

VIETNAM MARKET OUTLOOK

August 2022

H1 market earnings up 18.8% and continued strong macro backdrop pave the way for promising second half of 2022

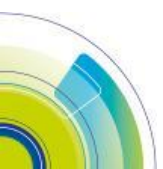
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Almost all first half earnings have been reported with market wide 1H 2022 revenues increasing 16.6% y/y and earnings increasing 18.8% y/y. Banks were the leading contributor in terms of earnings for the first half with H1 earnings increasing 35% y/y due primarily to the decrease in provisioning that occurred in 2021 as banks grappled with COVID related loan restructuring, while also posting 16% y/y and 17.5% y/y growth in interest income and non-interest income respectively. While on the other hand, the Real Estate sector was the largest contributor on the down side with earnings decreasing 29% y/y. The first half saw a few issues facing the real estate market including many banks hitting their credit growth quotas towards the end of H1, which restricted access to bank credit for both buyers and developers and the slowdown in the corporate bond market due to tightening regulations as a result of recent anti-corruption measures.

Amid growing global concerns of soaring inflation and recessionary pressures as central banks try to rein in spiraling cost of living rises, Vietnam's economic performance continues to be in an envious position. **Vietnam's industrial production** continued its expansion with **IIP increasing 11.2% y/y** and **Markit PMI decreased to 51.2**, but remains in expansionary territory. **July's disbursed FDI kept increasing by 20% y/y** to US\$1.5bn and FDI pledges increased 4% y/y at US\$1.5bn. Total **import-export turnover in July was estimated at US\$60.6bn**, up 6.4% y/y and has posted a cumulative **trade surplus** of US\$0.76bn for seven months. **Retail sales** continued to elevate with growth of 42.6% y/y (coming from a low base as COVID-19 restrictions severely impacted retail activities in Q3 2021). The inflation rate remained under control, with the **CPI up 0.4%** over last month and **increased 3.14%** over the same period last year. The USD/VND rate increased for most of July, but cooled late in month, with the average rate of banks up to 23,343 (+0.26% m/m), while the free market rate surged to 24,410 (+1.96% m/m) as the growing pressure from the strengthening USD after the Fed hiked interest rates in recent meetings.

The VNIndex recovered slightly in July after dropped to lowest point in year at 1,143 and closed month over 1,200 level, up 0.7% over last month. Overall liquidity on the markets continued the downtrend, with the average daily trading value decreasing 20.7% over last month. Foreign investors returned to be net sellers with a value of US\$17.2m after three consecutive months of net buying, with the YTD foreign flow figures positive at a net buy of US\$64.7m. Most listed companies have released business results of 2Q-2022, posting an overall earnings growth of 18.8% for H1 2022. On the market development side, on July 28th, Deputy Minister of Finance Nguyen Duc Chi said Vietnam's Ministry of Finance (MoF) and relevant agencies are accelerating the implementation of KRX trading system on schedule which expected to improve market trading ability and provide more functions for investors.

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Summary of first half business results on VNIndex

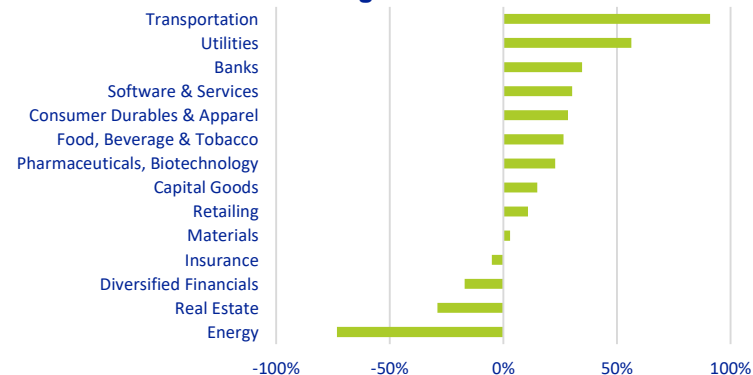
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- **Banks** were the leading contributor in terms of earnings for the first half with H1 earnings increasing 35% y/y, primarily due to the decrease in provisioning that occurred in 2021 as banks grappled with COVID related loan restructuring, while also posting 16% y/y and 17.5% y/y growth in interest income and non-interest income respectively.
- The **Transportation** sector has posted strong revenue (+72% y/y) and earnings figures (+91% y/y) compared to H1 last year, primarily driven by the reduction in losses at Vietnam Airlines (HVN) as travel has resumed following strict COVID prevention measures in 2021. Transportation Infrastructure have good profits (+57%) given the growth of imports-exports and domestic trading as retail sales increase strongly in the first half.
- The **Utilities** sector recorded 56.4% y/y of earnings growth on the back of high oil and gas prices which benefited the largest company in the sector, PetroVietnam Gas (GAS).
- The **Food and Beverage** sector posted a sector earnings growth of 26.5% y/y in H1, driven by a strong rebound in retail sales and consumption following the relaxation of COVID-19 related restrictions. The fisheries sector returned impressive profit growth (+198%) and benefited from supply disruptions related to the Russian invasion of Ukraine.
- The **Real Estate** sector was the largest contributor on the down side with earnings decreasing 29% y/y. The first half saw a few issues facing the market including many banks hitting their credit growth quotas towards the end of H1 which restricted access to bank credit for both buyers and developers and the slowdown in the corporate bond market due to tightening regulations as a result of recent anti-corruption measures
- The **Energy** sector had a disappointing first half despite posting a 72.8% y/y increase in revenue, earnings dropped by 73.3% y/y, which was primarily due to the 90% decrease in profit of Petrolimex (PLX) as skyrocketing oil prices were unable to be completely passed along to customers and large provisions were made at the end of H1 on their gasoline inventories as prices have come down after acquiring inventories at peak prices (excluding provisioning, PLX profit would be down c. 28% y/y).

While the first half results posted solid earnings gains, the q/q results showed some signs that earnings were under pressure.

- **Materials** decreased 26.6% q/q in terms of earnings, led by contraction in profit of steel maker HPG which faced difficulties with falling global steel prices on low demand from both the domestic market and China market.
- **Banks** recorded a q/q contraction in profit (-7.2% q/q) as many banks reached their credit growth quota and were unable to lend further and there were some large non-recurring items booked in Q1 2022 (VPB booked over VND 5,500bn in profit from the bancassurance deal with AIA) resulting in some pullback in the q/q figures.
- **Diversified Financials** (i.e. brokers) had a tough quarter as liquidity on the market decreased significantly (-34%), overall margin balances slipped by an estimated 23% resulting in falling lending income and brokers' proprietary trading activities were deeply impacted by the overall market correction (VNIndex down 20% q/q).

Net income growth in the first half of 2022



Summary of first half business results on VNIndex (cont'd)

Industry group	Market Cap (VNDtn)	2Q-2022		2Q-2022		1H-2022	
		Revenue (% q/q)	Net Income (%q/q)	Revenue (% y/y)	Net Income (%y/y)	Revenue (% y/y)	Net Income (%y/y)
Banks	1,522.0	4.2%	-7.2%	15.9%	37.9%	16.3%	34.7%
Real Estate	1,019.3	-6.8%	-7.5%	-51.2%	-41.0%	-40.3%	-29.0%
Food, Beverage & Tobacco	539.2	14.7%	-2.0%	6.7%	12.2%	8.3%	26.5%
Materials	369.9	-4.6%	-26.6%	12.4%	-25.7%	29.9%	2.9%
Utilities	336.2	8.2%	17.4%	16.7%	59.6%	22.2%	56.4%
Capital Goods	238.9	11.7%	-23.4%	10.1%	1.6%	13.8%	14.9%
Transportation	186.0	55.6%	-149.8%	112.4%	83.2%	72.3%	91.1%
Diversified Financials	120.3	-24.1%	-57.1%	-10.7%	-57.0%	15.9%	-17.0%
Retailing	105.5	-3.3%	-20.7%	16.8%	6.4%	18.6%	10.9%
Software & Services	98.9	2.3%	4.3%	18.4%	26.7%	22.8%	30.4%
Energy	70.1	24.5%	-84.0%	75.2%	-95.7%	72.8%	-73.3%
Insurance	56.2	1.9%	-33.3%	6.4%	-28.9%	7.9%	-5.0%
Consumer Durables & Apparel	50.4	-9.2%	-24.8%	39.1%	16.6%	36.1%	28.5%
Pharmaceuticals, Biotechnology & Life Sciences	29.6	-2.1%	1.9%	12.3%	15.4%	14.2%	22.9%
Automobiles & Components	9.3	-4.7%	64.6%	6.4%	22.0%	17.1%	17.9%
Consumer Services	7.7	13.8%	187.9%	-30.7%	1271.7%	15.8%	37.2%
Unclassified	7.2	-5.4%	-243.4%	16.8%	-207.8%	17.5%	-112.5%
Commercial & Professional Services	5.8	27.9%	140.8%	52.6%	267.0%	20.9%	127.4%
Health Care Equipment & Services	3.3	-1.3%	542.1%	-48.2%	0.9%	-48.7%	466.0%
Technology Hardware & Equipment	2.1	-29.9%	-35.1%	16.4%	17.6%	29.2%	55.8%
Telecommunication Services	2.1	-59.7%	-131.8%	111.2%	-725.9%	261.7%	528.2%
Media & Entertainment	1.6	8.4%	289.6%	-55.1%	119.5%	-56.4%	117.0%
Household & Personal Products	1.5	6.4%	57.9%	6.9%	74.0%	0.4%	35.1%
Total	4,782.7	5.8%	-11.6%	11.9%	5.1%	16.6%	18.8%

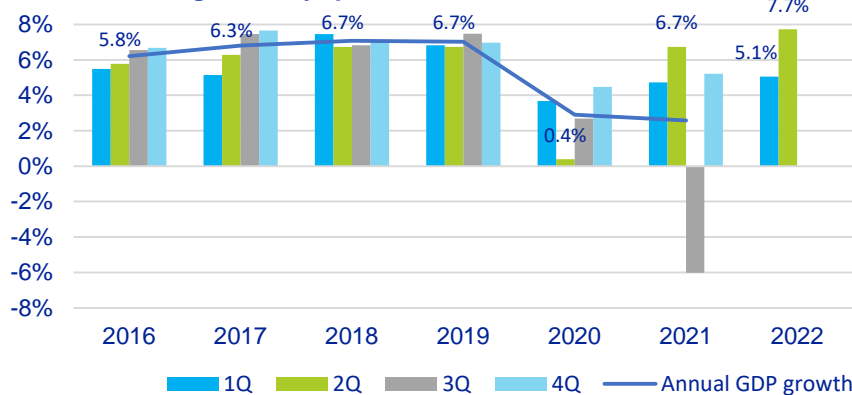
Source: Bloomberg, ACBS

- ❖ **Vietnam industrial production** continued its expansion with **IIP increasing 11.2% y/y** and **Markit PMI decreased to 51.2**, still in expansionary territory. **Disbursed FDI increased by 20% y/y** to US\$1.5bn and FDI pledges increased 4% y/y at US\$1.5bn. Total **import-export turnover in July was estimated at US\$60.6bn**, up 6.4% y/y and maintain **trade surplus** of US\$0.76bn for seven months. **Retail sales** continued to elevate with growth of 42.6% y/y (coming from a low base as COVID-19 restrictions severely impacted retail activities in Q3 2021). The inflation rate remained under control, with the **CPI up 0.4%** over last month and **increased 3.14%** over the same period last year.
- ❖ The USD/VND rate increased for most of July before cooling down in late of month, with the rate at central bank closed month at 23,176 (+0.29% m/m), the average rate of banks up to 23.343 (+0.26% m/m) and rate in free market surged strongly to 24,410 (+1.96% m/m) as the growing pressure from the strengthening US Dollar after the Fed hiked interest rates in recent meetings.
- ❖ After reengaging on the T-bills channel in late June, the SVB continued withdraw VND from market by T-bills, reverse repo OMO and sold foreign currency from reserve, reducing VND liquidity in system, push the interbank rates surge dramatically especially starting mid-July.
- ❖ Gasoline prices decreased in all three price adjustments in July. In total, gasoline prices decreased c.20.7% in July and was up c.11.9% from beginning of 2022. Diesel prices decreased 17.2% in July and up 41.4% from beginning of 2022. Retail cooking gas prices continued to decreased by c.1.5% from 1 July, down 1.1% from beginning of 2022.
- ❖ China paused the temporary ban on Vietnamese seafood to reduce the effect of zero-COVID strategy to the economic. Previously in May, China imposed a 7-day ban on Vietnamese seafood exporters if their containers infected with Covid-19.
- ❖ Vietnamese lawmakers approved the second environmental tax cut on gasoline starting from 11 July to contain surging fuel prices.
- ❖ Banks of America, the second largest US lender, eyes to set up a US\$50 million branch in Ho Chi Minh City. Previously, two branches of this lender in Ha Noi and Ho Chi Minh City were closed in 2002 as an action in the reform plan of parent company.

- ❖ Australian Anti-Dumping Commission informed an end to anti-dumping duties imposed on Vietnamese aluminum extrusions, which was initiated in Sep 2021.
- ❖ The US Fed decided to raise its benchmark interest rate by 0.75% to push the federal funds rate to a range of 2.25% - 2.5% on 27 July. Previously, Fed approved the increase of 0.75% in June, 0.5% in May and 0.25% in March. Early indications are for another 75bps increase in the benchmark interest rate at the next FOMC meeting in mid-September.
- ❖ The Bank of Korea (BOK) raised its interest rate of 7 days repo contract by 50 basis points on 13 Jul to 2.25% after 5 times of raising by 25 basis points, the highest increase since the 1990's;
- ❖ The Bank of Canada hiked its policy interest rate by 100 basis points, the highest increase since 1998 and the 4th consecutive time of increase interest rate since March 2022, bringing the basis rate to 2.5% and continue its policy of quantitative tightening;
- ❖ European Central Bank hike interest rates for the first time in 11 years by 0.5% amid inflation in Eurozone still high at 8.6% in June.
- ❖ Russia lowed its interest rates by 150 basis points to an annual rate of 8% from 9.5%, bringing the rate back to pre-war level.

GDP achieved the highest 2nd quarter growth for a decade

Vietnam GDP growth by quarter

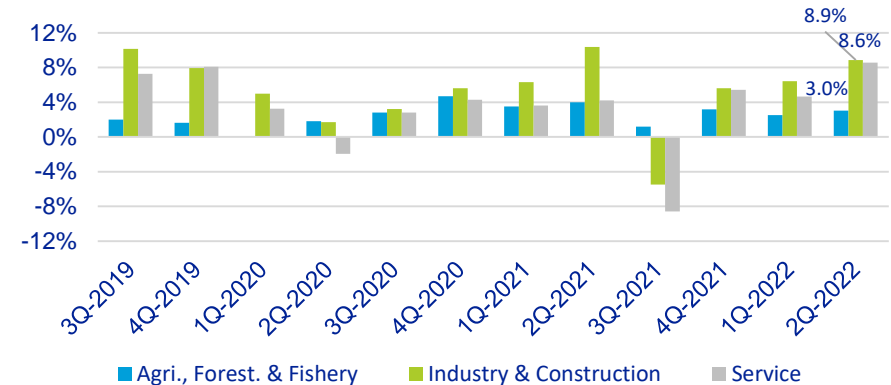


Source: GSO, ACBS

❖ Vietnam's GDP accelerated by 7.72% y/y in the 2nd quarter of 2022, the highest 2nd quarter growth for a decade. In which, the industry and construction continued to play an important role in growth of economic with gaining of 8.9%, the agriculture-forestry-fishery increases 3.0% and service increased strongly at 8.6%. For 6 months, GDP growth increased 6.42% y/y, higher than 6M growth of 2021 and 2020 but less than 6M growth of 2019 and 2018.

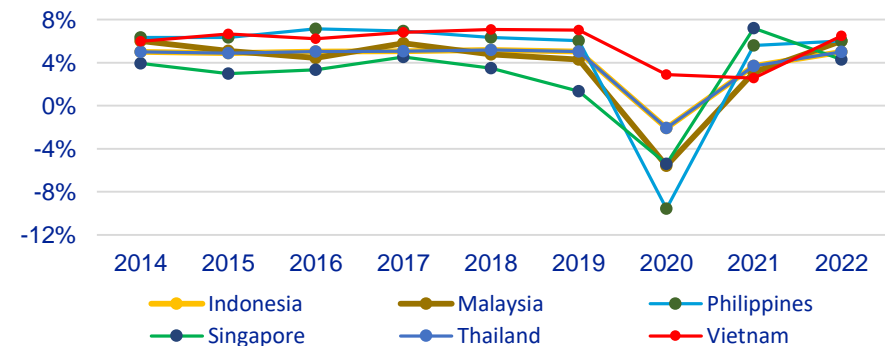
❖ Regarding GDP for 6 months by expenditure, Final Consumption increased by 6.06%, Gross Capital Formation increased by 3.92%, Exports of goods & services increased by 9.10% and Imports of goods and services increased by 4.41%.

