

## Vietnam Monthly Review

### 2<sup>nd</sup> Quarter of 2020

#### BSC Research

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#### Macroeconomics

- Gross domestic product (GDP) in the second quarter of 2020 is estimated to increase by 0.36% over the same period last year, the lowest increase for the second quarter in the period of 2011-2020.
- Manufacturing PMI index continued to increase sharply from 42.7 points in May, to 51.1 points in June 2020
- In the second quarter of 2020, total retail sales of consumer goods and services were estimated at VND 1,154.9 trillion, down 5.8% QoQ and 4.6% YoY
- For first half of 2020, total newly and additionally registered FDI capital reached USD 12.2 billion (+ 17.5% YoY). In the first six months of 2020, the production and distribution of gas and electricity, attracted the largest foreign direct investment
- The interbank exchange rate in QII/2020 fluctuated around 23,280 - 23,970 VND / USD. Interbank interest rates fell sharply in both medium and short term, reaching a record low in the past month.

#### Stock Market

- As of June 30, 2020, the VN-Index decreased by -4.6% MoM, + 24.5% QoQ, -14.1% YTD while the HNX-Index was almost unchanged from the previous month, + 18.5 %QoQ, + 7.1% Ytd.
- Average liquidity on 2 exchanges increased by + 21.2% compared to May 2020, and maintained at 7,596 billion dong / session and equivalent to nearly 327 million USD / session.
- In June, foreign investors net bought 14,742 billion dong on the HSX and net sold - 211 billion dong on the HNX. In 6M2020, foreign investors net sold -648 billion dong on the HSX and -2,150 billion dong on the HNX.
- P/E of VN-Index dropped to 13.65, equivalent to -4.53% MoM, +24.6% QoQ, -9.9% Ytd and HNX-Index also returned to 8.12, equivalent to -2.62% MoM, +10.2% QoQ, +9.1% YTD. P/E of the VN-Index fell to 14th place in Asia.

#### Market outlook in 2<sup>nd</sup> half of 2020

Based on the evaluation of domestic and foreign impact factors, as well as using the weighting methodology from financial institutions' analysis (Appendix 10), VN-Index can be forecast to be around  $832 \pm 70$  points, with a focus area of 795 to 900 points in the last 6 months of 2020. Among two following reference scenarios, we considered the positive scenario the highest possibility:

- In a positive case, VN-Index created a consolidate platform around 800 points and closed around 900 points by the end of the year. After the differentiation in July, the market had a strong fluctuation thanks to speculative cash flow and the return of foreign capital flows.
- In a negative case, VN-Index may drop below 800 points and have a negative fluctuation direction to check the short-term bottom at 650 points when there is much adverse information from the world as foreign investors pushed up the net withdrawal.
- **Recommended stocks:**
  - Sectors and stocks are evaluated positively in the Sector Outlook Report 2020 ([Link](#)), Banking Sector Outlook Report ([Link](#));
  - Stocks with improvements and positive outlook such as Banking, Retail, Information Technology - Postal and Telecommunications;
  - Stocks benefiting from public investment activities such as Steel, Cement, Construction Materials, and Asphalt;
  - Stocks benefiting from decreased raw materials input such as Fertilizers, Tire, Chemicals;
  - Highly defensive stocks and stock with high dividend payout;
  - In the long-term, BSC's recommended stocks will be mentioned in Sector Outlook Report 2020, stocks with good changes are recommended in the Weekly Report ([Link](#)) and update report for Sector/Company ([link](#)).

## Macroeconomics of 2<sup>nd</sup> Quarter 2020

### Economic growth

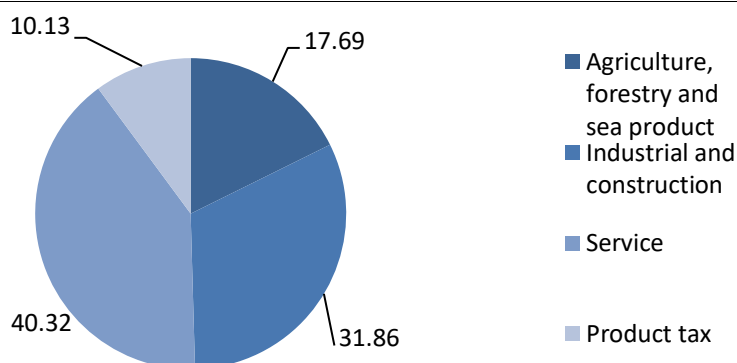
- Gross domestic product (GDP) in the second quarter of 2020 is estimated to increase by 0.36% over the same period last year, the lowest increase for the second quarter in the period of 2011-2020.
- Manufacturing PMI index continued to increase sharply from 42.7 points in May, to 51.1 points in June 2020

Gross domestic product (GDP) in the second quarter of 2020 is estimated to increase by 0.36% over the same period last year, the lowest increase for the second quarter in the period of 2011-2020. In which, agriculture, forestry and fishery sector increased by 1.72%, industry and construction sector increased by 1.38%, service sector decreased by -1.76%.

First half of 2020, GDP increased by 1.81%, the lowest increase in the period of 2011-2020. Agriculture, forestry and fishery sector increased by 1.19%, contributing 11.89% to the overall growth; industry and construction sector increased by 2.98%, contributing 73.14% to the overall growth; service sector increased by 0.57%, contributing 14.97% to the overall growth. In the industrial and construction sector, industry had the lowest growth rate in the period of 2011-2020 at 2.71%, contributing 0.93 percentage points to the total added value of the whole economy. Processing and manufacturing industry saw the lowest growth in the period of 2011-2020 at 4.96%, contributing 1.1%. Mining industry decreased by -5.4%, reducing -0.35%. Construction industry had a low growth rate of 4.5%, contributing 0.28%.

Chart 1

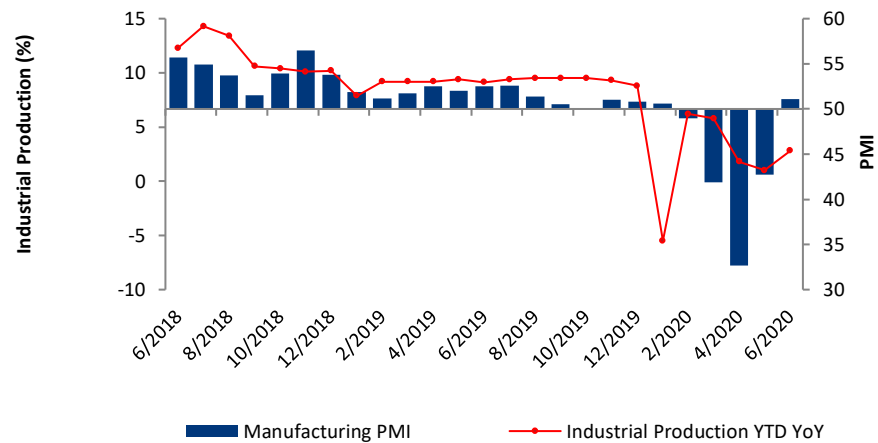
Economic sector proportion in 2<sup>nd</sup> Quarter 2020 (%)



Source: GSO, BSC Research

**First half of 2020, index of industrial production (IIP) was estimated to increase by 2.8% over the same period last year:** Processing and manufacturing industry increased by 4.6% YoY, electricity manufacturing distribution increased by 2.0% YoY, water supply and waste treatment increased by 2.8% YoY, mining decreased by -7.9%.

Chart 2  
Industrial production index & PMI



Source: GSO, Markit, BSC Research

**Consumption index for manufacturing and processing industry in June 2020 increased by 8.1% over the previous month and by 3% over the same period last year.** First half of 2020, consumption index of the manufacturing and processing industry increased by 4.3% over the same period last year (same period in 2019 increased by 9.6%). In particular, the top 3 industries with high consumption index: Production of drugs, pharmaceutical chemicals and medicinal materials increased by 42.1%, production of coke, refined petroleum products increased by 14.7%, and production of paper and products from paper increased by 12.1%.

Inventory index of manufacturing and processing industry was estimated at 26.7% as of June 30, 2020 compared to the same period last year (same period in 2019 increased by 16.1%), of which some sectors had inventory index increasing over the same period last year: Production of electronic products, computers and optical products increased by 156.2%, production of motor vehicle increased by 129.6%, and production of coke, refined petroleum products increased by 61.9%.

Average inventory rate of processing and manufacturing industry in the first two quarters of 2020 reached 78.9% (the same period last year was 74.9%), of which some industries had a high inventory rate: textile +118.7%, wood processing and production of wood and bamboo products +104.7%, and production of chemicals and chemical products +103.4%.

**Manufacturing PMI index continued to increase sharply from 42.7 points in May, to 51.1 points in June 2020.** The latest data reflects recovery of this sector as Covid-19 is well controlled in Vietnam with positive domestic demand.

Positive PMI index after epidemic control measures ended and economy restarted:

- New orders increased for the first time in five months, but export orders decreased;

- Consumer goods and intermediate goods recorded an increase in orders;
- Production output shows signs of rebound with a positive impact from the consumer goods area;
- Inventories of pre-production goods increased the most since November 2018, while inventories of finished products also increased;
- Covid-19 continued to negatively affect the supply chain when delivery time was reported to be prolonged in the month of June – seventh month in a row.
- Business prospects increase sharply for the second consecutive month.

China's PMI was reported to be 51.2 points in June, signaling the second consecutive month of improvement in production and business conditions. Manufacturing output increased for the fourth consecutive month, as companies continued to recover after a period of forced closure for disease prevention. At the same time, the number of new orders increased for the first time in 5 months thanks to positive domestic demand. In contrast, export orders have not been recovered. Employment continues to decline. Purchasing activities increased more actively than May. Inventories of pre-production goods increased for the first time in six months, while inventories of finished products decreased. Business prospects for the next twelve months remain positive. Business prospects remain positive as many manufacturers expect global demand for manufactured products continue to recover.

## Inflation

- **In the second quarter of 2020, average CPI increased by 2.83% over the same period in 2019**
- **Consumer price index in June 2020 increased by 0.66% over the previous month, and increased by 3.17% over the same period in 2019.**
- **Total retail sales of consumer goods and services in June 2020 was estimated at 431.0 trillion VND, up 5.3% YoY.**

**Consumer price index in June 2020 increased by 0.66% over the previous month, and increased by 3.17% over the same period in 2019.** Core inflation in June 2020 increased by 0.07% over the previous month and increased by 2.45% over the same period last year.

In the second quarter of 2020, average CPI increased by 2.83% over the same period in 2019, of which food and catering services increased the most and reached 12.12% over the same period last year.

For the first six months of 2020, average CPI increased by 4.19% over the same period in 2019, of which the food and catering services increased the most and reached 11.17% over the same period last year. For the first six months of 2020, the average core inflation increased by 2.81% over the same period last year.

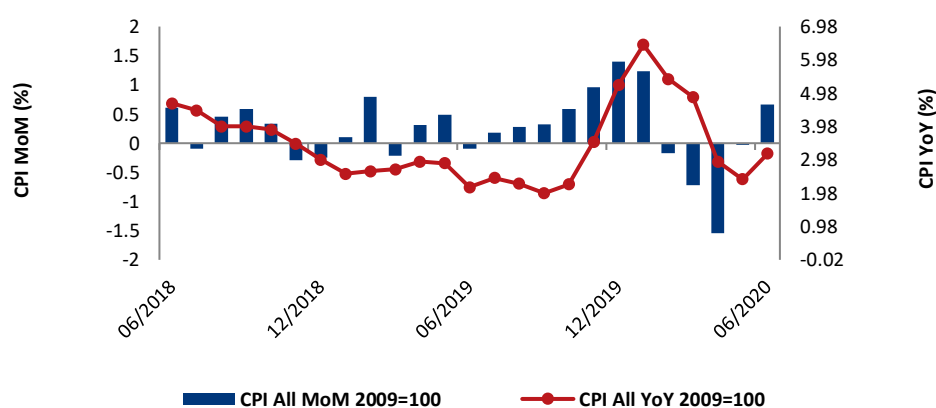
The fluctuations in CPI increase mainly due to the following reasons:

- Prices of grain food increased by 3.38% over the same period last year (resulting in an overall CPI increase of 0.15%);

- The price of foodstuff increased by 14.28% over the same period last year (resulting in an overall CPI increase of 3.23%), of which the price of pork increased by 68.2% (resulting in an overall CPI increase of 2.86%). ;
- Prices of drinks and tobacco and ready-to-wear goods increased sharply, by 1.7% and 0.93% respectively over the same period in 2019

Consumer price index in June 2020 increased by 0.66% over the previous month, mainly due to increase gasoline prices in three successive adjustments after a series of declines since the Lunar New Year and pork prices continued to rise at beginning of June. On average, in the first 6 months of 2020, consumer price index increased by 4.19% over the same period last year, this is the highest increase in the period of 2016-2020.

Chart 3  
**Monthly CPI movements**



Source: GSO, BSC Research

**CPI of 7/11 commodity and service groups of CPI in June 2020 decreased compared to the previous month.** Transport group increased the most with 6.05%, mainly due to the effect of upward adjustments of gasoline and oil price on May 28 and June 12, causing gasoline and oil price to increase by 14.24%, and overall CPI increase by 0.59%. Food and catering services group increased by 0.44%, of which foodstuff increased by 0.72%. Drinks and tobacco group increased by 0.09% due to high demand for soft drinks in the summer.

Chart 4  
Retail Sales

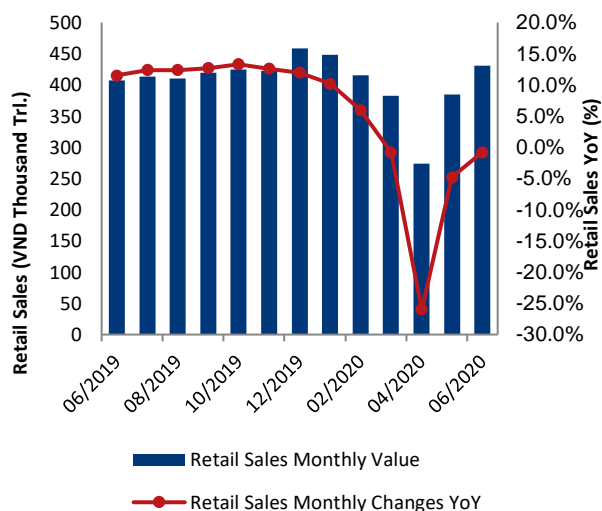


Table 1  
Increase/decrease of service sectors in March

TT	Nhóm hàng hóa, dịch vụ	So với tháng trước (điểm %)	So với cùng kỳ (điểm %)
1	Hàng ăn và dịch vụ ăn uống	0.44	12.46
2	Đồ uống và thuốc lá	0.09	1.46
3	May mặc, mũ nón, giày dép	0	0.68
4	Nhà ở và vật liệu xây dựng(*)	-0.42	0.16
5	Thiết bị và đồ dùng gia đình	0.07	1.22
6	Thuốc và dịch vụ y tế	0.01	3.37
7	Giao thông	6.05	-17.3
8	Bưu chính viễn thông	-0.04	-0.51
9	Giáo dục	0.01	4.36
10	Văn hoá, giải trí và du lịch	-0.01	-1.62
11	Hàng hoá và dịch vụ khác	0.19	3.31

Source: GSO, BSC Research

**Total retail sales of consumer goods and services in June 2020 was estimated at 431.0 trillion VND, up 5.3% YoY.** In which, retail sales of goods is estimated at 336.6 trillion dong, up 9.4% YoY.

In the second quarter of 2020, total retail sales of consumer goods and services were estimated at VND 1,154.9 trillion, down 5.8% QoQ and 4.6% YoY. In particular, retail sales of goods is estimated at 928.5 trillion, down 4% QoQ and up 1.2% YoY.

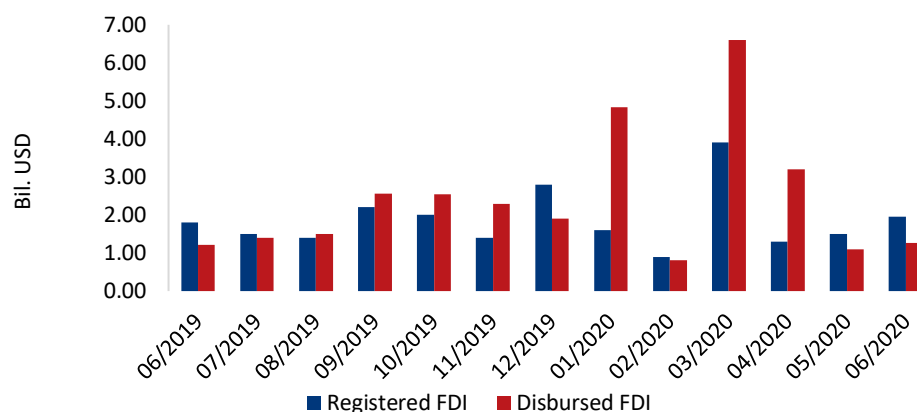
For the first six months of 2020, total retail sales of goods and services were estimated at 2,380.8 trillion VND, down -0.8% over the same period last year, of which: Retail sales of goods reached 1,895.6 trillion, up 3.4% YoY.

