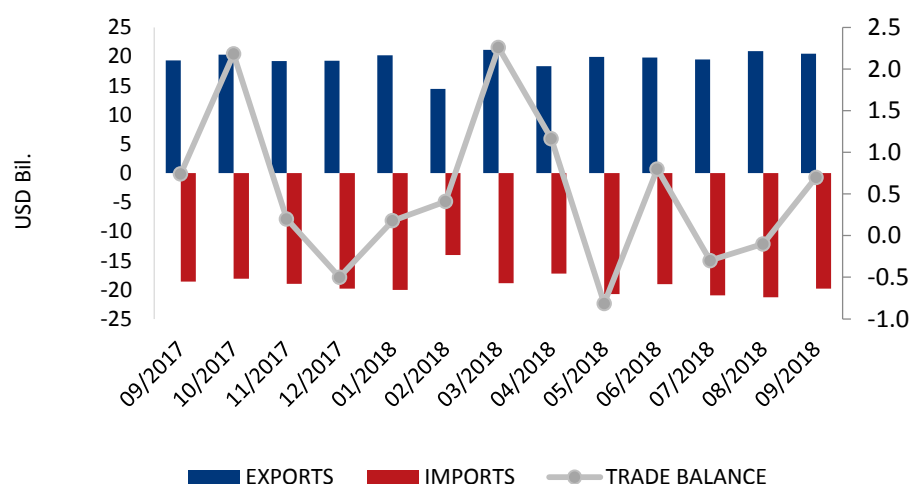
Export turnover in September was estimated at \$ 20.5 billion, down 12.7% MoM and up 6.2% YoY. Of which, the domestic economic sector gained 5.93 billion USD, down 16.5% MoM and 6.5% YoY; Foreign invested sector decreased by 11.3% MoM and 6.1% YoY. Import turnovers in September were estimated at \$ 19.8 billion, down 7% MoM and up 8% YoY. In which the domestic economic sector reached 7.4 billion USD, down 6.3% MoM and up 9.9% YoY. Foreign-invested sector was \$ 12.4 billion, down 743% MoM, and up 6.9% YoY.

Vietnam exported \$ 64.4 billion (+ 14% YoY and + 10% QoQ) in the third quarter. There were 12 items worth over USD 1 billion, accounting for 80% of the total export turnover, of which telephone and components reached USD 13.5 billion, accounting for 20.9% of the total export turnover, up 12.2% yoy compared with the same period last year; textiles and apparel reached \$ 8.9 billion, up 19.2% yoy; electronics, computers and components reached \$ 8.2 billion, up 18.5% yoy.

Import turnover in Q3/2018 reached \$ 62 billion (14.4% YoY and + 8.8% QoQ). There were 14 import items valued at more than USD 1 billion, accounting for 74.8% of total import value, of which: electronics, computers and components reached USD 11.3 billion, accounting for 18% of total import turnover, up 12.6% YoY over the same period last year; machinery and equipment were \$ 8.7 billion, up 7.1% YoY; phone and accessories sales were \$ 5.1 billion, up 10.1% YoY..



Chart 6  
Export-import activities (Bil. USD)



Source: GSO, BSC Research

For the first nine months of this year, import turnover was estimated at 172.0 billion USD, up 11.1% against the same period last year, of which the domestic economic sector gained 68.8 billion USD, up 11.0%; Foreign invested sector reached USD 103.18 billion, up 15.1%. As of 9M2018, there are 30 items estimated import turnover reached over \$ 1 billion, accounting for 38.5% of total imports. Of which, electronics accounted for the largest share of 29 billion (+ 13.8% YoY).

In the first nine months of this year, China remained the largest importer of Vietnam with a turnover of \$ 47.1 billion (+ 12.4% YoY). South Korea is worth \$ 35 billion, up 1.4% YoY; ASEAN reached 23.2 billion, up 13% YoY.

Table 2  
Top 10 Export goods

No.	Export goods	Value (Bil. USD)	%YoY
1	Mobile phone	34.3	18.0%
2	Textile	21.1	16.9%
3	Electronics	11.4	29.3%
4	Other machines	11.4	29.3%
5	Shoes	11.1	10.1%
6	Woods	6.0	14.3%
7	Vehicles	5.9	13.6%
8	Aquaculture	5.6	15.9%
9	Camera	3.2	44.7%
10	Steel	3.1	55.0%

Source: GSO, BSC Research

Table 3  
Top 10 Import goods

No.	Import goods	Value (Bil. USD)	%YoY
1	Electronics	29.0	13.8%
2	Machine	23.1	-4.5%
3	Mobile phone	10.2	4.0%
4	Fabric	10.2	4.0%
5	Steel	7.8	-12.4%
6	Plastic	6.3	37.2%
7	Gasoline	5.9	24.1%
8	Other metals	5.5	32.6%
9	Plastic Products	4.1	5.2%
10	Textile Materials	4.0	11.8%

Source: GSO, BSC Research



### Forex market

- **USD exchange rate maintained a strong uptrend from the second half of September due to the FED's raising interest rate to 2.00% -2.25, up by 0.25%.**

**VND/USD central exchange rate in September 2018 fluctuated in the range of 22,630– 22,669 VND/USD,** decreased from the range of 22,666 – 22,691 VND/USD in August. September's average level was 22,647 VND/USD.

**VND/USD interbank exchange rate in September 2018 fluctuated in the range of 23,299 – 23,050 VND/USD,** decreased from the range of 23,296 – 23,322 VND/USD in August. September's average level was 23,147 VND/USD.

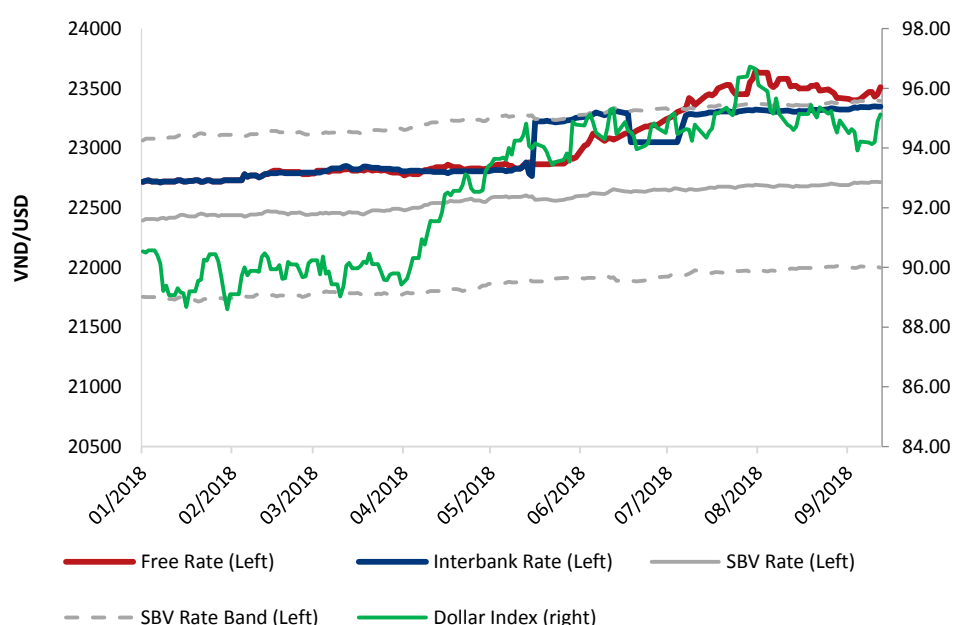
**VND/USD free exchange rate in September 2018 fluctuated in the range of 23,120 – 23,450 VND/USD,** decreased from the range of 23,440 – 23,650 VND/USD in August. September's average level was 23,258 VND/USD.

The Dollar Index, as of September 28, was up 0.8 percent from the end of August, up 2.4 percent from last year. The average of the month was 94.6 . The movement of the US Dollar Index was similar to the movements of the VND / USD exchange rate.

**CDS:** Vietnam's CDS remains the highest in the region since the beginning of the year, only the new Indonesia market sometimes surpasses a short time in the second quarter (see appendix for details). Vietnam's five-year CDS closed at 152.33, down from its peak at 175.08 on Sep 5, 2018.

Chart 7

#### Exchange rate movements



Source: Bloomberg, BSC Research

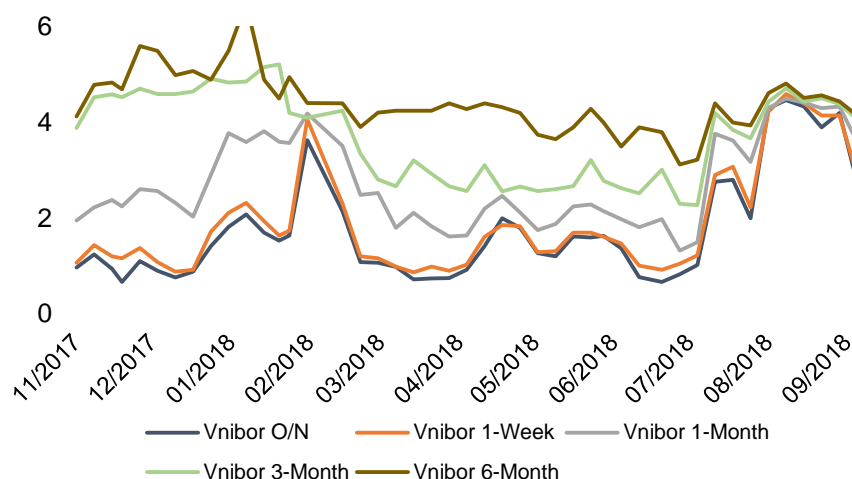
Since the beginning of 2018, the VND / USD free exchange rate was stable until the first half of February, and then started to increase steadily and reached 22,820 VND / USD as of 28/3/2018. Meanwhile, the interbank rate tends to move sideways during the second half of 2017 and the first half of 2018 thanks to foreign exchange reserves reaching 63.5 billion dollars. However, in the middle of the second quarter, strong fluctuations due to international trade tensions have pushed the exchange rate above the peak of 2017. Tension of trade war led the exchange rate to escalate; the free exchange rate reached this year peak at 23,650 at 16/08. Exchange rates began to decline as the central bank repeatedly provided the necessary foreign currency to support the yuan's hold on the world currency market. China's move to stabilize market sentiment around the U.S. dollar exchange rate. As a result, the exchange rate began to decline until the middle of September and then rebounded as the Federal Reserve raised interest rates for the third time this year.

## Bank - Interest rate

- Credit growth in Q3 / 08 reached 9.52%.
- The interbank rates in September fluctuated in line with the exchange rate trend and rebounded in the second half of September as the Federal Reserve raised interest rates to 2% -2.25%.
- The deposit and lending interest rates are stable.

As of 20/9/2018, the total means of payment increased by 8.74% compared to the end of 2017 (the same period of 2017 increased by 9.59%); capital mobilization of credit institutions increased by 9.15% (the same period in 2017 increased by 10.08%); Credit growth of the economy reached 9.52% (the same period in 2017 increased by 11.02%).