GDP growth breakdown



Source: GSO, ACBS

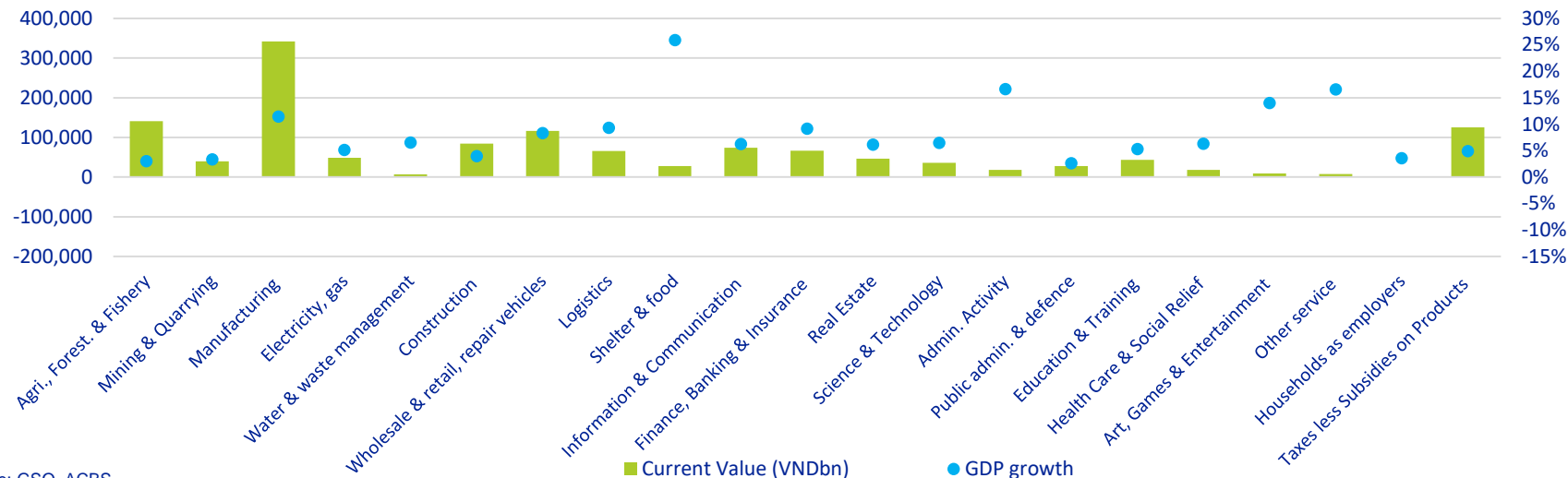
Vietnam GDP growth and peer market



Source: World Bank, ACBS. GDP 2022 estimated by ADB in April 22

GDP breakdown by industry

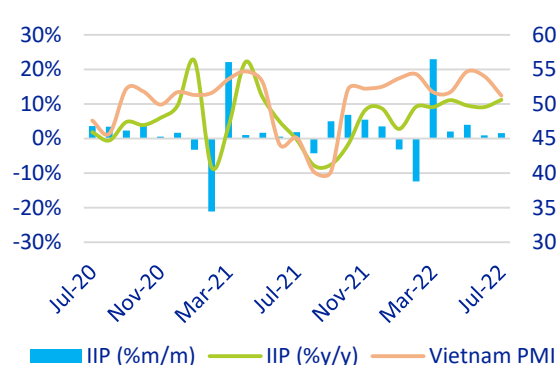
GDP by Industry in 2Q2022



Source: GSO, ACBS

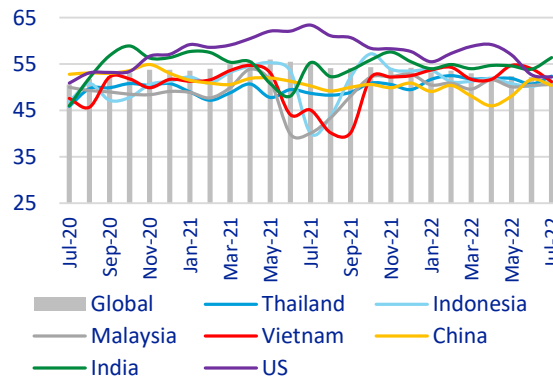
- ❖ Most sectors achieved impressive growth in the 2nd quarter. Manufacturing (+11.5%) continued to be the highest contribution of economic growth in the 2nd quarter thanks to the strong FDI inflows along with rehabilitation of industrial production, following by Wholesale, retail & repair vehicles (+8.3%), Shelter & food (+25.9%) given the strong recovery post pandemic, Logistics (+9.4%) kept growth along with the resumption of many social activities according to “living-with-COVID-19” strategy, Finance and banking (+9.2%) thanks to strong credit growth although many banks hit their credit lines by end of May, Information & Communication (+6.3%) which maintain growth in recent years along with the digitization trend, Agriculture-Forestry-Fishery (+3.0%) kept stable growth, in which the fishery has the big breakthrough amid Russia-Ukraine war causing the shortage of fish supply for EU.

Vietnam IIP and PMI



Source: GSO, IHS Markit, ACBS

Vietnam PMI and other markets



Source: Bloomberg, IHS Markit, ACBS

IIP July 2022 by industry



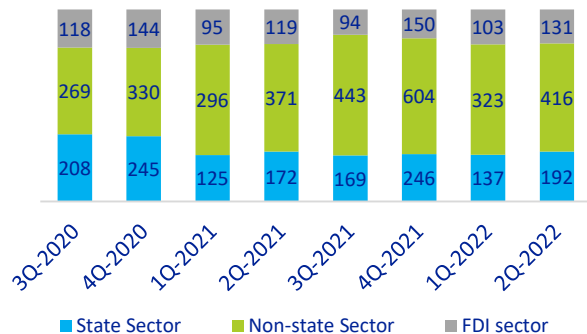
-40% -20% 0% 20% 40% 60% 80%

Source: GSO, ACBS

- ❖ The IIP in July increased by 11.2% y/y as most industries recovered, except extraction of crude oil & gas (-10.5%), manufacturing of basic metals (-6.4%), manufacturing of rubber and plastics products (-4.5%). For 7 months, IIP increased by 8.8% y/y and registered the expansion in 61 provinces and contraction in 2 provinces. The highest growth provinces was Lai Chau (+54.4% y/y) and the lowest was Tra Vinh (-30.5%). Some notable products in the first 7M were Liquidized gas (+38%), Beer (+22%), Phone accessories (+21%), Clothes (+13%), Urea fertilizer (12%), Leather footwear (+11%). In converse, some products decreased such as television (-16%), Fresh milk (-14%), Crude steel, iron (-9%). The number of employees working in industrial enterprises as of July 1st increased by 1.2% m/m and up 11.3% y/y.
- ❖ The Markit PMI continued in expansionary territory at 51.2, lower than 54 of last month as output, new orders and employments maintain rising but sign of slowing growth given inflation remain elevated in many export markets of Vietnam. Likewise, the PMI of global and many area such as Eurozone, European Union, ASEAN, US, Japan dropped in June, while China's PMI recovered for the second consecutive month to 51.7 from 48.1 in last month as this countries have plan to booster economic growth.

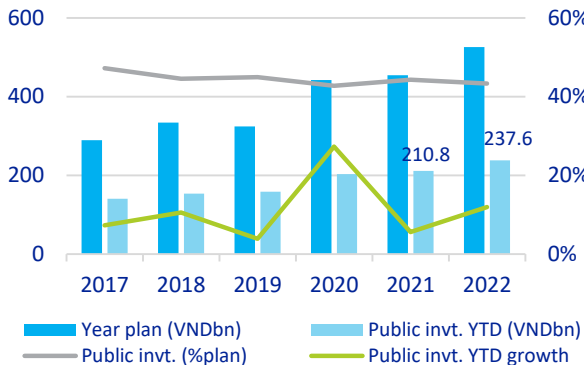
Total investment disbursement

Unit: VNDtn



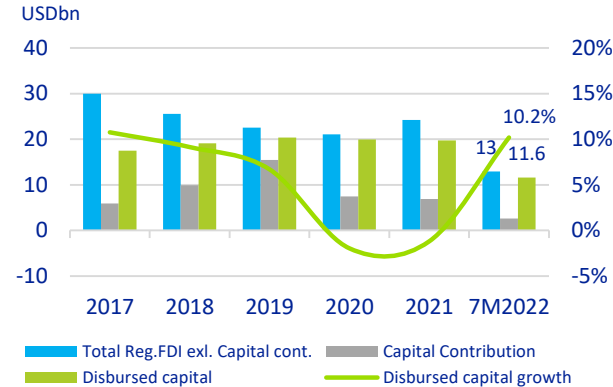
Source: GSO, ACBS

Public investment in 7M



Source: GSO, ACBS

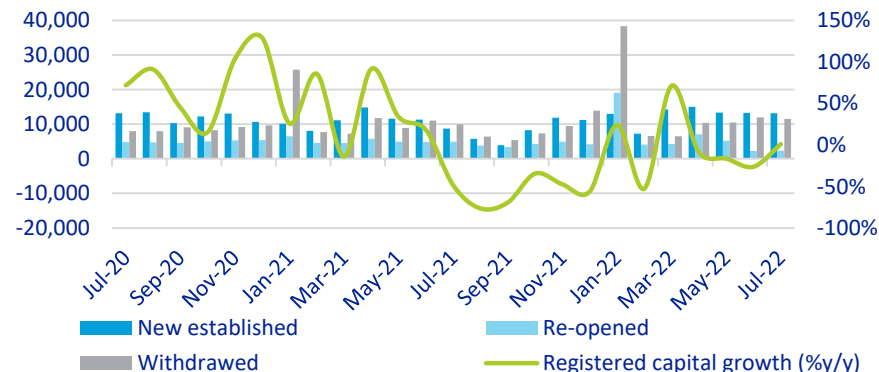
FDI attraction by years



Source: MPI, ACBS

- ❖ The total social investment increased by 10.1% y/y in the 2nd quarter, recording VND739 trillion, in which, the non-state sector continued decrease its contribution to 56.3% in total capital compared with 57.5% in the 1st quarter, FDI sector also decreased their contribution to 17.7% and state sector increased to 26%.
- ❖ In July, Vietnam spent VND46.2 trillion on public investment, an increase of 23.1% y/y, completing 43.3% of the annual plan in 7 months. Many projects are faced with several difficulties given the continuous increase in fuel prices and input materials as well as lack of road embankment materials, slow site clearances, financial shortfalls... put more pressure to contractors.
- ❖ In terms of the private sector, new registered enterprises reached 13,174 (+50.7% y/y), reopened enterprises recorded at 2,325 (-53%). Besides, the number of enterprises withdrawing from the market was still high with 11,468 (+15.8%).

Enterprises activities



Source: GSO, ACBS

Key projects in progress	Est. capital (VNDbn)	Implementation Progress
Long Thanh International Airport - Site clearance project	22,856	<ul style="list-style-type: none"> - As of 30 June '22, disbursed capital estimated of VND15,618bn, completed 68% total plan. - Plan to hand over all site before 15 August 2022.
Long Thanh International Airport - Construction project - Phase 1	109,111	<ul style="list-style-type: none"> - Started work on passenger terminal on 30 March, 22.
East North - South Expressway (period 2017-2020)	118,716	<ul style="list-style-type: none"> - As of 30 June 2022, disbursed capital estimated of VND5,800bn, completed 28,3% of 2022 plan. - Site clearance: completed 99.9% - Construction: 1 component project completed, 4 projects on schedule, 6 projects behind schedule.
East North – South Expressway (period 2021-2025)	148,500	<ul style="list-style-type: none"> - Approved 12 components projects on July 2022. - Preparing feasibility studies for 12 component projects. - Allocated capital of VND257bn, disbursed capital by 72% as of 30 June 2022.

Key Government decisions on Public investment in 2022

Resolution No. 43/2022/QH15 ("Resolution 43") dated 11 Jan 2022 specifying some fiscal and monetary policies to support the socio-economic recovery and development. In which, increase public investment capital.

The Ministry of Transport (MoT) has been assigned a public investment plan for 2022 by the Prime Minister, with a total budget of more than VND50 trillion (\$2.2 billion). This is the largest single capital plan ever, and accounts for 9.7% of the country's overall 2022 capital plan

The Prime Minister issued decision No.548/QĐ-TTg on May 2, 2022 to accelerate the disbursement process by working with related ministries and localities to address current issues.

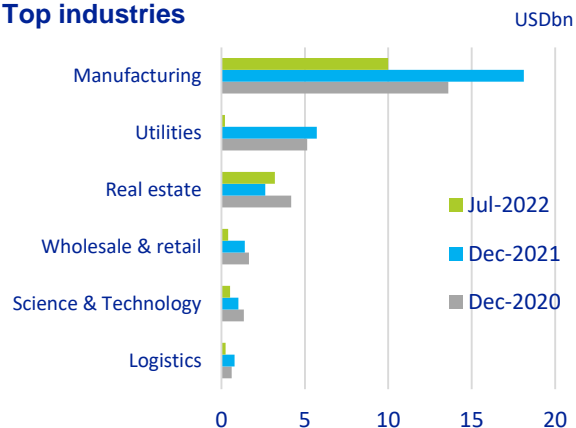
On 16 June, the National Assembly approved the investment policy of the Ring Road 3 Project in Ho Chi Minh city, Ring Road 4 Project in Ha Noi, 3 expressway projects of Khanh Hoa-Buon Ma Thuot, Bien Hoa-Vung Tau, Chau Doc-Can Tho-Soc Trang.

In the meeting on 11 July, National Assembly Standing Committee approved the policy of converting the use purpose of 4,400 ha land for North-South Expressway.

The Minister of Transport signed decisions of approving 12 components projects of the East North - South Expressway (period 2021-2025) on 13 July 2022.

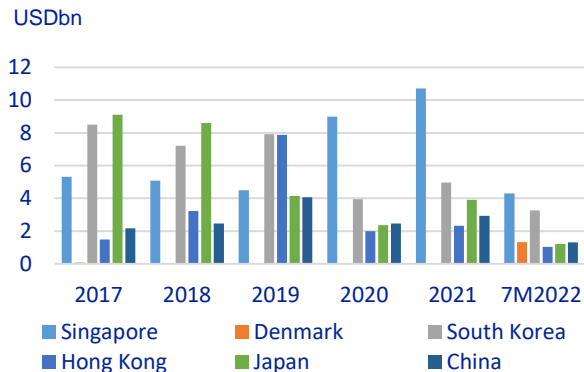
The Ministry of Transport approved the investment plan of over VND700 million for the construction of three airline operating centers at Long Thanh International Airport with a total of more than 57,000 sq m in Dong Nai Province.

Top industries



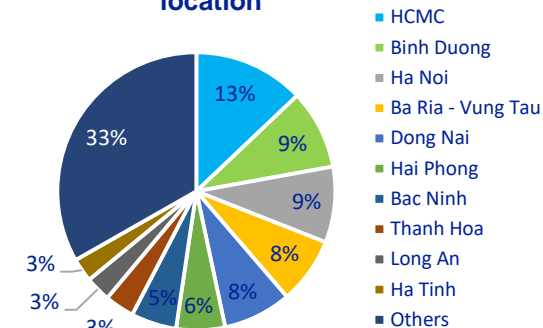
Source: MPI, ACBS

Top counterparts



Source: MPI, ACBS

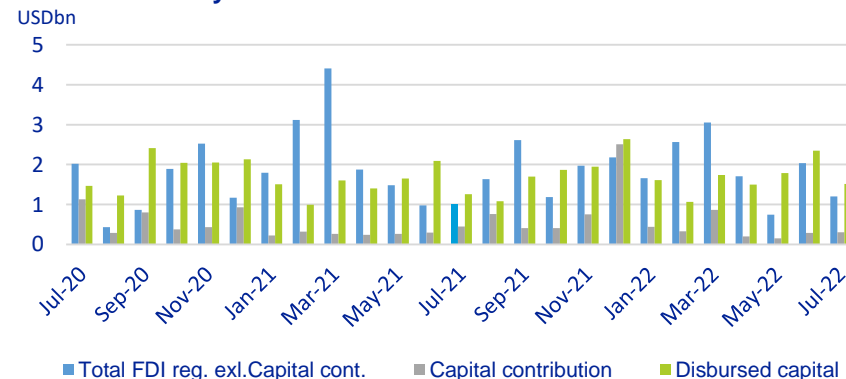
Accumulated FDI as of July 2022 by location



❖ In July, disbursed capital kept increasing by 20% y/y to US\$1.5bn, FDI pledges increased 4% y/y at US\$1.5bn. For 7 months, disbursed capital increased by 10.2% y/y to US\$11.6bn; there are 927 newly registered projects (-7.9%y/y) with registered capital of US\$5.7bn (-44%y/y), 579 projects that registered for additional capital (+3.2%) with US\$7.2bn (+59%) and 2,072 transactions of capital contribution (-14%) valued at US\$2.6bn (+26%).

❖ Manufacturing & processing keeps its leading role accounting for 64% of total FDI pledges. Singapore, South Korea and Denmark continued to be three biggest counterparts in first 7 months.

FDI attraction by months



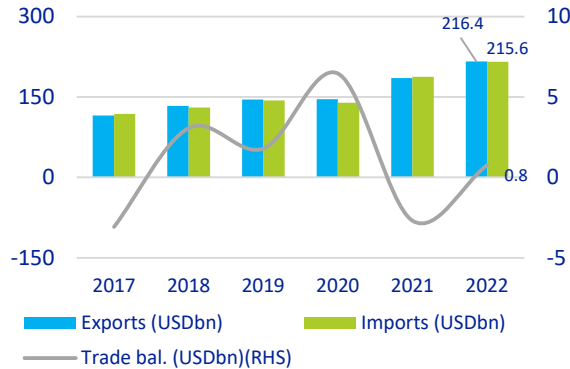
Source: MPI, ACBS

Major FDI projects in 2022

No.	Projects	Industry	Location	Counterparts	Reg. capital (USDbn)	Certificate granted date
1	LEGO Manufacturing VietNam	Carbon-neutral factory to produce toy	Binh Duong	Denmark	1.32	Mar 2022
2	VSIP urban construction project	Urban areas and services	Bac Ninh	Singapore	0.94	Jan 2022 (Amended cert.)
3	Samsung's electro-mechanics project	Producing high-tech integrated components for electronic devices	Thai Nguyen	Korea	0.92	Feb 2022 (Amended cert.)
4	Goertek Vietnam Factory Project	Manufacturing electronic products and network equipment and multimedia audio products	Nghe An	Hong Kong	0.40	Jan 2022 (Amended cart.)
5	Goertek Vietnam Factory Project	Manufacturing electronic and network devices and multimedia audio products	Bac Ninh	Hong Kong	0.31	Jan 2022 (Amended cert.)
6	Commercial and services Project of GE Vietnam	Commercial and services	Bac Ninh	Korea	0.22	Jan 2022 (Amended cert.)
7	JNTC Factory	Manufacturing electronic components	Phu Tho	Korea	0.16	Jan 2022 (Amended cert.)

