

Vietnam Monthly Review 2019 M07

BSC Research

BSC Headquarters

BIDV Tower, 10th & 11th Floor
35 Hang Voi, Hoan Kiem, Hanoi
Tel: +84 4 3935 2722
Fax: +84 4 2220 0669

Ho Chi Minh City Office

146 Nguyen Cong Tru St, 9th Floor
District 1, HCMC
Tel: +84 8 3812 8885
Fax: +84 8 3812 8510

Macroeconomics

- PMI increased slightly from 52.5 in June to 52.6 in July, and lower than the average of 2018 of 53.7 points.
- Total retail sales of consumer goods and services in 7M2019 were estimated at VND 2,804.8 trillion, up 12.5% compared to the same period last year, if excluding price factor, it increased by 8.74%
- In 7M2019, registered FDI decreased by 35.6% compared to the same period last year while disbursed FDI increased by 7.1% compared to last year. FDI capital mainly focuses on processing and manufacturing industries.
- The interbank USD exchange rate fluctuated in the range of 23,260 - 23,330 VND/USD, slightly lower than the margin of 23,350 - 23,475 VND/USD in June. The interbank short-term interbank interest rate began to decline at the end of the 2nd quarter while the medium-term interest rate is flat.

Stock market

- HSX and HNX had positive movements. VN-Index officially increased by 41.7 points compared to the end of last month (+ 4.39% MoM), (+ 8.9% YtD) and HNX-Index increased 0.92 points (+ 0.89% MoM), (+ 1.51% YtD)..
- Average liquidity on 2 exchanges increased by 2.91% compared to June 2019, and reached 4,206 billion VND/session and equivalent to nearly 180.5 million USD/session.
- In July, foreign investors net bought on the HSX with VND 2,245 billion, net sold VND 170 billion on the HNX.
- VN-Index's P/E increased to 16.70, +4.19% MoM, +8.77% YtD and HNX-Index increased to 7.57, respectively +0.90% MoM, -10.69% YtD. Compared to June 2019, the P/E of the VN-Index dropped to the 10th position and the HNX-Index continued to hold the 20th position in Asia.

Market outlook in August

Although VN-Index has a chance to surpass 1,000 points in August thanks to the movement of large stocks, we believe that the factors supporting the sustainable growth of the market are quite vague. VN-Index is likely to have a correction to 965 points, creating a price base and wait for support information. VN-Index price movement will range from 965 points to 1,015 points in August. BSC gives two scenarios as follows:

- In positive case, VN-Index kept above 965 points in the correction sessions after checking or exceeding 1,000 points. Liquidity remained weak.
- In negative case, the VN-Index may drop below 950 points if there are unfavorable information from the global market.
- **Recommended stocks:**
 - Industry and stocks are evaluated positively in the Sector Outlook Report 2019 and Quarter II Industry Outlook ;
 - Stocks with improvement and positive outlook such as Banking, Retail, leading stocks;
 - Stocks benefited from recovering material prices and oil prices;
 - Defensive stocks such as Electricity, Information Technology - Post, Retail consumption have high growth and dividends;
 - In the long-term, BSC's recommended stocks will be mentioned in the sector strategic reports for the third quarter, stocks with good changes are recommended in the Weekly Report and update report for sector/company.

Macroeconomics of July 2019

Economic growth

- PMI increased slightly from 52.5 in June to 52.6 in July, and lower than the average of 2018 of 53.7 points.

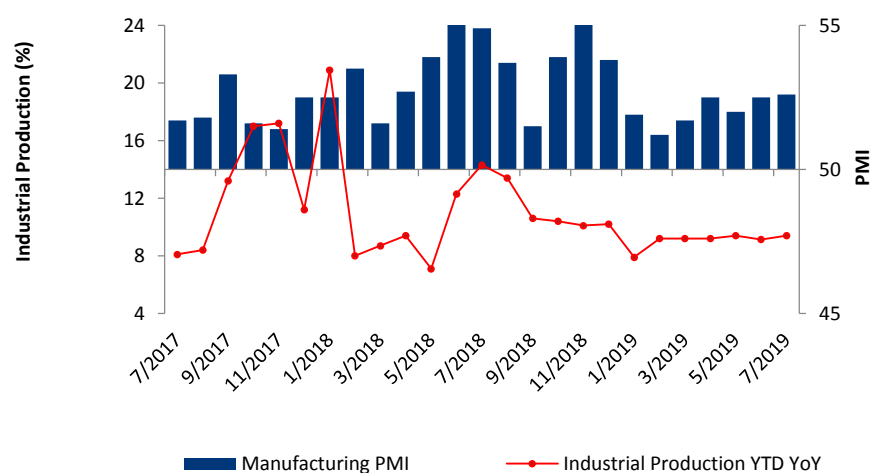
The Industrial Production Index (IIP) in July 2019 is estimated to increase by 5.9% MoM and 9.7% YoY, of which the mining industry increased by 4.4%; processing and manufacturing by 10.4%; electricity production and distribution by 10.5%; water and waste treatment and waste treatment increased by 7.4%. In 7M2019, IIP is estimated to increase 9.4% compared to the same period last year, lower than the 10.3% increase of the same period in 2018.

In the secondary sectors, the top 3 industries have high production index in July compared to the same period last year: Production of coke and refined petroleum products increased by 48%; metal production increased by 40.6%; metal ore mining increased by 16.8%; production of rubber and plastic products increased by 15.6%.

Some major industrial products in the first 7 months of this year increased highly compared to the same period last year: Iron and crude steel rose 57.1%; gasoline and oil increased by 45.1%; TV increased by 23.9%; liquefied petroleum gas (LPG) increased by 16.4%; aquatic food increased by 14.8%; chemical paint increased by 13.4%; mobile phones increased by 12.7% (smart phones increased by 15.2%).

Some products increased and decreased: NPK mixed fertilizer fell 3.3%; crude oil fell by 6.9%; motorcycles decreased by 8.7%; phone components decreased by 15.1%; castor sugar decreased by 16.9%.

Chart 1
Industrial Production Index & PMI



Source: GSO, Markit, BSC Research

PMI increased slightly from 52.5 in June to 52.6 points in July, and lower than the average of 2018 of 53.7 points. The index results show that business conditions continue to improve. Vietnam's manufacturing sector continued to have positive performance at the beginning of the third quarter of the year, with new orders and volumes continuing to increase. However, the pace of job creation has slowed. Input prices also increased more slowly in July, with decreasing cost pressures that helped the price of goods sold for a month decrease. Specifically:

- Manufacturing output has increased sharply in July, with the growth rate faster than the third consecutive months to the fastest level since November last year. Companies show that they can pursue production plans, with the increase in new orders contributing to increased production. However, the growth rate of new export orders has slowed to the weakest level in 44 months as trade relations between the US and China becomes worse.
- The number of new orders has created additional pressure on the capacity of Vietnamese manufacturers. The amount of backlog has increased for the second month in a row. Companies have met the market demand by recruiting more staff for the third time in the past four months. However, the rate of job creation is quite weak, even weaker than in June.
- The growth rate of input costs slowed for the third consecutive month in July, with some members of the survey team saying China is a contributing factor to falling prices. Relatively small cost pressure has helped manufacturers maintain competitive pricing policies at the beginning of the third quarter, with sales prices falling for the eighth consecutive months.
- The expectation of rising new orders' number in the next 12 months continues to increase. Optimism has increased over the previous month, with more than half of respondents optimistic about the 12-month outlook.
- Input buying activity increased sharply and almost equally to the previous month. Although purchasing activity increased sharply, pre-production inventories were almost unchanged when input goods were used to support production. Meanwhile, finished goods inventories increased slightly, thereby ending the two-month-long discount period.

Business optimism has improved for the third consecutive months to the highest level since November last year. The optimism about output growth reflects the expectation of increasing the number of new orders and the introduction of new products.

Besides, China's PMI increased slightly to 49.7 from 49.4 in June but still in the recession. PMI increased again thanks to the rebound of export goods in the period of peace between the US-China trade-war. However, the PMI that has been in the recession for three consecutive months is also an alarm signal for the Chinese economy. The weakening of the Chinese economy is creating a

negotiating advantage for President Trump in subsequent meetings in September.