**The mobilizing and lending interest rates of credit institutions in general are relatively stable, although some banks have raised mobilizing interest rates but the growth rate is small, showing no upward trend.** At present, deposit interest rates in VND are commonly at 0.6% -1% pa for demand deposits and deposits with terms of less than 1 month. 4.3% -5.5% pa for term deposits from 1 month to less than 6 months; 5.3% -6.5% pa for term deposits from 6 months to less than 12 months; terms over 12 months at 6.5% -7.3% per year. VND interest rates are around 6% -9% pa for short term and 9% -11% pa for medium and long term; For good customers, short-term lending rates range from 4% -5% per annum. The credit structure continues to shift in the direction of actively focusing on the business sector, especially priority areas, large projects and key focus areas under the Government's policy.

Chart 8  
Interbank interest rate

Source: Bloomberg, BSC Research

**Interest rates fluctuate in accordance with exchange rate trends.** The movement of exchange rates and interbank rates fluctuated in the same direction from the end of the second quarter onwards as the US trade war intensified. The pressure from the US dollar strengthened and the yuan weakened, putting pressure on the VND so that the banking system was continuously regulated to maintain the exchange rate within the target range of the government. Interest rates at all maturities have rebounded after a sharp fall in mid-September. Interest rates for overnight, 1 week, 1 month, 3 month and 6-month terms are respectively trading at 2.73%, 3%, 3.77%, 4.37% and 4.6%.

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 payment in the system increased, then adjusted down to. At the end of March, interest rates at all maturities were relatively wide, especially for short terms. After two recovery 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. Then, the upward momentum for all maturity interest rates peaked in mid-August at the time when the USD was highest and the yuan was lowest.

The net withdrawal via OMO and the trend of interbank interest rate increase in the third quarter showed that the liquidity of the whole system continued to decline and to be under strong pressure of the exchange rate.

## Macro Forecast in Q4 2018

**On a global scale, Vietnam macro-economy in Q4/2018 may be affected by some of the following macroeconomic events:**

**(1) Trade war.** Trade war continues to escalate to the next step when President Donald Trump's \$ 200 billion tax bill is enforced. On the same day, China responded by imposing a \$ 60 billion tax, Beijing issued a comprehensive report on trade disputes. China accuses the US of bullying and threatening China's economy and undermining global trade and international order. Mr. Trump also pledged to put more tariffs on the \$ 257 billion Chinese products. In addition, the United States may announce some successes in its new strategy. South Korea's decision to adjust trade deals with the United States to limit steel exports and import more cars made it one of the first countries to surrender under pressure. In return, Seoul is exempt from import duties on steel and aluminum. Mexico also broke a promise to Canada that it would maintain a joint front in Ottawa in the NAFTA Renegotiation, agreeing to concessions in direct talks with the United States. Those changes allow Trump to increase pressure on Canada to force it to change or be excluded from a US-Mexico agreement. Even the EU, which frequently favors liberal trade, has abandoned its commitment to require steel and aluminum tariffs to be lifted before direct talks with the United States. The EU is working toward an agreement that would violate both the rules of the World Trade Organization and its own, so that it could block imposed tariffs on its automobile industry. Japan has been trying to keep the spirit of the multilateral agreement alive, leading the successful push to revive and complete the TPP without the United States. However, Tokyo is now finding itself pushing down bilateral agreements with the United States. Thus, on many fronts of trade negotiations in the world, the U.S. is seemingly winning. However, the preliminary agreements of EU, Mexico, and South Korea are just minor changes, which only yielded the United States a symbolic victory. The EU and Japan have completed a bilateral trade agreement and sought to work together while luring the United States and China closer cooperation. However, they are both deeply aware that if they are so close to Washington or Beijing they are at risk of being trapped in a bilateral trade war. Trade war may continue as bilateral negotiating fronts are still in its opening stage.

**(2) Brexit:** After the negotiation at the Brexit conference, Theresa May's Chequer plan was firmly rejected. Brexit's second referendum attracted the attention of investors last week, largely because it significantly reduced the chances of a "no agreement" after the talks of the UK with the EU. Anything that can happen in the political environment of England, but both major party leaders strongly oppose a meaningful "vote of the people". However, it can prove to be the only way to avoid a hard Brexit. At present, Brexit has not made any progress and reasonable agreement. Two cases of "soft Brexit" and "hard Brexit" can occur with favors in the latter part due to falling short of the Irish border issue. Brexit could create more opportunities between the UK and Vietnam when the UK needs to compensate for the lost trade volume from the EU.

**(3) *FED and EU meetings:*** The Fed will continue to raise interest rates for the fourth time in its December 18 meeting, with the survey rate 88.1% according to the Wall Street Journal. The European Central Bank (ECB) expects interest rates to remain at their current levels until next summer and a cut of the 2.6 billion euro bond will be gradually reduced and officially ended at the last of December. The upward trend in interest rates will continue to put pressure on the VND-USD exchange rate in the coming time.

**(4) *OPEC meeting in early December: The outcome of the JMCC meeting between OPEC and Russia has created a diffusion effect.*** Saudi Arabia, the leading OPEC oil producer, and Russia seem to have rejected US President Donald Trump's request to increase overall oil production to fight higher oil prices. At present, OPEC has yet to see any real necessity to supply more oil barrel as the oil price remain above the 5 year average. Russia and Saudi Arabia reiterated their claims that if needed they would be able to provide more volume, as backup capacity remains. These statements may be execute in the last months, especially after Trump withdrew the JCPOA agreement with Iran, which would significantly reduce Iran's oil exports in the coming months. Analysts are watching the situation, as severe tightening in the market could become a big issue after November this year, when US sanctions will be fully implemented in Iran and all related customers. If oil prices continue to rise to \$ 90-100 a barrel, OPEC may begin to increase output to replace Iran's imprisoned oil supply. Oil prices have a strong impact on transport and this group accounts for 9.4% of CPI's weight.

**With regard to the domestic situation, the focus in Q4/2018 included the following issues:**

**(1) *The Sixth session of the XIV National Assembly (22/10-20 /11).*** Q3 will hold a parliamentary session. In this meeting, the General Secretary of the National Assembly said that for the projects and resolutions on the establishment of special administrative-economic units, basing themselves on the practical preparation and conclusions of the National Standing Committee, the expected meeting content will be adjusted accordingly. Laws that might be considered at the meeting include the Special Administrative-Administrative Unit Law, the Anti-Corruption Law (amended), the Education Law (amended), the Law on Amendment and Suppression a number of articles of the Higher Education Law, the People's Police Law (amended) ....

**(2) *Circular 19/2018 / TT-NHNN, which entered into force on 12/10/2018 allow yuan to settle in the Vietnam-China border.*** Accordingly, the currency used for trading, exchanging goods and services across the Vietnam-China border of traders is freely convertible foreign currency, Vietnam Dong (VND) or RMB CNY). Payment method includes bank payment, VND or CNY cash. Vietnamese traders may receive VND cash or cash CNY from the export of goods via auxiliary border gates or border crossings and remit them into the payment accounts opened at the border bank branches.

**(3) Decree 108/2018 / ND-CP dated 10/10/2018 amended many provisions on business registration in the current Decree 78/2015 / ND-CP.**

Accordingly, enterprises are not required to affix stamps in the request for business registration, notice of changes in the business registration, resolutions, decisions, minutes of meetings in the register. Enterprises may register the change of the type of enterprise and at the same time register the change of the contents of the business registration; notify the change of the contents of the other business registration, except for the change of the representative at law. The law also supplements the specific provisions on registration of the establishment of enterprises based on conversion from business households. Enterprises do not have to set up their business locations in the provinces or centrally-run cities where their enterprises are headquartered or their branches are located..

**(4) Inflation may increase. Inflation may reach 3.8% by the end of the year.** The 9-month average CPI is currently at 3.57%. The two major commodity groups that affect Vietnam's inflation are gasoline and food. In particular, the price of petrol depends on developments on the international market. Oil prices will continue to rise sharply as OPEC and Russia both agree not to increase output and the economic embargo of Trump went into effect in November. In addition to rising oil prices in the international market pig prices continue to rise again due to the scarcity of supplies from African pig cholera that has spread to many countries in the region. Short supply of pigs will continue to push up pig prices in the coming time and put pressure on CPI, when food without stark and food account for 27.06% of CPI.

**(5) Interest rates and exchange rates may increase slightly.** Due to FED raising interest rate for the third time, the international and domestic USD exchange rates rebounded after the news. BSC forecasts that in the next three months the exchange rate will have a slight rally in the fourth quarter as news effects between the Federal Reserve raise interest rates, trade wars and the exchange rate policy of the People's Bank of China continue affecting USD currency. Due to the increasing inflationary pressure and interbank rates in all periods rebounded in accordance with the fluctuation of the exchange rate, we believe that interest rates will continue to increase slightly in the fourth quarter.

Table 4  
Monthly macro indicators

Indicator/Month	2018M2	2018M3	2018M4	2018M5	2018M6	2018M7	2018M8	2018M9
PMI	53.5	51.6	52.7	53.9	55.7	54.9	53.7	51.7
IIP yoy (%)	8.0	8.7	9.4	7.1	10.5	14.3	13.4	9.1
IIP ytd yoy (%)	15.2	11.6	11.4	9.7	12.3	10.9	11.2	10.6
Retail Sales yoy (%)	10.7	22.4	1.3	6.1	12.5	14.7	12.6	12.5
Retail Sales ytd yoy (%)	10.1	9.9	9.8	10.1	10.7	13.3	11.7	13.4
CPI mom (%)	0.73	-0.27	0.08	0.55	0.61	-0.09	0.45	0.59
CPI yoy (%)	3.15	2.66	2.80	3.86	4.67	4.46	3.98	3.98
Registered FDI (Bil. USD)	2.09	3.91	5.8	7.15	16.23	18.15	19.06	19.67
Disbursed FDI (Bil. USD)	1.70	3.88	5.1	6.75	8.37	9.85	11.25	13.25
Export (Bil. USD)	13.4	19.8	18.2	19.2	19.8	20.3	20.9	20.5
Import (Bil. USD)	12.5	19.0	17.5	19.7	19.0	20.69	21.0	19.8
Trade Balance (Bil. USD)	0.9	0.8	0.7	-0.5	-0.8	-0.6	-0.1	0.7
Exchange rate (VND/USD)	22,801	22,820	22,800	22,840	22,967	22,840	23,308	23,147
Credit growth (%)	-	2.23	-	-	6.35	-	-	9.52

Source: BSC Research

Table 5  
Quarterly macro indicators

Indicators/Quarter	Q3/2016	Q4/2016	Q1/2017	Q2/2017	Q3/2017	Q4/2017	Q1/2018	Q2/2018	Q3/2018
GDP yoy (%)	6.68	6.68	5.15	6.28	7.46	7.65	7.38	6.73	6.88
IIP yoy (%)	7.6	8.3	4.0	8.2	9.7	14.4	11.6	12.3	10.7
Retail Sales yoy (%)	9.7	10.2	9.2	11.6	11.6	10.9	9.9	10.7	12.5
CPI yoy (%)	2.57	4.7	4.65	2.54	2.54	2.73	2.66	3.23	3.57
Registered FDI (Bil. USD)	5.2	3.17	6.86	4.98	4.98	5.00	3.91	12.3	3.4
Disbursed FDI (Bil. USD)	3.7	6.12	3.6	4.1	4.1	8.4	3.88	4.5	4.9
Export (Bil. USD)	44.9	47	36.6	53.2	56.4	58.8	55.8	58.2	64.3
Import (Bil. USD)	44.7	48.2	39	53.7	54.2	56.9	52.9	57.0	62.0
Balance of Trade (Bil. USD)	0.2	-1.2	-2.4	-0.5	2.2	1.9	2.8	1.2	2.3
Exchange rate (VND/USD)	21,940	22,760	22,829	22,680	22,743	23,720	22,820	22,967	23,260
Credit growth (%)	10.46	18	2.81	7.54	7.54	18	2.23	6.35	9.52

