

Strategy Monthly: Dream Weaver

Matthew Smith, CFA

Head of Research

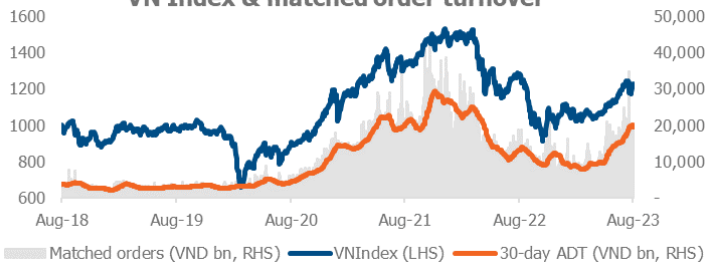
matthew.smith@yuanta.com.vn

Di Luu

Assistant Analyst

A one-day correction? The VNI peaked at an intraday high of 1246 on Aug 8 before falling by -8% to its monthly low of 1149 two weeks later. Of course, the main event was the sudden -5% DoD drop on Aug 18, but ultimately the index clawed back most of those losses to post a flat MoM performance in August (albeit down -1.6% MoM in USD terms). ADT soared during the selloff but almost halved during the late August recovery, while monthly breadth switched to negative. With a healthy dollop of nervousness, our call is that investors should not aggressively chase the market from here as another near-term pullback is not impossible. But we are still positive on the longer term, supported by increased evidence of an incipient macro recovery.

VN Index & matched order turnover



Monthly Index Performance

- **VNINDEX:** 1224 (+0.1% MoM / +21.5% YTD / -4.4% YoY)
- **VHINDEX:** 250 (+4.3% MoM / +21.6% YTD / -14.4% YoY)
- **UPCOM Index:** 93 (+4.4% MoM / +30.2% YTD / +1.0% YoY)
- **Average daily turnover:** US\$1076mn (+20% MoM)
- **Foreigners net sold US\$125.6mn** in Aug.
- **VND:USD rate:** 24,100 (-171bp MoM / -194bp YTD / -269bp YoY)

VN30 Components

Ticker	Closing price (VND K)	MoM chg	Cont to VN30 (MoM)	TTM PE (x)
ACB	22.6	-1.5%	-8%	6
BCM	72.2	-10.9%	-2%	214
BID	47.0	-0.5%	0%	12
BVH	45.2	-6.1%	-1%	20
CTG	32.5	8.2%	13%	9
FPT	96.7	14.2%	103%	21
GAS	98.6	0.5%	0%	15
GVR	21.9	-2.2%	-1%	30
HDB	16.9	-2.9%	-7%	6
HPG	27.6	-2.1%	-13%	--
MBB	18.5	-1.9%	-7%	5
MSN	81.5	-6.6%	-24%	86
MWG	53.8	0.2%	1%	50
PLX	38.6	-7.1%	-2%	18
POW	12.8	-6.6%	-3%	19
SAB	158.0	0.8%	1%	23
SHB	12.5	-1.2%	-3%	6
SSB	28.1	-3.6%	-10%	20
SSI	33.4	12.6%	31%	31
STB	32.7	12.8%	55%	9
TCB	34.5	0.6%	3%	7
TPB	19.6	4.5%	8%	7
VCB	89.1	-2.7%	-10%	15
VHM	54.7	-13.2%	-54%	5
VIB	20.4	-2.2%	-4%	6
VIC	62.1	12.7%	63%	39
VJC	98.0	-3.9%	-7%	--
VNM	77.8	3.1%	14%	22
VPB	21.0	-5.4%	-37%	12
VRE	30.3	2.2%	4%	19

Source: Bloomberg, Yuanta Vietnam. Price date: Aug 31, 2023

No called strikes for the sell-side. Our August 9 [monthly](#) discussed our cautious short-term tactical call for a c.10% correction toward the VNI's 100-day moving average. That briefly seemed prescient when the VNI dropped -5% on Aug 18 under the highest daily trading in 17 months. But the slow-and-steady recovery into September has erased most of that correction. The relatively light volumes driving the rebound have failed to impress, but we remain positive on the longer-term outlook as the macro clouds abate.

ADT trends underline our tactical caution. The good news (especially for [brokers](#)) is that monthly ADT surpassed US\$1bn in August, more than double its level of 1Q23 and the highest since April 2022. But ADT was far higher at US\$1,145mn in the 14 sessions leading up to the Aug 18 correction. Although the VNI recovered most of its lost ground in the final 9 days of trading, ADT during this period fell by -15% to reach US\$969mn. The reduced volumes during the market bounce suggests low conviction.

Banks – CAMEL update. Tanh Tran presented an [update](#) of his sector views based on our proprietary CAMEL analytical framework that combines ratio analysis and qualitative examinations of the 27 listed banks. Tanh expects credit growth to improve in 2H23 but is concerned about underlying asset quality deterioration amid forbearance policies. Our top picks are now ACB, MBB, and HDB (all rated BUY). See p. 13-17 for details.

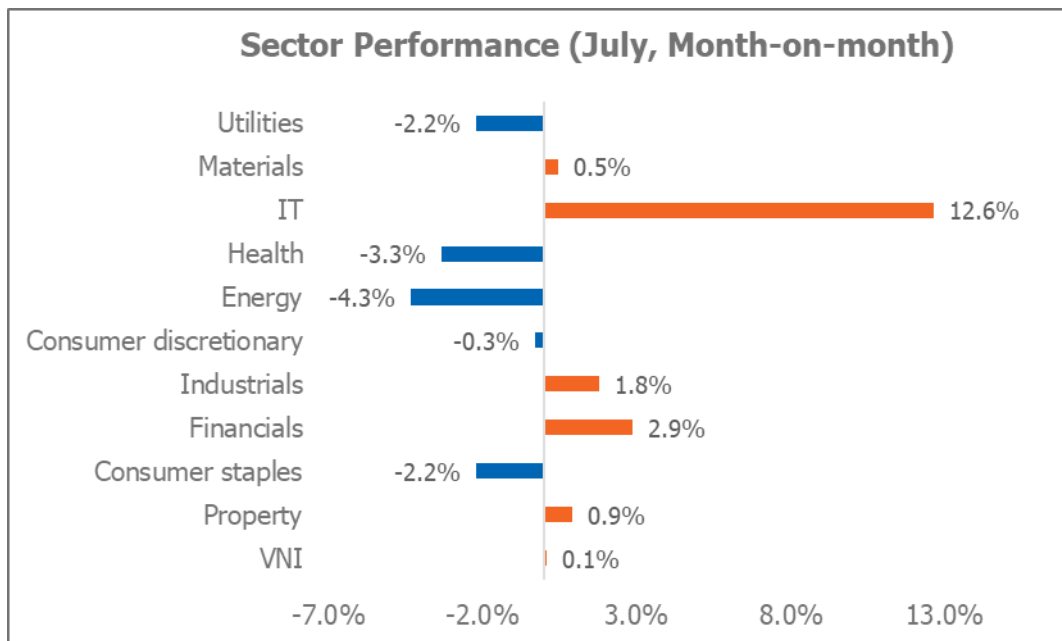
Macro: I believe we can reach the morning light. August's manufacturing PMI exceeded 50 for the first time since February, confirming Binh Truong's [call](#) last month that manufacturing activity likely bottomed out in June. Regional recommendation upgrades of [Feng Tay](#) and [Makalot](#), which are both major FDI textiles producers in Vietnam, further support our [thesis](#) that manufacturing has troughed and should slowly improve going forward. YTD growth in consumer spending is back in the double-digits, but inflationary pressures are likely to drive CPI higher from here (see p. 22-30).

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	2023E Dividend yield	12-m TSR*
Banks	Asia Commercial Bank	ACB VN	3,642	9.2	BUY	22,600	28,510	26%	4.4%	31%
	BIDV	BID VN	9,855	3.1	HOLD-Underperform	46,950	42,780	-9%	0.0%	-9%
	HD Bank	HDB VN	2,022	2.0	BUY	16,850	22,390	33%	5.9%	39%
	MB Bank	MBB VN	4,003	9.0	BUY	18,500	25,260	37%	2.7%	39%
	Sacombank	STB VN	2,554	26.3	HOLD-Underperform	32,650	33,575	3%	0.0%	3%
	Vietcombank	VCB VN	20,663	4.1	BUY	89,100	99,420	12%	0.9%	12%
	Vietnam Prosperity Bank	VPB VN	5,836	15.1	BUY	20,950	25,540	22%	4.8%	27%
Brokers	HCM City Securities	HCM VN	620	7.5	BUY	32,700	33,805	3%	2.4%	6%
	Saigon Securities	SSI VN	2,078	25.1	BUY	33,400	32,187	-4%	1.1%	-3%
	Viet Capital Securities	VCI VN	855	8.1	BUY	47,100	45,580	-3%	2.1%	-1%
	VNDirect Securities	VND VN	1,188	27.9	BUY	23,500	24,019	2%	2.0%	4%
Energy	PV POW	POW VN	1,244	5.2	BUY	12,800	16,877	32%	0.0%	32%
	PV NT2	NT2 VN	333	0.9	SELL	27,900	19,318	-31%	7.2%	-24%
	PCC1	PC1 VN	304	2.9	BUY	27,050	34,123	26%	0.0%	26%
Consumer	Masan Group	MSN VN	4,839	5.9	Suspended	81,500	N/A	N/A	0.0%	N/A
	Phu Nhuan Jewelry	PNJ VN	1,096	3.1	BUY	80,500	101,700	26%	2.2%	29%
	Digiworld	DGW VN	401	4.7	Suspended	57,900	N/A	N/A	0.0%	N/A
	FPT Digital Retail	FRT VN	472	3.8	BUY	83,500	100,607	20%	1.2%	22%
OIL & GAS	PV Drilling	PVD VN	588	5.1	BUY	25,500	36,103	42%	2.7%	44%
Property	Kinh Bac City	KBC VN	1,097	11.3	BUY	34,450	38,300	11%	0.0%	11%
	Dat Xanh Group	DXG VN	563	16.3	BUY	22,250	40,500	82%	0.0%	82%
	Khang Dien House	KDH VN	1,101	3.0	HOLD-Underperform	37,000	35,500	-4%	0.0%	-4%
	Nam Long	NLG VN	620	5.0	HOLD-Underperform	38,900	37,800	-3%	1.3%	-2%
	Novaland	NVL VN	1,655	29.1	Coverage Suspended	20,450	-	-	-	-
	Vinhomes	VHM VN	9,883	7.6	BUY	54,700	76,900	41%	0.0%	41%
Transport	Airports Corp Vietnam	ACV VN	6,775	0.1	HOLD-Underperform	75,000	76,400	2%	0.0%	2%
Industrials	Dohaco	DHC VN	137	0.3	BUY	41,000	63,571	55%	8.7%	64%
	Biwase	BWE VN	396	0.3	BUY	49,500	70,902	43%	4.0%	47%

*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 Aug 31 2023

Source: Bloomberg, Yuanta Vietnam



Source: Bloomberg (Aug 31)

“Fly me high through the starry skies, maybe to an astral plane.”

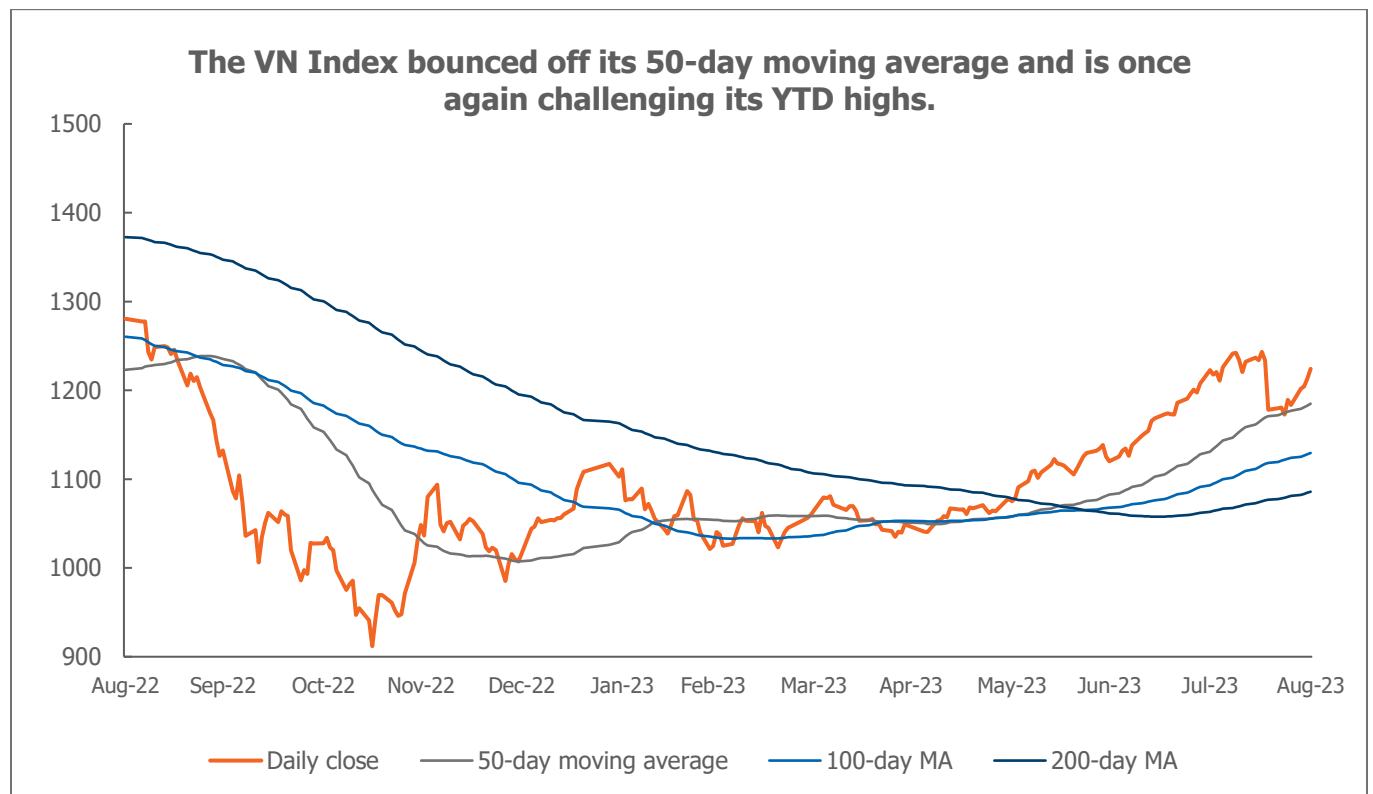
— [Gary Wright](#) (1943-2023)

Fundamentals vs. Technicals: Dream Weaver

The VNI was essentially flat in local currency terms from July 31 to August 31, but the journey (to nowhere, essentially) that it took during the month was anything but a flatline.

Specifically, the mainboard moved up to a YTD intraday peak of 1246 points (up +24% from the start of the year) on August 8. Share price momentum then basically flattened over the next several days until August 18, when the VNI suddenly plummeted by -4.5% DoD, its worst one-day drop since July 27, 2020. The August 8 collapse, which was propelled by US\$1.8 billion (that’s not a typo) in turnover, seemingly resulted from overheating alone, as no specific financial performance, policy, or macro events were unveiled that day.

Given our previous call for a market correction amid signs of overheating, the Aug 18 drop had us feeling quite chuffed – although this sense of our own genius as market timers was not meant to last very long. We thought that the correction was only around halfway done at -8% from the peak, but the VNI found support at its 50-day moving average and went on to post daily increases – under weaker volumes – on 8 of the 10 trading days since the Aug 18 selloff. As such, the VNI has recovered most of its lost ground and is now (as of the Sep 5 close of 1235) again challenging its YTD peak.



Source: Bloomberg, Yuanta Vietnam

We are once again cautious on the near-term market outlook. An (hypothetical) avid reader of our weekly strategy notes might understand our reluctance to suggest that investors adopt aggressive tactics now with the market trading back up toward its mid-August YTD peak under substantially softer volumes. A short recap:

- 1) We started out the month of August with a mildly cautious outlook vis a vis short-term overheating;
- 2) Reasons to remain near-term cautious emerged in the middle of the month, when the index was firmly supported by really just one name – a soaring VIC (Not Rated);

- 3) We were proven to be geniuses when the market crashed by c.5% DoD on August 18; and
- 4) We were proven to be fools when the market clawed its way back up into the end of the month.

The links below provide the evolutionary details:

- **Nothing Compares -- August 7** (*Very strong technicals, but signs of overheating*)
<https://yuanta.com.vn/wp-content/uploads/2023/08/Weekly-Aug-7.pdf>
- **Is this a correction? -- August 14** (*Index remained supported, but really by just one stock*)
<https://yuanta.com.vn/wp-content/uploads/2023/08/Weekly-Aug-14-3.pdf>
- **Freaky Friday -- August 21** (*There's our correction!...*)
<https://yuanta.com.vn/wp-content/uploads/2023/08/Weekly-Aug-21.pdf>
- **Consolidation amid positive monetary & prudential moves -- August 28** (*...Is the correction already done?*) <https://yuanta.com.vn/wp-content/uploads/2023/08/Weekly-Aug-28.pdf>

No called strikes for sell-side strategists. We were cautious (and wrong) two weeks ago, as we anticipated a move down to the 100-day MA – a move that did not occur. As of September 5, the market is again pushing up against its YTD highs and it may indeed continue to move up from here. However, we lack conviction that this will occur, and more importantly the narrowing market breadth and weakened transaction volumes demonstrate that the domestic retail investor is likewise somewhat circumspect.

