

Econ note

16 Feb 2022

ECONOMIC UPDATE
An encouraging Jan to herald a good year

- Vietnam's Purchasing Managers' Index (PMI) climbed to 53.7pts in Jan 2022, marking the highest level since Apr 21.
- We saw significant improvement in tourism and transportation thanks to higher vaccination rate and new adaption measures to the pandemic.
- We expect Vietnam's GDP to grow 5.5% in 1Q22F and 7.5% in 2022F, fueled by recovery of domestic demand and strong FDI inflows.

Manufacturing activities improved further

According to General Statistics Office of Vietnam (GSO), Vietnam's Index of Industrial Production (IIP) in Jan 2022 slid 3.1% mom but still rose 2.4% yoy. Moreover, Vietnam's Purchasing Managers' Index (PMI) in Jan 2022 climbed to 53.7pts from 52.5pts in Dec 2021, marking the highest level since Apr 21. The higher PMI index indicated a further expansion in manufacturing sector in Jan 22.

Service sector likely to bottom out

Vietnam's service sector kicked off the new year quite positively with gross retail sales of consumer goods and services in Jan 2022 reaching VND470 trillion, up 6.7% over that in the previous month and up 1.3% over that in the same period last year, thus improving from a 2.7% yoy decline seen in Dec 2021. If excluding the price factor, this indicator slid 0.3% yoy (that in Dec 2021 fell by 6.5% yoy).

Inflation slightly edged up amid higher petrol prices

Vietnam's headline inflation edged up to 1.9% yoy in Jan 2022 (slightly higher than the level of 1.8% yoy in Dec 2021). On a mom basis, the headline CPI rose 0.2% as transportation price index rose by 1.2% mom due to several hikes of petrol price and increase in beverage and tobacco price index (+0.6% mom).

We expect Vietnam's GDP to grow 5.5% in 1Q22F

We expect industrial activities to accelerate growth in the upcoming months thanks to (1) more people returning to work after the last outbreak is contained, (2) foreign direct investment picks up, following high vaccination rate and the new adaption measures to the pandemic in Vietnam and (3) global demand for Vietnam's export remains strong. The service sector is expected to maintain its recovery momentum thanks to (1) reopening of non-essential services (tourism, public transport, entertainment,...) and (2) domestic demand recovering after the government relaxes regulations on social distancing and cut value added tax (VAT) from 10% to 8%. As a result, we forecast Vietnam's GDP to expand 5.5% yoy (+/- 0.3 percentage point) in the first quarter of 2022 (vs. +4.7% yoy growth in 1Q21 and +5.2% yoy growth in 4Q21).

Figure 1: Summary of macro forecasts in 2021 – 22F

| Indicators | Unit | 2018 | 2019 | 2020 | 2021E | 2022F | 1Q22F |
|---------------------------|-------|------|------|------|-------|---------|-------|
| Real GDP growth | % yoy | 7.08 | 7.01 | 2.91 | 2.58 | 7.50 | 5.49 |
| CPI (period average) | % yoy | 3.54 | 2.79 | 3.20 | 1.84 | 3.45 | 2.34 |
| Credit growth | % ytd | 13.9 | 13.7 | 12.1 | 13.0 | 14.0 | 4-5 |
| M2 growth | % ytd | 12.4 | 14.8 | 14.7 | 11.0 | 13.0 | 3-4 |
| Refinancing rate | % | 6.25 | 6.0 | 4.0 | 4.0 | 4.0-4.5 | 4.0 |
| 12M deposit interest rate | % | 6.8 | 6.8 | 5.6 | 5.6 | 6.0 | 5.7 |
| Government bond 10Y | % | 5.1 | 3.4 | 2.4 | 2.1 | 2.4 | 2.1 |
| Exchange rate (USD/VND) | % ytd | 1.8 | 1.4 | 0.2 | -1.2 | +/-1.0 | -0.4 |

Source: VNDIRECT RESEARCH, GSO, SBV

Analyst(s):

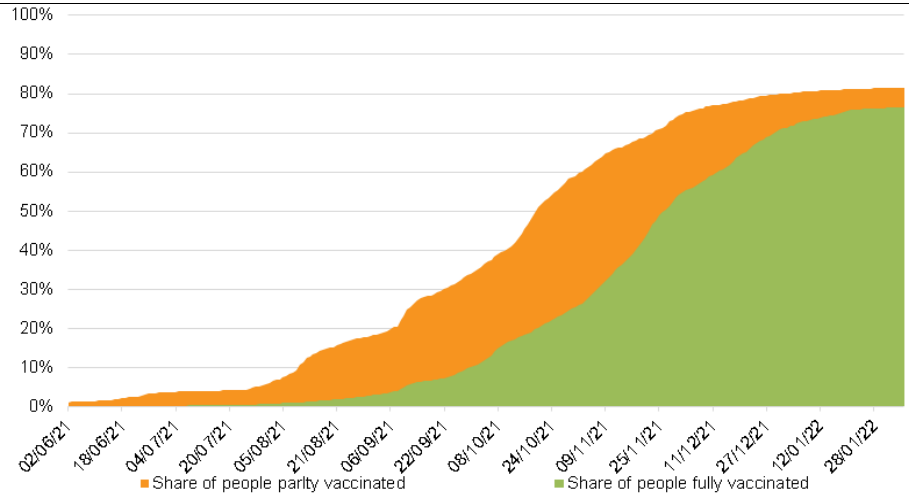
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AN ENCOURAGING JAN TO HERALD A GOOD YEAR