Source: BSC Research



## Stock Market September 2018

### Market Outlook

In September, the index continued to recover despite the strong fluctuations around 1,000 points. Market indexes gained excitement from investors and rose well after that period. As of 28/09/2018, VN-Index increased 27.6 points compared with the previous month (2.79% MoM) and HNX-Index increased 3.49 points (3.09% MoM). In Q3, VN-Index increased 56.35 points (5.87% QoQ), HNX-Index increased 10.11 points (9.52% QoQ). From the beginning of 2018, the VN-Index gained 32.89 points (3.34% ytd) and the HNX-Index decreased -0.58 points (-0.5% ytd)

More positive than August, cash flow in the market has strongly spread into the group of stocks with smaller capitalization and is clearly expressed in the period from 28/8 to 7/9. (See also stock market movements by capitalization), when the large cap stocks and the VN30 adjusted very well, but the smaller cap stocks did not have the same selling pressure and continued to increase or move sideways. In September, the HSX had 257 gainers, 100 losers and 8 unchanged stocks, adding 1 new stock. Five stocks including VN Index gained 12.33% (7.7 points), VNM increased 6.5% (3.9 points), TCB increased 10.8% (3.1 points), VHM rose 1.9% (1.6 points), HPG increased by 5.9% (1.6 points). VN-Index declined by -4.9% (-5.1 points), MSN dropped -2.3% (-0.8 points), SAB dropped -1.6% (-0.7 points lower), MBB decreased -2.5% (-0.4 points) and VJC -1.5% (-0.4 points). In September, the sectors continued to rally led by the finance and petroleum groups then spread to the real estate group. However, cash flow was stronger in Midcap and SmallCap stocks. Consequently, the index increased slightly at the end of September and the positive status remained on market even in correction sessions.

Table 6

Fluctuation in the last 6 months on HNX on HOSE

Month	Index	Volume (Bil shares)	Capitalization (VND Trillion)
9	1,017.13	3.36	3,254.42
8	989.54	3.67	3,160.67
7	956.39	3.10	3,020.45
6	960.78	2.84	3,041.04
5	971.25	2.89	2,944.71
4	1050.26	3.53	2,876.60

Source: HSX, Bloomberg, BSC Research

Table 7

Fluctuation in the last 6 months on HNX

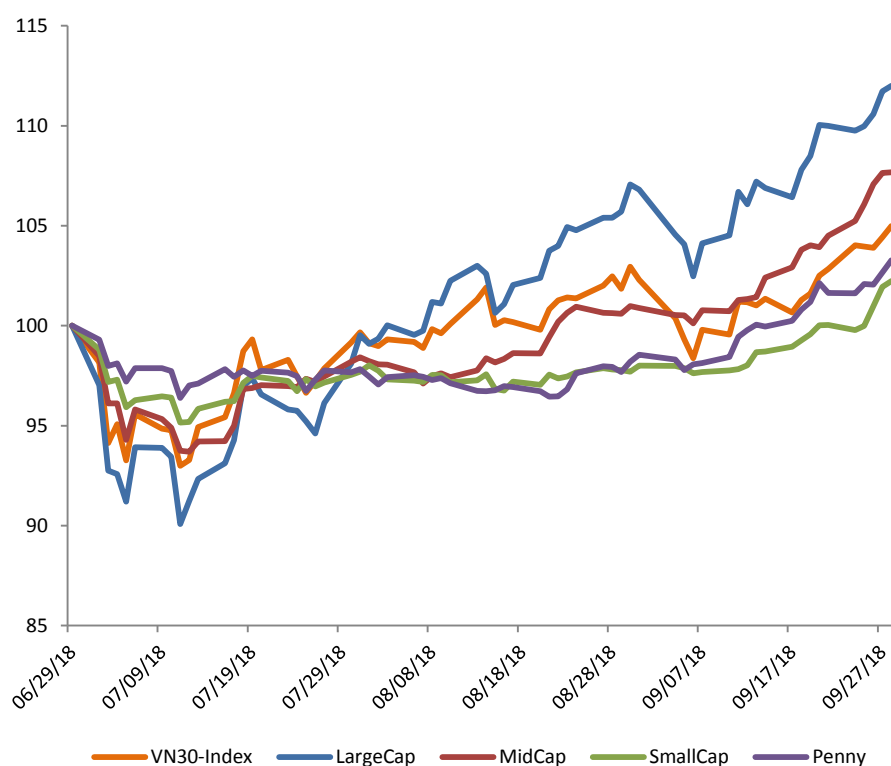
Month	Index	Volume (Bil shares)	Capitalization (VND Trillion)
9	116.28	0.96	204.58
8	112.79	1.51	202.20
7	106.16	0.87	201.08
6	106.17	0.87	199.50
5	114.91	1.11	213.74
4	122.64	1.17	225.08

Source: HNX, Bloomberg, BSC Research

## Stock groups performances

**The stock groups which are divided by market capitalization have a strong but uneven recovery.** Since the beginning of July, all groups have been positive performance. VN30 increased 5.0%, LargeCap increased 12%, MidCap increased 7.7%, SmallCap increased 2.2% and Penny increased 3.3%. During the period 28/8 to 7/9 the index under pressure of profit taking strength to reach the threshold of 1,000 points for the first time leading to the correction of the stocks in the index VN30 and LargeCap. However, this negative impact has little impact on the general market, as the other 3 groups have slightly adjusted or continue on the recovery trend, indicating that the cash flow was having a certain diffusion when it did not exited and moved from large stocks to smaller stocks.

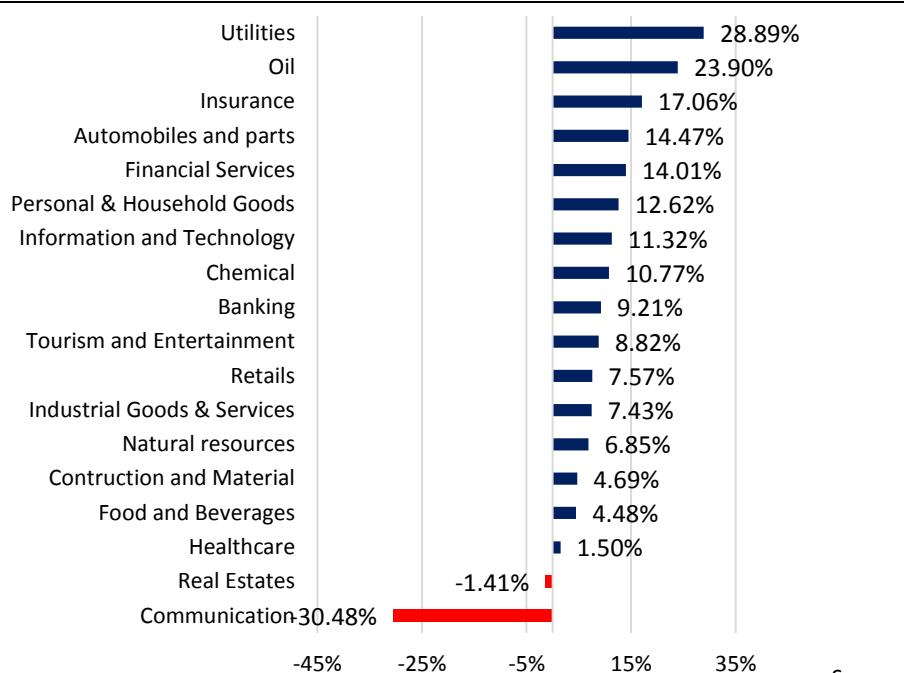
Chart 9  
**Stock group performances**



Source: Bloomberg, BSC Research

In August, the market had 16/18 sectors gaining points. Of which, the petroleum sector posted the strongest performance with a 28.89% gain from GAS and PLX, oil and gas rose 23.9% with PVD and PVS, insurance rose 17.06% with BVH and BMI.

Chart 10  
Tier 2 sector in Q3 2018



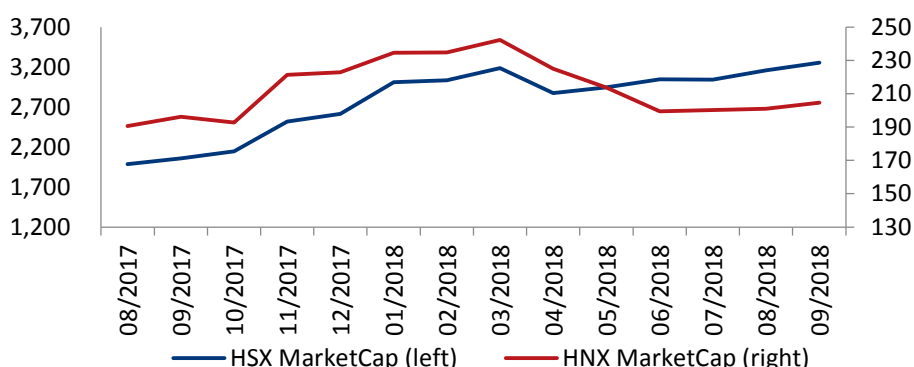
Source:  
Fiiipro, BSC Research

## Capitalization scale

Market capitalization on both exchanges reached VND 3,459 trillion equivalent to USD 149.1 billion, up 2.9% MoM, 6.5% QoQ and 21% Ytd. In September, 20.8 million shares were newly listed on the HOSE, 476.7 million additional shares and 2.7 million shares delisted. 7.5 million ETF listing and 17 million initial listing.

On the scale of listing on HOSE on 31 July, HOSE is listing 73.89 billion shares or 738.9 trillion (96.64% of market value), 224.7 million bonds equivalent to 22.5 trillion (2.94% market value), 281.7 million ETF certificates equivalent to 2.8 trillion (0.37% market value).

