

Strategy: Not a creature was stirring

Matthew Smith, CFA

Head of Research

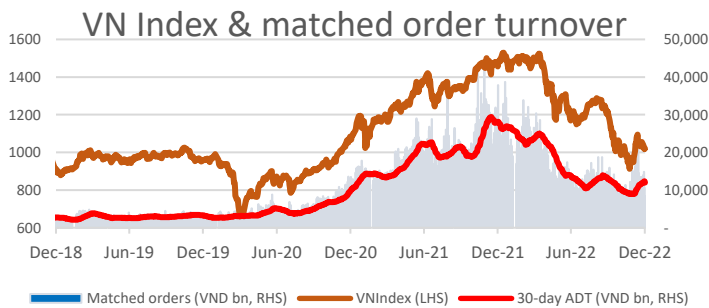
matthew.smith@yuanta.com.vn

Di Luu

Assistant Analyst

T'was the week before Christmas and t'was unsurprisingly quiet. The VNI's -3.1% WoW decline mostly came on Monday (-1.3% DoD) and Tuesday (-1.5%) but we wouldn't read much into it given that the holiday season is upon us. The early Tet holidays of 2023 (Jan 20-26) lead us to believe that the markets may be relatively directionless for the next several weeks given that market participants, including ourselves, will be taking time off around these holidays.

Index, Flows, and FX Performance



- **VNINDEX:** 1020 (-3.1% WoW / -31.9% YTD / -30.0% YoY)
- **VHINDEX:** 205 (-3.6% WoW / -56.7% YTD / -53.6% YoY)
- **UPCOM Index:** 71 (-1.6% WoW / -37.0% YTD / -35.2% YoY)
- **Average daily turnover:** US\$667 mn (-2.5% WoW)
- **Foreigners net bought** US\$61.2mn of three-index constituents
- **VND:USD rate:** 23,607 (-2bp WoW / -331bp YTD / -2.77% YoY)

VN30 Components

Ticker	Closing price (VND K)	WoW chg	Cont to VN30 (WoW)	TTM PE (x)
ACB	22.9	-0.4%	-1.1%	6
BID	39.0	0.3%	0.1%	12
BVH	47.9	-3.4%	-0.5%	20
CTG	27.7	-1.4%	-1.1%	8
FPT	78.0	0.1%	0.4%	16
GAS	101.5	-4.6%	-1.8%	15
GVR	14.4	-9.2%	-0.8%	13
HDB	17.0	-1.7%	-2.1%	6
HPG	18.4	-10.0%	-23.6%	7
KDH	26.3	-4.5%	-2.2%	15
MBB	17.8	-5.6%	-9.9%	5
MSN	95.0	1.6%	3.9%	14
MWG	45.8	-4.3%	-8.6%	13
NVL	15.1	-17.0%	-8.0%	10
PDR	13.1	-10.0%	-1.4%	4
PLX	30.9	-0.3%	-0.1%	41
POW	11.0	-4.4%	-0.9%	22
SAB	175.0	0.2%	0.1%	21
SSI	18.3	-10.7%	-8.2%	8
STB	23.5	3.1%	5.4%	11
TCB	27.6	-5.3%	-13.4%	4
TPB	22.0	-4.3%	-3.3%	6
VCB	79.1	-0.8%	-1.2%	14
VHM	49.8	1.0%	2.2%	7
VIB	19.7	-5.5%	-5.0%	5
VIC	55.1	-5.7%	-11.9%	188
VJC	111.5	-1.3%	-1.6%	956
VNM	76.2	-0.5%	-1.4%	20
VPB	18.4	-0.8%	-2.6%	6
VRE	25.8	-1.5%	-1.4%	28

Source: Bloomberg, Yuanta Vietnam. Pricing date: Dec 23, 2022.

Vietnam underperformed the region again last week as the rest of ASEAN posted c.0-1% gains in USD terms. They are likely benefiting from emerging market fund inflows, whereas Vietnam is not. Breadth was very negative with 77 gainers / 301 losers among the VNI components and 6 gainers / 24 losers for the VN30. Just 11.7% of VNI constituents are trading above their 200-day moving averages, up from 5% in mid-Nov but still close to the historical lows for this figure.

Foreign investors net bought another US\$60m during the week even after including strategic investor selling in a bank on Thursday (and that divestment was likely part of a strategic switch to another bank). FINIs have now net purchased US\$1.1bn of Vietnam stocks YTD and are almost certain to post their first full-year of net buying since 2019.

ADB cut its 2023E GDP growth forecast for Vietnam (alongside a [cautious regional outlook](#)) from 6.7% to 6.3% citing weakness in manufactured exports, the sub-50 PMI print in Nov, tight financial liquidity, and slow public investment disbursement. The ADB actually *increased* its 2022E forecast to 6.7% (previous 6.3%), which looks like a "mark-to-market" given the 8.8% growth of 9M22. We think 7.8-7.9% is more likely for 2022E, but it doesn't matter now -- the official estimate should be out later this week.

Stock Idea: [PVD \(BUY\)](#) as a play on rising jack-up rig day rates, FX gains in 4Q, and potential buzz surrounding the Block B gas project in 1H23.

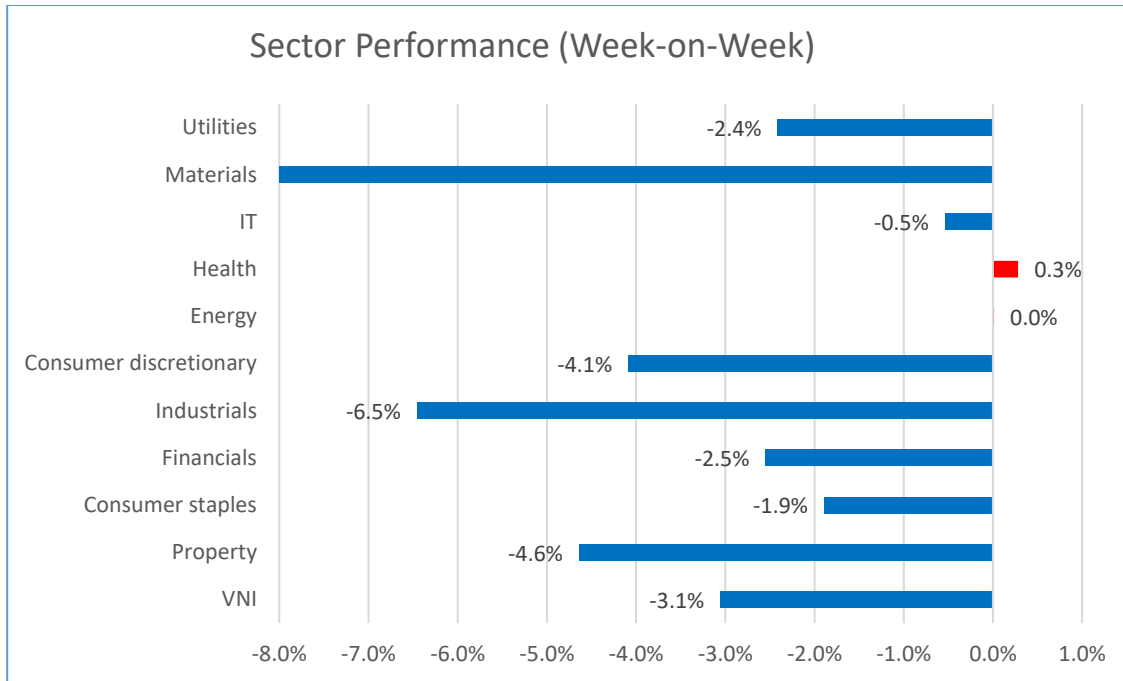
Manufacturing: Green shoots for 2023. Nike indicated progress in clearing its excess inventory and issued a relatively positive outlook for 2023. Nike was a groggy canary in the coal mine months before Vietnam's monthly IIP numbers started falling, its newly chirpy outlook could be a positive indicator for footwear/apparel demand in 2023. Separately, Foxconn announced that it will manufacture MacBooks here starting as early as May 2023 – a positive validation of Vietnam's increasingly value-added manufacturing capabilities.

