



VIETNAM MARKET OUTLOOK 2022



PSI



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Professor Trần Thọ Đạt

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Time for a recovery and new developments

- The execution of strategic change as an effort to combat with COVID-19 pandemic gave us positive results: GDP in 4th quarter recovered firmly from its trough, made it finally grew up at the level of 2.58% for the whole year of 2021. Although this year witnessed the most detrimental impact of new outbreaks of COVID-19, the growing trend was just slightly shortened at the trough with optimistic points: Inflation rate was controlled at a low level, fast growth in exports led to a surplus trade balance, FDI capital flow projects improved in quantity and also in quality. However, there was an escalator in the number of bankrupted companies, and the whole labor force faced many difficulties, which would be the critical challenges for the recovery of the national economy in 2022.
- Vietnam economy is promised to bounce back solidly and get over the trough, then turn back to the growing momentum as before the pandemic. With flexible, safe and productive adapting solutions to any directions of the epidemic, there will be mass recovery and reopening of national economy which play as a motivation for a new development in the year of 2022.
- Domestic demand, particularly in consumption is expected to recover as a result of an increase in both the number of people returning to work and a higher level of income than during the epidemic's peak. Reopening the domestic economy will create a strong push for imports, exports and FDI capital, which would be assured by the activation of free trade agreements and the rehabilitation of global economy. There will also be a boom in Public Investment sector thanks to large-scale projects such as the project in the east of North-South highway, another involving the system of highway in the Northern and Mekong Delta area.

- Regarding to the economy supply, as soon as the international flights are available, the recovery of commerce and services sectors depend on how we can stop and control the spread of COVID-19. The manufacturing sector would still lead the economy's progressing trend, meanwhile the agriculture, forestry and seafood still play as the breadwinners. There are a few drawbacks of infrastructure that need to be worked out, including logistics capability. If corporations are aware of enhancing their logistics capability, they can minimize the operating costs, and then seize the chance to join the recovering trend of the whole economy.
- The development motivations would prone to be accelerated by a stimulation program with reasonable amount, executed by flexible combination of fiscal and monetary policies to avoid any abnormalities in macroeconomics. The difficulties that all entities in the economy are confronting will be eased thanks to the accurate, timely and suitable disbursement of the program.
- The process of recovery and development may take more than a year due to the unpredictability of the COVID-19 variants. Throughout each outbreak of the pandemic, the government, enterprises and citizens are more clearly acknowledged how adaptable and flexible that a confronting strategy can be, with its advantages and drawbacks, in order to create more efficient risk management strategy.
- Beside a stable macroeconomics, the execution of new breakthrough ideas and policies about investment and business environment which are adaptable to new circumstances will be the key for a mass recovery and boost of enterprises, and the ability of everybody to keep up with new pace of life, so as to make a new chapter of energetic development of domestic economy.



2021 MACROECONOMICS REVIEW & 2022 OUTLOOK



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Vietnam economy in 2021 has confronted one of the toughest period ever due to the appearance of Delta variant, alongside the lowest economic growth in the past 30 years. However, with the great effort of implementing the largest vaccination program ever, and the advancement of healthcare system including the new virus-resistance medicines, we expect that Vietnam, in a new normality situation, will keep up the growth of global economy at a GDP growth rate ranging from 6.5-7.0%.

The encouragement for growth comes mainly from fiscal relief package and flexible monetary policies, despite many global-scale risk factors such as inflationary pressure, the slow down of Chinese economy, etc...



KEEPING UP WITH GLOBAL ECONOMIC GROWTH



- Global economy of 2021 witnessed the new Delta variant which interrupted the global supply chain. In Vietnam, the 4th COVID-19 outbreak caused severe damages to all economic sectors, under the circumstances that the decision of lockdown in many cities and provinces were set for a long period of time. GDP of Vietnam in 3rd Quarter 2021 decreased 6.2% year on year, which marked the lowest quarter growth ever since this figure was recorded.
- Most big cities decided to stop the operation of necessary services leading to the toughest loss of the service sector in 3rd quarter among all sectors. The GDP from service sector in that quarter reduced sharply at 9.3% compared to the 3rd quarter in 2020. Retail and Wholesale also witnessed a considerable decline of 3.1% year on year, which takes away 0.3 percentage point of the growth of the whole economy. Moreover, Transportation and Accommodation and F&B industry lost 7.79% and 23.18%, taking away 0.47 and 0.57% percentage point of the whole economy, respectively.
- Meanwhile, the interruption of supply chain is also the origin of a slight reduction in construction. Industrial activities in 3rd quarter faced many challenges, especially those located in quarantined industrial areas. A few optimistic signs, however, appeared in the final period of 2021. For example, the Index of Industrial Production (IIP) in November is estimated to improve at a level of 5.5% compared to the past month, and 5.6% year on year. Furthermore, Mineral Industry, Manufacturing & processing, Electronics production and distribution, Water suppliers & garbage controlling and processing expanded at a rate of 2.2%, 6.4%, 2.2% and 1.2% respectively.

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2022 VIETNAM ECONOMY OUTLOOK

KEEPING UP WITH GLOBAL ECONOMIC GROWTH



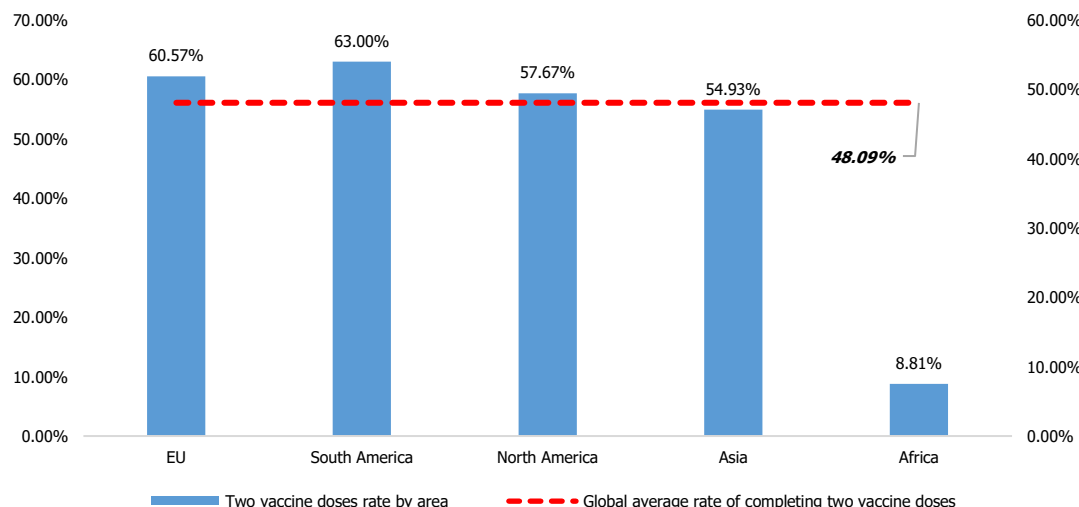
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"PANDEMIC to ENDEMIC"

