

Vietnam's Economy and Stock Market Q1/2017 Outlook

Turicum Investment Management



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2017 ECONOMIC OVERVIEW: GROWTH IS STILL RESILIENT, RISKS ARE UNDER CONTROL

1. Real GDP growth should stay above 6%, which is still a relatively rare event these days, even for developing countries. The expansion is supported by a recovery in agriculture, resilient manufacturing and moderate growth in services/consumption
2. Inflation is likely to rise to 6.2% due to scheduled increases in healthcare and education, rising commodities prices (food and energy) and higher core inflation (accommodation and construction materials)
3. The VND deposit rate may increase by 100bp to help controlling inflation, and the foreign currency deposit rate may be further curbed to 0% to mitigate USD hoarding
4. Vietnam will likely post a trade deficit due to rising import prices of materials and machinery
5. Balance of payments (BoP) should soften due to the trade deficit and fewer FDI/ ODA/ remittances
6. Lower budget deficit thanks to higher revenue from state asset sales, which are likely to offset the increase in debt servicing
7. The national currency may come under moderate depreciating pressure (by 3-4%) as the weakening BoP, the higher interest rate differential, the USD strength across the board won't be completely offset by the positive effect of higher foreign currency reserves
8. Politics: the new cabinet, which took office in April 2016, is pro-business, open to reforms and ambitious to create an investment friendly economy.

2016 GDP GROWTH OF 6.21%, 2017F GROWTH OF 6.54%

Even though negatively impacted by a setback in agriculture due to adverse weather conditions, VN 's GDP growth in 2016 was among the highest in the world, and growth is expected to accelerate in coming years



Source: Oxford Economics, TIM

2016 GDP GROWTH DRIVERS: MANUFACTURING, CONSTRUCTION, TRADE AND SERVICES

2016 – favorable trends:

- Manufacturing increased as Vietnam attracted international investments
- Construction in infrastructure and real estate was robust
- Trade and services were resilient, backed by strong domestic consumption

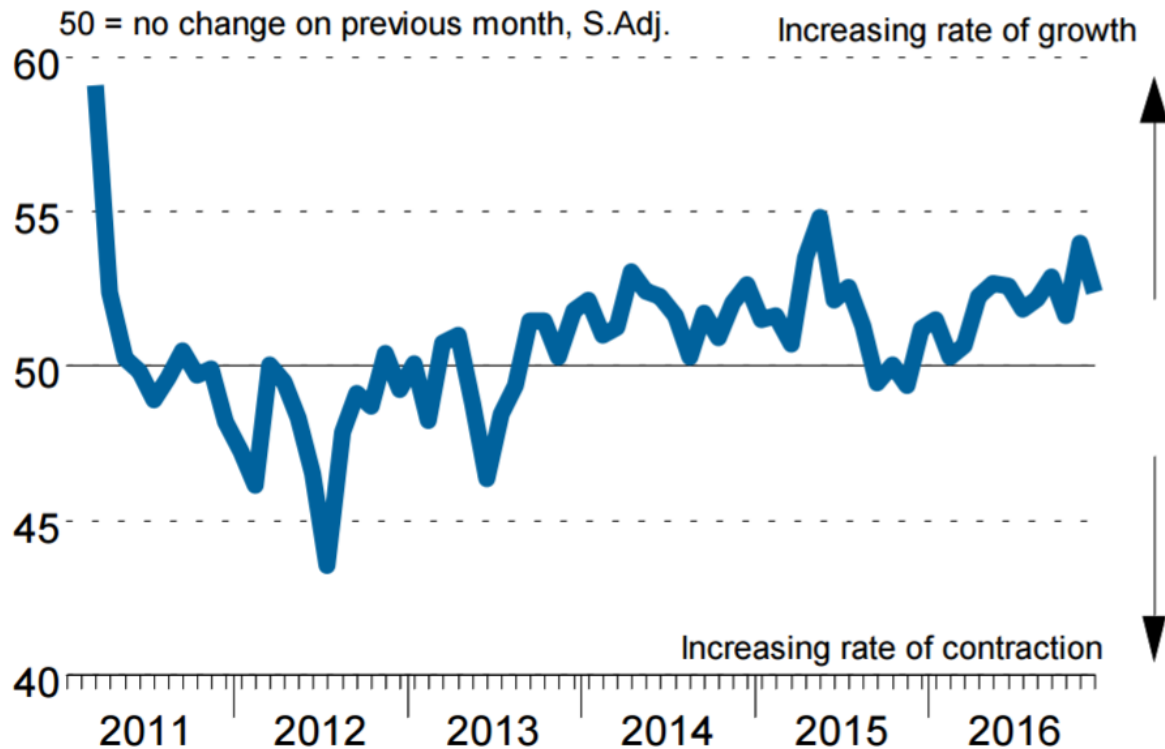
2017: same drivers as in 2016. In addition, agriculture is supposed to recover as the weather should normalize from last year's El Nino effect

Sector	2016 GDP weight	2016 growth	2017F growth
Agriculture, Forestry, Fishery	15.35%	1.36%	2.29%
Industrial	34.60%	7.57%	8.29%
Mining	7.56%	-4.00%	1.64%
Manufacturing	16.22%	11.90%	10.06%
Utilities	4.63%	11.11%	10.59%
Construction	6.19%	10.00%	10.06%
Trade and services	38.57%	6.98%	6.88%
Tax excluded subsidy	11.48%	6.38%	5.81%
Total	100.00%	6.21%	6.54%