Yuanta Vietnam Coverage Universe

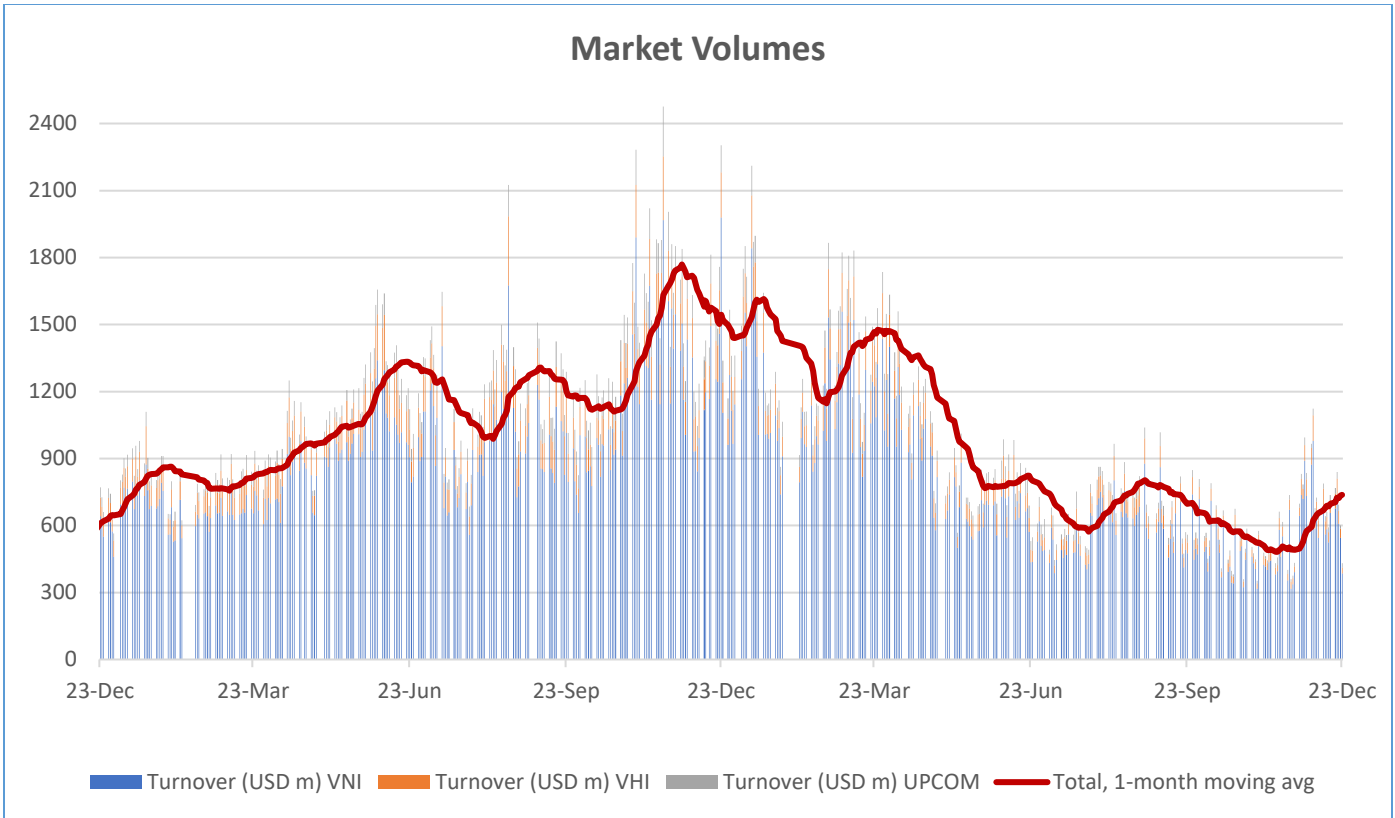
Sector	Company	Stock code	Market cap (USDm)	3-month ADT (USDm)	Yuanta Rating	Current price (VND)	Target price (VND)	Up (down) side	2022E Dividend yield	12-m TSR*
Banks	Asia Commercial Bank	ACB VN	3,285	4.5	BUY	22,900	31,883	39%	0.0%	39%
	BIDV	BID VN	8,379	2.6	HOLD-Underperform	39,000	38,860	0%	1.2%	1%
	HD Bank	HDB VN	1,800	2.6	BUY	17,000	23,510	38%	0.0%	38%
	MB Bank	MBB VN	3,466	11.4	BUY	17,750	32,792	85%	0.0%	85%
	Sacombank	STB VN	1,874	19.2	BUY	23,500	28,860	23%	0.0%	23%
	Vietcombank	VCB VN	15,939	4.7	BUY	79,100	93,230	18%	0.8%	19%
	Vietnam Prosperity Bank	VPB VN	5,260	15.3	BUY	18,350	32,547	77%	0.0%	77%
Brokers	HCM City Securities	HCM VN	427	6.1	BUY	21,200	29,957	41%	5.9%	47%
	Saigon Securities	SSI VN	1,208	16.3	BUY	18,300	26,092	43%	2.5%	45%
	Viet Capital Securities	VCI VN	477	8.1	BUY	24,700	47,656	93%	8.9%	102%
	VNDirect Securities	VND VN	753	15.7	BUY	14,000	26,539	90%	2.0%	92%
Energy	PV POW	POW VN	1,064	4.3	SELL	10,950	12,157	11%	2.7%	14%
	PV NT2	NT2 VN	339	1.3	SELL	28,700	19,318	-33%	7.0%	-26%
	PCC1	PC1 VN	239	1.7	BUY	21,600	50,728	135%	0.0%	135%
Consumer	Masan Group	MSN VN	5,708	7.6	Suspended	95,000	N/A	N/A	0.0%	N/A
	Phu Nhuan Jewelry	PNJ VN	1,139	2.5	BUY	108,600	135,453	25%	1.7%	26%
	Digiworld	DGW VN	276	2.8	Suspended	39,400	N/A	N/A	4.7%	N/A
Oil & GAS	PV Drilling	PVD VN	418	6.3	BUY	17,900	36,103	102%	3.9%	106%
Property	Kinh Bac City	KBC VN	698	8.0	BUY	21,500	38,300	78%	0.0%	78%
	Dat Xanh Group	DXG VN	354	8.2	BUY	13,200	40,500	207%	0.0%	207%
	Khang Dien House	KDH VN	817	4.9	BUY	26,250	55,300	111%	1.9%	113%
	Nam Long	NLG VN	498	3.6	HOLD-Outperform	30,000	55,500	85%	3.3%	88%
	Novaland	NVL VN	1,284	20.5	HOLD-Underperform	15,100	70,400	366%	0.0%	366%
	Vinhomes	VHM VN	9,062	8.1	BUY	49,800	108,100	117%	3.0%	120%
Transport	Airports Corp Vietnam	ACV VN	7,839	0.5	HOLD-Underperform	85,000	76,400	-10%	0.0%	-10%
Industrials	Dohaco	DHC VN	103	0.8	BUY	30,000	63,571	112%	8.3%	120%
	Biwase	BWE VN	393	0.3	BUY	47,750	70,902	48%	2.9%	51%

*Notes: 1) TSR = Total shareholder return over the next 12 months inclusive of expected share price change and dividends. 2) 3-month ADT refers to matched orders and does not include put-through blocks. 3) Stock ratings and pricing data is as of close on Dec 23 2022

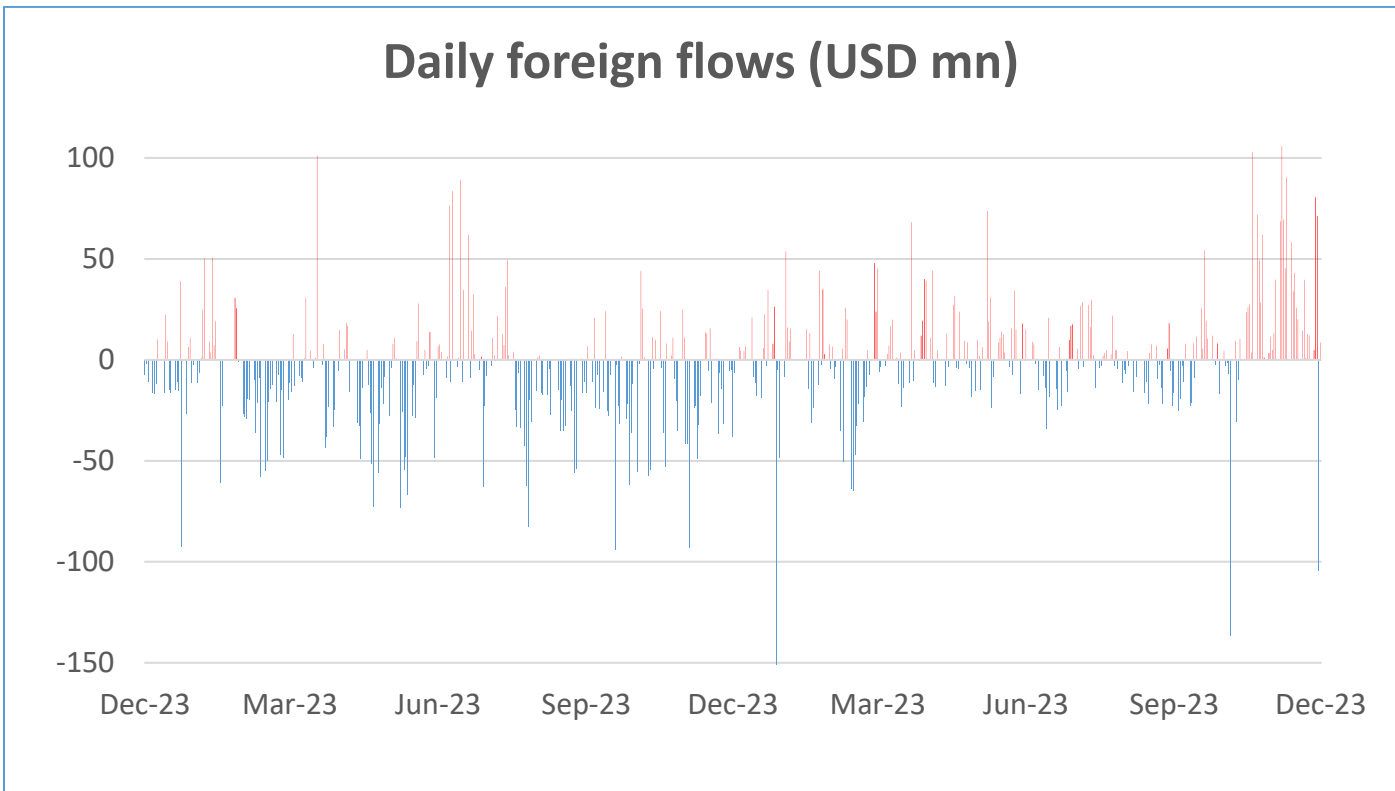
Source: Bloomberg, Yuanta Vietnam



Source: Bloomberg (Dec 23)

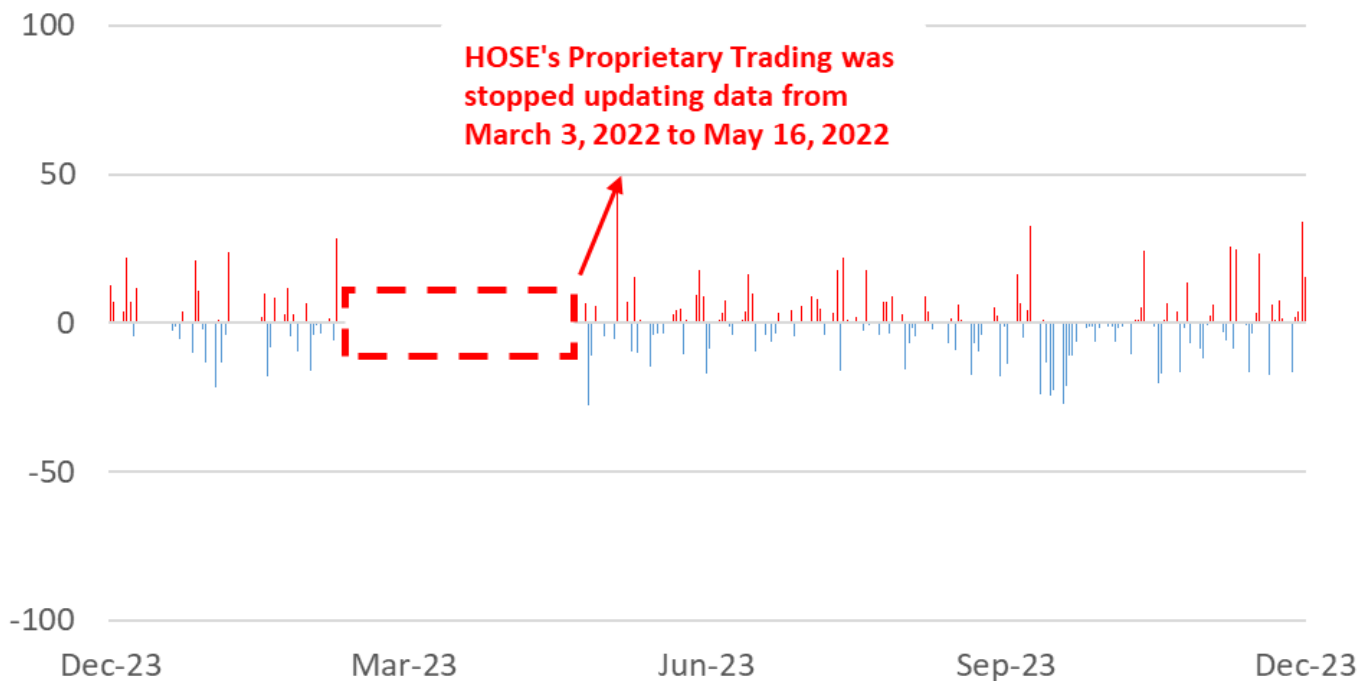


Source: FiinPro, Yuanta Vietnam (Dec 23)