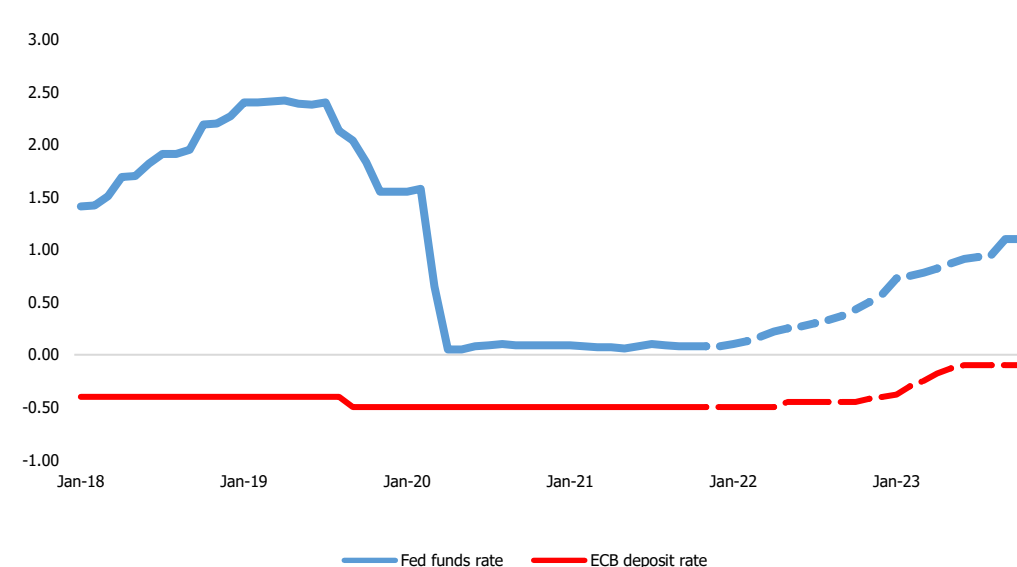
Countries in the world are attempting to a gradual adaptation to the COVID-19 pandemic thanks to the vaccination programs, immunity from previous COVID patients and advancements of new treatments, which would ease the negative impacts of COVID. Currently, 42% of the world population are fully vaccinated (two doses) and enhanced doses are also planned.

In such a circumstance that the world economy is in recovery and the inflation pressure is appearing in 2022, we believe that FED would tighten the expansionary monetary policy, following the movement of global labor market, the US economy's growth and the core inflation, so not create a shock to the global financial system. Although the increased US inflation was pushed by the gradual increase in the goods demand and the interruption of the supply chain, we also expect that its impact would not last long when the consequences of COVID-19 on the supply chain are no longer clearly realized.

Two-dose vaccination rate in the world



Fed funds rate & ECB deposit rate



2022 VIETNAM ECONOMY OUTLOOK

KEEPING UP WITH GLOBAL ECONOMIC GROWTH

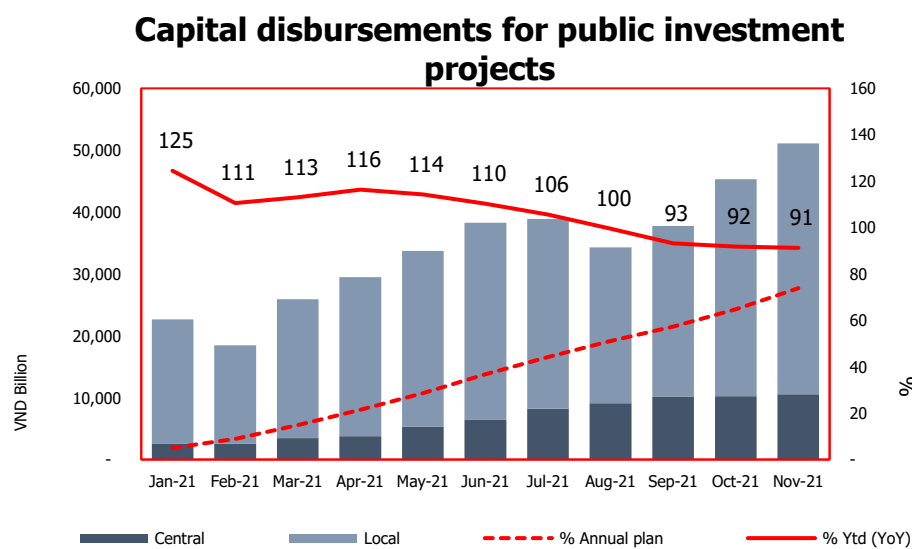


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VIETNAM – KEEPING UP WITH GLOBAL ECONOMIC GROWTH

Nearly 70% of Vietnam population have been fully vaccinated up to the end of 2021. We expect that Vietnam would achieve the target proposed by its Government, which called for over 70% of its population are fully vaccinated in the first quarter of 2022. With regard to the widespread of vaccines, and the appearance of the new antiviral drugs such as Remdesivir, Favipiravir, Molnupiravir, the number of serious COVID patients is hoped to be plummeted, creating a concrete base for the economy to adapt to the “new normal”. Consequently, the process of reopening of the domestic economy is pushed in the first quarter of 2022.

We believe the Government can launch a larger fiscal stimulus package to support the economic recovery, focusing on: Reducing taxes (value added tax, corporate income tax) and increasing public investment in the development of transport infrastructure and social housing. These policies will help restore economic demand and create momentum to improve trade capacity support the economic development in the medium and long term.



Sources: Vietnam Ministry of Planning and Investment

Ord. num.	Projects of Infrastructure Public Investment implemented from December 2021 and 2022	Project size (VND billion)
1	The road connecting northern mountainous provinces of Lai Chau, Lao Cai, Yen Bai with the Noi Bai – Lao Cai Expressway	5,330
2	Chợ Gạo canal upgrade project (Phase 2) in Tien Giang province	1,335
3	The Long Xuyen City Bypass (15km in length)	2,100
4	Building a passage for large ships to enter the Hau River (phase 2)	2,220
5	A National Highway 1A bypass project, the section through Ca Mau city, Ca Mau province	1,725
6	Renovating and upgrading National Highway 1A from Nga Bay town in Hau Giang province to Chau Thanh district of Soc Trang province with a length of 18km	1,680
7	A project to repair weak and small bridges and national highways (phase I)	1,490
8	A project to build bridges and repair local roads in 50 provinces	9,203