Safety adapts and more reopenings in endemic

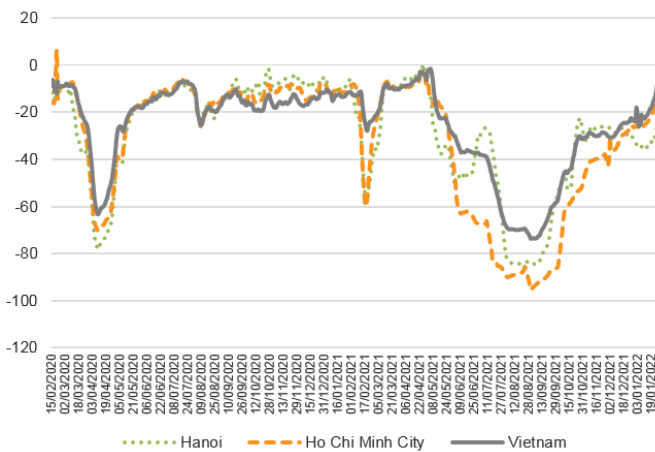
Vietnam's completed the goal of fully vaccinating at least 70% of the population against coronavirus. So far, Vietnam has fully vaccinated around 76.5% of its population (data on 06/02/2022). To cope with the emergence of new coronavirus variants, especially Omicron, Vietnam has started to administer booster shots (dose 3) for people over 18 years old since mid-Dec 2021. As of Feb 6, 2022, Vietnam has given booster shots (dose 3) to nearly 30% of population.

Figure 2: Vietnam's vaccination rate



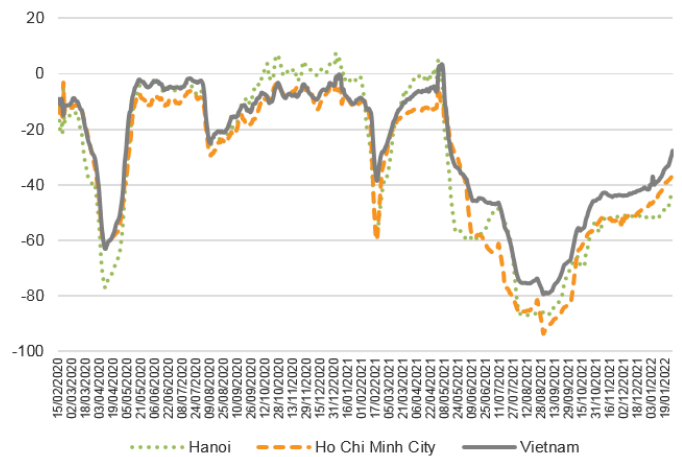
Source: MINISTRY OF HEALTH, VNDIRECT RESEARCH

Figure 3: Google mobility for retail and recreation in Vietnam (7 days moving average) (data on 27/01/2022)



Source: GOOGLE, VNDIRECT RESEARCH

Figure 4: Google mobility for transportation in Vietnam (7 days moving average) (data on 27/01/2022)



Source: GOOGLE, VNDIRECT RESEARCH

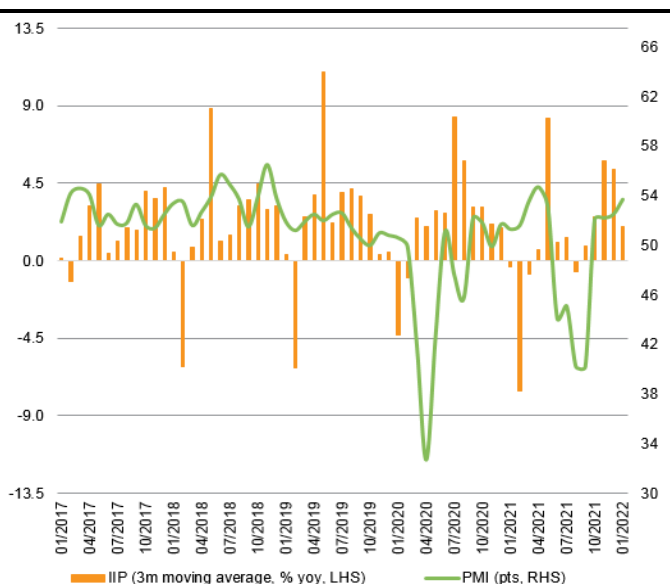
Vietnam continued to accelerate economic reopening thanks to higher vaccination rate. The Government allowed resumption international commercial flights since 1 Jan 2022, and directed localities to let students go back to school in Feb 2022. Furthermore, Vietnam will welcome all international flights since 15 Feb, this proves Vietnam's determination to learn how to live safety with the COVID-19 pandemic. Meanwhile, some localities also allow the reopening of festivals with a large number of participants such as the Perfume Pagoda festival (Hanoi), the Ta Phu-Ky Cung temple festival (Lang Son). With the new adaption measures to the pandemic, we saw a strong recovery of retail and recreation mobility at the national level in Jan 2022 (as shown in Figure 3 above).