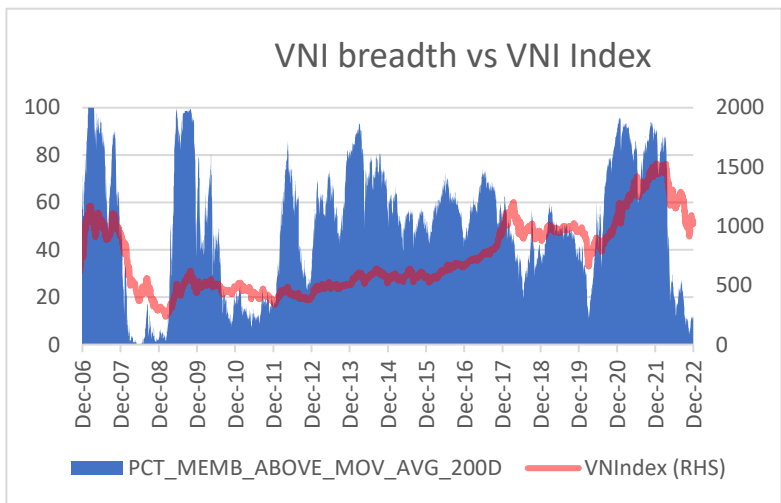
Source: FiinPro, Yuanta Vietnam (Dec 23)

Domestic institutional flows (USD mn)



Source: FiinPro, Yuanta Vietnam (Dec 23)

Weekly breadth was negative on both VNIndex and VN30



Source: Bloomberg, Yuanta Vietnam (Dec 23)

VN 30 breadth

	WoW	MoM	YTD
Gainers	6	23	5
Losers	24	7	25

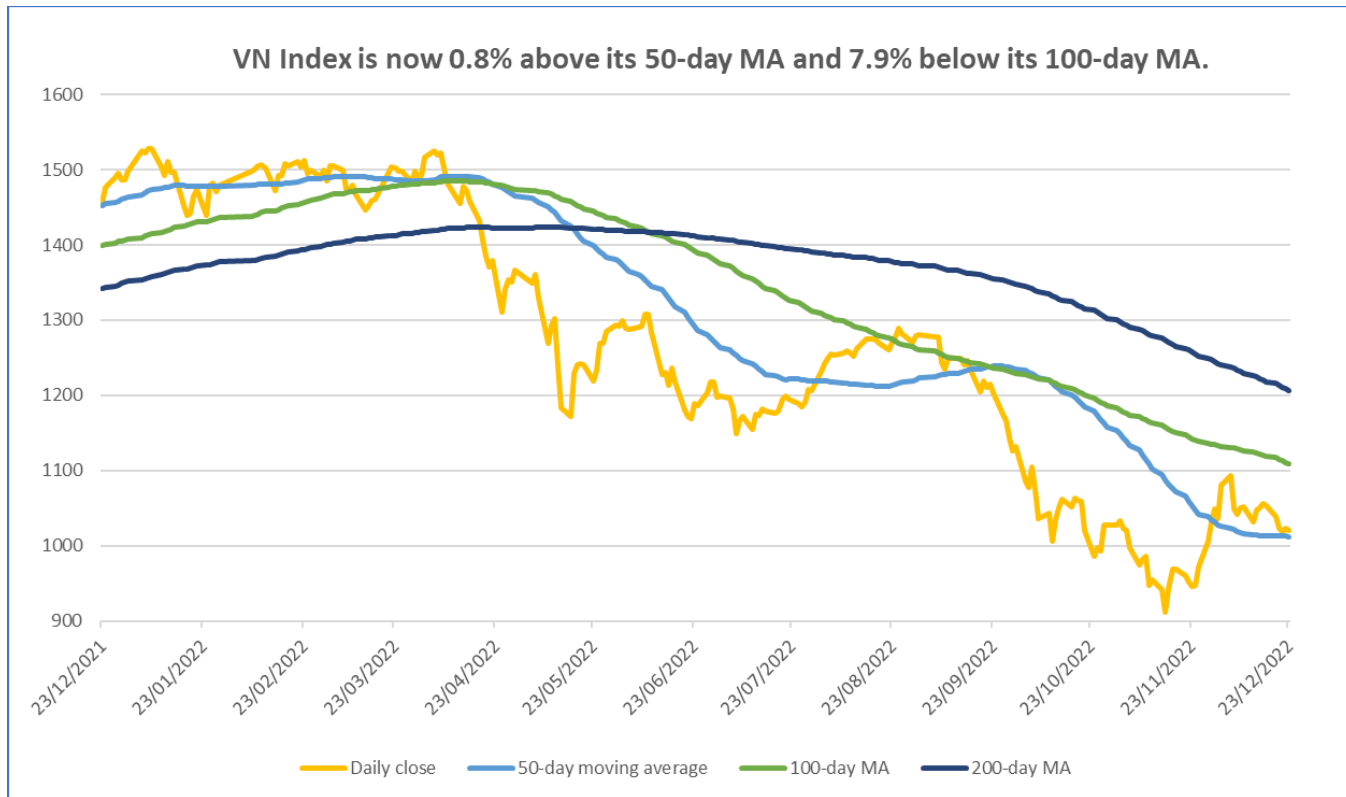
Source: Bloomberg (Dec 23)

VNI breadth

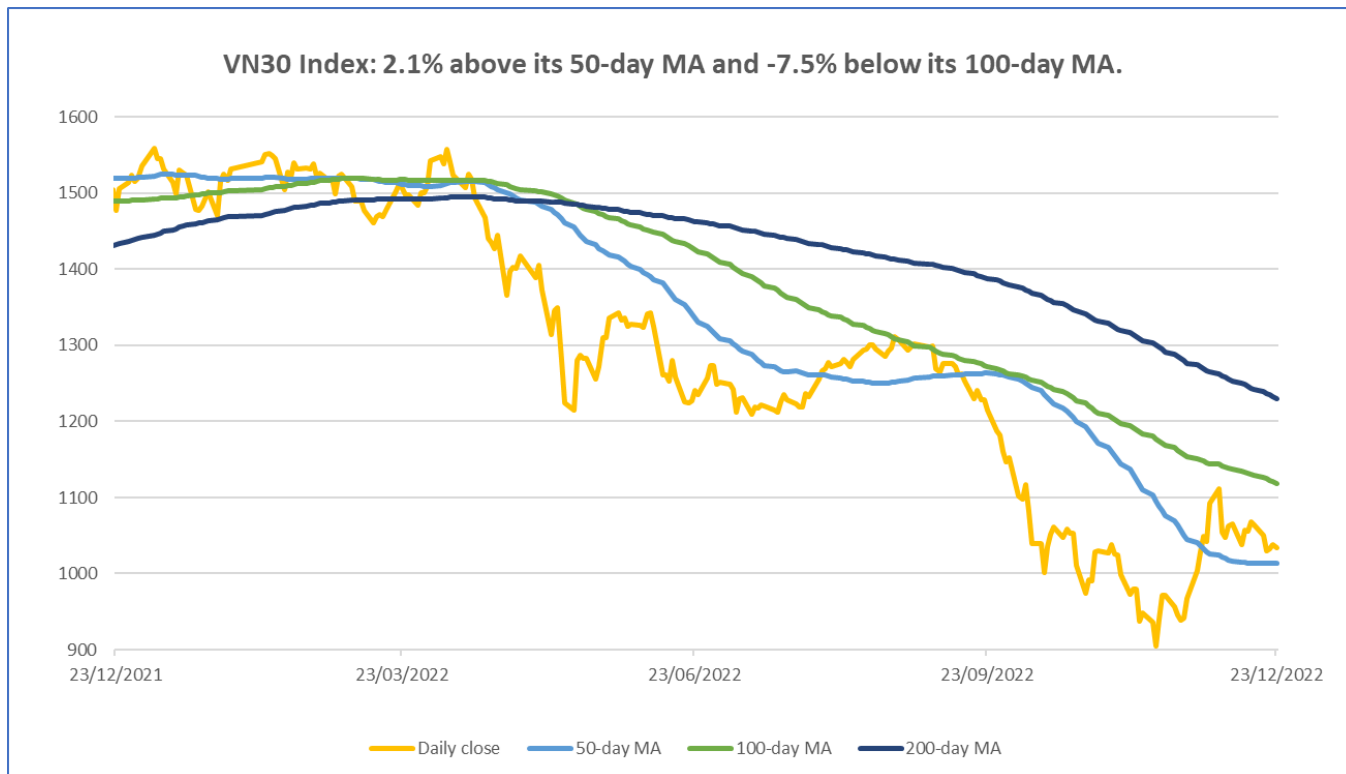
	WoW	MoM	YTD
Gainers	77	304	52
Losers	301	87	331

Source: Bloomberg (Dec 23)