2022 VIETNAM ECONOMY OUTLOOK

KEEPING UP WITH GLOBAL ECONOMIC GROWTH



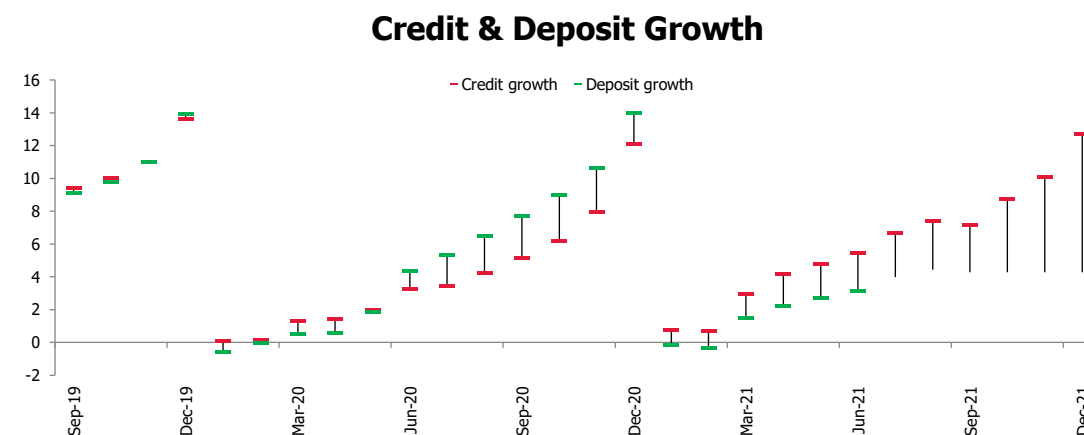
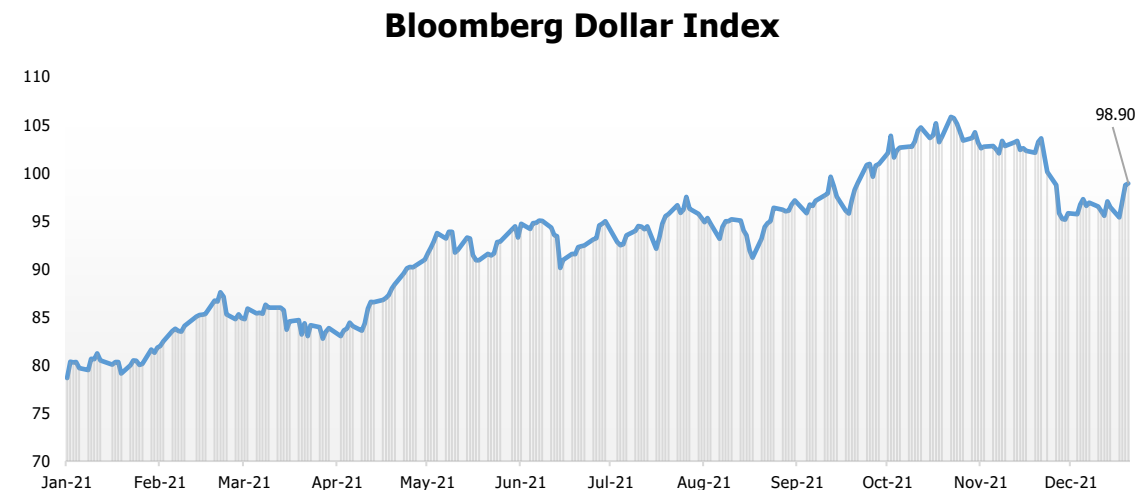
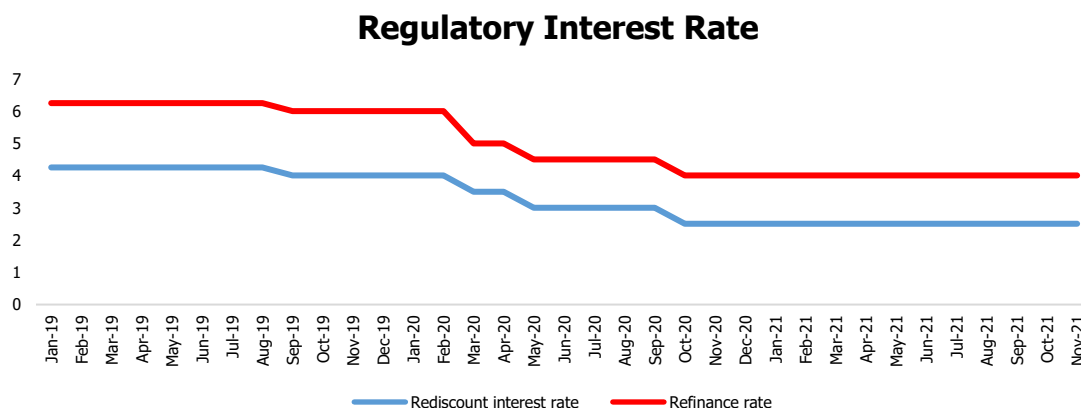
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MONETARY POLICY IS SET TO BE ADJUSTED BUT NOT A CONCERN

Inflationary pressure increased by a break in the supply chain in recent years is one of the factors affecting monetary policy of major central banks in the world to loosening.

Under such pressure, we expect that SBV will maintain the regulatory interest rate level for at least the first 3 months of the year and then gradually raise interest rates from 0.25% - 0.5% until the end of 2022. Therefore, the adjusted regulatory interest rate level will be lower than the average of previous years, so it will not have a big impact on the interest rate level.

We also forecast credit growth will recover when the economy enters the recovery cycle to reach from 13.5 -14.0%.





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VIETNAM STOCK MARKET OUTLOOK 2022



VIETNAM STOCK MARKET OUTLOOK

Overview



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- ✓ With the expectation that the economy will return to the "new normal", we expect FY2022 EPS to increase by 24.3% and this will be the fundamental factor for the growth of the stock market.
- ✓ In addition, Vietnam's stock market will continue to be one of the leading investment channels attracting individual investors thanks to the easy-to-access factor from digitalization of technology as well as a wide range of products to meet the needs of individual investors demand when the new securities trading system (KRX) comes into operation. With the number of Vietnamese securities accounts reaching only 4% of the population by the end of 2021, the current growth potential is still very large in the coming years. With the new participation of investors, we expect liquidity to continue to increase by 15% - 18% next year.
- ✓ We expect VN-Index to reach 1,700-1,750 points in 2022, equivalent to a P/E forward 2022 of 16.x, slightly higher than the average P/E of the past 5 years.
- ✓ In a worst-case scenario with unusual risk factors from China, the epidemic, inflation... we expect VN-Index may adjust to a favourable range of 1,280 - 1,350 points, corresponding to P/E forward 2022 is 13x – 13.5x then it will recover again.

VIETNAM STOCK MARKET OUTLOOK

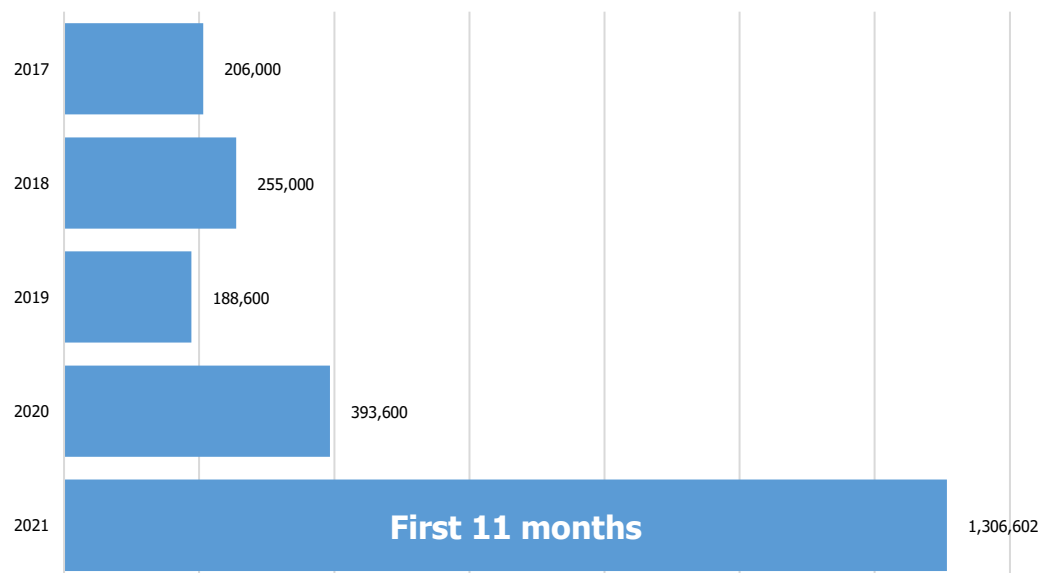
Individual investors – key to stronger market development