## Foreign Direct Investment (FDI)

- For first half of 2020, total newly and additionally registered FDI capital reached USD 12.2 billion (+ 17.5% YoY). Realized FDI capital was estimated at 8.65 billion USD (-5.0% YoY).
- In the first six months of 2020, the production and distribution of gas and electricity, attracted the largest foreign direct investment.

Total newly registered FDI as of June 20, 2020 of 1,418 projects (-17.7% YoY), reached US \$ 8.5 billion (+ 13.8% yoy), plus US \$ 3.7 billion of adjusted registered capital of 526 projects. Therefore, total newly and additionally registered FDI capital reached USD 12.2 billion (+ 17.5% YoY). First half of 2020, realized FDI capital was estimated at 8.65 billion USD (-5.0% YoY).

Chart 5  
**FDI (USD Bil)**



Source: GSO, BSC Research

In the first six months of 2020, the production and distribution of gas and electricity, attracted the largest foreign direct investment with registered capital of 4 billion USD, accounting for 47.4% of the total newly registered capital; manufacturing and processing industry reached 3.6 billion USD, accounting for 42.3%; remaining industries reached USD 0.9 billion, accounting for 10.3%.

If including additional registered capital of the licensed projects from previous years, foreign direct investment in the manufacturing and processing industry in the first six months of 2020 would reach US \$ 6.8 billion, accounting for 56.0% of the total registered capital; production and distribution of gas and electricity reached US \$ 3.9 billion, accounting for 31.6%; remaining industries reached 1.5 billion USD, accounting for 12.4%. For capital contribution and share purchase of foreign investors, capital invested in processing and manufacturing industry reached 1.2 billion USD, accounting for 34.1% of total value of capital contributed; wholesale and retail of automobiles, motors, motorbikes and other motor vehicles reached 0.7 billion USD, accounting for 19.3%, professional activities of science and technology reached 0.5 billion USD, accounting for 13.2%, remaining sectors reached 1.2 billion USD, accounting for 33.4%

Top 3 regions attracting FDI nationwide: Bac Lieu (4 billion USD - 47.4%), Ha Nam (0.5 billion USD - 5.3%), Hai Phong (0.4 billion USD - 4.7%).

In the first six months of 2020, Singapore was the largest direct investor in Vietnam with an investment capital of 4.3 billion USD, accounting for 51.3% of total newly registered capital; followed by China with 1.0 billion USD, accounting for 11.3% and South Korea with 0.5 billion USD, accounting for 6.5%.

## Trade balance, Import and Export

- **Trade balance in June was estimated at trade surplus of 0.5 billion USD. First half of 2020, trade surplus was estimated at 4 billion USD.**

- For the first 6 months of 2020, total import and export turnover of goods reached 238.4 billion USD, down 2.1% over the same period last year.

June export turnover was estimated at 21.0 billion USD, down by 9.5% MoM and by 2.0% YoY. In which, domestic economic sector reached 7.4 billion USD, up 2.5% MoM and up 7.3% YoY; FDI sector reached USD 13.6 billion, up 13.7% MoM and down 6.4% YoY.

Chart 6

### Import and Export (Bil USD)



Source: GSO, BSC Research

Imported goods in June was estimated at 20.5 billion USD, up 12.8% MoM and down 5.3% YoY. In which, domestic economic sector reached 9.5 billion USD, up 8.8% MoM and down 16.5% YoY. Foreign-invested sector reached 11.0 billion USD, up 16.5% MoM and down 2.7% YoY.

First half of 2020, export turnover was estimated at 121.2 billion USD, down 1.1% YoY, of which the domestic economic sector reached 41.4 billion USD, up 11.7% YoY; FDI sector (including crude oil) reached 79.8 billion USD, down 6.7% YoY. It was estimated that by the end of the second quarter of 2020, phones and components group would maintain the leading position in export with 21.5 billion USD, down 8.4% YoY. Electronics, computers and components group was in second position with 19.3 billion USD, up by 24.2% YoY. Textile and garment group ranked third, reaching 12.8 billion USD, down 15.5% YoY.

Regarding export market for the first half of 2020, the United States was the largest export market of Vietnam with a turnover of 30.3 billion USD (+ 10.3% YoY), followed by China with 19.5 billion USD (+ 17.4% YoY), EU reached 16.1 billion USD (-8.8% YoY).



Table 2

### Top 10 export goods

No.	Exported Goods	Turnover (Bil. USD)	%YoY
1	Mobile phone	21.51	-8.40
2	Electronics	19.28	24.20
3	Textile	12.77	-15.50
4	Other machines	10.31	25.20
5	Shoes	8.14	-6.70
6	Woods	4.98	2.40
7	Vehicles	3.77	-11.10
8	Aquaculture	3.57	-8.30
9	Steel	1.95	-11.70
10	Vegetables	1.80	-11.40

Source: GSO, BSC Research

Table 3

### Top 10 imported goods

No.	Imported Goods	Turnover (Bil. USD)	%YoY
1	Electronics	27.04	13.30
2	Machine	16.87	-4.20
3	Mobile phone	6.03	3.70
4	Fabric	5.56	-15.30
5	Steel	4.03	-16.30
6	Plastic	3.90	-11.10
7	Plastic Products	3.23	5.40
8	Other metals	2.87	-9.00
9	Chemical Products	2.65	4.60
10	Textile Materials	2.52	-14.20

Source: GSO, BSC Research

First half of 2020, import turnover was estimated at 117.2 billion USD, down 3.0% YoY, of which the domestic economic sector reached 51.6 billion USD, up 0.1% YoY; foreign-invested sector reached 65.6 billion USD, down 5.4% YoY. By the end of the second quarter of 2020, electronics, computers and components group accounted for the largest proportion reaching 27.0 billion USD, up 13.3% YoY. Machinery, equipment, tools and spare parts in second place reached 16.9 billion USD, down -4.2% YoY. Phones and components ranked third with 6.0 billion USD, up 3.7% YoY.

Regarding the import market in the first half of 2020, China was still the largest import market of Vietnam with a turnover of 34.8 billion USD (-2.2% YoY). Next was South Korea with 20.3 billion USD (-10.0% YoY). ASEAN reached 14.2 billion USD (-11.9% YoY).

The Covid-19 epidemic continued to develop in the world, especially in the leading trade partners of Vietnam, which has greatly affected the import and export turnover of many products. Total import and export turnover in June was estimated at 41.5 billion USD, up 1.5% over the same period last year. For the first 6 months of 2020, total import and export turnover of goods reached 238.4 billion USD, down 2.1% over the same period last year. In the first 6 months, trade surplus was about 4 billion USD.

## Forex market

- The VND / USD exchange rate maintained downward trend in June following the first two months of the quarter, mainly due to the decline in the value of the USD, when the FED maintained its commitment to extend easing policy. Negative economic outlook of the US also contributed to a sharp drop in USD value in June.
- Dollar Index fell sharply in the first half of June because of the negative outlook of the US economy. The Dollar Index recovered somewhat, but generally maintained at a low level because investors expected that economic stimulus measures will be prolonged, especially in the context of the strong spread of the disease.

The central exchange rate in June fluctuated in the range of 23,212 - 23,262 VND

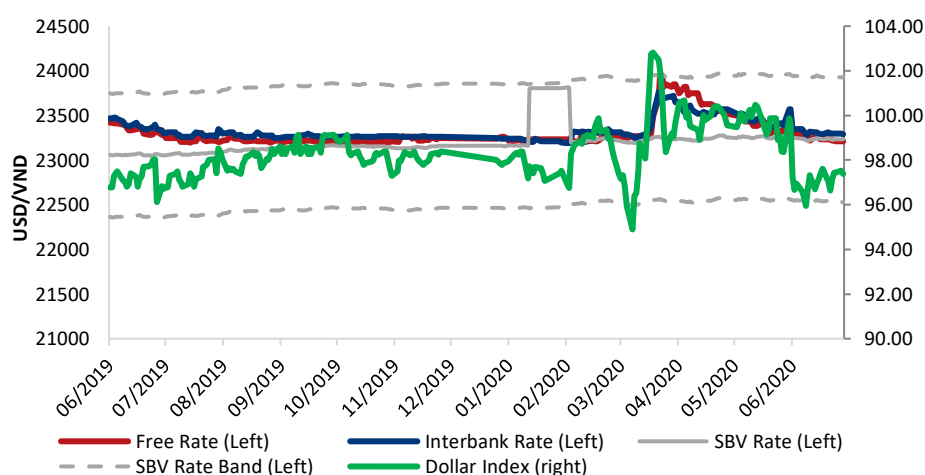
/ USD, slightly decreased compared to the range of 23,242 - 23,271 VND / USD in May. Average for the month was 23,237 VND / USD. On June 30, the exchange rate was trading at 23,229. The VND value decreased by 0.32% YTD and 0.71% YoY.

**The interbank exchange rate in June fluctuated around 23,280 - 23,570 VND / USD**, widening the range compared to 23,360 - 23,520 VND / USD in May. Average level for the month was 23,334 VND / USD. On June 30, the exchange rate was trading at 23,290 VND / USD. The value of VND decreased by 0.22% YTD and increased by 0.26% YoY.

**Free exchange rate in June ranged from 23,210 - 23,550 VND / USD**, widen the range compared to 23,300 - 23,500 VND / USD in May. Average free rate in the month was 23,276 VND / USD. On June 30, the exchange rate was trading at 23,210. The value of VND increased by 0.21% YTD and by 0.47% YoY.

Chart 7

### Exchange rate movements



Source: Bloomberg, BSC Research

**Dollar Index on June 30, 2020 decreased by 1.0% compared to the end of May, and increased by 1.3% over the same period last year.** In June, the index ranged from 96.0 to 99.9 with the monthly average of 97.3. Currently, the index is trading at 97.4.

Negative prospects of the US economy, and the second wave of Covid-19 epidemic, made the USD value on the world market plummeted. In ASEAN and BRICS, compared with USD, except for Real Brazil, the value of all currencies increased: Thai Baht 3.0%, Singapore Dollar 1.4%, Malaysian Ringgit 1.4%, Chinese Yuan 1.5%, and Russian Ruble 1.1 %.

## Bank - Interest rate

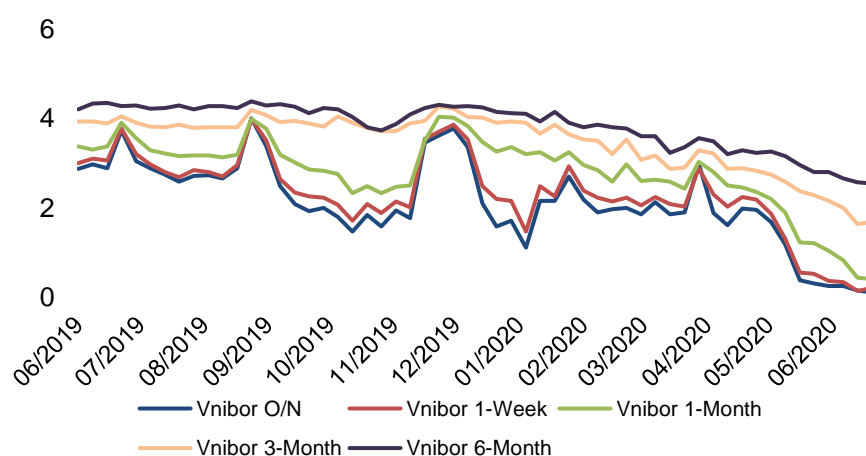
- Credit growth of the economy reached as of 19/6/2020 reached 2.45%
- Interbank interest rates fell sharply in both medium and short term, reaching a record low in the past month.

As of June 19, 2020, the total means of payment increased by 4.59% compared to

the end of 2019 (6.05% in the same period in 2019); capital mobilization of credit institutions increased by 4.35% (the same period in 2019 increased by 6.09%); Credit growth of the economy reached 2.45% (the same period in 2019 increased by 6.22%). VND saving rate is about 0.1-0.2% / year for demand deposits and terms with less than 1 month; 4-4.25% / year for deposits with term from 1 month to less than 6 months; 4.9-6.6% / year for deposits with term of 6 months to less than 12 months; tenor of over 12 months stood at 6.6-7.4% / year. Meanwhile, VND lending rate ranged from 6.0 to 9.0% / year for short term; 9.0 to 11% / year for medium and long term.

In June, via treasury bill channel, State Bank of Vietnam net injected 26,995.7 billion VND from June 1 to June 8, when the 91-day contract matured. Interbank interest rates fell sharply in both medium and short term, reaching a record low in the past month. On June 30, the overnight, 1 week, 1 month, 3 month, and 6 month interest rates were 0.10%, 0.20%, 0.33%, 1.78%, and 2.73% respectively. In the context of Covid-19, credit market proved to be less positive when capital mobilization of credit institutions increased sharply - compared with the increase of 0.51% in the first three months of 2020, abundant interbank liquidity, while credit growth increased sluggishly compared to the increase of 0.68% in the first three months of 2020. How to make capital flow into production and investment activities and consumption remained a problem for the State Bank of Vietnam.

Chart 8  
**Interbank interest rates**



Source: Bloomberg, BSC Research

## Macro Forecast for 3<sup>rd</sup> Quarter of 2020

**On an international scale, Vietnam's macro-economic performance in 3<sup>rd</sup> quarter is affected by some of the following impacts:**

**1. FED monetary policy meeting (July 30):** The US Federal Reserve is likely to maintain interest rates at 0-0.25% in the next policy meeting. FED officials' speech and market movement showed that low interest rate policy will be maintained, probably, until the end of 2022. Focus of the meeting at the end of July is likely to revolve around the policy of supporting labor market. This is especially necessary when the outlook by the FED was negative in the latest update: (1) Expected GDP growth ranged from -10.0% to -4.2% in 2020 (median -6.5 %) and expected GDP growth ranged from -1.0% to 7% in 2021 (median 5.0%), (2) The expected unemployment ranged from 7% to 14% in 2020 (median 9.3%) and expected unemployment ranged from 4.5% to 12% in 2021 (median 6.5%). Along with that, uncertainty increased and prolonged with possibility of second wave Covid-19 epidemic. VIX Index - the market volatility indicator – increased 15.5% in June, after falling by 19.4% in May. However, most states in the US continued the process of restarting production and business, supporting market sentiment. The two-year US Treasury bill yield remained low at 0.15-0.23% in June, up slightly from 0.13-0.19% in May. Macroeconomic indicators continued to signal recovery, after epidemic control measures gradually concluded. The US labor market increased 2.5 million jobs in May, while the unemployment rate fell to 13.3% in May, after rising sharply to 14.7% in April. Jobless claims increased 1.5 million, while four-week average fell to 1.6 million in the week ended June 20. The number of people in the state receiving benefits reduced to 19.5 million in the week ending June 13. Retail sales of goods increased by 17.7% MoM in May, after falling by 14.7% MoM in April. Service PMI index increased to 46.7 points in June, from 37.5 points in May. Manufacturing PMI index increased to 49.6 points in June from 39.8 points in May. This showed that the US economy recovered positively when many states ended measures to prevent epidemics and restarted the economy. Based on these macroeconomic indicators, FED is likely not to change monetary policy in foreseeable future.

**2. ECB monetary policy meeting (July 16):** The European Central Bank is likely to maintain interest rates at -0.5% in the next policy meeting. Market movements showed that the ECB maintained operating rates at current levels until the end of 2021. 742 banks quickly accepted credit packages, with three-year terms, and negative interest rates, worth EUR 1,310 billion from ECB, to continue to provide liquidity to companies and households with the goal of assisting with the recovery process. The 1,350 billion EUR Pandemic Emergency Purchase Program (PEPP) actively supports the liquidity in the bond market, even for high-risk bonds. President Christine Lagarde said the European economic might have overcome the most difficult period. Macroeconomic indicators continued to show positive recovery after many stimulus measures were introduced. Service PMI index of the EU increased to 47.3 points in June from 30.5 points in May. Manufacturing PMI index increased to 46.9 points in June from 39.4 points in May. EU inflation

increased by 0.3% YoY in June, up from 0.1% YoY in May. EU core inflation rose 0.8% in June, down from 0.9% in May. To avoid deflation and support macro conditions, easing policies are likely to be maintained in the foreseeable future.

**3. PBOC monetary policy meeting (July 20):** On June 30, Chinese National Assembly formally adopted new security law for Hong Kong. This law took effect from the date of its promulgation and targeted separatist and terrorism acts. Relations between China and USA can be more negative, in the context that anti-China policy likely to play an important role in the election platform of President Donald Trump. However, the abolition of the first phase is less likely to happen when this has a negative impact on the stock market - a measure of President Trump's success, as it happened when White House adviser Peter Navarro commenting on the relations of two countries. This is therefore unlikely to affect the policy direction of the Chinese government as well as its central bank. The government continues to play a key role through fiscal measures such as increasing local budgets, assisting labor markets, especially in areas affected by epidemics, and increasing large project investment. The PBoC is likely to continue pursuing a prudent policy in monetary management, especially in the context of many macro-economic indicators showing that the country's economy has been positive. Retail sales of goods increased by 0.79% MoM and decreased by -2.8% YoY in May, more positive than the increase of 0.77% MoM and decreased by -7.5% YoY in April. China's service PMI increased to 54.4 points in the month June from 53.6 points in May. China's manufacturing PMI increased to 51.2 points in June from 50.7 points in May. China's inflation dropped to 2.4% YoY in May, down from an increase of 3.3% YoY in April, the lowest since March 2019. Macroeconomic indicators are likely to continue recovering with international demand for goods and services, as countries continue their process of restarting production and business. With the second wave of outbreaks being quickly curbed, the PBOC is likely to continue keeping current rates at the next meeting.