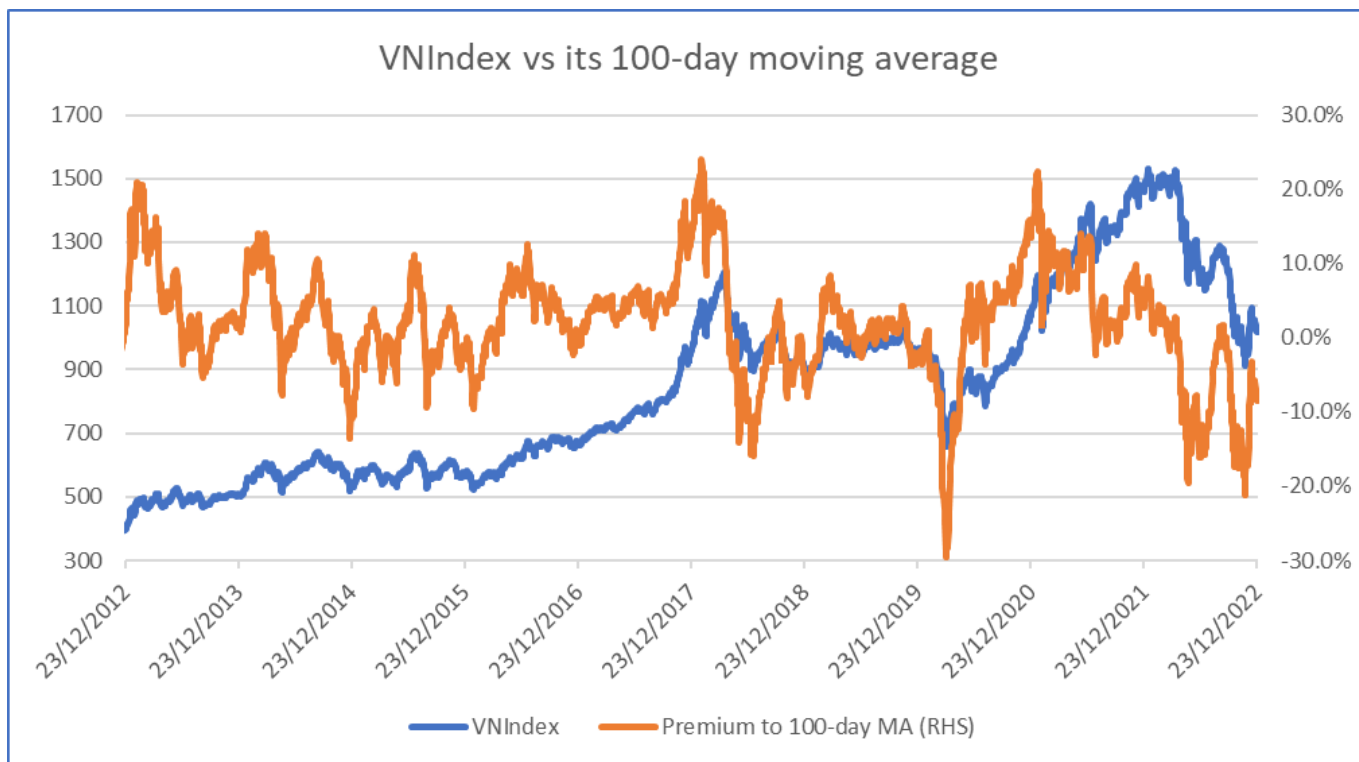
Source: Bloomberg, Yuanta Vietnam



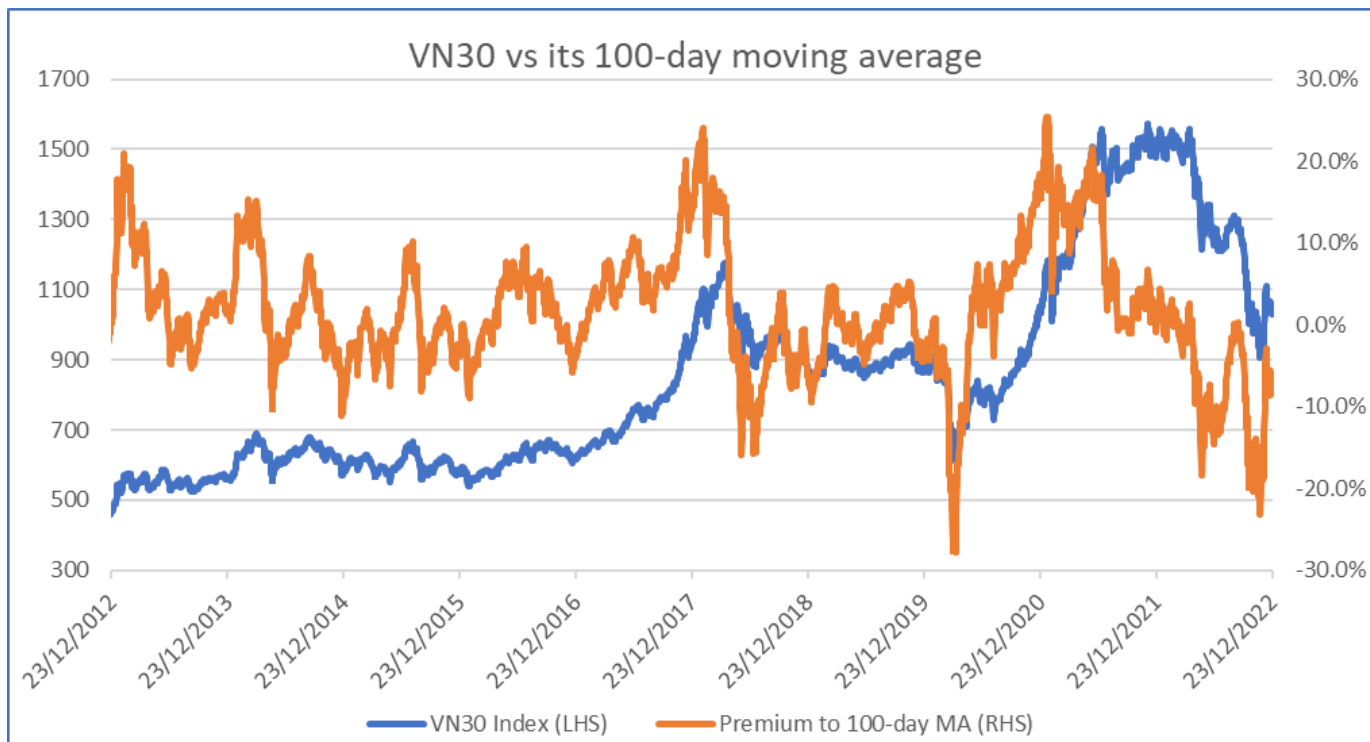
Source: Bloomberg, Yuanta Vietnam



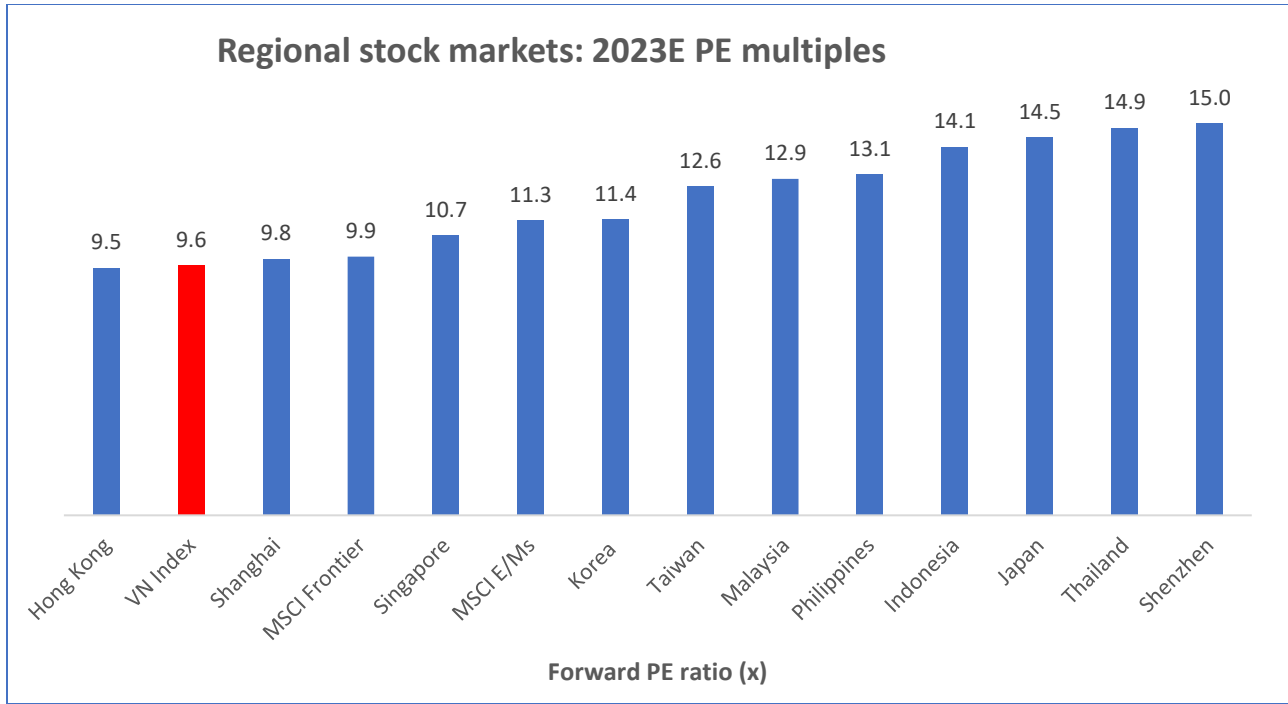
Source: Bloomberg, Yuanta Vietnam



Source: Bloomberg, Yuanta Vietnam

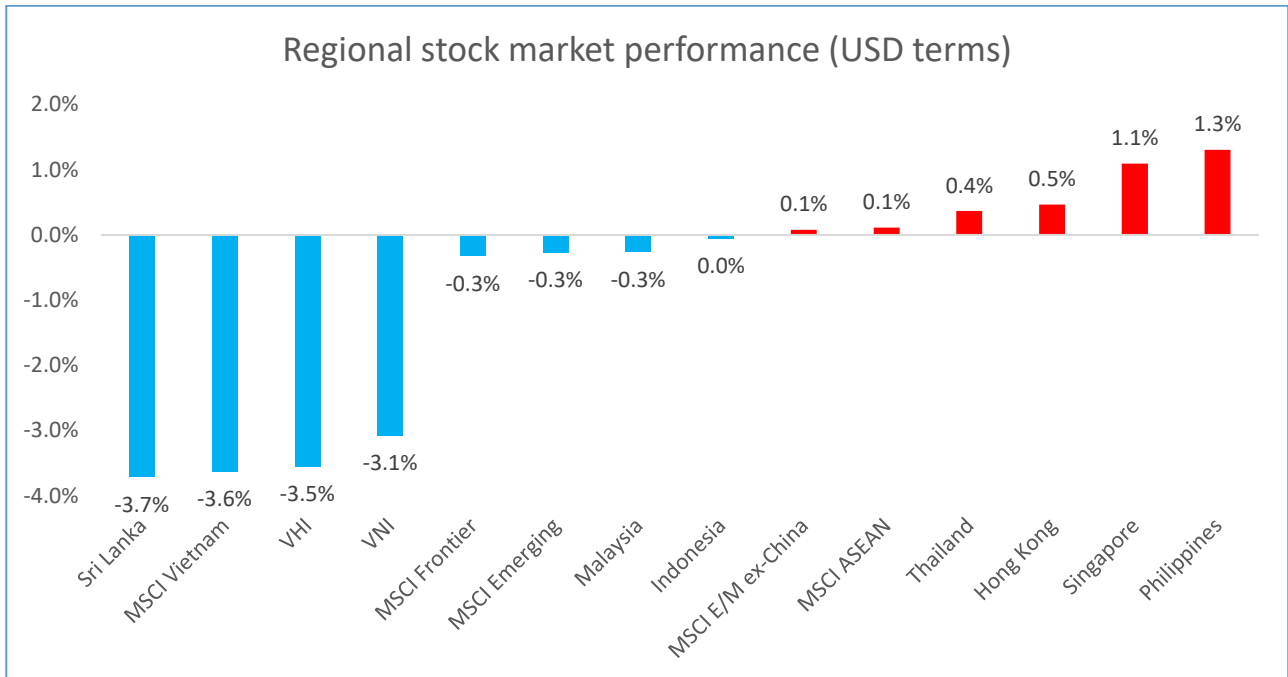


Source: Bloomberg, Yuanta Vietnam



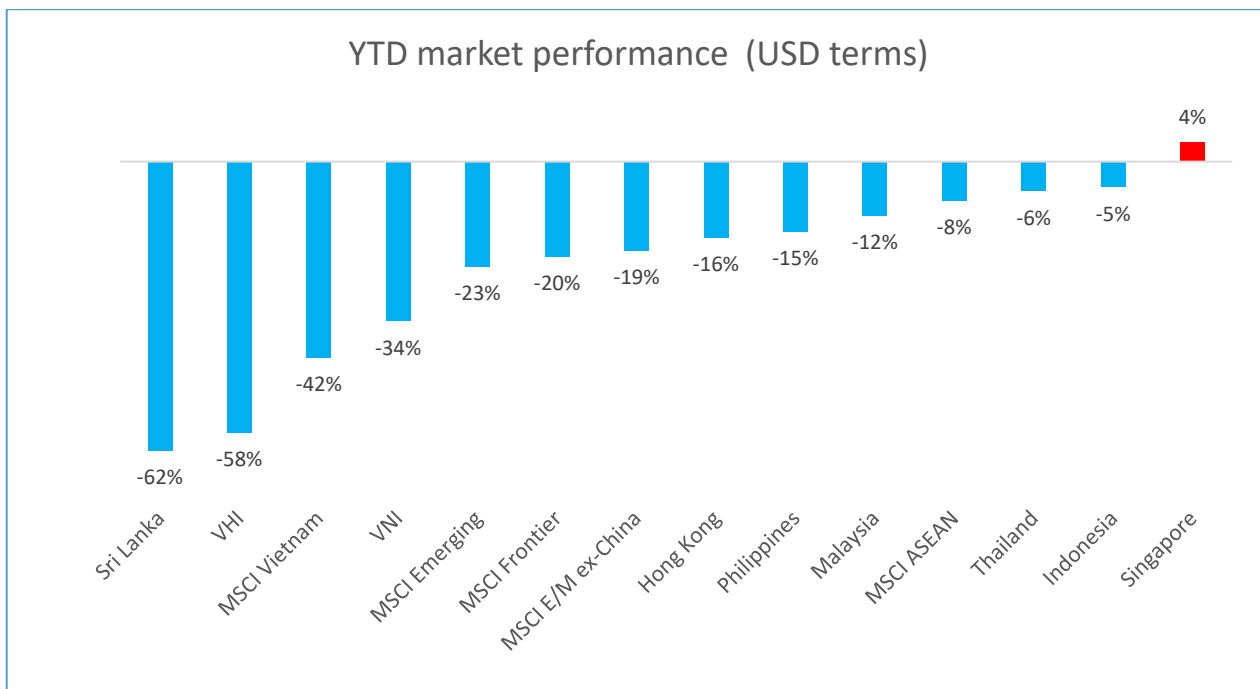
Source: Bloomberg, Yuanta Vietnam (Dec 23)

The VNI -3.1% WoW in USD terms



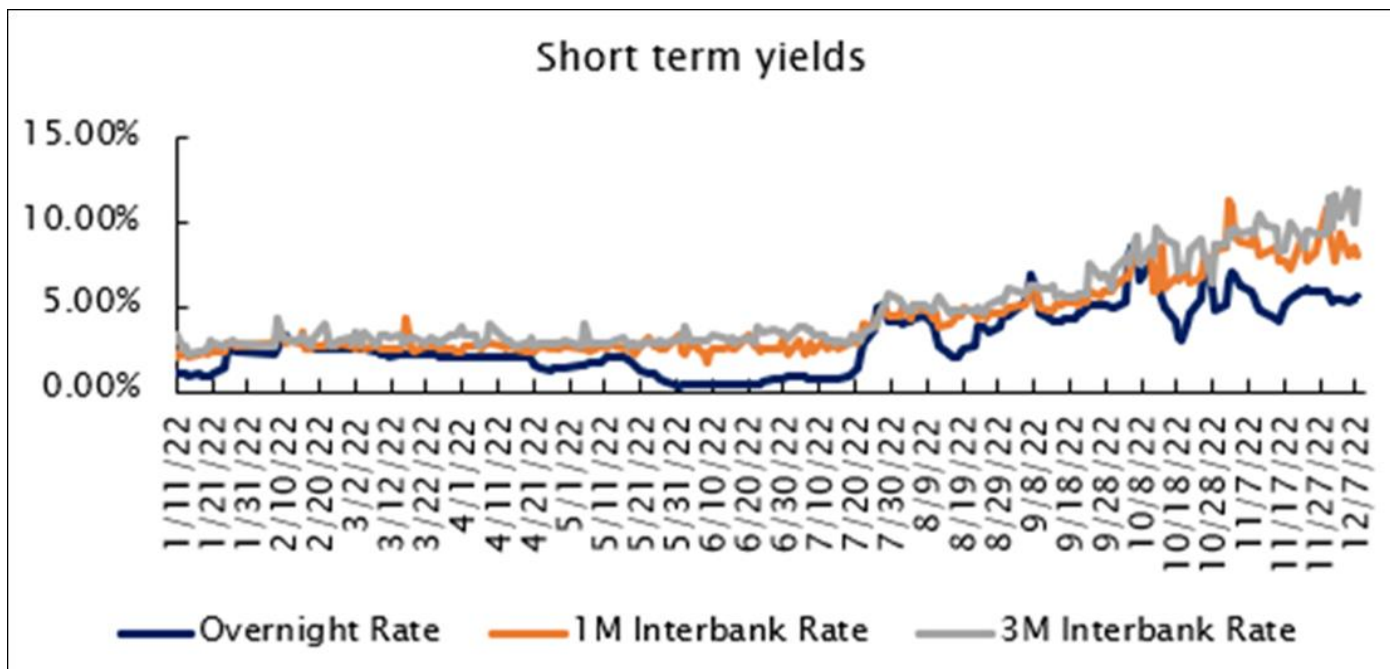
Source: Bloomberg, Yuanta Vietnam (Dec 23)

Vietnam: Not quite the “worst performing market in the world” in USD terms



Source: Bloomberg, Yuanta Vietnam (Dec 23)