Chart 11  
Capitalization scale



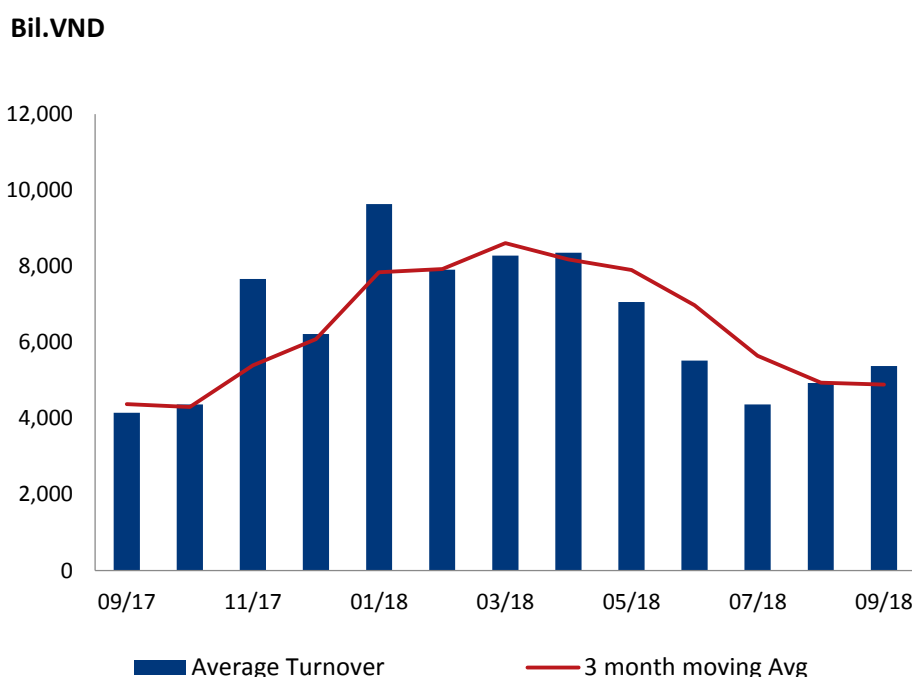
Source: Bloomberg, BSC Research

## Average market liquidity

The average liquidity on both exchanges increased 9.03% compared to August, 2018, and maintained at VND 5.376 billion/session and equivalent to nearly USD 231.7 million/session. In September, liquidity continued to recover strongly and approached the June average, with inflows from large caps and blue chips to good fundamental stocks with smaller cap.

In Q3, the average liquidity on both exchanges decreased -29.92% compared to the second quarter remained at USD 4,891 billion/session and equivalent to USD 210.8 million/session.

Chart 12  
Average market liquidity

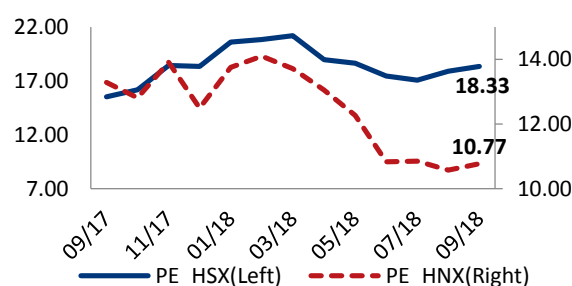


Source: Bloomberg, BSC Research

## Price level of Vietnam stock market

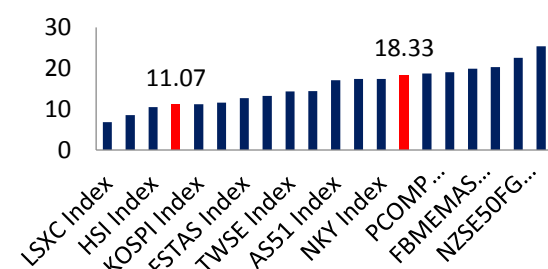
P/E of the VN Index increased to 18.33, equal to 2.39% MoM, 5.09% QoQ, -0.1% YTD and HNX-Index rose to 11.07% equivalent to 4.66% MoM, -19.29% QoQ and -11.44% Ytd. P/E of the HSX is approaching the threshold of the beginning of 2018 as investors continue to expect stocks on the exchange to maintain a high profit growth in the next quarter. In the opposite direction, the HNX was lower due to the lower quality of stocks leading to slow recovery of P/E. Compared to August, the P/E of the VN-Index kept at 7th place and the HNX-Index stayed at 17th position in Asia.

Chart 13  
P/E indicator performances on both Exchanges



Source: Bloomberg, BSC Research

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

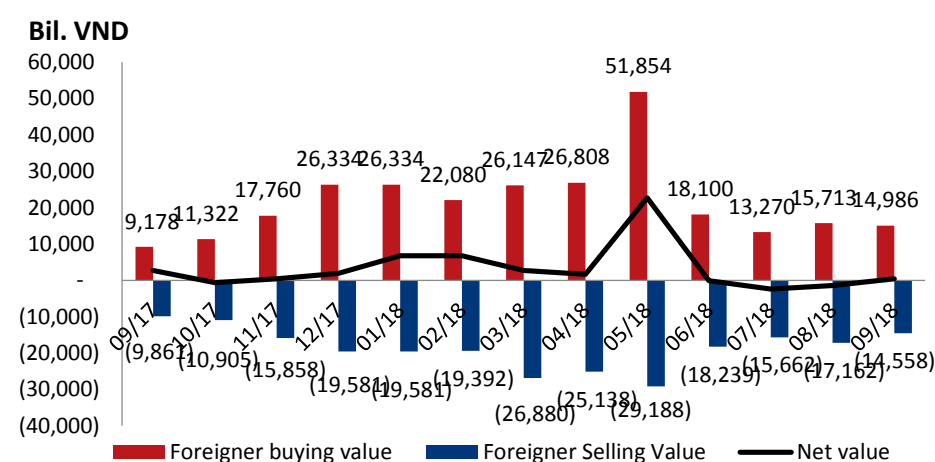


Source Bloomberg, BSC Research

## Foreigner trade

**In September, foreigners changed to net buy on the HSX and net sell on the HNX.** The upcom in September was excited with a number of new stocks on the exchange received foreign capital with a total net buying value of VND 82.9 billion, they focused on buying VND 224.7 billion and VND 110.4 billion VEA while selling VND - 176.5 billion BSR.

Chart 15  
Foreigner transaction performances on both Exchanges



Source: BSC Research

In September, foreigners were net buyers on the HSX VND 474.08 billion with 175 stocks were net sellers and 158 stocks were net buyers, net sellers VND -46 billion on the HNX with 104 stocks were sold and 114 stocks were bought. On the HSX, foreigners bought HPG (VND 359.2 billion), VNM (VND 250.9 billion), DXG (VND 210.1 billion), STB (VND 166.4 billion), GEX (VND 101.7 billion) and NVL (VND 464.7 billion), MSN (VND -187.4 billion), VHM (VND -124.2 billion). On HNX, the group focused on buying PVS (VND 80.0 billion), VGC (VND 27 billion) and selling VIX (VND -72.7 billion), TIG (VND -32.5 billion).

Table 8

**Top 10 foreign traded stocks on HSX in September**

Ticker	Net value (VND bil)	Ticker	Net value (VND bil)
HPG	359.2	NVL	(264.7)
VNM	250.9	MSN	(187.4)
DXG	210.1	VHM	(124.2)
STB	166.4	VIC	(120.3)
GEX	101.7	VJC	(85.4)
SSI	97.1	DHG	(75.0)
YEG	87.2	BID	(63.9)
HDB	83.1	DIG	(54.5)
GAS	71.2	CTI	(52.4)
KDH	69.3	TDH	(49.5)

Source: BSC Research

Table 9

**Top 10 foreign traded stocks on HNX in September**

Ticker	Net value (VND bil)	Ticker	Net value (VND bil)
PVS	80.0	VIX	(72.7)
VGC	27.0	TIG	(32.5)
SHS	9.6	HAD	(19.5)
SHB	7.5	TNG	(16.7)
DBC	7.0	NDN	(12.5)
MBS	4.0	PVB	(11.5)
NTP	2.6	VCG	(8.1)
CEO	1.8	CSC	(7.0)
PMC	1.5	VCS	(5.9)
ITQ	1.5	BVS	(2.7)

Source: BSC Research

In the third quarter, foreign investors were net sellers on the HSX – VND 3648.66 billion with 180 shares being sold and 165 shares being bought and VND 235 billion on the HNX, with 133 shares being sold and 140 shares being bought. On the HSX, foreigners were strong buyers of VCB (VND 598.7 billion), DXG (VND 449.7 billion), E1VFN30 (VND 376.6 billion), GAS (VND 350.5 billion), CTD (VND 267.6 billion) and VIC (VND 3,312.7 billion), VHM (VND 1,030.7 billion), VNM (VND -906.8 billion). On HNX, the group focused on PVS (VND 190.5 billion), VGC (VND 123.5 billion) and VIX (VND -71.6 billion), TIG (VND -34.4 billion). Upcom also had some trading activities with a net buying of VND 149.2 billion focussing on VEA (VND 551.9 billion), POW (VND 357.6 billion), and QNS (VND 117.6 billion) and strong selling on BSR (VND -554.9 billion), IDC (VND -145.7 billion) and VGT (VND -133.3 billion).

Table 8

**Top 10 foreign traded stocks on HSX in Q3/2018**

Ticker	Net value (VND bil)	Ticker	Giá trị (tỷ đồng)
VCB	598.0	VIC	(3,312.7)
DXG	449.7	VHM	(1,030.7)
E1VFN30	376.6	VNM	(906.8)
GAS	350.5	NVL	(771.7)
CTD	267.6	VRE	(343.8)
SCS	246.6	PVD	(252.5)
HPG	223.2	DHG	(219.8)
SSI	220.0	MSN	(167.4)
KDH	217.5	GTN	(117.6)
KBC	167.2	CII	(90.5)

Source: BSC Research

Table 9

**Top 10 foreign traded stocks on HNX in Q3/2018**

Ticker	Net value (VND bil)	Ticker	Net value (VND bil)
PVS	190.5	VIX	(71.6)
VGC	123.5	TIG	(34.4)
CEO	36.3	TNG	(23.5)
SHS	30.3	HAD	(19.9)
SHB	26.2	NDN	(16.0)
IVS	21.7	CSC	(15.2)
DBC	19.1	MAS	(11.8)
VCG	12.0	PVB	(10.9)
DL1	11.5	PVI	(10.9)
TV2	7.2	D11	(9.3)

Source: BSC Research

## October and Fourth Quarter Market Outlook

FED raised interest rates by 0.25% to 2-2.25% at the September policy meeting. This move continues to go against the monetary policy of some nations such as the EU, Japan or even China - the country has the easing policy. The decision of increasing interest rates does not affect the markets as the rates are in line with the FED's direction, but on the other hand, the slight impacts are due to the saturation effect on information. The same is true for information from the US-China trade war. In the third quarter, the US officially imposed a tariff of 25% to 50 billion and then 10% to 200 billion goods imported from China. China also responded with 50 billion and 60 billion respectively and declared no more negotiations. The impacts of this information also only occurred in the first half of July, leading to the turmoil in the currency market and commodity markets and then negatively affect the stock market. The recovery trend took place quickly in spite of the intense trade war and the FED's raising interest rates. Markets begin to diversify and rebound based on the stability and growth potential of the economy.

In terms of currency markets, the US dollar index increased only 0.7% compared to the 5% gain in the second quarter. USD Index was almost unchanged in September despite positive news from US economic growth, the Fed maintained the momentum of interest rate growth and the US-China trade war continued to intensify. The markets saturated with news after the exchange rate has risen sharply in the previous quarter. The currencies of different countries, however, have a strong differentiation depending on macro stability and growth potential of nations. The local currencies of the regional countries decreased more than the average such as IDR (Indonesia) lost 5.3%, MYR (Malaysia) lost 3.4%, MMK (Myanmar) lost 13.2%, LKR (Sri Lanka) lost 6.9%. Trends in domestic currency devaluation are also strong in the BRIC group, INR (India), RUB (Russia), BRL (Brazil) and CNY (China) lost 6.9%, 4.4%, 4.9% and 3.6% respectively. Some countries have faced currency crises such as TRY (Turkey) and ARS (Argentina) lost 31.9% and 50.5%, respectively. Negative exchange volatility has also caused the recession of foreign investment flows and the impact of regional stock markets at some points.