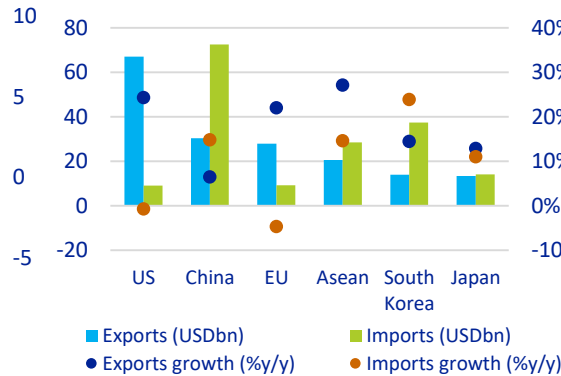
Trade balance downed slightly, still surplus in July

Foreign trade in 7M by years



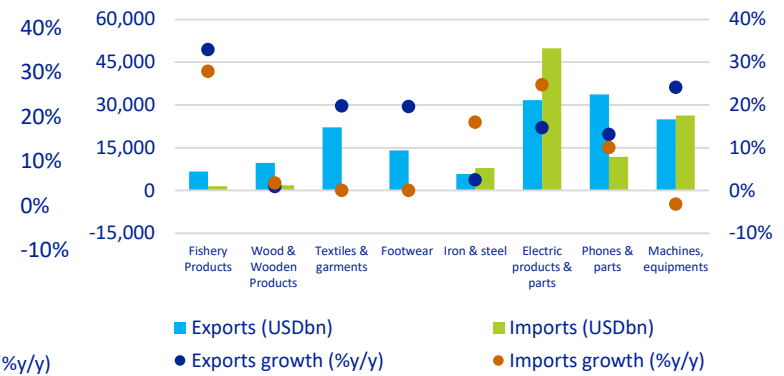
Source: GSO, ACBS

Main EX-IM markets in 7M2022



Source: GSO, ACBS

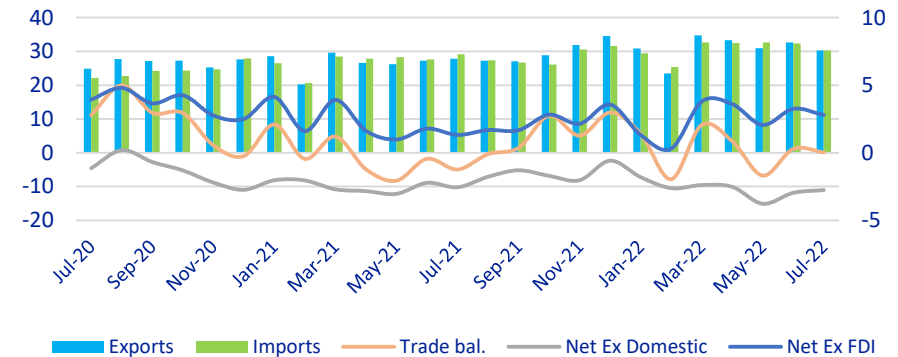
Main EX-IM items in 7M2022



Source: GSO, ACBS

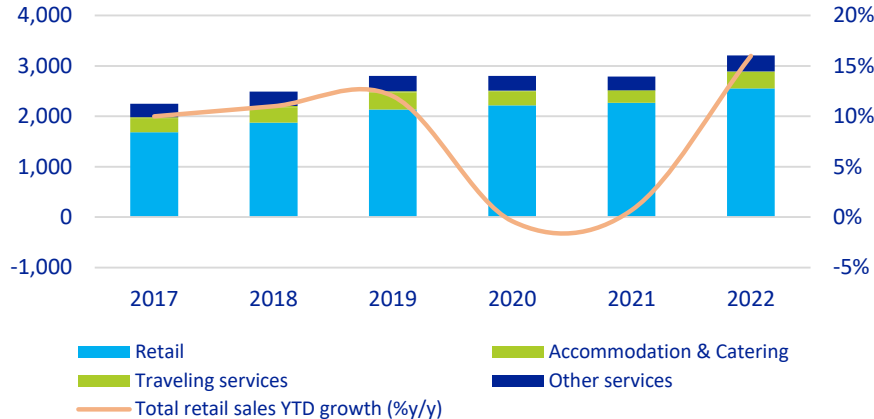
- ❖ Total import-export turnover in July was estimated at US\$61bn (-6.8% m/m, +6.4% y/y) and post a trade surplus of US\$0.02 bn. In which, exports amounted to US\$30.3bn (-7.7% m/m, +8.9% y/y), the imports was estimated at US\$30.3bn (-6% m/m, +3.4% y/y). For the first 7 months, total IM-EX turnover up 15.7% y/y, posted a trade surplus at US\$0.76bn.
- ❖ For 7 months, exports to the US increased 24% y/y, exports to China increased just 7% y/y given the lockdowns in many cities due to COVID-19 outbreaks, exports to ASEAN (with main items such as iron & steel, machinery, equipment and spare parts) have highest growth of 27%. Meanwhile, imports from the US decreased 1%, from EU down 5%, while imports from China rose 15% despite COVID-19 restrictions in major cities causing difficulties to both importers and exporters.

Foreign trade by months (USDbn)



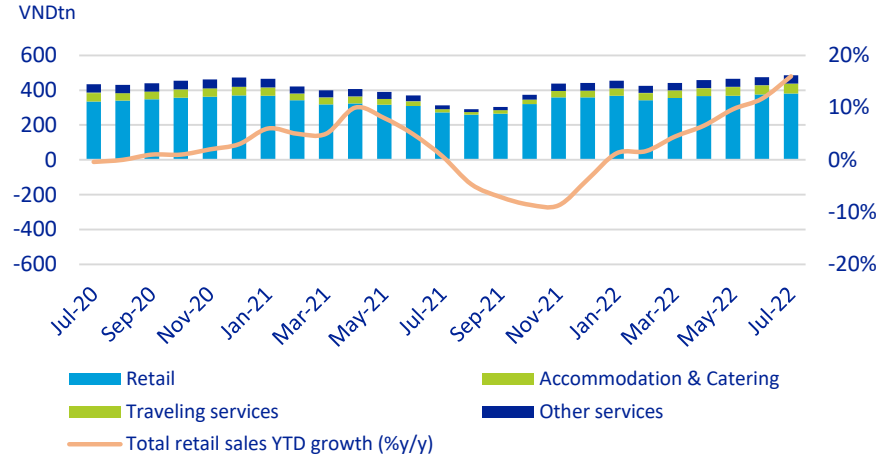
Source: GSO, ACBS

Retail sales of goods and services in 7M



Source: GSO, ACBS

Retail sales of goods and services monthly

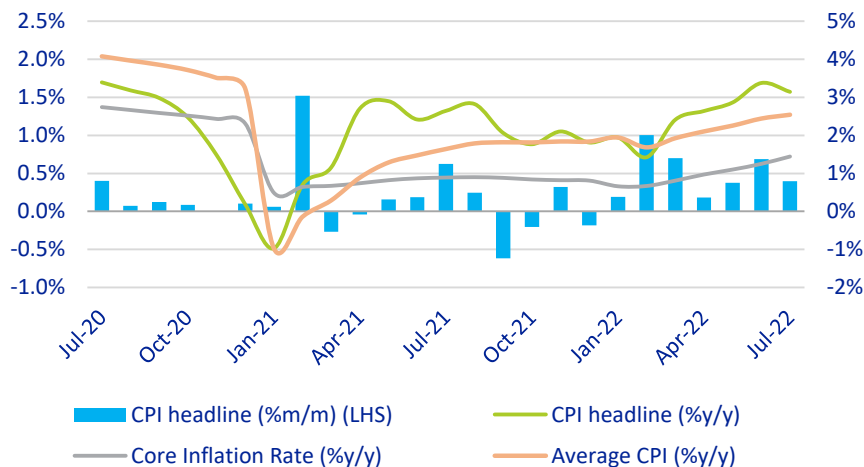


Source: GSO, ACBS

- ❖ Total retail sales of consumer goods and services in July were VND 486 trillion (+2.4% m/m, +42.6% y/y). In which, revenue of goods increased 29% y/y, accommodation and catering up 135%, traveling services surged 35 times and other services up 108%.
- ❖ For 7 months, the total retail sales were estimated at VND2,556tn, up 16% y/y. Revenue of gasoline up 25%, cultural and educational items up 21.4% y/y, food and food stuffs up 13.8%, transportation up 9.7%, garments up 9.6%, household tools & equipment up 3.7.
- ❖ For 2022, we expect the retail sales to continue their recovery thanks 1) high vaccination rates in the country along with increasing access to therapeutics, make lockdowns as seen in 2021 unlikely, 2) local and international travel are expected to pick up in 2022, as the borders reopened to international travelers on March 15th which will not only push travelling services but also other services and retail sales of goods and;

CPI rising but still under control

CPI monthly



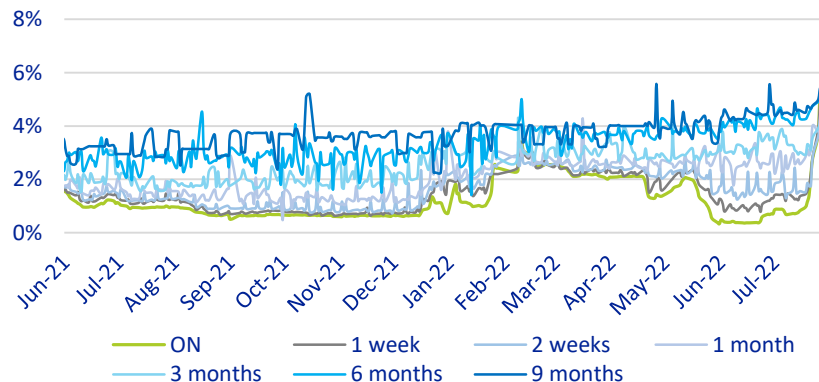
Source: GSO, ACBS

CPI Basket	Weight (%)	07/2022 (% m/m)	07/2022 (% y/y)	Avg 7M2022 (% y/y)
CPI headline	100.0	0.40%	3.14%	2.54%
Food and Foodstuffs	33.6	1.37%	2.98%	1.18%
Food	3.7	0.31%	2.82%	2.39%
Foodstuff	21.3	1.60%	1.94%	-0.07%
Eating outside	8.6	1.28%	5.70%	3.81%
Beverage, cigarette	2.7	0.39%	3.43%	2.85%
Garment, footwear	5.7	0.32%	1.84%	1.20%
Housing and constrn. Materials	18.8	0.49%	1.13%	1.88%
Household appliances & goods	6.7	0.32%	2.25%	1.65%
Medicine, health care	5.4	0.05%	0.40%	0.33%
Transportation	9.7	-2.85%	15.22%	17.11%
Postal services, Telecom.	3.1	0.26%	-0.20%	-0.50%
Education	6.2	0.20%	-1.97%	-2.70%
Culture, entertm't. & tourism	4.6	0.79%	4.32%	1.84%
Other goods, services	3.5	0.43%	2.65%	1.88%

Green: increase from previous respective period Red: decrease from previous respective period

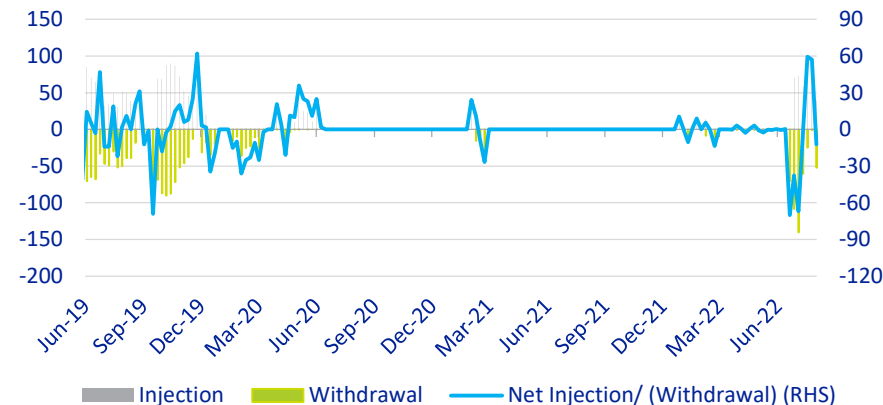
- ❖ The consumer price index (CPI) in July inched up 0.4% over last month and increased 3.14% over the same period last year. Transportation is the only group decrease in July over last month thanks to gasoline price decreasing 21% and diesel decreasing 17% in the month. Other goods and services price hikes have been impacted by the surge in gasoline prices and materials in previous months after a long time of price stabilization. The core CPI increased slightly by 0.58% m/m and 2.63% y/y.
- ❖ Compared to other countries, headline CPI in Vietnam is still low at 2.54% in 7 months when compared to some Asian countries such as Thailand, Philippines and South Korea, which have higher CPI growth. The government's socio-economic development plan for 2022 sets the CPI growth at around 4%. Until now, the CPI is in control thanks to the fall in foodstuffs and gasoline and diesel, still lower than other countries (as shown in slide 21) and lower than government's target.

Interbank Rate



- ❖ After reengaging on the T-bills channel in late June, the SVB continued withdraw VND from market by T-bills, reverse repo OMO and sold foreign currency from reserve, reducing VND liquidity in system, push the interbank rates surge dramatically especially starting mid-July. The interest rate gap between the USD and VND interbank interest rate is closing and in turn stabilized the exchange rate.
- ❖ We expect banking system liquidity might not be as good condition in 2H2022, especially after remaining credit growth quota approved, as there might be a reduction of liquidity in the banking system due to surging credit growth in conjunction with supporting the VND from SBV. We maintain our expectation that our key policy interest rates might gradually increase between 50bps – 75bps toward year-end.

Net Injection/ (Withdrawal) from OMO (VNDtn)

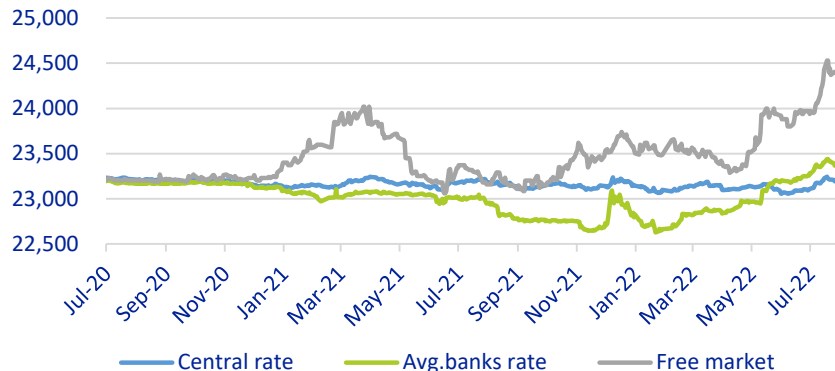


Interbank Rate

Term	ON	1 weeks	2 weeks	1 month	3 months	6 months	9 months
Avg of Jul 2022	1.89%	2.27%	2.30%	3.23%	3.66%	4.59%	4.81%
+/- MoM (bps)	143	126	59	65	39	44	32
+/- YTD (bps)	113	108	86	133	95	144	142

USD/VND surged given strong US Dollar

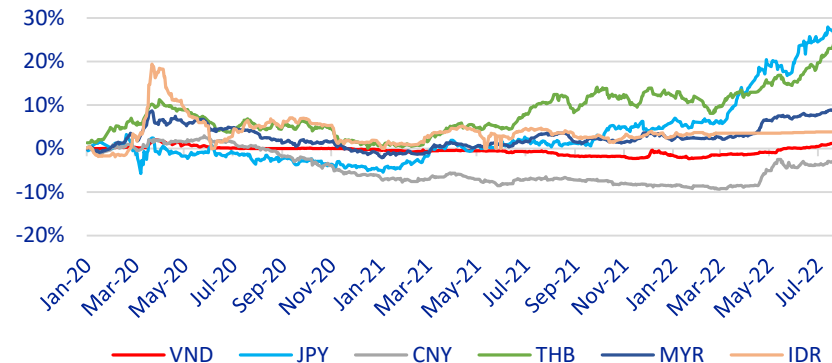
USD/VND exchange rate



Source: Fiin Pro, ACBS

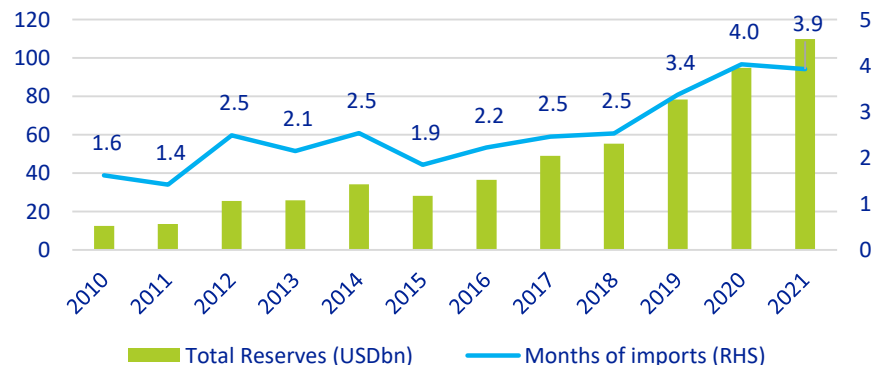
- ❖ The USD/VND rate increases for most of July and cooled down in late of month with the rate at central bank closed month at 23,176 (+0.29% m/m), the average rate of banks up to 23,343 (+0.26% m/m). In free market, the rate surged strongly to 24,410 (+1.96% m/m) as the growing pressure from the strengthening US Dollar after the Fed hiked interest rates in the recent meetings. The US Dollar index was up 1.2% in July supported by rising US Treasury yields and widespread concerns over high inflation. Recently, the State Bank of Vietnam boosts selling USD to support greenback liquidity, help the VND maintain stable than other currencies which depreciated stronger in last months.
- ❖ Gold prices in the global market recovered in late of July given the US Dollar cooled following the latest Fed decision, closed month at US\$1,763 (-2.5% m/m). The domestic gold prices downed sharply to VND66.7m/tael (-3.2% m/m), which represents an high premium of c.34% to global markets.
- ❖ It is estimated that the SBV has sold approx. US\$13bn in 2022 from the foreign reserves, equivalent to 12% of total reserves, which has reduced the import coverage to approx. 13 weeks, still within a safe range.