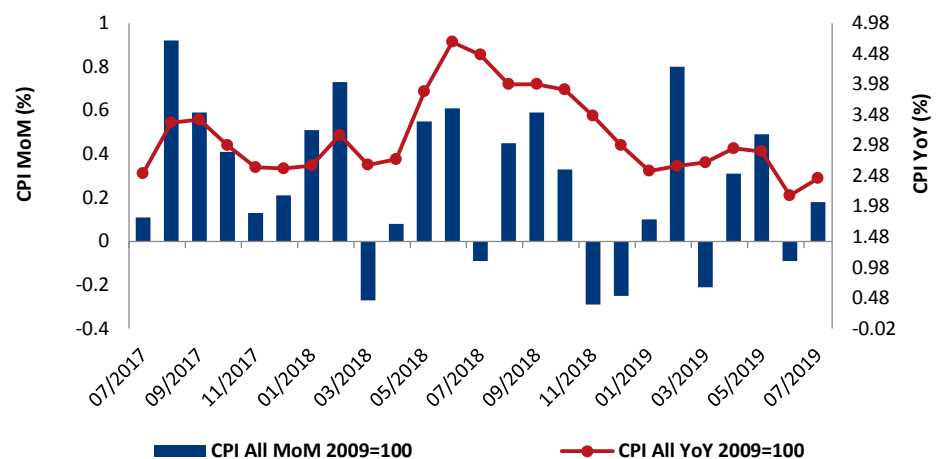
Inflation

- **CPI in July increased by + 0.18% compared to June, in which CPI of 9/11 groups of goods and services in July increased compared to the previous month.**

The consumer price index of July's CPI increased by 0.18% over the previous month, and increased by 2.44% compared to the same period in 2018. Basic inflation in July 2019 increased by 0.23% over the previous month and by 2.04% over the same period. last year period.

Average CPI in the first 7 months of 2019 increased by 2.74% compared to the average of 2018. The average basic inflation in the first 7 months of this year also increased by 1.85% compared to the same period in 2018.

Chart 2
Monthly CPI movements



Sources: GSO, BSC Research

In July, price index of 9/11 groups of goods and services recorded price increases. The fluctuation of CPI during the month is caused by the following reasons:

- Food and catering services saw the highest increase of 0.33%, of which flour and other cereal flour increased by 1.99% and pork price increased by 0.81% over the previous month due to the swine flu epidemic caused the supply of reduction.
- Education group increased by 0.22% due to the increase in tuition fees for some new school year 2019-2020 according to the schedule of Decree No. 86/2015 / ND-CP dated October 2, 2015.
- Cultural, entertainment and tourism groups increased by 0.15%.

Prices of some input materials tend to increase again; the basic salary level for cadres, civil servants, officials and armed forces increased from July 1, 2019; The complicated development of African swine cholera is the main factor causing CPI price fluctuations in July. The 7-month average increase is 2.61% compared to the same period in 2018, and at the same time the average increase of 7 the lowest month in the last 3 years.

Chart 3
Retail Sales

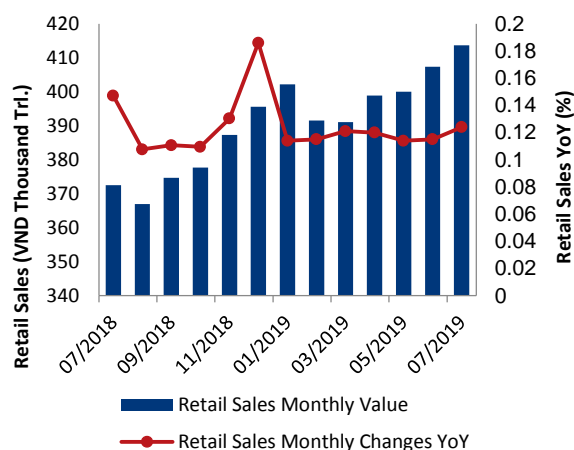


Table 1
Increase/decrease of service sectors in July

No.	Sector	MoM (%)	YoY (%)
1	Food and catering	0.05	3.4
2	Transportation	-0.05	2.28
3	Health care	-0.06	-0.31
4	Housing & Construction	1.28	4.21
5	Entertainment	0.1	1.97
6	Beverage and Cigarettes	0.18	1.88
7	Clothing	0.12	1.79
8	House appliance	0.11	1.32
9	Education	0.05	6.17
10	Telecommunication	-0.05	-0.69
11	Other	0.13	2.41

Source: GSO, BSC Research

Total retail sales of consumer goods and services in July 2019 were estimated at VND 415.1 trillion, an increase of 1.7% over the previous month and an increase of 12.4% over the same period in 2018.

Retail sales of goods reached 312.2 trillion VND, up 1.8% and up 13.4%; revenue from accommodation and catering services reached VND 51 trillion, up 1.4% and up 11%; tourism revenue reached 3.9 trillion, up 1.5% and up 7.8%; other service revenue reached VND 48 trillion, up 1.2% and up 8.4%.

For 7M2019, total retail sales of consumer goods and services are estimated at VND 2,804.8 trillion, up 12.5% compared to the same period last year, if excluding price factor, increasing 8.74% (same the period of 2018 increased 8.72%).

Foreign Direct Investment (FDI)

- Registered FDI reached USD 9.09 billion and increased by 38.7% YoY while disbursed FDI reached 7.3 billion USD and increased by 7.8% YoY.
- Foreign direct investment focused mainly on processing and manufacturing industries, which accounted for 73.5% of the total registered capital.

Total newly registered and increased FDI until the end of July 20, 2019 of 2,064 projects (+ 24.6% YoY) reached 8.27 billion USD (-37.4% YoY), plus 3.43 billion USD of adjusted capital of 791 projects registered in previous years. **Thus, total**

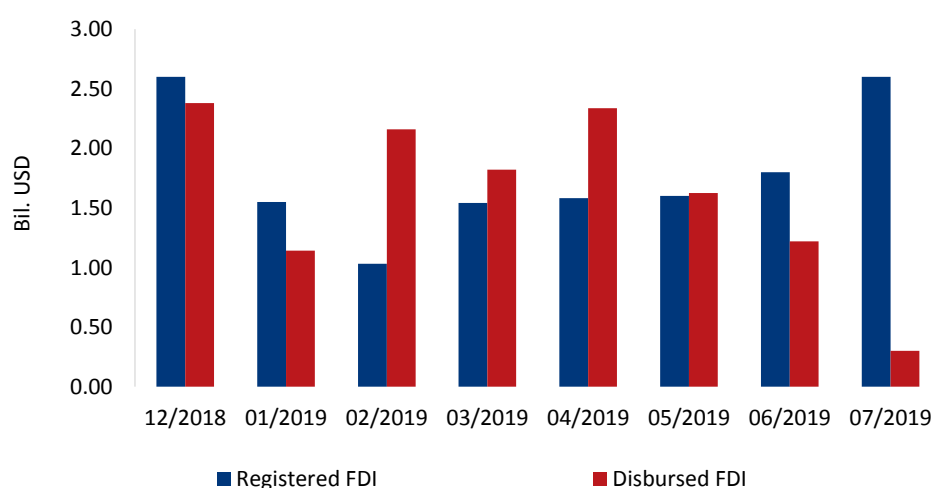
newly registered FDI and additional capital reached USD 11.7 billion (-35.6% YoY).

Realized FDI capital in 7 months was estimated at US \$ 10.6 billion, up 7.1% over the same period in 2018.

In 7M2019, the processing and manufacturing industry attracted the largest foreign direct investment with the registered capital of newly licensed projects reaching USD 6.06 billion, accounting for 73.2% of the total newly registered capital; real estate business reached 842.7 million USD, accounting for 10.2%; the remaining sectors reached 1.370.7 million USD, accounting for 16.6%.

If additional registered capital of projects registered in previous years is included, foreign direct investment in processing and manufacturing industries in 7 months reached USD 9.08 billion, accounting for 77.6% of total registered capital; real estate business sector reached 716.1 million USD, accounting for 6.1%; the remaining sectors reached 1.9 billion USD, accounting for 16.3%.

Chart 4
FDI (USD Bil)



Source: GSO, BSC Research

Top 3 areas attracting FDI registration nationwide: Binh Duong (USD 766.2 million - 9.3%), Ho Chi Minh City (USD 688.7 million - 8.3%), Tay Ninh (USD 599.4 million - 7.25%).

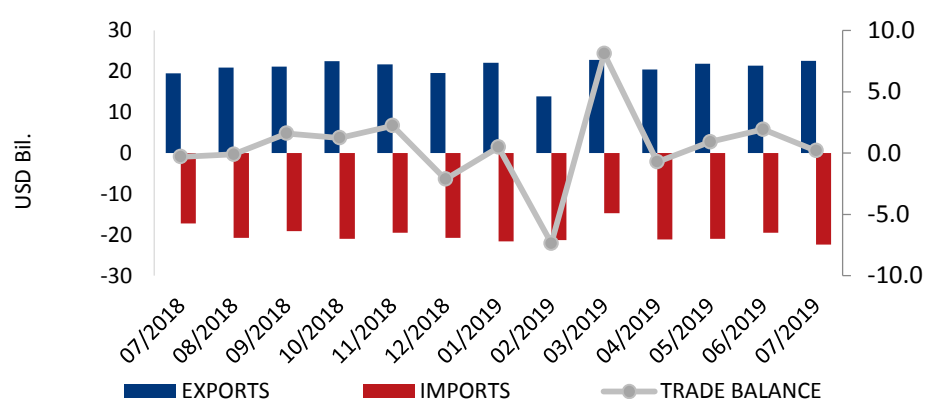
In 7M2019, China was the largest direct investor in Vietnam with an investment of USD 1.78 billion, accounting for 21.6% of the total newly registered capital; following closely behind is South Korea with 1.47 billion USD, accounting for 17.8% and Japan with 1.12 billion USD, accounting for 13.6%.