Manufacturing activities improved further

According to General Statistics Office of Vietnam (GSO), Vietnam's Index of Industrial Production (IIP) in Jan 2022 slid 3.1% mom but still rose 2.4% yoy. Moreover, Vietnam's Purchasing Managers' Index (PMI) in Jan 2022 climbed to 53.7pts from 52.5pts in Dec 2021, marking the highest level since Apr 21. The higher PMI index indicated a further expansion in manufacturing sector in Jan 22.

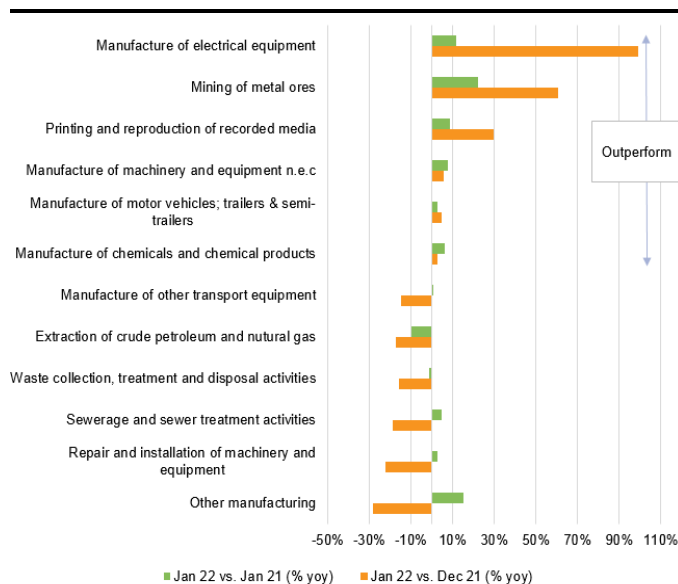
Regarding sub-sectors, we witnessed improvements in electrical equipment production (+98.8% mom), mining of metal ores (+60.8% mom), printing and reproduction of recorded media (+29.4% mom), manufacture of machinery and equipment (+5.6% mom) and manufacture of motor vehicles; trailers and semi-trailers (+4.4% mom). On the other hand, manufacture of other transport equipment (-14.8% mom), extraction of crude petroleum and natural gas (-17.6% mom), waste collection, treatment and disposal activities (-15.9% mom), sewerage and sewer treatment activities (-18.6% mom) and repair and installation of machinery and equipment (-22.5% mom).

Figure 5: PMI rose to 53.7pts, the highest level since Apr 2021



Source: GSO, VNDIRECT RESEARCH

Figure 6: Industrial production by category in Jan 2022



Source: GSO, VNDIRECT RESEARCH

Service sector likely to bottom out

Vietnam's service sector kicked off the new year quite positively with gross retail sales of consumer goods and services in Jan 2022 reaching VND470 trillion, up 6.7% over that in the previous month and up 1.3% over that in the same period last year, thus improving from a 2.7% yoy decline seen in Dec 2021. If excluding the price factor, this indicator slid 0.3% yoy (that in Dec 2021 fell by 6.5% yoy).

To be specific, retail sales continued to strengthen, increasing 7.0% mom and 4.3% yoy while revenue from accommodation and catering services rose 8.0% mom (-11.9% yoy). Meanwhile, travelling revenue rose 2.7% mom (-35.6% yoy) and revenue from other services inched up 1.1% mom (-8.1% yoy).

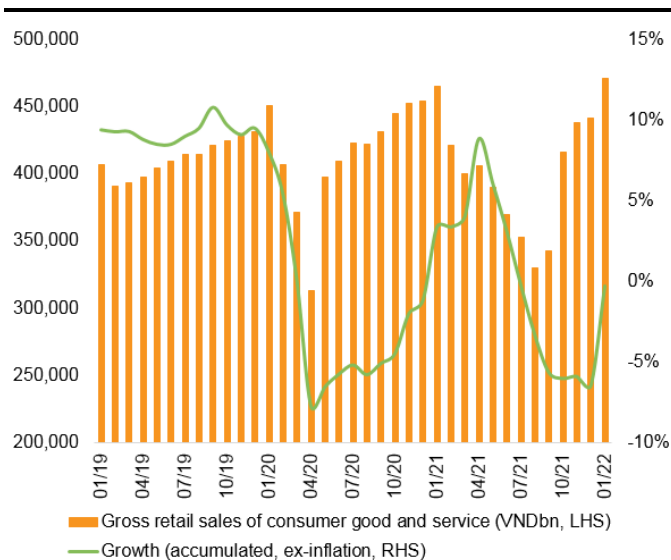
The recovery of the service sector was more clearly observed during the Tet's holiday. According to the Ministry of Culture, Sports and Tourism, during Tet's holiday (Jan 29 to Feb 6), domestic tourists reached 5.5m visitors, surpassing the total number of domestic tourists for the whole Dec 2021 (5.2m visitors). Many tourist destinations witnessed a sharp increase in the number of domestic tourists compared to the same period last year. Specifically, in Da Nang, the total number of tourists during the Lunar New Year is estimated at 35,939 visitors (+16.7% yoy), of which domestic tourists are 35,204 visitors (guests staying: 25,500

visitors, increasing 6 times over the same period last year). Quang Ninh province welcomed more than 200,000 tourists, tripled compared to the same period last year. Thua Thien Hue province welcomed about 58,300 visitors, an increase of 286% over the same period last year. Kien Giang province welcomes over 100,000 visitors, mainly to visit Phu Quoc island (more than 75,000 visitors). These positive numbers will be recorded and contribute to improving accommodation and catering service revenue in Feb 2022.