**For the domestic policy, the notable topics that will influence Vietnam economy in 3<sup>rd</sup> quarter are:**

**1. The Government issued Decision 908 / QD-TTg approving the list of State-invested enterprises to be divested until the end of 2020.** 120 enterprises will be divested until the end of the year, typically: Vietnam Machinery Installation Corporation, Vietnam Pharmaceutical Corporation, ... 4 enterprises to be divested before November 30, 2020 (if they don't complete divestment, they will be transferred to SCIC before December 31, 2020): Song Hong Joint Stock Corporation, Hanoi Construction Corporation, Construction Corporation No. 1, Vietnam Urban and Industrial Zone Development Investment Corporation (IDICO). 14 enterprises to be transferred to SCIC to divest and complete the transfer before August 31, 2020, typically: Vietnam Industrial Construction Corporation, General Construction and Import Joint Stock Company, Vietnam Agricultural Products Joint Stock Company, Saigon Beer - Beverage Corporation, ... 18 State-owned enterprises to be arranged and be divested in accordance with specific schedule, typically: Vietnam National Petroleum Group, Vietnam Airlines Corporation, Vietnam Motors and Machinery Corporation, Industrial Machinery and Equipment

Corporation, etc. 69 state-owned enterprises will stop divesting until the end of 2020 to review and formulate a divestment plan for the period of 2021 - 2025, typically: Vietnam Airport Corporation, Saigontourist Cable Television Co., Ltd. (SCTV), ...

**2. Law on Government Officials, No. 52/2019 / QH14 stipulates that from July 1, 2020, only 12-month to 60-month contracts will be signed for officials.** The law also adds new regulations on handling violations by cadres and civil servants during the working time who have stopped working and retired in the direction that all violations will be investigated. Depending on the nature and seriousness of the violations, violators may be subject to criminal, administrative or disciplinary action. In particular, disciplinary action for retired cases will be associated with the corresponding legal consequences of the violations. Regarding civil servant recruitment examinations, in addition to the two forms of recruitment examination and admission as currently prescribed, the Law allows head of civil servant agencies to decide on accepting persons who meet the criteria and conditions of positions in some specific cases.

**3. Resolution 954/2020 / UBTVQH14 adjusting the family circumstance-based reduction of personal income tax.** The family circumstance-based deduction for personal income tax is adjusted as follows: deduction for taxpayers is 11 million VND / month (equivalent to 132 million VND / year) and deduction for each dependent is 4.4 million VND/ month. Thus, allowances are increased by 02 million VND / month for taxpayers and 0.8 million VND / month for dependents. The resolution takes effect from July 1, 2020 and applies from the tax period 2020.

**4. Decree 53/2020 / ND-CP stipulates environmental protection fee for waste water.** The environmental protection fee for domestic wastewater is 10% of the selling price of 1 m<sup>3</sup> of clean water exclusive of value added tax. In case it is necessary to apply a higher fee, the People's Council of the province or city directly under the Central Government shall decide the higher fee level for each subject subjected to the charge. The environmental protection charge for industrial wastewater with an average total annual wastewater volume of under 20 m<sup>3</sup> / day (24 hours) is subject to a fixed charge calculated based on the volume of wastewater (not applicable charge level) as follow: (1) apply a fee of 1.5 million VND for 2020, and (2) from 01/01/2021 onwards, average wastewater flow from 10 - 20 m<sup>3</sup> / day will be charged 4 million VND / year, from 5 to 10 m<sup>3</sup> / day will be charged VND 3 million / year, under 5 m<sup>3</sup> / day will be charged of VND 2.5 million / year.

**5. Decree 58/2020 / ND-CP stipulates the level of compulsory social insurance premiums for contribution to the Insurance Fund for Occupational Accidents and Occupational Diseases.** The level of social insurance premium for employees on the labor accident and occupational disease insurance fund is 0.5% of the salary fund as a basis for payment of social insurance. In case the enterprise meets the prescribed conditions, it is possible to apply a lower contribution rate of 0.3% of the salary fund as a basis for payment of social insurance. Enterprises are allowed to apply the social insurance premium rate lower than the normal payment rate if in the 3 consecutive years preceding the year of proposal: no administrative

sanctions in the form of fines or criminal prosecution relating to occupational safety and social insurance; periodic reports on occupational accidents, occupational safety, accurate, complete, timely and with the frequency of occupational accidents decreasing by 15% or more compared to the average of 03 years preceding the year of the proposal. The premium rate is lower than the prescribed level within 36 months from the effective date of the decision on application of premium rate. If the employer still needs to continue paying the premium lower than the normal payment rate into the occupational accident and disease insurance fund, he / she must prepare the prescribed proposal and send it 60 days before the expiry.

**6. Decree 57/2020 / ND-CP applying the preferential import tax rate of 0% to domestically unavailable raw materials, supplies and components for production, processing (assembly) of products to support development priority for the automobile manufacturing and assembly industry (called automobile products for short) for the following subjects:**

- Enterprises manufacturing, processing (assembling) components, auto parts,
- Enterprises manufacturing and assembling cars that produce and assemble (assemble) auto components and spare parts by themselves.

Table 4  
Monthly macro indicators

Indicator/Month	2019M11	2019M12	2020M01	2020M02	2020M03	2020M04	2020M05	2020M06
GDP YoY (%)	-	6.97	-	-	3.82	-	-	0.36
GDP ytd YoY (%)	-	7.02	-	-	3.82	-	-	1.81
PMI	51.0	50.8	50.6	49.0	41.9	32.7	42.7	51.1
IIP YoY (%)	5.4	10.4	-5.5	23.7	5.4	-10.5	-3.1	7.0
IIP ytd Yoy (%)	9.3	8.86	-5.5	6.2	5.8	1.8	1.0	2.8
Retail sales YoY (%)	12.6	11.4	10.2	6.0	-0.8	-26	-4.8	5.3
Retail sales ytd YoY (%)	11.8	11.3	10.2	8.3	4.7	-4.3	-3.9	-0.8
CPI MoM (%)	0.96	1.4	1.23	-0.17	-0.72	-1.54	-0.03	0.66
CPI YoY (%)	3.52	5.23	6.43	5.40	5.56	2.93	2.40	3.17
Registered FDI (Bil USD)	20.60	22.5	4.83	5.64	6.60	9.8	10.9	17.5
Disbursed FDI (Bil USD)	17.60	20.4	1.60	2.50	3.90	5.2	6.7	-5.0
Export (Bil USD)	22.8	22.6	18.3	20.9	24.1	17.6	19.2	21.0
Import (Bil USD)	21.3	22.3	18.6	18.6	22.1	18.5	18.2	20.5
Trade Balance (Bil USD)	1.5	0.3	-0.3	2.3	2.0	-0.9	1.0	0.5
Exchange rate (USD/VND)	23,270	23,240	23,195	23,310	23,720	23,570	23,390	23,290
Credit growth (%)	11.00	13.65	0.10	0.17	1.31	1.41	1.96	2.45

Source: BSC Research



Table 5  
Quarterly macro indicators

Indicators/Quarter	Q2/2018	Q3/2018	Q4/2018	Q1/2019	Q2/2019	Q3/2019	Q4/2019	Q1/2020	Q2/2020
GDP yoy (%)	6.73	6.88	7.31	6.79	6.71	7.31	6.97	3.82	0.36
IIP yoy (%)	12.3	10.7	9.4	9.2	9.2	10.3	7.4	5.8	0.1
Retail Sales yoy (%)	10.7	12.5	12.9	12	11.1	12.7	12.5	4.7	-4.6
CPI yoy (%)	3.23	3.57	3.44	2.63	2.65	2.23	3.66	5.56	2.83
Registered FDI (Bil. USD)	12.3	3.4	5.68	5.12	5.18	5.46	6.74	6.60	5.6
Disbursed FDI (Bil. USD)	4.5	4.9	5.18	4.12	4.98	5.1	6.2	3.90	4.75
Export (Bil. USD)	58.2	64.3	63.9	58.7	63.9	71.8	68.8	59.08	57.98
Import (Bil. USD)	57.0	62.0	62.9	57.0	65.3	67.8	66.0	56.26	57.68
Balance of Trade (Bil. USD)	1.2	2.3	1.0	1.7	-1.4	4.0	2.8	2.82	0.3
Exchange rate (USD/VND)	22,967	23,260	23,351	23,245	23,404	23,279	23,196	23,324	23,438
Credit growth (%)	6.35	9.52	14	2.28	6.09	8.4	12.1	1.31	2.45

Source: BSC Research



## Stock market March 2020

### Market Overview

**The second quarter of 2020 is the recovery phase of the market after a strong correction in the first quarter of 2020.** Since the beginning of the year, the VN-Index has declined due to the global spread of COVID-19 which has made foreign investors feel danger. Foreigners were net sellers continuously in the large-cap stocks, the market has lost in the musty pillars supporting. At the same time, the downward momentum was supported by the oil price war between OPEC members. The peak dropped and reached the end of March was also the peak of COVID-19 cases in Vietnam. After that, thanks to the effective policy of social spacing and the number of cases gradually declining and thereby creating the motivation for the market to recover from April. By June, the recovery momentum showed signs of slowing down when the number of COVID-19 cases in the world showed signs of increasing again. **As of June 30, 2020, the VN-Index decreased by -4.6% MoM, + 24.5% QoQ, -14.1% YTD while the HNX-Index was almost unchanged from the previous month, + 18.5 % QoQ, + 7.1% Ytd.**

**Investment cash flow in June decreased compared to May in all stock groups.** In June, the HSX had 162 gainers, 211 losers and 9 unchanged stocks. 5 stocks supporting VN-Index include NVL + 14.53% (contributing 2.16 points), STB + 4.37% (contributing 0.24 points), PSH + 30.21% (contributing +0.21 points), ITA + 20.33% (contributing 0.2 points), FIT + 42.74% (contributes 0.19 points). The stocks that made VN-Index dropping the most include VIC -8.25% (-7.72 points down), VCB - 5.75% (-5.18 points down), VIC -20.87% (-21.5 points down), BID down -32.2% (-17.1 points reduction) and GAS -27.70% (-11.6 points reduction).

Table 6

**Movements in the last 6 months on HOSE**

Month	Index	Volume (billion units)	Market Cap (trillion VND)
6	825.11	8.58	2,879.51
5	864.47	5.43	3,014.56
4	769.11	4.77	2,684.21
3	662.53	4.73	2,312.03
2	882.19	3.36	3,020.00
1	936.62	2.35	3,206.04

Source: HSX, Bloomberg, BSC Research

Table 7

**Fluctuation in the last 6 months on HNX**

Month	Index	Volume (billion units)	Market Cap (trillion VND)
6	109.76	1.54	214.89
5	109.81	1.10	214.82
4	106.84	1.02	207.94
3	92.64	1.43	185.31
2	109.58	0.81	211.55
1	102.36	0.47	192.02

Source: HNX, Bloomberg, BSC Research

Considering 6M2020, the average liquidity on the 2 bourses increased sharply + 25.4% over the same period last year, reaching 5,434 billion dong / session and

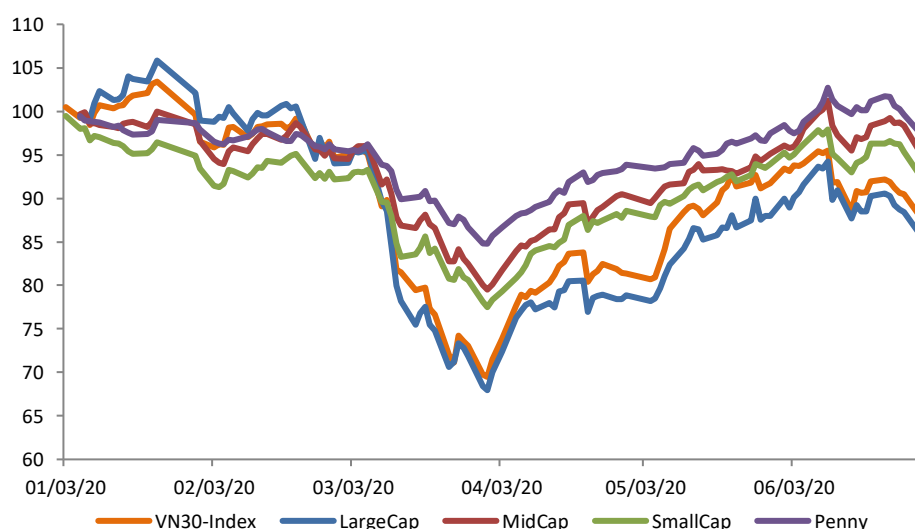
equivalent to 233 million USD / session. In 6M2020, there were 140 gainers, 242 losers and 2 unchanged stocks on the HSX, 5 VN-Index supporting stocks including HPG +14.04 (contributed 2.54 points), CTG + 3.11% (contributed 0.7 points), KDC + 46.02% (contributes 0.65 points), DBC +115.76 (contributes 0.64 points), NVL + 3.56% (contributes 0.55 points). Stocks which caused the VN-Index to decline the most include VIC -22.61% (-25.48 points), GAS -26.36% (-13.8 points), SAB -29.85% (-12.62 points), and VCB decrease. -17.88% (decrease -10.92 points) and BID decrease -17.88% (decrease -9.74 points).

## Stock Group Movements

**In 6M2020, the market capitalization groups have not yet recovered from the beginning of the year.** Leading stocks recovering are Midcap, pennies and smallcap while VN30 and Large cap stocks are recovering at the slowest pace. In the first quarter, foreign investors focused on net selling of large-cap stocks and VN30 caused this group to drop strongly. By the second quarter, the trend of net selling of foreign investors has improved in June but still not enough to revive the speed of recovery of these two groups. VN30, LargeCap, Midcap, Smallcap and pennies groups recorded the reduction in performance of -12.4%, - 14.7%, -4.4%, -7.4% and -2.8%.

Chart 9

**Movements of stock groups**

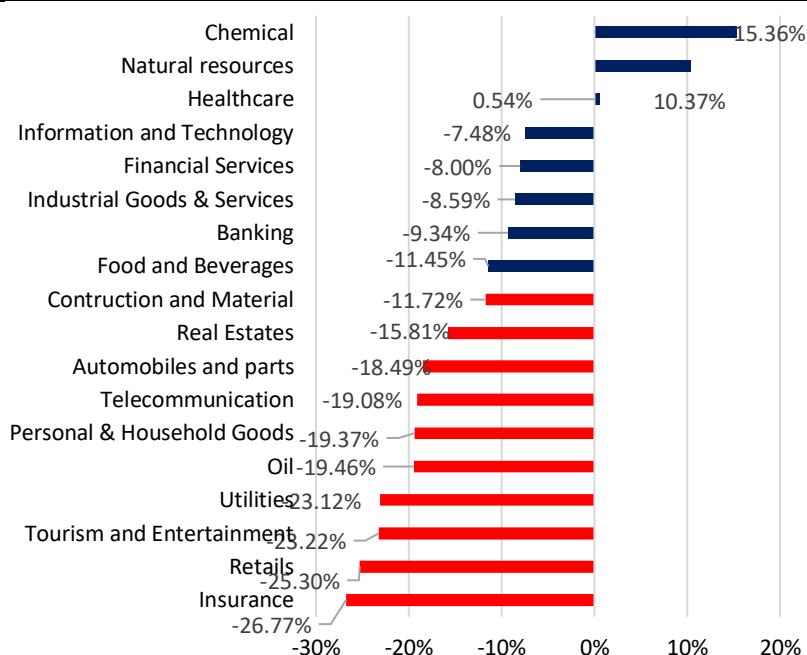


Source: Bloomberg, BSC Research

In 6M2020, the market had 15/19 industries decreased. In which, Insurance saw the strongest drop with an efficiency of -26.8% because of the adjustments of BVG and BIC with -33.02% and -21.96%, and Retailing by -25.3% (MWG -28.0) %, HTM -33.48%), Tourism and entertainment industry decreases -23.22% (HVN -23.85%, VJC -26.13%).

Chart 10

### Sector level 2 6M 2020



Source: Fiinpro, BSC Research

## Capitalization scale

Market capitalization on both exchanges reached 3,094 trillion VND, equivalent to 134 billion USD, plummeting -4.18% MoM, + 23.9% QoQ. -10.9% Ytd. Upcom dropped by -0.6% MoM and + 22.3% QoQ, reaching 836 trillion at the end of June. In June 2020, the listing on HOSE was as follows:

- **Stocks:** no listing for the first time, 45.6 million delisted shares, 235.3 million additional listing shares;
- **ETF:** no listing ETF for the first time, 84.0 million additional listing ETFs and 52.3 million ETFs delisting;
- **Bonds:** 30 million bonds listed for the first time, no additional listed bonds and unlisted bonds;
- **Covered Warrants:** 44.5 million listed listings for the first time, 5 additional listing rights symptoms and 79 million delisting rights symptoms.