Source: General Office Of Statistics of Vietnam, HSC, TIM

THE NIKKEI VIETNAM PMI WAS ABOVE 50 EVERY MONTH SINCE DECEMBER 2015

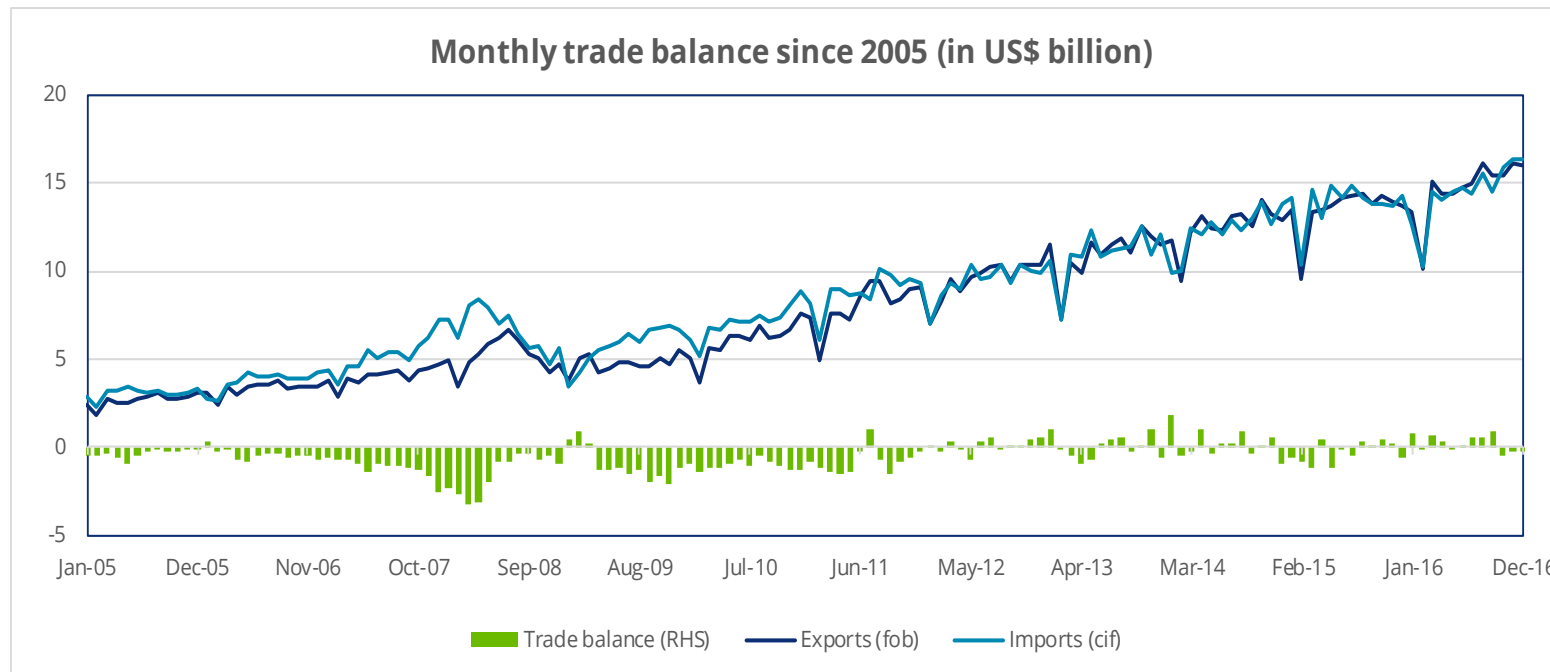
Nikkei Vietnam Manufacturing PMI



Source: Nikkei, HIS Markit

THE 2016 TRADE SURPLUS WAS \$2.68 BN

- Exports grew 8.6% to \$175.94 bn, while imports increased 4.6% to \$173.26 bn
- The slowdown in imports was driven by:
 - A mere 1.8% growth in machinery imports, which accounted for 16.3% of total imports (2015: 23%).
 - Imports of fabrics/leather/textiles (accounting for 8.7% of total imports), which are materials for later exports, grew 2-4% (vs. 8% in 2015), given company's more conservative view on the world's end consumer demand, leading to destocking of raw materials and half-finished goods



Source: General Office Of Statistics of Vietnam

The 2017 TRADE BALANCE WILL LIKELY RETURN TO A DEFICIT OF ABOUT \$2.7BN

- Exports will likely grow 13.4% to \$199.47 bn, while imports might increase 16.7% to \$202.19 bn
- Exports are likely to accelerate as the World Bank forecasts global trade to expand between 1.8% to 3.1% (2016E 1.7%)
- Expected major import growth drivers:
 - 19% growth of imported electronic goods, mostly parts for later assembly in Vietnam
 - 12% growth of machinery imports thanks to FDI projects' disbursement (2 refinery projects may get approval in 2017)
 - 9.3% growth in imports of leather/garment/clothing. As exports are rising thanks to an acceleration of global trade, higher imports of raw materials and electronic parts, that will be assembled later in Vietnam, are needed
- Biggest export markets remain: the U.S., the EU, China and Japan, accounting for 22%, 18%, 12%, and 8% respectively of total exports.

2016 INFLATION OF 4.74%

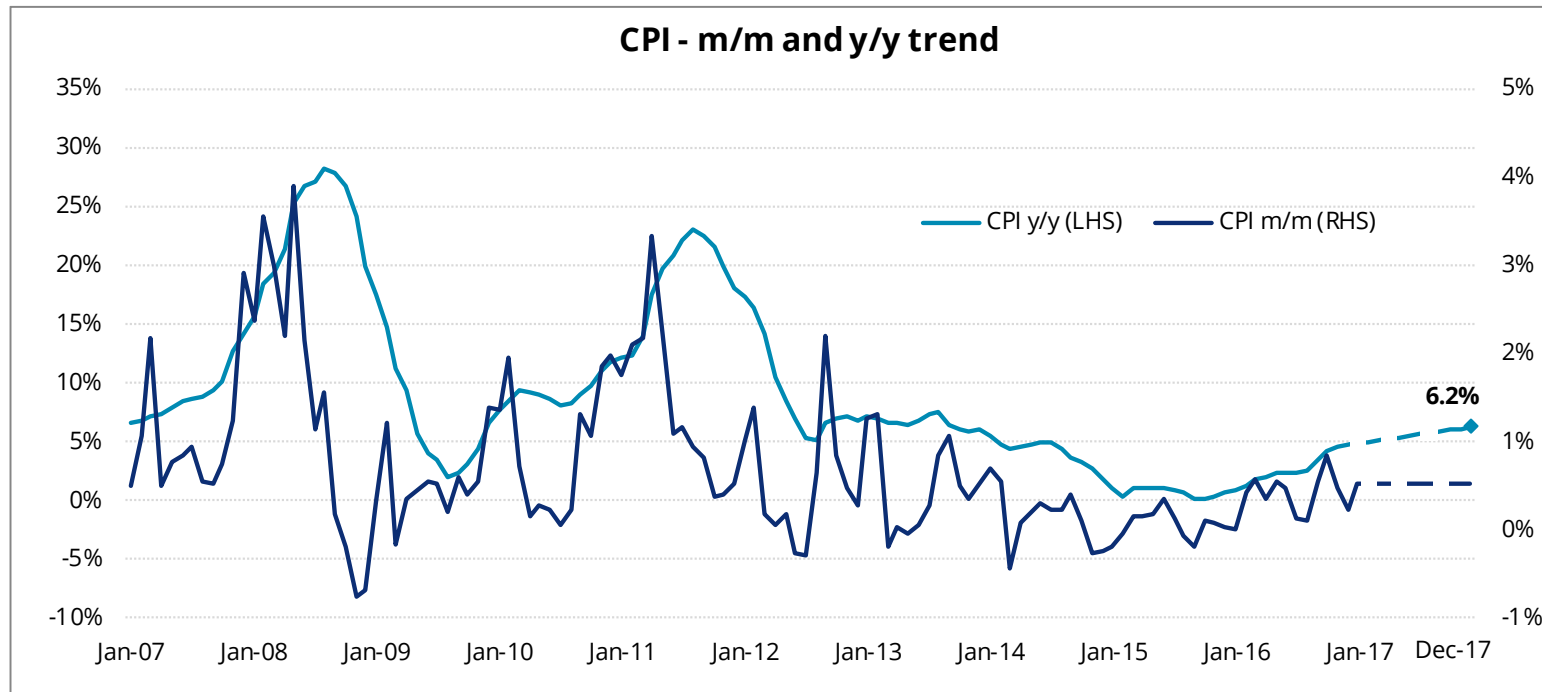
- Two-thirds of the rise in inflation was due to scheduled increases in public healthcare services and educational items, that were part of the government's effort to gradually reduce the current heavy subsidies in these sectors

By segment y/y	Weight	Price growth (yoy)	Contribution
Food & Foodstuff	36.12%	2.87%	19.69%
Beverage & Tobacco	3.59%	1.97%	1.34%
Garment. hats. footwear	6.37%	1.64%	1.98%
Accommodation & construction materials	15.73%	3.26%	9.74%
Household appliances	7.31%	1.02%	1.42%
Healthcare. pharmaceutical items	5.04%	55.72%	53.36%
Transport & Telecoms	9.37%	-1.12%	-1.99%
Of which Telecoms	2.89%	-0.72%	-0.39%
Educational items	5.99%	10.81%	12.31%
Cultural and Recreation items	4.29%	1.35%	1.10%
Other goods & services	3.30%	2.31%	1.45%
Total	100.00%		100.00%