- **Interbank liquidity remains tight**
- The overnight rate increased by +35bps WoW to reach 5.67% on Dec 7
- Since the beginning of 2022, the overnight rate has jumped by +3.87ppt YTD.



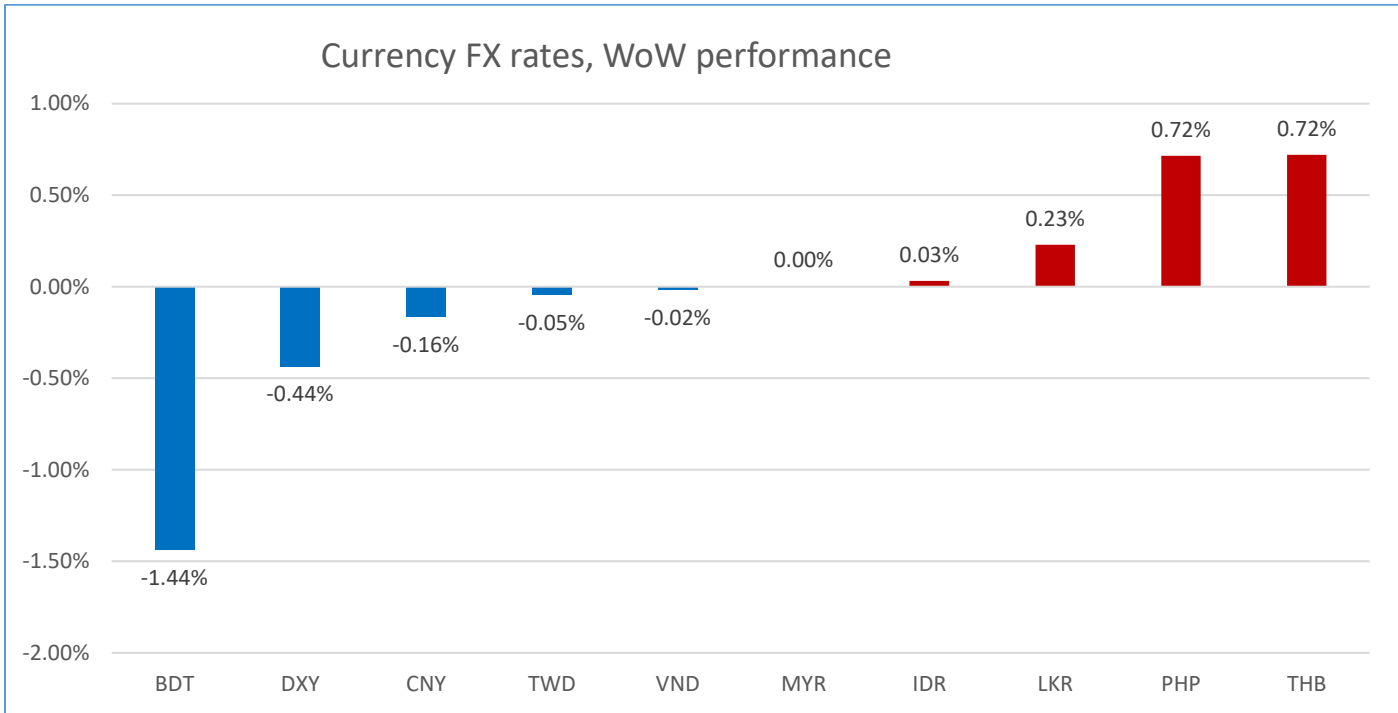
Credit quota increase

- **The SBV increased credit quotas** for 2022 by another 1.5-2.0% for some banks.
- Generally, banks with strong balance sheets, liquidity, and profitability were granted higher than average credit quotas, which makes sense.
- In addition, the banks that have agreed to consolidate small weak players were granted even higher credit quotas, including MBB (2022 credit quota: 25%), HDB (26%), VCB (19%) and VPB (28%).
- The complete details are below:

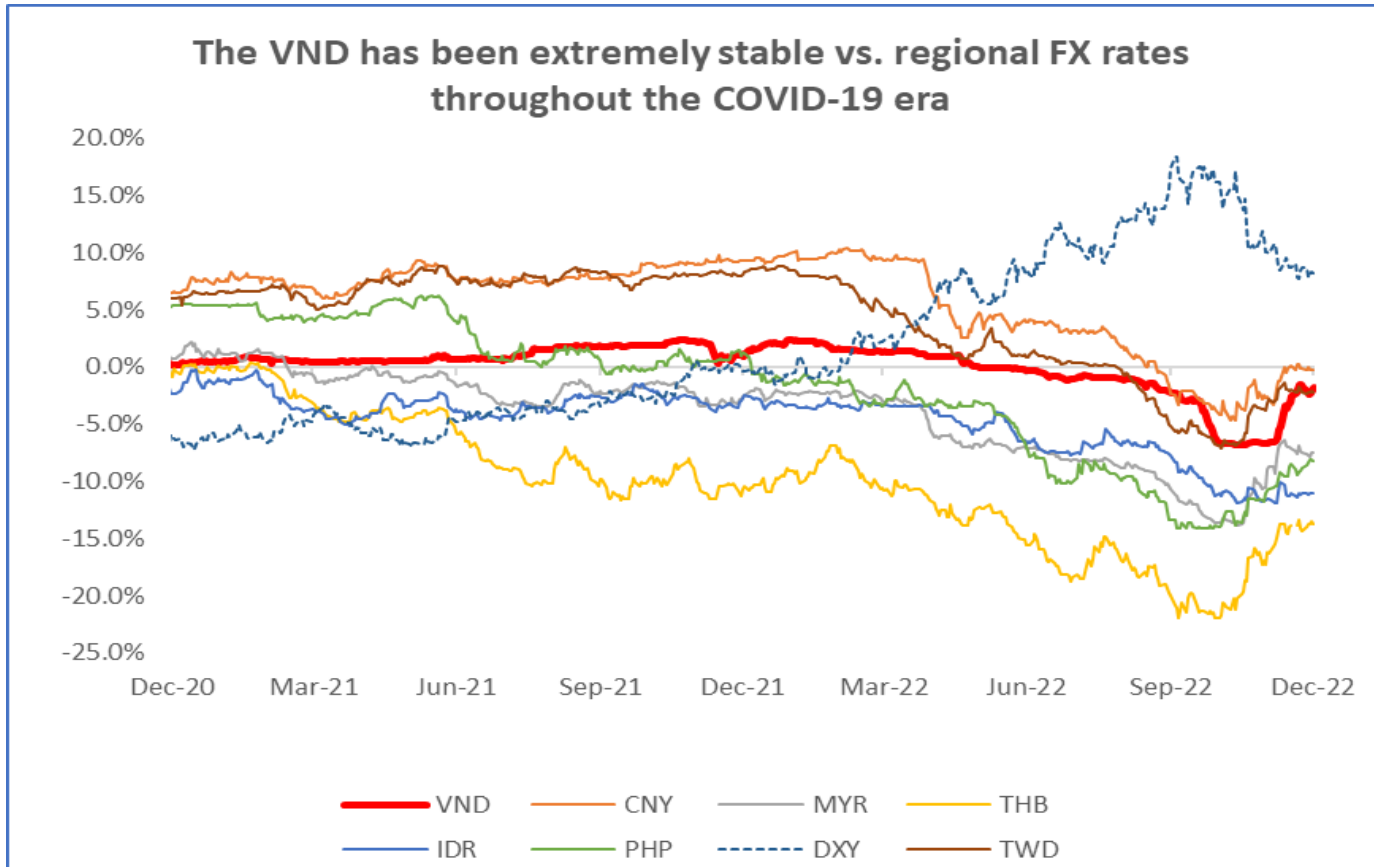
Banks	Additional credit quota	Total credit quota	Credit growth (YTD) as at 3Q22
ACB	2.0%	15.0%	11.1%
BID	2.0%	12.7%	10.1%
CTG	2.0%	12.7%	10.2%
MBB	2.0%	25.1%	17.1%
TPB	2.0%	15.2%	11.7%
EIB	2.0%	13.2%	11.1%
HDB	1.5%	26.1%	18.1%
VIB	1.5%	15%	12.6%
MSB	1.5%	17%	10.1%
VCB	0.5%	19.1%	17.3%
VPB	1.0%	28.4%	15.1%

Source: Media, FiinPro, Yuanta Vietnam

Regional currencies: VND was down -2bps last week

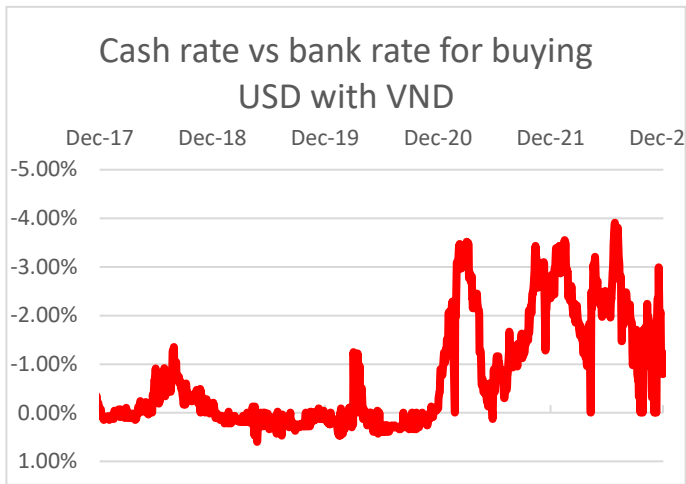


Source: Bloomberg (Dec 23)



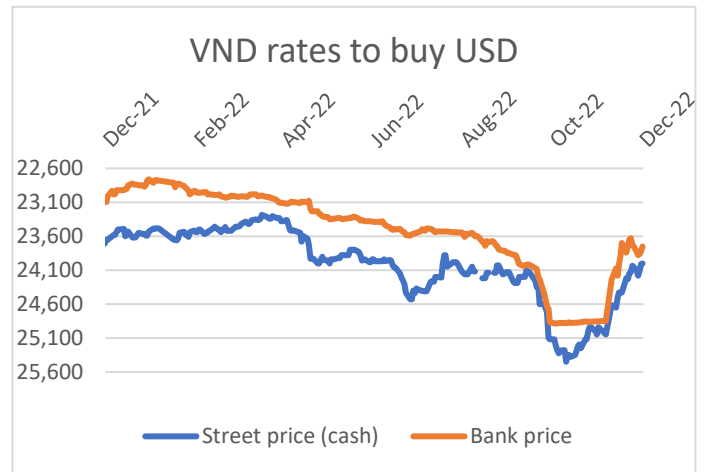
Source: Bloomberg (Dec 23)

US dollar cash premium to the official bank rate has declined to just 1%...



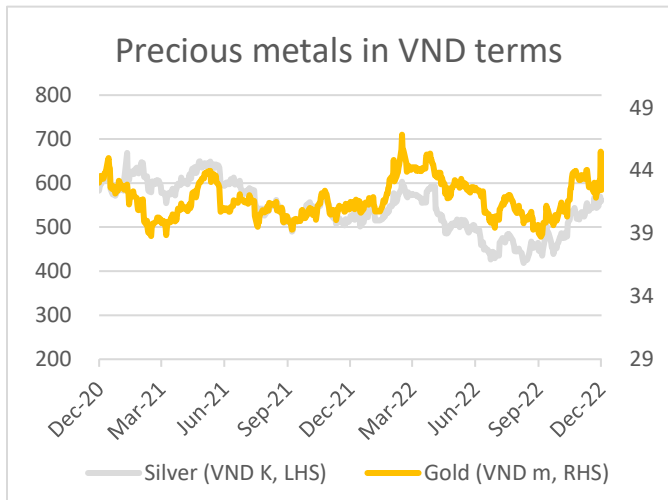
Source: FiinPro, Yuanta Vietnam. Bank data refers to VCB's published electronic selling price vs. the "free market" price for USD notes.

...as the official rate has fallen sharply, especially last week.



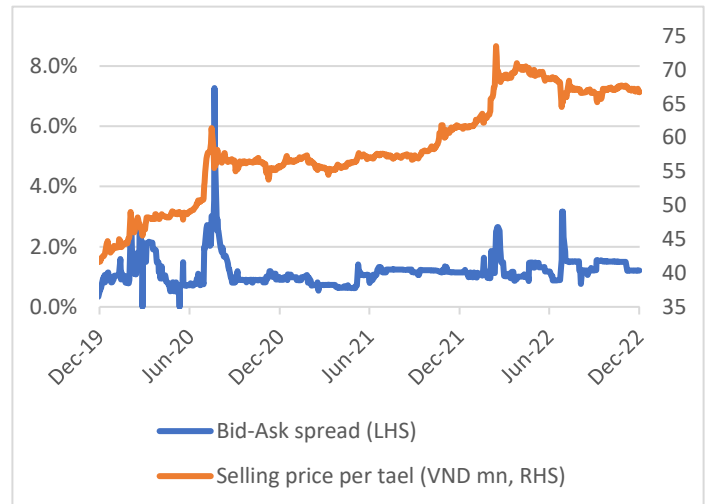
Source: FiinPro, Yuanta Vietnam

Global precious metals may be bottoming vs. the USD (and thus, the VND too).