Trade balance, Import and Export

- July trade balance estimated an export surplus of USD 200 million.
- Generally, in the first 7 months of the year, trade surplus was USD 1.8 million, domestic economic deficit was USD 16.8 billion and foreign invested sector (including crude oil) saw an export surplus of USD 18.6 billion.

Export turnover in July is estimated at USD 22.6 billion, up by 5.5% over the previous month, and by 9.3% over the same period in 2018, of which the domestic economic sector is 6.99 billion USD, up by 2.4% over last month and 16.4% over the same period last year; foreign invested sector reached USD 15.61 billion, up 6.9% over the previous month and 6.1% over the same period last year.

Chart 5
Import and Export (Bil USD)



Source: GSO, BSC Research

Table 2
Top 10 export items

No	Exported Good	Turnover (Bil USD)	%YoY
1	Mobile phone	25.21	-4.9%
2	Electronics	16.94	4.6%
3	Textile	16.63	0.2%
4	Shoes	9.49	3.5%
5	Other machines	8.90	-2.0%
6	Woods	5.22	7.2%
7	Vehicles	4.60	-1.3%
8	Aquaculture	4.25	-10.1%
9	Steel	2.33	-9.1%
10	Camera	2.23	-6.1%

Source: GSO, BSC Research

Table 3
Top 10 imported goods

No	Imported Goods	Turnover (Bil USD)	%YoY
1	Electronics	26.23	10.7%
2	Machine	19.23	3.9%
3	Fabric	7.14	-3.8%
4	Mobile phone	6.44	-12.9%
5	Steel	5.25	-9.5%
6	Plastic	4.78	-6.2%
7	Other metals	3.43	-26.5%
8	Plastic Products	3.34	0.9%
9	Textile Materials	3.20	-4.0%
10	Gasoline	2.92	-44.2%

Source: GSO, BSC Research

In the first 7 M2019, export turnover is estimated at 145.13 billion USD, up by 7.5% over the same period in 2018, of which the domestic economic sector is 44 billion USD, up by 12.2% YoY; foreign invested sector (including crude oil) reached 101.13 billion USD, up 5.6% YoY. From the beginning of

the year to July 15, electric phone phones are at the top position, reaching 25.2 billion USD (-4.9% YoY), the export speed continues to slow down because Samsung's business activities continue to face difficulties. Next, Computer Electronics grew + 4.6% to VND 16.94 billion. Textiles and garments in the third place reached 16.63 billion (+ 0.2%).

Import turnover in July is estimated at 22.4 billion USD, up by 14.9% over the previous month, and by 5% over the same period in 2018. Of which, the domestic economic sector is 9.3 billion USD, up by 14.2% compared to the same period last month; and an increase of 14.8% over the same period last year. Foreign invested sector reached 13.1 billion USD, increased by 15.4% compared to the previous month, and decreased by 1% compared to the same period last year.

For 7M2019, import turnover was estimated at USD 143.34 billion, up 8.3% over the same period last year, of which the domestic economic sector reached USD 60.93 billion, up 12.6 YoY%; foreign invested sector reached 82.51 billion USD, increased by 5.3 YoY%. At the beginning of the year to July 15, imported products in July saw a large turnover of computer electronics reaching 26.23 billion USD (+ 10.7% YoY), machinery and equipment 19.23 billion USD (+ 3.9% YoY), fabric reached 7.14 billion USD (-3.8% YoY). Petroleum products continued to decline strongly since the beginning of the year because Nghi Son oil refinery went into operation, reducing the proportion of imported oil in the market.

The growth rate of export and import commodity declined compared to the previous year. The cause of decline is mainly due to the manufacturing and processing industry group of Vietnam has reached the maximum production level. In the PMI reports, the growth rate of the number of orders increased significantly and created a great pressure on businesses that forced them to increase the number of employees to the maximum. The group of basic investment goods has grown strongly in May and June, indicating that investment activities of improving production capacity. In addition, President Trump's request for Southeast Asian countries to tighten inspection of Chinese goods covered as other countries goods is certain to pull down the growth rate of import and export goods.

Forex market

- The exchange rate in July maintained a sideways trend since the end of Q2 after the US-China trade war showed signs of delay and the Fed postponed the decision to cut interest rates.
- The movement of the exchange rate in the third quarter will largely depend on the progress of the US-China trade negotiations in the upcoming period and the Fed's decision in its next meeting.
- Pressure to increase the exchange rate may reappear when the Dollar

Index is approaching the 2-year peak in the ranges 99-100. This phenomenon will put pressure on Vietnam Dong in the next quarter.

The central exchange rate in July fluctuated from 23,051-23,085 USD/VND, increasing compared to the level of 23,050 - 23,075 USD/VND in June. The average level in the month is 23,069 USD/VND. On July 30, the exchange rate is trading at 23,085, up + 1.1% YTD and + 2.9% YoY.

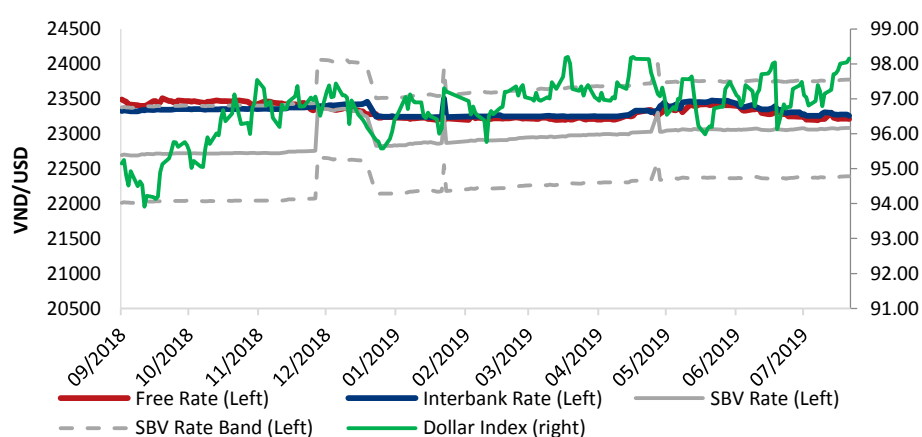
The interbank exchange rate in July fluctuated between 23,260 - 23,330 USD/VND, slightly lower than the range of 23,350 - 23,475 USD/VND in June. The average monthly rate is 23,284 USD/VND. On July 30, the exchange rate is trading at 23,260, up + 0.1% YTD and -0.1% YoY.

The free exchange rate in July fluctuated between 23,195 - 23,305 VND / USD, slightly lower than the range of 23,280 - 23,420 USD/VND in June. The average free exchange rate in the month is 23,372 VND USD. On July 30, the exchange rate is trading at 23,210, down -0.3% YTD and -1.0% YoY.

USD price index in July increased by 2.1% compared to the end of June, and increased by 4.0% compared to the same period last year. This index fluctuates in a range of 96.7-98.2 points, with a monthly average of 96.7 points. On July 30, the index reached 98.16 points.

The fact that the Dollar Index has rebounded to its previous peak is due to the prospects and the economic growth rate of the US is the most stable and clearest in the world. Economic growth in the second quarter reached 2.1%, equal to the 19-year average growth rate of the US. US interest rates which is quite also high compared to other key economies. Currently, interest rates around the world are low while many countries' economies outlook are still stagnant. China's economy is slowing, while the European Union (EU) is facing unpredictable consequences when the UK leaves the EU (Brexit). ECB decided to keep interest rates at 0% and implied a willingness to cut interest rates to a negative level, similar to the central banks of the UK and Japan. This phenomenon turned the dollar into a safe investment asset with attractive interest rates.

Chart 6
Exchange rate movements



Bank - Interest rate

- **Interbank interest rates declined slightly in the short term and sideways in the medium and long term.**
- **Medium and long-term lending and lending interest rates are still stable. Deposit rates at Vietnamese banks began to decline on August 1 for businesses after the FED decided to lower interest rates and thus, reducing the interest rates pressure on the global monetary system.**

Interbank interest rates in the short-term fell slightly at the end of June while maintaining a mid-and long-term sideways movement. This phenomenon shows that the resolution of tightening medium and long-term loans to 30% has a strong influence on OMO market. Banks are in excess of short-term capital while lacking long-term capital. At July 30, overnight, 1 week, 1 month, 3 month, and 6 month rates were 2.56%, 2.68%, 3.15%, 3.85% and 4.28%, respectively.