Moreover, international tourists recorded at 467 during Tet's holiday (from the Russian Federation under the pilot program of COVID-19 vaccine passports). This is the premise for Vietnam to move towards the goal of fully opening up to international tourists at the latest before the holiday April 30.

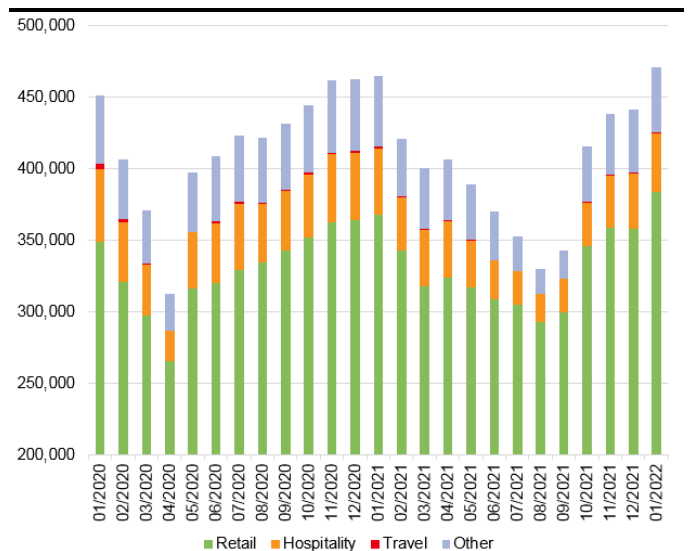
In 2022, Vietnam's tourism aims to welcome 65m tourists, of which international visitors are 5m (from near zero in 2021) and domestic visitors are 60m (+50% yoy). According to Vietnam National Administration of Tourism, total revenue from tourists in 2022 is estimated at VND400,000bn (+122.2% yoy).

Figure 7: Service sector continued to recover



Source: GSO, VNDIRECT RESEARCH

Figure 8: Retail sales witnessed significant recovery in Jan 2022



Source: GSO, VNDIRECT RESEARCH

Import-Export to grow healthily in Jan

Per General Department of Vietnam Customs, export value rose 8.1% yoy (-10.8% mom) to about US\$30.8bn in Jan 2022. We saw several factors that support Vietnam's export in 1Q22, including (1) foreign direct investment picks up, following high vaccination rate and the new adaption measures to the pandemic in Vietnam and (3) global demand for Vietnam's exports remain strong.

Among Vietnam's top export products, the items that recorded the positive growth rate in Jan 2022 include electric goods and computers (+5.5% yoy), textiles (+34.4% yoy), machinery and equipment (+7.5% yoy), footwear (+3.9% yoy), wood and wooden products (+14.3% yoy), motor vehicles (+10.2% yoy), Steel (+47.5% yoy), Fishery (+43.3% yoy) and camera and camcorders (+36.0% yoy). On the other hand, phones export declined significantly by 26.1% yoy in Jan 2022. However, we expect phone exports to recover since Mar-2022 after Samsung launches the Galaxy S22 flagship phone on February 9, 2022, which is expected to deliver to customers globally soon.

As for imports, Vietnam's import spending increase 11.7% yoy (-6.9% mom) to about US\$29.4bn. As a result, Vietnam recorded US\$1.4bn of trade surplus in Jan 2022 (vs. a trade surplus of US\$2.1bn seen in Jan 2021). Among Vietnam's key import products, the items that witnessed the strong import growth rates in

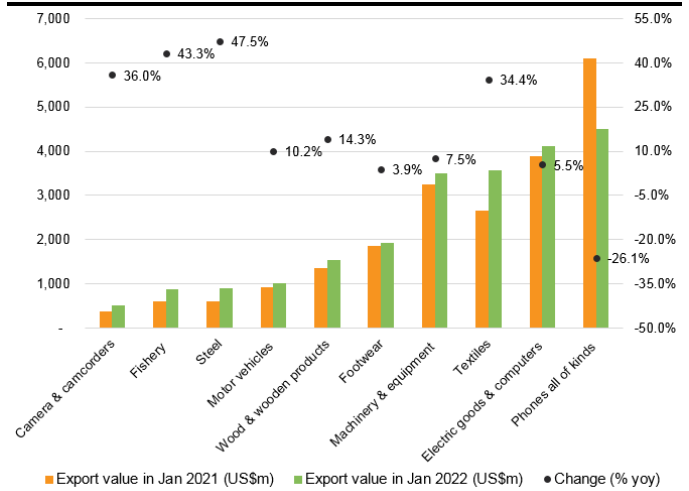
2021 include cashew (+133% yoy), rubber (+103.0% yoy), liquefied petroleum gas (+74.7% yoy), iron and steel scrap (+66.8% yoy) and fertiliser (+54.4% yoy).