Of course, Warren Buffett's "[no called strikes](#)" analogy applies to sell-side analysts (who don't get paid to manage other people's money) and also to retail investors (who don't have a mandate that forces them to be in the market).

For our institutional clients, who don't have that luxury, we recommend a cautious approach of seeking value among the quality stocks.

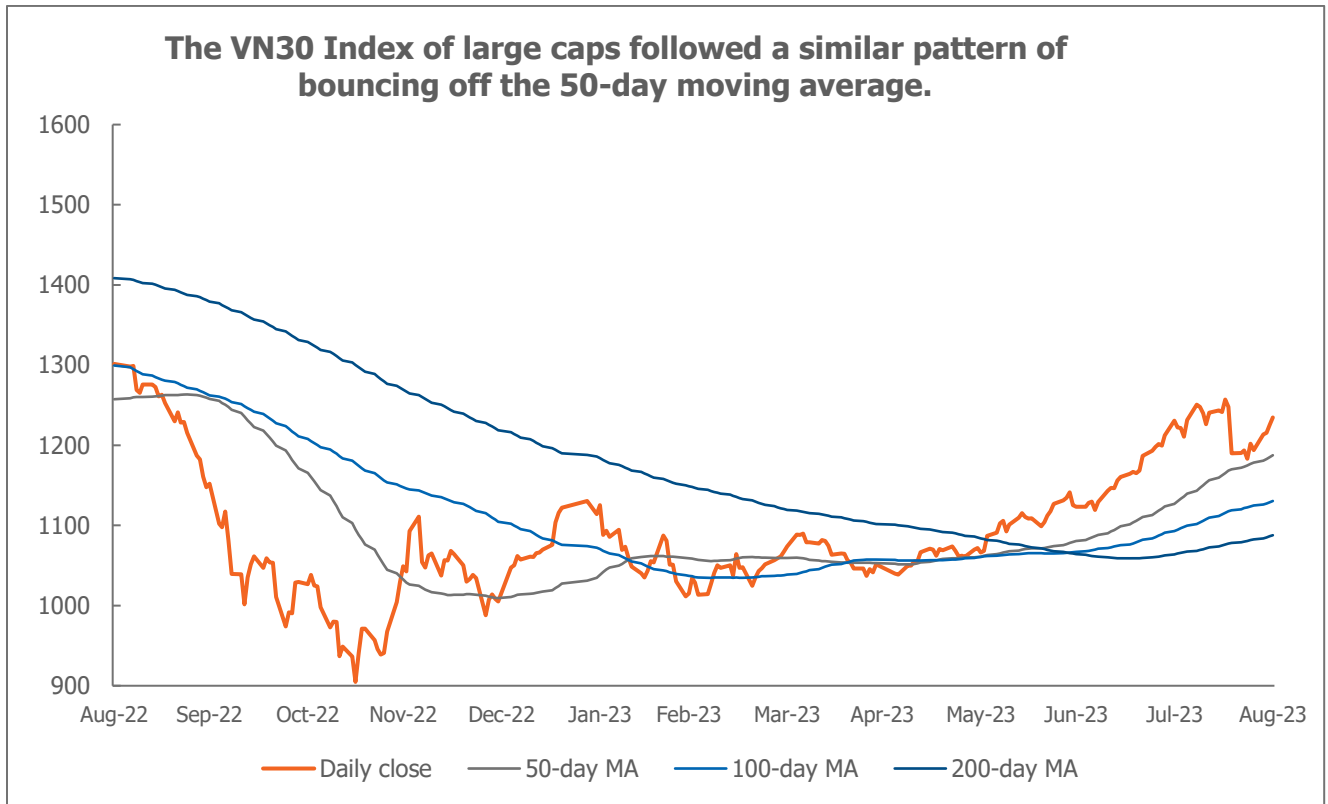
Banks: In our view, banks are likely to continue to outperform as the macro green shoots continue to blossom in 2H23 and beyond. Analyst Tanh Tran's top picks are ACB, MBB, and HDB.

Consumer: We also think that some of the beat-up consumer discretionary names could continue to recover some ground. Sector analyst Di Luu's top picks are PNJ and FRT.

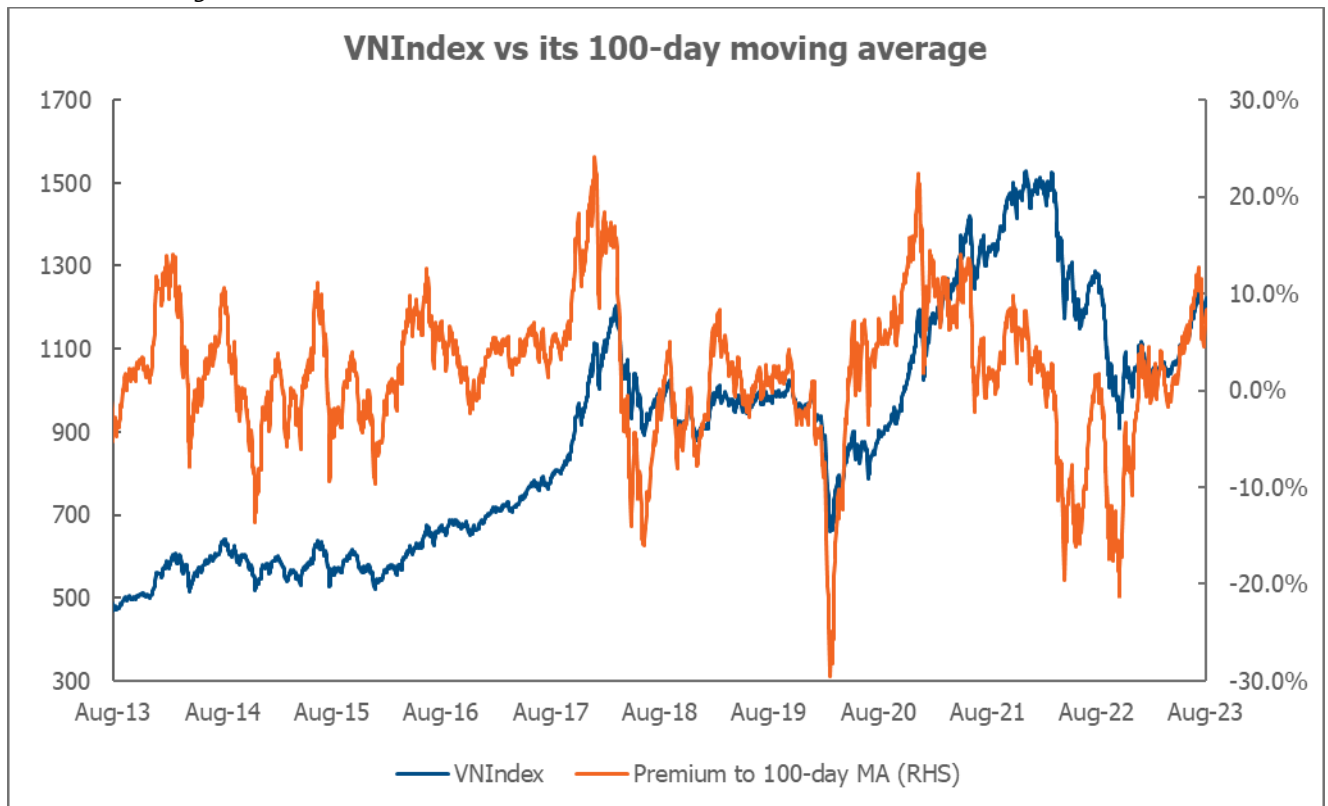
Property: Analyst Tam Nguyen sees some evidence of seeds in the ground (if not exactly "green shoots") but retains what we think is a relatively conservative outlook for the property market to move back into an upcycle only in 2H 2024 – still a year away. Tam downgraded NLG and KDH in August – both on valuations, as well as lack of operational catalysts. At this point, our only conviction BUY in the property sector is now VHM.

Energy: Binh has a trading BUY call on POW and a more positive fundamental BUY on PVD as an operational turnaround play. He also continues to like PC1 as our preferred green energy play.

Brokers: The good news is that we are the only house that I'm aware of with sector coverage on the brokers (sales notes don't count). The bad news is that our positive view has been reflected in their share prices, which are now at our target prices for the 4 sector tickers in our coverage – SSI, VCI, VND, and HCM. At this point, given the valuations, the drop in trading volumes over the past two weeks, and our expectations for a market correction, it's hard to keep beating the drum.

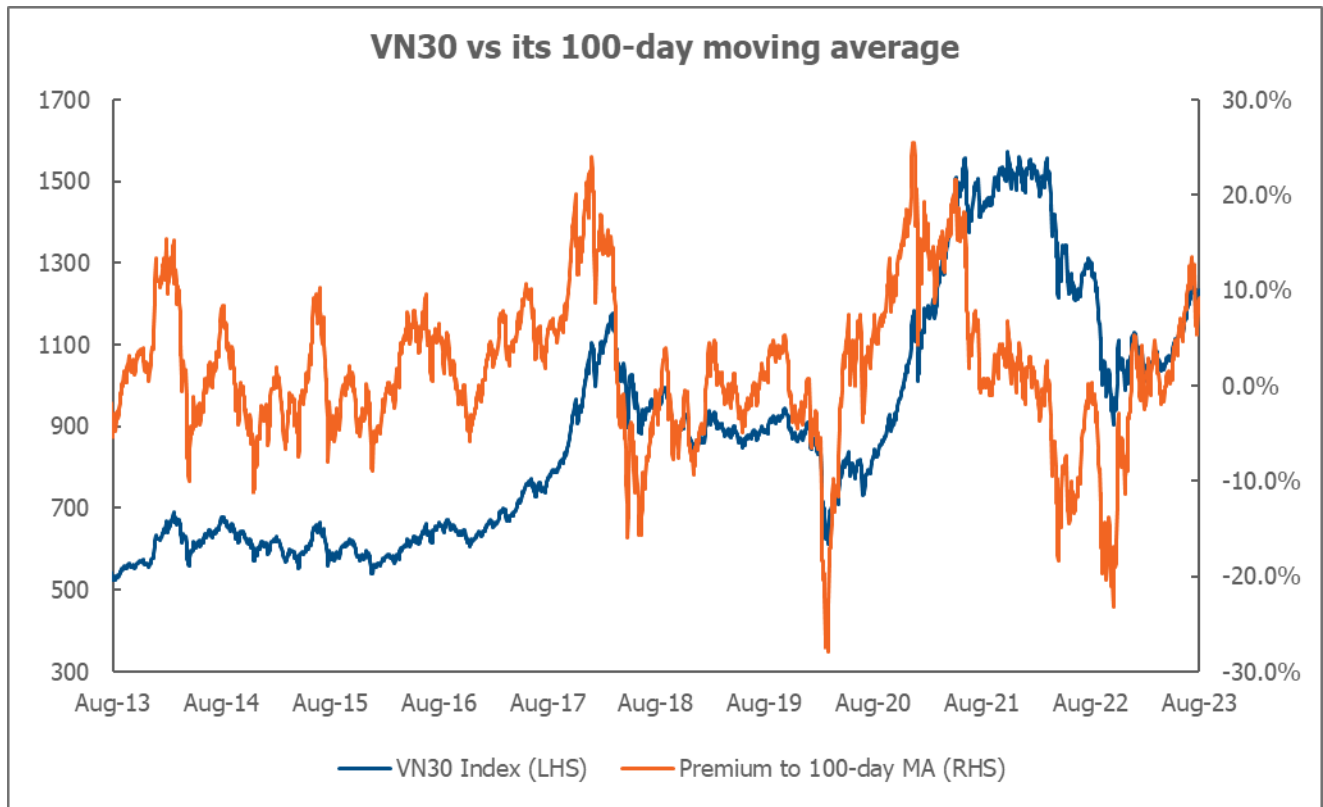


Source: Bloomberg, Yuanta Vietnam



Source: Bloomberg, Yuanta Vietnam

It's still a bull market. That much should be obvious given the VNI's +22% YTD gains in the first eight months of the year. We remain broadly bullish on the longer-term outlook for Vietnam stocks. We are more confident than ever that the macroeconomic cycle bottomed in 2Q23 and should continue to improve gradually going forward. A combination of improved macro sentiment and eased monetary policy (amid still-low inflation) suggests a positive outlook for shares in 2024. However, we retain our index target for this year at 1300, which implies another c.5% upside in the final four months of 2023.



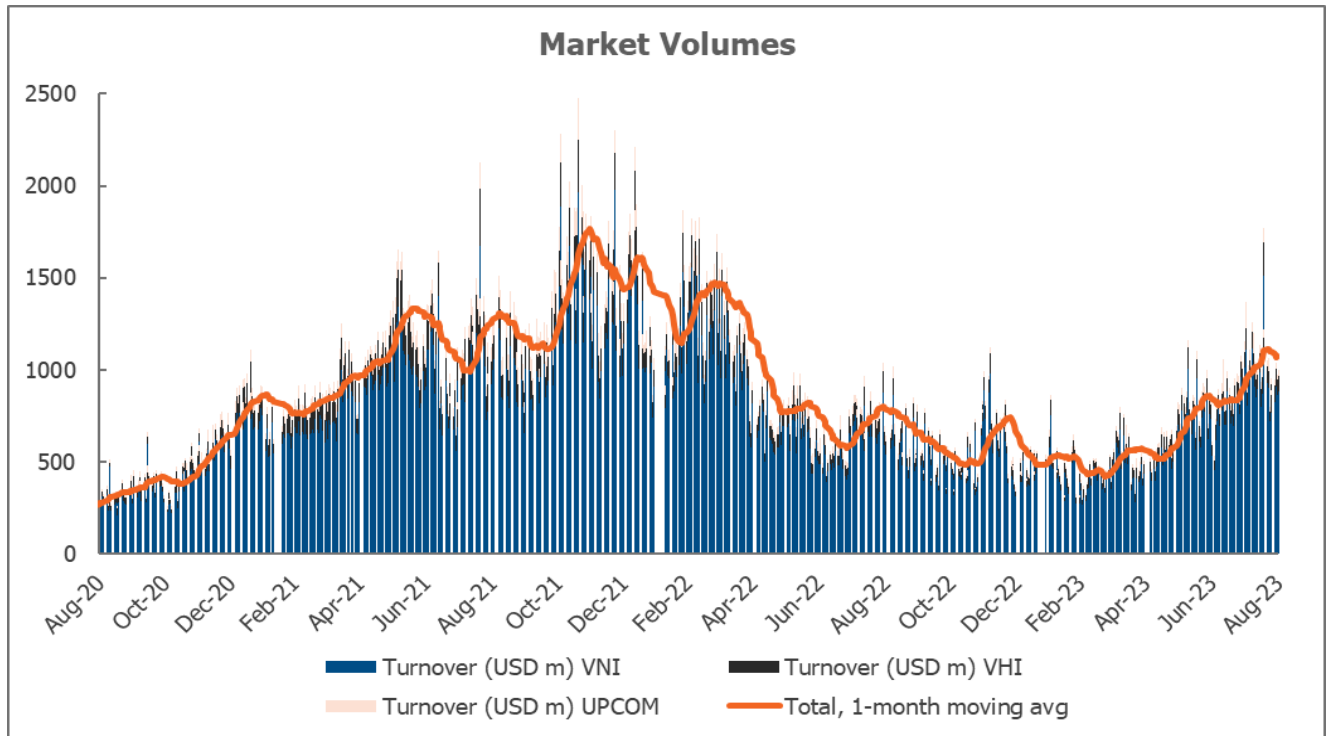
Source: Bloomberg, Yuanta Vietnam

Volumes suggest that conviction in the bounce is low. On a full-month basis, ADT in August reached US\$1,076 million -- up 20% MoM, more than double the tepid trading of 1Q23, and the highest monthly ADT figure since April 2022.

However, the overall monthly figure was boosted by the first 14 trading days, when ADT soared to US\$1,145 million, which included the highly impressive peak of US\$1,769 million in shares trading hands during the August 18 selloff.