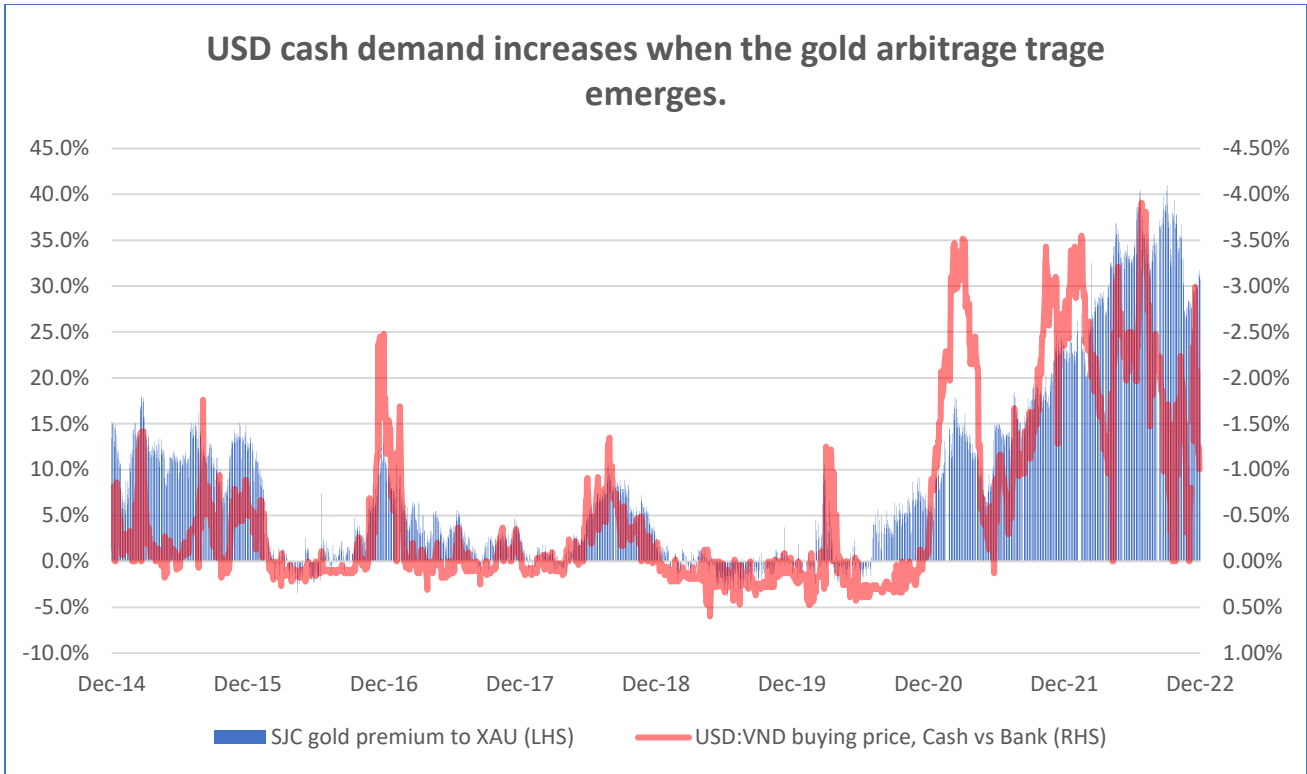


Source: FiinPro, Yuanta Vietnam. Bank data refers to VCB's published electronic selling price vs. the "free market" price for USD notes.

SJC gold premium remains high, but bid-ask spreads have come down.

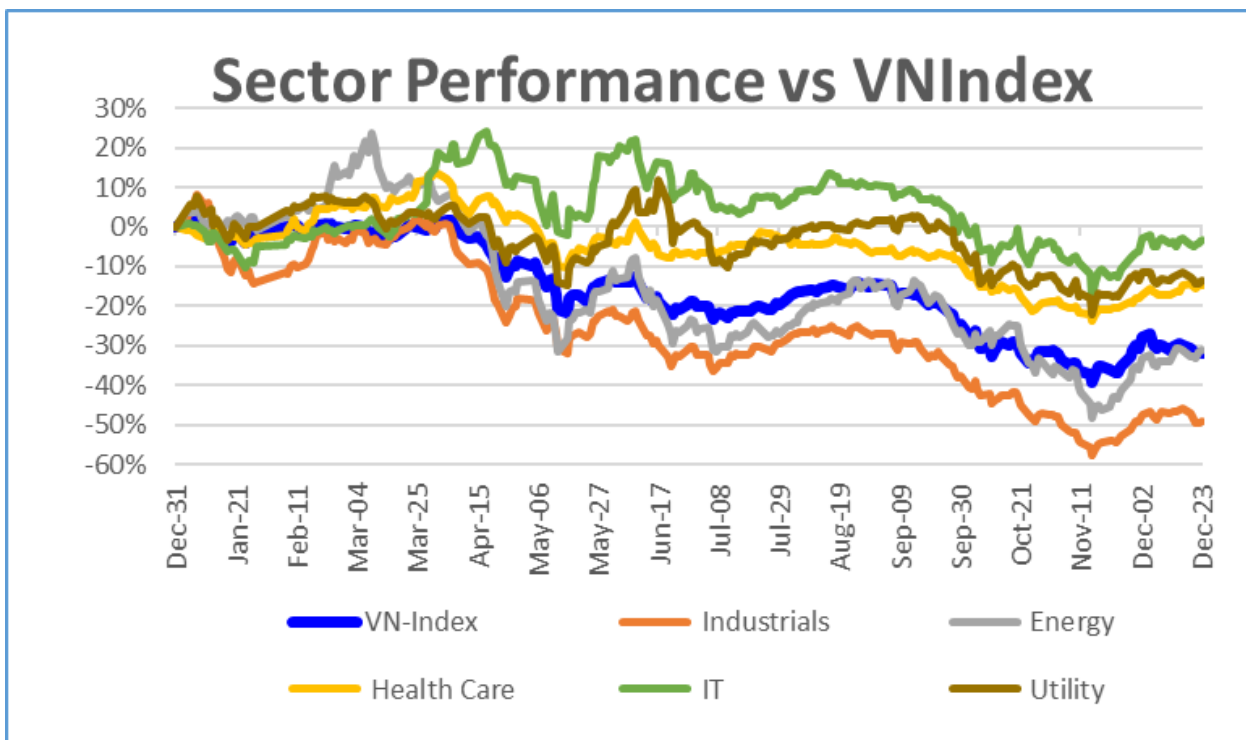
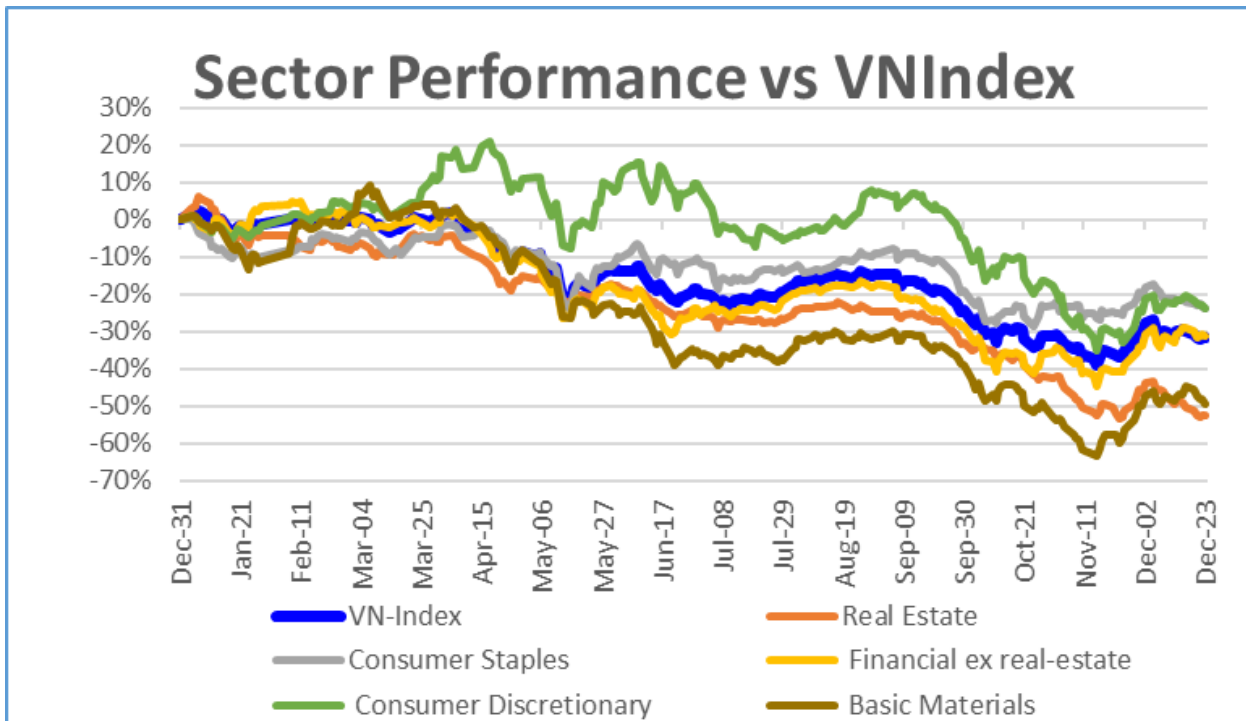


Source: FiinPro, Yuanta Vietnam



Source: FiinPro, Bloomberg, Yuanta Vietnam (Dec 23)

Sector performance YTD



Source: Bloomberg (Dec 23)