Figure 9: Vietnam recorded US\$1.4bn of trade surplus in Jan 2022



Source: GSO, VNDIRECT RESEARCH

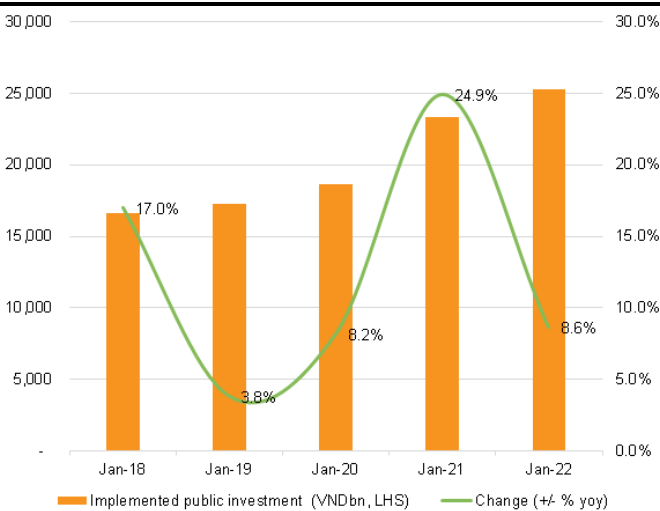
Figure 10: Top export products in term of value in Jan 2022



Source: GSO, VNDIRECT RESEARCH

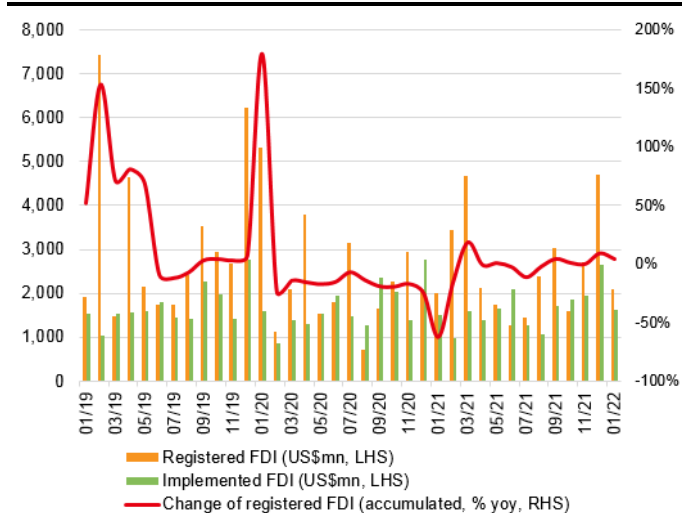
Positive signals in foreign direct investment (FDI) and public investment

Figure 11: Implemented state capital rose 8.6% yoy in Jan 2022



Source: GSO, VNDIRECT RESEARCH

Figure 12: Foreign direct investment



Source: GSO, VNDIRECT RESEARCH

Foreign direct investment (FDI) kicked off the New Year quite positively with the registered capital of FDI projects rising 4.2% yoy in Jan 2022 to US\$2.1bn, according to GSO.

To be more specific, 103 newly licensed projects with a registered capital of US\$0.4bn, a decline of 70.7% in terms of registered capital compared to the same period in 2021; 71 projects licensed in the previous years approved to adjust investment capital (incremental FDI) with a total additional capital of US\$1.3bn (+169% yoy); 206 turns of capital contribution and share purchases of foreign investors with a total value of the capital contribution of US\$0.4bn, a surge of 100.9% over the same period in 2021. Regarding disbursement capital, the implemented capital of FDI projects reached US\$1.6bn in Jan 2022, rising 6.8% yoy (vs. a 1.2% decrease in 2021). Some noticeable FDI projects include:

- The project of manufacturing electronic products, network equipment and multimedia products of Goertek Group (Hong Kong, China) in WHA Industrial Park, Nghe An province, increased its investment capital by US\$260m.
- Commercial and service projects of GE Vietnam (Korea) adjusted to increase investment capital by US\$216.9m.
- Electronic component factory project (JNTC - Korea) adjusted to increase investment capital by US\$163m in order to expand the production line of tempered glass for car and watch screens; cover glass for camera.

Moving to public sector, the implemented state capital (public investment) in Jan 2022 jumped 8.6% yoy to VND25.3tr (versus a decline of 10.0% yoy seen in 4Q21), according to GSO. We expect the implementation of public investment in 2022 can increase by 20-30% compared to the actual implementation in 2021 thanks to (1) additional infrastructure development under the new economic stimulus package (worth about VND113,050bn), (2) the bottleneck of construction stone shortage has been solved as the government has licensed for new mines, (3) the prices of construction materials such as steel, cement, construction stone are expected to cool down in 2022, (4) the actual implementation of public investment in 2021 was low, equivalent to only 84% of the whole year plan. In addition, the Government is expected to focus on accelerating the progress of major public investment projects in 2022 such as the Long Thanh International Airport and the North-South Expressway, thereby accelerating the implementation of public investment.

Figure 13: Progress of key transport infrastructure projects in the period of 2021 - 2026