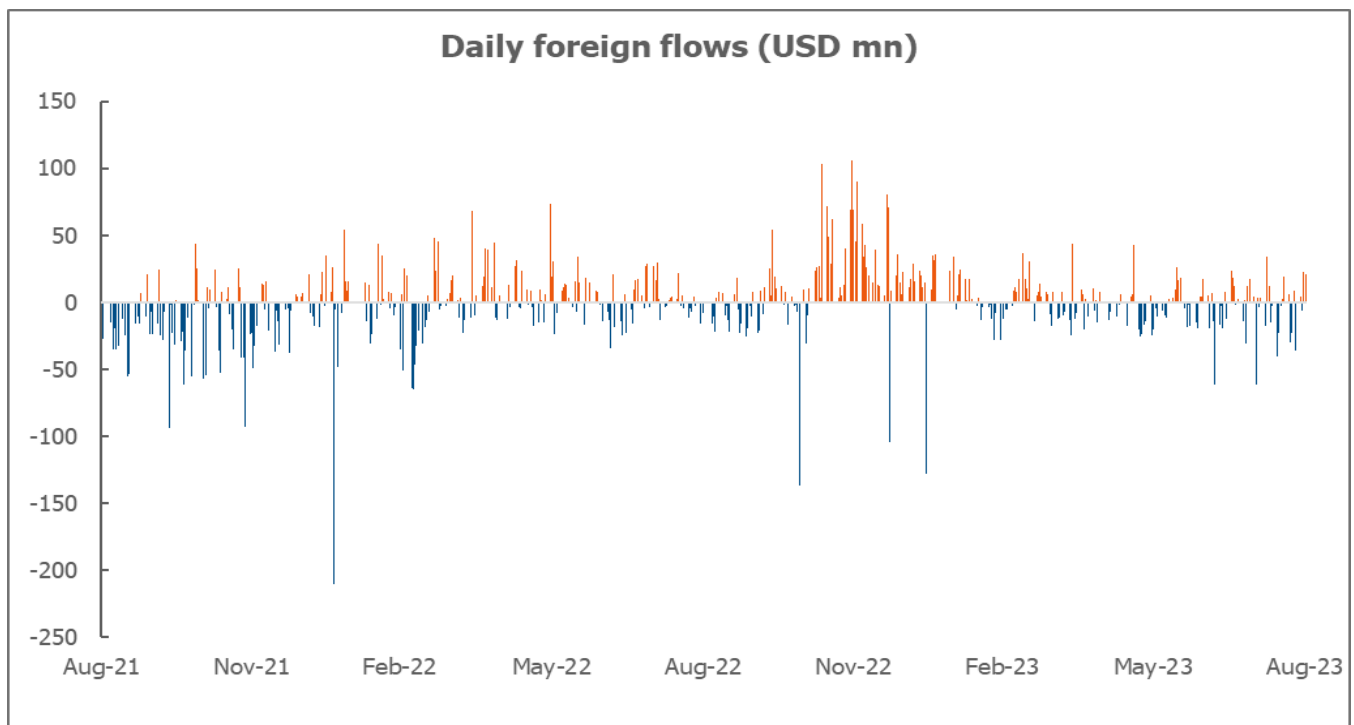
Although the VNI moved back up toward peak levels into the end of the month, this recovery was accompanied by sharply lower ADT of just US\$969 million. Chart readers looking at the VNI's gradual rebound in the last nine trading days of August should also consider the implications of the dramatic fall in ADT in the same period.

Generally, market moves under reduced volume imply that investor conviction is low. We might be wrong, but we think that this is the case here, and this view informs our short-term tactical caution.

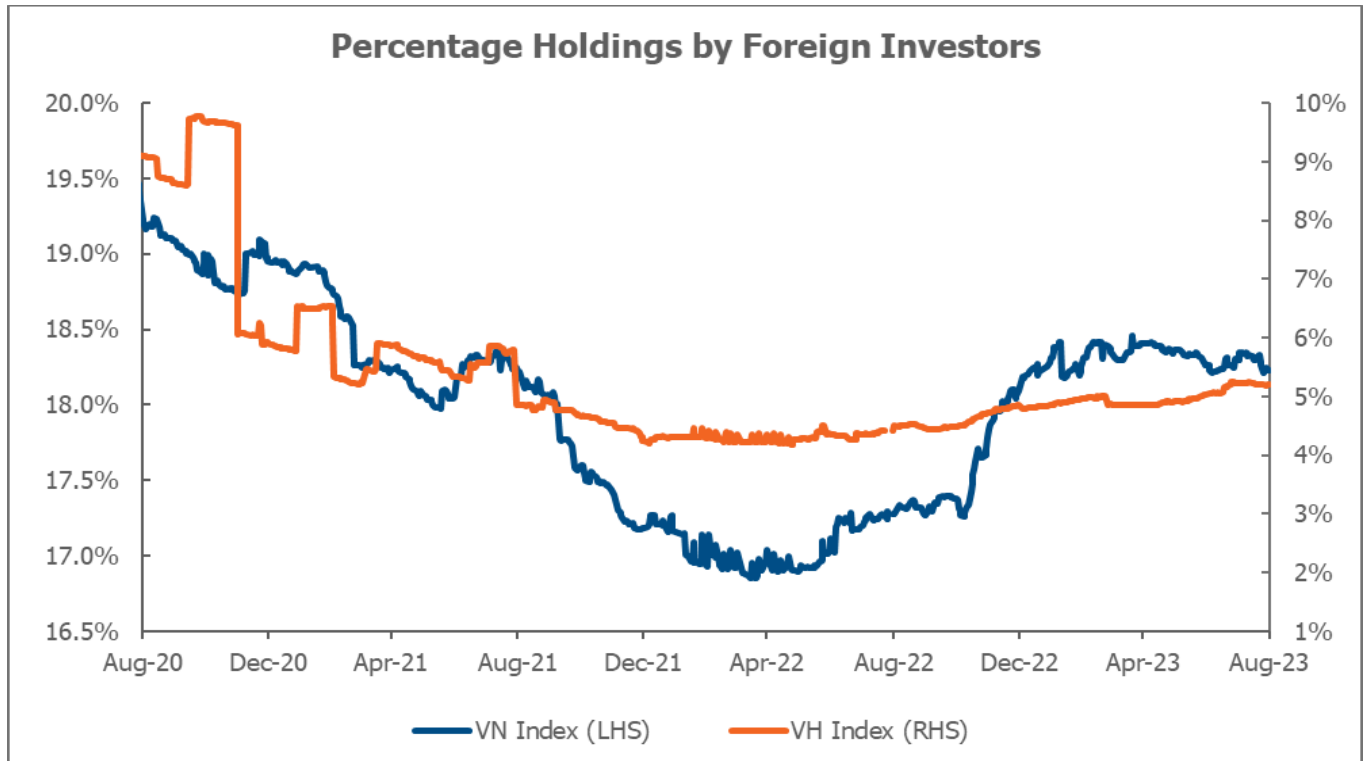


Source: FiinPro, Bloomberg, Yuanta Vietnam (Aug 31)

FINIs appear to agree with our tactical call, and stepped up their net selling in August. Foreigners net sold US\$126 million of Vietnam stocks in August, an acceleration from the US\$80 million in net selling in July. As a result, total foreign equity inflows in 8M23 came to just US\$79 million, down from US\$205 million in 7M23. As sell-side brokers targeting institutional funds, we are gratified to note that the YTD foreign flows are still positive – but we have our doubts that FINIs who have been net sellers every month since March are going to suddenly return now that the market is back at its peak.

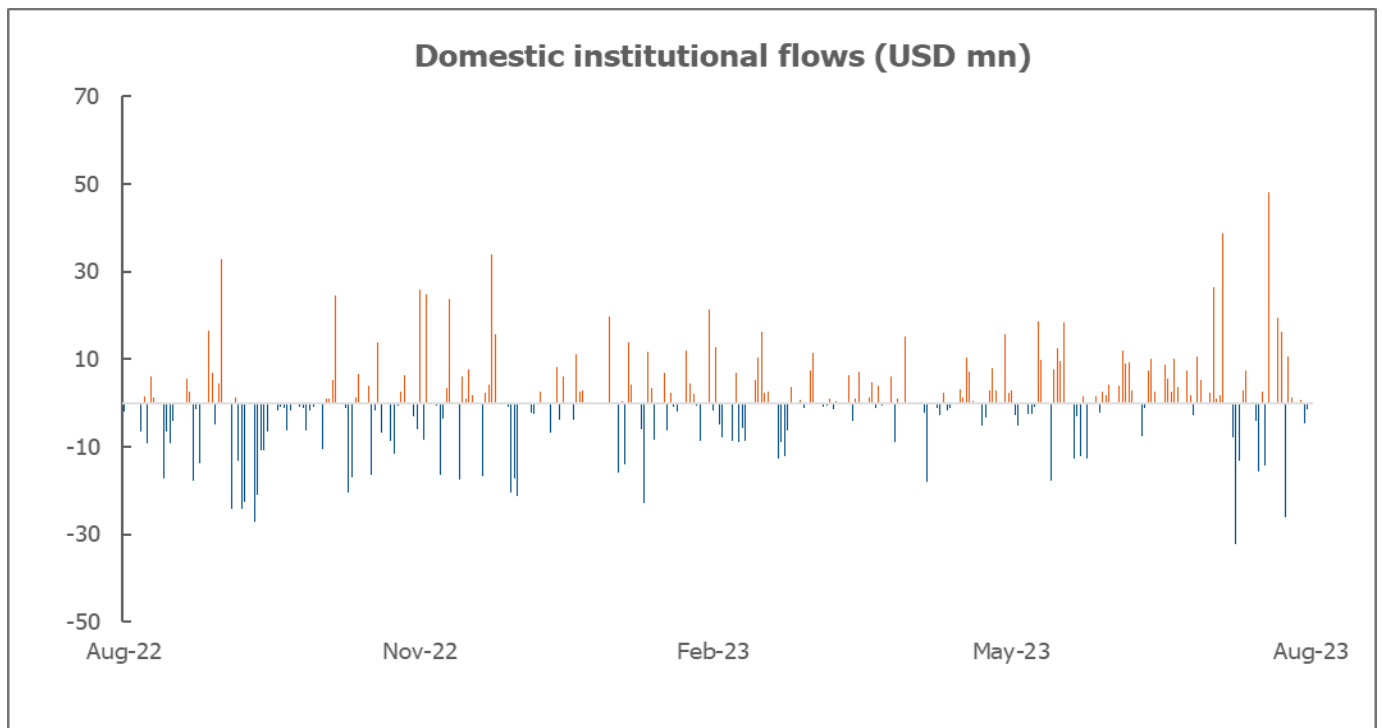


Source: FiinPro, Yuanta Vietnam (Aug 31)



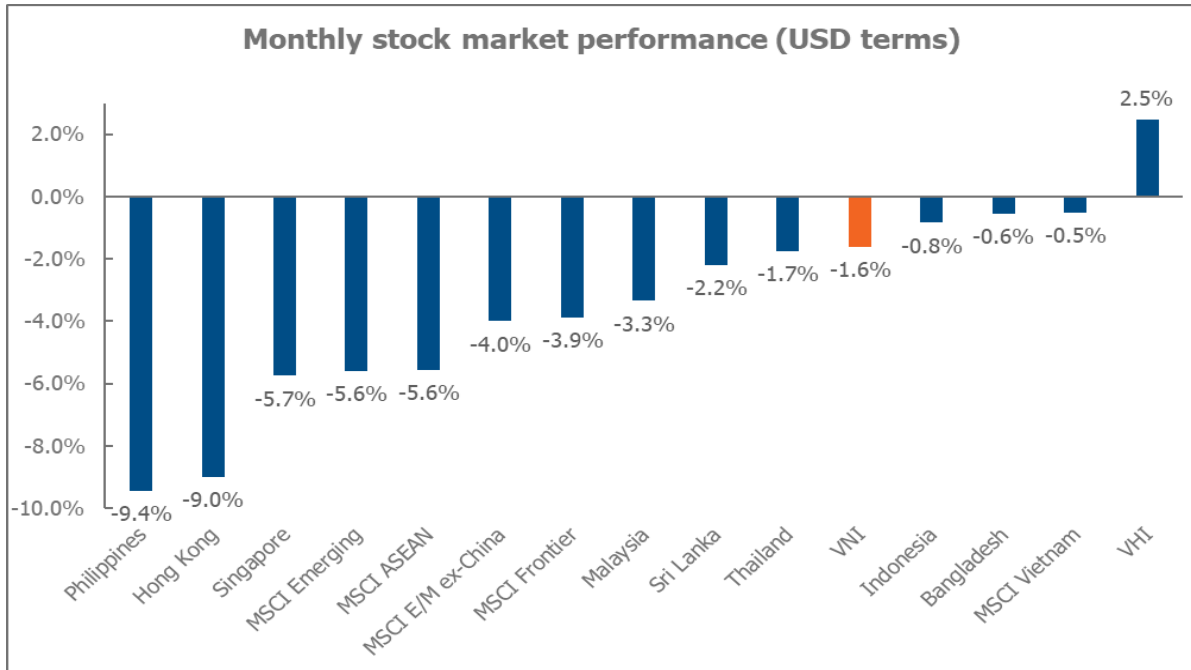
Source: FiinPro, Yuanta Vietnam (Aug 31)

By contrast, domestic institutions remained net buyers in August. Vietnam-registered institutions net purchased roughly US\$57 million of stocks in August, bringing their YTD net buying to US\$244 million – more than the (much larger) foreign institutional investor base in aggregate.

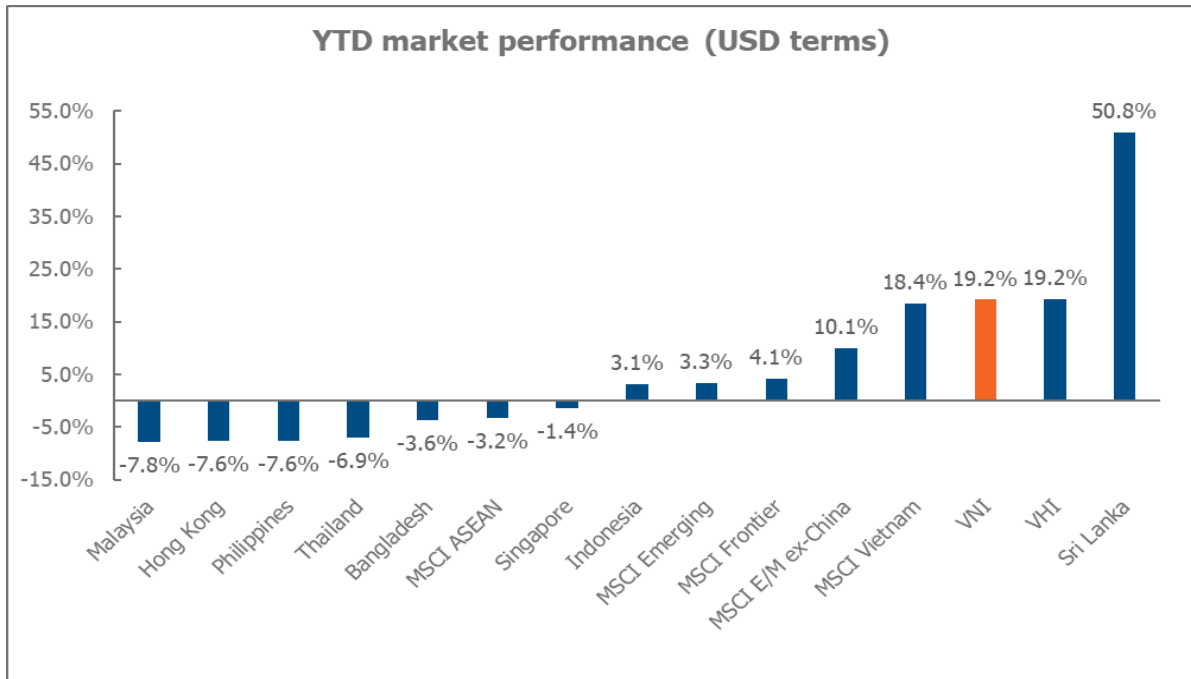


Source: FiinPro, Bloomberg, Yuanta Vietnam (Aug 31)

Vietnam’s major stock indexes outperformed most regional peer benchmarks in USD terms in August despite the -1.7% MoM decline in the Vietnam dong-US dollar cross rate. The MSCI Vietnam’s -0.5% MoM decline gain in July was 1.1ppt higher than that of the VNI itself, which reversed the performance gap between the two benchmarks in July. As we stated in our July wrap, “(t)his gap seems likely to revert again – perhaps by a considerable margin – in August given VIC’s (Not Rated) rather idiosyncratic rally so far (in early August)”. The VNI’s USD returns YTD in 8M23 reached 19.2%, which puts it at the head of the class for Asia (ex-Sri Lanka).



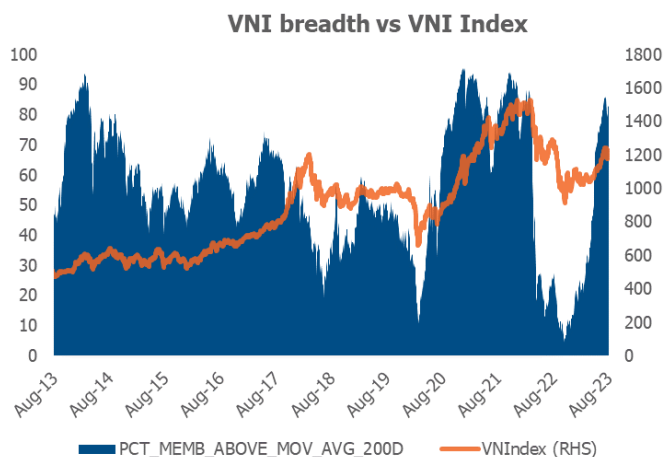
Source: Bloomberg, Yuanta Vietnam (data is as of Aug 31)



Source: Bloomberg, Yuanta Vietnam (data is as of Aug 31)

Monthly market breadth shifted to negative in August as a majority 55% of VNI components posted share price declines during the month, a reversal of the positive breadth of recent months including just 17% MoM losers in July and 34% in June. However, breadth YTD remains deeply positive, with some 81% of mainboard constituents posting positive gains in 8M23. In a similar pattern, just 40% of the VN30 large caps increased in price during August, but 83% (25 of 30) have posted share price gains YTD. As we say, it is still a bull market.