On August 1, a series of large commercial banks such as VCB, BID, ACB, etc. began to lower interest rates for corporate customers of priority segment, which include agricultural, rural development, export and trading business of small and medium-sized enterprises, development of supporting industries, high-tech enterprises, high-tech agricultural applications and loans start-up businesses. This phenomenon will create a wave of lowering lending rates of other banks in the market. This may be a signal to loosen interest rates when the interest rate pressure in the world declines thanks to FED's decision to lower interest rates. If the FED decides to cut interest rates again in the year, the State Bank of Vietnam is likely to lower the interest rates and promote loose monetary policy to stimulate economic growth.

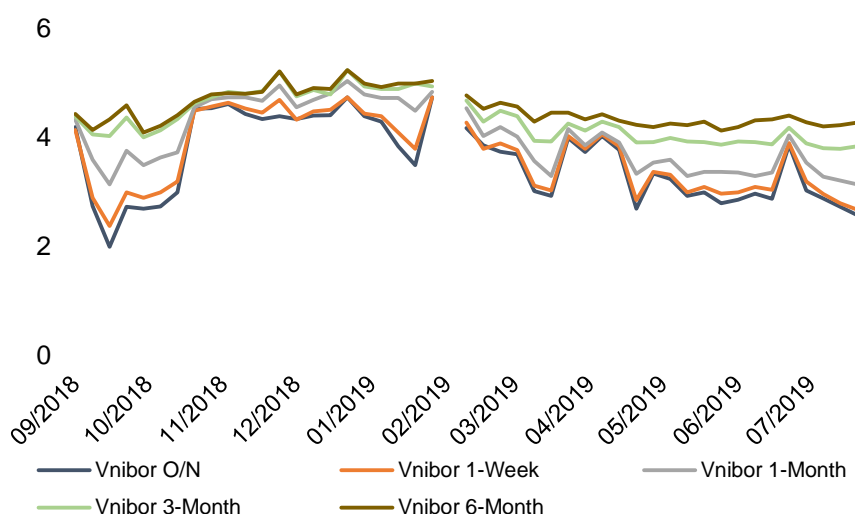
In July, the SBV withdrew a net of VND 2,000 billion in the first week, withdraw VND 13,999 billion in the second week, net injected VND 19,000 billion in the third week and net withdrew VND 24,000 billion in the last week of July. Interbank system liquidity is quite abundant when foreign exchange reserves are still large and pressure from interest rates is reduced as FED decided to lower interest rates.

On July 31, Vietnam dong deposit interest rates at commercial banks are at the following levels:

- 0.5% -1% / year for demand deposits and maturities of less than 1 month;
- 4.46% -7.40% / year for term deposits from 1 month to less than 6 months;
- 5.3% -8.2% / year for term deposits from 6 months to less than 12 months;
- Over 12 month term at 5.7-8.6% / year.

The lending rate for Vietnamese dong is about 6% -9% / year for short term and 9% -11% / year for medium and long term.

Chart 7
Interbank interest rates



Source: Bloomberg, BSC Research

Macro Forecast for August 2019

On an international scale, Vietnam's macro-economic performance in August is affected by some of the following impacts:

1. **Trade war.** The US-China trade talks resumed in late July with US Trade Representative Robert Lighthizer and US Treasury Secretary Steven Mnuchin meeting Shanghai representatives on July 30 for the first time since the two sides halted tariff retaliation measures after the meeting of the leaders of the two countries in the G20. The negotiation round ended with a harmonious attitude between the two sides but there has been no significant progress. These two countries expect the next round of negotiations to take place in September. In order to continue to accelerate the negotiation process, President Trump threatened to impose a tax on 300 billion dollars of Chinese goods on September 1 to force returning to the negotiation table in a more cooperative manner. Trade war has negatively affected profits, confidence, and investment in China, contributing to the decline of industrial activity. The PMI index rose to 49.7 in July, higher than June's 49.4, but still below the growth level of 50. Export orders also fell for the fourteenth consecutive month. Such a negative export and production index increased worries about the world economic recession, especially when policy makers all planned to strengthen monetary easing as a preventive measure of the negative developments caused by international trade tension.

2. **G7 Meeting (24-26/8):** Trade relations between the US and Europe will be the focus of the G7 conference taking place in France in late August. Middle of July, the Senate of France approved 3% tax rate with revenue from digital services earned in this country by companies with sales of over 25 million euros in France and over 750 million euros worldwide. Other European countries including Austria, England, Italy and Spain also announced plans for their own digital service tariffs. This move aims to promote a minimum corporate tax proposal as part of an overhaul of transboundary tax policy conducted by the Organization for Economic Cooperation and Development (OECD). For European countries, this move can be seen as an attempt to target companies that are avoiding taxes by transferring revenue to countries with low taxes like Ireland. For the US, this move is considered as an attack on their technology companies. These developments increased the trade tension between the two sides, which were rekindled when the US wanted to impose a tariff of USD 4 billion on goods from Europe as part of a 15-year commercial dispute over financial support for Airbus and Boeing.
3. **FED's monetary policy meeting (July 30 - July 31).** The Federal Reserve cut 0.25% interest rates at its July meeting and signaled there could be another cut in this year. They will also stop selling their remaining \$ 3.8 trillion bond from August 1st . Although the cut was in line with market expectations, the number of cuts was contrary to the expectations of many investors and caused Dow Jones to drop more than 300 points. The market expects FED to make a series of consecutive cuts instead of careful and waiting tactics. The Fed is monitoring market reactions from trade war discussions, changes in their policies and the US macroeconomic situation. The US economy expanded with a seasonally adjusted annual rate of 2.1% in the second quarter, highlighted by strong consumer spending. The unemployment rate, at 3.7% in June, is near the half-century low. In addition, the stock market also reached a new record thanks to expectations of Fed's interest rate cut. But some areas of the US economy are slowing, including production. Basic inflation also increased by only 1.6% in June from the FED's 2% target in December, which made the Fed quite worried about the economy's confidence in the future. The next meeting will take place on September 17-18, which will be the focus of the world attention on whether the Fed's policy will shift to monetary easing orientation.
4. **Conflict between Korea and Japan.** Relations between the two countries is at the lowest point since normalization since 1965. Trade tension between the two countries stems from the Supreme Court's ruling. South Korea that Nippon Steel of Japan must compensate for Koreans forced to work for Japanese factories during the Japanese occupation of the Korean peninsula from 1910 to 1945. Japan restricting exports to South Korea of high-tech materials used in chip and screen manufacturing, citing the country's loose control of these sensitive items, which is seen as a retaliatory action from Korea's perspective. Along with export restrictions,

Japan has approved the decision to remove Korea from the list of countries with the earliest minimum trade restrictions on August 1, 2019. Japanese Prime Minister Shinzo Abe left open the possibility of meeting South Korean President Moon Jae-in at the United Nations General Assembly in September and in the ASEAN and APEC meetings in November.

For the domestic policy, the notable topics that will influence Vietnam economy in August are:

1. **Increasing allowances and allowances of people with meritorious services to the revolution.** According to Decree 58/2019 / ND-CP, effective from August 15, 2019, the standard level for determining the level of subsidy, preferential allowance for people with meritorious services to the revolution is VND 1,624 million from July 1 / 2019, higher than the previous level of VND 109,000. Specifically, for war invalids and beneficiaries of policies such as war invalids, the minimum allowance is VND 1,094 million and VND 5,207 million at most. For war invalids of class B, the minimum allowance is VND 904,000 and the maximum amount is VND 4,308 million. War invalids or class B war invalids with a working capacity decline of 81% or higher with particularly heavy wounds will receive an allowance of VND 1.67 million. The minimum allowance for sick soldiers is VND 1,695 million, maximum VND 2,086 million.
2. **Demotion of leaders arranged relatives to work as accountants, personnel managers.** This remarkable content is mentioned in Decree 59/2019/ND-CP guiding the Law on Anti-Corruption Law 2018. Accordingly, it will discipline to warn heads and deputy heads of agencies, organizations and units for the first time act to arrange their spouses, parents, children, siblings to hold managerial positions on personnel organization, accounting, cashiers and storekeepers. In agencies, organizations and units ... In case of being warned but also continue to violate, the head and deputy head of the organizations will be removed from office. This Decree was issued by the Government on July 1, 2019, effective from August 15, 2019.
3. **Pensions and social insurance allowances of commune officials increased by more than 7%.** Circular 09/2019 / TT-BNV and Circular No. 10/2019 / TT-BLĐTBXH take effect on August 1 and 15, respectively, stipulating the pension, social insurance allowance and monthly allowance of the following will increase 7.19%: cadres, civil servants, workers, officials and workers; military personnel, police officers and people working on essentials are receiving monthly pensions; commune, ward and township officials; people who are receiving monthly disability allowance; people who are receiving monthly benefits; people who are receiving monthly labor accident or occupational disease allowance.