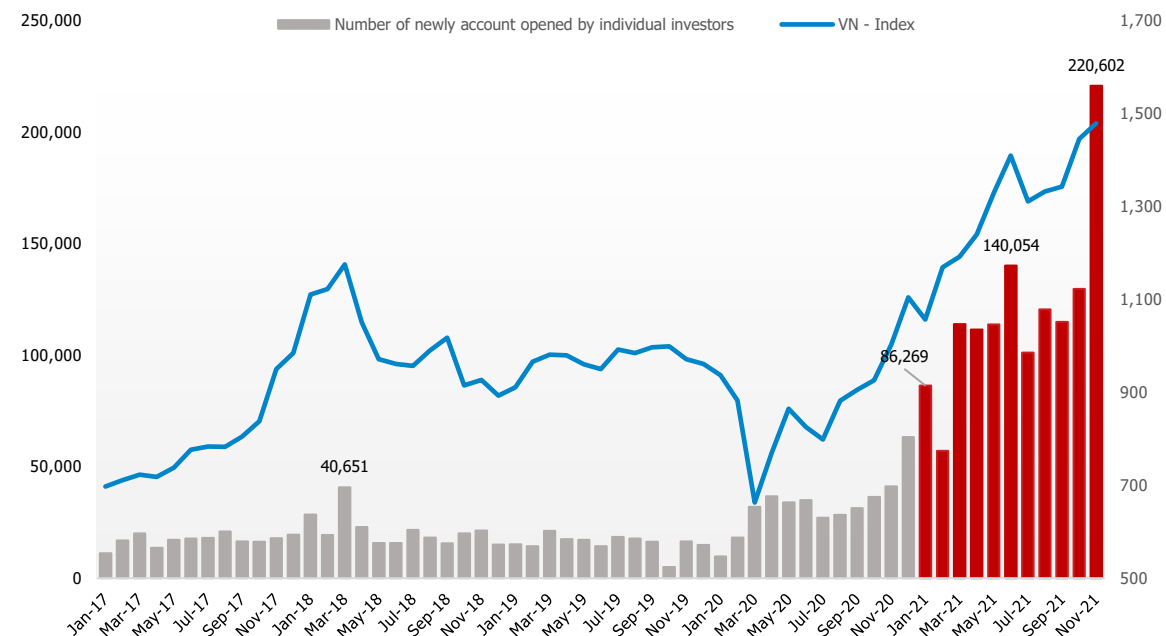
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- ✓ **Accumulated within the first 11 months of 2021**, there were more than 1.3 million new accounts opened by individual investors, an increase of more than 3 times the number of new accounts opened in 2020, higher than the total number of accounts that have been opened in all 4 years 2017 - 2020 combined (1.03 million accounts). Especially in November, there were 220,602 new accounts of domestic individual investors, more than what was achieved in 2019.
- ✓ **The VN-Index fell 18% in January and 14% in July due to new waves of the Covid-19 epidemic, but quickly recovered and even continuously reached new peaks of 1,300 points in May; 1,400 points in June and most recently 1,500 points in November.**

Number of newly account opened by individual investors by year



Number of newly account opened by domestic individual investors

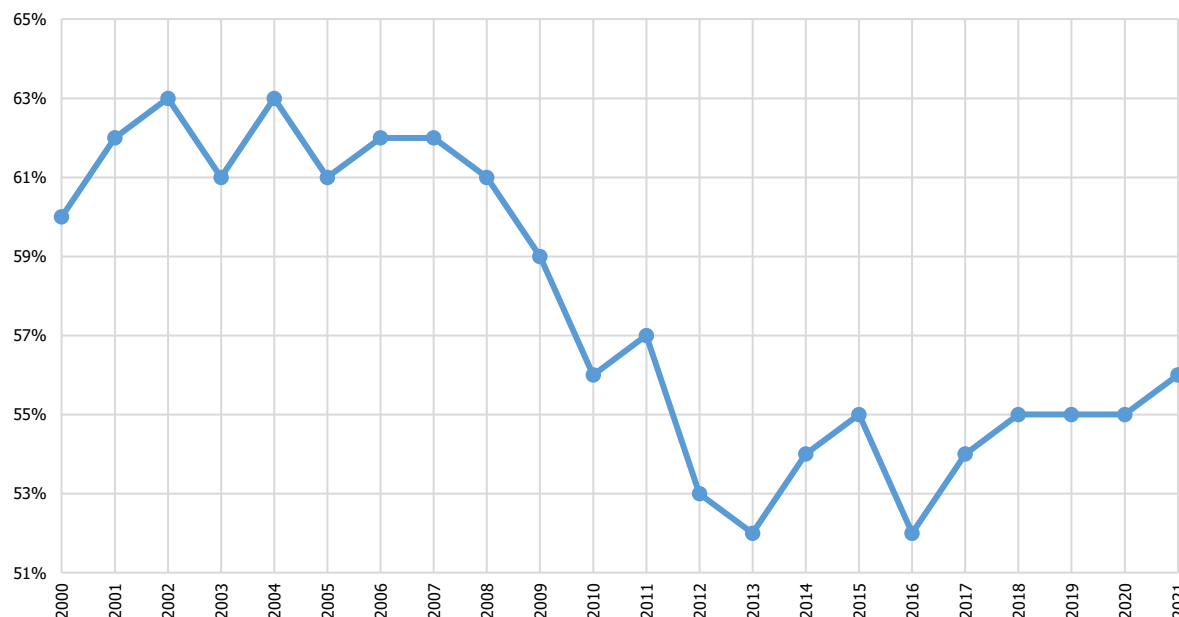


VIETNAM STOCK MARKET OUTLOOK

Individual investors – key to stronger market development

- ✓ **By the end of November 2021**, on the Vietnam stock market, there were more than 4.08 million accounts opened, of which nearly 99% were held by domestic investors (nearly 4.04 million accounts), equal to 4.2% of Vietnam's population, an all-time high for Vietnam's stock market, up more than 45% year-on-year.
- ✓ According to Gallup Global Analytics and Consulting — which has conducted polls on the number of Americans who owning stocks for more than 20 years — in 2021 there were about 145 million of Americans **equivalent to 56% of the adult population of the United States** owns stocks. Since 2009, 55% of American adults own stocks.

Percentage of Americans that owns Stocks



Stock Ownership Among Major U.S. Subgroups, 2021

	Yes, own stock (%)	No, do not (%)
U.S. adults	56	43
Gender		
Male	60	40
Female	53	47
Ages		
18 – 29	39	61
30 – 49	60	40
50 – 64	62	37
65+	59	39
Income		
\$100,000+	89	11
\$40,000 - \$99,999	63	37
<\$40,000	24	76