USD/VND and other currencies



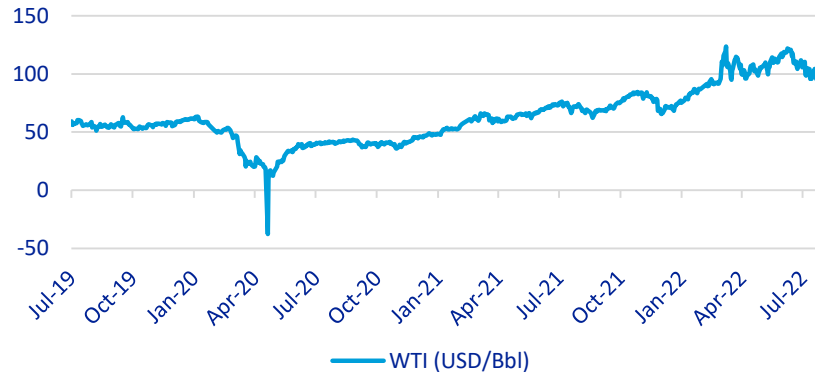
Source: Bloomberg, ACBS. Note: change relative to Dec 31, 2019

Vietnam foreign reserves in months of imports



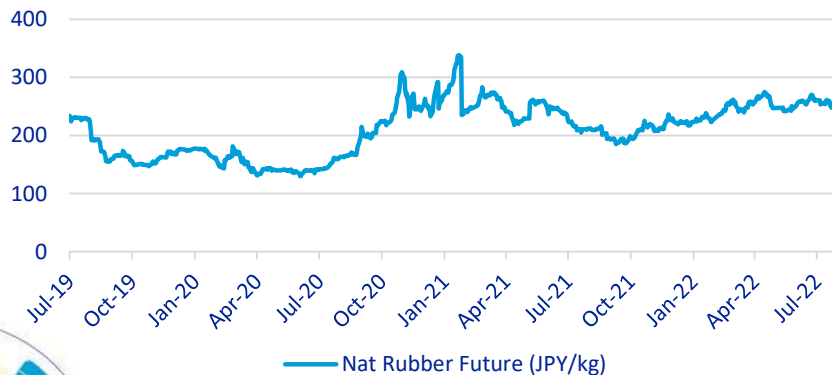
Source: WB, ACBS

Crude Oil WTI



Source: Bloomberg, ACBS

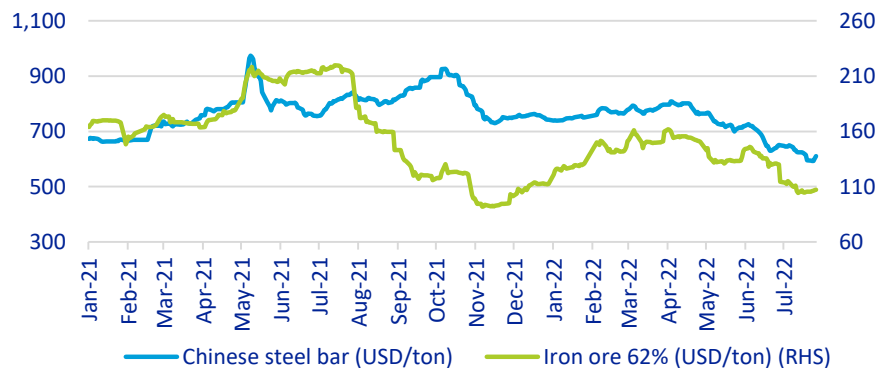
Natural rubber



Source: Bloomberg, ACBS

- ❖ WTI oil prices closed month at US\$98.6/barrel, falling 6.7% over last month given rising concern on recession after central banks hiking interest rates combined with Chinese economic outlook dimmed by zero-COVID strategy. However, the persistent supply-side issues with Russian sanctions and no expectations of supply boost from OPEC nations are contributing to upward pressure on prices. Russia's state-owned gas company Gazprom said it would cut flows through the Nord stream 1 pipeline to just 20% of its capacity from 27 July to put more pressure on EU countries. While the global economy would need a stable supply of oil for economic activities, which are recovering post pandemic although worries on recession is growing, we suppose that crude oil will stay at its high level around US\$100/barrel until the supply side becomes more stable.
- ❖ Natural rubber futures on the Tokyo Commodity exchange closed July at JPY252, down 3.4% over last month. The supply of natural rubber is expected to be constrained given unfavorable climate conditions, when the average temperature for upcoming months is expected to be higher than last year, and labor shortages in major producing countries (Malaysia, Thailand, Vietnam due to low wages). The demand of tires in main import markets like EU, US and India is expected to increase thanks to the economic recovery but has been restrained given the chip shortage due in part to the Russia-Ukraine war which could slow down the automobile manufacturing, and the demand from China is expected to slow down as the zero-COVID policy remains in place. Recently, the Yen was strengthening slightly against US Dollar but still at a low value making Yen-denominated assets more affordable for buyers with other currencies. Amid these conflicting factors, we suppose that natural rubber price will be stable in range of JPY240 to JPY270 in next months.

Steel rebar & Iron ore



Source: Bloomberg, ACBS

Coking coal



Source: Bloomberg, ACBS

- ❖ Chinese steel rebar prices continued to decrease by 6.3% in July amid weak demand from China and the low price of Russian steel to Asia countries. Indian suppliers also decreased prices after India raised export tariffs of steel and iron ore combined with removing import tariffs of coke and coking coal. Although the Chinese government is continuing their investments in infrastructure and constrained supplies from Russia and Ukraine, we suppose that steel price can not return to the uptrend in the near future given the Covid-19 pandemic continues to break out in China (with signals of increasing cases in many countries globally) combined with the real estate crisis in China.
- ❖ Iron ore prices dropped 17.5% in July given the weak economic data from China. This world's biggest steel producer suggested slower steel decarbonization and is planning to raise its output of iron ore in overseas mines to 220 million tones by 2025 as well as increase domestic raw material supplies. Despite the expectations of increased demand in China if they add to the fiscal stimulus package, particularly on infrastructure, to boost their economy, we're concerned that the complicated development of pandemic contain the demand in China and fear of recession in many countries prevent the recovery of iron ore prices.
- ❖ Coking coal prices in China plunged by 26% in July amid the seasonal decrease in demand both from China and India and surge in coal supply from Russia shifted from markets like Japan and the EU at discounted prices. The supply disruption in the short-term is still a worry as supply from Australia falling driven by parts of New South Wales and Queensland flooding repeatedly over the recent months, along with high workforce absenteeism because of COVID-19, and Indonesia which temporary banned on coal exports.

Key macro indicators

Monthly data	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22
Industrial Production (% y/y)	-7.8%	-7.6%	-1.8%	8.2%	8.7%	2.8%	9.2%	9.1%	11.1%	9.5%	9.1%	11.2%
Mining & quarrying	-2.8%	-13.0%	-8.2%	6.2%	-7.1%	-1.7%	2.2%	7.5%	7.9%	3.9%	5.1%	-1.5%
Manufacturing	-9.3%	-6.5%	-0.8%	8.6%	10.9%	2.9%	9.7%	9.7%	11.7%	11.0%	9.9%	12.8%
Prod & dist of electricity	-1.9%	-11.7%	-4.8%	6.8%	9.1%	5.2%	11.9%	6.5%	8.6%	2.3%	5.5%	8.7%
Water supply & waste treatment	-0.1%	-1.9%	-0.5%	0.4%	0.8%	4.1%	4.3%	-4.6%	2.7%	9.4%	6.3%	9.2%
PMI	40.2	40.2	52.1	52.2	52.5	53.7	54.3	51.7	51.7	54.7	54.0	51.2
Retail Sales (% y/y)	-33.7%	-28.4%	-19.5%	-12.2%	1.1%	1.3%	3.1%	9.4%	12.1%	22.6%	27.3%	42.6%
CPI (% m/m)	0.2%	-0.6%	-0.2%	0.3%	-0.2%	0.2%	1.0%	0.7%	0.2%	0.4%	0.7%	0.4%
CPI (% y/y)	2.8%	2.1%	1.8%	2.1%	1.8%	1.9%	1.4%	2.4%	2.6%	2.9%	3.4%	3.1%
Export Value (USDm)	27,228	27,026	28,870	31,870	34,592	30,845	23,417	34,712	33,317	30,918	32,843	30,323
Import Value (USDm)	27,338	26,666	26,130	30,610	31,623	29,449	25,381	32,663	32,468	32,616	32,233	30,302
Trade Balance (USDm)	-110	360	2,740	1,260	2,970	1,396	-1,964	2,049	849	-1,698	610	21
Disbursed FDI (USDm)	1,080	1,700	1,870	1,950	2,640	1,612	1,068	1,740	1,500	1,790	2,348	1,512
Registered FDI excl. Cap. Cont. (USDm)	1,638	2,614	1,184	1,971	2,181	1,658	2,568	3,050	1,710	742	2,032	1,203

Key macro indicators

Annual data	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD-2022
GDP	5.4%	6.0%	6.7%	6.2%	6.8%	7.1%	7.0%	2.9%	2.6%	6.4%
Industrial Production	5.9%	7.6%	9.8%	7.5%	9.4%	10.2%	9.1%	3.4%	4.8%	8.8%
Retail Sales	12.6%	10.6%	9.5%	10.2%	10.9%	11.7%	11.8%	2.6%	-3.8%	16.0%
Consumer Price Index	6.6%	4.1%	0.6%	2.7%	3.5%	3.5%	2.8%	3.2%	1.9%	2.5%
Export Value (USDbn)	132.03	150.22	162.02	176.58	215.12	243.70	264.34	282.53	336.25	216.35
Import Value (USDbn)	132.03	147.85	165.78	174.98	213.22	236.87	254.09	262.67	332.25	215.59
Trade Balance (USDbn)	0.00	2.37	-3.76	1.60	1.90	6.83	10.25	19.86	4.00	0.76
Disbursed FDI (USDbn)	11.50	12.35	14.50	15.80	17.50	19.10	20.38	19.98	19.74	11.57
Registered FDI (USDbn)	21.63	20.23	22.76	20.95	29.97	25.57	22.55	21.06	24.26	12.96

Quarterly data	1Q-2020	2Q-2020	3Q-2020	4Q-2020	1Q-2021	2Q-2021	3Q-2021	4Q-2021	1Q-2022	2Q-2022
GDP (% y/y)	3.7%	0.4%	2.7%	4.5%	4.7%	6.7%	-6.0%	5.2%	5.1%	7.7%
Agriculture, Forestry & Fishing	0.0%	1.8%	2.8%	4.7%	3.5%	4.0%	1.2%	3.2%	2.5%	3.0%
Industry & Construction	5.0%	1.7%	3.2%	5.6%	6.3%	10.4%	-5.5%	5.6%	6.4%	8.9%
Services	3.3%	-1.9%	2.8%	4.3%	3.6%	4.2%	-8.6%	5.4%	4.6%	8.6%
Industrial Production (% y/y)	5.6%	0.2%	2.0%	6.3%	5.7%	12.4%	-5.0%	6.4%	6.8%	10.8%
Retail Sales (% y/y)	3.2%	-5.5%	4.4%	8.0%	4.6%	4.1%	-28.3%	0.0%	4.6%	19.5%
Export Value (USDbn)	63.31	59.33	79.74	80.15	78.40	78.23	82.15	95.62	89.10	96.83
Import Value (USDbn)	59.33	57.41	69.02	76.92	75.61	82.50	83.86	89.07	87.65	97.58
Trade Balance (USDbn)	3.98	1.92	10.72	3.23	2.79	-4.27	-1.70	6.55	1.46	-0.75
Disbursed FDI (USDbn)	3.85	4.80	5.11	6.22	4.10	5.14	4.04	6.46	4.42	5.64
Registered FDI (USDbn)	6.60	5.56	3.32	5.58	9.33	4.34	5.26	5.34	7.28	4.48

Key macro indicators of other countries

Countries	GDP Growth			Inflation Rate			Manufacturing PMI		
	4Q-2021	1Q-2022	2Q-2022	May-22	Jun-22	Jul-22	May-22	Jun-22	Jul-22
Indonesia	5.0%	5.0%	5.4%	3.6%	4.4%	4.9%	50.8	50.2	51.3
Malaysia	3.6%	5.0%		2.8%	3.4%		50.1	50.4	50.6
Philippines	7.7%	8.3%		5.4%	6.1%	6.4%	54.1	53.8	50.8
Singapore	6.1%	3.7%	4.8%	5.6%	6.7%				
Thailand	1.9%	2.2%		7.1%	7.7%	7.6%	51.9	50.7	52.4
Vietnam	5.2%	5.1%	7.7%	2.9%	3.4%	3.1%	54.7	54.0	51.2
China	4.0%	4.8%	0.4%	2.1%	2.5%		48.1	51.7	50.4
Hong Kong	4.8%	-3.9%	-1.4%	1.2%	1.8%				
Taiwan	4.7%	3.1%	3.1%	3.4%	3.6%	3.4%	50.0	49.8	44.6
Japan	0.7%	0.2%		2.5%	2.4%		53.3	52.7	52.1
South Korea	4.1%	3.0%	2.9%	5.4%	6.0%	6.3%	51.8	51.3	49.8
India	5.4%	4.1%		7.0%	7.0%		54.6	53.9	56.4
United States	6.9%	-1.4%	-0.9%	8.6%	9.1%		57.0	52.7	52.2

- ❖ We believe that the recovery of industrial activities will be continued in both the short-term as production shifts from China due to prolonged lockdowns and long term as the China+1 movement continues to gather steam. We also expect retail sales to continue to elevate given suppression after 2 years of pandemic as well as international arrivals are expected to pick up in the second half of the year as tourists have had time to plan trips and COVID related travel procedures are becoming less cumbersome.
- ❖ We upgrade our GDP growth projections for 2022 to range between 6.8% - 8.5% with supported by
 - (1) Global food price crisis could be an opportunity for many Vietnamese agricultural products to further gain export's market share globally, especially rice and aquatic products.
 - (2) The continuing recovery of all industrial activities after switching from zero-COVID-19 strategy to living-with COVID-19 strategy in major economic & industrial areas in conjunction with rising global demand which will push activities from the FDI sector in terms of investment and exports.
 - (3) The strong recovery of service sectors, after relaxing all COVID-19 related restrictions on service businesses
- ❖ We slightly revised our expectation of CPI for 2022 will increase in range of 3.5% - 4.1% (vs 3.5% - 4.0% at last month) and remain within Government's target of 4%. Among the risks we're watching closely are increasing global commodities prices, especially on the food sectors, which have yet to result in major inflationary pressures in Vietnam as they have in many other countries.

Selected Outlook on Vietnam 2022 GDP growth

Organization	Latest projection	Previous projection
World Bank	5.3% (April 2022)	5.5% (Jan 2022)
International Monetary Fund	6.0% (July 2022)	6.05% (April 2022)
The Asian Development Bank	6.5% (July 2022)	6.5% (April 2022)
Fitch Ratings	6.1% (March 2022)	7% (April 2021)
Moody's	6.3% (April 2022)	
S&P	6.9% (May 2022)	
Standard Chartered Bank	6.7% (July 2022)	6.7% (April 2022)
HSBC	6.2% (April 2022)	6.5% (Jan 2022)
United Overseas Bank	6.5% (June 2022)	

Favourable Scenario

Key assumption:

- Economic growth remain strong.
 - ✓ Agriculture, forestry and fishery sector accelerate in 3Q and 4Q.
 - ✓ Industrial activities continue to accelerate in 3Q and 4Q2022.
 - ✓ Services sector fully recover in 3Q and 4Q2022.
 - ✓ Inflation peaked and remain at this level through out 2H2022
- Fiscal Policy: fiscal and monetary stimulus package worth VND337tn especially the developing infrastructure package (VND113.85tn) will be disbursed soon in 3Q and 4Q.
- Monetary Policy:
 - ✓ SBV will grant new credit growth quota in 3Q2022.
 - ✓ Monetary policy tends to continue to be expansionary for supporting the economic recovery
 - ✓ SBV might raise its benchmark interest rates toward yearend by about half percentage point (50bps)
- COVID-19: no major outbreak in major cities.

GDP	IIP	Imports (USDbn)	Exports (USDbn)	Disbursed FDI (USDbn)	Retail sales
8.5%	12.7%	390	394	21.5	22.9%

Less Favourable Scenario

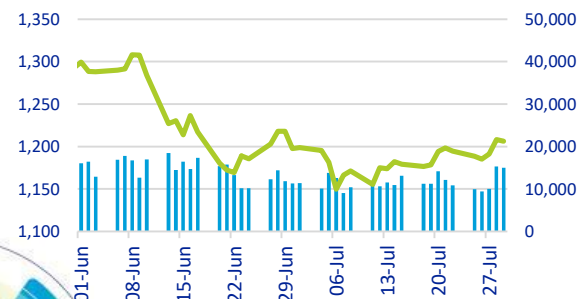
Key assumption:

- Economic growth slow in 3Q and 4Q.
 - ✓ Agriculture, forestry and fishery sector maintained its growth rate
 - ✓ Industrial activities continue to recover but on a slower trajectory due to weak global demand
 - ✓ Services sector could not fully recover in 2H2022
 - ✓ Inflation pick up a little bit in 2H2022 but remain within 4%.
- Fiscal Policy: fiscal and monetary stimulus package worth VND337tn especially the developing infrastructure package (VND113.85tn) disburse slowly and might extent to 4Q2022.
- Monetary Policy:
 - ✓ SBV will grant new credit growth quota in 4Q2022.
 - ✓ Monetary policy tends to continue to be expansionary for supporting the economic recovery.
 - ✓ SBV might raise its benchmark interest rates toward yearend by about 0.5-0.75 percentage point (50 - 75bps)
- COVID-19: minor outbreak in major cities.

GDP	IIP	Imports (USDbn)	Exports (USDbn)	Disbursed FDI (USDbn)	Retail sales
6.8%	10.7%	382	383	20.5	17.9%

Stock market recap in July

Statistics	July 2022		7M2022	
Bloomberg Code	VNIndex		VNIndex	
Range (pts)	1,143 - 1,218		1,143 - 1,536	
Month End Index (pts)	1,206.3		1,206.3	
Month End Mkt cap (VNDbn)	4,824,422		4,824,422	
Month End Mkt cap (USDbn)	209.9		209.9	
Daily Avg Value (VNDbn)	11,630		20,058	
Gainers	254		87	
Laggards	150		324	
Net Foreign Trade (USDbn)	-0.017		0.065	
Foreign Participation	7.9%		7.8%	
Performance (%)	1M	3M	6M	12M
VNIndex	0.7	-11.7	-18.4	-7.9
VN30	-1.4	-13.1	-19.6	-14.9



The VNIndex recovered slightly in July after dropped to lowest point in year at 1,143 and closed month over 1,200 level, up 0.7% over last month. Overall liquidity on the markets continued the downtrend, with the average daily trading value decreasing 20.7% over last month. Foreign investors returned to be net sellers with a value of US\$17.2m after three consecutive months of net buying, with the YTD foreign flow figures positive at a net buy of US\$64.7m. Most listed companies have released business results of 2Q-2022, posting an overall earnings growth of 18.8% for H1 2022. On the market development side, on July 28th, Deputy Minister of Finance Nguyen Duc Chi said Vietnam's Ministry of Finance (MoF) and relevant agencies are accelerating the implementation of KRX trading system on schedule which expected to improve market trading ability and provide more functions for investors.

Bank tickers (BID, VIB, TCB) were top leaders of VNIndex in July thanks to strong earnings in 2Q-2022. In the latest Index review, VIB was added in VN30-Index basket while PNJ was excluded due to insufficient market capitalization. SAB (+17%) surged strongly thanks to reporting strong profit growth of 67% y/y in 2Q-2022. MWG (-16%) contributed 2.6 negative points to VNIndex as its retail chain Bach Hoa Xanh shutdown over 300 stores which were underperforming in the past 2 months to prepare for new layout of this minimart chain in this year as their plan. FRT corrected strongly during the month (-21%) despite strong growth in its pharmacy chain, Long Chau Pharmacy, which achieved 3x revenue year-on-year in the first half of 2022, increasing its contribution to FRT's revenue to 30%, and is the first pharmacy chain cover all 63 provinces across Vietnam.