4. Microenterprises are supported 100% of legal consultancy costs..

According to Decree 55/2019 / ND-CP issued by the Government on June 24, 2019 and effective from August 16, 2019, businesses will be supported with legal consultancy costs with the following rates :

- Micro enterprises are supported 100% of the cost, but not more than 3 million VND /year;
- Small businesses are supported up to 30% of the cost, but not more than 5 million VND /year;
- A maximum of 10% of expenses for enterprises have been supported, but not more than VND 10 million /year .

This decree also sets out to develop and organize the implementation of a legal support program for small and medium enterprises for a maximum of 5 years from the date of approval.

Table 4
Monthly macro indicators

Indicator / Month	2018M12	2019M01	2019M02	2019M03	2019M04	2019M05	2019M06	2019M07
GDP YoY (%)	7.31	-	-	6.79	-	-	6.71	-
GDP ytd YoY (%)	7.08	-	-	6.79	-	-	6.76	-
PMI	53.9	51.9	51.2	51.9	52.5	52	52.5	52.6
IIP YoY (%)	11.4	7.9	10.3	9.1	9.3	10	9.6	9.7
IIP ytd YoY (%)	10.2	7.9	9.2	9.2	9.2	9.4	9.1	9.4
Retail Sales YoY (%)	11.4	12.2	11.5	12.1	12.0	11.4	11.5	12.4
Retail Sales ytd YoY (%)	11.3	12.2	12.2	12	11.9	11.6	11.5	11.6
CPI MoM (%)	-0.25	0.10	0.8	-0.21	0.3	0.59	-0.09	0.18
CPI YoY (%)	2.98	2.56	2.64	2.7	2.93	2.88	2.13	2.44
Registered FDI (Bil USD)	25.58	1.14	3.30	5.12	7.45	9.09	10.37	11.7
Disbursed FDI (Bil USD)	19.1	1.55	2.58	4.12	5.70	7.30	9.10	10.6
Export (Bil USD)	19.6	22.0	13.9	22.4	20.4	21.5	21.4	22.6
Import (Bil USD)	20.4	21.2	14.7	21.8	20.9	22.8	19.5	22.4
Trade Balance (Bil USD)	-0.8	0.8	-0.8	0.6	-0.5	-1.3	1.9	0.2
Exchange rate (USD/VND)	23,351	23,243	23,252	23,245	23,261	23,420	23,404	23,284
Credit growth (%)	14	-	-	2.28	-	-	6.09	-

Source: BSC Research

Stock Market July 2019

Market outlook

In July, the index had positive movements thanks to a series of macro information inside and outside the country. The China-US officially relaunching a new round of trade negotiations in Shanghai at the end of July as well as an agreement reached among OPEC+ on the extension of the oil production policy of the group at the beginning of the month are positive news supporting the market. Fed's interest cut despite being expected by investors still had a very positive impact on Vietnam stock market. In the domestic market, business results of the second quarter were announced in turn, creating strong divergence in the market. Accordingly, banking stocks thanks to the breakthrough profit have become the pillar to lead the index. VN-Index officially increased by 41.7 points compared to the end of last month (+4.39% MoM), (+8.9% YtD) and HNX-Index increased 0.92 points (+0.89% MoM), (+1.51% YtD).

Liquidity improved compared to June, cash flow focused on large-cap stock. In July, the HSX had 146 increased stocks, 224 decreased stocks and 9 unchanged stocks; 5 stocks supporting VN-Index including VCB increased 13.76% (contributed 10.64 points), VHM increased 11.22% (contributed 8.82 points), GAS increased 11.90% (contributed 6.57 points), VIC increased 5.45% (contributed 6.23 points), BID increased by 11.99% (contributed 3.84 points). Stocks that caused VN-Index dropping the most including MSN - 3.61% (down -1.03 points), HPG -4.04% (down -0.78 points), POW -7.24% (down -0.76 points), NVL decreased -3.19% (down -0.52 points) and HDB - 5.64% (down -0.45 points). In July, 13/18 of the sectors increased, the strongest is Retail.

Table 6

Fluctuation in the last 7 months on HOSE

Month	Index	Volumn (Bil shares)	Capitalization (VND Trillion)
7	959.88	2.6	3,228.55
6	979.64	2.4	3,207.75
5	980.76	3.63	3,211.00
4	965.47	2.52	3,161.18
3	910.65	2.32	2,979.23
2	892.54	2.70	2,875.55

Source: HSX, Bloomberg, BSC Research

Table 7

Fluctuation in the last 7 months on HNX

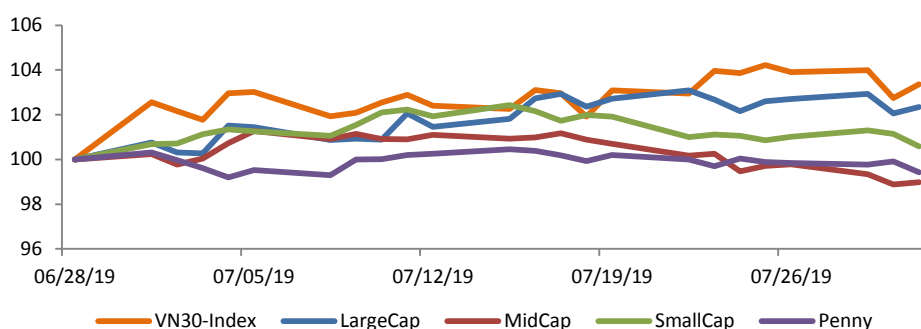
Month	Index	Volumn (Bil shares)	Capitalization (VND Trillion)
7	104.35	0.7	184.58
6	107.46	0.57	203.10
5	107.44	0.91	200.43
4	105.86	0.54	196.89
3	102.88	0.58	189.74
2	104.33	0.77	192.50

Source: HNX, Bloomberg, BSC Research

Stock groups performances

Stock groups by capitalization had mixed movements. In July, LargeCap, SmallCap and VN30 were three groups with positive growth performance with an increase of 2.35%, 0.59% and 3.37% respectively. Meanwhile, Midcap and Pennies had negative performance with decreases of -1.02%, -0.58% respectively. The market has recovered in the last month thanks to the signal of renewed negotiations between US - China as well as high expectation of Fed's interest rates cut in the first week of August. These positive information supported the momentum of large-cap stocks but did not delay the decline of small and medium-cap stocks.

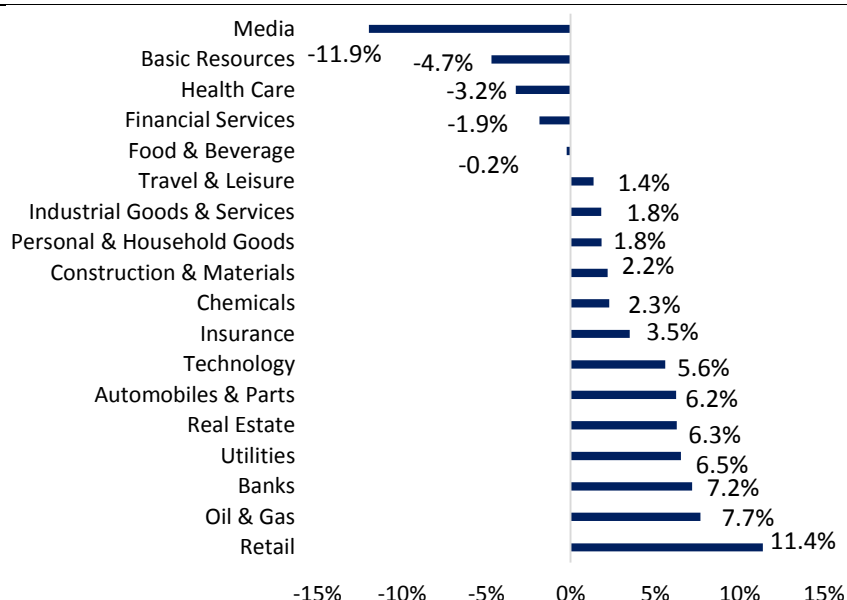
Chart 9
Stock group performances



Source: Bloomberg, BSC Research

In July, the market had 13/18 sectors gaining. In which, Retail sector increased the most with 11.4% (MWG and DGW with the increase of 15.09% and 7.18% respectively). The Communication sector is still the group with the strongest decrease with the efficiency of -11.9%.