In terms of commodity markets, the BCOM Index rose 1.7% in September but fell 2.5% overall in the third quarter. Almost all commodity prices fell, in which Gold fell by 5%, Silver fell 8.6%, Lead fell 15.1%, Hot rolled steel

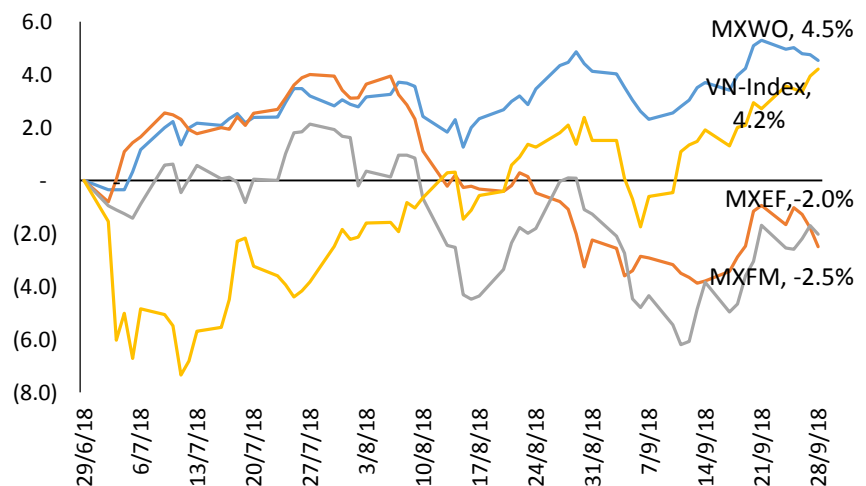


down 7.6%, and Copper fell 4.9%. Agricultural commodities also fell sharply at the risk of a trade war such as Cotton fell 10.1%, Sugar fell 12.1%, Pork fell 25%, Coffee fell 8.1% and Natural Rubber fell 16.1%. This effect tended to decrease at the end of the quarter as many commodities rebounded sharply in September such as Crude Oil, Copper, Pork and Coffee, which rose 4.9%, 5.9%, 23.3% and 4.4%, respectively. Notably, oil price is recovering strongly which will affect positively on the oil and gas sector outlook at the end of the year.

On the stock market, in the second quarter, the MSCI World Index (MXWO) was up 4.5%, while the MSCI Emerging Markets (MXEF) and the MXFM fell. -2.0% and -2.5%, respectively. In September alone, the MXWO, MXEF and MXFM index fluctuated 0.4%, -0.8% and -0.3%, respectively (in USD terms).

Graph 15

**The MXWO, MXEF and MXFM Index Q3 2018 (in USD)**



Source: Bloomberg, BSC Research

In the developed market area, the US and Japan led the market with 8.1% and 7.2% respectively in the third quarter, while the UK and Germany slightly fell -1.4% and -0.5% respectively. In September alone, Germany was the only market that fell -1% while Japan rose 5.5%.

In the BRIC region, Brazil and Russia led the markets with 8.8% and 7.8%, respectively, while China fell -0.9%. In September alone, Russia and China rose 5.5% and 3.5%, respectively, while India decreased by 6.4%.

In regional markets, all markets rebounded, except for a 0.4% decline in Singapore's third quarter. Thailand, Malaysia, and Vietnam saw a significant increase of 10.1%, 6%, and 5.9%, respectively, compared to the sharp drop in the second quarter. In September, Vietnam led the recovery

with a 2.8% increase, followed by Thailand, while the Philippines maintained its downward trend -7.4%. Foreign capital flows were being withdrawn in most countries in the region except for South Korea and Taiwan. Net withdrawal was also related to the weakening of regional countries' local currencies. In September alone, Taiwan was the only net-buying country although net capital withdrawal was slowing down.

Graph 16  
Volatility of stock indices in 3<sup>rd</sup> Quarter

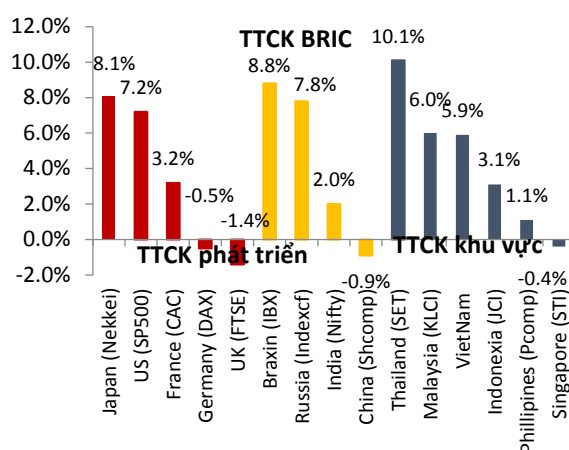


Table 9  
Foreign investors were net sellers in 3<sup>rd</sup> Quarter

Country	September	3 <sup>rd</sup> Quarter	9 months
India	(1,080)	(1,150)	(1,771)
Indonesia	(66)	(117)	(3,687)
Japan	(17,839)	(21,491)	(59,236)
Malaysia	19	(419)	(2,127)
Philippines	(213)	(351)	(1,570)
Korea	(147)	1,619	(2,087)
Sri Lanka	(10)	(28)	48
Taiwan	2,144	3,248	(5,670)
Thailand	(358)	(876)	(6,518)
Pakistan	(57)	(195)	(326)
Vietnam	(1)	(178)	1,386

Source: Bloomberg, BSC Research

In the third quarter, VN-Index increased 56.3 points or 5.9%, which is one of the most significant market recovery in the region. In terms of leading stocks' impact, the top five stocks gained 43.5 points or 77.3% of the market, including GAS (+ 33.3%, 17.7 points), BID (+ 35.4% 9.9 points; VCB (+ 8.6%, 5.7 points), PLX (+ 21.4%, 5.1 points) and MSN (+ 17.5%, 5.1 points). In contrast, VIC (-8.6%, contributing -9.9 points), VHM (-5.7%, contributed -5.7 points), TCB (-4.6%, contributed -2.3 points), VNM ) and VPB (-6.6%, -1.8 points) dragged down the rebound momentum. VN-Index increased strongly in the third quarter, however, the index still fluctuated in July while the tension of US-China trade war increased. Yuan and the other currencies of emerging countries continue to depreciate against USD. The recovery trend was in the second half of July and lasted until the end of September with the recovery effects of markets around the world, which was saturated with the US-China trade war information. World Economic Forum: Asian 4.0 in Vietnam brought positive effects that attracting foreign capital and creating the foundation for movement of cash flow in many groups of stocks, which later will facilitate the market development.

In the third quarter, we continued to follow the market with monthly market macro reports ([Link](#)), ([Link](#)), upgraded market report from FTSE ([Link](#)), and sector forecasts in the third quarter sector strategy report ([Link](#)). In addition, we have met the business, and released reports, recommendations and

updating businesses' situations such as DHG ([Link](#)), DBC ([Link](#)), CTD ([Link](#)), MWG ([Link](#)), KDC ([Link](#)), DRC ([Link](#)), PHR ([Link](#)), GDT ([Link](#)), VNM ([Link](#)), CSV ([Link](#)), TCB ([Link](#)), BFC ([Link](#)), PVT ([Link](#)), VSC ([Link](#)), FRT ([Link](#)), PNJ ([Link](#)), DIG ([Link](#)), DQC ([Link](#)), VHC ([Link](#)), FPT ([Link](#)), RAL ([Link](#)), và POW ([Link](#)).

Remarkable news in October and the Fourth Quarter:

***With macroeconomic stability and a good growth, Vietnam aims to complete and exceed the macroeconomic target of the year.*** GDP in the third quarter of 2018 is estimated to increase by 6.88%, contributing to the growth rate of 6.98% in the first 9 months of 2018 and also the highest level since 2011. Growth drivers maintained at 8.89% and contributed 48.7% to the overall growth rate of industry and construction. Service sector rose 6.89%, contributed 42.5% while agriculture, forestry and fisheries sector still maintained a positive momentum of 3.65%, contributing 8.8%. With +6.11% in GDP growth in the fourth quarter, a target of 6.7% is achieved. The fact indicates that Vietnam is likely to exceed its economic growth target. The industrial production index is expected to rise by 10.6% - the highest level since 2012 becoming the key driver of growth. Total retail sales of goods and services increased by 11.3% over the same period. Total investment in social investment increased by 10.9% year on year and equaled 34% of GDP. The export turnover increased by 15.4%, imports also increased by 11.8%. This helps the trade balance surplus reached USD 5.39 billion contributing to stabilizing the exchange rate by 2.59% compared to December 2017 which is much lower than many countries in the region. With these new developments, the Government is moving towards to complete the socio-economic targets in 2018. However, the total newly registered capital and additional capital in 9 months decreased by 7.7% over the same period in 2017 while the number of businesses stopped operating up to 48% over the same period. That may affect the potential for economic growth in the future. In addition, the Consumer Price Index (CPI) in September increased by 0.59% over the previous month, bringing the average CPI of nine months in 2018 up to 3.57% and the September CPI up to 3.98% over the same period in 2017. In the context that the external environment is volatile and unpredictable, the macro stability in which stabilizing inflation and the exchange rate continues to be the focal point of monetary policy in the last 3 months of the year so that the economy can avoid big cyclical shocks and external factors' effect. Stabilizing the above factors will attract investment cash, which can support the stock market to recover in the fourth quarter.

***Profit after tax in the first 6 months increased by 23%. Third quarter earnings will be released in the second half of October with a forecast growth of over 20%. Stabilization of large cap stocks will create a premise for the recovery of small and medium cap stocks that are underperformed the market, state divested stocks and stocks shifting among stock exchanges in the fourth quarter.*** From the beginning of the year, VN30

accounted for 64.2% market capitalization, contributing 41.5 points to the market. MidCap stocks accounted for 9.2%, contributing 3.3 points and SmallCap group occupied 2.5% contributing 0.8 points. In comparison with the increase of 32.9 points from the beginning of the year, some large stocks newly listed, which are not included in these three groups, were bearish while SmallCap stocks have not increased yet. The average arithmetic P/E of VN30, MidCap and SmallCap are 18.4, 15.3 and 12.7, respectively. Full-year earnings are forecasted to remain above 20% thanks to the good growth of Banking stocks, profit cycle from Real Estate stocks and recovery of Petroleum sector. Leading stocks that have a good growth rate will stabilize the market trend, which will create a precondition for cash flow pouring into the underperformed MidCap and SmallCap stocks (see details in the appendix). And that, in turn will gradually push the market price as the phenomenon on happened in the second half of September. In short term, the third quarter results will positively support the market in which the market will maintain its uptrend momentum in October. The state capital withdrawal from SCIC and the Ministry of Industry and Trade is being restarted. Vinachem will divest its share from many listed companies in the fourth quarter and this will stimulate strategic stocks purchase and short-term trading activities. Along with that, some large companies will move to another exchanges in the fourth quarter and thus, create positive effects in the short term.