Top gainers & laggards for July 2022

Top 5 gainers	Avg Daily Trading Value (%m/m)	1M return
Diversified Financials	11.9%	10.2%
Telecommunication Services	-63.1%	8.1%
Health Care Equip. & Services	10.0%	6.7%
Capital Goods	-21.0%	6.5%
Automobiles & Components	-49.6%	6.3%
Top 5 laggards	Avg Daily Trading Value (%m/m)	1M return
Retailing	-27.5%	-15.6%
Technology Hardware & Equip.	-61.7%	-8.4%
Consumer Durables & Apparel	-43.4%	-7.2%
Software & Services	-44.3%	-6.7%
Utilities	-57.0%	-4.0%

Top gainers & laggards for 7M2022

Top 5 gainers	Avg Daily Trading Value (%m/m)	YTD return
Commercial & Prof. Services	7.2%	13.5%
Software & Services	-44.3%	8.3%
Automobiles & Components	-49.6%	6.4%
Utilities	-57.0%	5.8%
Insurance	-38.1%	2.3%
Top 5 laggards	Avg Daily Trading Value (%m/m)	YTD return
Diversified Financials	11.9%	-44.0%
Materials	-34.7%	-26.9%
Energy	-59.7%	-23.9%
Real Estate	-16.1%	-21.2%
Capital Goods	-21.0%	-20.7%

- ❖ Despite closing the month relatively flat (VNI increased 0.7% MoM), the market was quite volatile thought-out the Q2 earnings releases. Diversified financials (primarily brokers) had the best performance with increase in both of prices and liquidity thanks to market recovery although many securities companies have weak profit or loss in last quarter (proprietary trading losses dragged Q2 earnings). Banks were up 2.2% thanks to good profit in 1H2022, while the real estate sector was down 2.2% as the residential market showed signs of slowing down with difficulties access credit as many banks have reached the credit growth limit and area awaiting the granting of further quota by the SBV. Foods, beverage and tobacco also increased strongly thanks to SAB (+16%), VNM (+4%), KDC (+9%).
- ❖ In the opposite direction, retailing dropped 15.6% in July given MWG (-15%), FRT (-21%). Utilities fell 4% given GAS (-4%), VSH (-13%), GEG (-12%) in the correction after surged in last month as oil price fell. Consumer durable & apparel down 7.2% amid the worries of recession in main export markets such as EU, US threat the growth of textile and garment companies.

Month end HOSE composition and valuation

Sector	No. of tickers	Mkt cap (VNDtn)	Index weight	1M return	YTD return	P/E	P/B	ROA	ROE	Avg trading value (%m/m)	Net foreign flows 1M (VNDbn)	Net foreign flows YTD (VNDbn)
Banks	17	1,522.0	31.9%	2.2%	-14.3%	9.94	1.61	1.93%	19.56%	-5.3%	241.6	5,806.6
Real Estate	49	1,019.3	21.4%	-2.2%	-21.2%	30.11	2.69	4.61%	11.96%	-16.1%	-927.8	-3,960.6
Food, Beverage & Tobacco	32	539.2	11.4%	3.5%	-5.1%	19.05	4.25	12.27%	25.98%	-2.6%	1,627.2	-3,079.7
Materials	63	369.9	7.7%	-3.1%	-26.9%	11.82	1.71	17.12%	27.65%	-34.7%	-1,212.8	-2,962.0
Utilities	28	336.2	7.1%	-4.0%	5.8%	15.67	2.75	12.20%	20.40%	-57.0%	-96.8	-8.0
Capital Goods	76	238.9	4.8%	6.5%	-20.7%	27.52	2.01	5.25%	14.94%	-21.0%	168.9	2,515.2
Transportation	28	186.0	3.9%	-1.0%	-8.0%	169.60	3.14	3.03%	12.34%	-36.1%	41.3	504.3
Diversified Financials	17	120.3	2.3%	10.2%	-44.0%	9.24	1.74	7.73%	20.31%	11.9%	82.0	-1,796.7
Retailing	9	105.5	2.2%	-15.6%	-7.5%	17.41	3.91	8.49%	25.88%	-27.5%	156.9	1,342.6
Software & Services	3	98.9	2.1%	-6.7%	8.3%	19.00	4.54	9.14%	25.90%	-44.3%	12.6	459.1
Energy	8	70.1	1.5%	-1.2%	-23.9%	34.94	1.76	3.24%	9.24%	-59.7%	42.3	-156.3
Consumer Durables & Apparel	17	50.4	1.1%	-7.2%	1.7%	20.86	3.08	11.26%	19.25%	-43.4%	20.8	432.3
Insurance	5	56.2	1.2%	3.2%	2.3%	21.64	1.85	1.85%	9.67%	-38.1%	17.3	250.2
Pharma, Biotech & Life Sciences	10	29.6	0.6%	3.1%	-10.9%	15.90	2.65	13.84%	18.09%	-36.1%	-0.8	106.2
Technology Hardware & Equip.	1	9.6	0.1%	-8.4%	-14.1%	13.01	4.45	16.29%	43.99%	-61.7%	-8.4	-44.8
Automobiles & Components	6	9.3	0.2%	6.3%	6.4%	20.72	1.97	7.01%	13.77%	-49.6%	-15.9	74.2
Unclassified	13	7.2	0.2%	10.6%	-45.1%	11.45	1.04	2.60%	7.36%	-6.7%	2.4	3.1
Consumer Services	8	7.7	0.2%	2.7%	-1.2%	112.16	4.44	-4.99%	-7.21%	-3.4%	1.3	-2.1
Commercial & Prof. Services	5	5.8	0.1%	3.5%	13.5%	10.33	1.79	12.52%	16.42%	7.2%	-12.5	-25.0
Health Care Equip. & Services	3	3.3	0.1%	6.7%	-9.8%	15.97	2.37	7.32%	13.18%	10.0%	-11.1	320.5
Telecommunication Services	1	2.1	0.0%	8.1%	-19.7%	8.42	2.03	5.92%	27.49%	-63.1%	0.0	-0.7
Media & Entertainment	2	1.6	0.0%	2.4%	-14.5%	12.07	1.95	6.96%	11.60%	-58.2%	1.7	-70.1
Household & Personal Products	1	1.5	0.0%	3.6%	-4.3%	7.71	1.95	17.02%	27.84%	199.3%	-6.3	-9.2
VNIndex	419	4,824.4	100.0%	0.7%	-19.5%	12.86	1.99	2.53%	15.62%	-20.7%	-631.7	1,521.9
VN30 Index	30	3,306.6	68.5%	-1.4%	-19.1%	10.90	2.02	2.87%	18.87%	-22.5%	-436.3	-11,310.8

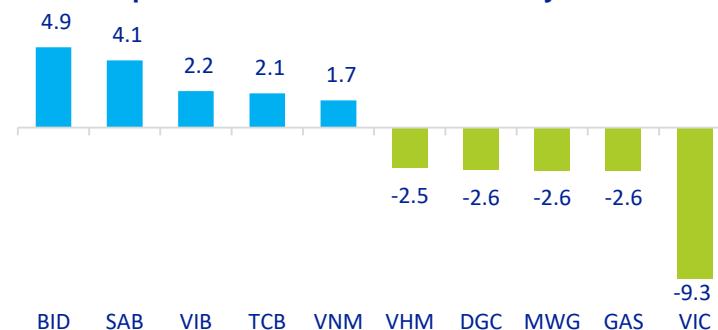
Source: Bloomberg, ACBS

Top 20 Market Capitalization (as at July 29, 2022)

No.	Ticker	Company name	Market Cap. (VNDtn)	1M return	YTD return	P/E	P/B	Remaining foreign room (%)
1	VCB	Vietcombank	353.5	-1.1%	-5.2%	14.2	2.9	6.5%
2	VHM	Vinhomes	260.8	-5.4%	-24.8%	9.3	2.2	26.8%
3	VIC	VinGroup	244.1	-12.8%	-32.7%		2.3	36.0%
4	GAS	PetroVietnam Gas	205.7	-5.6%	14.8%	16.0	3.5	46.1%
5	BID	BIDV	188.7	6.9%	0.5%	16.4	2.2	13.1%
6	VNM	Vinamilk	152.1	4.2%	-11.4%	14.9	4.7	45.3%
7	MSN	Masan Group	151.1	-6.2%	-25.0%	14.8	5.2	20.2%
8	NVL	Novaland	145.3	-0.8%	-18.1%	38.2	4.0	43.2%
9	TCB	Techcombank	133.1	3.1%	-24.2%	6.6	1.3	0.0%
10	CTG	VietinBank	130.7	1.3%	-19.8%	10.6	1.3	3.4%
11	VPB	VPBank	127.6	-4.3%	-19.8%	7.6	1.4	0.0%
12	HPG	Hoa Phat Group	125.0	-5.5%	-38.8%	4.2	1.3	28.6%
13	SAB	SABECO	115.4	16.9%	21.8%	25.1	5.0	37.3%
14	MBB	MBBank	96.9	3.8%	-11.2%	6.2	1.4	0.0%
15	GVR	Viet Nam Rubber Group	95.6	4.4%	-35.3%	21.3	1.9	12.6%
16	FPT	FPT Corp	91.6	-7.2%	8.7%	18.5	4.7	0.0%
17	MWG	Mobile World Investment	89.3	-16.4%	-9.6%	17.7	4.1	0.0%
18	ACB	Asia Commercial Bank	83.1	1.7%	-10.9%	7.1	1.6	0.0%
19	BCM	Becamex IDC Corp.	76.1	14.0%	14.8%	45.4	4.4	46.3%
20	VJC	Vietjet Air	68.1	-5.0%	-2.0%	316.8	4.0	13.2%

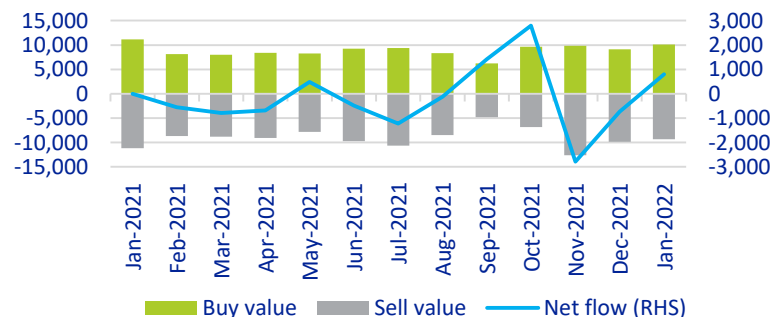
Source: Bloomberg, FiinPro, ACBS

Top contributors on VNIndex in July 2022



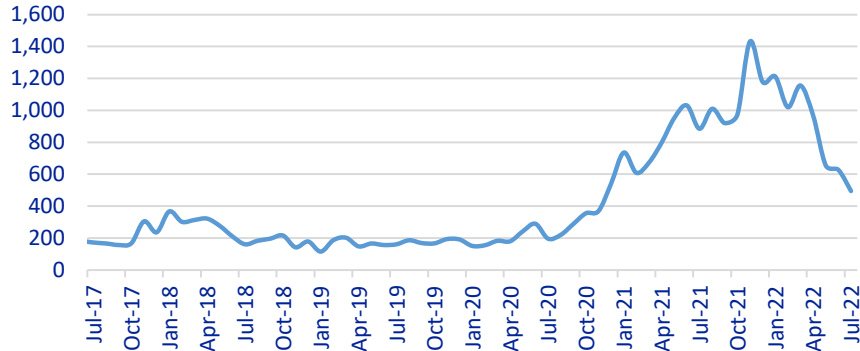
Note: Index impact (pts)

Net brokerage prop trading value into VNIndex (USDbn)



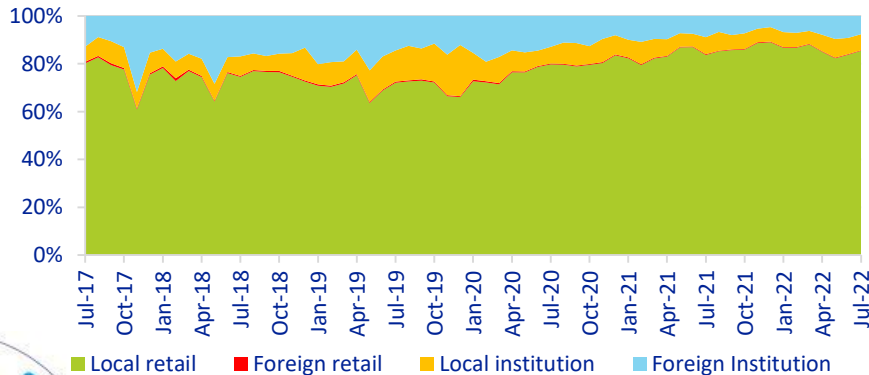
Source: FiinPro, ACBS

Average Daily Turnover (USDm)



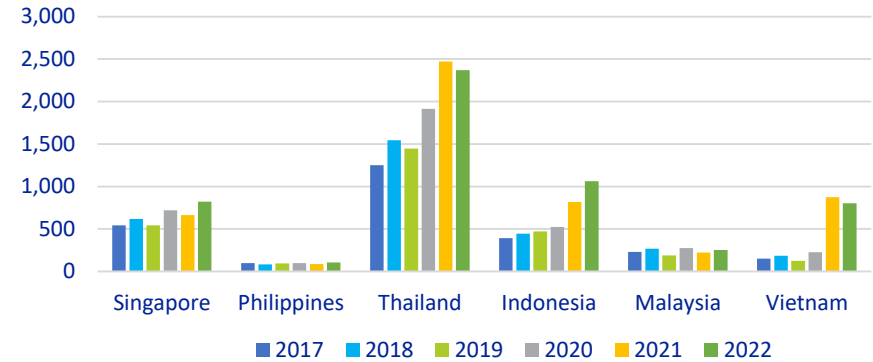
Source: Fiin Pro, ACBS

Market Turnover by Investors



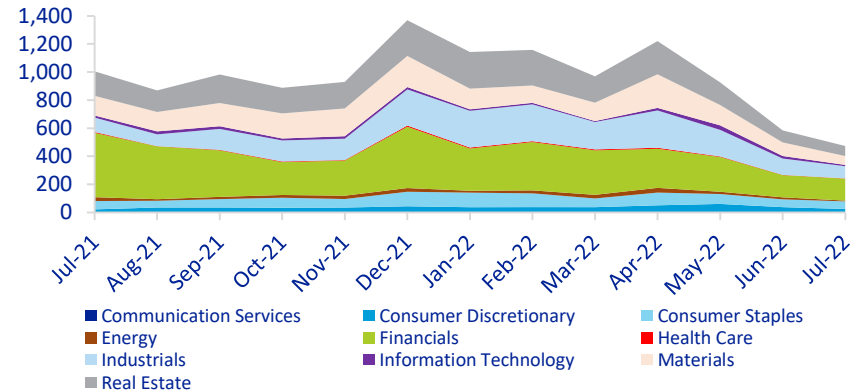
Source: Fiin Pro, ACBS

Average Daily Turnover of Asean markets (USDm)



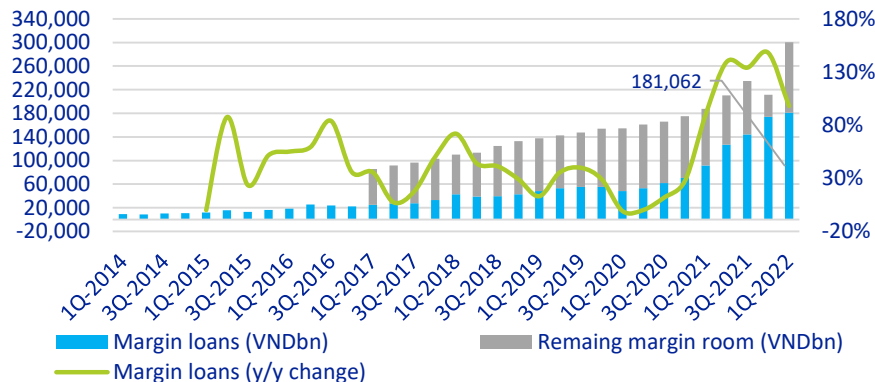
Source: Bloomberg, ACBS

Average Daily Turnover by Sector (USDm)



Source: Fiin Pro, Bloomberg, ACBS

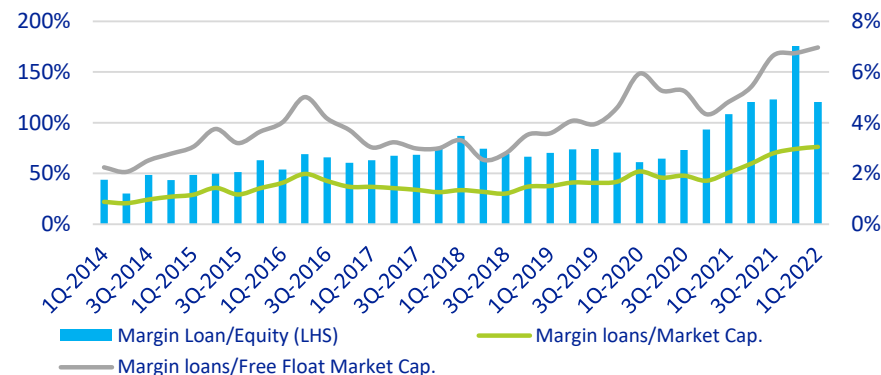
Margin outstanding



Source: Fiin Pro, ACBS. Note: margin room base on limit on financing margin of brokers

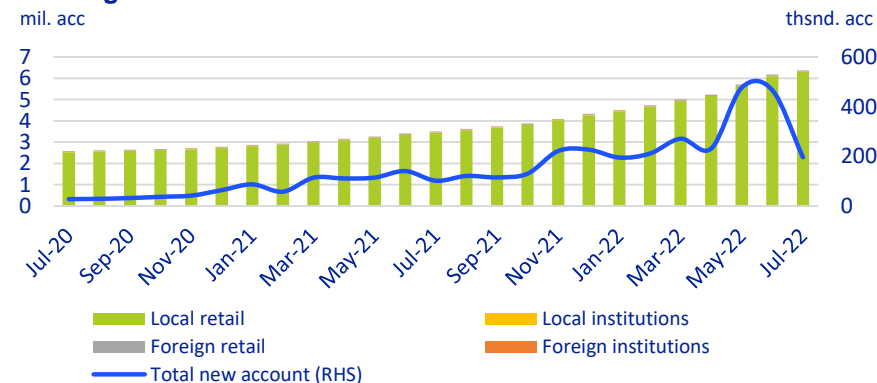
- Recently, with the market correction, market wide margin loans have retreated from record levels. Market-wide margin loans outstanding at the end of the second quarter of 2022 were estimated at VND 140 trillion, decrease by c.VND41trillion over end of 1st quarter, lower the margin loans to free float market capitalization to 6.9%.
- New trading accounts opened in July reached 196,198 mainly driven by individual domestic investors, decrease sharply 57.9% than last month and higher 93% than the same period of 2021. Generally, there are 6.4 million accounts until 29 July 2022, in which, for 7 months of 2022, there are 2.05 million new accounts, take account 32% of total.