Chart 10
Tier 2 sector in 7/2019



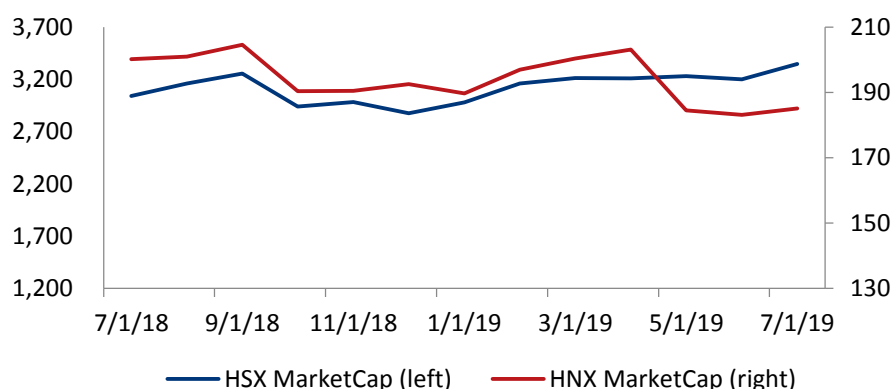
Capitalization scale

Market capitalization on both HSX and HNX reached VND 3,532.86 trillion, equivalent to USD 151.62 billion, up 4.45% MoM, + 11.48% YtD. Upcom exchange increased slightly to 1.016.45 trillion at the end of July. In July, on HOSE, there were 575 million additional listed shares; 208.65 million shares were listed for the first time; no delisting shares; 10.3 million additional listed ETFs; 4.5 million ETF canceled listing; There are no first listed bonds and 17.8 million delisted bonds.

Regarding the scale listed on HOSE on July 31, the floor is listing 82.67 billion shares equivalent to VND 826.74 trillion (94.91% of market value), 391.42 million bonds equivalent to VND 39.14 trillion (4.49% market value), 477.7 million shares only ETF equivalent to 4.77 trillion VND (0.55% market).

Chart 11

Capitalization scale

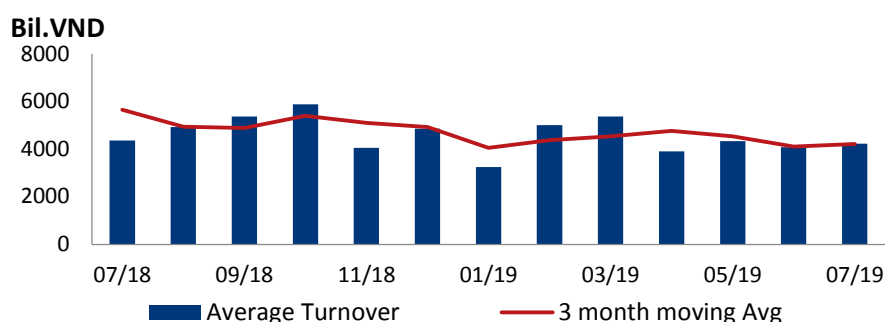


Source: Bloomberg, BSC Research

Average market liquidity

The average liquidity on 2 floors increased by 2.91% compared to June 2019, and increased to VND 4,206 billion/session and equivalent to nearly USD 180.5 million/session. In July, the cash flow focused on large-cap stocks of market and small stocks as well as stocks with good prospects. Improved sentiment and trading activity of foreign investors made liquidity recover positively.

Chart 12
Average market liquidity

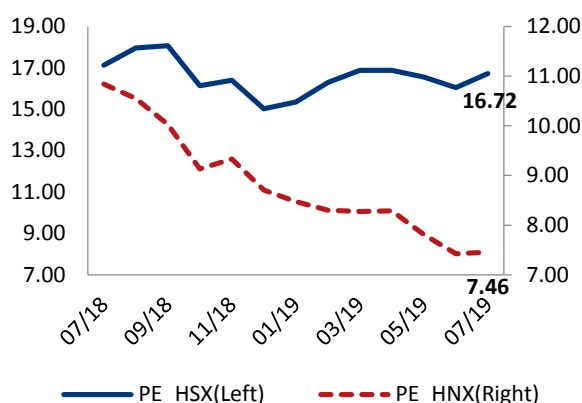


Source: Bloomberg, BSC Research

Price level of Vietnam stock market

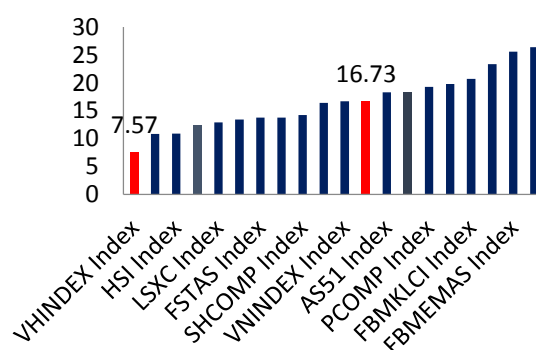
VN-Index P/E increased to 16.70, corresponding to +4.19% MoM, +8.77% YtD and HNX-Index increased slightly to 7.57 respectively +0.9% MoM, -10.69% YtD. P/E of HSX increased slightly and was the second highest month in 6 months, HNX also had a slight increase after 6 consecutive months of decline. Compared to June 2019, the P/E of the VN-Index dropped to the 10th position and the HNX-Index continued to hold the 20th 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



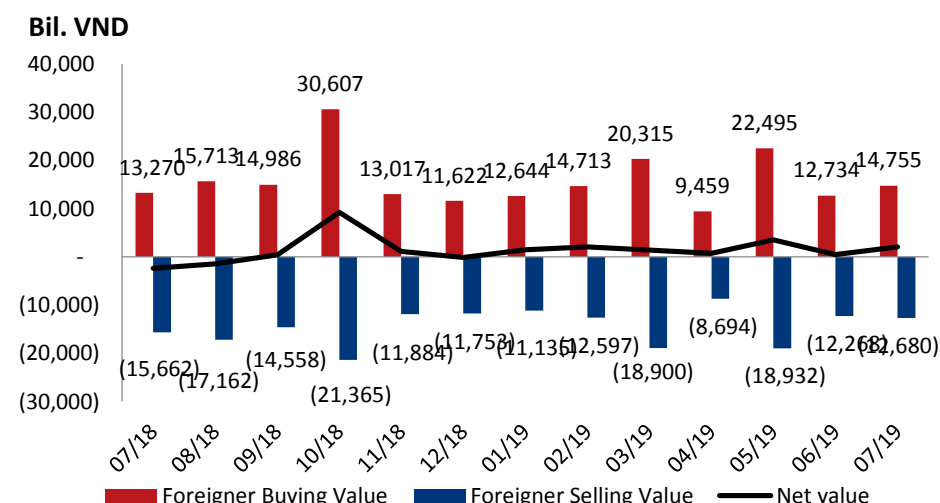
Source: Bloomberg, BSC Research

Foreign trading

In July, foreign investors net bought strongly on the HSX and continued to net sold on HNX. Upcom floor in June continued to net bought VND 172.73 billion, they focused on net buying VND 93.83 billion QNS and VND 50.11 billion VTP while net sold VND 31.64 billion ACV and VND 17.68 billion HND.

Chart 15

Foreigner transaction performances on both Exchanges



Source: BSC Research

In July, foreigners were net buyers on the HSX with VND 2,245 billion with 190 stocks net buying and 159 stocks net selling, net selling of VND 170 billion on the HNX with 96 stocks sold and 106 stocks bought. On the HSX, foreign investors bought PLX (VND 1266.04 billion), VCB (VND 435.26 billion), VRE (VND 213.9 billion), CTD (VND 182.69 billion), GAS (VND 145.45 billion) and sold HPG (-425.67 billion), VNM (-201.94 billion), PDR (-95.15 billion). On HNX, this group focused on buying VCS (VND 23.81 billion), SHB (VND 4.69 billion) and selling PVS (VND -75.35 billion), CEO (VND -73.09 billion).