Source: Gallup, PSI Research

VIETNAM STOCK MARKET OUTLOOK

Individual investors – key to stronger market development

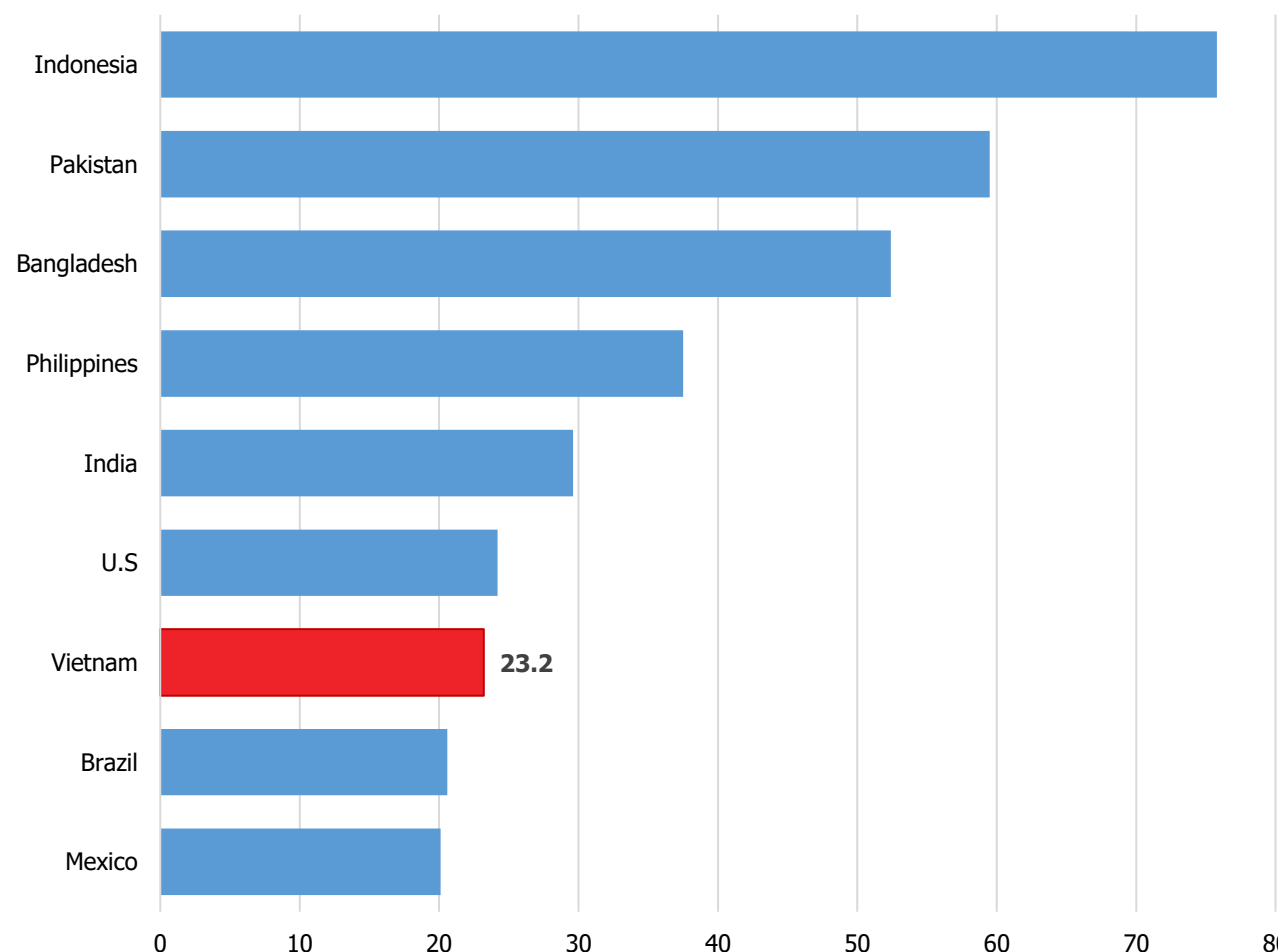


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✓ In December, the China stock market recorded 1.62 million new investors — doubling the number of 809,300 reported a year ago, according to China Securities Depository and Clearing. For all of 2020, new investors increased by 18.02 million to 177.77 million – equal to 12.7% of China's population, the data showed. That's about 1.5 million new accounts a month. This number has increased by more than 80% since 2015-2016 when only 7% of China's population owned stocks. Meanwhile, this rate in 2021 was 20%, in Korea it was 74%, Taiwan was 80% and Thailand was 7%.

✓ With 23.2 million people joining the middle class by 2030, Vietnam is ranked seventh among nine nations with fastest growing middle class population in the coming decade. It can be seen that **the growth of individual investors in Vietnam has just begun**, when the majority of individual investors are located in the middle class with the need for investment assets. Specifically, the target number of accounts will reach 5% of the population by 2025 and 8% by 2030.

**Economies with fastest – growing middle class population
2020 – 2030 (Unit: Million)**



VIETNAM STOCK MARKET OUTLOOK

Improving market liquidity thanks to new accounts hit to new peak

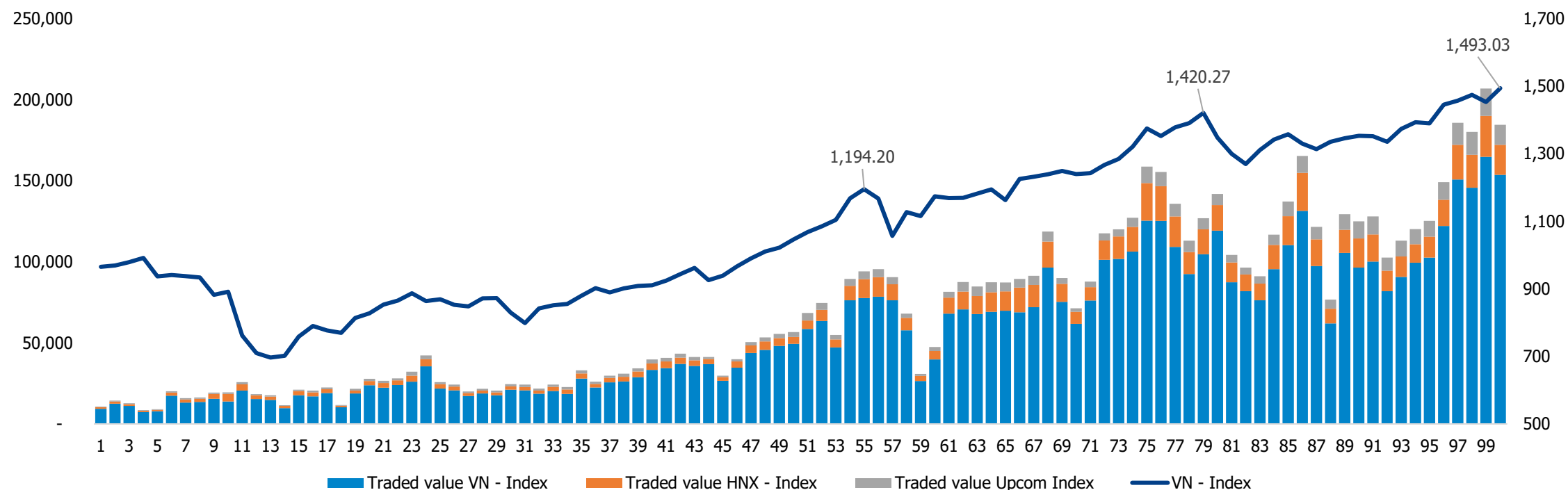


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- ✓ **Regarding market liquidity:** The liquidity in November reached a record level of VND 40,000 billion/session, 1.5 times higher than the average level in October, pushing the liquidity since the beginning of the year to VND 25,650 billion/session, 3.5 times higher than in 2020 due to nearly 1.3 million new accounts opened in the past 11 months.
- ✓ **Notably,** Upcom's liquidity reached a record high, the average value of each session reached VND 3,355 billion compared to VND 1,430 billion since the beginning of the year.

Total trading value of the market (VND Billion)