***The 8th plenum of the 12th Party Central Committee and the 14th plenum of the 6th session National Assembly will decide several important issues such as socio-economic development, budgeting, personnel and some new laws.*** The 8th plenum of the conference held from October 2-6 will discuss and approve contents such as the socio-economic picture and the state budget in 2018, the socio-economic development, plan budget for 2019. The regulations specify responsibilities of cadres and party members: Members of the Politburo, Member of the Secretariat, and Member of the Party Central Committee. The conference will set up subcommittees to prepare the 13th National Party Congress and review staffing and other important issues. Human resources will be an important note because of the replacement of some senior positions. The 14th plenum of the 6th session National Assembly, happening on 22/10 – 20/11 will consider 16 law projects, notably, the revised Tax Administration Law and the amended Investment Law. The two law is expected to test before it is established in the next year, some changes relate to the Fertilizer sector while the Investment Law will involve the creation of a legal basis in order to promote public investment and later that will affect the infrastructure investment. The two fields will not only affect business development but also some listed companies, if they are approved soon.

***Vietnam was listed on FTSE's emerging markets upgrade watch list in September.*** Vietnam stock market has the opportunity to participate in the bigger playground of the global stock market. This information will not only positively influence the psychology and money flow in the short term, but

also motivate the management agencies continuing to implement reforms, bringing more new products, meeting requirements of organizations providing the index which aims to be able to upgrade in 2020. In the long term, this information marks a turning point in which Vietnam is ready for the big game that is joining and integrating into the global financial market. In the context of foreign capital flows are showing signs of net withdrawal in many countries, the Fed continues to raise interest rates, and the US-China tensions have no specific solution, this is very positive information to keep and attract more foreign capital flow into Vietnam market.

***US Congressional election, Brexit negotiation in November will affect the policy direction of the current administration in the next few years.*** The US will have the mid-term Congressional election on 6/11, the Democratic Party needs 23 seats in the House of Representatives and 2 seats in the Senate to hold the majority, thereby suppressing President Donald Trump in enforcing controversial direction in commercial and foreign policy. Election campaigns and policy implementation to earn the trust from states, which strongly affected by the trade war, will also be implemented by both the Republican Party of the President and the Democratic Party in the future. In the case of the Democrat Party occupying a majority of the two, President Trump's policies will be more challenging and less extreme in many areas. In mid-November, Brexit talks will take place after many failing rounds to reach breakthroughs. Brexit is no longer a current issue as it was first announced, but it will also affect trade and foreign policy relations between the UK and the EU.

***The development of the US-China trade war, two policy meetings of FED and OPEC meetings in the fourth quarter will also affect the world market.*** The US-China trade war continues with new tariffs of 10% on 200 billion imported from China and 60 billion on US goods. China also announced that there will be no negotiations with the United States. The impact of this information diminishes gradually on the world stock market. However, if the US increases its tariff by 25% on 200 billion commodities by the beginning of 2019 and levies all products from China as declared, this will be a new shock to the market. In the fourth quarter, the Fed will have two policy meetings in November and December. Earlier, Fed raised interest rates by 0.25% at the September meeting, also it forecasted to raise rates one more time in 2018 and three times in 2019. According to a Bloomberg survey, the possibility of raising interest rates in the November meeting was at 2.7% and the December meeting was at 71%. Therefore, there is a high possibility that the next increase event will happen in December. The strong dollar in a line with the weakening of other currencies causes the capital withdrawal in some emerging markets. This move will continue in the fourth quarter of some macroeconomic-unstabilized countries.

Oil prices rise significantly, as OPEC and Russia fail to meet US's higher capacity demand. The shortage of oil supplies due to US sanctions on Iran is driving up oil prices. The oil prices are also expected by some organizations

to reach \$100/barrel by the end of 2019. The next OPEC meeting on 3/12 will take place in the various members' attempts. However, oil prices are likely to rise and this is the positive news for the oil and gas industry.

Table 12  
**Factors affecting the market in 4<sup>th</sup> Quarter / 2018:**

Events	Impact
Economic growth is good and more likely to achieve the socio-economic targets in 2018. However, macro stability in which stabilizing exchange rates and inflation is central to policy administration in the fourth quarter.	Positive
Earnings announcement of 3Q and the whole FY2018 with over 20% growth forecast. Stabilization of large cap stocks will create a premise for recovery for underperformed small and medium cap stocks, state divesting stocks and shifting exchange stocks.	Positive
Vietnam was listed on FTSE's emerging markets upgrade watch list in September	Positive
OPEC meets on 3/12 in the context of rising oil prices and pressure of output increasing	There is a possibility of a rise, oil prices have a positive impact on the oil and gas industry
2 ETFs rebalance portfolios in 2 <sup>nd</sup> Quarter	Liquidity increasing
The 8th plenum of the 12th Party Central Committee and the 14th plenum of the 6th session National Assembly decided critical issues such as socio-economic development, budgeting, personnel and some new laws.	Impact on market sentiment
US Congressional election, Brexit talks in November will affect the policy direction of the incumbent government in the next few years.	Impact inversely on the world market
The US-China trade war development, Fed will hold two policy meetings on November 8 and 9	Affect the outlook for the economic and foreign currency

Source: BSC Research

With macro stability, good growth prospects and improved positive returns from listed companies, the VN Index is likely to maintain above 1,000 at the end of 2018. The market is expected to increase in October to 1,050-1,080 points thanks to quarterly earnings releases and cash flow adjustments before the end of November or early November. The cumulative and divergence trend that took place in November laid the foundation for the recovery in December or early 2019. Some Bluechips are expected to maintain their momentum thanks to the improvement in their earnings which will facilitate the cash flow's movement in the small and medium subindustry or small-cap stocks. Major international events such as the US-China trade war, the mid-term US election, Brexit, Fed and the rising oil price will also have a significant impact on the stock market.

- In the positive case, the foreigners maintain their status or net buying from the effect of upgrading the market. The world market still reacts not so strong towards the key information as in September, VN-Index will close above 1,000 points with the central 1,080 points at the end of the year. Major stocks such as Banking, Petroleum, Consumer, Real Estate, Manufacturing take turns to be the market's pillar. Liquidity maintains well, cash flow moves positively which gradually push the market.

- In case of negative, the negative information of world spreads, the market sensitivity reacts to these impacts, VN-Index will form the shake waves, these big fluctuations can weaken pillar stocks and cash flow. VN-Index may return to 1,000 points at the end of the year.

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

- Industry sectors and stocks that we are evaluating in the 2018 Industry Outlook ([Link](#)) and ([Link](#));
- Banking – finance stocks that have significant business results, Petroleum stocks that benefit from oil price and stocks that benefit from trade agreements and manufacture transfers from trade war;
- Real Estate- Construction Stocks are on the profit cycle;
- Leading retails stocks have high growth and dividend yields;
- Stocks are recommended by BSC on the company's website.
- In the long run, BSC's recommended stocks will be listed in the 2018 Sector Outlook ([Link](#)), good performance stocks are recommended in the weekly investment consult report ([Link](#)) and Sector/Companies update report ([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
BMP	222.9	11.3	50%	0%	76%	-1%	-25%	-23%	-22.12	(0.61)
CII	284.9	-	75%	9%	55%	-101%	-100%	-23%	-22.65	(0.77)
CTD	557.3	8.2	55%	0%	44%	0%	-26%	-28%	-24.3	(1.68)
CTG	4,398.8	13.2	10%	64%	30%	35%	-16%	7%	13.84	4.69
DHG	560.7	24.8	35%	43%	47%	-8%	-6%	-18%	-11.77	(0.63)
DPM	325.6	13.4	40%	60%	20%	-6%	-4%	-9%	-4.6	(0.18)
FPT	1,218.2	9.1	80%	6%	49%	14%	-18%	-9%	-2.1	0.09
GAS	9,495.9	20.0	5%	96%	4%	16%	2%	14%	23.92	15.06
GMD	342.5	4.3	55%	0%	44%	214%	-79%	-28%	-13.2	(0.43)
HPG	3,852.5	10.0	60%	0%	39%	6%	19%	12%	26.4	7.77
HSG	208.8	6.8	65%	0%	20%	-44%	-13%	-52%	-39.92	(1.25)
KDC	253.5	-	60%	0%	21%	-119%	-100%	-23%	-23.62	(0.78)
MBB	2,140.1	10.9	55%	27%	20%	29%	-16%	3%	10.55	1.57
MSN	4,191.3	17.3	40%	0%	29%	91%	-37%	6%	20.99	6.78
MWG	1,761.1	15.0	65%	0%	49%	18%	-18%	-22%	-1.52	(0.62)
NVL	2,587.7	26.2	35%	0%	8%	0%	34%	34%	33.82	4.11
PLX	3,528.1	21.8	10%	76%	11%	8%	-13%	3%	-0.63	(0.91)
PNJ	733.5	20.6	70%	0%	49%	19%	-3%	1%	16.91	1.61
REE	490.6	6.9	55%	1%	49%	20%	-26%	-16%	-7.37	(0.36)
ROS	980.9	29.3	25%	0%	2%	-8%	-71%	-74%	-73.38	(22.53)
SAB	6,118.6	31.4	15%	36%	10%	2%	-13%	-24%	-9.54	(4.85)
SBT	450.4	20.1	55%	0%	9%	-11%	-32%	-41%	1.92	(0.05)
SSI	718.0	13.0	60%	0%	56%	17%	-1%	9%	16.32	0.85
STB	1,044.1	16.4	95%	0%	10%	48%	-29%	3%	5.06	0.36
VCB	9,719.5	20.1	10%	77%	21%	49%	-22%	4%	16.02	10.37
VIC	13,453.5	76.1	30%	0%	7%	-14%	79%	17%	53.87	40.31
VJC	3,518.6	16.0	50%	0%	25%	0%	24%	24%	26.97	6.30
VNM	10,253.0	27.1	50%	30%	59%	-4%	-17%	-29%	-19.3	(22.23)
VPB	2,823.4	10.1	60%	0%	23%	0%	12%	12%	12.01	2.72
VRE	3,415.7	53.0	45%	0%	31%	0%	-11%	-11%	-11.13	(3.19)
<b>Sum</b>	<b>89,649.7</b>	<b>18.4</b>				<b>9%</b>	<b>-18%</b>	<b>-9%</b>	<b>(0.28)</b>	<b>41.54</b>
VN-Index	64.2%									126.3%