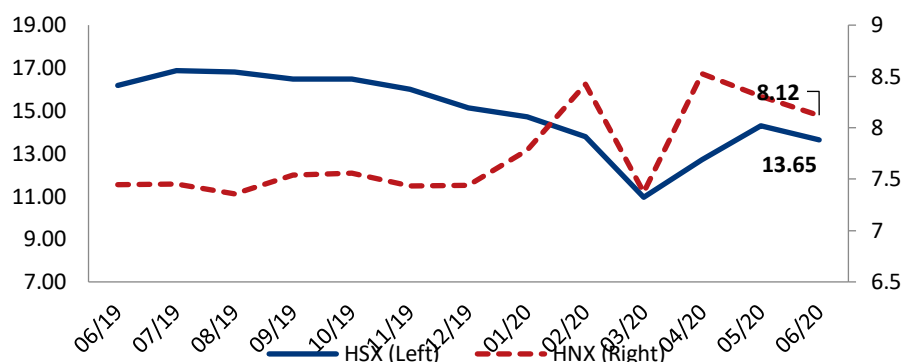
In 6M2020, the listing on HOSE was as follows:

- **Stocks:** 4,442 million shares listed for the first time and 491 million shares delisted, 983.4 million additional listing shares;
- **ETF:** 36.4 million ETFs listing for the first time, 211.4 million ETFs additional listing and 121.7 million ETF delisting;
- **Bonds:** 50 million bonds listed for the first time, no additional listed bonds and 40 million bonds canceled listing;
- **Covered Warrants:** 229.5 million listings for the first time, 20 additional symptoms for listing and 240.6 million delisting options.

**About the scale listed on HOSE on June 30**, the exchange is listing 90.6 billion shares for 936.7 trillion dong (95.4% market value), 359.2 million bonds for 35.9 trillion dong (3.84% market value), 596.3 million ETF certificates equivalent to VND 5.96 trillion (0.64% of the market).

Chart 11

### Market capitalization



Source: Bloomberg, BSC Research

## Average liquidity of the entire market

**Average liquidity on 2 exchanges increased by + 21.2% compared to May 2020, and maintained at 7,596 billion dong / session and equivalent to nearly 327 million USD / session.** Although there was a transaction of VHM 15,073 billion on June 15, 2020, partly helped the liquidity increase sharply, but if excluding this transaction, the average liquidity on the both exchanges still increased by + 10.9% MoM, reaching on average 6,911 billion dong/ session and 300.5 million USD/ session.

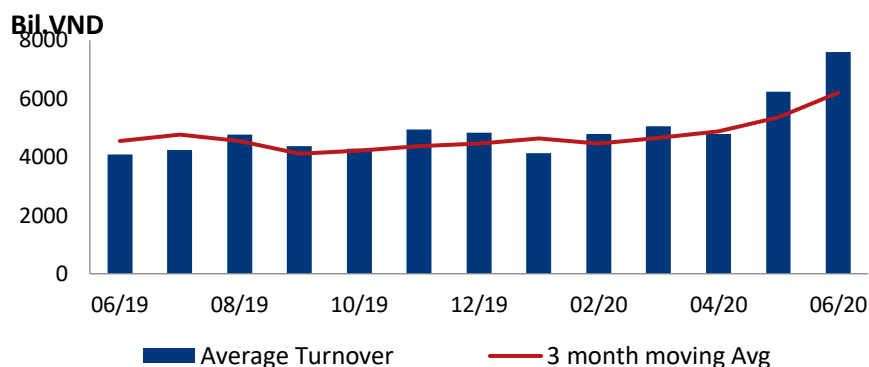
In the second quarter of 2020, the average liquidity on the two exchanges increased sharply + 33.03% QoQ, + 36.6% YoY, reaching VND 6,204 billion / session and equivalent to USD 272.53 million / session.

In 6M2020, the average liquidity on the 2 exchanges increased sharply + 25.4% over the same period last year, reaching 5,434 billion VND / session and equivalent to 233 million USD / session.

*In the second quarter, the market liquidity increased sharply compared to the same quarter last quarter not only thanks to large put-through transactions in May and June such as VHM- VND 15,073 billion (June), VHM-VND 2,200 billion (May) , MSN- 2,335 billion and PC1-446 billion but also thanks to the sharp increase in the number of newly opened stock trading accounts, reaching more than 100,000 accounts in this quarter.*

Chart 12

### Average transaction value

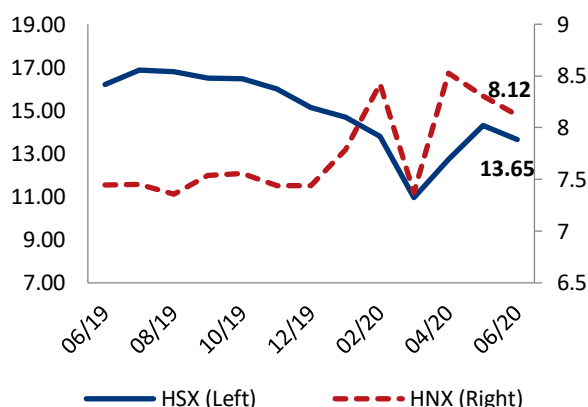


Source: Bloomberg, BSC Research

## Price level of VN stock market

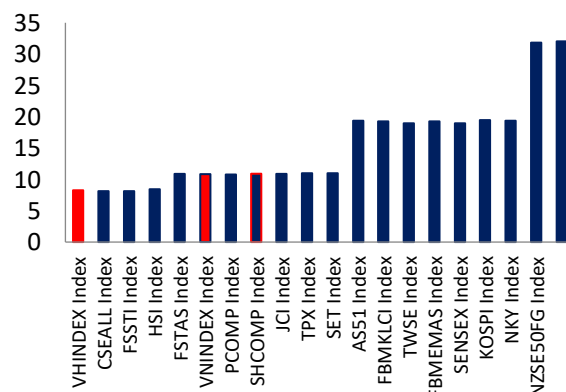
P/E of VN-Index dropped to 13.65, equivalent to -4.53% MoM, +24.6% QoQ, -9.9% Ytd and HNX-Index also returned to 8.12, equivalent to -2.62% MoM, +10.2% QoQ, +9.1% YTD. Compared to May, the P/E of the VN-Index fell to 14th place and the HNX-Index remained at the last position in Asia.

Chart 13  
Evolution of P/E ratio 2 exchanges



Source: Bloomberg, BSC Research

Chart 14  
P/E ratio of Vietnam compared to other countries in the region



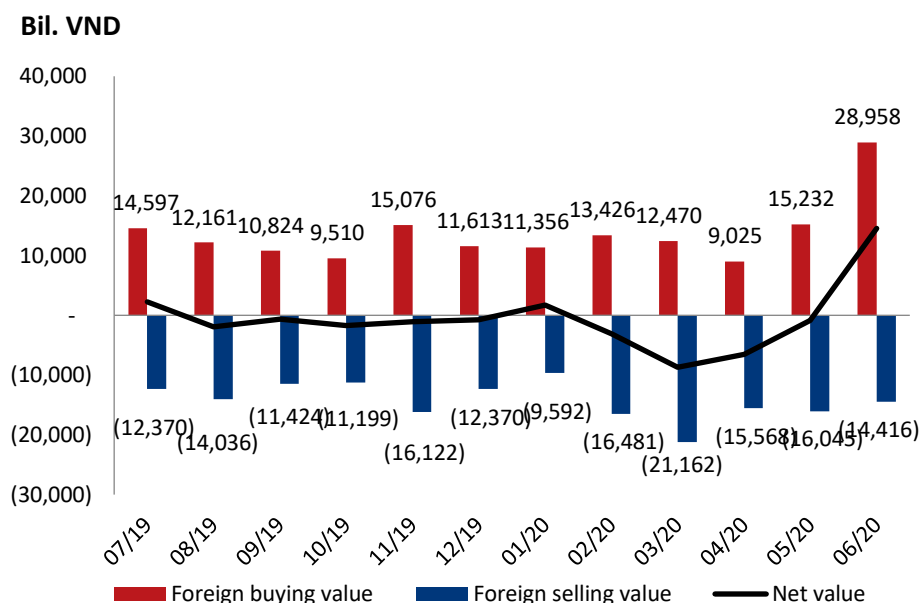
Source: Bloomberg, BSC Research

## Transactions of Foreigners

In June, foreign investors continued net buying on the HSX while net selling on HNX. Upcom in June was also under selling pressure with a selling value of -126.1 billion dong, they focused on selling -28.8 billion ACV and -28.8 billion KDF while net buying 65.2 billion LPB.

Chart 15

### Foreign investors trading on 2 exchanges



Source: BSC Research

In June, foreign investors net bought 14.742 billion dong on the HSX with 198 net sold shares and 137 net buying stocks, and -2 -2 billion net selling on the HNX with 98 stocks sold and 104 stocks bought. On the HSX, foreigners sold strongly on E1VFN30 (-483.4 billion), MSN (-351.6 billion), VIC (-283.8 billion) and bought VHM (15,875 billion dong), FUEVFVND (784 billion dong), PLX (298.2 billion dong). On HNX, this group focused on selling SHB (-94.7 billion dong), PVS (-62.3 billion dong) and buying VCS (18.3 billion dong) and NTP (5.8 billion dong).

Table 8

#### Top 10 stocks of net buying on HSX in June

Stock	Value (billion VND)	Stock	Value (billion VND)
VHM	15,875.21	E1VFN30	(483.37)
FUEVFVND	783.97	MSN	(351.61)
PLX	298.19	VIC	(283.80)
FUESSVFL	281.37	CII	(268.24)
KDC	220.82	PDR	(198.78)
CTG	186.16	VNM	(183.07)
NVL	113.70	VJC	(178.34)
VCB	75.74	HPG	(176.20)
DXG	68.29	HSG	(157.11)
BMP	57.07	TDH	(139.64)

Source: BSC Research

Table 9

#### Top 10 stocks of net buying on HNX in June

Stock	Value (billion VND)	Stock	Value (billion VND)
VCS	18.27	SHB	(94.74)
NTP	5.74	PVS	(62.26)
TKU	4.38	SHS	(46.45)
LHC	2.30	CPC	(8.72)
AMV	1.93	PGS	(7.83)
CEO	1.91	ART	(4.01)
IDV	1.32	WCS	(3.53)
HHG	1.11	TIG	(2.64)
ACM	0.99	THT	(2.38)
PVI	0.94	SD6	(2.36)

Source: BSC Research

In 6M2020, foreign investors net sold -648 billion dong on the HSX with 254 net sellers and 121 net buyers and -2,150 billion dong on the HNX with 173 net sellers

and 104 net buyers. On the HSX, foreign investors sold aggressively VIC (-2,842.1 billion dong), VRE (-1,108.1 billion dong), HPG (-1,098.5 billion dong) and bought VHM (13,581.5 billion dong), FUEVFNVD (1,460.7 billion dong), PGD (1,013.5 billion). On the HNX, this group focused on selling SHB (-915.4 billion), PVS (-582.7 billion), SHS (-100.69 billion) and buying VCS (65.7 billion dong), SLS (8.35 billion dong), NBC (5.08 billion). Upcom also saw a strong net selling of -755.72 billion, focusing on selling -423.9 billion ACV, -283.9 billion TID and BSR while net buying 154.9 billion VTP, 72.8 billion VEA.

Table 10

**Top 10 stocks of net buying on HSX 6M2020**

Stock	Value (billion VND)	Stock	Value (billion VND)
<b>VHM</b>	13,581.5	<b>VIC</b>	(2,842.1)
<b>FUEVFNVD</b>	1,460.7	<b>VRE</b>	(1,108.1)
<b>PGD</b>	1,013.5	<b>HPG</b>	(1,098.5)
<b>MWG</b>	587.8	<b>VJC</b>	(829.8)
<b>FUESSVFL</b>	587.6	<b>E1VFN30</b>	(804.8)
<b>CTG</b>	356.9	<b>CII</b>	(695.2)
<b>MSN</b>	277.6	<b>PC1</b>	(603.8)
<b>PHR</b>	262.8	<b>STB</b>	(577.8)
<b>PLX</b>	246.0	<b>SVC</b>	(564.3)
<b>VNM</b>	197.9	<b>HDB</b>	(536.4)

Source: BSC Research

Table 11

**Top 10 stocks of net buying on HNX 6M2020**

Stock	Value (billion VND)	Stock	Value (billion VND)
<b>VCS</b>	65.71	<b>SHB</b>	(915.44)
<b>SLS</b>	8.35	<b>PVS</b>	(582.68)
<b>NBC</b>	5.08	<b>SHS</b>	(100.69)
<b>TKU</b>	4.57	<b>HUT</b>	(93.29)
<b>IDV</b>	4.45	<b>VHL</b>	(77.24)
<b>ART</b>	4.23	<b>TNG</b>	(66.23)
<b>AMV</b>	4.09	<b>NTP</b>	(39.88)
<b>SDT</b>	3.17	<b>DGC</b>	(29.80)
<b>PVI</b>	2.78	<b>LAS</b>	(21.34)
<b>HHG</b>	1.19	<b>TIG</b>	(17.02)

Source: BSC Research

## Market outlook for the 2<sup>nd</sup> half of 2020

The Covid-19 epidemic in the first 6 months devastated economies, seriously affecting the lives of global residents. In response to the severe economic downturn, rising unemployment, countries have implemented support policies with a large implementation time and an unprecedented scale of implementation. Monetary policy of 0% interest rate has been a normal phenomenon common in developed countries. Quantitative easing (QE) packages are not only common in developed countries but also in emerging markets such as India and the Philippines. The world also no longer has a low debt economy as governments accelerate spending to fill the gap of monetary policy. Policies are having a pause for macro information in the second quarter for appropriate adjustments.

At present, there is not much information available to assess the recovery capabilities of the world economy. Nonetheless, China's slow recovery after the epidemic (page 28) is showing that the recovery of the world economy is a bumpy and tougher path than the initial optimistic statements. Along with such events as the 2<sup>nd</sup> Covid-19 wave, US-China trade tensions, Brexit, geopolitical conflicts... are still factors that can slow down the recovery momentum and bring serious consequences.

The movements of the world financial markets in the second half of the year are expected to revolve around information about the prospects of global economic growth, the commitments and actions of the central banks of key countries and the US-China trade tensions, US elections and geopolitical tensions in hot spots. Abundant, cheap cash flow is still the key factor supporting the markets. However, with a high price base and the expectation of a gradual reduction of the vibration will appear with greater frequency. Distributed cash flow on the one hand on safe haven assets such as precious metals but also choose the channel as speculative goods and cryptocurrencies. Emerging markets have the opportunity to attract part of international capital flows, shifting investment seeking opportunities.

Looking back at the market developments in the first 6 months of 2020, we see the highlights:

Regarding money market, USD Index dropped by -0.5% in June, narrowing the increase in 6 months to 1%. All countries have implemented loosened monetary policies, so the USD is still a short-term refuge currency, rising in price against most other currencies. NMK (Myanmar) and PHP (Philippines) are 2 of the few currencies that have appreciated in price with an increase of 8.6% and 1.8% while countries of RUB (Russia), TRY (Turkey), ARS (Argentina) and BRL (Brazil) decreased by -11%, -15.2%, -17.7% and -32.9% in the first half.

Regarding commodity market, BCOM Index of June increased by 2.3% and recorded a decrease of -19.7% in 6 months. Diseases affect production and business activities, negatively impacting on almost all goods except precious metals and iron

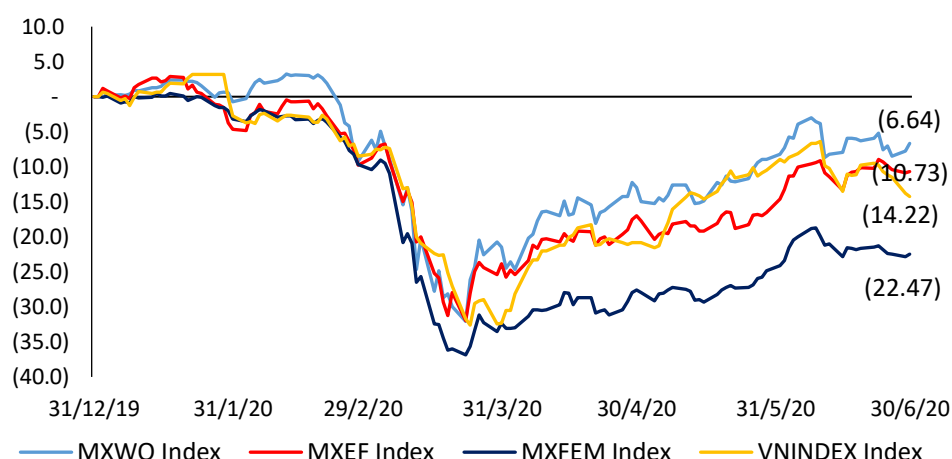


ore. Prices of Gold, Iron Ore and Silver were 3 commodities in 6 months with 18.2%, 15.4% and 3.5% respectively.

Regarding the stock market, the MSCI index continued to rise in June. MSCI in the developing region (MXWO), the MSCI in emerging area (MXEF) and MSCI in the marginal area (MXFM) increased by 2.3%, 5.8% and 2.4%, respectively. For 6 months, the MXWO index narrowed the gap by -6.4%, the markets of MXEF and MXFM decreased by -10.7% and -22.5%, respectively.