Source: General Office Of Statistics of Vietnam

2017F HEADLINE INFLATION OF 6.2%

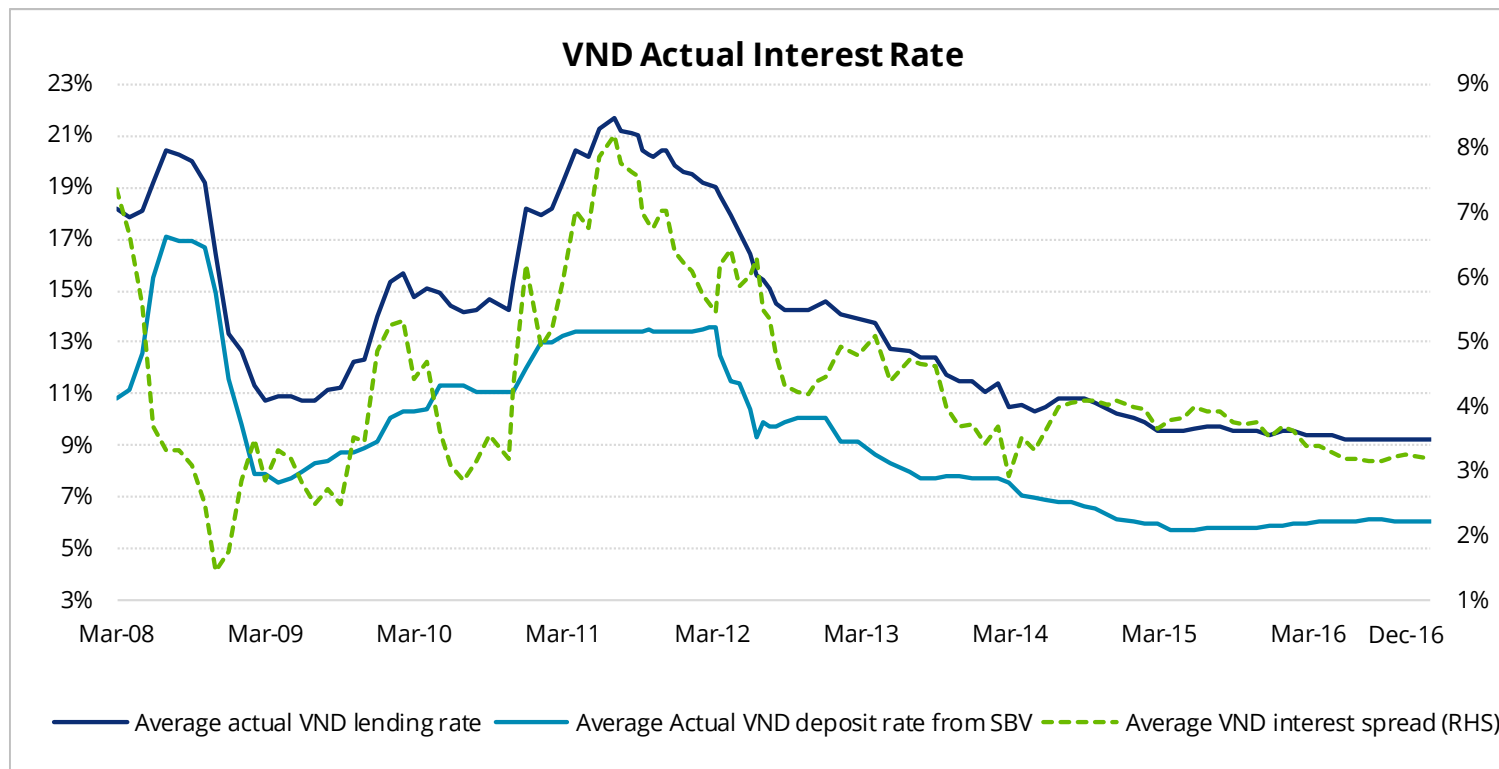
- Healthcare and education will continue to increase
- Imported inflation from rising soft and hard commodity prices and from VND depreciation
- Core inflation (+2.2%) will be slightly higher than in 2016 (1.69%) on the same drivers, namely accommodation and construction materials



Source: General Office Of Statistics of Vietnam , HSC, TIM

INTEREST RATES MAY MOVE UP BY 100BP

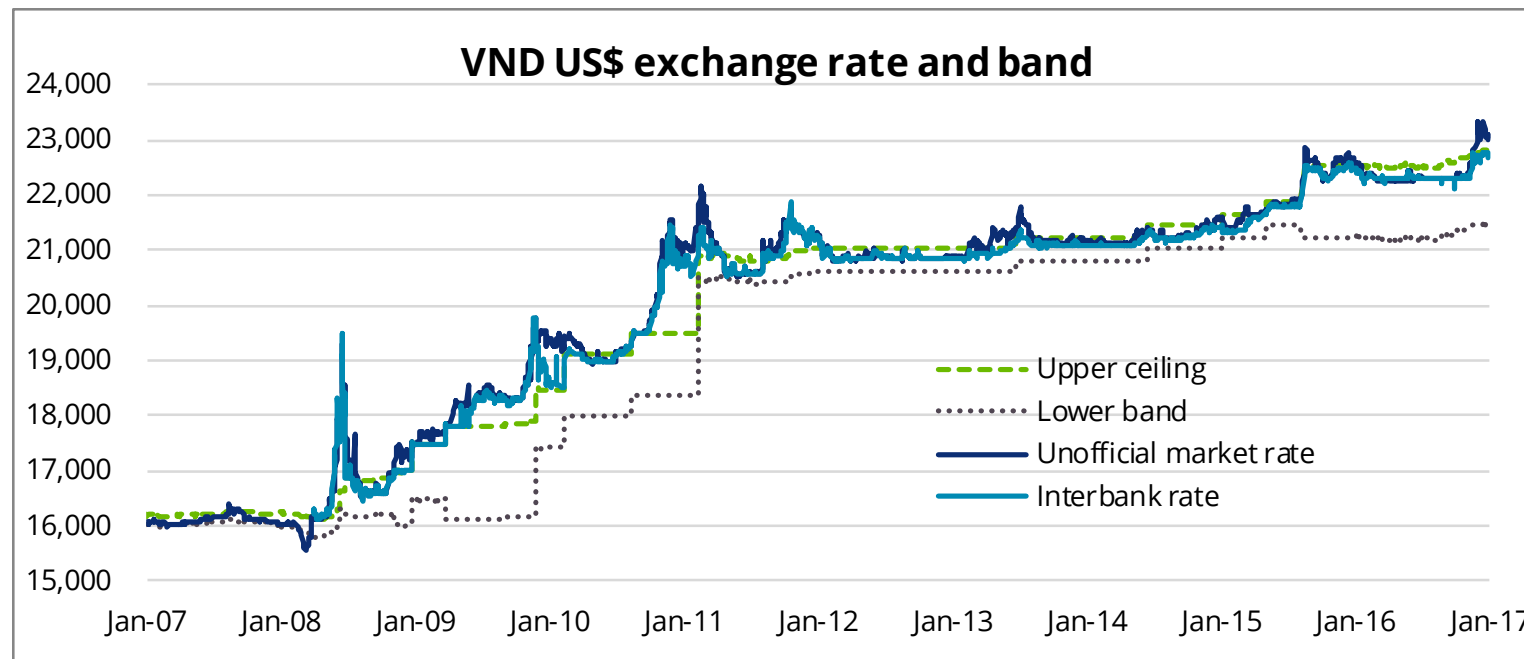
- To curb inflation, which is likely to increase
- To maintain competitiveness of the VND in the context of the USD strengthening against many other major currencies (GBP/EUR/JPY), also against Asian currencies (CNY, MYR, THB, INR)



Source: HSC; deposit and lending rates are average of all tenors

VND DEPRECIATED BY 1.2% IN 2016

- Speculation and USD hoarding has eased thanks to:
 - Zero interest rate for USD deposits of all tenors from Dec 2015
 - Daily fixing of USDVND by the SBV, based on a trade-weighted basket of currencies (USD still accounts for 70-80% of this basket)
 - More use of currency forwards in the interbank market



Source: State Bank of Vietnam, HSC

VND MAY DEPRECIATE BY 3-4% IN 2017

ON TREND:

(-) The surplus in the balance of payments (2017F \$6.0bn) may decline this year (2016: 7.9 bn) as the trade balance returns to a deficit and as remittances and FDI slow even though foreign indirect investment may surge as the government speeds up its stake sales to foreign investors

(+) Foreign currency reserves are currently at a record high (\$41 bn)