Monthly stock breadth switched to negative despite the marginal index gains



Source: Bloomberg, Yuanta Vietnam (Aug 31)

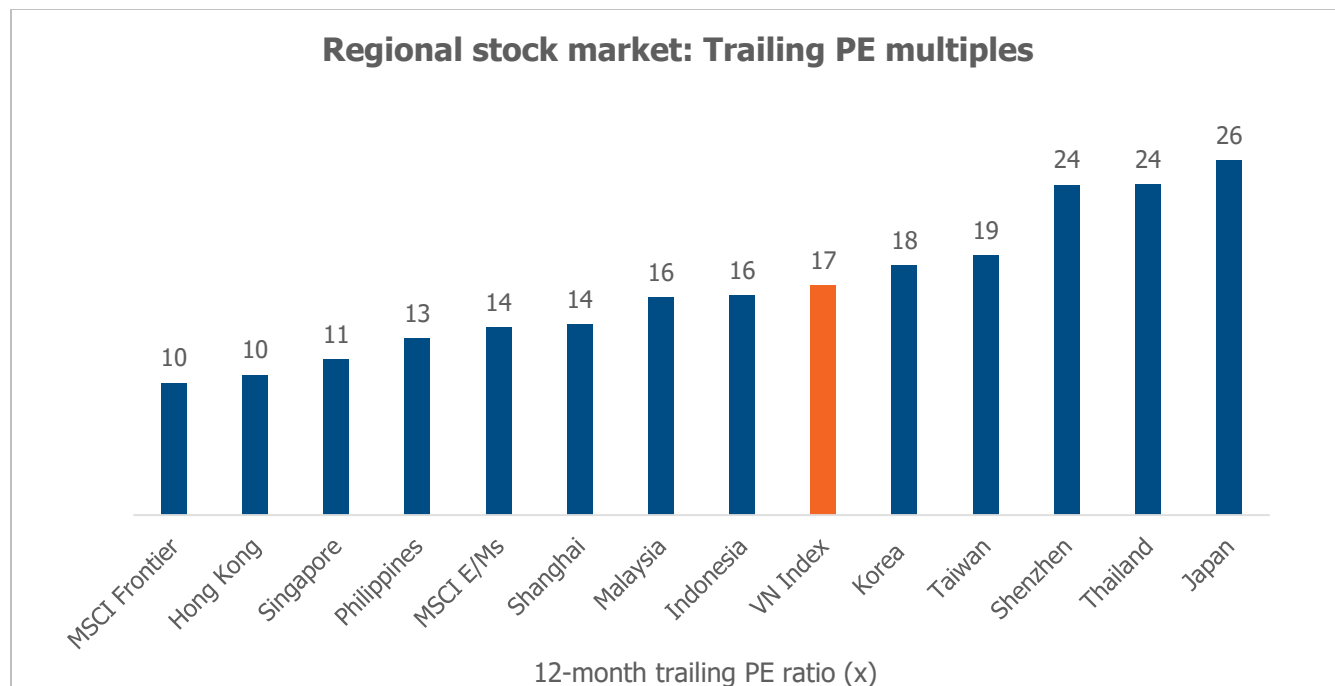
VN 30 breadth			
	WoW	MoM	YTD
Gainers	25	12	25
Losers	5	18	5

Source: Bloomberg (Aug 31)

VN Index breadth			
	WoW	MoM	YTD
Gainers	290	174	312
Losers	87	215	75

Source: Bloomberg (Aug 31)

Valuations – Not much change, and less of a slam dunk value proposition than they were in 4Q22-1Q23. We have argued consistently that cheap valuations are not a catalyst for a bull market, but they are typically a condition for one. The “dirt cheap” PE valuations of 4Q22-1Q23 have gradually risen and the market clearly offers less of value than it did over the past 12 months: as a reminder, the VNI traded down to below 9x 2023 P/E during the panic selloff of 4Q22. That is no longer the case as the mainboard closed at 12.2x 2023E P/E as of August 31.

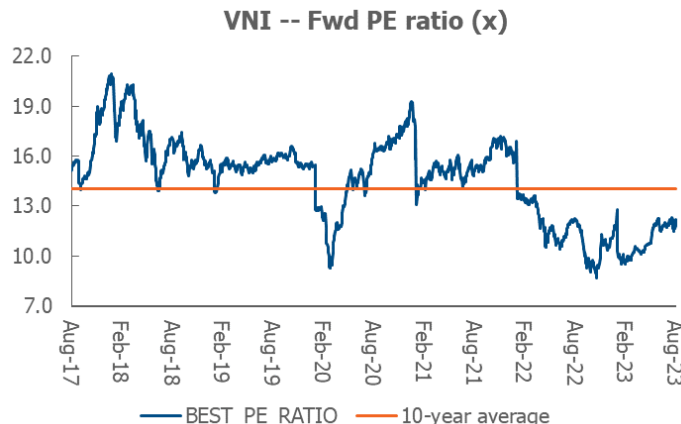
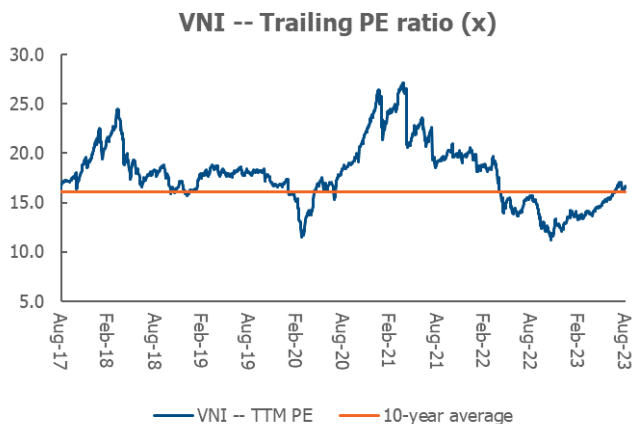


Source: Bloomberg (Aug 31)

The implied 2024E PEG ratio is still low at around 0.7x, but sell-side forecasts admittedly generate plenty of debate. Aside from the implied growth argument, Vietnam's reduced risk-free rate in recent months *undeniably* should boost theoretical P/E multiples, and a return to the 14x historical mean forward P/E multiple does not seem out of the question, in our view. That alone would imply around 15% upside for share prices, in theory. However, buyers and sellers – not textbooks – are what set share prices. We are of the opinion that the market's upside will be capped below that level for the last four months of 2023, but shares will very likely exceed that level in 2024 – especially if we're right in our view of the timing for the property market upcycle to begin in 2H 2024.

The VNI's trailing PE ratio as of Jul's close was 16.7x.

The mainboard's 2023E PE is now 12.2x, based on Bloomberg consensus.



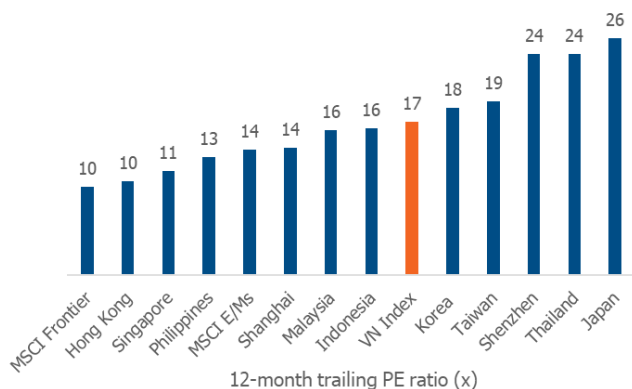
Source: Bloomberg, Yuanta Vietnam

Source: Bloomberg (2023E consensus PE), Yuanta Vietnam

Vietnam stocks are not as cheap vs. the region as they used to be, on trailing P/E basis...

...or on a forward basis. Still, valuations are attractive but no longer screaming "buy".

Regional stock market: Trailing PE multiples



Source: Bloomberg, Yuanta Vietnam (Aug 31)

Regional stock market: 2023E PE multiples



Source: Bloomberg (2023E consensus PE), Yuanta Vietnam (Aug 31)

As stated above, breadth was negative in August. The index found support from the mightiest stock of them all – Vingroup (VIC, Not Rated), which soared by 13% MoM as investors cheered the US SPAC listing (*Note: don't let anyone tell you this was an IPO*) of subsidiary Vinfast. Other leaders included STB (+13% MoM), which we have downgraded to HOLD-Underperform on valuations; FPT (+14%, Not Rated by YSVN); and SSI (+13% MoM), which we cover with a BUY call and is our top pick in the brokers.

VN30 large caps: Share price performance in Aug

Ticker	Closing price (VND K)	MoM chg	Contribution to VN30 Index performance in Aug	YTD chg	Contribution to VN30 Index performance in 8M23
ACB	22.6	-1.5%	-8%	23.5%	5%
BCM	72.2	-10.9%	-2%	-10.4%	0%
BID	47.0	-0.5%	0%	21.6%	1%
BVH	45.2	-6.1%	-1%	-3.0%	0%
CTG	32.5	8.2%	13%	19.1%	1%
FPT	96.7	14.2%	103%	47.9%	15%
GAS	98.6	0.5%	0%	0.6%	0%
GVR	21.9	-2.2%	-1%	58.3%	1%
HDB	16.9	-2.9%	-7%	28.0%	3%
HPG	27.6	-2.1%	-13%	53.3%	14%
MBB	18.5	-1.9%	-7%	27.6%	4%
MSN	81.5	-6.6%	-24%	-12.4%	-2%
MWG	53.8	0.2%	1%	26.6%	5%
PLX	38.6	-7.1%	-2%	21.6%	0%
POW	12.8	-6.6%	-3%	20.2%	0%
SAB	158.0	0.8%	1%	-3.9%	0%
SHB	12.5	-1.2%	-3%	47.6%	5%
SSB	28.1	-3.6%	-10%	2.7%	0%
SSI	33.4	12.6%	31%	96.0%	10%
STB	32.7	12.8%	55%	45.1%	8%
TCB	34.5	0.6%	3%	33.5%	8%
TPB	19.6	4.5%	8%	44.6%	3%
VCB	89.1	-2.7%	-10%	31.5%	5%
VHM	54.7	-13.2%	-54%	14.0%	2%
VIB	20.4	-2.2%	-4%	37.6%	3%
VIC	62.1	12.7%	63%	15.4%	3%
VJC	98.0	-3.9%	-7%	-10.5%	-1%
VNM	77.8	3.1%	14%	5.7%	1%
VPB	21.0	-5.4%	-37%	17.0%	5%
VRE	30.3	2.2%	4%	15.2%	1%

Source: Bloomberg, Yuanta Vietnam, Pricing date: Aug 31, 2023

Banks: CAMEL Framework Update

CAMEL analysis: A fundamental framework for understanding and ranking the quality of commercial bank operations. Bank Analyst Tanh Tran published another update of our proprietary CAMEL model, which examines each of the 27 listed / OTC commercial banks in terms of metrics (typically ratios) of capital, asset quality, management quality, earnings, and liquidity.

Yuanta Vietnam Banks Universe				
Stock code	Yuanta Rating	Current price (VND)	Target price (VND)	12-m TSR*
ACB VN	BUY	22,900	28,517	29%
BID VN	HOLD-UPF	47,500	42,786	-8%
HDB VN	BUY	17,150	23,234	41%
MBB VN	BUY	19,000	25,267	36%
STB VN	HOLD-UPF	32,900	33,575	2%
VCB VN	BUY	89,200	99,422	12%
VPB VN	BUY	22,400	25,542	19%

Source: Bloomberg (pricing date: Aug 16), Yuanta Vietnam

What's new?

- 2Q23 PATMI of all 27 listed banks declined by -4.7% QoQ / -0.3% YoY.
- The sector's NPL ratio rose to 2.11%, while the LLR ratio (97%) fell below 100% for the first time since 2020.
- VCB and ACB remain atop our CAMEL framework rankings for 2Q23.
- We downgrade STB to HOLD-UPF from BUY, mainly due to valuation.

Our view

- We expect the SBV to cut rates again, which should boost credit growth in 2H23. CASA deposits should improve as term deposit rates decline.
- The Cox-Ingersoll-Ross model results in an estimated c.30bp decline in interest rates over the next 12 months.
- Valuations are cheap but investors should stay focused on asset quality. We prefer banks with high LLR ratios.

Tanh expects expect credit growth to improve in 2H23, partly due to decreased interest rates that will also marginally impact the sector's NIM. Circular 02 should reduce reported NPLs and provisioning pressure, but underlying asset quality is increasingly a concern.

Prudence requires banks to be prepared for potential asset deterioration, and our preference is for banks with high LLR ratios. Despite YTD outperformance, valuations are still cheap at a sector average 0.9x 2024E PB with 2024E ROE of 20% (based on BBG consensus).

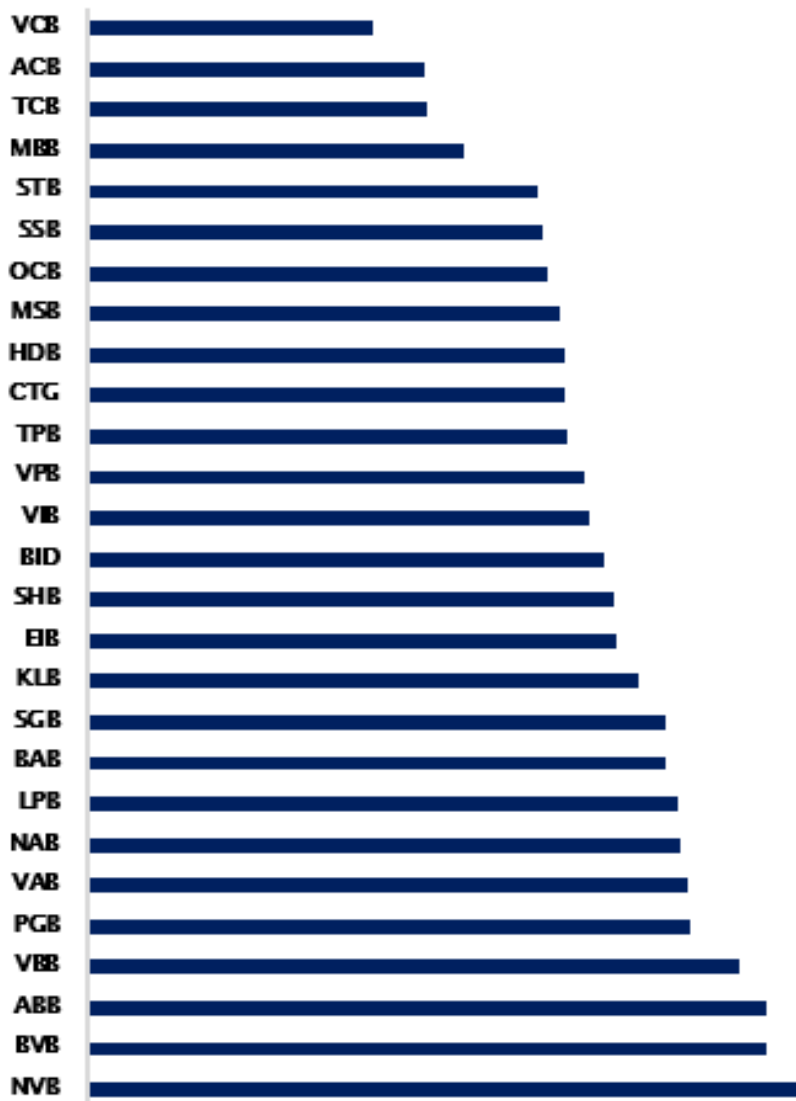
Bank sector (27-listed banks) 2Q23 earnings results summary:

Bank Sector	2Q23	% QoQ	% YoY
NII (VND bn)	107,840	-4%	2%
Net Fee Income (VND bn)	15,692	11%	1%
Adj. TOI (VND bn)	133,043	0%	0%
Opex (VND bn)	48,408	8%	8%
Provision (VND bn)	30,603	3%	4%
PATMI (VND bn)	50,343	-5%	0%
NPL (%)	2.11%	19bps	1ppt
LLR (%)	97%	-9ppt	-50ppt
CASA (%)	19%	60bps	-4ppt

Source: FiinPro, Yuanta Vietnam

VCB and ACB retain their No. 1 & 2 rankings in our CAMEL framework for 2Q23. Both banks have low/zero exposure to corporate bonds and real estate, which shields their asset quality. VCB stands out with a loan loss reserve (LLR) ratio of 386% (+68ppt YTD) as at 2Q23, which is the highest in the sector.

Banks Ranking on CAMEL Scores

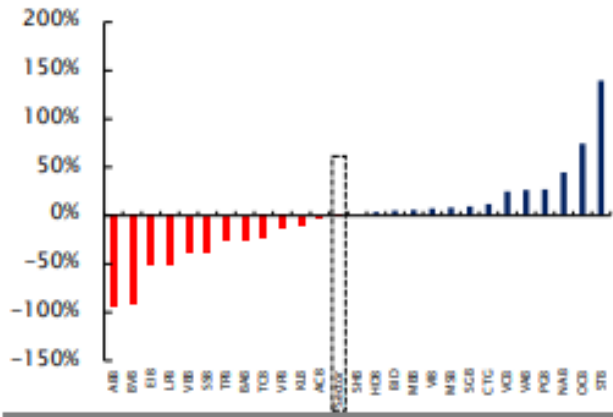


Source: FiinPro. Yuanta Vietnam

We think the SBV still has room for further rate cuts in 2H23 to stimulate the economy given low CPI (average CPI was 3.12% in 7M23 versus the government’s full-year target of 4.50%). Lower rates and eased prudential policy should help to boost economic growth overall as well as loan growth in 2H23.