Chart 16

**MSCI developed, emerging and marginal region in the first 6 months of 2020 (converted into USD)**



Source: Bloomberg, BSC Research

In the developed market, the US market led the recovery in the second half of the second quarter, narrowing the decrease of -4% in 6 months. The UK and France markets both fell over 18% in the first 6 months of 2020.

In BRIC countries, all markets dropped, in which Brazil and India saw a drop of over 15% in 6 months. The Chinese market saw a slight decrease of -2.2% due to its recovery after basically controlling the epidemic in March.

Chart 17

Fluctuation of stock index of countries in 6 months

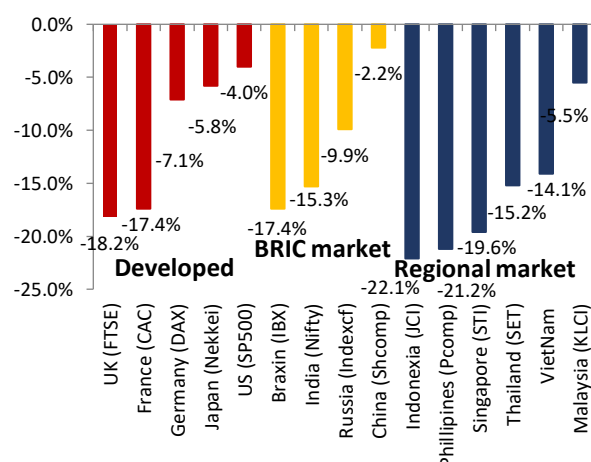


Table 12

Net sale of foreigners in 6 months (Mio.USD)

Country	Quarter II	6 month
India	4,419	(2,184)
Indonesia	(326)	(1,039)
Japan	(8,068)	(61,482)
Malaysia	(1982)	(3,772)
Philippines	(680)	(1,326)
Korea	8	(21,672)
Sri Lanka	(83)	(112)
Taiwan	(963)	(18,841)
Thailand	(3,161)	(6,800)
Pakistan	(139)	(275)
Vietnam	610	(102)

Source: Bloomberg, BSC Research

In the regional market, Vietnam and Thailand markets were the two markets which declined in June. For 6 months, Malaysia and Vietnam saw the lowest decrease of -5.5% and -14.1%. Foreigners were net sellers, causing regional markets to fall larger than the average reduction of other markets.

Regarding Vietnam's stock market, after the first quarter of the year plunged -31.1% due to the influence of Covid-19, the VN-Index recovered 24.5% in the second quarter. VN-Index maintained a good rise in April and May and only corrected in June after reaching the psychological level of 900 points. With the advantage of low price area, Vietnam soon controlled epidemics, production and business activities returned to normal, and the cash flow of domestic individual investors poured into the market to set records for trading volume. Domestic investors dominate the situation in the second quarter while the cash flow of the organization and ETF funds is quite weak (except for Diamond ETF and Finlead ETFs dramatically increased in scale after listing). In the first half of the year, the Media, Chemicals and Basic Resources sectors increased by 16.1%, 15.4% and 10.4% respectively while the Tourism and Entertainment, Retail and Insurance sectors decreased by -23.2%, -25.3% and -26.8%. The stock space has been pushed up, including a sharp increase in prices of small and medium stocks and market stocks. Despite a strong recovery in the second quarter, the VN-Index still dropped by -14.1% in the first half of 2020.

In the first 6 months of the year, disease movements were the focus of the domestic and international market. BSC focused on updating information, assessing and forecasting impact through 3 reports: Corona Virus impact report ([Link](#)), Report on Covid epidemic-19 (second report) ([Link](#)) and SARS-Cov\_2 epidemic report (3rd report) ([Link](#)). We made the report shared vision for the investors as Industry outlook report 2020 ([Link](#)), Industry outlook report for Q2 2020 ([Link](#)), Report banking sector prospects ([Link](#)), life insurance industry ([Link](#)), Report the impact of declining oil prices on stocks ([Link](#)).

Many stocks plunging are also opportunities for long-term investment activities. We also perform reports on investment opportunities in the first quarter of

stocks QNS ([Link](#)), PNJ ([Link](#)), PVT ([Link](#)), DHG ([Link](#)), DHG ([Link](#)), DGW ([Link](#)), DRC ([Link](#)), FPT ([Link](#)), VHC ([Link](#)), MWG ([Link](#)), AAA ([Link](#)), VNM ([Link](#)), KDH ([Link](#)), SAB ([Link](#)), KBC ([Link](#)), ACB ([Link](#)), GMD ([Link](#)), FPT ([Link](#)), PHR ([Link](#)), VHC ([Link](#)), ACB ([Link](#)), VCB ([Link](#)), DGW ([Link](#)), CSV ([Link](#)), VNM ([Link](#)), MWG ([Link](#)), HDG ([Link](#)) PLC ([Link](#)), PNJ ([Link](#)), VTP ([Link](#)), DXG ([Link](#)), HPG ([Link](#)), TCB ([Link](#)), SZC ([Link](#)), VEA ([Link](#)), HPG ([Link](#)), HSG ([Link](#)), DGC ([Link](#)), MSN ([Link](#)), DBC ([Link](#)), VPB ([Link](#)), and NLG ([Link](#)). Quickly update 78 companies via iBroker ([Link](#)) as well as providing investment tools via i-Invest ([Link](#)).

The information has a great influence on the stock market in the last 6 months of 2020:

***Vietnam's economy has recovered strongly after the gap to prevent epidemics. However, many difficulties ahead need to be overcome to return to the growth trajectory.***

Vietnam's economy recovered strongly after the epidemic prevention period in April. Vietnam macro is likely to have overcome the most difficult period with GDP of the second quarter increasing by 0.36% YoY - a negative impact by many businesses having to suspend production and business in April. When restarting production and business, many macro conditions recovered positively:

- Manufacturing sector recovered and gradually regained a high growth momentum from May 2020, whereby (1) Industrial production index (IIP) in May and June 2020 increased by 11.9% and 10.3% compared to the previous month; (2) June PMI index reached 51.5 points compared to 42.7 points, showing that production activities are expanding again; (3) Business survey results of processing and manufacturing enterprises showed positive prospects in the third quarter.
- Domestic consumption demand plays a firm fulcrum contributing to macro recovery. Retail returned to a positive increase in May (+ 1.6% YoY), and had a positive increase in June (+ 9.4%). Accommodation and catering services narrowed the amplitude to -8.3% YoY in June, which is positive compared to -33.8% YoY in May, and -64.7% in April.
- Public investment increased when capital from the national budget in the first 6 months of 2020 increased by 19% compared to the average increase of 7.8% in the same period of the last 4 years.

Thus, both supply and demand showed positive signals. Production activities recover quickly. At the same time, people's consumption habits do not change too big in a negative direction. That is positive, but it is still necessary to identify a recovery process that is unlikely to be completed quickly. Certain difficulties still exist:

- Key countries like the United States face the coming wave of epidemics, directly impacting world demand for goods. In the first six months of 2020, merchandise exports decreased by -1.1% YoY (the first six months of 2019 increased by 7.3% YoY). Regional supply chain has not fully recovered. According

to HIS Markit survey, delivery time lasted for the seventh consecutive month. In the first six months of 2020, imports of goods decreased by 3.0% YoY (in the first six months of 2019 increased by 10.3%).

- June CPI saw the highest increase in the last 5 years with an increase of 0.66% over the previous month. Average CPI of the first 6 months increased by 4.19% over the same period of 2019. The high CPI mainly came from the 68% increase in pork prices, contributing 2.86% to the CPI. The high CPI is making it difficult for management and narrowing the debt balance of loosening economic support policies.
- The labor market shows some negative signs. In the second quarter of 2020, the unemployment rate increased to 2.73%, of which, the urban growth rate increased to 4.46%, significantly compared to the same period of 2019 at 2.16% and 3.11%, respectively. Employer index in the industrial sector decreased by -2.3% YoY.
- Social investment remains low. In the first six months of 2020, investment capital from the state budget increased rapidly by 19.2% YoY, but it could not offset the decline in the private sector and the population, only increasing by 4.6% YoY (the first six months of 2019 increased by 16.4%). Along with that, investment capital from the FDI sector also decreased by -3.8% YoY.
- The implementation of the effectiveness of monetary and fiscal measures is not yet clear. Credit grew by 2.45% YTD, in the context of capital mobilization of credit institutions still increased by 4.35% YTD, showing that cash flow into savings and lending were still difficult.

Success in disease control has enabled Vietnam to have a firm position, as a fulcrum to soon restart production and business activities. However, the negative world outlook, along with unpredictable developments of the epidemic and the risk of outbreaks again, have made the components of the economy cautious in promoting production and business investment. If this psychological problem is not solved, or there will be more drastic measures to directly support the economic sectors negatively affected by Covid-19 (small and medium-sized companies and employees in the food service and tourism areas), economic viability will only improve significantly when a vaccine is available (fastest estimate by the end of 2020). Therefore, BSC maintains the baseline GDP forecast at 3.4% in 2020, before recovering faster in 2021, higher than the average forecast of some economic organizations in the world (Appendix 1).

***The new cash flow determines the market trend in the last 6 months despite the decline of business results due to the impact of the disease.***

First-quarter results decreased by 10.6% over the same period in 2019. The announcement of Q2 business results will be carried out in July with a stronger decline than the first quarter. Business operations Enterprises will recover in the third and fourth quarters. Profit after tax of the whole market is expected to decline by 10% in 2020.

The P / E of VN-Index has increased from 10.3 at the bottom of March to 13.6 at the end of June. The current valuation is 10% lower than the beginning of the year and 17% and 36% lower than the average for emerging and developed regions, but 23% higher than the average for the border market.

Table 13

**P/E and P/B of MSCI vs VN-Index**

Criteria	31/12/19	30/6/2020	Difference
<b>MXWO Index</b>	<b>2,358.47</b>	<b>2,201.79</b>	<b>-6.6%</b>
P/E	20.69	21.38	3.4%
P/B	2.52	2.47	-2.3%
<b>MXEF Index</b>	<b>1,114.66</b>	<b>995.10</b>	<b>-10.7%</b>
P/E	15.73	16.38	4.1%
P/B	1.61	1.63	1.2%
<b>MXFM Index</b>	<b>585.97</b>	<b>480.17</b>	<b>-18.1%</b>
P/E	13.63	11.14	-18.3%
P/B	1.87	1.51	-19.3%
<b>VN-Index</b>	<b>960.99</b>	<b>825.11</b>	<b>-14.1%</b>
P/E	15.14	13.65	-9.9%
P/B	2.23	1.84	-17.3%

Source: Bloomberg, BSC Research

In the second quarter, Vietnam's stock market was one of the few markets that foreign investors bought a net in the region. However, if the value of nearly USD 700 million was removed, foreign investors still saw a net selling mainly on Vietnam stock market. Not only did capital withdrawal come from a downsizing structure, the closure of funds from a number of foreign open funds but also came from the fact that foreign ETFs were withdrawn by an average of 10% their respective value compared to the beginning of the year.

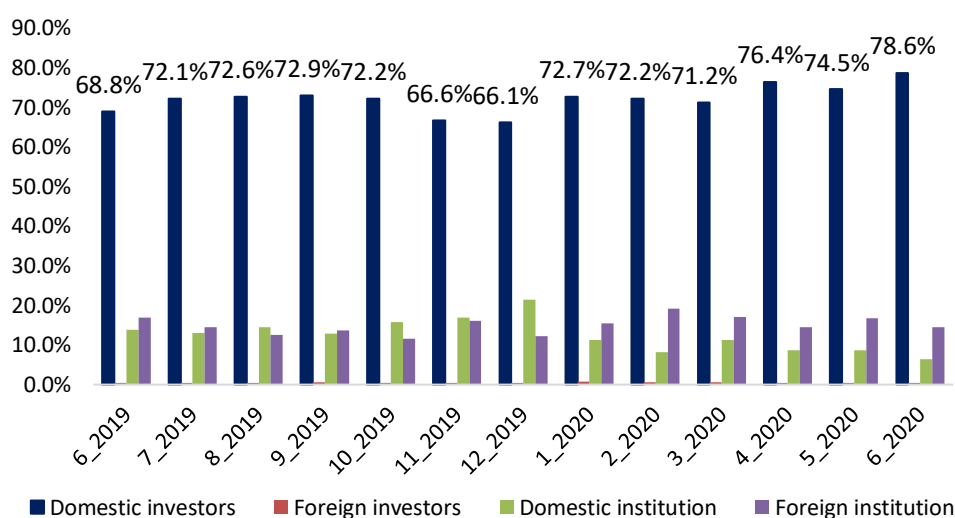
This capital withdrawal activity is in the general trend as international cash flow has been withdrawn from emerging market and border markets since the beginning of the year. However, this shift may change by the end of the year. After cheap international capital flows fill developed markets, the trend of seeking opportunities in riskier areas such as emerging and marginal markets can occur as it once did. During the 2008 subprime debt crisis, Vietnam was able to maintain macro stability, gradually gain momentum after controlling the epidemic and creating advantages compared to other countries. This is one of the advantages that help Vietnam stock market re-attract foreign capital flows when forming a shifting trend.

Market upgrade organizations have released their report, according to which FTSE Russell assessed Vietnam meeting 7 out of 9 emerging market criteria in the March report; MSCI almost kept the assessment in the monthly report, except for the fact that no separate clearing center of Vietnam was excluded from the report. These latest newspapers show that Vietnam has not had an opportunity to upgrade nor create a breakthrough in foreign capital collection in 2020.

However, Vietnam will have a new cash flow from MSCI Frontier 100 ETF to increase the Vietnam market proportion about 7% or USD 35 million when Kuwait was officially upgraded in November 2020.

While waiting for the change of foreign capital flows, domestic capital flow with the inclusion of new investors is an important support factor of the market in 6M2020. Low credit growth, abundant liquidity in the banking system are leading to lower interest rates on deposits and loans. The average interest rate level decreased from 2.5% - 3%, especially some banks such as BIDV and Agribank lowered the interest rate 3 times a year with a total reduction of 2.5 - 3%. Falling interest rates and low stock prices in late March attracted and formed a new force of investors to join the stock market. New investors were quite active, reflected by the sharp increase in the number of newly opened securities accounts, booming liquidity and the proportion of individual investors' transactions in June which peaked for many years.

Chart 18

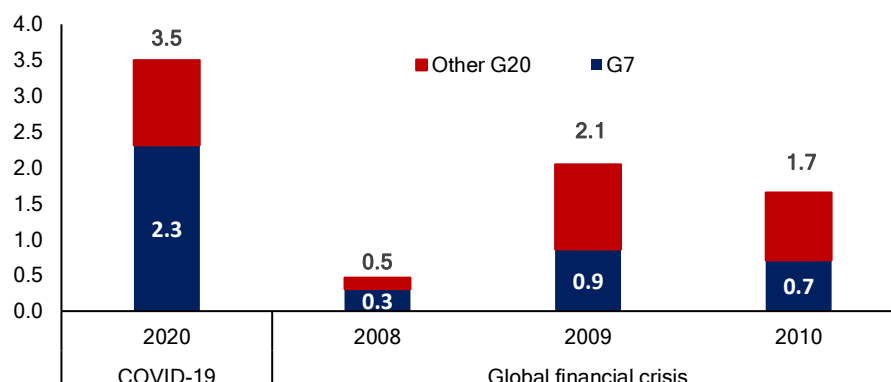
**Proportion of investors traded on the market in 12 months**

Source: FiinPro, BSC Research

In addition, these new investors have not used margin ratio and thus, limited the negative influence in the corrected sessions. With the movement of cash flow in the second quarter, we still believe that the cash flow of domestic investors would determine the market trend in second half of 2020.

**Key economies recovered slowly and were uncertain after the epidemic.** Along with monetary policy easing interest rates to zero or negative rate and quantitative easing packages, fiscal policies were the main economic policy of major economies. According to IMF data, as of April 2020, the G20 countries spent fiscal year equivalent to 3.5% of GDP, of which G7 countries used 2.3% of their respective GDP to support the economy in dealing with COVID-19. Government spending of G20 in 2020 exceeded the level used in the first two years of the 2008 financial crisis.

Chart 19

**Fiscal spending coping with epidemics and financial crisis.**

Source: IMF, BSC Research

The recovery of major economies has not improved significantly through updated data in May and June and forecasts of economic growth in the second quarter of financial institutions survey conducted by Bloomberg. With the exception of China early in controlling diseases and forecasting positive growth, other economies are likely to create a bottom growth and unemployment rate in the second quarter (Appendix 2).

Epidemic control in February and the economy operating again in the second quarter, China's GDP growth is forecasted by financial institutions to increase from -6.8% in the first quarter to 2% in the second quarter. Although the indicators of growth contribution and growth motivation (Table 12) have been improving steadily through March, April and May, this improvement is slow and uncertain: (1) The index of industrial production is only the number of main sectors (accounting for 39% of GDP) has recovered for 2 consecutive months at a moderate pace and has not created a remarkable resilience for the economy; (2) Retail sales improved sharply in May but maintained negative growth momentum yoy; (3) Inputs of fixed assets and real estate recovered in May. Sales of houses in 30 major cities increased by 10% over the same period of 2019; (4) Import and export activities in May decreased due to large markets affected by Covid-19 epidemic. GDP growth will be announced by China on July 16, but China's recovery is momentary and not solid.