Margin leverage



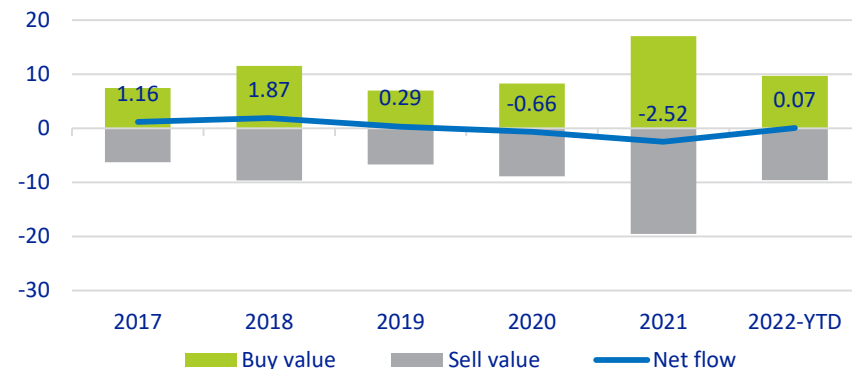
Source: Fiin Pro, Bloomberg, ACBS

Trading account



Source: GSO, ACBS

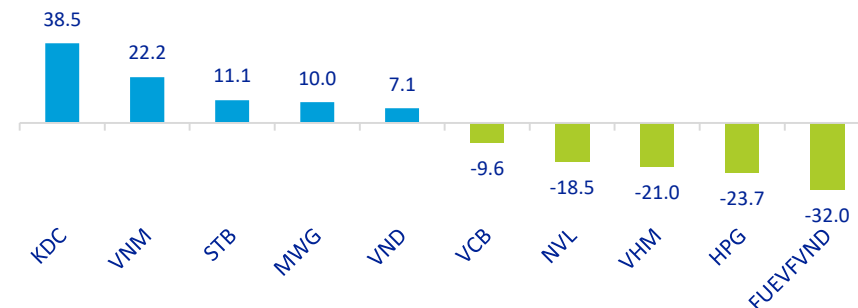
Net foreign flow into VNIndex (USDbn)



Source: FiinPro, ACBS

- Foreign investors returned to be net sellers with a value of US\$17.2m after three consecutive months of net buying; the YTD foreign flow figures are positive with a net buy of US\$64.7m. In which, the foreigners sold domestic ETFs with net sell amount approx. of US\$32m in July. The highest inflows were in KDC, VNM, STB, MWG. Conversely, FUEVFVND, HPG, VHM, NVL continued to be sold.
- While many markets (Indonesia, Malaysia, Philippines, Taiwan) witnessed the outflows of global investors in recent months ahead of the next expected Fed interest rate hike, Vietnam is one of few markets received net inflows in 3 consecutive months bringing the YTD figures reversed to positive as of end of June.

Top foreign net buying on VNIndex in July 2022 (USDm)

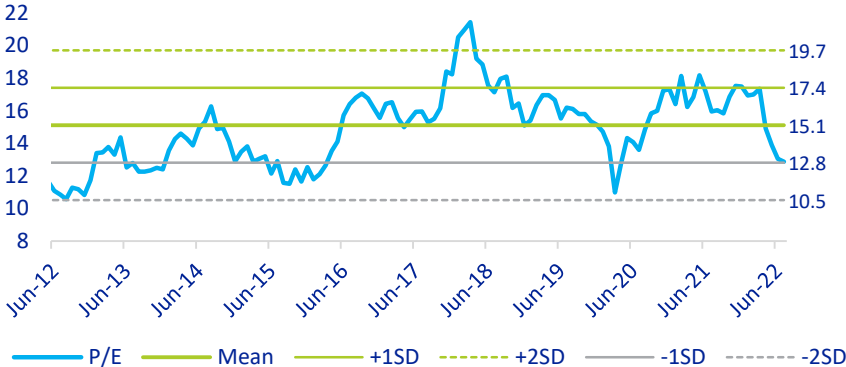


Source: FiinPro, ACBS

Markets	Net foreign flow 1M (USDbn)	Net foreign flow YTD (USDbn)	Market Cap. (USDbn)	Net foreign flow YTD as % market cap
Vietnam (*)	-0.02	0.06	209.9	0.03%
Indonesia	-0.15	4.12	613.6	0.67%
Malaysia	-0.02	1.48	223.9	0.66%
Philippines	-0.10	-0.86	158.7	-0.54%
Thailand	0.09	3.57	519.9	0.69%
Taiwan	-0.63	-34.70	1,551.5	-2.24%

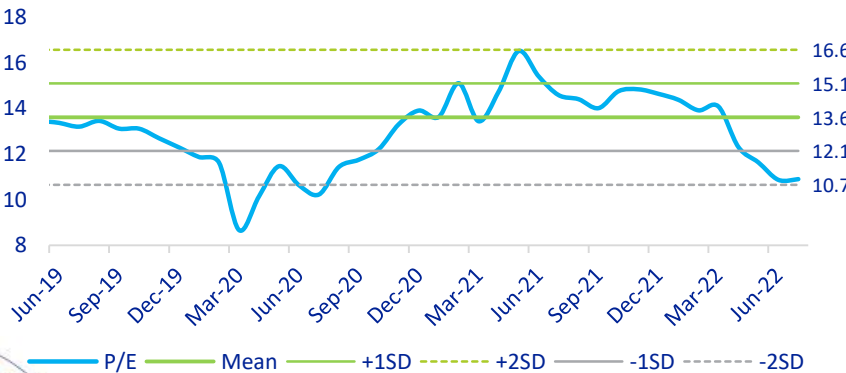
Source: Bloomberg, ACBS

P/E of VNIndex for 10 years



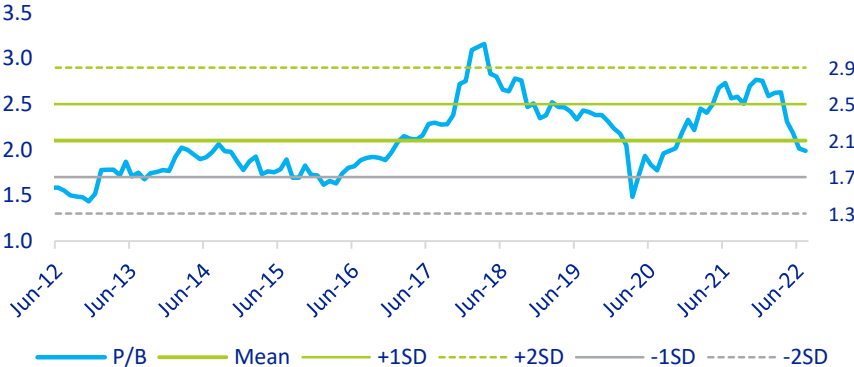
Source: Bloomberg, ACBS

P/E of VN30 for 3 years



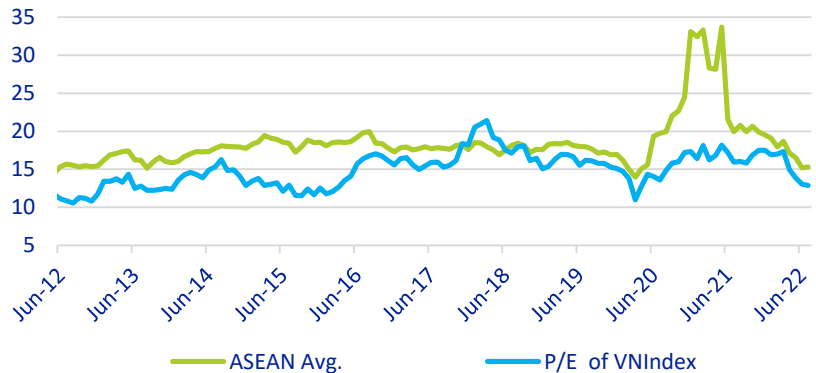
Source: Bloomberg, ACBS

P/B of VNIndex for 10 years



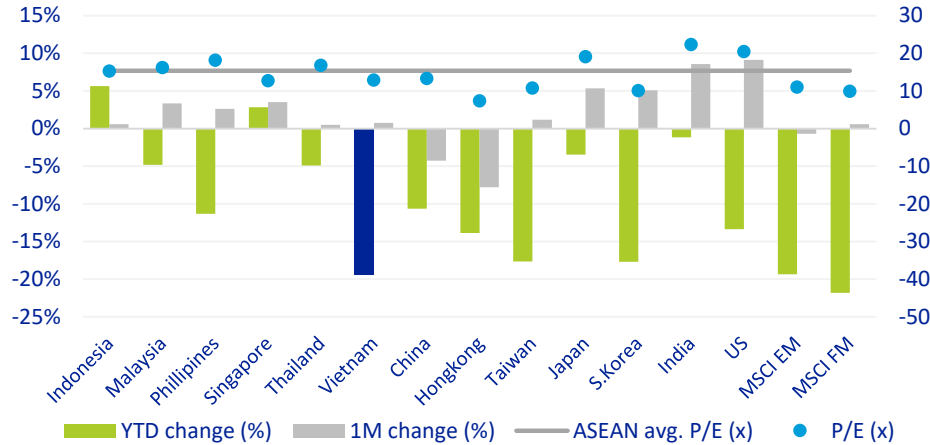
Source: Bloomberg, ACBS

P/E of VNIndex and regional peers average



Source: Bloomberg, ACBS

Index comparison



Source: Bloomberg, ACBS

Earnings growth and forward P/E

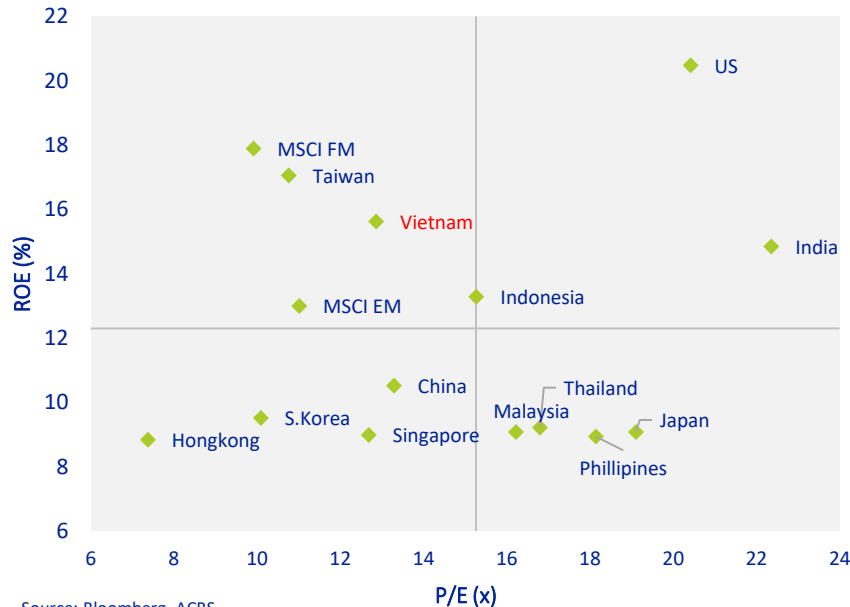
Country	2022E EPS growth (%)	July '22 P/E (x)	2022F P/E (x)
Vietnam (*)	19.1%	12.9	11.7
Average	13.5%	15.3	14.4
Indonesia	29.2%	15.3	16.2
Malaysia	-0.4%	16.2	14.4
Philippines	20.2%	18.1	15.4
Singapore	10.5%	12.7	12.7
Thailand	2.4%	16.8	16.2

Source: Bloomberg, *ACBS

- ❖ Many global markets recovered in July on the back of solid 2Q earnings results (earnings of S&P 500 increased 12.9% y/y, Kospi increased 5.5% y/y, Sensex +24% y/y) amid a mass of global issues and cooling commodities prices. Meanwhile, China's market dropped 4.3% in July given weak economic data.
- ❖ The trailing P/E of VNIndex sits at just 12.9x as of the end of July, providing attractive prices for investors who hold cash to accumulate at relatively low valuations. VNIndex's P/E is still lower than the average of ASEAN markets and maintains its attractive valuation with the forward P/E at 11.7 based on our estimated earning growth of 19.1%.

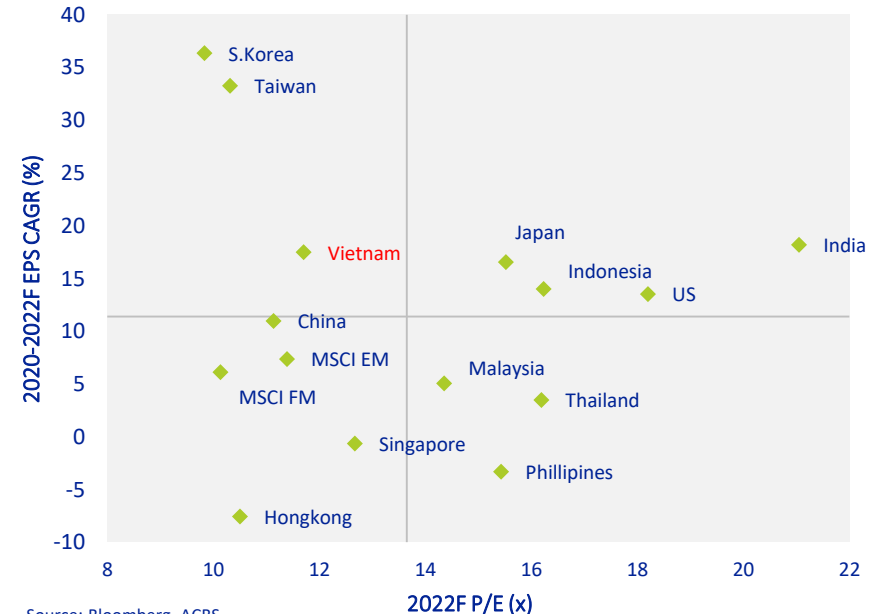
Stock market valuation vs regional peers (cont'd)

Current market valuation



Source: Bloomberg, ACBS

Expected market valuation



Source: Bloomberg, ACBS

- ❖ The current ROE of the VNIndex is about 15.6%, among the highest return markets. Given our projected 19.1% EPS increase for 2022, Vietnam's 3 year EPS CAGR from 2020-2022 would be approx. 17.5%, indicating that Vietnamese corporates have done a good job weathering the pandemic storm compared to regional peers. Along with the P/E forward at 11.7, VNIndex is attractive for long-term investing compared with peer markets.

- ❖ For the long-term outlook, notwithstanding the recent market correction, we believe that the fundamentals of both the Vietnamese economy and stock markets are well positioned for strong long term growth despite short term volatility. Growth in the overall participation in Vietnam's equity markets, especially from retail investors, bodes well for the continued development of the markets supported by domestic investors. Despite the net selling in July, the YTD net foreign flows maintain positive at 65m USD as of 29 July. While the YTD net buy is a modest figure, we believe there have been no structural changes to the market that will keep foreign investors away from the market for too long as the long term market prospects are too attractive to ignore for long. We also believe that the wave of SOEs divestment and new listing will begin given the current good condition of the equity market, giving new investment opportunities to investors. The new HOSE's platform is expected to be applied in 2022, which will be expected for new functions such as intraday trading T+0, bonds trading, Central Clearing Counterparties (CCP) and further products contributing to the market development.
- ❖ The recovery of many global markets coincided with general commodities prices cooling down and expectations of inflation reaching or nearing their peak following the monetary tightening of central banks. Domestically, Vietnam's macro fundamentals remain strong and corporates continue to post strong earnings, contributing to the VNIndex surpassing 1,200 points, however, market sentiment remains on the weaker side as global headwinds weigh on investor confidence. With the recent corrections in the markets, strong 1H earnings (+18.8% y/y) and inflation pressures seeming to easing thanks to decrease of commodities prices, the VNIndex is trading at an attractive valuation for both long-term and short term investors. We remain confident that economic activities will continue to show improvement in the second half of 2022 as the boost from the reopening of Vietnam's borders to international travel from March 15th is expected to pick up in the second half of the year as tourists have had time to plan trips and COVID related travel procedures are becoming less cumbersome and the easing of COVID restrictions in China will be positive for Vietnamese manufacturing and trading activities
- ❖ Currently, the decision of the US Fed and other central banks to hike interest rates is impacting stocks markets all over the world in the short-term as investors may change to other attractive safe haven assets such as US Dollar. While commodities prices are cooling down to lighten the impact on global supply chains, the biggest risks facing Vietnam's economy are mainly external in nature, with global inflation remaining high, the threat of imported inflation looms and the unpredictability of China's economic recovery due to the continued zero-COVID policy contribute to uncertainty in global and local markets.

- ❖ Moving forward, we update our projection of Vietnam's earnings to grow at 19.1% y/y driven by the banking, consumer goods and services, and oil & gas sectors as well as transportation. The Vietnamese markets have pulled back by 20% in the first half of the year, primarily driven by event driven shocks with the legal actions taken against some leaders of listed and private companies and negative sentiment surrounding rising global inflation and growing recession fears (neither of which are major threats to the Vietnamese economy currently). In our base case scenario, we assume that markets will pick up in the second half of the year on the basis that corporate earnings remain strong and the macro environment is able to maintain its current trajectory amid global headwinds, which will lead valuations to revert to their recent 3 year average of c. 15.5x earnings, resulting in an index level around the 1,600's, equivalent to a 2022 F. P/E of ~11.7x from the end of July.
- ❖ The optimistic scenario is based on the resumption of international flights worldwide combined with a positive effect from the fiscal and monetary package of the Vietnam Government and that corporate earnings exceed our expectations. Based on that scenario, our earnings expectations would rise and we assume that earnings multiples would return to the ~16.2x level, resulting in the index reaching an 1,700-1,800 point level and representing a 2022 F. P/E of ~10.9x from the end of July.
- ❖ Finally, in the pessimistic scenario, we see continued uncertainty and fear clouding global markets with rising concerns on inflation, how fast and strong central banks will react to inflationary pressures by raising rates and slow downs in China further stretching global supply chains, or new variants of Covid-19 threat the economic activities. This would result in earnings falling short of our expectations and market valuations dropping as apathy takes hold of the recent boon of new investors into the market. In this scenario, we could see the index struggle to post gains for the year and trade around the 1,400 point level, equivalent to a 2022 F. P/E of 12.4 from the end of July.