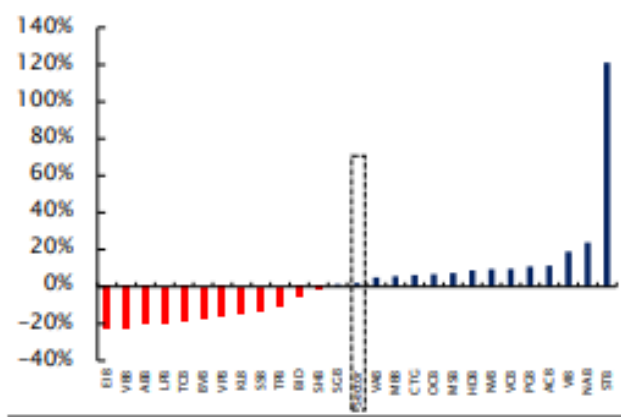
Marginal NIM impact from policy. Lower policy rates should reduce funding costs, and falling term deposit rates should also help to boost CASA ratios. However, the banks are also under pressure to cut lending rates. Thus, the policy response to slow 1H23 GDP growth is likely to result in marginally lower NIM for the sector in 2H23 and beyond.

Figure 1: 2Q23 PATMI growth (% YoY)



Source: FiinPro, Yuanta Vietnam

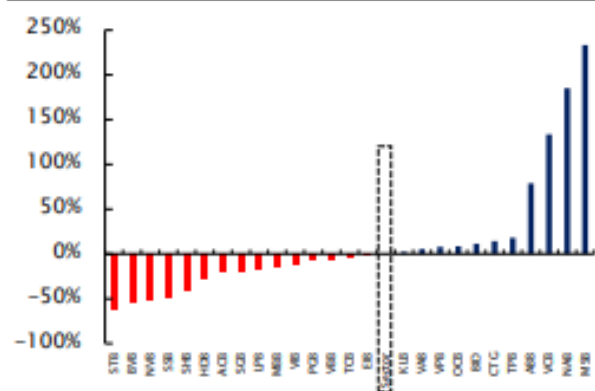
Figure 2: 2Q23 net-Interest Income (% YoY)



Source: FiinPro, Yuanta Vietnam

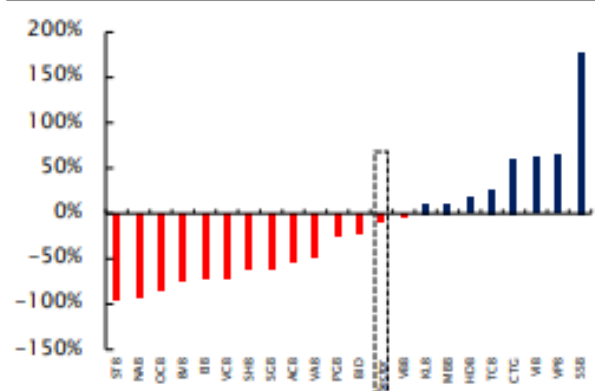
We expect fee income to improve in 2H23 along with the expected recovery of credit growth. However, bancassurance – a key fee income driver in recent years – [may take longer to recover](#) given the difficulties of rebuilding public trust after a series of mis-selling allegations. Having said that, the long-term outlook for life insurance remains attractive given low penetration and rising middle class wealth.

Figure 3: 2Q23 net fee income growth (% YoY)



Source: FiinPro, Yuanta Vietnam

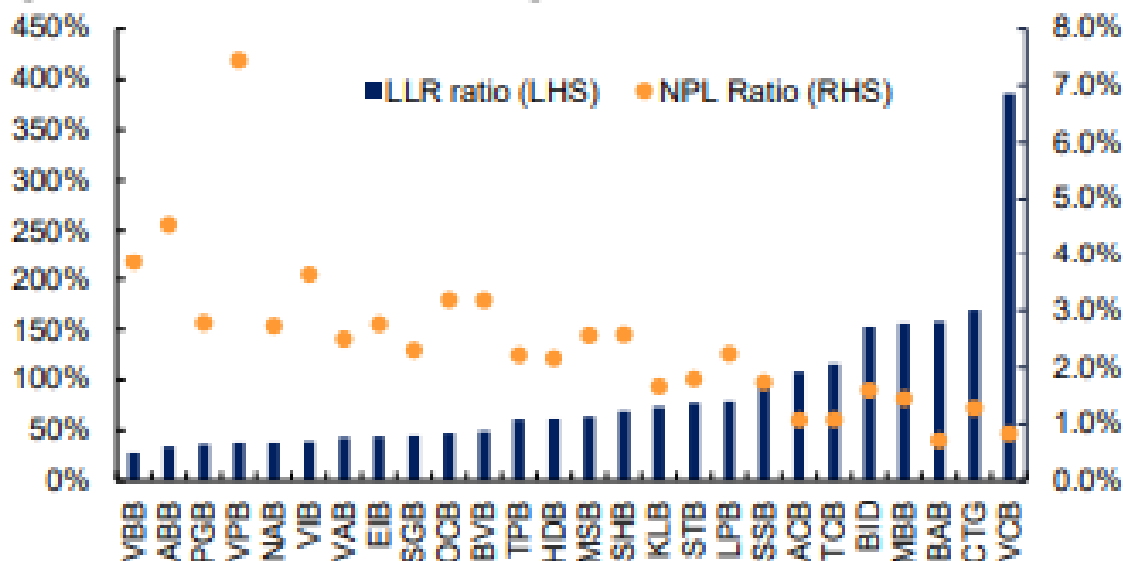
Figure 4: 2Q23 net other Income (% YoY)



Source: FiinPro, Yuanta Vietnam

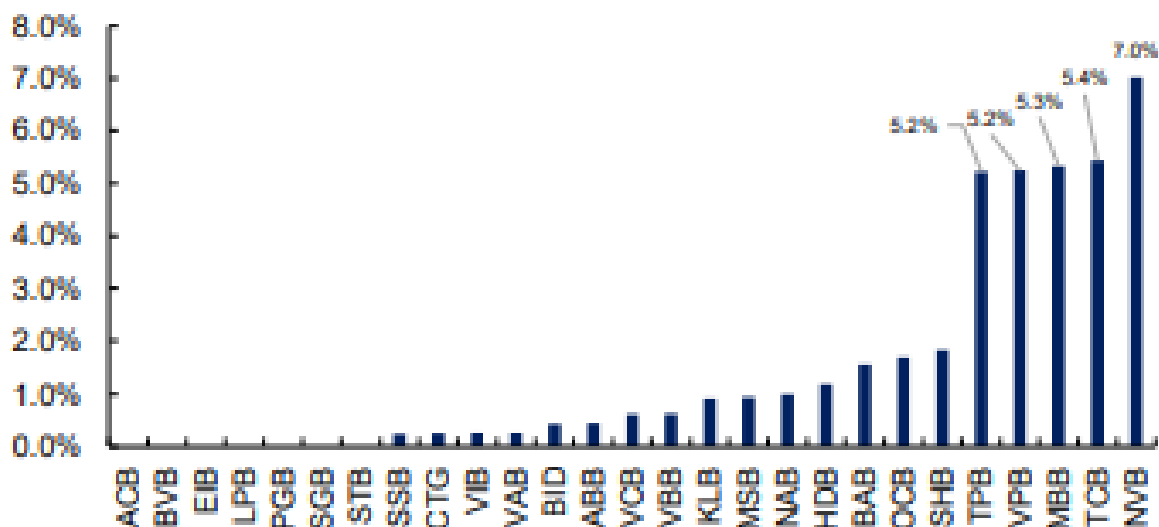
Asset quality is under pressure amid the real estate industry’s difficulties. Sector NPLs jumped to 2.11% (+52 bps YTD), while the LLR ratio fell to 97% (-27ppt YTD) – below 100% for the first time since 2020. Circular 02/2023/TT-NHNN) should help to reduce reported NPLs and provisioning pressure, but the underlying trends are still a concern.

Figure 10: NPL and LLR ratios among banks as at 2Q23



Source: FiiPro, Yuanta Vietnam

Figure 11: Corporate bonds % Total Assets as at 2Q23



Source: FiiPro, Yuanta Vietnam

VCB and ACB retain the top-2 rankings in our CAMEL framework for 2Q23, largely due to their superior asset quality metrics. Investors should focus on credit quality given the underlying negative trends.

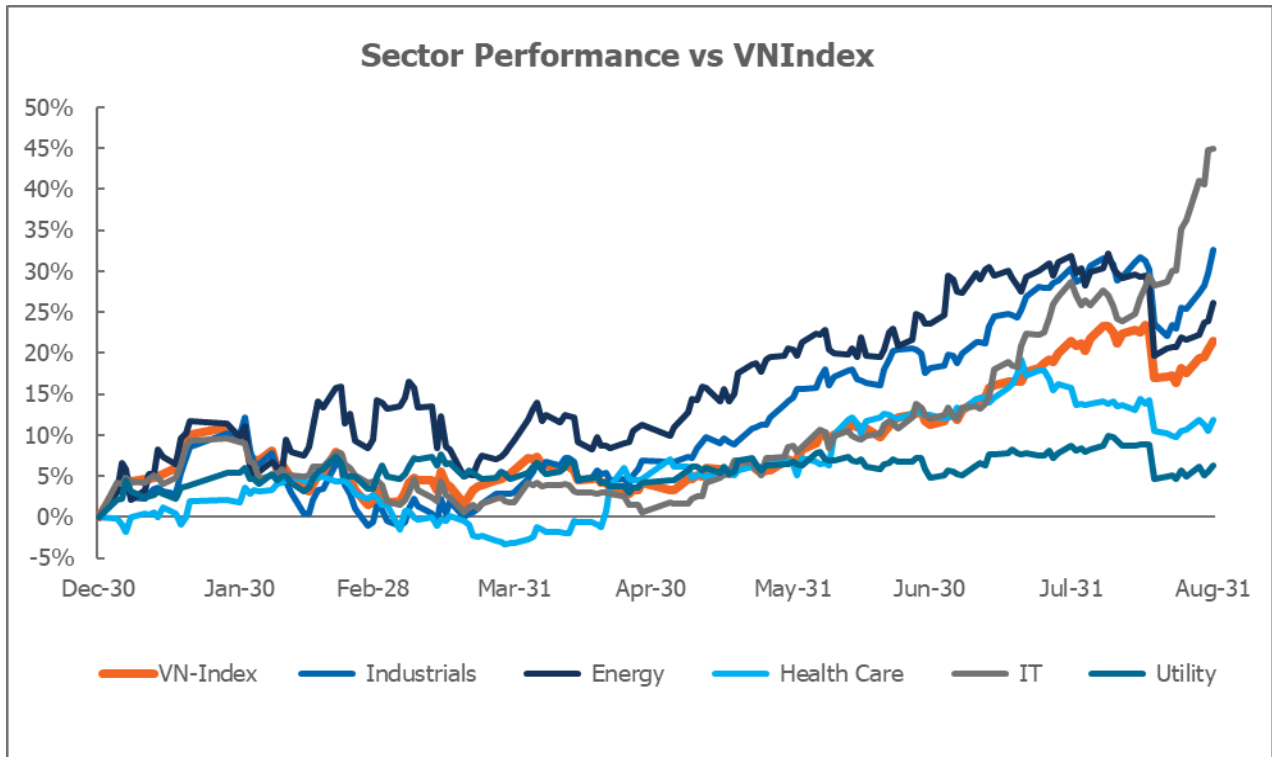
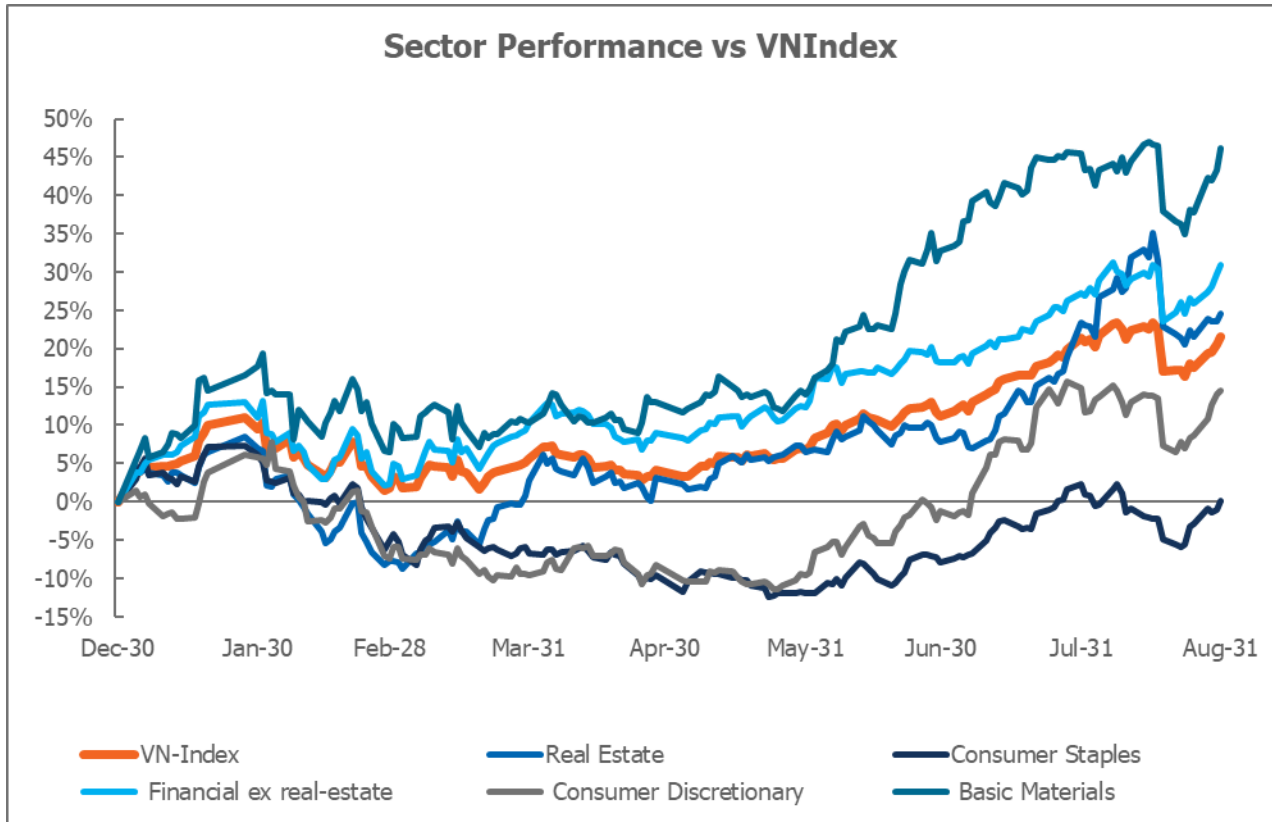
Valuations are still generally attractive. The listed stocks have risen by an average 26% YTD, outperforming the VNI by +8ppt. But valuations are still cheap at a median 0.9x 2024E P/B, with 2024E ROE of 20% (source: Bloomberg).

But not for all banks: We downgrade STB to HOLD-Underperform with publication of this note. We have been impressed by management's execution of the restructuring since initiating coverage in 2018, but at this point the stock is close to fairly valued and we see better opportunities in the higher-quality JSC banks and VCB. Please see page 51 of the report linked below for details.

Our top picks are now ACB (BUY -- see page 18), MBB (BUY -- page 24), and new addition HDB (BUY -- page 38). In addition, we reiterate our BUY calls on VCB (page 31) and VPB (page 44) and maintain HOLD-Underperform on BID (page 57).