Yuanta Universe: Valuations and ratings

Sector	Stock Code	PER (x)			EPS Growth (%)			PEG (x)			PBV (x)			ROE (%)			ROA (%)		
		2021A	2022E	2023E	2021A	2022E	2023E	2021A	2022E	2023E	2021A	2022E	2023E	2021A	2022E	2023E	2021A	2022E	2023E
Banks	ACB VN	6.1	5.4	4.2	7.7	12.9	28.1	0.8	0.4	0.1	1.4	1.1	0.9	23.0	22.9	23.4	2.0	2.2	2.4
	BID VN	22.6	14.4	11.4	50.3	56.3	26.3	0.4	0.3	0.4	2.4	2.1	1.8	10.5	14.8	16.3	0.7	0.9	1.0
	HDB VN	5.6	4.8	4.4	15.1	15.8	8.7	0.4	0.3	0.5	1.1	1.1	0.9	21.8	22.6	21.7	1.9	2.0	2.1
	MBB VN	4.8	4.3	3.5	24.1	10.9	23.1	0.2	0.4	0.2	1.1	0.9	0.7	21.4	21.5	21.6	2.4	2.7	2.9
	STB VN	14.4	12.5	10.5	30.5	15.1	19.0	0.5	0.8	0.6	1.3	1.2	1.1	9.5	9.8	10.5	0.7	0.8	0.8
	VCB VN	18.9	14.8	10.6	23.9	27.1	40.2	0.8	0.5	0.3	3.4	2.6	2.2	19.6	20.1	22.5	1.6	1.8	2.1
	VPB VN	5.4	4.1	3.9	(19.9)	31.0	6.1	n/a	0.1	0.6	1.0	0.8	0.7	16.9	19.9	17.0	2.4	3.5	3.4
Brokers	HCM VN	7.6	7.5	7.3	109.5	2.4	2.7	0.1	3.1	2.7	1.3	1.2	1.1	19.5	16.9	15.9	6.2	4.7	3.9
	SSI VN	5.4	7.6	7.5	49.8	(28.8)	1.4	0.1	n/a	5.2	1.3	1.1	1.0	22.5	18.5	14.0	6.2	6.8	6.5
	VCI VN	5.6	5.3	5.2	(3.1)	5.4	2.9	n/a	1.0	1.8	1.3	1.1	1.0	22.9	22.7	20.9	8.8	8.8	8.3
	VND VN	5.6	6.0	5.1	212.3	(7.4)	17.9	0.0	n/a	0.3	1.5	1.4	1.1	34.9	27.0	25.6	8.7	7.4	8.1
Energy	PVD VN	392.4	11.7	6.2	(89.7)	3,245.0	88.4	n/a	0.0	0.1	0.5	0.5	0.5	0.1	4.6	8.8	0.1	3.2	5.7
	NT2 VN	18.1	14.0	12.6	(25.3)	28.7	11.1	n/a	0.5	1.1	2.2	2.2	2.1	15.9	17.5	17.7	7.4	9.6	10.4
	PC1 VN	7.7	5.9	5.0	(6.8)	31.3	17.8	n/a	0.2	0.3	0.8	0.7	0.6	12.6	13.6	14.1	4.7	5.1	6.4
Consumer	MSN VN	17.9			22.9	20.9	4.2	0.8	0.8	0.8	2.4	2.1	1.8	14.5	15.2	13.7	8.0	8.9	8.2
	PNJ VN	26.1	14.2	12.2	(3.4)	68.4	16.2	n/a	0.2	0.8	4.1	3.4	3.2	17.2	23.2	26.5	11.2	13.9	15.6
	DGW VN	8.7	7.4		8.5	17.8	(100.0)	1.0	0.4	n/a	1.5	1.5	1.5	18.4	18.4	18.4	7.1	7.1	7.1
Oil & GAS	POW VN	11.3	10.6	11.1	14.8	6.8	(5.0)	0.8	1.5	n/a	0.9	0.7	0.7	7.4	7.6	6.9	4.5	4.6	3.8
Property	KBC VN	7.3	3.8	2.7	230.0	91.0	40.0	0.0	0.0	0.1	1.0	0.8	0.7	14.0	22.0	26.0	6.0	10.0	12.0
	DXG VN	6.8	8.7	4.4	(303.0)	(22.0)	97.0	n/a	n/a	0.1	0.9	0.9	0.8	14.0	9.0	15.0	6.0	4.0	6.0
	KDH VN	19.1	11.8	9.5	(31.0)	61.0	25.0	n/a	0.2	0.4	2.0	1.9	1.8	11.0	17.0	21.0	6.0	10.0	13.0
	NLG VN	10.0	9.5	7.9	(3.0)	5.0	20.0	n/a	1.9	0.4	1.1	1.1	1.0	12.0	12.0	14.0	6.0	7.0	7.0
	NVL VN	6.4	5.4	3.6	(41.7)	18.3	53.3	n/a	0.3	0.1	0.4	0.4	0.5	10.0	10.6	14.8	2.3	2.4	3.4
	VHM VN	5.6	4.7	4.4	8.5	19.0	8.4	0.7	0.2	0.5	1.5	1.1	0.9	31.0	28.0	25.0	14.0	14.0	14.0
Transport	ACV VN	21.5			28.8			0.7	n/a	n/a	3.7	3.5	3.2	20.2	11.0	12.6	11.3	5.2	5.3
Industrials	DHC VN	4.3	4.5	4.2	25.4	(3.4)	6.6	0.2	n/a	0.6	1.2	1.1	0.9	31.1	25.6	23.9	20.6	12.7	10.1
	BWE VN	14.3	12.2	9.8	46.1	17.0	24.9	0.3	0.7	0.4	2.3	2.0	1.8	20.4	18.8	20.6	8.6	8.6	10.6

Stock ratings and pricing data is as of close on Dec 23 2022

Source: Bloomberg, Yuanta Vietnam



Appendix A: Important Disclosures

Analyst Certification

Each research analyst primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report.

Ratings Definitions

BUY: We have a positive outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors add to their position.

HOLD–Outperform: In our view, the stock's fundamentals are relatively more attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.

HOLD–Underperform: In our view, the stock's fundamentals are relatively less attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.

SELL: We have a negative outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors reduce their position.

Under Review: We actively follow the company, although our estimates, rating and target price are under review.

Restricted: The rating and target price have been suspended temporarily to comply with applicable regulations and/or Yuanta policies.

Note: Yuanta research coverage with a Target Price is based on an investment period of 12 months. Greater China Discovery Series coverage does not have a formal 12 month Target Price and the recommendation is based on an investment period specified by the analyst in the report.

Global Disclaimer

© 2019 Yuanta. All rights reserved. The information in this report has been compiled from sources we believe to be reliable, but we do not hold ourselves responsible for its completeness or accuracy. It is not an offer to sell or solicitation of an offer to buy any securities. All opinions and estimates included in this report constitute our judgment as of this date and are subject to change without notice.

This report provides general information only. Neither the information nor any opinion expressed herein constitutes an offer or invitation to make an offer to buy or sell securities or other investments. This material is prepared for general circulation to clients and is not intended to provide tailored investment advice and does not take into account the individual financial situation and objectives of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities, investments or investment strategies discussed or recommended in this report. The information contained in this report has been compiled from sources believed to be reliable but no representation or warranty, express or implied, is made as to its accuracy, completeness or correctness. This report is not (and should not be construed as) a solicitation to act as securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on such business in that jurisdiction.

Yuanta research is distributed in the United States only to Major U.S. Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended and SEC staff interpretations thereof). All transactions by a US person in the securities mentioned in this report must be effected through a registered broker-dealer under Section 15 of the Securities Exchange Act of 1934, as amended. Yuanta research is distributed in Taiwan by Yuanta Securities Investment Consulting. Yuanta research is distributed in Hong Kong by Yuanta Securities (Hong Kong) Co. Limited, which is licensed in Hong Kong by the Securities and Futures Commission for regulated activities, including Type 4 regulated activity (advising on securities). In Hong Kong, this research report may not be redistributed, retransmitted or disclosed, in whole or in part or and any form or manner, without the express written consent of Yuanta Securities (Hong Kong) Co. Limited.

Taiwan persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research
Yuanta Securities Investment Consulting
4F, 225,
Section 3 Nanking East Road, Taipei 104
Taiwan

Hong Kong persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research
Yuanta Securities (Hong Kong) Co. Ltd
23/F, Tower 1, Admiralty Centre
18 Harcourt Road,
Hong Kong

Korean persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Head Office
Yuanta Securities Building
Euljiro 76 Jung-gu
Seoul, Korea 100-845
Tel: +822 3770 3454

Indonesia persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research
PT YUANTA SECURITIES INDONESIA
(A member of the Yuanta Group)
Equity Tower, 10th Floor Unit EFGH
SCBD Lot 9
Jl. Jend. Sudirman Kav. 52-53
Tel: (6221) - 5153608 (General)

Thailand persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Research department
Yuanta Securities (Thailand)
127 Gaysorn Tower, 16th floor
Ratchadamri Road, Pathumwan
Bangkok 10330

Vietnam persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Research department
Yuanta Securities (Vietnam)
4th Floor, Saigon Centre
Tower 1, 65 Le Loi Boulevard,
Ben Nghe Ward, District 1,
HCMC, Vietnam

YUANTA SECURITIES NETWORK



YUANTA SECURITIES VIETNAM OFFICE

Head office: 4th Floor, Saigon Centre, Tower 1, 65 Le Loi Boulevard, Ben Nghe Ward, District 1, HCMC, Vietnam

Institutional Research

Matthew Smith, CFA
Head of Research
Tel: +84 28 3622 6868 (ext. 3815)
matthew.smith@yuanta.com.vn

Binh Truong
Deputy Head of Research (O&G, Energy)
Tel: +84 28 3622 6868 (ext. 3845)
binh.truong@yuanta.com.vn

Tanh Tran
Analyst (Banks)
Tel: +84 28 3622 6868 (ext. 3874)
tanh.tran@yuanta.com.vn

Tam Nguyen
Analyst (Property)
Tel: +84 28 3622 6868 (ext. 3874)
tam.nguyen@yuanta.com.vn

Di Luu
Assistant Analyst
Tel: +84 28 3622 6868 (ext. 3845)
di.luu@yuanta.com.vn

Institutional Sales

Tuan-Anh Nguyen
Sales Trader
Tel: +84 28 3622 6868 (ext. 3909)
anh.nguyen2@yuanta.com.vn

Vi Truong
Sales Trader
Tel: +84 28 3622 6868 (3940)
vi.truong@yuanta.com.vn

Dat Bui
Sales Trader
Tel: +84 28 3622 6868 (3941)
dat.bui@yuanta.com.vn