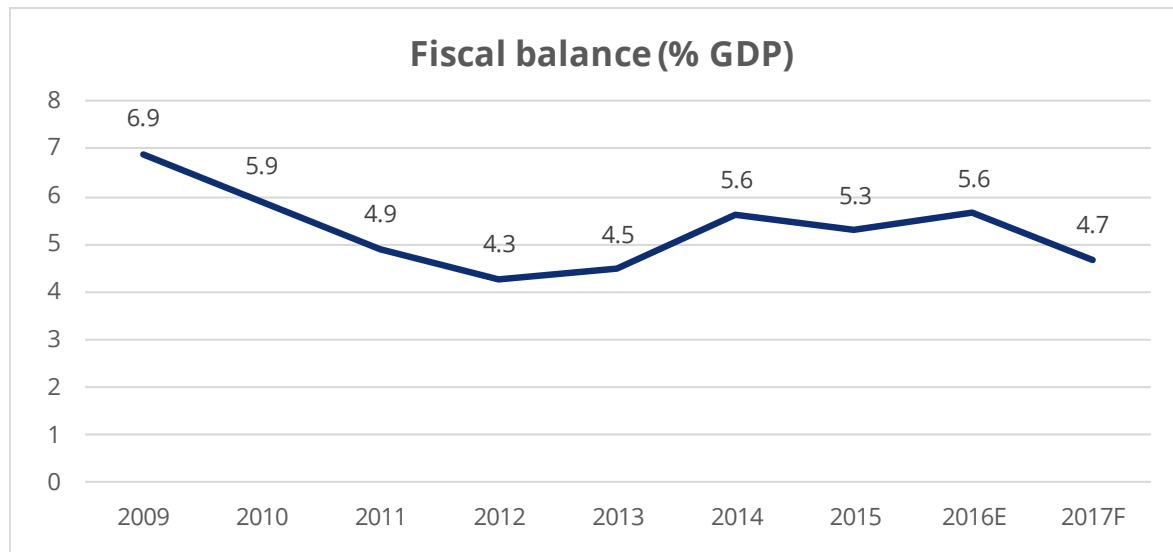
(-) Increasing commodity prices, leading to higher inflation in Vietnam, putting the national currency under pressure.

ON LIMITED USD HOARDING AND SPECULATION

(+) Measures to curb speculation (restrictions on borrowing/lending in USD, zero rate for USD deposits, more use of derivatives) are likely to stay in place

2016F BUDGET DEFICIT 5.56% GDP, declining to 4.7% in 2017

- Government debt is now already at 53% of GDP, near the ceiling of 54%. Public debt (including government debt, government-guarantee debt, and municipal debt) is also close to the 65% limit set by the National Assembly
- There are still many large infrastructure investment projects in the pipeline such as airports, HCMC anti-flooding projects, highways, etc.
- Government revenue will be supported by privatizing SOEs and selling the state's stakes
 - State divested 499 SOEs in 2011-2015
 - State plans to divest 528 SOEs in 2016-2020. However, what is left now are all large



Source: VN Government, TIM

POLITICS: COMMITMENT TO SPEED UP REFORMS

SOE privatization is taken far more seriously than before

- Deputy PM Vuong Dinh Hue requires the State Audit to review and audit the valuations of large SOEs before equitization
- The MOF was assigned to propose pilot cases of hiring international valuation service firms by 15th September 2016
- The state will sell its 82% stake (current total \$1.3 bn) in Habeco, its 89% stake in Sabeco (current total MC of \$6.0 bn), and partially reduce its 45% stake in Vinamilk in several steps

More open to foreign investors

- The PM stated recently that the government may lift the foreign ownership limit (FOL) in banking stocks in 2017, although not specifying what the new limit will be. The current FOL in banks is 30%

VIETNAM'S EQUITY MARKET:

A TRANSITION YEAR WITH MANY NEW LISTINGS OF ONCE STATE-OWNED ENTERPRISES



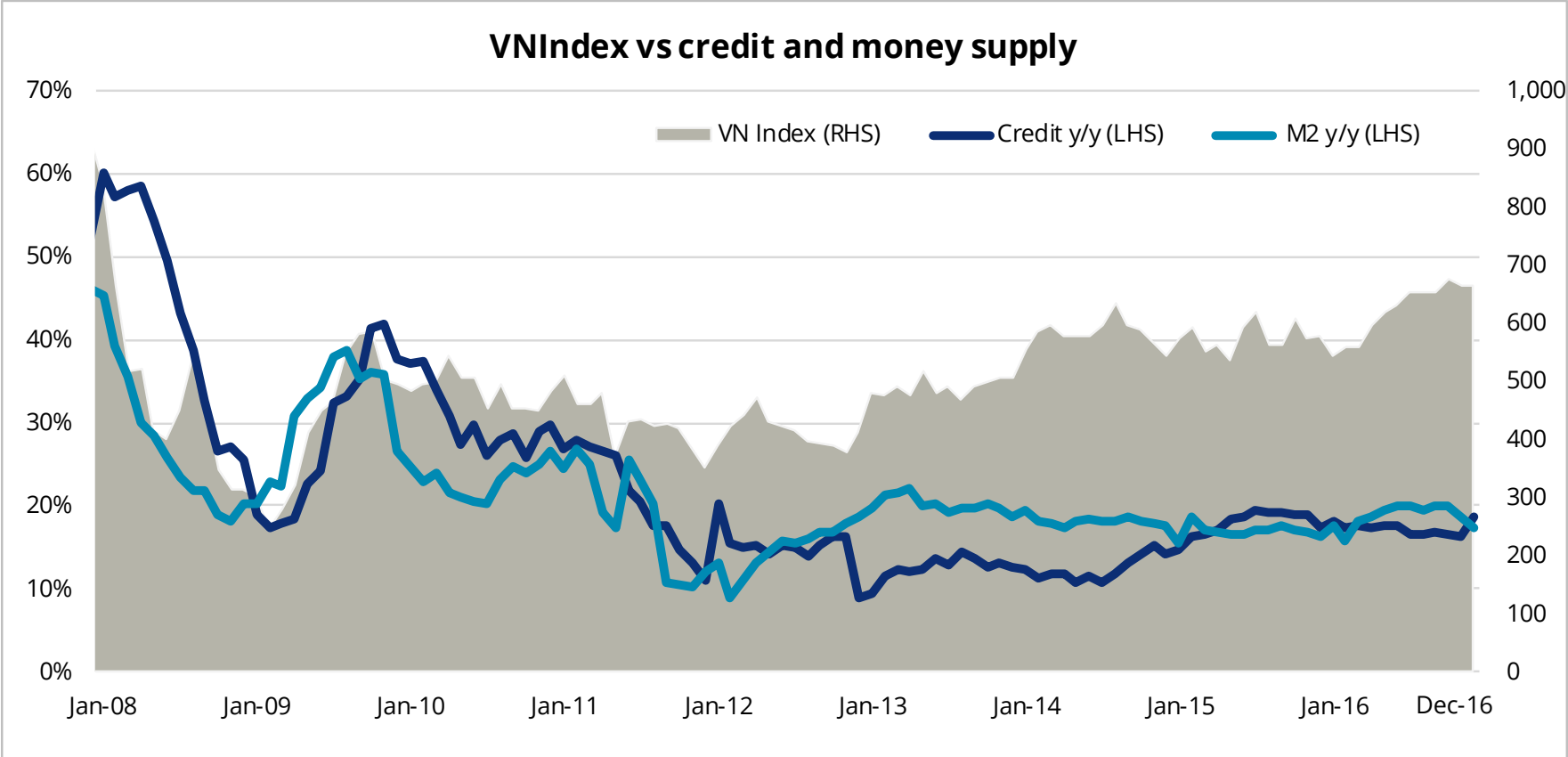
EQUITY MARKET: A TRANSITION YEAR WITH MANY NEW LISTINGS OF ONCE STATE-OWNED ENTERPRISES

ACCOMODATING WITH MANY ANOMALIES STOCK PICKING IS THE WAY TO GO

1. 2016 witnessed some notable trends that may continue into 2017:
 - FOL abolished at some major stocks, state divestments
 - Listing of many sizable public companies, increasing the total market cap of Vietnam's equities
 - VN-Index 's composition was drastically changed with new constituents
 - Some 'hot money' from foreign ETFs leaving VN, more after Trump's victory and the U.S. rate hike
2. Outlook: more supply of stocks and the overly-focused new listings as well as the outflow of hot money has created good opportunities in selective stocks
3. Valuation: top 50, by sector, in comparison to other regional markets