### 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	128.5	8.1	60%	0%	19%	-18%	-16%	-41%	-28.23	(0.39)
ASM	133.3	3.2	60%	0%	2%	459%	-78%	-7%	21.23	0.20
BFC	67.2	8.0	35%	65%	14%	-23%	6%	-18%	-14.27	(0.10)
BIC	132.8	18.7	15%	51%	48%	20%	-41%	1%	-26.66	(0.39)
BMI	95.6	11.1	30%	51%	42%	44%	-52%	-34%	-31.27	(0.36)
BWE	128.6	18.2	20%	51%	0%	0%	-12%	-12%	-10.35	(0.11)
CAV	143.8	10.8	20%	0%	0%	9%	3%	9%	15.25	0.15
CHP	135.5	16.3	35%	28%	3%	-53%	101%	8%	0.91	0.00
CMG	74.2	11.9	40%	0%	9%	33%	35%	63%	-8.57	(0.07)
CSM	65.8	87.2	50%	51%	4%	-68%	196%	-6%	-3.05	(0.03)
CSV	69.7	6.4	25%	65%	20%	15%	-15%	-4%	6.24	0.03
CTI	69.7	12.2	85%	0%	24%	-15%	0%	-19%	-15.41	(0.09)
DCM	249.7	13.9	25%	76%	4%	-26%	10%	-24%	-12.05	(0.35)
DIG	192.2	17.1	70%	0%	38%	38%	-34%	-11%	-8.67	(0.13)
DMC	124.5	13.9	15%	35%	63%	0%	-28%	-32%	-26.84	(0.38)
DPR	64.9	6.8	40%	56%	20%	5%	-8%	2%	1.92	0.01
DRC	140.1	24.0	50%	51%	24%	-18%	39%	16%	17.68	0.14
DXG	451.5	10.5	75%	0%	47%	31%	21%	44%	57.83	1.38
EIB	746.0	14.1	75%	11%	30%	50%	-25%	6%	11.86	0.72
FCN	64.0	7.0	80%	0%	36%	-10%	-13%	-21%	-20.97	(0.13)
FIT	45.3	24.3	35%	0%	2%	-59%	20%	-51%	-50.89	(0.38)
FLC	188.5	13.0	80%	0%	7%	-11%	10%	-3%	3.17	0.02
GTN	130.8	64.9	65%	0%	38%	16%	-35%	-26%	-24.69	(0.38)
HAG	243.8	-	65%	0%	2%	-972%	-100%	-15%	-16.6	(0.43)
HBC	208.0	6.2	75%	0%	25%	1%	-17%	-22%	-14.63	(0.35)
HCM	383.3	11.3	40%	29%	61%	43%	-20%	9%	18.46	0.50
HDG	157.5	16.1	55%	0%	13%	32%	10%	40%	47.15	0.36
HNG	652.2	-	35%	0%	0%	-184%	-100%	87%	79.39	1.91
HQC	37.4	19.6	85%	0%	6%	-35%	7%	-30%	-29.89	(0.13)
HT1	245.4	9.8	20%	80%	5%	20%	-20%	-8%	-3.54	(0.12)
IJC	49.9	6.3	20%	79%	3%	11%	-22%	-13%	-3.91	(0.02)
IMP	110.2	25.4	75%	20%	48%	-3%	-7%	-12%	-9.39	(0.09)
ITA	113.1	180.4	70%	0%	3%	95%	-56%	-14%	-13.8	(0.18)
KBC	255.8	13.6	75%	0%	17%	-25%	26%	-8%	-5.22	(0.11)
KDH	593.7	23.0	60%	0%	46%	-12%	48%	23%	32.21	1.04
KSB	75.5	7.1	70%	0%	7%	5%	-16%	-22%	-9.71	(0.09)
LDG	143.0	18.8	40%	0%	5%	-50%	109%	4%	4.03	0.14
LIX	68.8	12.3	50%	51%	24%	-4%	20%	9%	18	0.08
NBB	81.1	27.6	60%	2%	35%	-20%	21%	-5%	-3	(0.03)
NCT	87.5	7.7	35%	55%	14%	5%	-35%	-29%	-24.15	(0.25)

NKG	116.3	4.1	45%	0%	41%	-25%	-29%	-50%	-46.24	(0.78)
NLG	295.8	14.3	55%	0%	49%	-17%	57%	12%	31.48	0.50
NSC	76.6	7.6	20%	0%	10%	11%	-3%	15%	9.46	0.05
NT2	325.3	9.0	30%	65%	21%	5%	-25%	7%	-2.1	(0.11)
PAC	88.7	16.0	40%	51%	29%	-9%	0%	8%	-1.46	(0.04)
PAN	326.5	15.1	40%	0%	40%	19%	33%	61%	58.33	0.93
PC1	162.3	9.3	60%	0%	32%	51%	-44%	-22%	-15.09	(0.26)
PDR	314.1	13.9	40%	0%	6%	26%	-27%	-14%	-7.56	(0.15)
PGI	68.5	1.9	25%	45%	21%	491%	-87%	1%	-15.36	(0.12)
PHR	154.6	8.7	35%	40%	9%	56%	-34%	-1%	7.84	0.18
PME	234.2	16.8	30%	0%	49%	0%	0%	0%	2.11	0.03
POM	189.6	4.2	15%	0%	8%	16%	-1%	3%	14.42	0.14
PPC	276.3	6.6	25%	51%	15%	14%	-22%	-15%	-5.07	(0.20)
PTB	132.1	7.7	60%	0%	13%	6%	-22%	-32%	-16.88	(0.22)
PVD	339.8	-	50%	50%	19%	-180%	-100%	-11%	-11.35	(0.47)
PVT	228.1	8.7	45%	51%	34%	51%	-34%	0%	6.38	0.09
QCG	101.0	11.1	30%	0%	1%	-47%	9%	-42%	-38.62	(0.56)
SAM	81.9	18.8	95%	0%	3%	-2%	10%	6%	7.78	0.05
SCR	132.6	7.8	70%	0%	2%	42%	-23%	8%	10.04	0.11
SJD	79.3	9.3	50%	51%	29%	-13%	30%	44%	13.8	0.07
SJS	95.5	12.0	50%	36%	11%	41%	-47%	-22%	-25.31	(0.25)
SKG	61.1	8.4	65%	0%	45%	-2%	-4%	-10%	-0.63	(0.02)
STG	73.6	18.3	15%	0%	0%	-76%	303%	-6%	-2.9	(0.02)
TCH	364.3	22.3	55%	0%	4%	-22%	75%	31%	18.47	0.60
THI	94.2	7.3	25%	71%	0%	0%	22%	22%	23.42	0.13
VCI	452.9	15.1	60%	0%	41%	0%	12%	12%	13.65	0.41
VHC	376.4	11.0	40%	0%	39%	31%	36%	65%	84.97	1.30
VND	212.6	11.7	75%	0%	44%	-19%	43%	4%	19.26	0.27
VSC	89.2	7.5	95%	0%	37%	31%	-26%	-8%	1.95	(0.01)
VSH	155.7	10.5	30%	0%	14%	24%	-17%	1%	8.27	0.10
<b>Sum</b>	<b>12,847.0</b>	<b>15.3</b>				<b>-2.4%</b>	<b>0.2%</b>	<b>-1.4%</b>	<b>0.89</b>	<b>3.36</b>
<b>VN-Index</b>	<b>9.2%</b>									<b>10.2%</b>

### 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	20.4	8.8	20%	0%	3%	92%	-28%	30%	52.45	0.07
ACL	17.4	6.9	30%	0%	3%	175%	-20%	93%	119.75	0.07
ADS	17.2	5.2	40%	0%	0%	0%	-10%	-10%	1.24	(0.00)
AGR	35.9	24.3	25%	75%	2%	-47%	24%	-35%	-34.65	(0.16)
AMD	25.7	6.4	60%	0%	1%	-7%	-57%	-57%	-59.58	(0.25)
ANV	117.6	9.1	25%	0%	3%	113%	-6%	94%	110.94	0.56
APC	17.8	5.6	35%	0%	11%	19%	-64%	-62%	-57.45	(0.21)
APG	4.0	15.8	80%	0%	0%	-28%	85%	37%	44.72	0.01

ASP	10.9	5.6	40%	0%	49%	2%	-7%	-10%	3.53	0.00
ATG	1.4	28.9	85%	0%	2%	0%	-24%	-24%	-24.14	(0.00)
BCE	7.0	7.6	45%	52%	6%	-11%	10%	2%	12.38	0.01
BCG	32.2	68.1	50%	0%	23%	-19%	39%	13%	12.64	0.03
BMC	7.7	20.1	55%	25%	12%	-8%	5%	-1%	1.57	0.00
BSI	64.5	6.2	20%	78%	9%	25%	-20%	-8%	0.5	0.00
BTP	33.5	3.5	20%	80%	10%	145%	-56%	4%	16.77	0.04
C32	19.9	4.3	90%	34%	29%	17%	-24%	-18%	-7.56	(0.02)
C47	11.2	12.1	75%	0%	0%	-1%	-3%	-5%	2.91	(0.00)
CCL	7.1	7.2	70%	0%	5%	83%	-53%	-14%	-13.47	(0.01)
CEE	28.8	8.4	40%	0%	0%	0%	-31%	-31%	-30.89	(0.11)
CLC	37.5	8.0	45%	51%	5%	0%	1%	-20%	6.69	0.01
CLG	2.6	12.8	35%	0%	9%	191%	-80%	-43%	-42.12	(0.02)
CMX	3.6	2.6	50%	0%	1%	23%	17%	12%	44.8	0.01
CNG	30.8	6.8	40%	0%	24%	8%	-23%	-15%	-12.21	(0.04)
CTF	18.9	20.7	25%	0%	0%	0%	-1%	-1%	3.7	(0.00)
CTS	57.3	12.8	25%	0%	11%	-5%	18%	7%	12.13	0.04
CVT	45.0	6.1	90%	0%	14%	2%	-32%	-31%	-28.61	(0.13)
D2D	30.8	9.7	40%	58%	5%	15%	-8%	-3%	10.06	0.03
DAG	16.6	6.3	55%	0%	5%	-2%	-13%	-5%	-9.12	(0.01)
DAH	9.4	22.5	65%	0%	3%	-64%	267%	37%	30.2	0.02
DCL	34.1	18.6	25%	0%	4%	-43%	7%	-40%	-37.09	(0.17)
DGW	47.5	11.9	50%	0%	11%	15%	12%	27%	33	0.10
DHA	18.8	7.4	60%	25%	10%	1%	-13%	-14%	-5.5	(0.01)
DHC	62.5	12.2	65%	0%	37%	50%	-39%	-15%	-8.24	(0.05)
DHM	5.4	16.0	65%	0%	0%	110%	-49%	8%	6.67	0.00
DIC	4.3	9.3	80%	15%	8%	5%	-41%	-36%	-38.44	(0.02)
DLG	33.7	46.5	80%	0%	12%	-71%	157%	-26%	-25.81	(0.10)
DQC	39.4	8.6	50%	0%	18%	9%	-33%	-20%	-17.14	(0.08)
DRH	38.6	16.8	95%	0%	1%	-22%	18%	-10%	-8.05	(0.03)
DSN	30.9	8.2	60%	0%	21%	17%	-21%	2%	0.96	-
DTA	5.5	28.9	45%	0%	0%	2%	-28%	-27%	-26.83	(0.02)
ELC	20.6	20.0	45%	0%	22%	-46%	29%	-31%	-30.73	(0.08)
EMC	6.7	-	40%	40%	0%	-102%	-100%	-15%	-14.73	(0.01)
EVE	28.3	11.1	85%	0%	63%	23%	-33%	-15%	-12.19	(0.04)
EVG	10.4	4.8	55%	0%	0%	0%	-30%	-30%	-23.15	(0.01)
FCM	14.0	14.7	65%	0%	3%	-34%	95%	32%	39.57	0.03
FMC	47.1	7.6	40%	3%	6%	27%	14%	39%	26.74	0.08
FTM	33.4	20.7	50%	0%	0%	0%	26%	26%	25.81	0.06
FTS	78.8	8.2	55%	0%	22%	25%	19%	44%	53.82	0.23
GDT	31.4	8.3	50%	0%	24%	-8%	14%	-10%	14.57	0.03
GIL	31.6	4.4	65%	0%	7%	10%	38%	48%	54.98	0.09
GSP	17.7	6.7	30%	0%	13%	25%	-22%	2%	9.25	0.01
GTA	5.9	8.3	30%	11%	10%	2%	-9%	-3%	0.67	0.00
HAH	28.6	3.8	65%	0%	23%	-6%	-24%	-22%	-23.27	(0.06)