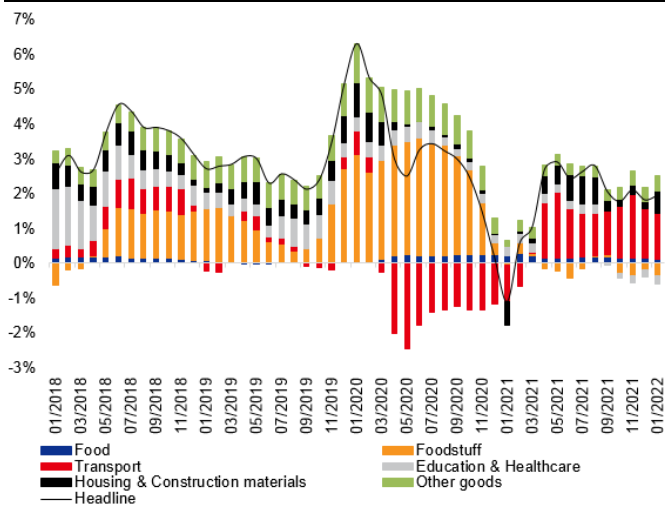
| Project | Total investment (VNDbn) | Estimated construction progress | | | | | | | |
|--|--------------------------|---------------------------------|------|------|------|------|------|------|------|
| | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
| Cam Lo - La Son | 7,700 | | | | | | | | |
| Cao Bo - Mai Son | 1,600 | | | | | | | | |
| My Thuan Bridge 2 | 5,000 | | | | | | | | |
| Mai Son - Highway 45 | 12,920 | | | | | | | | |
| Eleven sub-projects of the North-South expressway (phrase 1) | Vinh Hao - Phan Thiet | 10,853 | | | | | | | |
| | Phan Thiet - Dau Giay | 14,360 | | | | | | | |
| | Nghi Son - Dien Chau | 8,380 | | | | | | | |
| | Highway 45 - Nghi Son | 6,330 | | | | | | | |
| | Dien Chau - Bai Vot | 13,340 | | | | | | | |
| Nha Trang - Cam Lam | 7,615 | | | | | | | | |
| Cam Lam - Vinh Hao | 13,690 | | | | | | | | |
| Twelve sub-projects of the North-South expressway (phrase 2) | 146,990 | | | | | | | | |
| Long Thanh International Airport (phrase 1) | 109,112 | | | | | | | | |
| Total | 357,890 | | | | | | | | |

Source: VNDIRECT RESEARCH

Consumer price index (CPI) remained low

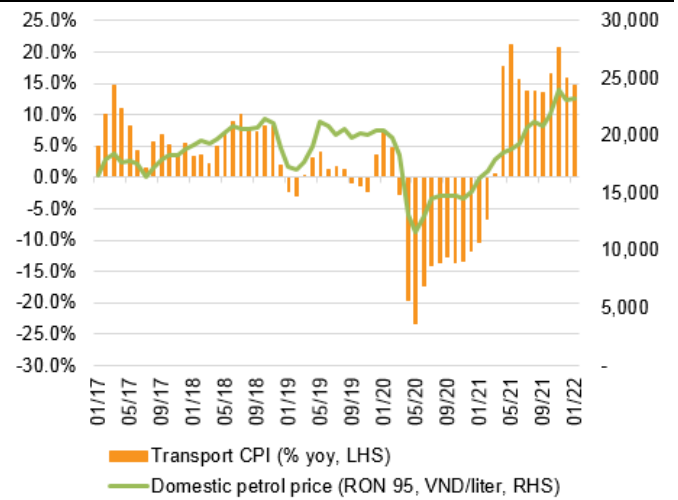
Vietnam's headline inflation edged up to 1.9% yoy in Jan 2022 (slightly higher than the level of 1.8% yoy in Dec 2021). On a mom basis, the headline CPI rose 0.2% as transportation price index rose by 1.2% mom due to several hikes of petrol price and increase in beverage and tobacco price index (+0.6% mom). Vietnam's inflation remains low in Jan 2022 as domestic demand remains weak and has not fully recovered to normal levels before the pandemic.

Figure 14: Headline inflation edged up 1.9% yoy in Jan 2022



Source: GSO, VNDIRECT RESEARCH

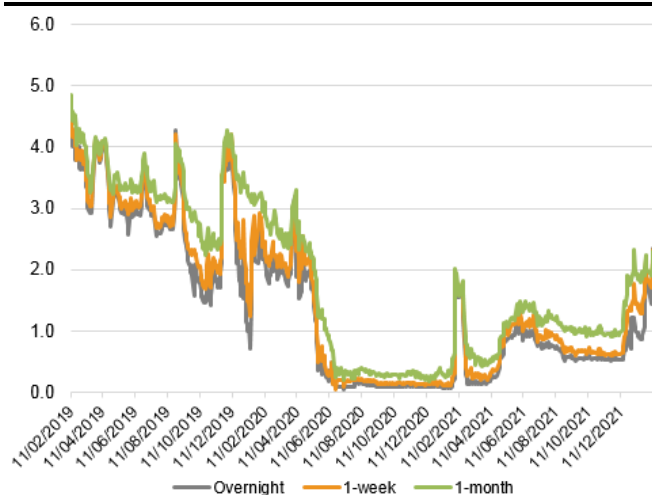
Figure 15: Transportation price index



Source: GSO, VNDIRECT RESEARCH

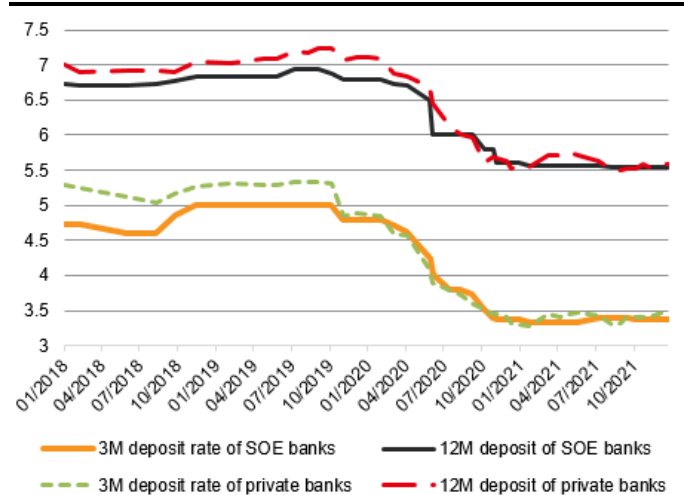
The interbank interest rate rose sharply due to the seasonality