Table 14

**China economic indicators from 3 – 5/2020**

Indicators	March	April	May
Retail sale (yoy)	-15.8%	-7.5%	-2.8%
IIP (yoy)	-1.1%	3.9%	4.4%
Fixed assets investment (ytd, yoy)	-16.1%	-10.3%	-6.3%
Real estate investment (ytd, yoy)	-7.7%	-3.3%	-0.3%
Export (y/y)	-6.60%	3.50%	-3.30%
Import (y/y)	-1%	-14.20%	-16.70%
Trade balance (Bn USD)	19.9	45.3	62.9

Source: Bloomberg, ANZ, BSC Research

Key economies with strong declines rate require unprecedented rapid decisions about monetary and fiscal policy. Along with that, the expectation that the economy will recover quickly also appears when the epidemic shows signs of peaking at the end of April. However, if China recovered slowly after the epidemic along with the rise of second COVID-19 wave, the V shape recovered in 2<sup>nd</sup> half of 2020 the might only be a pipe dream.

***Along with the second wave of the epidemic of Covid-19, strained US-China relations are the world's top concern.***

The trade war lasted from the beginning of 2018 to the present, 4 lists of goods taxed over USD 500 billion of Chinese imports were issued (Appendix 3). On January 15, 2020, Washington reached a principled agreement with Beijing, which would defer existing tariffs on Chinese goods (Appendix 4). This Phase 1 agreement does not address complaints that the United States has voiced about the structure of China's economy - large subsidized governments, technology transfers and preferential treatment of state-owned enterprises.

Further negotiations on the second phase of the trade agreement, however, were delayed by flight route lock down. Currently, political events and epidemics around the world have made the relationship between the United States and China increasingly strained:

- Hong Kong geopolitics: The tension of Hong Kong geopolitical issues increased significantly when Beijing passes the Hong Kong security bill (effective June 30). The law allows Beijing to impose punishments up to life imprisonment, deploy security forces in the city and deal directly with individuals suspected of violating national security. China's passage of this law has touched the pivot of the United States. The United States has removed special regulation for Hong Kong, stopped military exports and limited the right to buy US high-tech products. This event will become one of the rift points in the upcoming negotiation between the United States and China.
- US Presidential Elections 2020: By the end of June 2020, the winning balance is tilting toward former Vice President Joe Biden, the Democratic Party candidate (Appendix 5). The number of votes for Mr. Trump decreased due to the



frustration of the people in the government's slow response and plan on the prevention of COVID 19. The notable point during the economic blockade in the 1<sup>st</sup> quarter was that the American people are having a rather negative view of China according to a survey of the PEW research center in the United States (Appendix 6). With such election votes, President Trump is likely to have to hold a strong position with China to consolidate and increase his number of votes in the election for the 2021-2024 term.

- **COVID 19:** The coronavirus pandemic has also added unforeseen economic risks to the phase 1 agreement. The predicted average of global economic growth at -3.58% (Appendix 7) increase the likelihood that China would break its commitment to buy USD 200 billion worth of goods. China's GDP decreased by 6.8% in the first quarter of 2020 and its forecasts only grew by 1.5% for the whole year on the assumption that a significant recovery in economic activity (Appendix 8). Given this situation, China is likely to mobilize nation capital and budget to stimulate the recovery of its economy instead of following the previous trade negotiation agreement.
- **Import and Export:** The import-export situation between China and the United States has decreased sharply. In 4M2020, the United States exported USD 26.8 billion (-9.98% YoY) while importing as much as USD 106 billion (-24.01% YoY). This result shows that despite the impact of the trade war, the US economy is still heavily dependent on imported goods from China.

Facing these factors, it is hard for President Trump to make China accept the agreement in the second phase of the trade truce. BSC recognizes that there are two scenarios that might occur in the near future:

- **Positive case:** China and the United States maintain their current relationship and focus on macroeconomic recovery policies and social stability. With the global economic downturn, the United States and China will hold and continue to discuss the details of the first-stage trade agreement to ensure bilateral economic growth and create a stable mentality for the citizens of the two nations. This situation is expected to last until the end of 2020 when the economy of the two sides has shown signs of stability after the COVID epidemic 19. In this case, Vietnam will not be affected much and maintain the trend of economic recovery in alignment with the world in 2<sup>nd</sup> half of 2020.
- **Negative case:** China and the United States will continue the trade war after cancelling the made processes in phase 1. The United States will continue to impose a 25% tax on goods imported from China despite situation of internal economic decline. This phenomenon will have a negative impact on the recovery of global economies in general and Vietnam's economy in particular when Vietnam's import-export turnover is decelerated by the weak recovery of global trade.

Table 15

**Factors affecting the market in the last 6 months of 2020:**

Events	Affecting the stock market
Good disease control, domestic production and business activities recovered in May and June, creating a foundation for growth in the last 6 months.	Positive
The expansionary monetary and fiscal policy to support economic growth supports the expansion of cash flow for the stock market.	Positive, new cash flow
The Q2 earnings season will provide a picture of the current situation and the base for the 2020 fiscal year forecast.	Positive, new cash flow
Vietnam - EU trade agreement (EVFTA) takes effect 8/2020	Positive
10 <sup>th</sup> National Assembly of XIV Congress in November	Review of socio-economic issues, some laws Increasing liquidity, new cash flow
The ETF VNM and FTSE VN restructured the portfolio in September and December; E1FVN30 structure in July (expected to add TPB and remove CTD); MSCI frontier 100 ETF increased in Vietnam in November.	Positive, psychological effect and help improve liquidity
The trend of companies moving up to HOSE, especially in banking stocks	Positive, psychological effect and help improve liquidity
Divestment activities follow the roadmap of the Government and SCIC	Increased liquidity and cash flow rotation but also Create dilution effect
The zero interest rate policy and negative interest rates of key economies supported the international stock markets to increase and paved the way for cheap international money flows to move in the last 6 months.	Positive, expected cash flow shifted in the medium term
OPEC committed to reducing production in 2020	Support oil price
US-China tension is back, related to Hong Kong, the US election and the ability to make commitments to buy US goods from China.	High risk
The second wave of Covid diseases - 19 appears in the US and some European countries while the ability to test and trade Vaccine in 2020 is unclear.	High risk

*Source: BSC Research*

Along with the recovering trend of the world stock market, VN-Index mobilized positively in the second quarter with the active participation from individual domestic investors. After a strong rally thanks to new cash flow and excited sentiment, the market will enter the testing phase, adjust expectations in accordance with domestic and international macro information as well as Q2 business results of listed companies. The market situation is likely to struggle, differentiate strongly as well as create a price support layer waiting for the return of cash flow.

Vietnam stock market in the last 6 months has advantages and challenges.

Considering external influences, Vietnam market in the last 6 months focused on growth of major countries after the epidemic, the influence of the 2nd wave and

the opportunity to develop Vaccine against Covid -19, US-China trade war, US elections and geopolitical tensions in hot spots.

Intrinsically, production and consumption growth forces have recovered strongly, creating a foundation for growth in the last 6 months. However, the economy still faces some difficulties when major trading partners recover slowly and rising CPI. Q2 business results are likely to drop sharply, but the new cash flow can help the market stabilize the price soon and start a new rally when the speculative cash flow returns.

Based on the evaluation of domestic and foreign impact factors, as well as using the weighting methodology from financial institutions' analysis (Appendix 10), VN-Index can be forecast to be around  $832 \pm 70$  points, with a focus area of 795 to 900 points in the last 6 months of 2020. Among two following reference scenarios, we considered the positive scenario the highest possibility:

- In a positive case, VN-Index created a consolidate platform around 800 points and closed around 900 points by the end of the year. After the differentiation in July, the market had a strong fluctuation thanks to speculative cash flow and the return of foreign capital flows.
- In a negative case, VN-Index may drop below 800 points and have a negative fluctuation direction to check the short-term bottom at 650 points when there is much adverse information from the world as foreign investors pushed up the net withdrawal.

Investors can refer to a number of topics, and updated reports in the third quarter and 2020:

- Sectors and stocks are evaluated positively in the Sector Outlook Report 2020 ([Link](#)), Banking Sector Outlook Report ([Link](#));
- Stocks with improvements and positive outlook such as Banking, Retail, Information Technology - Postal and Telecommunications;
- Stocks benefiting from public investment activities such as Steel, Cement, Construction Materials, and Asphalt;
- Stocks benefiting from decreased raw materials input such as Fertilizers, Tire, Chemicals;
- Highly defensive stocks and stock with high dividend payout;
- In the long-term, BSC's recommended stocks will be mentioned in Sector Outlook Report 2020, stocks with good changes are recommended in the Weekly Report ([Link](#)) and update report for Sector/Company ([link](#)).

## Appendix 1

Forecast of Vietnam GDP growth rate of economic and financial institutions  
2020-2021

Insitutions	2020 (%)	2021 (%)
Bank of America Merrill Lynch	1.0	9.3
UBS	1.0	8.1
Credit Agricole CIB	1.0	9.5
Deutsche Bank	1.0	8.5
HSBC Holdings	1.6	9.1
Standard Chartered	1.7	7.8
Citigroup	2.4	
World Bank	2.8	6.8
Fitch Ratings	2.8	7.5
Fitch Solutions	2.8	9.7
Moody's	3.1	8
ANZ Banking Group	3.3	7.4
ADB	4.1	6.8
DBS Group	4.4	6.2
United Overseas Bank	5.2	
Natixis		8.9
<b>Median</b>	<b>2.8</b>	<b>8.1</b>
<b>Average</b>	<b>2.5</b>	<b>8.1</b>

## Appendix 2

## Macroeconomic indicators of major economies

Economies	Indicators	Q419	Q120	Est Q220	Update Q2/2020
United Sates	GDP Growth Rate	2.3%	-5.0%	-10.4%	PMI increased to 49.6 points on June 20 from 39.8 points in May; Consumer confidence index increased to 78.1 points on June 20 from 72.3 points in May; Retail sales increased by 17.7% as of June 16 from -14.7% in May.
	Inflation Rate	2.1%	2.1%	0.4%	-0.1% as updated 10/6
	Unemployment Rate	3.5%	3.8%	13.4%	13.3% as updated 20/5
Eurozone	GDP Growth Rate	1.0%	-3.6%	-15.0%	PMI increased to 46.9 points on June 20 from 39.4 points in May; Consumer confidence index increased to -14.7 points on June 20 from -18.8 points in May; Retail sales dropped by -11.7% as of 20/5 from -11.1% in April.
	Inflation Rate	1.0%	1.1%	0.1%	-0.1% as updated 20/5
	Unemployment Rate	7.4%	7.2%	8.9%	7.3% as updated 20/4

China	GDP Growth Rate	6.0%	-6.8%	2.0%	PMI increased to 50.7 points on June 20 from 49.4 points in May; Consumer confidence index decreased to 116 points from 122 points.
	Inflation Rate	4.3%	5.0%	2.7%	2.4% as updated 20/5
	Unemployment Rate	3.6%	3.7%	4.3%	5.9% as updated 20/5
Japan	GDP Growth Rate	-0.7%	-1.7%	-8.3%	PMI dropped to 37.8 points on June 20 from 38.4 points in May; Consumer confidence index increased to 24 points on 20/5 from 21.6 points in April; Retail sales increased by 2.1% as of May 20 from -9.6% in April.
	Inflation Rate	0.5%	0.5%	-0.1%	0.1% as updated 20/5
	Unemployment Rate	2.3%	2.4%	2.8%	2.6% as updated 20/4
UK	GDP Growth Rate	1.1%	-1.6%	-18.1%	GDP as upated on 12/6 was reduced by 20.4%; The PMI increased to 50.1 points on June 20 from 40.7 points in May; Consumer confidence index increased slightly to -30 points from -34 points last month; Retail sales increased by 12% as of May 20 compared to a decrease of -18% last month.
	Inflation Rate	1.4%	1.7%	0.7%	0.5% as updated on 20/5
	Unemployment Rate	3.8%	3.9%	6.7%	3.9% as updated on 20/5

Source: Bloomberg, BSC aggregated

## Appendix 3

### Summary of U.S. tariff list on China

Tariff list	% Tariff	Content
List 1	USD 34 tỷ - 25% 34 billion USD – 25%	Goods on this list, with a total import value of 34 billion USD, have been subjected to an additional 25% tariff since July 19, 2018. Tariffs on List 1 will remain at 25% unless otherwise notified. Typical products: soybean, automobiles, chemicals.
List 2	USD 16 tỷ -25% 16 billion USD – 25%	List of goods with total import value of 16 billion USD, have been subjected to an additional tax of 25% from August 23, 2018. Tariffs on List 2 will remain at 25% unless otherwise notified. Typical products: semiconductors, chemicals, plastics, motorbikes and electric scooters.
List 3	USD 200 tỷ - 25% 200 billion USD – 25%	List of goods with a total import value of 200 billion USD, have been subjected to an additional tax of 25% from October 5, 2019. Original list of 3 products subjected to a 10% tax rate effective from September 24, 2018 until they were increased to 25%.

		Typical products: consumer products, chemicals and construction materials, textiles, tools, food and agricultural products, commercial electronics and auto / car parts.
List 4A	USD 120 tỷ -15% 120 billion USD – 15%	List 4A has been subjected to an additional 15% tariff effective from September 1, 2019. USTR will issue a notice of reduction of the additional tariff rates for 4A List products "in the near future". Typical products: TVs, flash memory devices, smart speakers, Bluetooth headsets, bed sheets, multifunction printers and variety of footwear.
List 4B	USD 160 tỷ -15% 160 billion USD – 15%	Goods on List 4B are scheduled to be subjected to an additional 15% duty effective from December 15, 2019. Typical products: Mobile phones, laptops, toys and clothes

*Source: USTR, BSC aggregated*

## Appendix 4

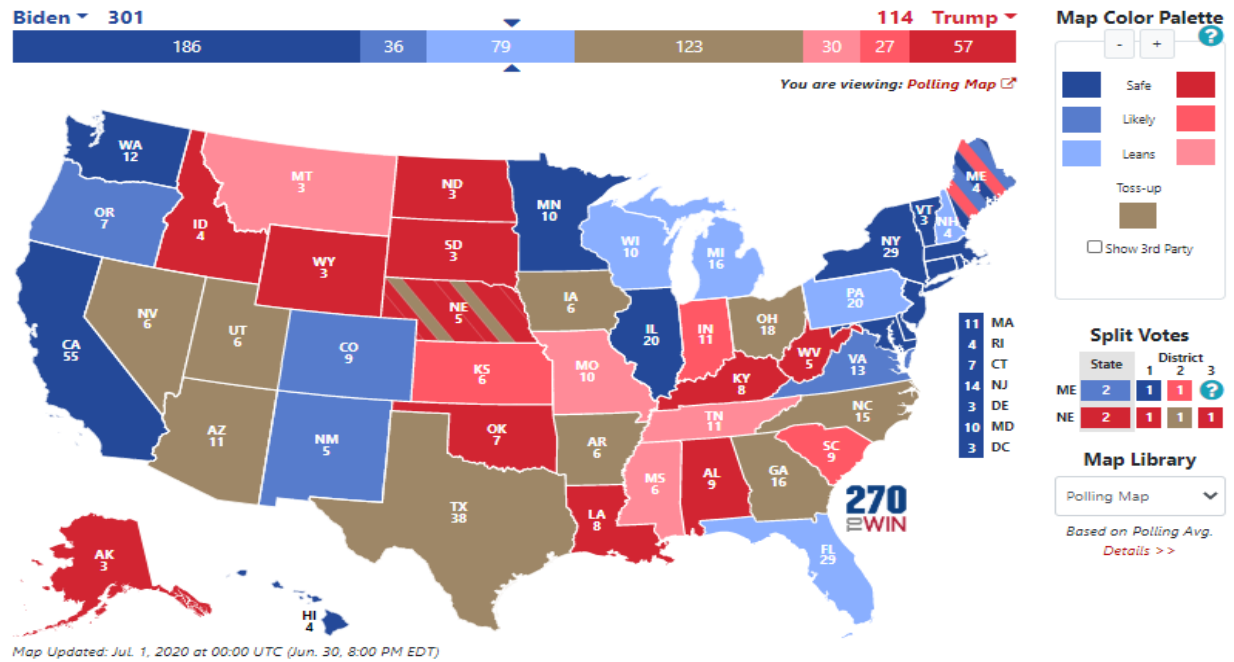
### Contents of first phase trade agreement with China

Main Topic	Content
Tariff	The United States canceled its plan to apply 15% tariff with about 160 billion USD worth of goods from China on December 15 and reduced tariff rate from 15% to 7.5% for 4A goods.
Trade Deficit	China agreed to increase purchases of US products and services, at least 200 billion USD in the next two years. Purchases include manufactured goods, agricultural products, energy and services.
Exchange Rate	China committed not to devalue currencies to compete nor to target USD / CNY exchange rate to gain trade advantage. If violated, United States may apply tariff in response.
Intellectual property and financial services	China committed to strengthen protection of intellectual property and to open financial market to the United States.
Implementation process	The two sides are discussing on how to implement the first phase. If discussion fails, tariff or other penalties will be implemented.