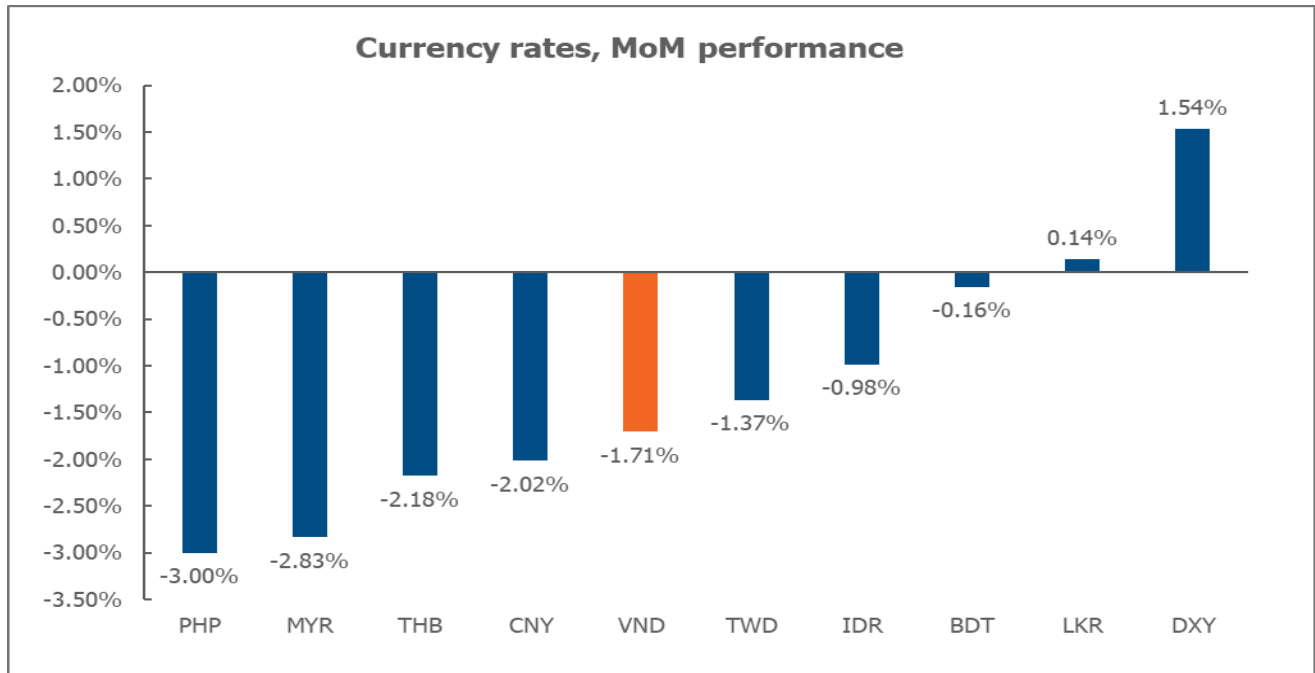
Please see the link for the full report: https://yuanta.com.vn/wp-content/uploads/2023/08/Bank_Sector_Yuanta-Vietnam-Coverage.pdf

Sector performance YTD

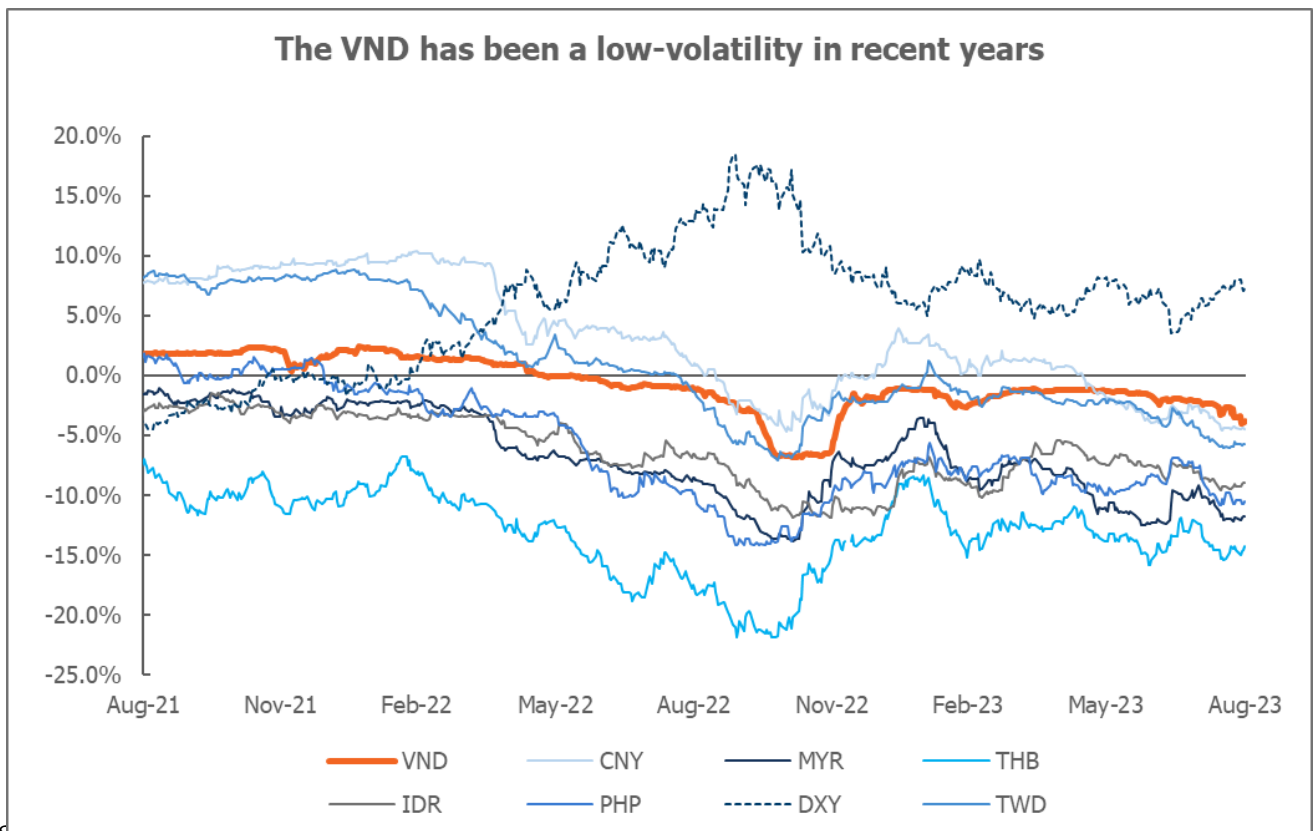


Source: Bloomberg (data through Aug 31)

VND depreciation in August raised alarm bells, but was actually mild vs. peers. The VND depreciated vs a resurgent US dollar by -1.71% in August. This actually outperformed its ASEAN peers / competitors, but was an especially sharp drop for the dong, which typically exhibits low volatility due to tight SBV management.



Source: Bloomberg (Data is as at Aug 31)

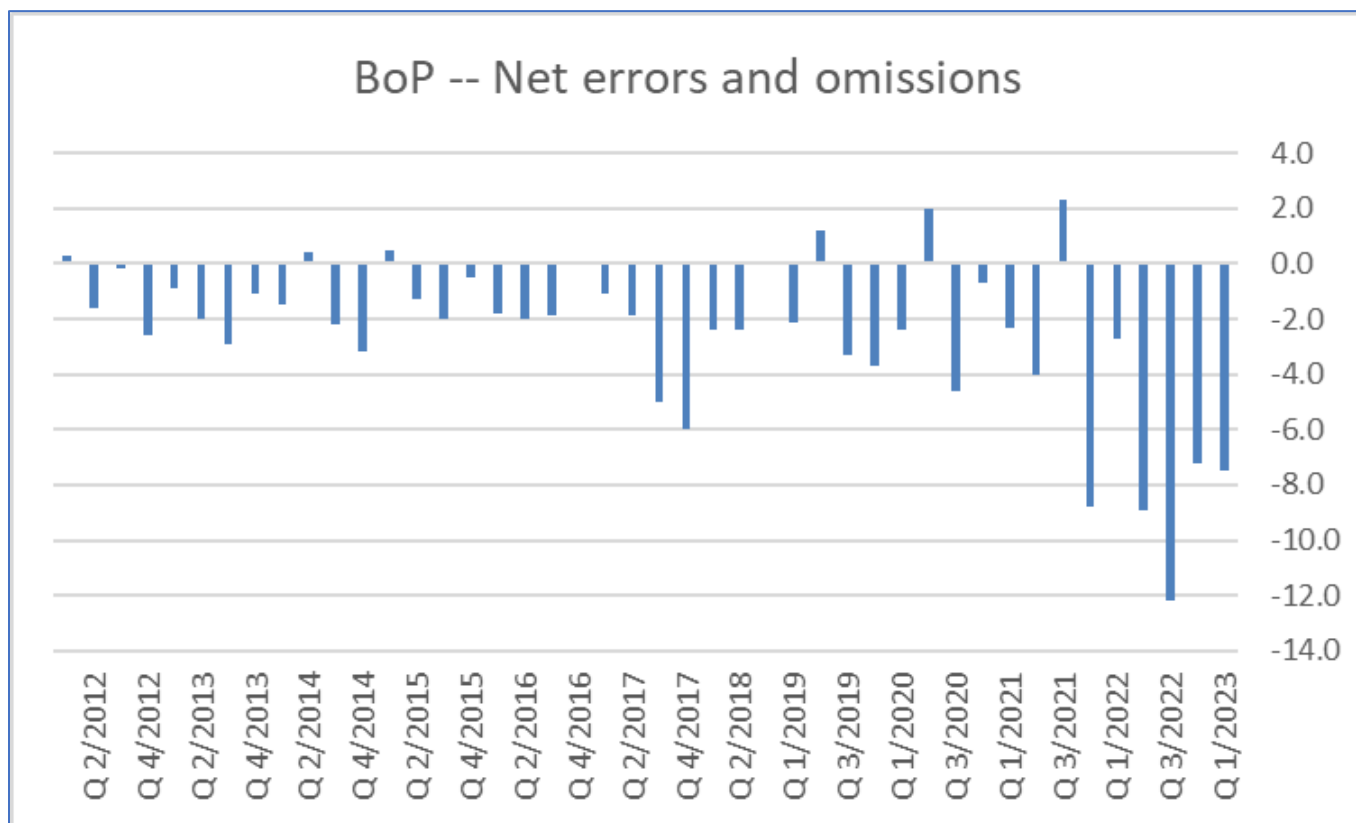


Source: Bloomberg (updated to Aug 31)

Real interest rate differentials are an easy-to-explain culprit for the VND’s soft patch, as US dollar money markets have been slowly moving from the ephemeral “Fed-will-soon-pivot” mirage to the acceptance of “higher for longer”, with US long bond rates finally getting this message. But so what – our bank in Vietnam is paying exactly zero interest on our US dollars. So what is the mechanism? The chart below on a particular component of the balance of payments may provide some clues.

“Capital flight” is such an ugly sounding term, but we think the surging capital outflows that are quantified as net errors and omissions in the official balance of payments data reflect this trend. In the period between 4Q21 and 1Q23 (the latest available data), net errors and omissions have been consistently negative for a total US\$47.3 billion in outflows during this 18-month period. This includes US\$12.2bn in outflows in 3Q22 alone.

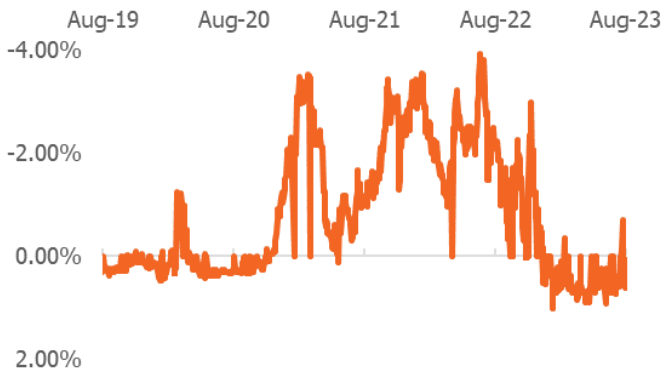
The underlying drivers for this data are opaque by their very nature, but real rate differentials may be a reason. We suspect that the figure for 2Q23 will again be negative -- and even more so for 3Q23, given the visible currency depreciation. In any case, the data supports our argument that domestic HNWLs – and not the evil foreigners – represent the greatest source of liquidity risk for the system and the VND itself.



Source: FiinPro

Grey market US dollar cash premium remains low vs. recent history.

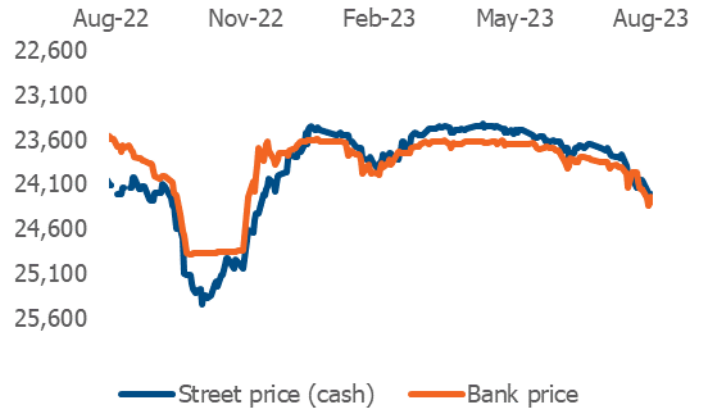
Cash rate vs bank rate for buying USD with VND



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

Although both rates have been on a declining trend over the past month.

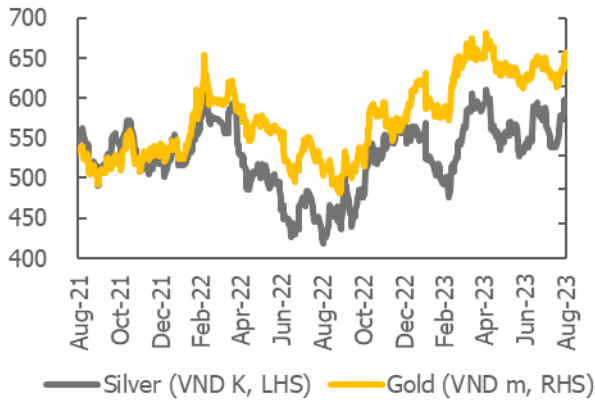
VND rates to buy USD



Source: FiinPro, Yuanta Vietnam

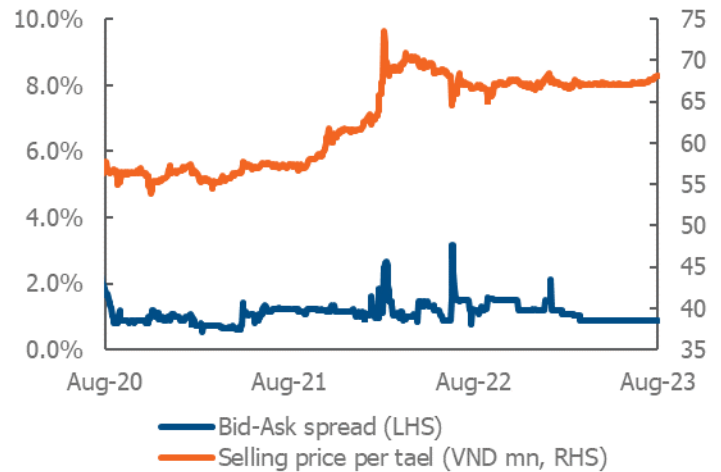
Global gold prices have thus increased vs the weaker VND.

Precious metals in VND terms

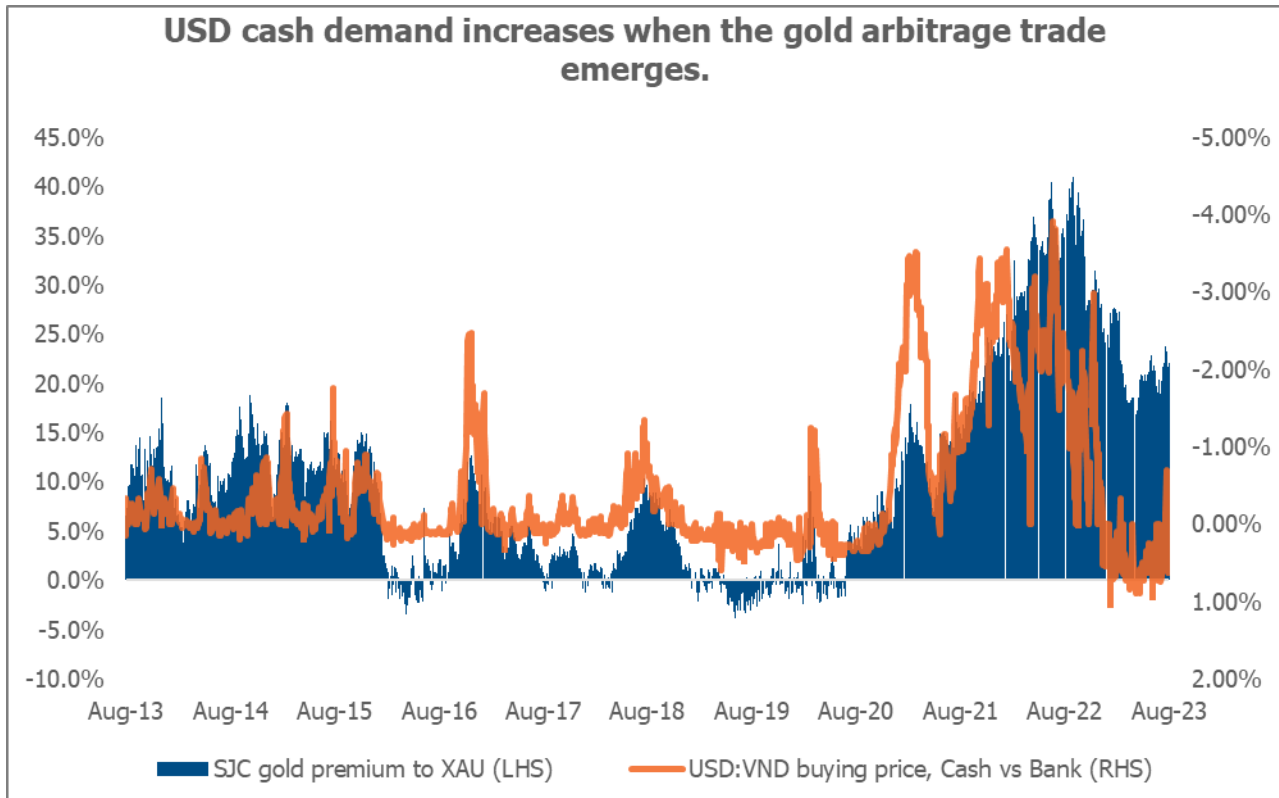


Source: FiinPro, Yuanta Vietnam. Bank data refers to VCB's published electronic selling price vs. the "free market" price for USD notes.

The SJC's official gold price reflects this trend, and bid-ask spreads remain subdued.