HAI	26.0	-	70%	0%	0%	-134%	-100%	-54%	-54.89	(0.26)
HAP	8.8	9.0	85%	0%	7%	71%	-48%	-13%	-10.65	(0.01)
HAR	26.1	30.6	75%	0%	0%	-15%	-17%	-29%	-29.41	(0.09)
HAS	3.1	4.0	55%	28%	20%	-6%	16%	13%	17.34	0.00
HAX	27.8	6.6	55%	0%	12%	17%	-35%	-24%	-21.04	(0.04)
HCD	12.2	6.2	65%	0%	0%	2%	25%	35%	40.37	0.03
HDC	30.5	6.6	85%	0%	18%	32%	-27%	-7%	-2.98	(0.01)
HHS	46.8	7.7	55%	0%	4%	66%	-45%	-15%	-8.96	(0.04)
HID	4.0	16.4	70%	0%	5%	-82%	235%	-38%	-24.3	(0.01)
HII	20.3	5.9	65%	0%	1%	0%	-26%	-26%	-22.98	(0.03)
HLG	16.8	3.9	20%	0%	1%	-20%	-5%	-29%	-24.75	(0.05)
HMC	13.0	3.0	35%	56%	0%	30%	-17%	15%	30.22	0.03
HOT	9.8	14.5	15%	57%	0%	45%	9%	62%	64.67	0.04
HRC	45.3	136.6	45%	55%	4%	-9%	14%	4%	2.94	0.01
HTI	13.5	4.8	40%	48%	18%	-15%	-10%	-20%	-13.78	(0.02)
HTT	2.1	19.3	85%	0%	2%	0%	-44%	-44%	-44.27	(0.01)
HU3	4.2	6.3	40%	51%	5%	-18%	29%	38%	36.8	0.01
IBC	70.3	6.4	25%	0%	2%	0%	-8%	-8%	-4.29	(0.02)
IDI	104.0	4.2	40%	0%	2%	71%	-29%	5%	20.27	0.15
ITC	39.2	14.3	65%	16%	6%	-19%	16%	-4%	-4.1	(0.01)
ITD	10.5	6.9	65%	0%	15%	-45%	-15%	-52%	-7.19	(0.01)
JVC	14.3	36.4	95%	0%	49%	-122%	-4%	-16%	-27.98	(0.04)
KHP	17.5	3.7	50%	52%	20%	293%	-73%	-2%	5.19	0.01
KMR	8.3	19.4	55%	0%	48%	25%	-36%	-21%	-20.47	(0.02)
KPF	21.9	31.2	25%	0%	0%	0%	4%	4%	7.17	0.01
KSH	4.6	-	50%	0%	0%	-128%	-100%	-15%	-15.38	(0.01)
LBM	11.1	5.8	35%	0%	6%	-4%	-6%	-15%	-6.04	(0.00)
LCG	40.4	9.6	70%	0%	29%	2%	-16%	-12%	-7.56	(0.03)
LGL	15.2	2.7	45%	0%	0%	15%	-35%	-26%	-15.23	(0.02)
LHG	50.0	4.0	55%	0%	17%	26%	8%	34%	47.42	0.14
LM8	11.0	53.6	40%	51%	2%	-74%	348%	23%	24.86	0.02
LSS	19.9	41.8	40%	0%	3%	-91%	421%	-51%	-36.92	(0.10)
MCG	8.1	-	70%	1%	5%	-173%	-100%	-10%	-9.75	(0.01)
MDG	5.5	4.6	20%	19%	1%	10%	-19%	-5%	0.89	(0.00)
MHC	9.7	8.3	75%	0%	2%	117%	-53%	-3%	10.61	0.01
NAF	17.6	10.1	65%	0%	8%	-30%	-13%	-39%	-38.63	(0.09)
NNC	48.0	6.1	45%	38%	22%	5%	-5%	-4%	19.56	0.07
NTL	26.1	6.6	70%	0%	9%	13%	-19%	-3%	0.38	0.00
PET	33.5	7.4	70%	24%	19%	-13%	-10%	-19%	-11.97	(0.04)
PGC	38.2	5.7	30%	52%	11%	11%	-15%	-5%	1.08	0.00
PLP	10.2	4.6	50%	0%	15%	0%	-23%	-23%	-23.43	(0.03)
PTC	4.3	-	25%	0%	0%	-484%	-100%	7%	3.33	0.00
PXS	18.0	-	40%	0%	12%	-8857%	-100%	-27%	-32.04	(0.07)
PXT	2.2	3.0	50%	51%	1%	-20%	-29%	-44%	-43.23	(0.01)
QBS	16.1	-	80%	0%	0%	-102%	-100%	-27%	-24.65	(0.04)

RAL	50.3	5.6	30%	0%	3%	-1%	-22%	-22%	-19.41	(0.10)
RDP	18.4	-	40%	0%	0%	16%	0%	-17%	-15.08	(0.03)
SAV	5.5	6.6	40%	0%	49%	2%	-3%	-1%	4.73	0.00
SBA	37.7	6.9	60%	39%	0%	-6%	-5%	-10%	-6.51	(0.02)
SBV	29.3	6.4	30%	0%	21%	0%	-30%	-30%	-25.95	(0.08)
SCD	9.0	236.0	35%	62%	10%	-115%	0%	-38%	-38.14	(0.05)
SFG	27.4	6.9	30%	59%	1%	0%	11%	7%	16.81	0.03
SGT	17.1	6.9	25%	0%	13%	-48%	49%	-29%	-22.86	(0.04)
SHA	7.8	4.6	95%	0%	1%	-7%	-11%	-17%	-17.44	(0.01)
SHI	18.0	3.0	60%	0%	1%	51%	-40%	-12%	-2.79	(0.00)
SJF	74.4	40.2	70%	0%	0%	0%	61%	61%	60.73	0.16
SMA	9.9	5.5	85%	2%	0%	11%	16%	54%	47.6	0.03
SMC	46.9	3.9	40%	0%	33%	-6%	3%	-14%	-0.7	(0.00)
SRC	16.0	17.2	50%	51%	0%	-31%	50%	2%	5.42	0.01
SRF	18.9	5.8	30%	13%	27%	14%	-33%	-20%	-19.83	(0.04)
ST8	21.1	18.4	20%	0%	49%	7%	-11%	-12%	3.69	0.00
STK	46.8	8.1	50%	0%	8%	35%	-27%	-6%	3.97	0.01
SVC	48.1	11.2	60%	41%	49%	26%	-29%	-13%	-7.31	(0.03)
SZL	25.7	7.3	40%	61%	16%	15%	-23%	-13%	-6.41	(0.02)
TCD	22.6	9.3	30%	0%	15%	0%	-14%	-14%	-14.24	(0.03)
TCM	65.9	9.5	60%	0%	49%	-1%	6%	-1%	6.54	0.01
TCT	33.9	10.0	35%	0%	19%	6%	-9%	-22%	-3.44	(0.01)
TDC	38.8	4.1	40%	61%	2%	84%	-34%	35%	22.49	0.06
TDG	4.3	3.5	80%	0%	6%	0%	-33%	-33%	-32.67	(0.02)
TDH	42.4	8.3	90%	6%	42%	1%	-19%	-17%	-12.7	(0.05)
THG	16.6	5.0	80%	0%	0%	-11%	-19%	-25%	-20.65	(0.04)
TLD	5.7	7.9	75%	0%	2%	0%	-39%	-39%	-36.75	(0.03)
TLH	32.8	2.5	60%	0%	5%	-12%	-16%	-30%	-22.19	(0.07)
TMT	15.6	-	45%	9%	3%	-139%	-100%	14%	10.56	0.01
TNA	19.5	6.4	45%	21%	13%	-16%	25%	4%	9.29	0.01
TNI	23.6	12.4	50%	0%	0%	0%	62%	62%	69.78	0.08
TNT	2.7	-	95%	0%	0%	-134%	-100%	-8%	-8.65	(0.00)
TPC	11.3	10.0	50%	0%	2%	-11%	32%	25%	31.96	0.03
TRC	31.2	5.6	40%	60%	8%	-10%	-4%	-11%	-4.7	(0.02)
TS4	4.8	18.3	30%	27%	2%	20%	-23%	-5%	-7.42	(0.00)
TSC	11.5	-	45%	0%	0%	14%	0%	-51%	-50.81	(0.10)
TVS	36.4	6.5	60%	0%	13%	-26%	81%	28%	40.08	0.09
TVT	19.7	5.9	40%	47%	0%	0%	4%	4%	15.32	0.02
TYA	13.5	4.8	20%	0%	44%	-8%	1%	8%	11.96	0.00
UDC	6.0	-	35%	68%	0%	-131%	-100%	12%	8	0.00
UIC	8.9	4.7	50%	51%	17%	-8%	-15%	-21%	-13.31	(0.01)
VDP	19.4	7.8	55%	14%	1%	0%	-5%	-5%	-2.07	(0.01)
VDS	44.6	8.4	30%	0%	1%	-10%	28%	9%	14.4	0.03
VFG	49.1	7.5	65%	0%	15%	17%	20%	35%	48.96	0.14
VID	7.4	9.0	60%	0%	0%	-82%	382%	-16%	-14.91	(0.01)

VIP	19.9	5.0	45%	50%	7%	23%	-29%	-12%	-3.47	(0.01)
VIS	88.6	-	15%	0%	76%	-225%	-100%	-6%	-14.64	(0.11)
VNE	21.6	4.9	90%	0%	14%	89%	-57%	-28%	-12.19	(0.03)
VNG	63.6	21.4	55%	0%	1%	158%	-55%	8%	15.53	0.05
VNS	46.8	10.8	50%	0%	25%	-46%	94%	3%	4.21	0.01
VPH	25.1	2.3	65%	0%	14%	23%	-33%	-17%	-12.44	(0.02)
VRC	53.5	9.8	45%	0%	1%	-16%	76%	35%	47.63	0.13
VSI	16.1	11.7	40%	60%	1%	4%	88%	122%	114.67	0.08
VTO	27.1	6.2	50%	52%	2%	8%	-16%	-6%	1.6	0.00
<b>Sum</b>	<b>3,503.0</b>	<b>12.7</b>				<b>-70.1%</b>	<b>-4%</b>	<b>-6%</b>	<b>(0.50)</b>	<b>(0.80)</b>
VN-Index	2.5%									-2.4%

Appendix 04. Vietnam CDS vs.ASEAN region



Source: Bloomberg, BSC research



## Disclosure

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