*Source: USTR, BSC aggregated*

## Appendix 5

### Survey of US Presidential ballots on June 30



Nguồn: 270towin.com

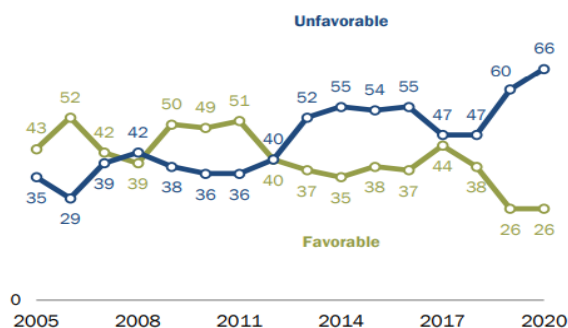
## Appendix 6

### Survey on the opinion of US citizens about China

#### Negative views of China continue to grow in U.S.

% who say they have a \_\_\_ opinion of China

100 %

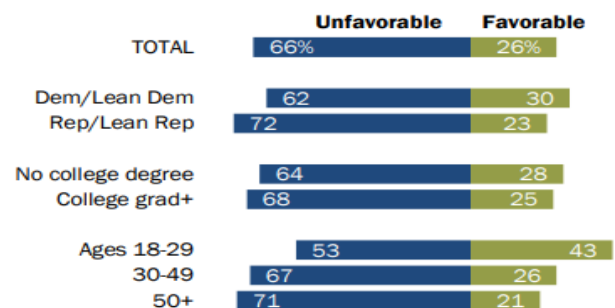


Note: Don't know responses not shown.  
Source: Survey of U.S. adults conducted March 3-29, 2020. Q5b.  
"U.S. Views of China Increasingly Negative Amid Coronavirus Outbreak"

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#### Negative views of China across many groups within U.S.

% who say they have a \_\_\_ opinion of China



Note: Don't know responses not shown.  
Source: Survey of U.S. adults conducted March 3-29, 2020. Q5b.  
"U.S. Views of China Increasingly Negative Amid Coronavirus Outbreak"

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## Appendix 7

## Forecast of global growth of financial institutions

Financial Institution	2020	2021	Financial Institution	2020	2021
Fitch Ratings	-4.6	4.9	National Bank Financial	-4	5.7
Commerzbank	-3.1	5.7	Natixis	-3.8	4.8
UBS	-4.2	5.5	Natl Truck Equipment	-2.5	2
Berenberg Bank	-4.4	3.5	Nomura Securities	-4.7	5.7
BMO Capital	-3.1	5.7	Oxford Economics	-5.1	6.5
Erste Group Bank	-3	5.8	Parsec Financial Management	-4	3.8
Bank of America Merrill Lynch	-4.4	5.9	Regions Financial	-3.7	4.9
Bank of the West	-3.2	5.8	Scotiabank	-3.2	6.1
Barclays	-4.1	5.2	SMBC Nikko	-3.3	5
Dai-ichi Life Research Institute	-4.3	3.6	Standard Chartered	-2.6	5.7
Desjardins Financial Group	-3.2	5.2	Stellar Capital Management	-3.9	4.7
Deutsche Bank	-5.2	5	University of Texas/El Paso	-3	4
Eurobank	-3.2	5	Wells Fargo	-3.7	4.4
First Horizon National	-6	5	Credit Suisse Group	-2.5	4.4
ING Group	-4.3	3.6	Skandinaviska Enskilda Banken	-3.3	5.7
JPMorgan Chase	-3.9	5.7	Pictet & Cie Banquiers	-4.4	
Julius Baer	-4	7.5	Action Economics	1	
Kennesaw State University	-4	0	BNP Paribas	-2.5	5.8
MacroFin Analytics & Rutgers Business School	-2.8	4.5	Goldman Sachs Group	-2.4	6.5
Moody's	-3	4.5	<b>Average</b>	<b>-3.58</b>	<b>4.95</b>

## Appendix 8

## Forecast of China's growth rate by financial institutions

Financial Institution	2020	2021	Financial institution	2020	2021
Citigroup	2.4		Fitch Ratings	0.7	7.9
Bank of America Merrill Lynch	1.2	8.8	Fitch Solutions	1.1	6
Barclays	2.3	6.9	Goldman Sachs Group	3	7.7
Commerzbank	1	9	Hamagin Research Institute Ltd	0.8	8.8
Danske Bank	1	9	Hang Seng Bank	2	
Helaba	0	9	HL Bank/Singapore	2.2	7
JPMorgan Chase	2	8.6	HSBC Holdings	1.7	7.5
Nomura Securities	1.5	8.8	Huabao Trust	2.5	7.5
Standard Chartered	2.5	7.5	ING Group	-1.5	4.3
UBS	1.5	7.5	Julius Baer	-3	9.7
Berenberg Bank	-3	4	Macquarie Bank	2	7.9
Credit Suisse Group	3.3	5.6	Mizuho Securities	2	9.3
Credit Agricole CIB	3	8	Moody's	-2.5	10.3
ABN Amro	2	7	Morgan Stanley	2	9.2
Action Economics	0.5	8	Morgans Financial Ltd	1.2	6



Allianz SE	1.8	8.5	NAB/BNZ	1	9.8
ANZ	1.8	7.9	Natixis	1.5	8
AXA Investment Managers	2.3	8	Natwest Markets	1.7	6.5
Banco Bilbao Vizcaya					
Argentaria	2.2	5.5	Norddeutsche Landesbank	3.5	8
Bank of Communications	3		Nordea Bank	1	8
BMO Capital	1	8	Northern Trust	1	5.5
BNP Paribas	2.5	8.1	Nykredit Markets	0	8
CaixaBank	1	9.3	Oversea-Chinese Banking Corp	2.9	
Capital Economics	2	10	Oxford Economics	2	8.1
China International Capital			Pantheon Macroeconomic		
Corp	2.8	8.8	Advisors	2	8
CHINA MERCHANTS BANK	2.5		Rabobank	1.2	4.7
CITIC Group	2.4	9	Scotiabank	1.6	8.5
CMB International Securities					
Ltd	2.8		Shanghai Securities Co Ltd	1.8	9.3
Coface SA	1	7.5	Skandinaviska Enskilda Banken	2	9
Commonwealth Bank of					
Australia	1.5	8	Societe Generale	2.6	7.8
Continuum Economics	1.6	7.4	Standard Bank Group	3	6
Credit Suisse	3.3	5.6	Svenska Handelsbanken	2	7.5
Dah Sing Bank Ltd	1.5	8	UniCredit	0.6	10
Daiwa Capital Markets	1.8	6.5	United Overseas Bank	1.8	8.2
DBS Group	2	5.6	Wells Fargo	1.2	9.5
DekaBank Deutsche					
Girozentrale	1.8	8.4	Erste Group Bank	1.2	9.2
Deutsche Bank	-1.1	9.4	Westpac Banking	0.1	10
Emirates NBD	1	8	Zhongtai Securities Co Ltd	2.1	6.2
			Average	1.52	7.86

## Appendix 9

### VN30 portfolio data

Stock	Marketcap (mio USD)	P/E	FF	% State- owned	% Foreign- owned	%± EPS	%±P/E	%±P/B	± 6 months	VN-Index weight
CII	186	10.2	80%	39%	8%	136%	-66%	-23%	-19%	0.2%
CTD	230	8.7	45%	46%	0%	-9%	50%	34%	36%	0.2%
CTG	3,507	8.6	20%	30%	64%	23%	-16%	1%	3%	2.8%
DHG	505	18.1	6%	55%	43%	8%	-7%	-4%	3%	0.4%
DPM	241	13.9	40%	11%	60%	17%	-7%	7%	12%	0.2%
EIB	952	23.0	85%	30%	1%	10%	-9%	-3%	0%	0.8%
FPT	1,553	10.9	80%	49%	5%	14%	-21%	-14%	-8%	1.2%
GAS	5,738	11.9	5%	3%	96%	-5%	-22%	-30%	-26%	4.6%
GMD	243	11.7	85%	49%	0%	-1%	-19%	-22%	-20%	0.2%

HDB	1,026	6.7	70%	21%	3%	0%	-10%	-10%	-10%	0.8%
HPG	3,165	9.7	60%	36%	0%	1%	12%	9%	14%	2.6%
MBB	1,748	4.9	60%	23%	24%	-6%	-16%	-25%	-20%	1.4%
MSN	2,770	13.7	40%	39%	0%	-17%	15%	-3%	-4%	2.2%
MWG	1,587	9.2	65%	49%	0%	2%	-30%	-34%	-29%	1.3%
NVL	2,594	17.2	35%	6%	0%	0%	3%	2%	3%	2.1%
PNJ	557	10.9	80%	49%	0%	5%	-37%	-39%	-32%	0.4%
REE	409	6.2	50%	49%	5%	-6%	-10%	-13%	-16%	0.3%
ROS	73	11.0	50%	2%	0%	-14%	-80%	-83%	-83%	0.1%
SAB	4,427	23.4	11%	63%	36%	-10%	-23%	-25%	-30%	3.5%
SBT	351	78.2	45%	9%	0%	-61%	99%	-30%	-28%	0.3%
SSI	383	12.1	60%	50%	0%	-15%	12%	-2%	-5%	0.3%
STB	849	8.1	100%	9%	0%	19%	-10%	4%	7%	0.7%
TCB	2,958	6.5	65%	22%	0%	4%	-20%	-20%	-17%	2.4%
VCB	13,001	16.6	11%	24%	75%	8%	-18%	-15%	-11%	10.3%
VHM	10,470	9.6	25%	20%	0%	20%	-26%	-21%	-11%	8.7%
VIC	12,948	42.5	30%	14%	0%	-14%	-10%	-25%	-23%	10.4%
VJC	2,406	15.2	50%	18%	0%	0%	-26%	-26%	-26%	2.0%
VNM	8,381	20.7	50%	59%	36%	0%	-3%	-11%	-2%	6.8%
VPB	2,202	5.5	70%	23%	0%	11%	-8%	-3%	2%	1.7%
VRE	2,482	20.2	40%	31%	0%	0%	-27%	-27%	-27%	2.0%
Total	87,941									70.7%

## MidCap portfolio data

Stock	Marketcap (mio USD)	P/E	FF	% State- owned	% Foreign- owned	%± EPS	%±P/E	%± P/B	± 6 months	VN-Index weight
AAA	91	6.8	55%	4%	0%	-34%	43%	-5%	-5%	0.1%
ANV	92	3.9	20%	1%	0%	-22%	-6%	-28%	-22%	0.1%
ASM	61	2.6	55%	2%	0%	-14%	-6%	-22%	-19%	0.0%
AST	98	14.2	35%	43%	0%	-18%	-29%	-43%	-42%	0.1%
BMI	84	12.1	25%	35%	51%	5%	-18%	-15%	-8%	0.1%
BMP	186	9.8	45%	81%	0%	3%	12%	10%	20%	0.1%
BWE	150	9.3	30%	10%	25%	0%	2%	2%	2%	0.1%
CII	186	10.2	80%	39%	8%	136%	-66%	-23%	-19%	0.2%
CMG	132	19.7	40%	38%	0%	-14%	26%	-22%	-14%	0.1%
CRE	62	3.7	50%	21%	0%	0%	-27%	-27%	-27%	0.0%
CSM	67	24.5	40%	2%	51%	20%	-9%	8%	9%	0.1%
CTI	34	8.2	80%	11%	0%	49%	-58%	-38%	-32%	0.0%
DBD	106	19.4	80%	0%	13%	0%	-13%	-13%	-11%	0.1%
DCM	202	20.5	25%	2%	76%	-30%	88%	29%	31%	0.2%
DIG	160	9.7	60%	34%	0%	-2%	-9%	-11%	-11%	0.1%
DPM	241	13.9	40%	11%	60%	17%	-7%	7%	12%	0.2%
DPR	66	10.6	45%	14%	56%	-19%	24%	-1%	0%	0.1%
DRC	95	7.8	50%	21%	51%	8%	-29%	-25%	-24%	0.1%

DXG	252	4.9	85%	41%	0%	-14%	-10%	-23%	-23%	0.2%
FCN	50	5.8	75%	50%	0%	-9%	8%	-2%	-1%	0.0%
FLC	119	-	80%	3%	0%	-385%	-100%	-10%	-21%	0.1%
FRT	76	8.4	55%	35%	0%	0%	5%	5%	5%	0.1%
GEX	327	12.5	80%	15%	0%	0%	-14%	-14%	-14%	0.3%
GMD	243	11.7	85%	49%	0%	-1%	-19%	-22%	-20%	0.2%
GTN	190	-	11%	0%	0%	-28%	NA	-7%	-7%	0.2%
HAG	207	43.7	65%	1%	0%	-49%	156%	35%	31%	0.2%
HBC	99	7.3	70%	20%	0%	-23%	18%	-9%	-9%	0.1%
HCM	241	12.4	40%	52%	29%	-7%	-7%	-16%	-14%	0.2%
HDG	131	3.3	55%	13%	0%	-3%	-14%	-22%	-16%	0.1%
HNG	734	-	25%	0%	0%	-8%	NA	13%	10%	0.6%
HPX	265	15.0	40%	14%	0%	0%	25%	25%	25%	0.2%
HSG	226	8.1	60%	12%	0%	82%	-1%	68%	54%	0.2%
HT1	220	6.9	20%	6%	80%	0%	-10%	-12%	-10%	0.2%
ITA	190	20.8	60%	2%	0%	-2%	56%	52%	52%	0.1%
KBC	281	7.4	75%	21%	0%	-4%	-7%	-11%	-10%	0.2%
KDC	252	91.1	60%	21%	0%	10%	33%	46%	46%	0.3%
KDH	523	13.0	70%	44%	0%	5%	-18%	-15%	-14%	0.4%
LDG	64	3.1	50%	1%	0%	-20%	-14%	-31%	-31%	0.0%
MSH	70	3.6	40%	4%	0%	0%	-26%	-26%	-26%	0.1%
NBB	76	5.6	25%	10%	2%	0%	-2%	-3%	12%	0.1%
NCT	73	7.8	35%	11%	65%	3%	-14%	-19%	-11%	0.1%
NLG	265	7.0	60%	48%	0%	-7%	-5%	-16%	-9%	0.2%
NT2	264	8.3	30%	18%	65%	0%	-3%	-7%	3%	0.2%
PAC	41	6.6	40%	21%	51%	-1%	-14%	-19%	-13%	0.0%
PAN	180	18.8	35%	44%	0%	-11%	0%	-12%	-11%	0.1%
PC1	115	7.4	65%	17%	0%	1%	-5%	-7%	-4%	0.1%
PDR	382	10.2	40%	1%	0%	6%	-2%	10%	4%	0.3%
PHR	290	12.8	35%	10%	67%	36%	-4%	22%	30%	0.2%
PPC	329	6.7	25%	16%	51%	-9%	-2%	-12%	-7%	0.3%
PTB	97	5.6	55%	19%	0%	-4%	-27%	-32%	-28%	0.1%
PVD	183	14.3	50%	12%	50%	131%	-71%	-34%	-34%	0.1%
PVT	128	5.0	45%	25%	51%	-9%	-31%	-38%	-37%	0.1%
SAM	104	35.3	100%	1%	0%	-12%	32%	16%	16%	0.1%
SCR	91	9.1	65%	2%	0%	-15%	16%	-3%	-2%	0.1%
SCS	252	12.4	35%	25%	13%	0%	-4%	-4%	-4%	0.2%
SGN	100	6.8	20%	2%	0%	0%	-22%	-22%	-22%	0.1%
SJD	51	8.0	50%	26%	51%	-4%	2%	-3%	-2%	0.0%
SJS	110	25.9	55%	2%	36%	-2%	40%	38%	38%	0.1%
TCH	348	11.4	55%	4%	0%	133%	-60%	-8%	-35%	0.3%
TDM	93	11.5	55%	12%	0%	0%	-12%	-12%	-11%	0.1%
TPB	732	5.3	60%	30%	4%	5%	-7%	-8%	-2%	0.6%
TV2	79	6.7	40%	14%	51%	1%	-9%	-13%	-8%	0.1%
VCI	148	4.8	65%	28%	0%	0%	-31%	-31%	-31%	0.1%

VGC	373	13.1	35%	10%	39%	0%	4%	1%	4%	0.3%
VHC	275	5.4	45%	33%	0%	-48%	70%	-14%	-11%	0.2%
VND	118	7.8	65%	36%	0%	-8%	-1%	-10%	-9%	0.1%
VNG	65	29.5	50%	0%	0%	199%	-72%	-20%	-17%	0.1%
VPI	290	13.4	40%	4%	0%	0%	0%	0%	0%	0.2%
VSC	62	5.9	NA	NA	NA	19%	-17%	-5%	-2%	0.1%
YEG	66	-	NA	NA	NA	2%	NA	38%	39%	0.1%
<b>Total</b>	<b>12,655.5</b>									<b>10.3%</b>