Source: FiinPro, Yuanta Vietnam



Source: FiinPro, Bloomberg, Yuanta Vietnam

Macro Update – Manufacturing expanded the first time since Feb but inflation is facing headwinds

--Binh Truong, Deputy Head of Research

binh.truong@yuanta.com.vn

Highlights of the GSO data dump at end-August --

- **Consumer demand remains solid**, as retail sales of goods and services in August reached VND515.4tn, up by +0.9% MoM / +7.6% YoY, underpinned by merchandise receipts, the largest component of total spending. 8M23 YoY growth in retail sales remains in the double digits.
- **Industrial production in Aug confirms that June was the trough**, with manufacturing driving the improvement.
- **Manufacturing expanded** for the first time since February, which is encouraging. Respondents to the manufacturing PMI survey report that output and new orders increased in August following five sequential months of decline.
- **Meanwhile, export turnover is gradually picking up**. We expect the recovery to continue into yearend both because of normal seasonality and because major end-buyers have worked off their excess inventory of 4Q22-2Q23. Once again, we see DHC (BUY) as a key play on Vietnam's long-term export growth.
- **Public investment soared** by a two-digit figure YTD to remain the main growth engine given the slowdown in exports.

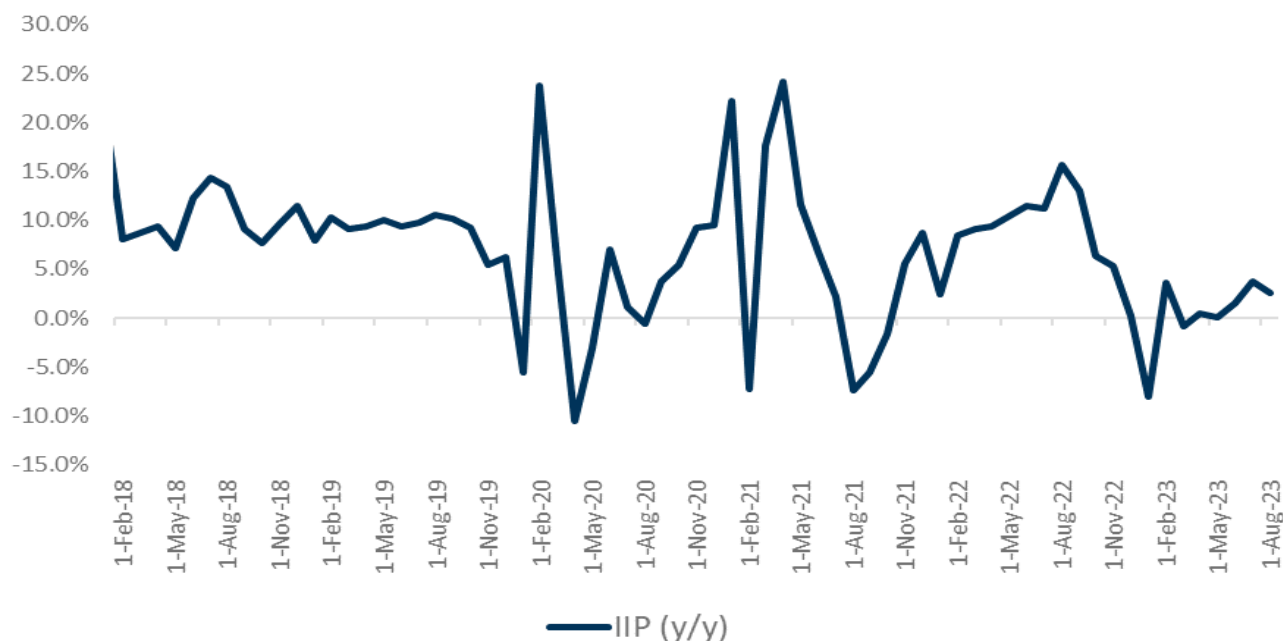
- **Public investment in August reached VND 61.3 tn, up by +29.1%YoY.** 8M2023 public investment hit 49% of the annual budget. A failure to meet budget allocations wouldn't be a shock, but this does imply more government investment is to come in the last four months of the year.
- **We see upward pressure on inflation** as oil and food prices are increasing quickly (a global phenomenon). Surging oil prices are good for O&G companies such as PVD (BUY), PVS (Not rated), and GAS (Not rated), all of which exhibit high share price correlations with oil prices.

Industrial production exhibits recovery, fueled by manufacturing

The nascent recovery for industrial production gained a modicum of steam in August. This is most clearly evidenced by the industrial production index (IIP), which increased by +2.9% MoM and +2.6% YoY after bottoming out in June. The uptick in industrial output was further demonstrated directly by improved exports and indirectly by strengthened domestic demand.

Manufacturing output rose by +4.5% MoM and +3.5% YoY in August, higher than the blended IIP result. Key drivers were production of food (+11.4% YoY) and chemicals (+9.3% YoY). Electricity production increased by +3.7% YoY; and water supply and waste management output rose by +1.8% YoY.

Uptick in industrial output continued in August



Source: GSO

As a result, 8M23 industrial output slid by -0.4% YoY (down, obviously, but better than the -0.7% YoY decline of 7M23). Although still in negative territory, we think the aggregate YTD IIP should turn positive, perhaps as early as September, given the increased momentum of recent monthly readings.

The composition of 8M23 IIP was as follows: Output of (1) mining decreased by -2.5% YoY; (2) manufacturing decreased by -0.6% YoY (improved from 7M23 -1%YoY); (3) electricity production and distribution increased by +1.7% YoY; and (4) water supply and wastewater treatment industry increased by 4.8%.

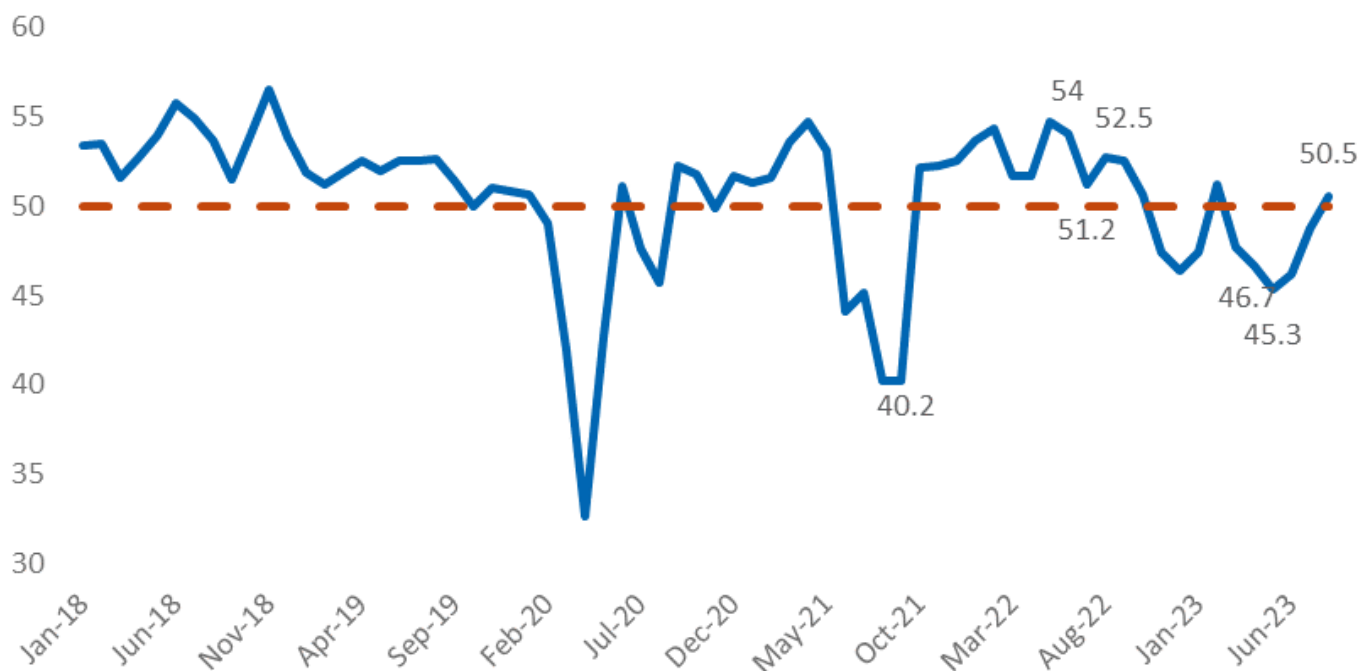
In 8M23, production of coke & refined petroleum increased by +9.9% YoY; tobacco increased by +8.6% YoY; rubber and plastic products increased by +8.4% YoY; metal ore mining increased by +6.5% YoY; chemicals and chemical products increased by +5.6% YoY; and food products increased by +5.4% YoY.

By contrast, production of the following segments declined in 8M23: Output of 1) electronic products, computers, and optical products decreased by -3.9% YoY; 2) machinery and equipment production not classified elsewhere decreased by -4.1% YoY; 3) other non-metallic mineral products decreased by -4.4% YoY; 4) wood processing and paper together fell -4.8% YoY; 5) apparel decreased by -5.1% YoY; 6) other transport equipment decreased by -6.0%; and 6) motor vehicle production decreased by -6.5% YoY.

August manufacturing PMI exhibited growth for the 1st time since Feb

S&P Global's August manufacturing PMI survey indicated expectations for expansion in manufacturing for the first time since February, as the manufacturing PMI returned to positive territory at 50.5 in August. This was a substantial MoM jump of 1.8 points up from 48.6 in the July survey. New orders and production were supported by a nascent recovery in end-market demand.

The manufacturing PMI in August signals expansion for the first time in six months



Source: GSO

Manufacturers reported increased new orders for the first time in 6 months, and export orders specifically rose after five months of sequential declines. Output also increased following five months of contraction. This result is in line with the recovery of exports, as discussed below.

In response to new orders and increased output, firms expanded purchasing activities. Stocks of input materials increased for the second month in a row, indicating that the firms are confident in future demand.

The manufacturing sector is likely to follow a "gradual road to recovery" theme rather than some kind of shocking sudden growth surprise. End-consumer demand for goods in the main markets remains tepid, but it is not going to zero, in our view.

More importantly, the main intermediary retail brands / distributors such as Nike, Lulemon, etc., and Walmart / Target / other big box retailers report that they have largely worked down their inventories.

This suggests an inventory normalization, which should positively impact new order flow for Vietnamese goods.

Foreign trade: Exports are gradually picking up

The GSO data includes some indications of improved merchandise exports. August's export turnover of goods reached USD32.37bn, up by +7.7% MoM. This is in line with the PMI survey results, in which firms reported increases in both new orders and export orders for the first time in half a year.

8M23 aggregate exports (merchandise only – services exports are only revealed on a quarterly basis) remain in negative growth territory, but the YoY decline has been exhibiting a slowing pace. YTD merchandise exports in 8M23 declined by -10.0% YoY to reach USD 227.71bn, an improvement from the -10.6% YoY decline of 7M23. Exports declined in most of the major markets: 8M23 exports to the US, the biggest export market by far, fell by -19.1% YoY (but a substantial improvement from 7M23 decline of -21.8% YoY), while EU exports slid by -8.3% YoY (vs. the drop of -9.9% in 7M23).

Clearly, 2023 is not going to go down in the record books as a banner year for exports. But the main point is that the conditions are improving, and the data of July-August confirms our view that 1H23 (and particularly June) was the bottom for this key macroeconomic driver.

Some 30 items had export turnover in excess of USD 1bn, accounting for 91.8% of the total in 8M23; while 5 items recorded export turnover in excess of USD 10bn YTD. As illustrated in the table below, most of the major items recorded substantial export declines YoY, although the largest segment – electronics – is now only down by -1.5% YoY.

Largest export items in 8M2023 recorded substantial decline

	Estimated 8M23 export turnover (USD mn)	YoY growth (% YoY)
Above USD10bn export turnover		
Electronic goods, computers and parts	36,150	-1.5
Mobile phones and parts	33,937	-15.4
Machinery, instrument, accessory	26,960	-10.3
Textiles and garments	22,348	-15.0
Footwear	13,487	-17.6

Source: GSO

Imports in August reached USD28.6bn, up by +5.7% MoM. This is a positive indicator that manufacturers are stocking up on imported materials for subsequent manufacturing, which accounted for 93.8% of total monthly imports. As discussed, manufacturers have increased purchasing to respond to increased new orders.

For 8M23, merchandise imports reached USD 207.5bn, down by -16.2% YoY. Some 37 items saw import turnover exceed USD 1bn in 8M23, accounting for 89.9% of total imports in that period. Two items recorded import turnover in excess of USD 10bn – electronics and machinery, both of which are inputs for downstream export manufacturing. Both items posted substantial declines in YTD imports, as illustrated below. But again, the declines in 8M23 segment imports were substantially lower than those of 7M2023.

Electronics, computers and parts remain the largest import products in 8M2023

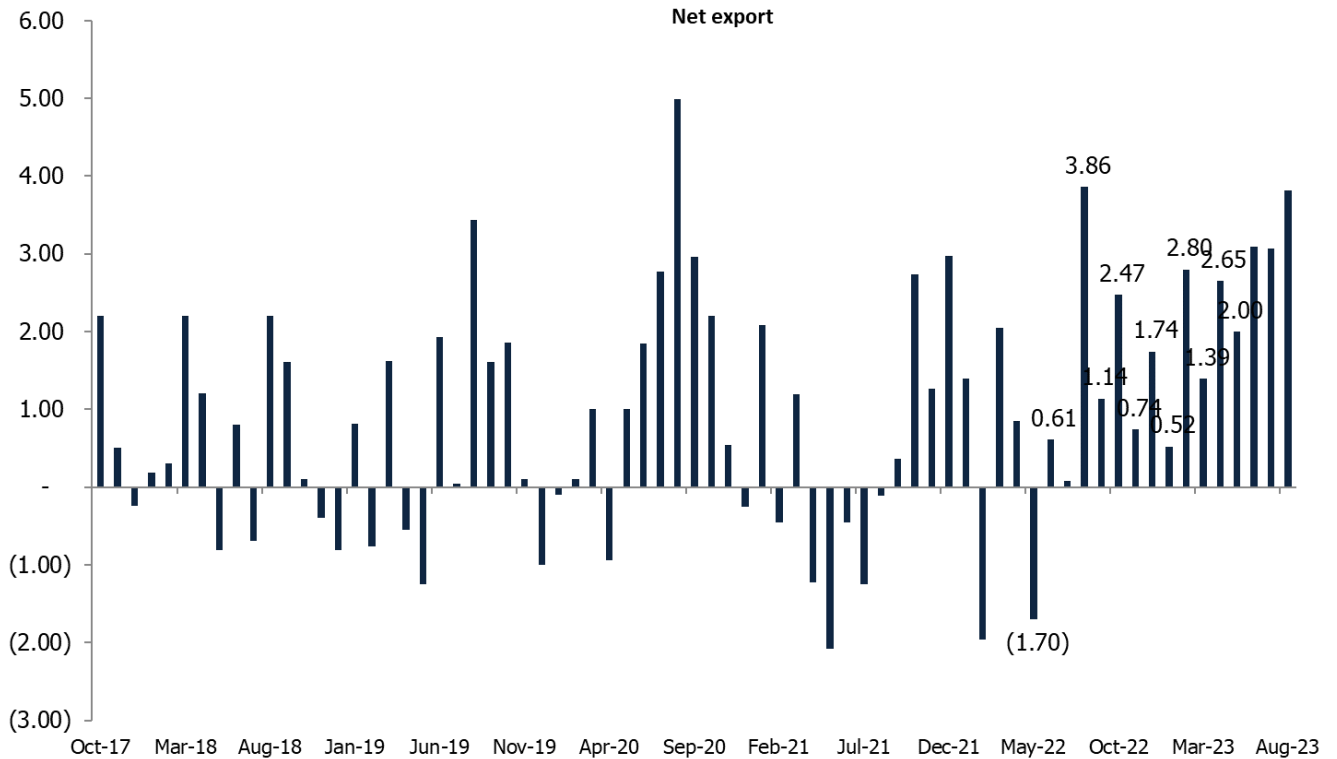
	Estimated 8M2023 import turnover (USD mn)	YoY growth (% YoY)
Above USD10bn export turnover		
Electronics, computers, and parts	53,832	-6.0
Machinery, instruments, and accessories	26,682	-13.0

Source: GSO

Vietnam recorded a merchandise trade surplus of USD20.19bn in 8M23, substantially higher than that of 8M22 (USD5.26bn). We lack the services trade data for Aug, but the services trade deficit was USD4.1bn in 6M23, implying that the total trade surplus in 8M23 is very likely to be higher than USD 12bn.

We expect exports to increase seasonally toward yearend (admittedly, we're not exactly going out on a limb with this forecast). In addition, we have observed that the sky-high global inventory levels of the end-distributors of Vietnam-made consumer products (e.g., Target, Walmart, Cosco) and brands (e.g., Nike, Lulemon) at the start of the year have been steadily normalized.

Vietnam recorded a merchandise trade surplus of USD 20.19bn in 8M23



Source: GSO

Public investment to ramp up into yearend

Public (state) investment in August reached VND 61.3 tn, up by +29.1% YoY.

This brought 8M23 public investment to VND352.1 trillion, up by +23.1% YoY (faster than that of 8M22 growth of 16.9% YoY) and fulfilling 49.4% of the government’s full-year budget.

Specifically, in 8M23, investment by the central government reached VND 65.3 trillion, 49.1% of budget and up by +29.5% YoY. Investment by provincial governments reached VND 286.7 trillion, 49.5% of the annual budget and up by +21.8% YoY.