DOMESTIC LIQUIDITY GAP CLOSED IN DEC '16

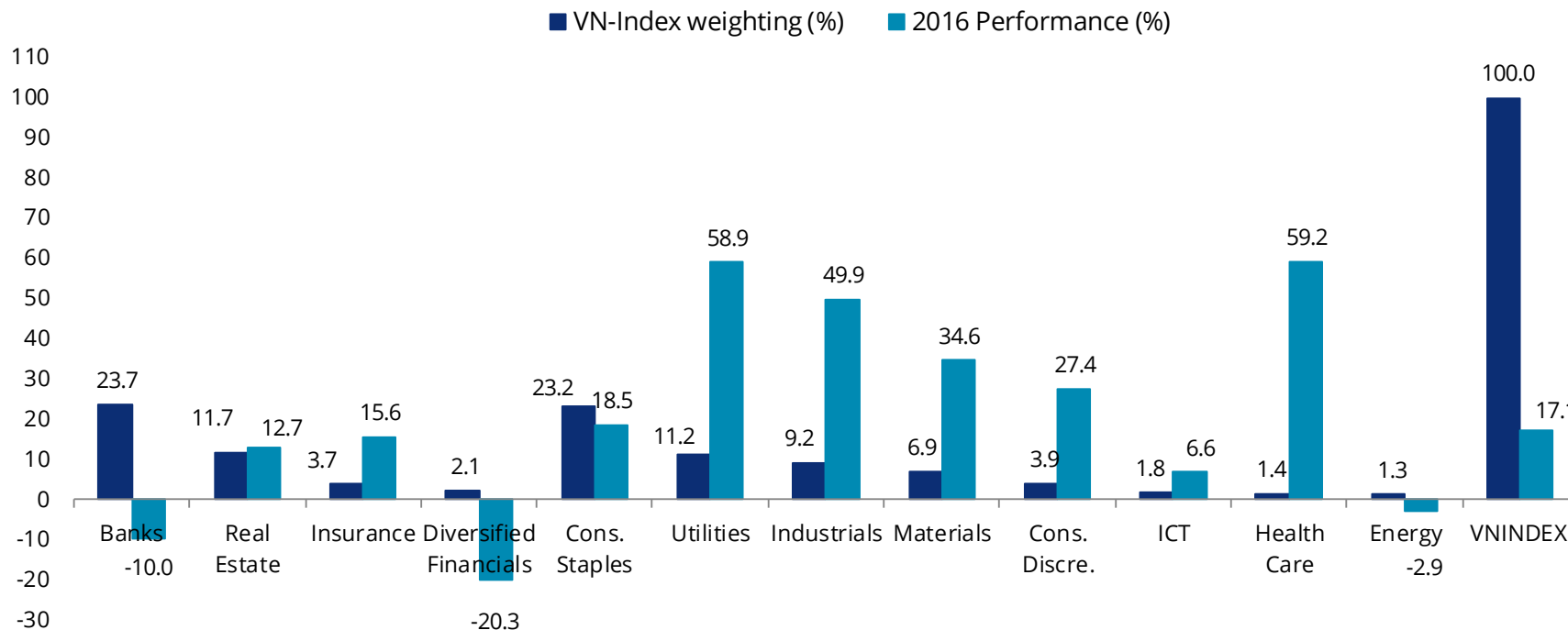
...but may open again in 2017



Source: HSC, TIM, as of 31 Dec 2016

2016 VN-INDEX (+17.1%) PERFORMANCE BREAKDOWN

If we exclude FAROS Construction (ROS, Industrial), Petro GAS (GAS, Utilities) and Sabeco (SAB, Consumer Staples), the VN-Index would have gained only 5.8% in 2016

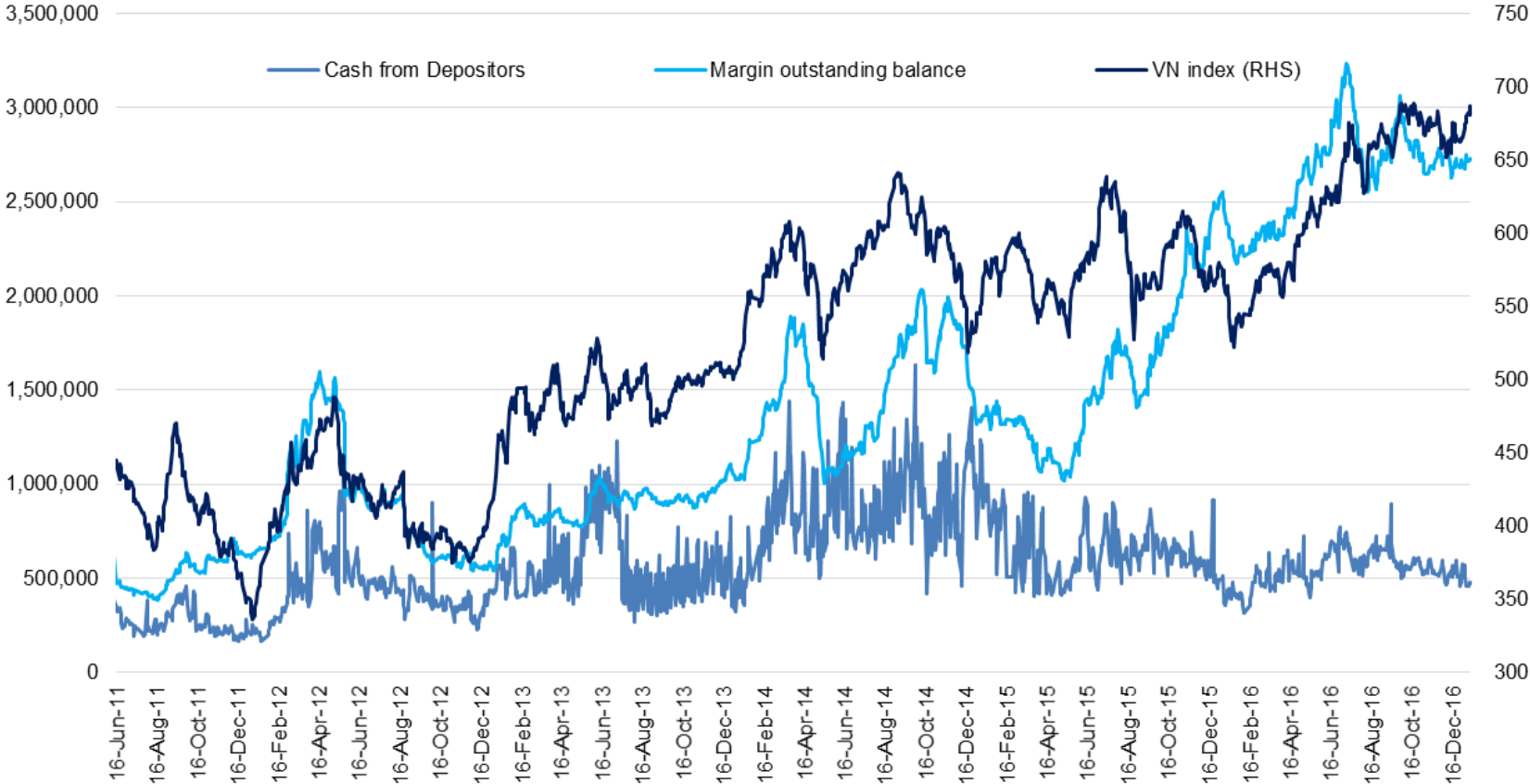


All in USD	1 month	3 months	6 months	2016
FTSE VN TR	-2.9%	-10.4%	-5.5%	-0.8%
VN Index TR	0.1%	-4.1%	5.2%	17.1%