Table 8

Top 10 foreign traded stocks on HSX in 7/2019

Ticker	Net value (VND bil)	Ticker	Net value (VND bil)
PLX	1,266.04	HPG	(425.67)
VCB	435.26	VNM	(201.94)
VRE	213.90	PDR	(95.15)
CTD	182.69	KDH	(94.71)
GAS	145.45	HBC	(81.55)
KBC	142.94	HDB	(74.83)
BID	125.27	PVT	(59.26)
BVH	95.85	MSN	(58.38)
VIC	92.95	STB	(45.66)
HVN	86.24	YEG	(36.63)

Source: BSC Research

Table 9

Top 10 foreign traded stocks on HNX in 7/2019

Ticker	Net value (VND bil)	Ticker	Net value (VND bil)
VCS	23.81	PVS	(75.35)
SHB	4.69	CEO	(73.09)
AMV	3.40	SHS	(14.24)
PVI	3.22	NDN	(12.78)
DGC	3.20	TNG	(10.63)
TIG	2.81	VGS	(8.49)
IDV	1.58	DBC	(5.75)
PSD	1.54	NTP	(4.57)
BCC	0.75	INN	(3.67)
IVS	0.71	DAE	(2.86)

Source: BSC Research

Market outlook of August

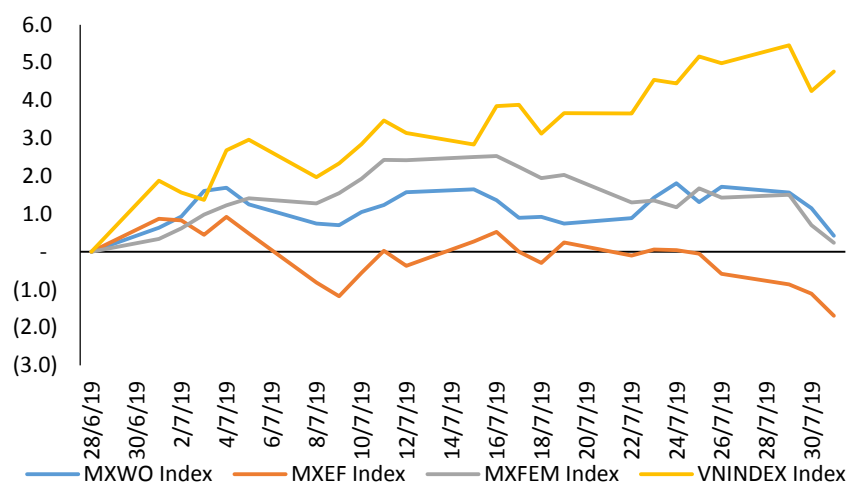
Major economies like the US and China are showing signs of slowing down. US-China trade talks are resumed but there are no positive signs yet. Positive information from EU and US was materialized by FED lowering interest rate 0.25% to 2-2.25% and ending the program of reducing its balance sheet at the policy meeting at the end of July. This may pave the way for central banks to continue pursuing further monetary easing policies in the last few months of the year.

Movements of world markets in August and the end of the year will be affected by the tension between negative prospects for economic growth and the support for asset price increase under monetary policies easing. Besides, the US-China trade negotiation along with the risk of geopolitical conflict in the Middle East will be the factors that increase the volatility of the markets.

In the money market, the USD Index rose 2.5% in July, mainly from the 2.7% discount of EUR. Economic outlook weakened and adverse information from Brexit made EUR fall sharply. The currencies in emerging areas have increased against the USD, with TRY (Turkey) up 3.6%, the NMK (Myanmar) up 1.3% while the VND also increased by 0.4%.

Chart 16

MSCI development, emerging and frontier regions in July 2019 (USD)



Source: Bloomberg, BSC Research

In the commodity market, the BComp Index fell 0.9%. Agricultural products such as Sugar (-3%), Soybean (-4%), Café (-5.7%) Wheat (-7.7%), and Natural Rubber (-8%) contributed the most to the decrease. Metals such as Silver (+7.6%), Lead (+3.6%) and Pork (+11.5%) are among the few products that rise in prices.

Regarding the stock market, the key stock indices moved sideways after a strong bullish cycle. MSCI development area (MXWO) and MSCI marginal index (MXFM) increased 0.42% and 0.23% respectively. MSCI emerging area index (MXEF) decreased 1.69%.

In the developed market area, after months of stagnant growth the UK market increase 2.2% due to the inauguration of new prime minister. Germany and France markets decreased -1.7% and -0.4% respectively.

In the BRIC countries, only Russian market increased by 1.2% while India decreased strongly by 5.7% due to strong withdrawal of foreign capital as Indian central bank continued to decrease interest rate.

In the regional market, Vietnamese market recovered with a gain of 4.4% after struggling in recent months. Half of the regional markets fell, led by a 2.2% drop in the Malaysian market. Foreign capital flows showed signs of weakening and withdrawing slightly in many regional markets.

Chart 17

Fluctuations of countries' stock markets in July

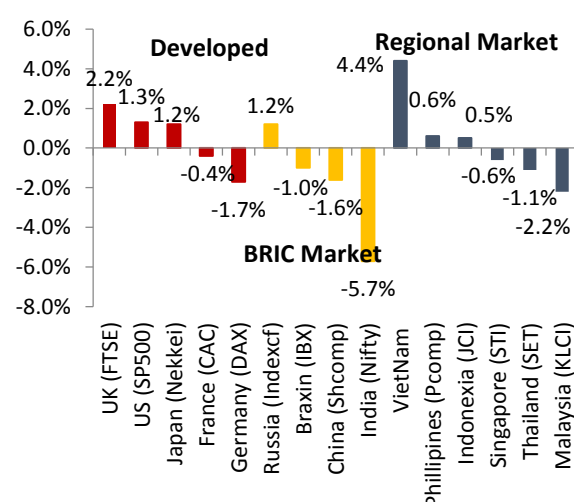


Table 10

Net buy/sell of foreign investors in July (Mio.USD)

Nations	July	7 Months
India	(1,721)	9,618
Indonesia	(20)	4,826
Japan*	232	(6,861)
Malaysia	(20)	(1,151)
Philippines	81	488
Korea	(69)	6,078
Sri Lanka	41	5
Taiwan	(616)	2,738
Thailand	653	1,971
Pakistan	28	75
Vietnam	95	529

Source: Bloomberg, BSC Research

Movement of the world stock market did not affect the domestic market in July. VN-Index maintained the gaining trend thanks to net buying from foreign investors with the participation of new ETFs. VN-Index increased by 41.7 points or 4.4%. Liquidity increased slightly, cash flow focused on stocks or sectors with impressive Q2 earnings. Besides, the gaining momentum continued to record in stocks related to industrial zone real estate, and Viettel related stocks.

In terms of industry, 13/18 level II industries increased. Retail, Oil & Gas and Banking sectors saw the strongest growth of 11.4%, 7.7% and 7.2% respectively. Leading stocks such as MWG, VCB and GAS all gained strongly, contributing a large proportion to the rising sectors. On the other hand, Communication, Basic Resources and Health sector saw the biggest drop of -

12%, -4.7% and -3.2% respectively. Negative Q2 business results and negative industry prospects affect some key stocks in the falling sectors.

In terms of influence, top 5 stocks have increased by 36 points including VCB (+ 13.8%, contributed 10.6 points), VHM (+ 11.2%, contributed 8.8 points), GAS (+ 11.9%, contributed 6.6 points), VIC (5.5%, contributed 6.2 points), and BID (+ 12%, contributed 3.8 points). On the other hand, MSN (-3.6%, contributed by 1 point), HPG (-4%, contributed 0.8 points), POW (-7.2%, contributed 0.8 points), NVL (-3.2%, contributed 0.5 points lower)) and HDB (-5.6%, contribution decreased by 0.5 points) have decreased by 3.6 points.

In July, season for second quarter earnings announcements, we focused on updating the 18 listed companies' quick reports.

On the basis of reviewing information that affects the stock market, the following information is notable in August:

Macroeconomic remains stable, however, growth drivers are still showing signs of slowing down. Macroeconomic remained stable according to key indicators. CPI in July increased by 0.18%, bringing the CPI in the first 7 months to 2.61% over the same period, the average CPI in the first 7 months increased by 2.61%, which is a low level in recent years. USD depreciated by 0.56% in July, decreased by 0.27% compared to December and increased by 1.1% over the same period last year. Short-term interbank market interest rates remained below 3%, deposit rates showed signs of increasing in medium and long-term term. State budget revenue up to July 15 was 55.1% of the estimate, surplus of 51.5 trillion.

However, the growth drivers are still showing signs of slowing down over the same period: (1) The growth rate of total retail sales of consumer goods and services in 7 months of 2019 was at 11.6%, down 0.4% compared to the same period in 2018; (2) Index of industrial production (IIP) is estimated to increase by 9.4% compared to the 10.7% increase in the same period; (3) Total newly registered FDI and additional capital decreased by 35.6% over the same period; (4) Realized investment from the budget increased by 3.9% over the same period compared to 9.7% in 2018; (5) Total import and export turnover increased by 7.5% over the same period compared to the 13.6% increase of 2018. Although Vietnam is one of the countries benefiting from the US-China trade war, the global economic downturn also affects Vietnam.

When countries are implementing monetary easing, changes in policies in line with the general trend and in balance between macroeconomic fundamental will be realised in the third quarter to support seasonal growth in the fourth quarter. Possible adjustment on monetary policy will also have a significant impact on the stock market in the last months of the year.

As of August 31, 87% of companies listed on the HSX and HNX announced Q2 business results, EAT increased by 11.9% over the same period and there was strong divergence. 650 companies on two main exchanges announced their business results for the second quarter with the total value of net profit reached VND 54,405 billion, up 11.9% over the same period in

2018. The number of companies with positive net profit growth accounted for 51.5% and the number of companies announcing profit was 89%. Top 5 companies with the highest growth in net profit after tax including VHM (+3,418 billion), VCB (+1,434 billion), VIC (+1,331 billion), VPB (+634 billion), and MBB (+353 billion). Top 5 companies with the largest decline in net profit after tax including MSN (-1,197 billion), HNG (-674 billion), HAG (-502 billion), CTD (-305 billion), and ASM (-281 billion).