Weekly



Source: Bloomberg, PSI Research

VIETNAM STOCK MARKET OUTLOOK

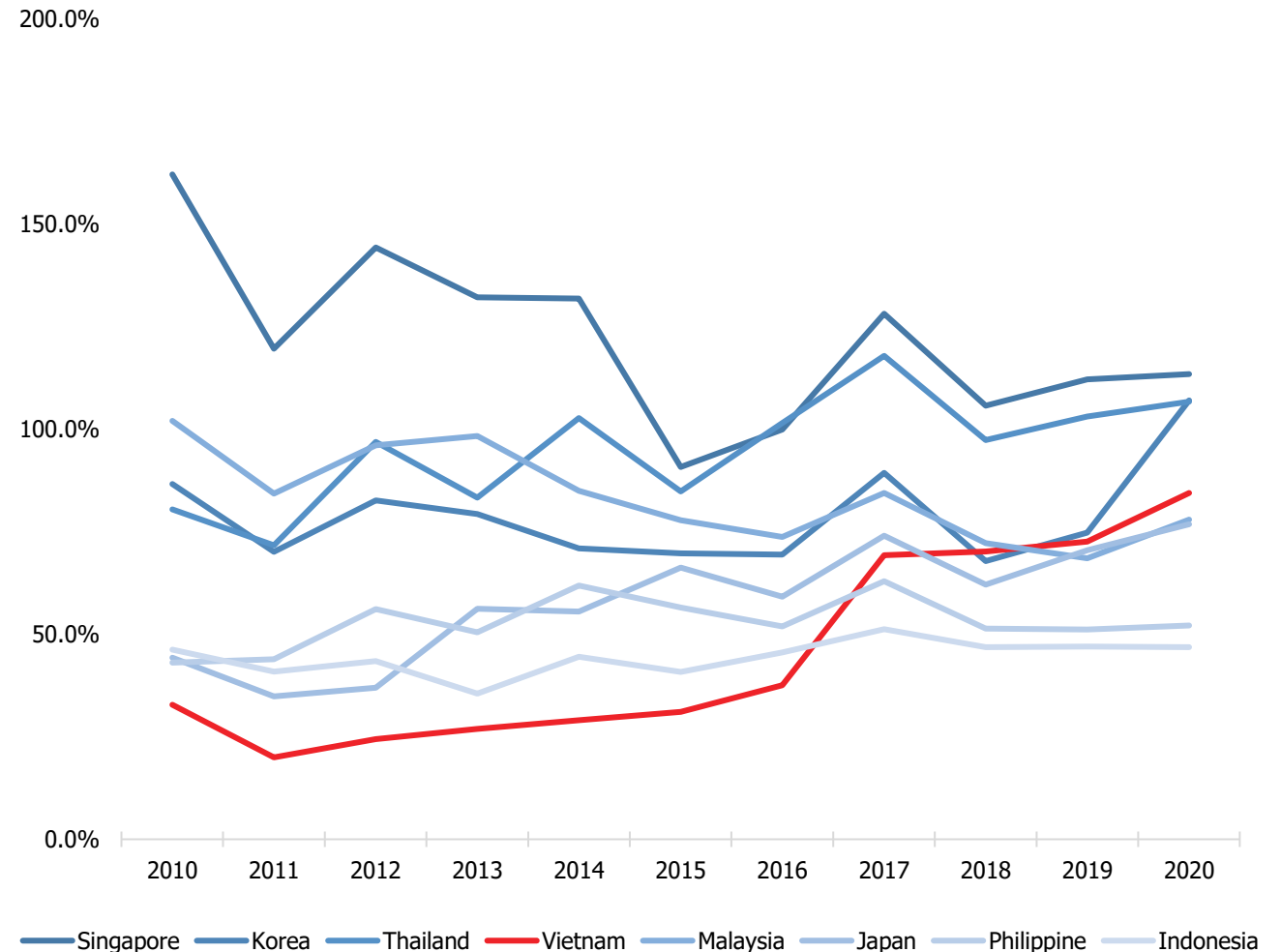
Development strategy: The size of the stock market will reach 85% of GDP by 2025



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- ✓ **Within 10 years of development**, the size of Vietnam's stock market has grown tremendously from 26.2% of GDP in 2010 to more than 84.4% of GDP in 2020, however, compared to other countries in the region such as Thailand (2020: 106.7% of GDP), Singapore (2020: 113.4% of GDP), and South Korea (2020: 107% of GDP), the size of Vietnam's stock market is still very modest. According to statistics of The State Security Commission of Vietnam, total scale of Vietnam's stock market had exceeded VND 8.3 quadrillion by September 30, 2021, equivalent to 133.83% of the country's GDP.
- ✓ The development strategy of Vietnam's stock market to 2030, with a vision to 2045 set the goal of building the stock market into the main medium and long-term capital channel of the economy to support the commercial banking system. Specifically, the ministry strives to bring the stock market to 85% of GDP (Adjusted) by 2025 and 110% by 2030 according to Resolution on the economic restructuring plan for the period 2021 – 2025, approved by the National Assembly on November 12, 2021.

Comparing the size of the stock market to GDP by countries



Source: Bloomberg, PSI Research

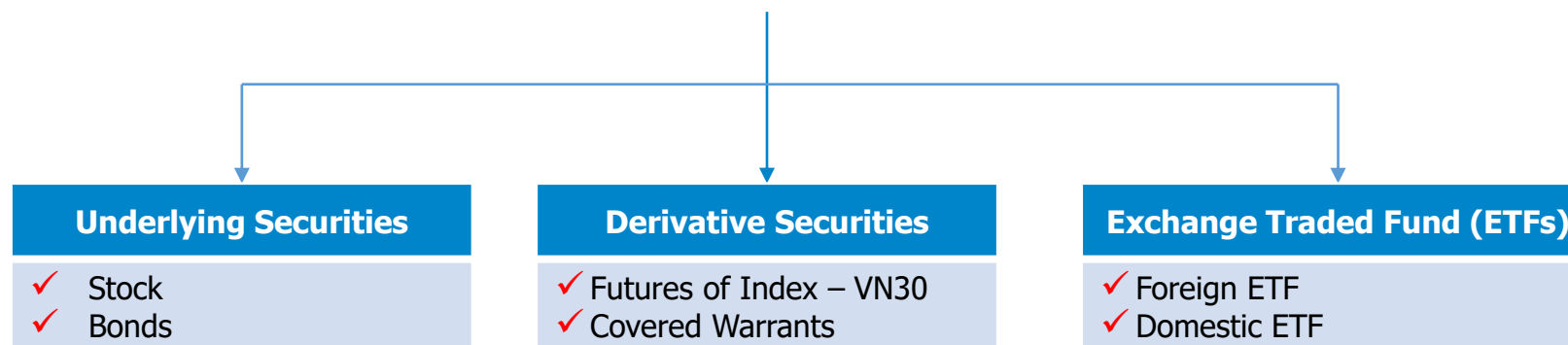
VIETNAM STOCK MARKET OUTLOOK

Expect the attraction of new investment products from the KRX system



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INVESTMENT PRODUCTS IN VIETNAM STOCK MARKET



- ✓ **The new KRX system is expected to come into operation at the end of 1Q2022 to the beginning of 2Q2022.** By then, the Vietnamese stock market is projected to attract a lot more investors, especially when many new products will be launched on this new trading platform.
- ✓ **It is expected that the operation of the new KRX trading system** will enable odd-lot trading and support T+0 (intraday) trades, as well as expanding order processing capacity, and the ability to deploy many new products and services to meet the market development strategy. In addition, the Ho Chi Minh City stock exchange (HOSE) has had a plan to develop products such as: covered warrant product (CW) backed by index/ETF and sell CW. These products will facilitate investment diversification, provide more investment tools, and effectively prevent risks.
- ✓ **The size of the bond market strives to reach 47% of GDP by 2025 and 58% of GDP by 2030, while the growth rate of derivatives is estimated at about 20 to 30% per year.**