Source: Bloomberg, TIM, as of 31 Dec 2016

MARGIN LENDING HAS SOFTENED

... reducing the risk of a technical correction

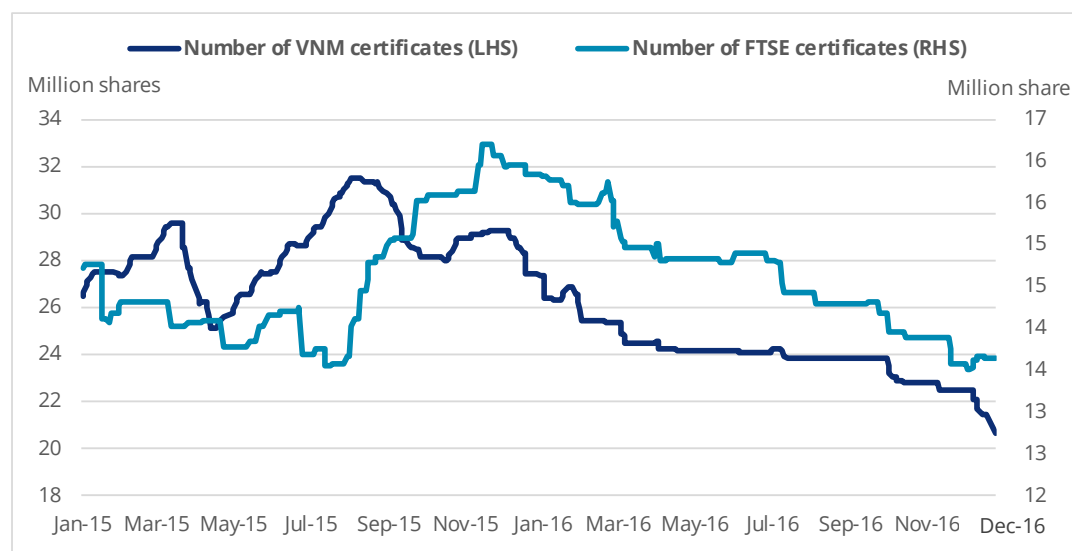


Source: HSC as of 31 Dec 2016

IN 2016, FOREIGN INVESTORS WERE SELLING, LIKELY LED BY ETFs

- Two foreign ETFs net outflow totalled \$185 mn, out of \$296 mn total foreign net sales.
- Some closed-end funds unwound positions as they approached maturity (for example: Red River Holding, which had \$243 mn assets in 2012, is believed to close in 2017)
- 2017-to-date, the VNM ETF started to get subscriptions, while the FTSE ETF still saw mild redemptions
- 2017 may see inflow from active funds into SOEs, which will be divested by the state

Foreign net buying of equities (USD mn)	Ho Chi Minh Stock Exchange	Hanoi Stock Exchange	UPCoM	Total
2007	1,421	178	na	1,599
2008	349	33	na	382
2009	173	20	na	194
2010	783	42	na	825
2011	60	30	na	90
2012	159	52	na	211
2013	260	62	1	323
2014	101	41	3	146
2015	95	36	(1)	130
2016	(344)	48	28	(269)



Source: Bloomberg, HNX, TIM, as of 31 Dec 2016

TRAILING VALUATION AT THE HIGH END



Source: Bloomberg as of 31 Dec 2016

MARKET FORECASTS AND VALUATIONS

- 2017 earnings are expected to increase across all sectors, most strongly in real estate stocks as large developers (Vincom – VIC, Novaland – NVL) will record revenue from pre-sales as some of their projects will be completed in 2017
- Financial stocks have average EPS growth influenced by offsetting factors: increasing profits thanks to lower provisions for bad loans, but a higher equity base due to capital raising to meet the Basel 2 roadmap

	2017 P/E (x)		Current trailing P/B (x)		2017 EPS growth	
	VN Top 50	Asia Pac ex. Jap	VN Top 50	Asia Pac ex. Jap	VN Top 50	Asia Pac ex. Jap
Consumer Discretionary	10.9	13.0	5.4	1.9	29.1	14.9
Consumer Staples	23.0	18.8	4.8	2.8	7.9	12.5
Energy	15.0	13.1	0.6	1.3	15.7	39.8
Financials	14.6	10.3	1.5	1.3	12.0	6.1
Health Care	12.5	22.8	3.3	4.8	21.4	15.9
Industrials	19.9	13.6	3.2	1.4	16.3	15.0
Information Technology	8.5	14.1	1.9	2.1	18.4	21.9
Materials	7.0	13.9	1.7	1.5	7.1	38.2
Real Estate	13.9		3.2		114.6	11.8
Utilities	16.2	11.8	2.2	1.5	12.7	
Total	15.3	12.7	2.3	1.5	19.0	13.5
Total (exc. VIC and NVL)	17.3		2.5		11.8	

Source: TIM, Bloomberg, as of 31 Dec 2016

CATALYSTS

The equitization process will be closely revived under the new cabinet

- IPOs of Ben Thanh Group, Saigon Trading Group, Vinachem, Mobifone
- Sales of state stakes in VNM, Sabeco, Habeco, BMP and FPT Telecom
- Likely listings of Techcombank, VEAM & Truong Hai Motor, OCB and HD Bank
- Eventually telcos and other SOEs will join the runway

Economy should do better

- Robust GDP growth of 6.5%
- Agriculture recovers while growth in manufacturing/ construction/ & services remains robust
- Credit growth is steady
- VND will likely depreciate moderately by about 3%

OPPORTUNITIES: MUCH DEPENDS ON THE PACE OF MARKET REFORMS – POSSIBLE TIMEFRAME

2016 - completed

- FOL lift of 9 stocks
- Auctions of partial state's stakes in some major stocks such as VNM
- Listing of some large privatized SOEs such as Vietnam Airlines, Sabeco, Habeco, ACV

2017

- HCMC and Hanoi stock Exchange merger
- Possible discussion on FOL lifting for banking stocks. Another 5-10 companies to lift FOL
- Derivative market launch: offering some VN30 index derivatives and bond futures, covered warrants for stocks in H2
- More listings of large privatized SOEs such as Vinatex, VEAM
- IPOs of Mobifone, Petrolimex
- Auction of partial government stakes in some large caps such as VNM, Sabeco, Habeco, etc.

2018

- Possible launch of currency hedging products
- Possible NVDR launch
- More SOE auctions and listings

2019

- Inclusion of Vietnam in the MSCI Emerging Markets Index may be considered assuming market access issues can be tackled
- More SOE auctions and listings