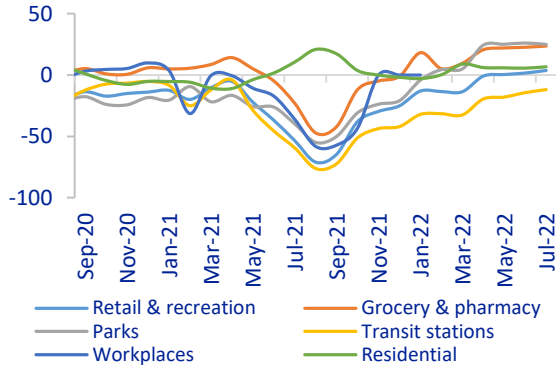
Three scenarios in 2022

Scenarios	VN-Index	Growth vs. July 29 th	2022 F.PE (x)
Pessimistic	1,386.7	15.0%	12.4
Neutral	1,597.5	32.4%	11.7
Optimistic	1,792.2	48.6%	10.9

Year-end 2022 Index Points Sensitivity Matrix

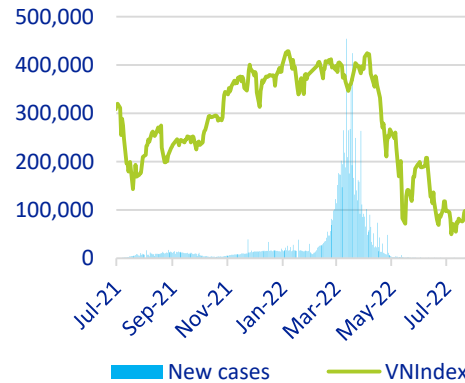
		Earnings Growth						
		5%	10%	15%	20%	25%	30%	35%
Earnings Multiple	13.5	1,226	1,285	1,343	1,401	1,460	1,518	1,576
	14.0	1,272	1,332	1,393	1,453	1,514	1,574	1,635
	14.5	1,317	1,380	1,442	1,505	1,568	1,631	1,693
	15.0	1,362	1,427	1,492	1,557	1,622	1,687	1,752
	15.5	1,408	1,475	1,542	1,609	1,676	1,743	1,810
	16.0	1,453	1,522	1,592	1,661	1,730	1,799	1,868
	16.5	1,499	1,570	1,641	1,713	1,784	1,855	1,927
	17.0	1,544	1,618	1,691	1,765	1,838	1,912	1,985

Vietnam Community Mobility

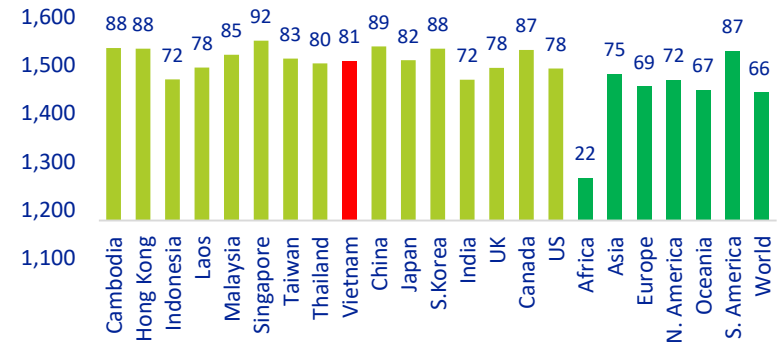


Source: Google, ACBS

Vietnam new cases and VNIndex



Latest share of people fully vaccinated



Source: Ourworldindata, ACBS. Updated May 2022

- ❖ The new cases of COVID-19 of the country increased over 1,000 cases per day as Covid-19 has been showing signs of reemerging in many countries. From 5 May, domestic health declaration for COVID-19 prevention and control no longer required across Vietnam. Although the new cases dropped sharply, in the latest draft, the Ministry of Health stated that COVID-19 can not be considered as an endemic diseases because there are still death cases and serious cases which are monitoring.
- ❖ As of May 5, Vietnam reaches mutual recognition agreements of 'vaccine passports' with 20 countries. On 11 May, the European Commission recognised the digital COVID-19 certificates of Vietnam as equivalents to the EU COVID Certificates issued by authorities in EU, it means Vietnam's vaccine certificates would be accepted in 81 countries and territories included above 20 countries, 27 EU member nations and 39 partner countries and territories that are participating in EU's digital COVID-19 vaccine certificate system.

- ❖ Until 29 May, at least 57 countries lifted their COVID-19 restrictions. Conversely, China's authorities continue to follow the zero-COVID policy amid the virus outbreak in many major cities. Besides, Covid-19 has shown signs of reemerging in many countries such as Australia, where authorities urged businesses to allow staff work from home and wear masks amid the new outbreak of sub-variants BA.4, BA.5 of Covid-19. New cases are also reported in other countries in US, EU and Asia.
- ❖ We're monitoring the wave of virus outbreak in China, other countries also and its effect to global supply chain as well as effect to Vietnam trade. Currently, given the high vaccination rates in Vietnam, along with increasing access to therapeutics, we do not expect any major moves to impede the economic recovery.

Vietnam has so far been able to avoid surging inflation seen globally

The majority of upward pressure on Vietnam's CPI is from high oil prices globally resulting to high domestic gasoline price and in turn indirectly impacted other goods prices in CPI basket. In upcoming months, several exogenous factors could give a mixed result to our CPI in 2H2022.

- ❖ **Food and Foodstuffs (33.6% of basket):** has yet to see surging prices given Vietnam is fairly food independent and the composition of the typical diet in Vietnam is much more dominated by rice rather than wheat based products like Western countries. Other foodstuff such as poultry and seafood have not shown any dramatic increases throughout 1H2022, thanks to our abundant food supply and independence from imports. For remainder of 2022, main staples of Vietnamese diet (rice and pork) expected to be stable.
- ❖ **Housing and Construction Materials (18.8% of basket):** While several commodities have seen prices increases in the first half of the year, we expect that construction materials in general will be stable or on the downtrend in the second half of the year given slumping demand in China.
- ❖ **Education, Medicine & Healthcare services (11.6% of basket combined):** educational services fee and healthcare services fee which controlled by government are expected to maintain current prices for this year and help to mitigate inflationary risks in 2022.
- ❖ **Transportation (9.7% of basket):** This category is most susceptible to global commodities price movements. To battle with rising gasoline price, government have approved two environmental tax cut and lowering the VAT and special consumption tax on gasoline, easing gasoline prices in 2H2022, which will help lower upward pressure on CPI in 2H2022.

More details at [Flash News 27 July, 2022](#)

Scenarios for the remainder of 2022

We have projected a few inflation scenarios in which we think might happen in 2H2022 with the extreme bad case which our overall FY2022 CPI reach 4.1% YoY follow surging pork price in conjunction rising oil price.

CPI scenarios	Key Assumption	2H2022	FY2022
Peaked Inflation	<ul style="list-style-type: none"> Average pork price reach as high as 72.000/kg in 2H22. Average rice price and livestock price increased another 0.5% in 2H22 Home maintenance materials decreased 0.75% in 2H22 Oil prices stay at this current level (c. 100 USD/barrel) 	4.0%	3.2%
Sustain high Inflation	<ul style="list-style-type: none"> Average pork price reach as high as 78.000/kg in 2H22 Average rice price and livestock price increased another 0.75% in 2H22 Home maintenance material remain stable in 2H22 Oil price increased another 15% by yearend (115 USD/barrel) 	4.9%	3.7%
Surging Inflation	<ul style="list-style-type: none"> Average pork price reach as high as 82.000/kg in 2H22 Average rice price and livestock price increased another 1% in 2H22 Home maintenance material increased 1% in 2H22 Oil price increased another 20-25% by yearend (120-125 USD/barrel) 	5.7%	4.1%

Upcoming events

Event type	Date	Countries	Events
Index review	11-Aug-2022	Global	MSCI Frontier Markets Indexes: Quarterly Review
Derivative	18-Aug-2022	Vietnam	The last trading day of VN30F2208
Economy	25-Aug-2022	South Korea	BOK Monetary Policy Board Meeting
Market Classification	01-Sep-2022	Global	FTSE Global Equity Index - Interim Review
Index review	02-Sep-2022	Vietnam	FTSE Vietnam ETF
Economy	08-Sep-2022	European	ECB Monetary policy meeting
Index review	09-Sep-2022	Vietnam	VanEck Vectors Vietnam ETF
Derivative	15-Sep-2022	Vietnam	The last trading day of VN30F2209
ETF rebalance	16-Sep-2022	Vietnam	FTSE ETF & VNM ETF Restructuring
Economy	20-Sep-2022	United States	FOMC meeting & economic projections
Economy	21-Sep-2022	Japan	BOJ Monetary Policy Meetings
Economy	12-Oct-2022	South Korea	BOK Monetary Policy Board Meeting
Economy	27-Oct-2022	Japan	BOJ Monetary Policy Meetings
Economy	27-Oct-2022	European	ECB Monetary policy meeting

Upcoming events (cont'd)

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Industry outlook

Industry:	FINANCIAL	Sub-sector:	BANK	Short term outlook:	POSITIVE	Long term outlook:	POSITIVE	Main ticker:	VCB, CTG, TCB, MBB, STB
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Sector Overview

- Credit grew strongly in 1H2022 thanks to the recovery of the economy after the pandemic. By June 30, 2022, credit growth reached 9.35%, much higher than the growth rate in the same period last year of 6.9%.
- System liquidity suddenly became tense, although most banks have reached the credit quota. The reason is that the SBV sucked up VND on a large scale (peaking at ~VND220,000 billion in mid-July) through the issuance of SBV-bills and spot selling of USD2 billion, while banks need to prepare a large amount of VND to pay for future purchases of USD from the State Bank (~USD10 billion) and to disburse credit at the end of the year.
- Business results of banking sector were positive in Q2/2022. Profit before tax of 17 HOSE-listed banks grew by 37.4% YoY. Strong profit growth was driven by (1) Net interest income and non-interest income grew 16% YoY and 17.5% YoY respectively and (2) Provision expenses decreased by 14.7 % YoY due to the pressure of provisioning for COVID-19 restructured loans has decreased significantly.
- Asset quality was good and stable, although there was divergence among banks. NPL ratio by the end of 2Q/2022 reached 1.4%, up 3 bps QoQ. Group 2 loan ratio reached 1.2%, down 10 bps QoQ. COVID-19 restructured loans only accounts for less than 1% of total outstanding loans and are on downtrend.

Outlook / What to Watch

- By the end of June 2022, many commercial banks have used up the assigned credit growth limit and they are submitting to the SBV for approval of a new credit room. We maintain our credit growth expectation of 15% in 2022 thanks to the recovering economy and the loan interest support package of VND40,000 billion, which will stimulate credit demand.
- We expect deposit interest rates may continue to increase by 50bps to provide for credit in 2H2022 – when banks are granted additional credit room from the SBV and boosts lending at the end of the year.
- We expect increasing lending rates and CASA's growth trend will help banks stabilize their NIMs at levels equivalent to 2021.
- With listed banks actively making provisions in 2021, the pressure of provisioning has decreased significantly and it will be a key profit growth driver in 2022.

Industry outlook

Industry:	FINANCIAL	Sub-sector:	INSURANCE	Short term outlook:	NEUTRAL	Long term outlook:	NEUTRAL	Main ticker:	BVH, PVI
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Sector Overview

- According to the Insurance Association of Vietnam, in 2021, total insurance premium of the whole market was estimated at 159,458 billion VND, +22% compared to the previous year despite the epidemic situation. In which, insurance premium from new business was estimated at 49,549 billion VND, up 18.5% compared to the previous year. Digitization and strengthen associate with banks helped insurance sales maintain high growth. However, life insurance market in 4M2022 showed signs of slowing down. Total life insurance premium was estimated at VND 51,782 billion, +14.5% YoY. However, new business insurance premium in 4M2022 decreased by 8.2% YoY, reaching VND 15,026 billion.
- For the non-life insurance segment, total non-life premium in 2021 was estimated at VND 57,880 billion, up 3.98% compared to the previous year, lower than the growth rate of 6.63% in 2020. In 4M2022, total non-life insurance premium was estimated at VND 22,254 billion, +12.58% YoY. This high growth rate is expected to continue in 2022 when the economy reopens after the pandemic, along with incentive policy of the Government.

Outlook / What to Watch

- Vietnam's life insurance market still has a lot of room for growth. By the end of 2020, the proportion of the population with life insurance was only 11%. We lower our expectation of growth rate of life insurance sales for the next 5 years from 20%/year to 15%/year.
- For the non-life insurance segment, we expect non-life insurance sales to grow at 1-digit rate annually for the next 5 years. The number of new contracts and premiums in 4M2022 showed signs of decline compared to 2021.

Industry outlook

Industry:	FINANCIAL	Sub-sector:	SECURITIES	Short term outlook:	POSITIVE	Long term outlook:	NEUTRAL	Main ticker:	SSI, HCM, VCI, VND
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Sector Overview

- Vietnam's securities brokerage business still has a lot of growth potential when the proportion of individuals with securities accounts in Vietnam is only about 4%. The government aims to increase the proportion of people participating in the stock market to 5% by 2025 and 10% by 2030. However, securities brokerage sector is highly competitive in Vietnam. There are many securities companies while there are little differences between products of the securities companies.
- Securities brokerage is one of the fast growing sectors. The low interest rate environment attracts domestic investors to participate in the stock market. The number of newly opened securities accounts in 6M22 reached 1,851,000 accounts, increased 197% compared with the same period of last year.

Outlook / What to Watch

- Proprietary trading is expected to be positive in Q3/2022 as the market recovered after the Fed reduced the scale of interest rate hikes.
- Vietnam's capital market is still in developing phase and has a lot of growth potential, especially in consulting on corporate bond issuance, thereby opening up many opportunities from this potential business segment for securities companies.

Industry outlook

Industry:	REAL ESTATE	Sub-sector:	RESIDENTIAL PROPERTY	Short term outlook:	NEGATIVE	Long term outlook:	POSITIVE	Main ticker:	VHM, KDH, NLG
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Sector Overview

- New supply increased sharply in 2Q2022 with increasing selling prices in both Hanoi and HCMC while sales performance slightly decreased.
- In 1H2022, there were over 16,400 new apartments launched (+180% YoY) at ASP of USD2,455/sqm (+9% YoY) and over 12,500 units sold (+70% YoY) in HCMC. The high-end segment dominated new supply and accounted for 82%. Most new supply (83%) concentrated in Thu Duc City.
- In 1H2022, Hanoi welcomed 8,165 new apartments (+35% YoY) at ASP of USD1,872/sqm (+27% YoY) and sold 10,830 units (+34% YoY). The high-end segment dominated the market with 55%, followed by the mid-end segment with 43%. New supply in Hanoi concentrated in mega townships such as Vinhomes Ocean Park, Vinhomes Smart City, etc.
- Average absorption rates of newly launched projects in 1H2022 slightly decreased in HCMC (72% vs 74% in 2021 and 73% in 2020) but improved in Hanoi (49% vs 47% in 2021 and 42% in 2020).
- Rental yields have not shown clear improvement with ~4% in HCMC and ~5% in Hanoi.
- Tightening credit to both developers and homebuyers continued to be the biggest challenges of the market.

Outlook / What to Watch

- Approval process is improving slowly.
- Inflation concern may encourage asset speculation activities and increase clearance costs.
- Average primary selling price is expected to grow.
- Key drivers: construction/approval of key infrastructure projects, stable interest rate, rising middle income class, high urbanization rate, etc.

Industry outlook

Industry:	REAL ESTATE	Sub-sector:	INDUSTRIAL PROPERTY	Short term outlook:	POSITIVE	Long term outlook:	POSITIVE	Main ticker:	KBC, BCM
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Sector Overview

- China's zero-COVID policy motivated the leasing momentum in Vietnam with strong demand from automotive, logistics and electronics sectors.
- Northern market: In 1H2022, average rental rate was USD110/sqm/lease term (+9% YoY) for industrial land and USD4.7/sqm/month (+2% YoY) for ready-built warehouses and factories. Occupancy rates remained stable at above 75% in Tier-1 market (Hanoi, Hai Phong, Bac Ninh, Hung Yen, Hai Duong) and above 60% in Tier-2 market (Quang Ninh, Vinh Phuc, Thai Binh, Ha Nam, Bac Giang).
- Southern market: In 1H2022, average rental rate was USD136/sqm (+15% YoY) for industrial land and USD4.8/sqm/month (+2% YoY) for ready-built warehouses and factories. Occupancy rates remained stable at above 90% in Tier-1 market (HCMC, Dong Nai, Binh Duong, Long An) and above 63% in Tier-2 market (Binh Thuan, Ba Ria – Vung Tau, Tay Ninh, Binh Phuoc).

Outlook / What to Watch

- Stable demand especially from multinational corporations' expansion/relocation.
- Expected more supply in the north than in the south thanks to infrastructure development.
- Asking rents will continue to be in an uptrend.
- Inflation concern may encourage asset speculation activities and increase clearance costs.

Industry outlook

Industry:	REAL ESTATE	Sub-sector:	RETAIL PROPERTY	Short term outlook:	NEUTRAL	Long term outlook:	NEUTRAL	Main ticker:	VRE
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Sector Overview

- New supply (Vincom Mega Mall Smart City) entered Hanoi after 5 consecutive quarters of no new supply while no new supply recorded in HCMC. Primary assets showed a big jump in rental rate.
- HCMC: In 1H2022, rental rate in CBD increased by 51% YoY to USD206/sqm/month while in non-CBD grew by 8% YoY to USD27/sqm/month; vacancy rates were at 4.2% (-1 ppts YoY) in CBD and 12.7% (+1 ppts YoY) in non-CBD.
- Hanoi: In 1H2022, rental rate in CBD increased by 27% YoY to USD132/sqm/month and by 3.7% YoY to USD25/sqm/month in non-CBD; vacancy rates were at 9.9% (-1.2 ppts YoY) in CBD and 15.8% (+1.2 ppts YoY) in non-CBD.

Outlook / What to Watch

- New supply is expected to improve.
- Occupancy rate and rental rate are expected to recover.
- Consumers' swift adaptation to online shopping during the pandemic may be a constraint to the recovery of this segment.

Industry:	REAL ESTATE	Sub-sector:	HOSPITALITY PROPERTY	Short term outlook:	NEUTRAL	Long term outlook:	NEUTRAL	Main ticker:	CEO, NVL
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Sector Overview

- Villas and townhouses/shophouses recovered in 1H2022 compared to 1H2021 while condotels did not.
- There were 2,776 villas (+45% YoY), 5,145 townhouses/shophouses (+230% YoY) and 1,591 condotels (-30% YoY) launched in 1H2022 with absorption rates of 75% (+40 ppts YoY), 75% (+2 ppts YoY) and 59% (+12 ppts YoY), respectively.
- State Bank of Vietnam – HCMC branch requested credit restriction for hospitality real estate.

Outlook / What to Watch

- Higher new supply in 2022 compared to 2021 with a focus in coastal provinces.
- Townhouses/shophouses are expected to be the favorite products.

Industry outlook

Industry:	CONSUMER GOODS & SERVICES	Sub-sector:	FMCG	Short term outlook:	NEUTRAL	Long term outlook:	POSITIVE	Main ticker:	SAB, MSN, VNM
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Sector Overview

- Fresh food & FMCG accounted for the largest part of consumer's spending (before COVID-19: 26.8% in 2019 according to Kantar).
- Maintained stable growths prior COVID-19 thanks to increasing income per capita and consumer confidence. Stable macroeconomic conditions also contributed to the this industry's growth.
- Despite COVID-19, FMCG monthly spending per household has been consistently increasing over the past 5 years.
- While the disruption in Global supply chain caused by Covid-19 hasn't been fully fixed, the additional negative effects from the war in Ukraine has further pushed commodity prices up. These, coupled with the effects from monetary policies, caused inflation to soar globally. With that said, CPI in Vietnam is still within the range targeted by the Government indicating inflation has not gone uncontrollable yet. Still, Inflation will be one of the key risk for the coming period that needed to be keep an eye on.