Figure 16: Interbank interest rate picked up (%)



Source: BLOOMBERG, VNDIRECT RESEARCH

Figure 17: Banking deposit rate edged up slightly in Jan 2022 (%)



Source: Commercial banks, VNDIRECT RESEARCH

We saw a strong increase in cash withdrawal and payment demand in recent days due to Tet holiday. As a result, several banks increased demand for borrowing money on the interbank system to support short-term liquidity, which resulted in a sharp increase in interbank interest rates since late-Jan 2022. According to Bloomberg data, overnight interest rate climbed to 2.2% on 10 Feb 2022, up 30 bps from the previous month and up nearly 100 bps from the end of 2021. The sharp increase in interbank interest rates in recent days is similar to the annual performance in Tet holiday and we expect the interbank rate to decline soon as cash withdrawal and payment demand will return to normal.

We keep our expectation that the SBV will maintain its accommodative monetary policy until at least the end-2Q22. Although we do not expect the central bank to cut its key policy rates further, we also think it would not lift them either in 1H22F, in a bid to continue supporting the economy by maintaining a loose monetary policy. Nevertheless, we expect the SBV to channel its money market activities

via the open market, such as buying foreign exchange or raising the credit growth ceilings. We forecast credit growth to increase by 14% yoy in 2022F.

Lending rates to decrease further, but deposit rates to pick up tenderly

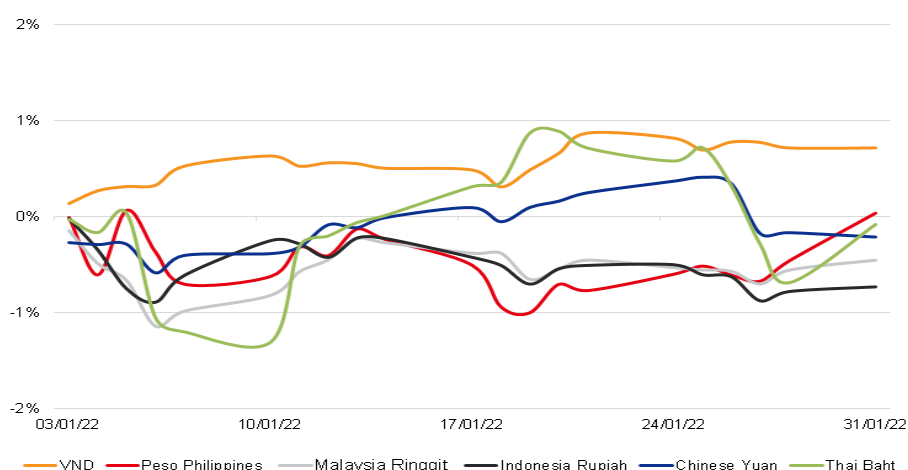
Regarding to lending interest rates, the SBV is implementing an interest rate compensation package with a scale of VND3,000bn. It offers lending interest rates of only 3-4%/year for businesses strongly affected by the COVID-19 pandemic. Moreover, the Government plans to expand the scale of the package of interest rate compensation for businesses to VND40,000bn, focusing on a number of priority audiences, including (1) small and medium-sized enterprises, (2) businesses participating in a number of key national projects, and (3) business in certain industries (tourism, aviation, transportation). Thanks to these supportive policies, we expect lending rates to decrease by 20-40bp in 2022F, on average.

Regarding to deposit interest rates, the deposit rate is unlikely to remain at historic low in 2022F due to following reason (1) higher demand for fund raising as credit accelerates, (2) inflation pressure in Vietnam could pick up in 2022, (3) compete more fiercely with other investment channels such as real estate and securities to attract capital inflow. As of 20 Jan, 2022, the 3-month term deposit rates and the 12-month term deposit rates of state-owned banks remained unchanged compared to the level at the end of 2021 (refer Figure 17) while the 3-month term deposit rates and the 12-month term deposit rates of private banks edged up 8bps and 3bps, respectively, compared to the level at the end of 2021. We expect that deposit rates to slightly increase 30-50 basis points in 2022F. We see the 12-month deposit rates of commercial bank could climb to 5.9-6.1%/year at the year-end of 2022, which are still lower compared to pre-pandemic level of 7.0%/year.

VND stay strong versus other neighboring currencies

As at 31 Jan, 2022, the Vietnam Central bank-set exchange rate for the US\$/VND stood at 23,099, slid 0.2% mom, while the interbank exchange rate for US\$/VND also fell 0.7% mom. Vietnam maintained a high trade surplus of US\$1.4bn in Jan 22 that helped strengthen Vietnam dong against the US. Dollar in Jan 22.

Figure 18: Vietnam dong outperformed regional peers in Jan 22



Source: BLOOMBERG, VNDIRECT RESEARCH

Our optimistic view for VND has turned more neutral for 2022 due to the following reasons: (1) US\$ may regain the upper hand in 2022 as the Federal Reserve (FED) has begun to reduce the size of bond purchasing programme (QE tapering) since Nov 2021, (2) inflation pressure in Vietnam could pick up since 1Q22F. According to CME Group survey, market expects that FED can raise policy rate by 100-175bp in 2022, starting from Mar 2022.