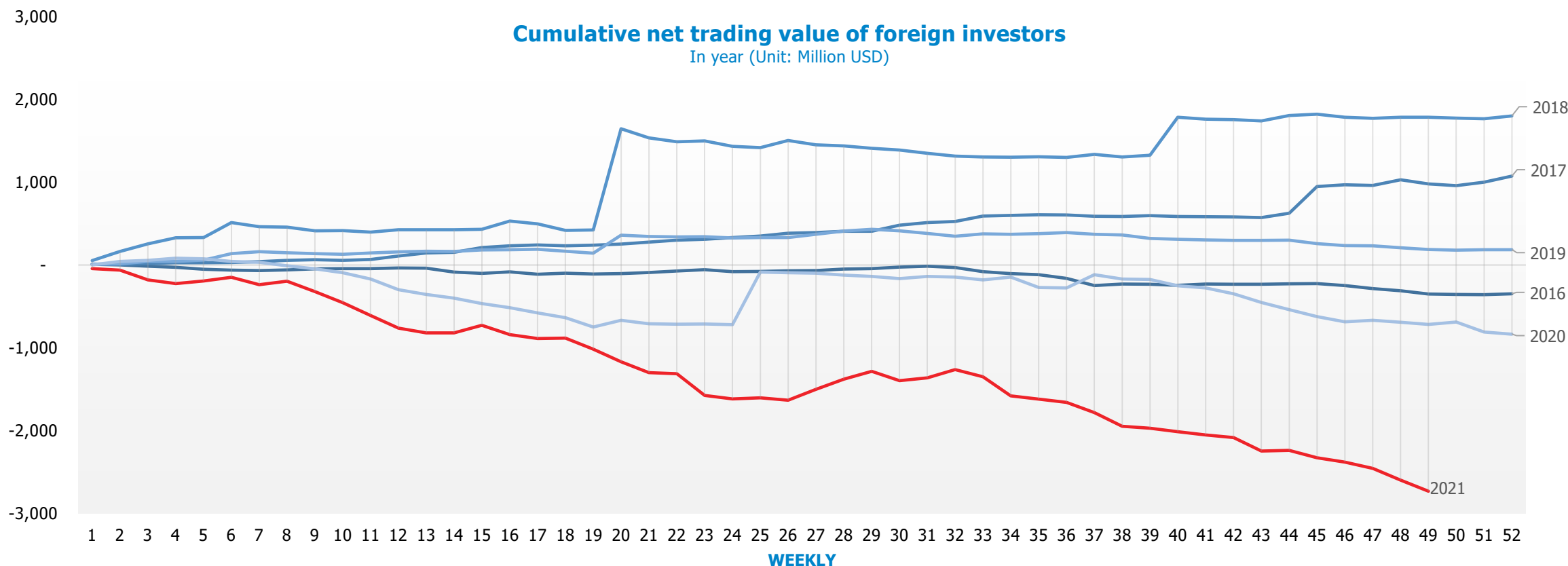
VIETNAM STOCK MARKET OUTLOOK

The strongest net selling activity of foreign investors during the last 10 years



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- ✓ **Foreign investors net sold more than VND 3,300 billion in the week of 29/11 - 3/12, bringing the accumulated net selling from the beginning of 2021 to approximately VND 60,000 billion:** Capital flows from foreign investors continued to put great pressure on the stock market. The accumulated net selling value since the beginning of the year has reached VND 59,937 billion, exceeding USD 2.6 billion, a record figure ever. According to estimates, the foreign ownership ratio in Vietnam's stock market is currently only 16%, the lowest since July 2019.



Source: Bloomberg, PSI Research

VIETNAM STOCK MARKET OUTLOOK

Favorable valuation with strong growth forecast in 2022

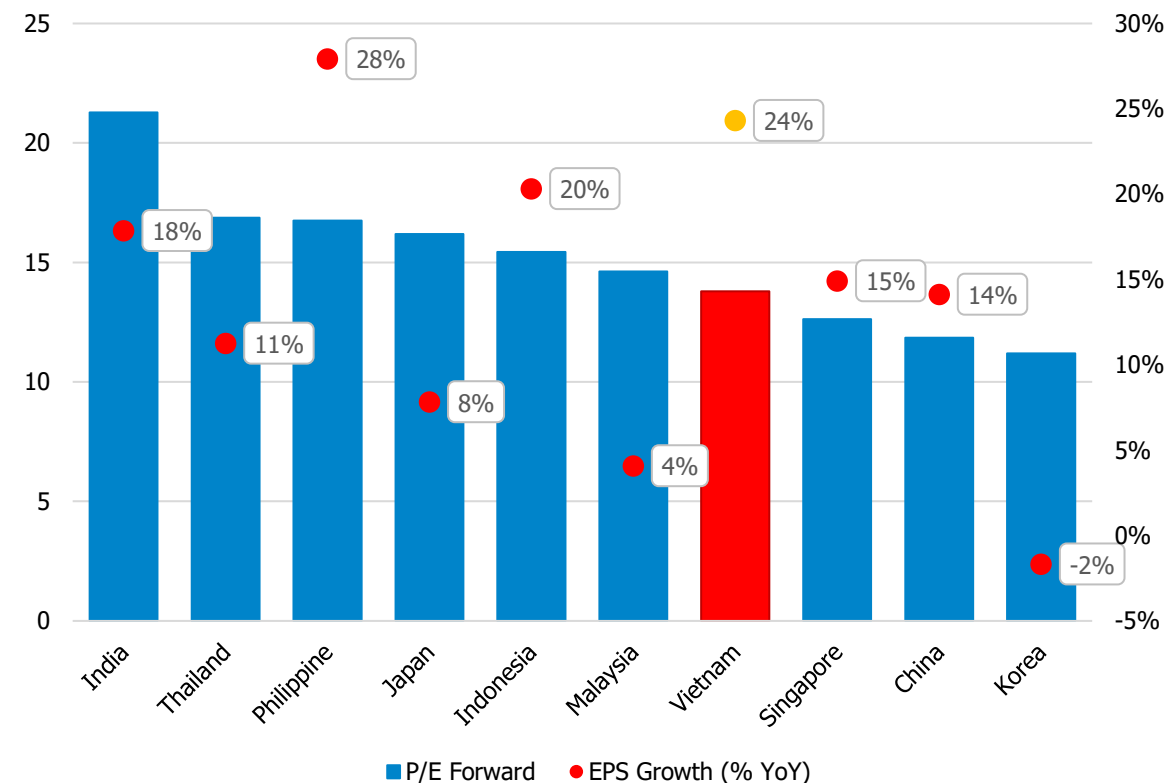


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VN – Index in 10 years



2022 Forward P/E and EPS growth



Source: Bloomberg, PSI Research

- ✓ **Vietnam has the second strongest forecast EPS growth in the region for FY22**, Vietnam stock market is relatively cheap with P/E forward 2022 is 13.8x.