Outlook / What to Watch

- For 2022, we expect the sectors that suffered last year will recover, based on assumptions that the probability of repeating such a long social distancing stage as 2021 may be minimized thanks to expansion of vaccination, the government's potentially increased investments in healthcare system and changes in people's habits/awareness to diminish infection potential. On the other hand, sectors that benefited during COVID-19 period might slowdown compare to last year (e.g. instant noodles, canned food).
- The Ukraine – Russia war and the disruption of global supply chains has lead commodity prices continue to go up thus negatively companies within the sector. Some more than others.
- Long-term outlook is promising, underpinned by a developing economy, large, young, and increasingly connected population, rising urbanization, higher incomes and living standards, and rising middle class.

Industry outlook

Industry:	CONSUMER GOODS & SERVICES	Sub-sector:	FISHERY	Short term outlook:	POSITIVE	Long term outlook:	POSITIVE	Main ticker:	VHC, FMC, ANV, MPC
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Sector Overview

- Vietnam aquaculture and seafood export reached USD5.8bn in 1H2022, +40% YoY.
- Shrimp continued to account for the largest portion (39%) and reached USD2.3bn of export turnover in 1H2022 (+33% YoY). In June alone, export turnover of shrimp grew at a slower pace of 7% YoY, following an impressive growth rate of 47% in April 2022. The main reason is a shortage of material given disease and bad weather.
- Vietnam pangasius export reached USD220mn, +54 YoY in June 2022 and USD1.4bn (+83% YoY) in 1H2022. Pangasius export to UK increased by 6-fold YoY, to Spain increased by 3-fold while other EU markets recorded more than 45% increase.

Outlook / What to Watch

- We believe this is the low season for shrimp and export will pick up again in 4Q2022 for the festivity period. Higher inflation in other countries also contribute to a lower consumption of shrimp, switching to alternative products at lower price such as pangasius
- Disrupt supply chain due to Zero Covid strategy in China and tension from Russia and Ukraine are beneficial for Vietnam pangasius export. High inflation in main export market also boost consumption of low price product like pangasius. Raw pangasius price started to decline in July 2022. This makes price negotiation for Vietnam pangasius exporters difficult.

Industry outlook

Industry:	CONSUMER GOODS & SERVICES	Sub-sector:	TEXTILE & GARMENT	Short term outlook:	NEUTRAL	Long term outlook:	POSITIVE	Main ticker:	MSH, STK, TCM, TNG
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Sector Overview

- One of crucial export pillars, contributing c.12% to Vietnam's export value.
- Dependence on imported material sources (e.g. China) has been an issue for the industry's members for years despite desires and efforts to enhance the localization rate.
- The US, CPTPP countries and the EU are largest customers. Vietnam is among countries whose textile & garment export share to the US has enlarged at the expense of China's for recent years.
- Outsourcing (CMT) remains the most popular order type that Vietnamese manufacturers receive; still, an increasing number of manufacturers have tried to approach upper order types (e.g. FOB) in the industry's value chain to enhance their profit margins.
- Textile & garment manufactures felt COVID-19's impacts on supply and demand sides when the pandemic occurred in China and then the US, EU. Textile & garment export value fell by 2.2% YoY in 3Q2021. However, thanks to strong performance in 1H2021 and encouraging rebound in 4Q, textile & garment export value exceeded its target of reaching \$39bn for 2021.
- The industry recorded positive results in 1H2022 as textile & garment export value was estimated to climb by 18.8% YoY in this period, fueled by recovery of consumer demand post pandemic. Tension between Russia and Ukraine might not impact directly on the industry as textile & garment export value to these countries is humble (textile & garment export value to Russia accounted for c.1% of the total in 2021). On the other side, the industry witnessed higher raw material prices and adverse impacts on supply chain because of hike in transportation costs, long-lasting tension between Russia and Ukraine, China's zero COVID policy, etc. Additionally, orders tend to slow down since 2Q2022 due to economic instability in some importing countries.

Outlook / What to Watch

- Despite unpredictable movements of the pandemic on a global scale, many countries are targeting economic recovery. Probability of another deep drop in orders for textile & garment products therefore may not be expected.
- For 2H2022, there are concerns about inflation impacts on consumer spending for textile & garment products in some major importers, such as the US and EU. Nevertheless, these impacts may be different across different products and market segments. Vietnam textile & garment industry targets export value of \$38-39bn for the worst case, \$40-41bn for the base case and \$42.5-43.5bn for the best case in 2022.
- In a long term perspective, we expect Vietnam's textile & garment industry will continue its role as not only an important pillar in the country's overall export value but also an important textile & garment exporter in the world. Vietnam is viewed as one of lucrative manufacturing locations with low labor costs and a large labor force.
- However, as the advantage of labor costs may not be sustainable given the emergence of other competitors, more drastic improvements in value-added rate, dependence in China's supply/imported material sources (in tandem with ensuring environment safety), higher margin products, etc. are needed.

Industry outlook

Industry:	CONSUMER GOODS & SERVICES	Sub-sector:	RETAIL	Short term outlook:	POSITIVE	Long term outlook:	POSITIVE	Main ticker:	MWG, FRT, PNJ
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Sector Overview

- An important component contributing significantly to the economic growth.
- Witnessing penetration of numerous players including both domestic and foreign names.
- While traditional trade channels hold an overwhelming market share, the emergence of modern trade retail, online shopping have been proving their growing power. As a part of this trend, retail chains offering various items, from FMCG, technology equipment, home appliances, fashion, to personal accessories, F&B, etc., have been blossoming in Vietnam.
- The outbreak of COVID-19 on a large scale and in a long period in Vietnam in 2021 caused different impacts on consumption of different products. Some benefit while some suffer. However, a recovery could be seen in consumption of products as well as retailers' revenue (e.g. MWG's thegioididong.com and dienmayxanh.com chains, PNJ, etc.) after the end of social distancing stage. Retail sales of goods (accounting for c.82% of retail sales of consumer goods services) climbed by 0.2% YoY for the whole year 2021 versus a decline of 3.4% YoY in 9M2021. The figure was 11.3% YoY in 1H2022.
- Listed retailers reported good revenue growth, for example MWG (+18% YoY in 1Q2022), FRT (+67% YoY in 1Q2022) and PNJ (+48% YoY in 1H2022). Still, companies express concerns that higher inflation rates may impact on consumer spending in coming time, though a severe jump is not expected in Vietnam, according to some forecasts.
- While physical retail will remain an important channel, online sales is also deepening its role because online shopping activity is increasingly popular to more consumers even post COVID-19. This makes omni-channel an increasingly indispensable part in companies' business strategies.

Outlook / What to Watch

- For the rest of 2022, based on assumptions that the probability of repeating such a long social distancing stage as 2021 due to COVID-19 may be minimized, we expect the sector may continue to be fostered by domestic consumption and benefit from return of international visitors through tourism. Nevertheless, if inflationary pressure intensifies considerably in 2H, weaker consumer spending may dampen some product categories' outlook though the severity could vary in different consumer segments.
- Long-term outlook is promising, underpinned by a developing economy, large, young, and increasingly connected population, rising urbanization, higher incomes and living standards, and rising middle class.

Industry outlook

Industry:	MATERIALS	Sub-sector:	CONSTRUCTION MATERIAL	Short term outlook:	NEGATIVE	Long term outlook:	NEUTRAL	Main ticker:	HPG, HSG, HT1, KSB
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Sector Overview

- Steel rebar prices had a quick recovery in the last week of July after hitting the lowest level since beginning of 2021. Steel rebar prices are now trading at 590 USD/ton, decreased 11.4% during July. Decreased steel price in July were caused by increased steel inventory of major Chinese steel makers, showing a slow demand while quarantine methods in China are still strict and concern about the recovery speed of China economy after the pandemic breakout.
- China's central bank is planning to provide 1 trillion yuan of loans to help boost up stalled residential real estate projects. This is expected to solve the problem of low credit room for constructor to solve the problem of unfinished residential projects. This would raise the long-term demand of construction materials as well as steel demand but we don't expect a strong boost in short-term as pandemic situation in China is still very tight.
- Domestic steel price reduced to 16,200 VND/kg during July while demand from domestic construction activities seem to be slow and domestic steel also faced reduced global steel price. In the latest report of VSA, total sale volume of domestic steel in Q2.2022 was reduced 3.7% YoY although last year was a low base when Vietnam experienced the rising of COVID-19.
- Other construction materials prices beside steel were stable in July as the cost of coal was maintained above 400 USD/ton in recent months. The cost for fuel coal remains at current level kept the price level of cement, brick from falling.

Outlook / What to Watch

- The price levels of construction materials, in our opinion, can be maintain at current level despite low demand from construction activities because the cost of coal and fuel are high comparing to last year.
- The low speed of public spending is also a barrier for the recovery of construction materials consumption. In 7 months of 2022, the spending of infrastructure budget only reached 34.4%, which was reported to be lower than the same period of 2021.
- Current situation of low credit room for real estate development and slow speed of public spending makes the outlook for construction material in the remaining of 2022 to be low.
- Long term outlook for construction materials remains blurring as China still faces the risk of a real estate crisis, although Chinese government has put out a credit package to support current construction projects but construction activities are still reported to be low

Industry outlook

Industry:	LOGISTICS	Sub-sector:	LAND AND SEA TRANSPORT	Short term outlook:	POSITIVE	Long term outlook:	POSITIVE	Main ticker:	GMD, TCL, VSC
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Sector Overview

- Domestic fuel prices decreased about 10% during July, making the cost for logistic activities to reduce slightly. The fuel cost can reduce further in August as oil price has fallen to lower than 90 USD/barrel in early of August.
- International container freight index was down 6.9%, as fuel cost seems to fall slightly while crude oil prices decreased about 10% during July.
- The slow approval conditions at Vietnam-China land borders was partially solved. Although China still keeps their border to be tight when the pandemic situation is still complicated, the partial opening of Vietnam-China border can help to support Vietnam fruit export, which helps to boost up land transporting activities.

Outlook / What to Watch

- Import and export activities was slow down in July, which was mainly caused by agriculture products (down 8.2% MoM). Total value of export of Vietnam still have 13.8% MoM growth in July thanks to mobile phone, electronic devices and textile products. The growth of export activities are expected to slow down in the remain of 2022 as main export market of Vietnamese products (EU, USA, China) are suffering from high inflation, risks of recession and prolong quarantine period in China.
- Overall, the total export value of Vietnam is still expected to have a positive year on year growth in value, in the remaining of 2022.
- Although facing the problem of dry containers shortage, we believe sea transportation of Vietnam can still maintain the growth at 2%, same as 2021, in term of volume when many shipping lines which supply a large number of dry containers to Vietnam has been reopened after a long time being suspended.

Industry outlook

Industry:	LOGISTICS	Sub-sector:	AVIATION	Short term outlook:	POSITIVE	Long term outlook:	POSITIVE	Main ticker:	HVN, VJC, SCS
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Sector Overview

- The aviation industry in Vietnam recovers at the fastest pace worldwide. As of 1H2022, Vietnamese airlines transported 23.3mn passengers, +74.2% YoY and +60% over the same period in 2019. From that, 20.8mn are domestic passengers (+58.4% YoY and +12% over the same period in 2019). In June alone, domestic passengers reached 5mn (+38.8% over the same period in 2019).
- Air cargo through Vietnam airports increased by 6.8% YoY in 1H2022. From that, domestic tonnage grew only by 3.6% YoY and declined by 29% compared to the same period in 2019.

Outlook / What to Watch

- The recovery of domestic passengers is boosted by summer time. We believe it will keep this uptrend until mid August 2022.
- High inflation in other economies might be a constraint for consumer spending, especially for non-essential spending such as travel.
- We believe the lower domestic air cargo is due to lower sea freights rate.

Industry outlook

Industry:	ENERGY	Sub-sector:	OIL & GAS	Short term outlook:	NEUTRAL	Long term outlook:	NEUTRAL	Main ticker:	GAS, PVD, PVS, PLX
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Sector Overview

- After surging to above USD120/ barrel by the end of May on tight oil supply, Brent oil price adjusted down slightly in June and fluctuating in the USD100-110/ barrel range in July. Stronger dollar, the fear of a global recession and inflation are the main reasons for this movement.
- Higher oil prices are supported positively the selling gas price (HSX: GAS), contribution margin of gasoline product amid low inventory cost (HSX: PLX, BSR) . On the other hand, the slow initiation of new oil & gas project and remaining border restriction has put a lot of pressure on the jack-up day rate for (HSX: PVD) and the workloads for the Mechanics & Construction segment of (HNX: PVS).
- However, Vietnam's oil resource has been facing the depletion of natural oil resources. Most large oil fields have been exploited for long-time and are currently in the final stages while new discoveries are mostly small field with low reserves. The lack of exploration activities/ spending that was due to low oil price in previous years has led to the fall in increasing oil and gas reserves from 2016.

Outlook / What to Watch

Outlook

- Throughout 2022, oil demand is expected to increase thanks to ongoing rebound of economic activities, transport demand and vaccination progress. However, the growth will be slow due to other potential COVID variants as well as global economic worries.
- Sanctions on Russia oil & gas by US, UK and EU have put a lot of pressure to the current supply concerns. However, OPEC+ will add 648,000 barrel/day in July and August. Sanctions on Iran and Venezuela oil may be lifted. More supply is also expected to come online from US and other non-OPEC countries in 2022-2023. This might mitigate gradually the current supply shortage.

RISK

- New COVID variant with high infectiousness and mortality drag oil demand down
- Imposed sanction on Russia oil
- Growing concerns about climate change, sales of electric cars and investment in green energy
- Global recession risk.

Industry outlook

Industry:	ENERGY	Sub-sector:	POWER, WATER	Short term outlook:	POSITIVE	Long term outlook:	POSITIVE	Main ticker:	REE, NT2, PPC, PC1
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Sector Overview

- In 1H2022, accumulated electricity consumption increased slightly compared to the same period 2021; in which coal power plant still accounts for a significant proportion.
- In June 2022, electricity production of the whole system reached 23.52 billion kWh (+2.6% YoY); accumulated 6M2022, electricity output reached 133.52 billion kWh (+3.9% YoY), of which:
 - Hydro: 41.6 billion kWh, accounts for 31.1% of the total output.
 - Coal thermal: 55.8 billion kWh, accounts 41.8% of the total output.
 - Gas and oil thermal: 15.2 billion kWh, accounts 11.4% of the total output.
 - Wind & Solar energy: 19.2 billion kWh, accounts 14.4% of the total output.
 - Import energy: 1.3 billion kWh, accounts 1% of the total output.
- Hydropower is our most notable group with profits continuing to grow strongly in the second quarter of this year. 10 out of 34 plant operators have released Q2 financial statements, with NPAT increasing by +204.5% YoY thanks to (i) heavy rain due to La Nina last longer than expected and (ii) the increase in average electricity selling prices (up 30% YoY). Because hydroelectric plants have the lowest selling price compared to other power sources (primarily coal and gas), they are frequently prioritized for mobilization if hydrological conditions are favorable. In this context, the thermal power group had less positive business results in the second quarter, with 4 out of 4 coal-fired power plants seeing a smaller increase in NPAT (+25.4 percent YoY) and the gas power group dropping sharply (-58.8%).

Outlook / What to Watch

- According to EVN, 2022 electricity output plan is expected to be 275.51 billion kWh, +9.2% compared to 2021.
- In 1H2022, hydropower record an impressive result thanks to favorable conditions (La Nina lasting longer than expected). We expect the power segment will continue to post good results in 2H2022, especially 3Q2022, as Vietnam is in the rainy season, which creates higher levels of precipitation which is beneficial to hydro power facilities.
- Thermal power plants, despite of less positive 2Q2022 result, still surprised us with profit growth, especially coal-fired. These were not impact by the high coal input costs globally due to supply from domestic coal mines.
- Gas turbines are less positive 2Q2022 compared to coal-fired group. The natural gas input price increased by 37% from Jan, 2021; thus driving down thermal gas' profitability.
- Even though thermal power plants, particularly coal-fired, have a dim long term outlook due to emission reduction campaigns, in the short term, there are some supportive factors:
 - a) Currently, there are not sufficient alternative power sources to compensate for all thermal plants including gas turbine and coal-fired.
 - b) Thermal plants typically pay steady and attractive cash dividend.
 - c) Several enterprises are running out of depreciation expenses in couple years, thus these can pay extra cash dividend out.

Industry outlook

Industry:	HEALTH CARE	Sub-sector:	PHARMACEUTICAL	Short term outlook:	NEUTRAL	Long term outlook:	NEUTRAL	Main ticker:	DHG, IMP, DBD, DMC, TRA, MKP, PMC
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Sector Overview

- Vietnam is numbered among the “pharmerging markets” (i.e. emerging pharmaceutical countries).
- The majority of pharmaceutical manufacturers in Vietnam engage with the western medicine market. Generic drugs (but not the first or high-value drugs) are the most popular products of the domestic manufacturers, while patented drugs are foreign brands.
- Domestic factories are now capable of producing various types of formulations and have been spent more on production infrastructure.
- Import is a major source of supply of finished drugs and raw materials. France, India, Germany, etc. were the leading sources of drug imports for Vietnam while a majority of raw materials are imported from India and China.
- Distribution of pharmaceutical products is conducted through two channels, consisting of hospitals (via bidding process) and pharmacies. Such pharmacy chains as An Khang, Pharmacy, Long Chau etc., have emerged aiming to gain a sizable share in this fragmented market.
- WHO-GMP (GMP: Good Manufacturing Practice) is presently the most common technology production standard in Vietnam. However, generic drugs produced under higher certifications (e.g. EU-GMP, PIC/S-GMP, etc.) with stricter technical criteria can enjoy better prices and are more likely to win bids and find good conditions for exports. The number of pharmaceutical facilities in Vietnam achieving EU-GMP, PIC/S-GMP remains quite moderate.

Outlook / What to Watch

- COVID-19 outbreak were not completely positive in all pharmaceutical companies although some witnessed higher demand for supplement, sanitizer products and drugs that help to lessen symptoms caused by the virus. Meanwhile, drug sales to hospital & clinic channel were affected adversely because of lower patient traffic (non COVID-19 patient) to hospitals & clinics during social distancing stages and peak time of the outbreak. However, patient traffic should recover after the end of social distancing.
- In a long-term outlook, a developing economy, rising incomes, a large population which starts getting older, combined with health issues caused by environment and industrialization will likely facilitate the industry’s growth. However, how to rapidly introduce new generics, boost the proportion of high-value drugs, heighten enterprise competitiveness and consumers’ trust are challenges to Vietnamese pharmaceutical companies.

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DISCLAIMER

Our Recommendation System

BUY: where we believe prospective 12 month VND total return (including dividends) will be 15% or more.

HOLD: where we believe it will be -15% to 15%.

SELL: where we believe it will be lower than -15%.

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