However, we see that the fundamental factors to keep Vietnam Dong stable in recent years still remain, including current account surplus and higher foreign

exchange reserves (FX reserves). We expect current account surplus to widen to 2.0% GDP in 2022F from an expected deficit of 0.3% GDP in 2021F. We also expect Vietnam's FX reserves to reach US\$122.5bn at the end of 2022 (equivalent to 4.0 months of import) from a current level of US\$105bn. As a result, we see the US\$/VND stable at 22,600-23,050 in 2022F and the Vietnamese Dong may move in a relatively narrow range vs. the US\$.

1Q22F Outlook

Rising inflation is a key macro risk, in our view

We expect inflation to heat up in the coming months as the transport price index is expected to rise, following a strong rally in crude oil prices. Specifically, Brent crude oil price climbed to US\$96.5/barrel (+24% ytd), the highest in nearly eight years. Following this, retail prices of gasoline in Vietnam have increased significantly since the beginning of 2022. Specifically, E5 RON 92 gasoline is listed at VND24,570/liter (+ 9.0% ytd, + 50.7% yoy) and RON 95 gasoline is traded at VND25,320/liter (+ 8.7% ytd, +46.6 % yoy). An increase in gasoline prices will lead to an increase in logistics costs and put pressure on other commodities and services to increase prices. We forecast 1Q22F average headline inflation at 2.3% yoy (+/- 0.2 percentage points), which is slightly higher than its figure of 1.9% yoy in 4Q21. In addition, we keep our forecast for the 2022F average headline CPI unchanged at 3.4% yoy (vs. 1.8% seen in 2021).

We expect GDP to expand 5.5% yoy in 1Q22F and 7.5% in 2022F

Figure 19: Key macro forecasts in 2022F

| Indicators | Unit | 2018 | 2019 | 2020 | 2021E | 2022F | 1Q22F |
|------------------------------------|----------|------|------|------|-------|---------|-------|
| Real GDP growth | % yoy | 7.08 | 7.01 | 2.91 | 2.58 | 7.50 | 5.49 |
| Agriculture, forestry, aquaculture | % yoy | 3.7 | 2.0 | 2.7 | 2.9 | 2.8 | 2.9 |
| Industry & construction | % yoy | 8.5 | 8.9 | 4.0 | 4.0 | 8.7 | 6.7 |
| Service | % yoy | 7.0 | 7.3 | 2.3 | 1.2 | 8.2 | 5.4 |
| Export growth | % yoy | 13.3 | 8.4 | 6.5 | 19.0 | 12.5 | |
| Import growth | % yoy | 11.8 | 6.9 | 3.6 | 26.5 | 10.9 | |
| CPI (period average) | % yoy | 3.54 | 2.79 | 3.20 | 1.84 | 3.45 | 2.34 |
| Credit growth | % ytd | 13.9 | 13.7 | 12.1 | 13.0 | 14.0 | 4-5 |
| M2 growth | % ytd | 12.4 | 14.8 | 14.7 | 11.0 | 13.0 | 3-4 |
| Refinancing rate | % | 6.25 | 6.0 | 4.0 | 4.0 | 4.0-4.5 | 4.0 |
| 12M deposit interest rate | % | 6.8 | 6.8 | 5.6 | 5.6 | 6.0 | 5.7 |
| Government bond 10Y | % | 5.1 | 3.4 | 2.4 | 2.1 | 2.4 | 2.1 |
| Exchange rate (USD/VND) | % ytd | 1.8 | 1.4 | 0.2 | -1.2 | +/-1.0 | -0.4 |
| Fiscal balance | % of GDP | 2.2 | 2.7 | 3.1 | 3.8 | 4.3 | |
| Public debt | % of GDP | 46.6 | 43.4 | 45.2 | 45.0 | 46.1 | |

Source: VNDIRECT RESEARCH, GSO, SBV, MOF

We expect industrial activities to accelerate growth in the upcoming months thanks to (1) more people returning to work after the last outbreak is contained, (2) foreign direct investment picks up, following high vaccination rate and the new adaption measures to the pandemic in Vietnam and (3) global demand for Vietnam's exports remains strong. The service sector is expected to maintain its recovery momentum thanks to (1) reopening of non-essential services (tourism, public transport, entertainment,...) and (2) domestic demand recovering after the government relaxes regulations on social distancing and cut value added tax (VAT) from 10% to 8%. As a result, we forecast Vietnam's GDP to expand 5.5% yoy (+/- 0.3 percentage point) in the first quarter of 2022, which is higher than the growth rate of 4.7% seen in the same period last year (1Q21) and 5.2% seen in the previous quarter (4Q21). For entire 2022, we keep our GDP growth forecast for Vietnam's economy unchanged at 7.5%.

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RECOMMENDATION FRAMEWORK

Stock Ratings

Definition:

| | |
|--------|---|
| Add | The stock's total return is expected to reach 15% or higher over the next 12 months. |
| Hold | The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months. |
| Reduce | The stock's total return is expected to fall below negative 10% over the next 12 months. |

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

| | |
|-------------|--|
| Overweight | An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation. |
| Neutral | A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation. |
| Underweight | An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation. |

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