## SmallCap portfolio data

Stock	Marketcap (mio USD)	P/E	FF	% State- owned	% Foreign- owned	%± EPS	%±P/E	%± P/B	± 6 tháng	VN-Index weight
AAM	5	22.1	40%	1%	0%	-31%	21%	-14%	-12%	0.0%
ACL	21	5.6	25%	2%	0%	-38%	50%	-7%	-6%	0.0%
ADS	11	50.1	40%	0%	0%	-35%	22%	-21%	-21%	0.0%
AGR	31	11.7	25%	2%	75%	-8%	5%	-1%	-3%	0.0%
AMD	22	18.4	100%	2%	0%	-16%	83%	53%	53%	0.0%
APC	16	3.9	35%	16%	0%	4%	-15%	-13%	-11%	0.0%
APG	13	11.7	85%	4%	0%	-2%	-12%	-14%	-14%	0.0%
ASP	9	9.6	45%	49%	0%	-47%	43%	-24%	-25%	0.0%
BCE	10	7.5	45%	4%	52%	2%	12%	14%	14%	0.0%
BCG	31	6.2	70%	21%	0%	-7%	-17%	-25%	-23%	0.0%
BFC	29	9.3	35%	4%	65%	6%	-4%	2%	9%	0.0%
BMC	6	9.2	55%	22%	25%	-4%	-14%	-18%	-17%	0.0%
BSI	45	47.7	20%	8%	80%	-83%	493%	2%	2%	0.0%
BTP	38	4.2	20%	9%	80%	16%	2%	16%	18%	0.0%
C32	15	4.1	80%	23%	0%	17%	-14%	1%	1%	0.0%
C47	8	25.6	80%	0%	0%	11%	-8%	6%	2%	0.0%
CCL	14	6.4	75%	3%	0%	30%	-36%	-20%	-17%	0.0%
CEE	27	-	30%	0%	0%	0%	NA	-3%	-3%	0.0%
CLG	1	-	40%	0%	0%	1%	NA	-51%	-51%	0.0%
CMX	17	8.2	40%	5%	0%	-31%	81%	10%	25%	0.0%
CNG	24	6.6	45%	21%	56%	20%	-31%	-15%	-14%	0.0%
CRC	7	32.0	85%	0%	0%	0%	-14%	-14%	-14%	0.0%
CSV	40	4.0	30%	9%	65%	6%	-8%	-7%	0%	0.0%
CTF	41	23.0	55%	0%	0%	0%	-10%	-10%	-10%	0.0%
CTS	33	-	25%	11%	76%	-120%	-100%	6%	-1%	0.0%
CVT	27	4.3	80%	11%	0%	-6%	-11%	-17%	-16%	0.0%
D2D	50	3.3	40%	7%	58%	6%	-36%	-35%	-29%	0.0%
DAG	12	7.9	55%	0%	0%	-32%	19%	-19%	-19%	0.0%
DAH	23	-	90%	2%	0%	-789%	-100%	77%	77%	0.0%
DCL	53	12.0	30%	3%	0%	10%	-33%	-27%	-27%	0.0%
DGW	66	8.6	50%	28%	0%	13%	48%	59%	67%	0.1%
DHA	18	6.3	55%	10%	25%	9%	-16%	-13%	-3%	0.0%

DHC	82	7.2	50%	37%	0%	41%	-36%	-12%	-6%	0.1%
DHM	12	58.3	80%	0%	0%	11%	106%	129%	130%	0.0%
DIC	2	-	85%	1%	0%	206%	NA	-2%	-13%	0.0%
DLG	20	-	75%	2%	0%	3532%	NA	-21%	-19%	0.0%
DPG	42	5.3	55%	0%	0%	0%	-46%	-46%	-44%	0.0%
DQC	20	19.7	45%	3%	0%	-17%	25%	7%	12%	0.0%
DRH	19	7.5	90%	3%	0%	2%	69%	71%	73%	0.0%
DSN	24	6.9	60%	18%	0%	1%	-24%	16%	-19%	0.0%
DVP	58	5.5	35%	14%	51%	-1%	-6%	-11%	-7%	0.0%
ELC	12	9.1	55%	20%	0%	7%	-10%	-5%	-4%	0.0%
EVE	16	6.3	80%	65%	0%	-20%	11%	-10%	-4%	0.0%
EVG	12	14.6	65%	2%	0%	0%	60%	60%	60%	0.0%
FCM	11	5.1	40%	2%	0%	32%	-23%	-2%	1%	0.0%
FIR	26	6.6	55%	1%	0%	0%	11%	11%	2%	0.0%
FIT	98	34.7	50%	1%	0%	-7%	-5%	-11%	-11%	0.1%
FMC	58	5.2	30%	9%	3%	-9%	7%	-7%	1%	0.0%
FTM	3	-	50%	0%	0%	32%	NA	-16%	-24%	0.0%
FTS	84	140.5	45%	21%	0%	-93%	2078%	50%	50%	0.1%
GDT	22	6.6	50%	21%	0%	4%	-4%	-6%	6%	0.0%
GIL	27	2.4	70%	6%	0%	-5%	10%	-3%	5%	0.0%
GMC	20	3.4	30%	10%	0%	-13%	7%	-6%	-7%	0.0%
HAH	20	4.2	80%	21%	0%	2%	-17%	-18%	-7%	0.0%
HAI	25	48.3	90%	3%	0%	-25%	42%	7%	7%	0.0%
HAP	7	12.1	85%	7%	0%	-29%	25%	-12%	-3%	0.0%
HAR	14	113.5	60%	0%	0%	-60%	92%	-23%	-23%	0.0%
HAX	19	8.5	55%	7%	0%	-2%	-26%	-28%	-17%	0.0%
HCD	4	6.1	85%	0%	0%	-28%	57%	13%	13%	0.0%
HDC	44	5.7	75%	6%	0%	23%	-40%	-29%	-26%	0.0%
HHS	47	4.6	55%	3%	0%	11%	12%	22%	35%	0.0%
HII	15	7.8	50%	1%	0%	0%	34%	34%	34%	0.0%
HMC	12	50.5	45%	1%	56%	-50%	139%	17%	20%	0.0%
HQC	35	22.5	85%	3%	0%	-16%	79%	50%	50%	0.0%
HSL	3	1.8	70%	13%	0%	0%	-35%	-35%	-35%	0.0%
HTI	14	4.7	40%	17%	0%	-3%	19%	11%	15%	0.0%
HTN	25	3.3	35%	5%	0%	0%	3%	3%	3%	0.0%
HUB	12	4.4	50%	0%	0%	0%	-11%	-11%	-11%	0.0%
HVH	7	3.7	40%	1%	0%	0%	-43%	-43%	-41%	0.0%
IBC	83	49.0	20%	3%	0%	0%	17%	17%	17%	0.1%
IDI	39	5.3	45%	1%	0%	-45%	42%	-22%	-22%	0.0%
IJC	64	5.0	20%	1%	79%	16%	-41%	-36%	-32%	0.1%
ILB	19	8.3	40%	0%	59%	0%	4%	4%	4%	0.0%
ITC	39	7.9	40%	0%	15%	0%	-21%	-21%	-18%	0.0%
ITD	8	10.4	70%	12%	0%	-51%	57%	-21%	-2%	0.0%
JVC	18	35.6	100%	41%	0%	-6%	15%	6%	1%	0.0%
KMR	6	30.1	55%	63%	0%	25%	-35%	-20%	-19%	0.0%

KPF	11	12.7	25%	0%	0%	-25%	-10%	-30%	-32%	0.0%
KSB	51	3.9	70%	11%	0%	2%	22%	21%	25%	0.0%
LCG	31	4.8	85%	31%	0%	-14%	-1%	-16%	-15%	0.0%
LGL	11	6.8	40%	2%	0%	-30%	-9%	-37%	-37%	0.0%
LHG	38	5.8	50%	7%	49%	18%	-3%	9%	14%	0.0%
LIX	75	9.1	50%	12%	51%	20%	5%	13%	27%	0.1%
LSS	14	13.6	50%	2%	0%	186%	-68%	-9%	5%	0.0%
NAF	46	20.1	12%	27%	0%	10%	-16%	9%	-8%	0.0%
NKG	59	6.8	65%	21%	0%	302%	-74%	2%	3%	0.0%
NNC	45	8.5	40%	18%	38%	4%	-10%	-12%	-6%	0.0%
NTL	41	4.5	45%	5%	0%	-3%	-32%	-35%	-29%	0.0%
PET	30	6.3	70%	15%	24%	0%	9%	8%	10%	0.0%
PGC	34	6.2	30%	6%	52%	-5%	-8%	-14%	-1%	0.0%
PHC	12	5.2	65%	0%	0%	-16%	14%	-4%	-4%	0.0%
PLP	12	4.9	65%	7%	0%	0%	16%	16%	16%	0.0%
PMG	22	8.8	45%	1%	0%	0%	-31%	-31%	-31%	0.0%
PXS	14	-	40%	11%	0%	-6%	NA	-13%	-13%	0.0%
QBS	8	-	80%	0%	0%	4%	NA	-11%	-11%	0.0%
RAL	37	5.8	30%	2%	0%	19%	-10%	-2%	11%	0.0%
SAV	5	4.4	40%	49%	0%	2%	-7%	-7%	2%	0.0%
SCD	9	12.9	40%	8%	62%	2%	-18%	-16%	-16%	0.0%
SFG	12	-	30%	2%	65%	-535%	-100%	-2%	-3%	0.0%
SHI	34	7.8	70%	1%	0%	-1%	1%	0%	0%	0.0%
SJF	9	37.7	80%	0%	0%	0%	11%	11%	11%	0.0%
SKG	28	8.0	65%	45%	0%	-22%	0%	-23%	-23%	0.0%
SMB	40	4.8	40%	13%	0%	0%	-21%	-21%	-21%	0.0%
SRC	18	8.9	50%	0%	36%	12%	-28%	-21%	-15%	0.0%
SRF	17	6.2	30%	47%	13%	29%	-28%	-7%	-2%	0.0%
STK	48	5.4	40%	6%	0%	-4%	-3%	-11%	-7%	0.0%
SZC	81	16.1	40%	0%	47%	0%	4%	4%	4%	0.1%
SZL	32	8.8	35%	11%	57%	0%	-7%	-10%	-8%	0.0%
TCL	31	10.3	50%	14%	35%	-16%	36%	12%	40%	0.0%
TCM	48	6.4	60%	49%	0%	-4%	5%	0%	3%	0.0%
TDC	34	5.6	40%	2%	61%	10%	-14%	-6%	-5%	0.0%
TDG	1	8.2	85%	2%	0%	0%	2%	2%	2%	0.0%
TDH	35	7.8	90%	17%	6%	-15%	0%	-15%	-15%	0.0%
TEG	6	-	55%	0%	0%	-135%	-100%	-27%	-27%	0.0%
TGG	1	40.4	70%	1%	0%	0%	-37%	-37%	-37%	0.0%
THG	32	7.0	80%	1%	0%	4%	20%	22%	21%	0.0%
TIP	22	6.0	40%	12%	57%	-5%	0%	-7%	-5%	0.0%
TLD	5	9.3	70%	1%	0%	0%	47%	47%	48%	0.0%
TLH	15	-	60%	1%	0%	24%	NA	-23%	-15%	0.0%
TNA	26	4.8	55%	6%	0%	1%	-18%	-19%	-17%	0.0%
TNI	9	12.2	90%	0%	0%	0%	-60%	-60%	-60%	0.0%
TNT	2	19.0	95%	0%	0%	-28%	36%	-2%	-3%	0.0%

TRC	38	8.9	35%	6%	60%	20%	-22%	-9%	-7%	0.0%
TS4	2	-	30%	2%	27%	60%	NA	-10%	-11%	0.0%
TSC	18	63.7	45%	0%	0%	356%	-81%	-15%	-15%	0.0%
TTB	11	12.0	65%	0%	0%	-41%	99%	18%	18%	0.0%
TVB	19	13.1	35%	1%	0%	0%	-35%	-35%	-40%	0.0%
TVT	18	5.3	40%	0%	47%	0%	-16%	-16%	-6%	0.0%
TYA	19	5.3	20%	30%	0%	-6%	10%	0%	3%	0.0%
UIC	13	5.7	50%	22%	51%	7%	-3%	-2%	15%	0.0%
VDS	26	-	35%	0%	0%	-316%	-100%	-12%	-20%	0.0%
VIP	15	6.0	45%	5%	49%	197%	-64%	6%	7%	0.0%
VNE	15	54.5	85%	6%	0%	-35%	82%	20%	19%	0.0%
VOS	9	19.1	40%	3%	51%	-80%	323%	-2%	-14%	0.0%
VPD	23	13.3	45%	0%	0%	-29%	20%	-15%	-14%	0.0%
VPH	18	77.3	65%	13%	0%	-82%	479%	8%	6%	0.0%
VRC	14	14.8	90%	2%	0%	-9%	-58%	-62%	-62%	0.0%
YBM	3	6.4	NA	NA	NA	0%	8%	8%	8%	0.0%
<b>Total</b>	<b>3,462.7</b>									<b>2.7%</b>

## Appendix 10

Opinion on 35 stocks with the largest weight by financial institutions

#	Stock	VN-Index weight	Price at 30/6	Average target price	± % vs 28/6	Highest price	± % vs 30/6	Lowest price	± % vs 30/6	P/E	P/B
1	VIC	10.40%	89,000	107,767	21.1%	114,000	28.1%	104,300	17.2%	42.5	3.7
2	VCB	10.29%	80,300	85,252	6.2%	90,000	12.1%	77,600	-3.4%	16.6	3.5
3	VHM	8.74%	75,500	101,348	34.2%	113,000	49.7%	90,000	19.2%	9.6	3.9
4	VNM	6.78%	112,700	124,184	10.2%	138,300	22.7%	115,000	2.0%	20.7	6.5
5	BID	5.27%	37,900	37,200	-1.8%	45,300	19.5%	26,700	-29.6%	17.7	2.0
6	GAS	4.56%	69,000	69,612	0.9%	76,600	11.0%	61,800	-10.4%	11.9	2.6
7	SAB	3.48%	157,000	182,765	16.4%	195,000	24.2%	155,058	-1.2%	23.4	5.8
8	CTG	2.77%	21,550	24,996	16.0%	27,200	26.2%	23,800	10.4%	8.6	1.0
9	HPG	2.56%	26,800	28,664	7.0%	36,730	37.1%	13,500	-49.6%	9.7	1.5
10	TCB	2.37%	19,550	27,153	38.9%	35,692	82.6%	22,400	14.6%	6.5	1.1
11	MSN	2.19%	54,100	68,742	27.1%	84,143	55.5%	51,000	-5.7%	13.7	1.5
12	NVL	2.06%	61,500	57,958	-5.8%	65,073	5.8%	46,600	-24.2%	17.2	2.6
13	VJC	2.02%	108,000	110,600	2.4%	110,600	2.4%	110,600	2.4%	15.2	3.8
14	VRE	2.00%	24,800	32,575	31.4%	39,000	57.3%	26,178	5.6%	20.2	2.1
15	PLX	1.99%	44,500	48,400	8.8%	51,100	14.8%	45,700	2.7%	51.2	2.8
16	VPB	1.74%	20,450	30,688	50.1%	72,805	256.0%	24,500	19.8%	5.5	1.1
17	GVR	1.52%	11,000	11,000	0.0%	11,000	0.0%	11,000	0.0%	13.4	0.9
18	MBB	1.40%	16,600	24,539	47.8%	45,819	176.0%	15,800	-4.8%	4.9	1.0
19	MWG	1.27%	80,800	136,310	68.7%	200,900	148.6%	94,453	16.9%	9.2	2.7
20	FPT	1.24%	45,650	56,525	23.8%	64,441	41.2%	45,387	-0.6%	10.9	2.4

21	HVN	1.23%	25,100	22,267	-11.3%	26,500	5.6%	14,400	-42.6%	15.2	2.0
22	BVH	1.17%	45,500	61,300	34.7%	64,600	42.0%	58,000	27.5%	34.8	1.8
23	HDB	0.84%	24,800	31,074	25.3%	34,000	37.1%	26,000	4.8%	6.7	1.3
24	POW	0.79%	9,700	14,594	50.5%	17,457	80.0%	12,200	25.8%	9.4	0.8
25	EIB	0.76%	17,800	12,500	-29.8%	12,500	-29.8%	12,500	-29.8%	23.0	1.4
26	STB	0.70%	10,750	14,175	31.9%	15,400	43.3%	12,950	20.5%	8.1	0.7
27	TPB	0.61%	20,600	25,150	22.1%	25,800	25.2%	24,500	18.9%	5.3	1.2
28	HNG	0.59%	15,300	15,300	0.0%	15,300	0.0%	15,300	0.0%	-	1.8
29	PNJ	0.45%	57,400	72,119	25.6%	86,200	50.2%	53,400	-7.0%	10.9	2.6
30	KDH	0.44%	23,200	28,703	23.7%	31,100	34.1%	25,000	7.8%	13.0	1.6
31	BHN	0.42%	52,000	52,000	0.0%	52,000	0.0%	52,000	0.0%	32.6	2.7
32	DHG	0.41%	91,500	86,625	-5.3%	94,900	3.7%	80,400	-12.1%	18.1	3.4
33	REE	0.33%	30,650	42,377	38.3%	47,208	54.0%	37,000	20.7%	6.2	0.9
34	SSI	0.31%	14,800	15,964	7.9%	18,328	23.8%	13,600	-8.1%	12.1	1.0
35	PDR	0.31%	24,100	24,100	0.0%	24,100	0.0%	24,100	0.0%	10.2	2.2
<b>Bình quân</b>		<b>83.9%</b>			<b>17.6%</b>		<b>41.1%</b>		<b>0.2%</b>	<b>15.3</b>	<b>2.2</b>



## Disclosure

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