ANNEX 1 – MACROECONOMIC INDICATORS

Production	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016E	2017F
Population (mn)	84.2	85.1	86.0	86.9	87.9	88.8	89.8	90.7	91.7	92.7	93.6
GDP (USD bln)	77.4	99.1	106.0	115.9	135.5	155.8	171.2	186.2	193.6	201.3	210.7
Real GDP growth (%)	7.1	5.7	5.4	6.4	6.2	5.2	5.4	6.0	6.7	6.2	6.5
Service growth (%)	8.5	7.6	6.6	7.2	7.5	6.7	6.7	6.2	6.3	7.0	6.9
Agricultural growth (%)	4.0	4.7	1.9	3.3	4.2	2.9	2.6	3.4	2.4	1.4	2.3
Industrials and construction growth (%)	7.4	4.1	6.0	7.2	7.6	7.4	5.1	6.4	9.6	7.6	8.3
Retail sales growth (%)	23.3	31.0	18.6	24.5	24.2	13.9	10.4	12.9	9.8	10.2	10.1
Prices											
Consumer price inflation (year-end)	12.6	19.9	6.5	11.8	18.1	9.1	6.6	4.1	0.6	4.7	6.2
Money, FX & Interest rates											
Credit growth (avg.,% y-o-y)	50.0	23.2	37.9	47.4	10.9	8.9	12.5	14.2	17.3	18.7	16.9
Broad money supply M2 (avg.,% y-o-y)	46.1	20.3	29.0	33.3	12.1	34.9	4.4	17.7	16.5	17.9	17.5
Avg. lending rate (%)	11.2	17.6	10.5	13.5	19.0	16.0	12.0	10.5	9.0	9.3	10.5
5-yr VGB yields (year-end, %)	8.7	10.0	11.0	11.2	12.0	9.0	7.8	5.4	6.5	5.4	6.4
USD/VND (year-end)	16,017	17,483	18,472	19,500	21,036	21,048	21,306	21,601	22,540	22,770	23,453
USD/VND (avg.)	16,096	16,759	17,804	19,400	20,800	21,042	21,177	21,454	22,071	22,370	23,041
External sector											
Trade balance (USD bln)	-14.2	-18.0	-12.9	-12.6	-9.8	0.7	0.0	2.4	-3.2	2.7	-2.7
Current-account balance (USD bln)	-7.0	-10.8	-6.6	-4.3	0.2	9.4	7.7	9.4	0.9	8.1	4.1
Current-account balance (% of GDP)	-9.0	-10.9	-6.2	-3.7	0.2	6.1	4.5	5.0	0.5	4.0	2.0
Personal remittance (USD bn)	6.2	6.8	6.0	8.3	8.6	10.0	11.0	12.0	13.2	11.3	10.8
FDI registered (USD bln)	21.3	71.7	23.1	19.9	15.6	16.3	22.4	21.9	22.8	18.0	21.2
FDI disbursement (USD bln)	8.0	11.5	10.0	11.0	11.0	10.0	11.5	12.5	14.5	15.8	15.8
BOP (USD bln)	10.2	0.5	-8.9	-1.8	1.1	11.9	0.6	8.4	-6.0	7.9	6.0
BOP (% GDP)	13.2	0.5	-8.4	-1.5	0.8	7.6	0.3	4.5	-3.1	3.9	2.9
Grand official reserves (USD bln)	23.7	24.2	16.8	12.9	14.0	26.1	26.3	34.6	30.0	41.0	45.8
Public and external solvency indicators											
External debt (USD bln)*	23.3	26.5	33.1	44.9	53.1	59.1	65.5	71.9	83.4	90.6	94.8
External debt (% GDP)	30.1	26.7	31.2	38.7	39.2	37.9	38.2	38.6	43.1	45.0	45.0
Fiscal balance (USD bln)	-5.2	-3.9	-6.2	-6.0	-5.9	-6.7	-7.6	-10.4	-10.2	-11.4	-9.9
Fiscal balance (% GDP)	-7.3	-4.6	-6.9	-5.9	-4.9	-4.3	-4.5	-5.6	-5.3	-5.6	-4.7

Source: General Office Of Statistics of Vietnam, IMF, World Bank, ADB, TIM

Note: * external debt includes government-guaranteed debts

ANNEX 2 – EQUITY MARKET OVERVIEW

- A significant increase of Market Cap in UPCoM, a sub-bourse within the Hanoi Stock Exchange, thanks to new listings

As of 10 Jan 2017	Ho Chi Minh City Stock Exchange (HSX)	Ha Noi Stock Exchange (HNX)	Unlisted Public Company Market (UPCoM)	Total
Market cap (USDm)	67,186	6,861	18,636	92,683
Number of stocks	321	378	444	1,143
Number of large cap stocks (> USD 400m)	22	1	7	30
3-m average daily trading volume (USD m)	101	25	3	129
Indices	VNINDEX: mc-weighted of all stocks FTSE Vietnam Index: tradable index for foreign investors	HNXINDEX: mc-weighted of all stocks	UPCOM-INDEX: mc-weighted of all stocks	
Key listing requirements	Min charter cap of VND 120 bn Min 20% voting rights owned by at least 300 not-large shareholders At least 2 years in operation as a Joint stock company No loss in 2 years preceding listing, no negative retained earnings Min ROE of 5% in the year preceding listing year	Min charter cap of VND 30 bn Min 15% voting rights owned by at least 100 not-large shareholders At least 1 years in operation as a Joint stock company No negative retained earnings Min ROE of 5% in the year preceding listing year	Be a public company (at least 100 shareholders with min VND 10 bn charter cap or have made an IPO)	

Source: Bloomberg, TIM, as of 31 Dec 2016, legal Circular 58/2012/CP

ANNEX 3 – TOP 50 BY MARKET CAP

S/N	Ticker	Company name	Sector	Market cap	Share Price	Free Float/total share	3M average volume	P/E (x)		P/B (x)		EPS growth (%)		Div. yld (%)	Effective Avail. Room (%)	Perf. (%)
				(USDm)	(VND)	%	(shares)	FY16F	FY17F	FY16F	FY17F	FY16F	FY17F	FY16	YTD	FY16
1	VNM	Vietnam Dairy Products J SC	Consumer Staples	8,109	126,100	57	1,439,999	21.7	21.3	7.2	7.1	19.3	2.3	4.6	47.0	22.3
2	VCB	Bank for Foreign Trade of Viet	Financials	6,121	38,400	23	897,075	20.0	16.8	2.5	2.2	29.8	19.0	1.9	9.0	11.2
3	SAB	Saigon Beer Alcohol Beverage C	Consumer Staples	5,810	204,500	10	na	35.6	32.4	8.9	7.5	18.0	10.0	na	39.0	na
4	GAS	PetroVietnam Gas J SC	Utilities	5,086	60,000	4	132,631	20.6	18.4	2.4	2.4	-33.8	11.9	5.0	46.0	82.5
5	VIC	Vingroup J SC	Real Estate	5,013	42,900	45	667,884	45.5	16.6	3.6	2.9	84.0	174.1	0.0	19.0	25.0
6	CTG	Vietnam Joint Stock Commercial	Financials	2,788	16,900	8	543,365	11.7	10.3	1.1	1.0	13.9	13.5	4.1	0.0	-19.1
7	BID	Bank for Investment and Develo	Financials	2,438	16,100	12	1,845,590	12.6	13.8	1.3	1.2	-6.4	-8.4	0.0	29.0	-27.4
8	ROS	FLC Faros Construction J SC	Industrials	2,267	119,000	27	2,175,891	na	na	na	na	na	na	na	49.0	na
9	MSN	Masan Group Corp	Consumer Staples	2,142	63,700	38	303,257	19.3	15.7	2.1	1.8	68.2	22.9	0.0	17.0	-16.4
10	BVH	Bao Viet Holdings	Financials	1,833	60,800	29	228,426	39.2	32.4	3.2	3.0	-0.3	20.9	1.3	24.0	11.3
11	HPG	Hoa Phat Group J SC	Materials	1,637	43,850	48	3,510,483	6.5	6.1	1.9	1.6	63.0	6.2	4.6	13.0	75.3
12	NVL	No Va Land Investment Group Co	Real Estate	1,541	59,000	100	na	21.1	11.1	5.5	5.5	139.7	90.5	na	39.0	na
13	MWG	Mobile World Investment Corp	Consumer Discretionary	1,072	157,200	61	208,488	13.9	10.7	6.0	4.1	54.4	30.5	1.0	0.0	102.6
14	MBB	Military Commercial Joint Stoc	Financials	1,040	13,700	45	243,783	8.8	7.9	0.9	0.9	-4.6	11.9	3.5	0.0	0.7
15	FPT	FPT Corp	Information Technology	936	46,000	69	552,237	10.1	8.5	1.9	1.7	19.9	18.4	3.8	0.0	9.6
16	ACB	Asia Commercial Bank/Vietnam	Financials	917	21,000	93	1,202,828	17.9	14.2	1.6	1.4	12.3	26.7	0.0	0.0	-2.2
17	STB	Saigon Thuong Tin Commercial J	Financials	719	9,000	93	1,789,102	52.0	43.1	0.7	0.7	-80.9	20.8	0.0	16.0	-27.9
18	CTD	Coteccons Construction J SC	Industrials	600	176,000	86	136,318	9.4	9.0	2.1	1.8	69.2	4.9	2.3	7.0	64.2
19	EIB	Vietnam Export Import Commerci	Financials	523	9,600	75	71,443	238.5	34.3	0.9	0.9	-21.1	595.2	0.0	2.0	-19.6
20	HSG	Hoa Sen Group	Materials	444	51,000	39	1,773,477	6.0	5.0	2.0	1.4	155.0	19.7	na	19.0	158.5
21	SSI	Saigon Securities Inc	Financials	442	20,350	72	1,171,724	13.6	15.5	2.3	6.0	-23.9	-12.2	4.9	42.0	-7.6
22	DPM	Petrovietnam Fertilizer & Chem	Materials	400	23,050	35	592,540	8.8	8.7	1.1	1.2	-21.7	1.9	13.0	28.0	-13.0
23	BMP	Binh Minh Plastics J SC	Industrials	372	184,800	62	42,371	13.5	12.6	3.4	2.8	32.9	7.5	2.2	0.0	52.0
24	DHG	DHG Pharmaceutical J SC	Health Care	397	102,800	32	56,234	15.1	12.5	3.3	3.0	13.9	21.4	4.1	0.0	53.7
25	VCS	VCS Advanced Quartz Stone J SC	Materials	368	124,000	24	106,955	11.7	10.7	5.5	5.0	73.0	10.0	2.3	42.0	153.7