In terms of stocks in VN30, 28/30 companies announced Q2 business results, in which, net income reached 37,170 billion VND, accounting for 68.2% of the net profit of the market, growing by 19.4% over the same period. 14/28 companies have positive net profit growth and no companies lose.

In terms of banking stocks, 14/15 banks have announced business results for the second quarter, in which the profit after tax reached 18,325 billion, accounting for 34% of the total net profit of the market, growing 20.8% over the same period. 4/14 banks had positive net profit growth and no companies lost money.

Overall results show that VN30 and Banking stocks are having profit growth of over 20%, exceeding the market growth rate of 11.9%. The remaining companies will announce this week and are unlikely to significantly change the overall results. The gaining momentum from Q2 business results is decreasing and dependable on other supporting information.

List of firms in VN30 for the second half of 2019 has the effect as of 5/8, ETFs provide data to review the list of the third quarter.

Ho Chi Minh Stock Exchange (HOSE) updated its VN30 index for the second half of 2019, in which BID and BVH replace CII and DHG. The proportion of BID and BVH in VN30 is about 0.9% according to our calculations. The index is officially valid on August 5, the corresponding change in trading activities of VN30 stimulated funds will be implemented before this time.

On July 15, VFMVN30 ETF with a scale of 6,790 billion, change will take place before the index takes effect. Increasing and decreasing the proportion of component see details in **Appendix 1**.

FTSE and VNM ETFs will also finalize the data at the end of August to restructure the portfolio of shares in the third quarter. Large stocks moving to HOSE will have the opportunity to join ETFs in the next period.

The US-China trade talks have not had breakthrough information from the meeting at the end of July, preparing for the next round in September. The round of 30-31 July trade talks in China restarted after 3 months of suspension in the context of many criticisms from the US President on Twitter. Critics of China's reluctance to buy US agricultural products and continue to take advantage of the US was given while Chinese media deny and reiterate the point of "resuming negotiations on the basis of equality and respect."

The meeting won't provide a major breakthrough, but will offer an understanding of each country's perspective. This round of negotiations is seen as a test of assessing the possibility of China continuing to negotiate based on an early May 2019 draft agreement or an strategy to postpone negotiation until after the US Presidential election in 2020 or additional proposals from China. According to the Chinese media, the two sides will conduct the next high-level trade talks in the US in September. During the negotiation process, the parties are also looking for solutions to solve difficulties in trade and export. This shows that the expectation for breakthrough is not high and the parties are ready to prepare for a long process negotiations and take into account escalation of the trade war.

The world market in July is shifting its attention to the monetary policy of major countries. However, the trade war will soon be the focal point again as different political considerations can push the war beyond prediction of market.

Table 11

Factors affecting the market in August 2019:

Events	Impact on stock market
The macroeconomic indicators are still quite stable, with room for policies that support growth.	Positive
The State Bank of Vietnam has decreased interest rate of treasury bills, thereby reducing interest rates, state-owned commercial banks reduced interest rates by 0.5% with prioritized industries.	Positive for domestic cashflow and domestic company
VN30 stocks and Banking stocks have positive Q2 NPAT, creating price foundation and supporting market in correction sessions.	Supportive
Changing component of VN30 for the second time in 2019 takes effect from August 5. ETFs restructure their portfolio in the third quarter.	Increase liquidity
The Fed lowered the interest rate by 0.25% and ended program to reduce the balance sheet, which could create the effect of further monetary easing in many other countries.	Positive impact on international cash flow
Preparation for the next round of US-China trade negotiations in September.	Strong impact on markets and investor sentiment
Geopolitical conflicts, risks of conflict in the Gulf affect oil prices.	Causing volatility

Source: BSC Research

VN-Index increased well and approached the psychological threshold of 1,000 as our forecast in the second quarter report. Foreign capital inflows from ETFs, and Q2 earning results are the driving force of the market. The effect from the second quarter business results decreased gradually and the market needed new support factors. Although VN-Index has a chance to surpass 1,000 points in August thanks to the movement of large stocks, we believe that the factors supporting the sustainable growth of the market are ambiguous. VN-Index is likely to have a correction to 965 points, create a price base and wait for support information. VN-Index price movement in August will be from 965 points to 1,015 points.

- In case of positive, VN-Index kept above 965 points in the correction sessions after checking or exceeding 1,000 points. Liquidity remained weak.
- In case of negative, VN-Index may drop below 950 points if there are unfavorable information from the world.

Investors can refer to some topics, and updated reports in the months:

- Industry and stocks are evaluated positively in the Sector Outlook Report 2019 and Quarter 2 Sector Outlook;
- Stocks with improvement and positive outlook such as Banking, Retail, leading stocks;
- Stocks benefited from recovering NVL prices and oil prices;
- Defensive stocks such as Electricity, Information Technology - Post, Retail consumption have high growth and dividends;
- In the long-term, BSC's recommended stocks will be mentioned in the sector strategic reports for the third quarter, stocks with good changes are recommended in the Weekly Report and update report for Sector/Company.

Appendix 1: Changing component of VN30 for the second time in 2019 takes effect from August 5. ETFs restructure their portfolio in the third quarter.

#	Stocks	New Proportion	Current proportion	Difference	# of shares change
1	BID	0.9%	0.0%	0.9%	1,777,014
2	BVH	0.9%	0.0%	0.9%	730,628
3	CTD	0.7%	0.8%	0.0%	(16,861)
4	CTG	0.9%	1.0%	-0.1%	(334,750)
5	DPM	0.4%	0.4%	0.0%	(51,517)
6	EIB	3.2%	3.1%	0.1%	284,552
7	FPT	4.0%	4.2%	-0.2%	(259,589)
8	GAS	1.5%	1.7%	-0.2%	(97,624)
9	GMD	1.1%	1.1%	0.0%	(14,958)
10	HDB	3.0%	2.9%	0.1%	376,196
11	HPG	6.3%	5.9%	0.4%	1,299,852
12	MBB	4.3%	4.4%	-0.2%	(484,617)
13	MSN	6.3%	6.1%	0.2%	133,805
14	MWG	4.3%	4.7%	-0.4%	(242,081)
15	NVL	3.6%	3.2%	0.4%	426,382
16	PNJ	2.1%	2.2%	-0.1%	(63,691)
17	REE	0.9%	0.9%	-0.1%	(151,972)
18	ROS	0.8%	0.8%	0.0%	122,904
19	SAB	3.1%	3.3%	-0.2%	(45,551)
20	SBT	0.7%	0.7%	0.0%	11,321
21	SSI	1.2%	1.2%	0.0%	(72,998)
22	STB	3.1%	3.2%	0.0%	(259,268)
23	TCB	7.5%	7.8%	-0.3%	(1,056,870)
24	VCB	3.4%	3.6%	-0.2%	(206,956)
25	VHM	4.6%	4.7%	-0.1%	(122,738)
26	VIC	8.0%	7.9%	0.1%	41,953
27	VJC	5.6%	5.7%	-0.1%	(73,068)
28	VNM	10.0%	9.3%	0.7%	406,820
29	VPB	5.2%	5.5%	-0.2%	(792,873)
30	VRE	2.4%	2.6%	-0.2%	(340,962)

Source: BSC research

Disclosure

The information, statements, forecasts and projections contained herein, including any expression of opinion, are based upon sources believed to be reliable but their accuracy completeness or correctness are not guaranteed. Expressions of opinion herein were arrived at after due and careful consideration and they were based upon the best information then known to us, and in our opinion are fair and reasonable in the circumstances prevailing at the time. Expressions of opinion contained herein are subject to change without notice. This document is not, and should not be construed as, an offer or the solicitation of an offer to buy or sell any securities. BSC and other companies in the BSC and/or their officers, directors and employees may have positions and may affect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for these companies. This document is for private circulation only and is not for publication in the press or elsewhere. BSC accepts no liability whatsoever for any direct or consequential loss arising from any use of this or its content. The use of any information, statements forecasts and projections contained herein shall be at the sole discretion and risk of the user. No part of this material may be (i) copied, photocopied or duplicated in any form by any mean or (ii) redistributed without the prior written consent of BIDV Securities Company (BSC).

BSC Headquarters

BIDV Tower, 10th & 11th Floor
35 Hang Voi, Hoan Kiem, Hanoi
Tel: +84 4 3935 2722
Fax: +84 4 2220 0669

Ho Chi Minh City Office

146 Nguyen Cong Tru St, 9th Floor
District 1, HCMC
Tel: +84 8 3821 8885
Fax: +84 8 3821 8510

<https://www.bsc.com.vn>
<https://www.facebook.com/BIDVSecurities>

Bloomberg: BSCV <GO>