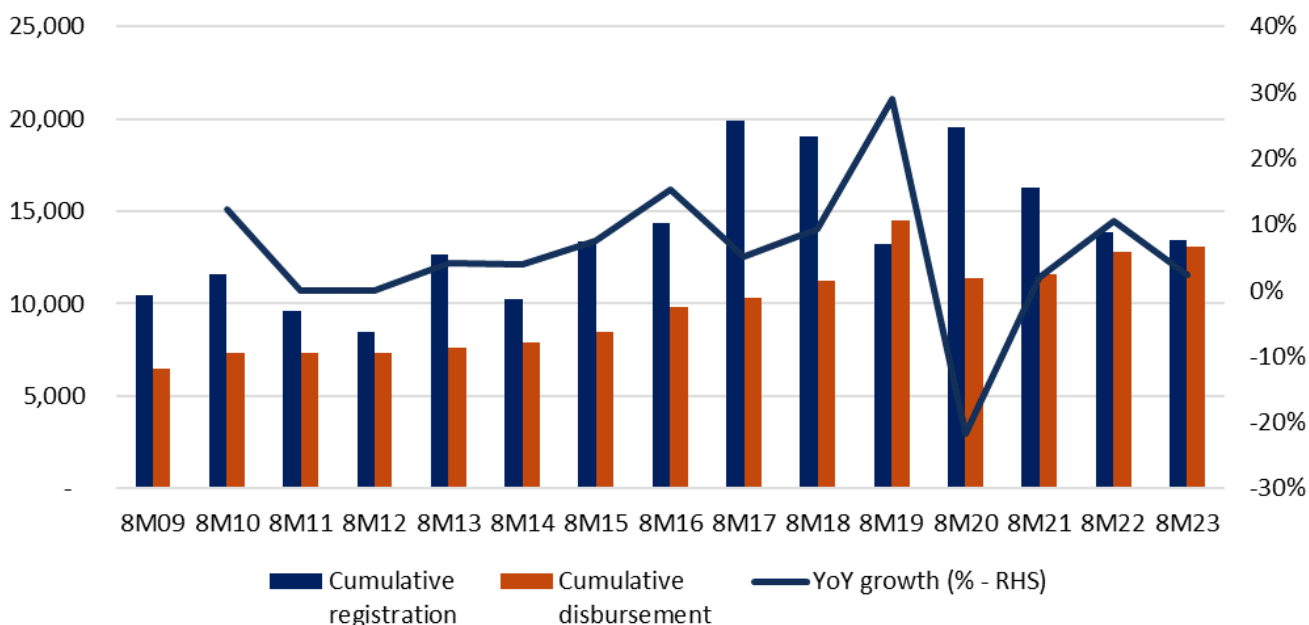
The GSO’s August statement highlights the government’s push for allocating public investment funds into yearend. We think it is unrealistic to expect the government at all levels to achieve 100% of the annual budget by yearend. However, public investment typically escalates in the second half of the year, so it shouldn’t be too challenging to fulfill 80-90% of the annual budget in the last four months of 2023.

Notably, the government set its target public investment for 2023 at USD 31 billion, up by +35.4% YoY and equivalent to 7% of GDP. Public investment typically speeds up in the second half of the year. For example, numerous highway projects are under construction across the country now, which should be positive for future economic growth -- both as a short-term driver (infrastructure construction activity) and as a long-term support for growth (as the infrastructure should enable value-added activity in the years ahead).

FDI disbursements have been less impressive. Aggregate disbursed FDI in 8M23 reached USD 13.1bn, up by +1.3% YoY. Manufacturing accounts for 82.1% of the 8M23 disbursed FDI, or USD 10.75bn. Property accounts for 4.8% of the FDI mix (USD625.9mn); while gas, hot water, steam, and air-conditioning FDI of USD 863.5mn, accounts for 6.6% of total disbursed FDI YTD.

Total registered FDI slid by -3.3% YoY to USD13.4bn. Specifically, newly registered FDI reached USD 8.9bn, up by an impressive +39.7% YoY, whereas additional FDI registrations dropped by -39.6% YoY to just USD 4.5bn. The number of new projects reached 1,924, up by +69.5% YoY. Pledged FDI represents promises, not cash injections; but the surge in interest in new projects -- among manufacturers in particular -- indicates that future disbursements are likely to remain strong.

Disbursed FDI recorded positive growth in 8M23



Source: GSO

Double-digit retail sales growth in 8M23

Retail sales of goods and services in August reached VND 515.4tn, up by +0.9% MoM and by +7.6% YoY. These figures were underpinned by merchandise receipts, which rose by +7.5% YoY in August (up from +7.0% YoY in July) to reach VND 400.0tn, representing 78% of total retail sales.

Hospitality and catering services revenue grew by +10.8% YoY to reach VND58.7tn, underpinned by the summer travel activities and ongoing recovery in international arrivals. Notably, the GSO reported the number of international arrivals to Vietnam in August reached 1.2 million, up +17.2% MoM and +2.5 times higher YoY.

This improvement in international arrivals may have been helped by the mid-August easing of certain restrictive tourist visa policies that had been rather confusingly put into place after COVID. In any case, this is an encouraging trend for retail sales for the remainder of 2H23 and beyond, in our view.

Retail sales growth remains solid



Source: GSO

As a result, total retail sales (i.e., goods and services) rose by 10.0% YoY in 8M23 (or real growth of +7.7%YoY) to reach VND4,044 trillion (USD169 billion), driven in part by +15.6% growth in hospitality and catering receipts, which reached VND 436.3tn.

The GSO estimates that revenue from tourism and travel in 8M23 reached VND22.4 tn, +47.0% higher than that of the same period last year. We would anticipate continued recovery in this segment toward the end of the year given normal seasonality and the relaxation of visa policies in August.

In addition, retail sales of goods in 8M23 reached an estimated VND 3,175.5 tn, up +8.7% YoY (real growth +7.4%), according to the GSO. Food spending increased by +12.1% YoY; cultural and educational product receipts increased by +11.0% YoY; and spending on garments increased by +8.7% YoY.

Retail sales have benefited from relaxed fiscal and monetary policies. The 2ppt VAT cut that took effect on July 1st should lift consumer sentiment in theory, but it may take a bit of time to fully trigger retail sales. In addition, the SBV has encouraged commercial banks to reduce lending rates following a series of policies rates cut since Mar 2023. The new policies should be supportive of demand and retail sales going forward.

The main risk in the near term is that the ability to continue cutting interest rates might be hit by inflationary pressures that are now starting to re-emerge, driven by the rebound in food and global energy / fuel costs and exacerbated by the recent softness in the Vietnam dong.

Oil and rice prices signal headwinds for inflation

According to the GSO, domestic petrol and rice prices surged in accordance with global prices, resulting in the CPI rising (slightly) by +0.88% MoM and by +2.96% YoY – still low by global standards, but substantially higher than the 2.06% CPI inflation of July. This is in line with our concerns expressed in last month’s macro roundup, in which we discussed our expectations for oil and food prices to present upside risk for the CPI figures into yearend.

However, the 8M23 average monthly CPI of 3.1% is substantially lower than the government’s full-year target of keeping average CPI below 4.5%.

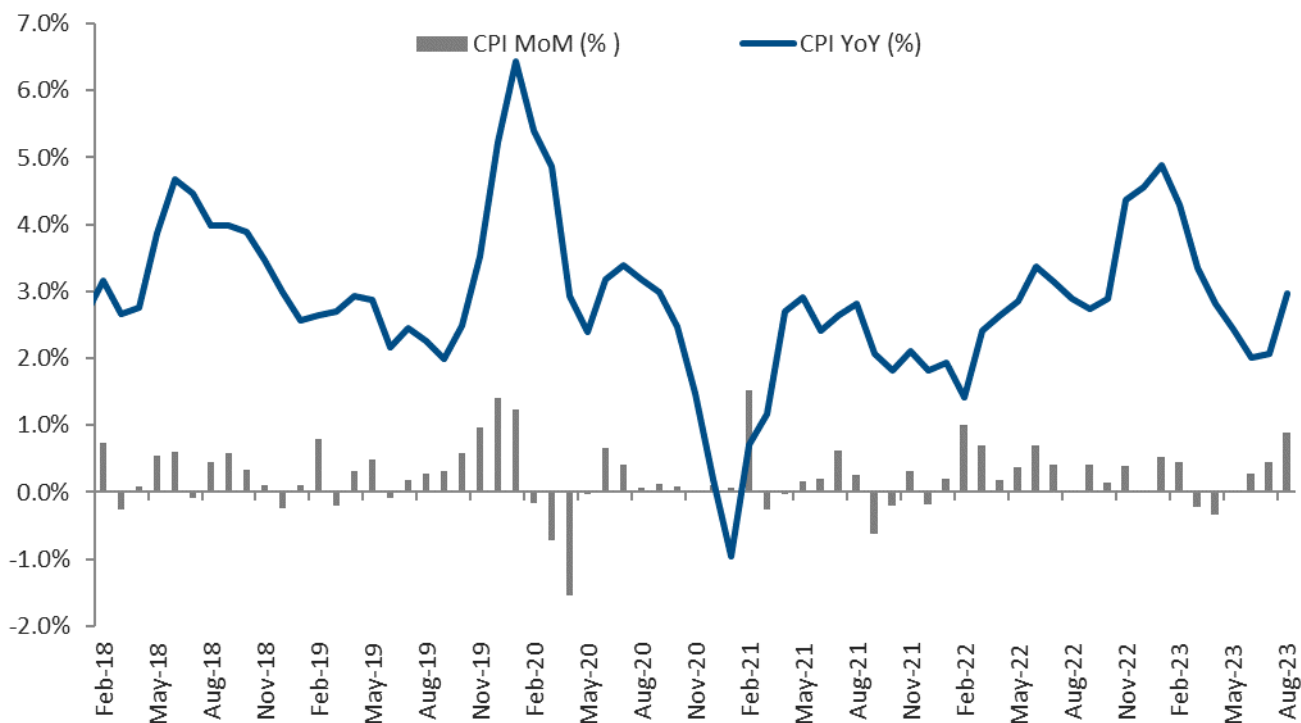
Ten of the 11 items in the CPI baskets posted increases in prices in August:

- Food (33.56% of the CPI basket) rose by +0.78% MoM as rice prices rose 4.4% due to global supply constraints. In addition, meat prices rose by 0.96% MoM.
- Housing materials (18.82% of the CPI basket) rose by +0.85% MoM as rents rose and gas prices increased by 7% since Aug 1.
- Education (6.17% of the basket) rose by +0.96% MoM as textbooks rose by 3.37% MoM.
- Transport (4.55% of the basket) rose by +3.85% MoM as petrol prices rose by 9.85% MoM.
- Beverages and tobacco (2.73% of the CPI basket) rose by +0.28% MoM.

By contrast, only one of the 11 items in the CPI basket posted price reductions in August:

- Telecom (3.14% of the CPI basket) decreased by -0.17% MoM as prices of smartphone parts declined.

Consumer price inflation is not a major concern



Source: GSO

We continue to see two key upside risks for the September CPI.

- 1) Oil prices have continued to trend higher since June. Brent crude reached USD 88 per barrel in early September, hovering at the highest levels since January, underpinned by expectations that OPEC+ leaders will extend measures to keep oil supplies tight. Again, as pointed out last month, we continue to see trading opportunities in oil price beneficiaries such as PVD (BUY), PVS (Not rated), and GAS (Not rated), which have high correlations with oil prices.
- 2) Food prices: Our on-the-ground observations indicate that domestic rice prices rose by 10-20% MoM (vs. the 4.4% increase as reported by GSO), whereas international prices rose by ~5% MoM. Rice futures have surged amidst concerns of limited supplies due to unfavorable weather conditions and export restrictions. Asian countries, responsible for 90% of global rice cultivation and consumption, are facing reduced output due to exacerbated weather conditions from global warming, compounded by an earlier-than-usual El Niño.

Yuanta Universe: Valuations and ratings

Sector	Stock Code	PER (x)			EPS Growth (%)			PEG (x)			PBV (x)			ROE (%)			ROA (%)		
		2022A	2023E	2024E	2022A	2023E	2024E	2022A	2023E	2024E	2022A	2023E	2024E	2022A	2023E	2024E	2022A	2023E	2024E
Banks	ACB VN	5.6	5.7	4.6	43.2	(1.2)	24.0	0.1	n/a	0.2	1.3	1.2	1.0	26.2	23.9	24.4	2.4	2.4	2.6
	BID VN	15.0	12.8	10.7	81.0	16.9	19.6	0.2	0.8	0.5	2.3	1.9	1.7	16.6	16.3	16.7	0.9	1.0	1.1
	HDB VN	5.5	5.2	4.0	28.2	5.0	30.1	0.2	1.1	0.1	1.1	1.1	0.9	22.2	22.0	23.8	2.1	2.2	2.3
	MBB VN	5.1	5.1	4.1	16.0	(0.3)	25.9	0.3	n/a	0.2	1.1	1.0	0.8	24.3	22.4	23.1	2.7	2.6	2.9
	STB VN	12.2	9.3	5.7	63.8	32.0	63.7	0.2	0.3	0.1	1.6	1.4	1.1	13.8	15.8	21.4	0.9	1.2	1.7
	VCB VN	15.3	15.0	11.0	39.9	2.1	36.4	0.4	7.3	0.3	3.1	3.0	2.4	22.5	22.1	24.4	1.9	1.9	2.3
	VPB VN	7.7	8.6	6.5	54.0	(9.9)	31.5	0.1	n/a	0.2	1.4	1.3	1.2	19.1	15.3	18.1	2.9	2.1	2.4
Brokers	HCM VN	17.5	20.1	18.3	(32.8)	(12.7)	9.5	n/a	n/a	1.9	1.9	1.9	1.8	11.2	10.3	10.2	4.3	5.2	5.1
	SSI VN	22.4	14.8	13.9	(56.1)	51.3	6.7	n/a	0.3	2.1	2.2	2.0	1.8	12.2	14.2	13.6	4.3	6.3	6.3
	VCI VN	24.0	20.1	17.8	(55.7)	19.5	13.2	n/a	1.0	1.3	3.2	2.9	2.6	13.4	15.3	15.9	6.0	6.9	7.2
	VND VN	26.8	16.8	16.7	(65.1)	59.3	1.0	n/a	0.3	16.4	2.1	2.0	1.9	10.0	12.8	12.1	3.0	4.6	4.4
Energy	PVD VN	(123.2)	8.9	5.6	n/a	n/a	57.0	n/a	n/a	0.1	0.7	0.7	n/a	n/a	8.8	13.2	n/a	0.1	3.2
	NT2 VN	15.0	9.1	11.8	(14.6)	65.5	(23.0)	n/a	0.1	n/a	2.1	2.1	n/a	15.9	17.5	17.7	9.6	10.4	10.6
	PC1 VN	14.1	7.2	6.8	(31.9)	97.5	5.5	n/a	0.1	1.2	1.0	0.9	n/a	13.7	14.2	13.1	4.8	5.9	6.5
Consumer	MSN VN				20.9	4.2	-	n/a	n/a	n/a	1.8	1.6	n/a	15.2	13.7	-	8.9	8.2	-
	PNJ VN	10.5	9.1	7.0	68.4	16.2	28.4	0.2	0.6	0.2	2.5	2.4	2.2	23.2	26.5	31.4	13.9	15.6	17.5
	DGW VN	10.8			17.8		-	0.6	n/a	n/a	2.2	2.2	n/a	18.4	18.4	-	7.1	7.1	-
	FRT VN	25.3	86.7	24.6	(12.0)	(70.8)	252.9	n/a	n/a	0.1	4.8	5.6	n/a	19.4	6.8	19.9	3.8	1.2	3.8
Oil & GAS	POW VN	16.7	12.0	10.9	5.6	40.0	10.0	3.0	0.3	1.1	1.1	1.0	n/a	5.9	7.6	7.8	3.5	4.7	4.8
Property	KBC VN	6.1	4.4		91.0	40.0	-	0.1	0.1	n/a	1.3	1.1	n/a	22.0	26.0	-	10.0	12.0	-
	DXG VN	14.7	7.5		(22.0)	97.0	-	n/a	0.2	n/a	1.5	1.3	n/a	9.0	15.0	-	4.0	6.0	-
	KDH VN	24.1	34.5	19.7	(18.0)	(30.0)	75.0	n/a	n/a	0.3	2.3	2.2	2.1	10.0	6.0	11.0	6.0	4.0	6.0
	NLG VN	28.9	25.5	26.6	(57.0)	13.0	(4.0)	n/a	2.0	n/a	1.7	1.6	1.6	6.0	7.0	5.0	3.0	3.0	3.0
	NVL VN	-	-	-	18.3	53.3	-	-	-	n/a	-	-	-	10.6	14.8	-	2.4	3.4	-
	VHM VN	8.3	8.0	9.4	(20.0)	(1.0)	(16.0)	n/a	n/a	n/a	1.6	1.4	1.2	21.0	19.0	14.0	10.0	9.0	7.0
Transport	ACV VN				-	-	-	n/a	n/a	n/a	3.1	2.8	n/a	11.0	12.6	-	5.2	5.3	-
Industrials	DHC VN	7.6	5.7	3.9	(22.1)	32.2	47.3	n/a	0.2	0.1	1.5	1.3	n/a	22.0	23.9	30.8	20.6	10.1	15.2
	BWE VN	12.7	10.2	7.2	17.0	24.9	41.7	0.7	0.4	0.2	2.1	1.9	n/a	18.8	20.6	25.5	8.6	10.6	14.7

Stock ratings and pricing data is as of close on Aug 31 2023

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 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

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

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

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

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

An Nguyen
Assistant Analyst
Tel: +84 28 3622 6868 (ext. 3845)
an.nguyen@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

Hien Le
Sales Trader
Tel: +84 28 3622 6868
hien.le@yuanta.com.vn

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