Source: TIM, HSC, Bloomberg, as of 10 Jan 2017

ANNEX 3 – TOP 50 BY MARKET CAP

S/N	Ticker	Company name	Sector	Market cap	Share Price	Free Float/total share	3M average volume	P/E (x)		P/B (x)		EPS growth (%)		Div. yld (%)	Effective Avail. Room (%)	Perf. (%)
				(US Dm)	(VND)	%	(shares)	FY16F	FY17F	FY16F	FY17F	FY16F	FY17F	FY16	YTD	FY16
26	PVD	PetroVietnam Drilling & Well S	Energy	360	21,200	48	1,252,182	108.2	230.4	0.6	0.6	-94.6	-53.1	0.0	19.0	-14.1
27	HT1	HA TIEN 1 Cement J SC	Materials	347	20,500	20	134,761	9.3	10.1	1.5	1.3	5.5	-7.6	0.0	39.0	-8.2
28	NT2	PetroVietnam Nhon Trach 2 Powe	Utilities	347	27,500	27	291,902	7.4	8.5	1.5	1.4	-5.7	-13.1	7.7	28.0	18.1
29	REE	Refrigeration Electrical Engin	Industrials	332	24,200	46	640,999	9.2	7.3	1.1	1.0	-15.6	26.3	3.6	0.0	17.0
30	KDC	KIDO Group Corp	Consumer Staples	327	35,850	37	190,131	na	na	na	na	na	na	0.0	37.0	61.4
31	PVS	PetroVietnam Technical Service	Energy	346	17,500	38	1,653,855	9.2	7.6	0.7	0.6	-37.6	21.8	6.9	21.0	8.0
32	CII	Ho Chi Minh City Infrastructur	Industrials	340	31,800	55	1,250,075	10.2	7.3	1.8	1.4	30.6	40.9	5.0	13.0	36.7
33	PNJ	Phu Nhuan Jewelry J SC	Consumer Discretionary	304	69,800	68	95,322	14.4	11.6	4.1	3.3	211.7	23.8	2.1	0.0	59.7
34	KBC	Kinh Bac City Development Shar	Real Estate	297	14,250	74	3,083,846	8.4	7.1	0.9	0.8	25.2	18.1	0.0	19.0	5.7
35	SBT	Thanh Thanh Cong Tay Ninh J sc	Consumer Staples	279	24,900	53	1,250,843	21.5	20.3	2.3	1.9	-11.9	5.9	na	41.0	32.2
36	TCH	Hoang Huy Investment Financial	Industrials	270	16,800	53	844,633	na	na	na	na	na	na	na	49.0	na
37	VCG	Viet Nam Construction and Impo	Industrials	282	14,400	21	1,422,067	15.3	14.5	1.1	1.1	29.9	5.0	4.9	41.0	26.2
38	NTP	Tien Phong Plastic J SC	Industrials	254	77,000	11	73,694	16.0	14.8	2.8	2.5	6.0	8.0	3.2	15.0	63.9
39	PVI	PVI Holdings/Vietnam	Financials	248	25,200	12	111,148	18.1	14.8	0.9	0.8	-45.4	22.7	7.9	0.0	5.4
40	PPC	Pha Lai Thermal Power J SC	Utilities	240	17,000	16	194,344	14.7	7.4	1.0	1.0	-21.5	99.5	14.7	34.0	10.3
41	PHP	Port of Hai Phong J SC	Industrials	239	16,500	5	5,691	16.7	14.5	1.6	1.6	-15.5	15.0	4.8	49.0	-15.5
42	DCM	PetroVietNam Ca Mau Fertilizer	Materials	223	9,500	24	75,703	9.0	9.0	0.9	0.9	-3.3	0.0	8.4	43.0	-13.1
43	VHC	Vinh Hoan Corp	Consumer Staples	239	58,400	31	191,314	9.5	8.7	2.2	1.8	-82.3	9.6	2.6	73.0	110.1
44	HNG	Hoang Anh Gia Lai Internationa	Consumer Staples	213	6,260	30	880,008	na	na	0.5	0.5	-100.0	0.0	0.0	48.0	-78.5
45	GMD	Gemadept Corp	Industrials	217	27,350	75	204,797	14.9	11.8	0.9	0.9	-18.4	26.9	4.9	0.0	0.2
46	SHB	Saigon - Hanoi Commercial J oin	Financials	217	4,800	82	3,173,506	5.2	5.2	0.4	0.4	9.6	0.0	0.0	19.0	-23.9
47	VCF	Vinacafe Bien Hoa J SC	Consumer Staples	211	179,000	8	1,498	14.6	13.1	2.5	2.3	10.3	11.7	0.0	19.0	30.9
48	VGC	Viglacera Corp	Materials	204	15,000	21	100,817	10.1	8.7	1.2	1.1	20.0	16.4	0.0	21.0	96.5
49	KDH	Khang Dien House Trading and I	Real Estate	204	19,700	55	99,820	11.0	7.9	1.4	1.2	9.1	39.6	5.6	0.0	23.6
50	BIC	BIDV Insurance Corp	Financials	203	39,000	100	17,831	15.5	14.0	2.2	2.2	67.9	10.0	1.5	1.0	111.1
Top 50				59,758				18.2	15.3	2.3	2.1	3.6	19.0	2.8%		

Source: TIM, HSC, Bloomberg, as of 10 Jan 2017

ANNEX 3 – TOP UPCoM STOCKS

S/N	Ticker	Company name	Sector	Market cap	Share Price	Free Float/total share	3M average volume	P/E (x)		P/B (x)		EPS growth (%)		Div. yld (%)	Effective Avail. Room (%)	Perf. (%)
				(USDm)	(VND)	%	(shares)	FY16F	FY17F	FY16F	FY17F	FY16F	FY17F	FY16	YTD	FY16
1	ACV	Airports Corp of Vietnam J SC	Industrials	4,649	48,200	5	698,510	35.5	26.6	4.3	3.8	72.5	33.7	0.0	46.0	38.9
2	HVN	Vietnam Airlines J SC	Industrials	2,338	43,000	14	200,700	19.5	19.5	3.3	3.3	515.2	0.0	0.0	40.0	na
3	MCH	Masan Consumer Corporation		1,943	81,500	6	59,800	16.1	14.3	3.8	3.8	-7.2	12.9	6.9	49.0	na
4	BHN	Hanoi Beer Alcohol & Beverage	Consumer Staples	1,314	128,000	1	60,599	45.8	44.1	6.4	6.0	-27.0	4.0	0.0	32.0	129.9
5	QNS	Quang Ngai Sugar J SC	Consumer Staples	896	107,800	100	115,819	14.4	14.7	4.8	4.2	-3.6	-2.5	0.0	43.0	-15.1
6	VIB	Vietnam International Commerci	Financials	468	18,700	80	251,463	25.7	25.7	1.2	1.2	-21.1	0.0	0.0	0.0	na
7	MSR	Masan Resources J SC	Materials	440	13,800	6	193,389	69.7	63.4	0.9	0.9	-6.2	10.0	0.0	20.0	27.6

Source: TIM, HSC, Bloomberg, as of 10 Jan 2017

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