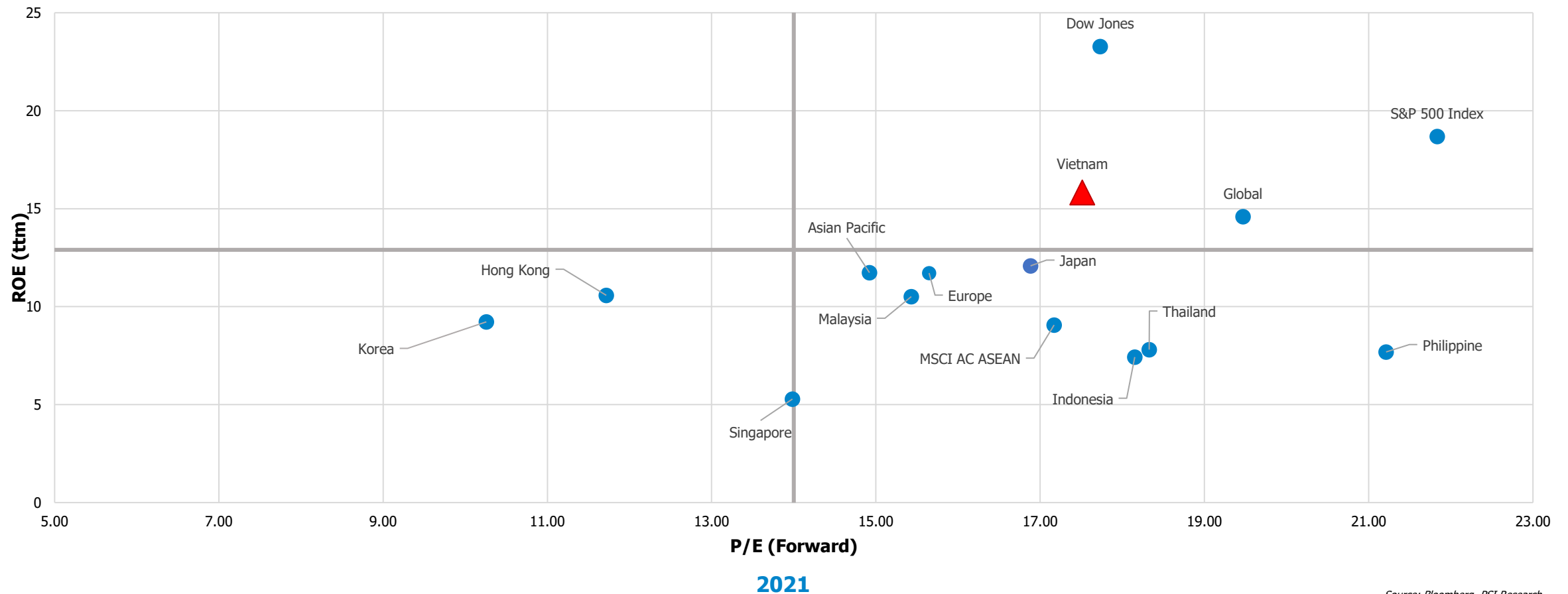
VIETNAM STOCK MARKET OUTLOOK

Vietnam's ROE in compared with other regional markets



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- ✓ Vietnam stock market is currently positioned in a reasonable valuation zone with a **Return On Equity (ROE) 15.8% superior to most other markets** in the world. In addition, EPS (earnings per share) is also expected to grow strongly in 2022 with the prospect of a recovery in the manufacturing activities compared to 2021.



Source: Bloomberg, PSI Research

VIETNAM STOCK MARKET OUTLOOK

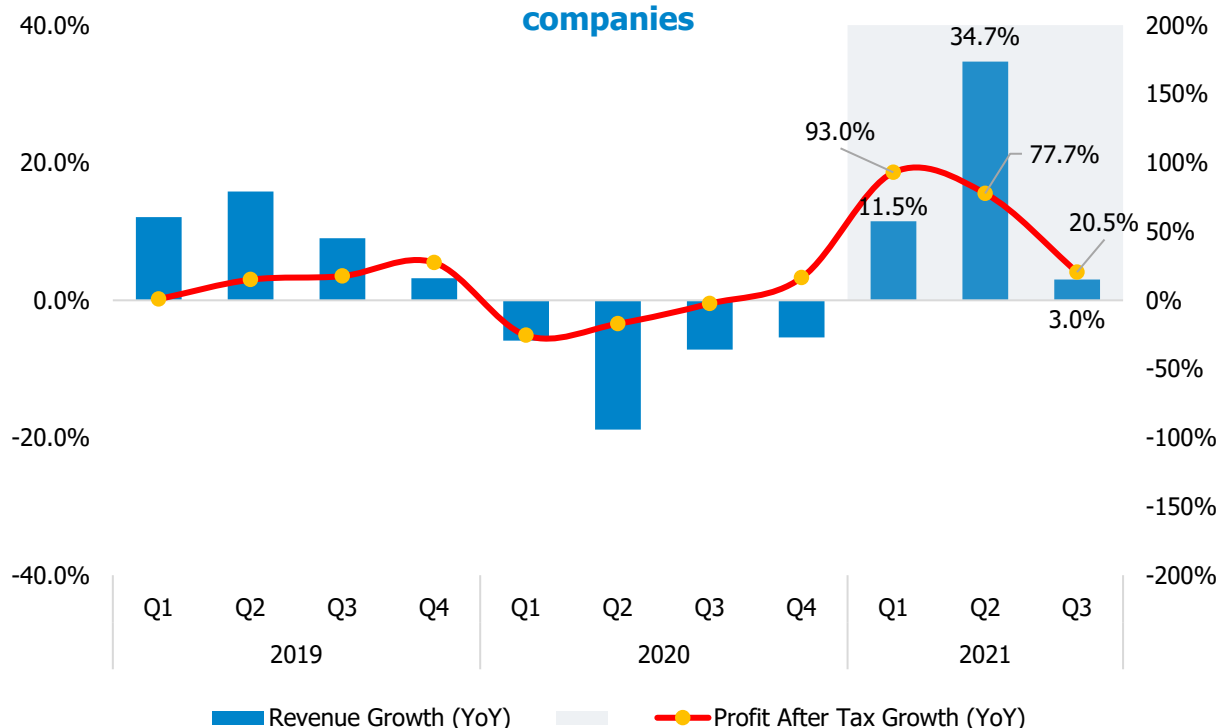
3Q 2021 performance: Recovery through adaptation to "new normal"



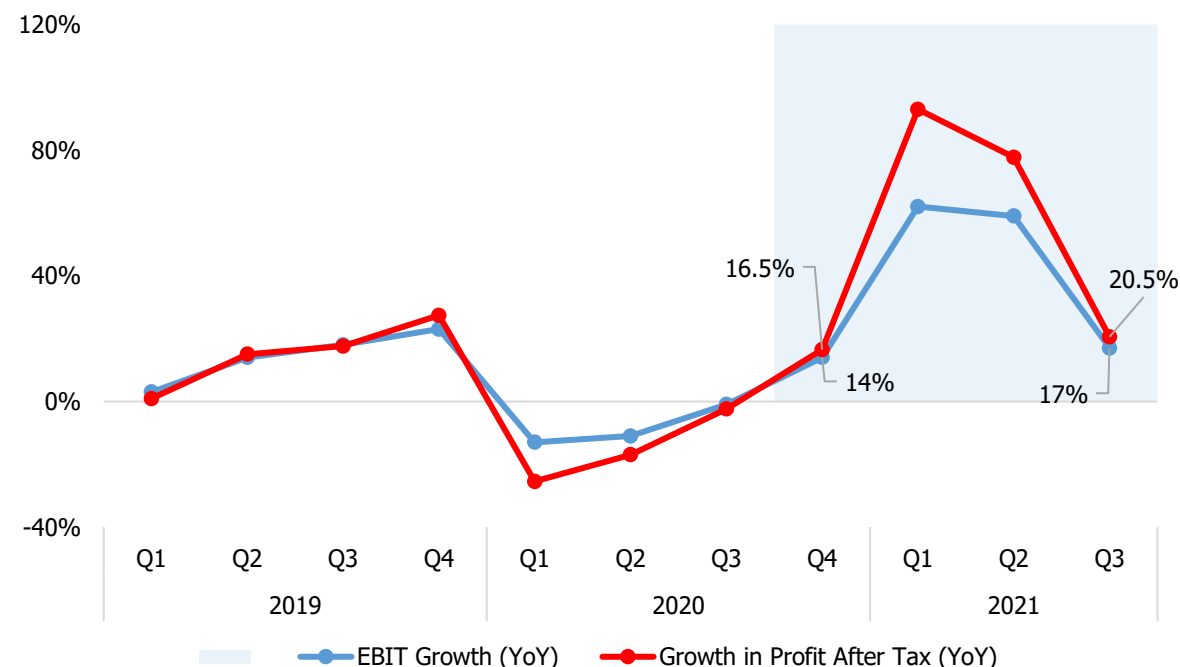
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- ✓ In the third quarter of 2021, non-financial companies reported good results. Despite the negative impacts of social-distancing as the 4th wave of the Covid-19 epidemic became more problematic, net revenue and profit after tax continued to expand over the same period.
- ✓ Although there was a 16.8% year-on-year increase, non-financial enterprises' EBIT fell by 16.5% in the third quarter of 2021 compared to the previous quarter. The double-digit reduction in core operational income demonstrates that corporations already have alternative sources of income, such as financial income, which generates significant profits and compensates for the earnings drop.

3Q 2021 revenue and profit growth of non-financial companies



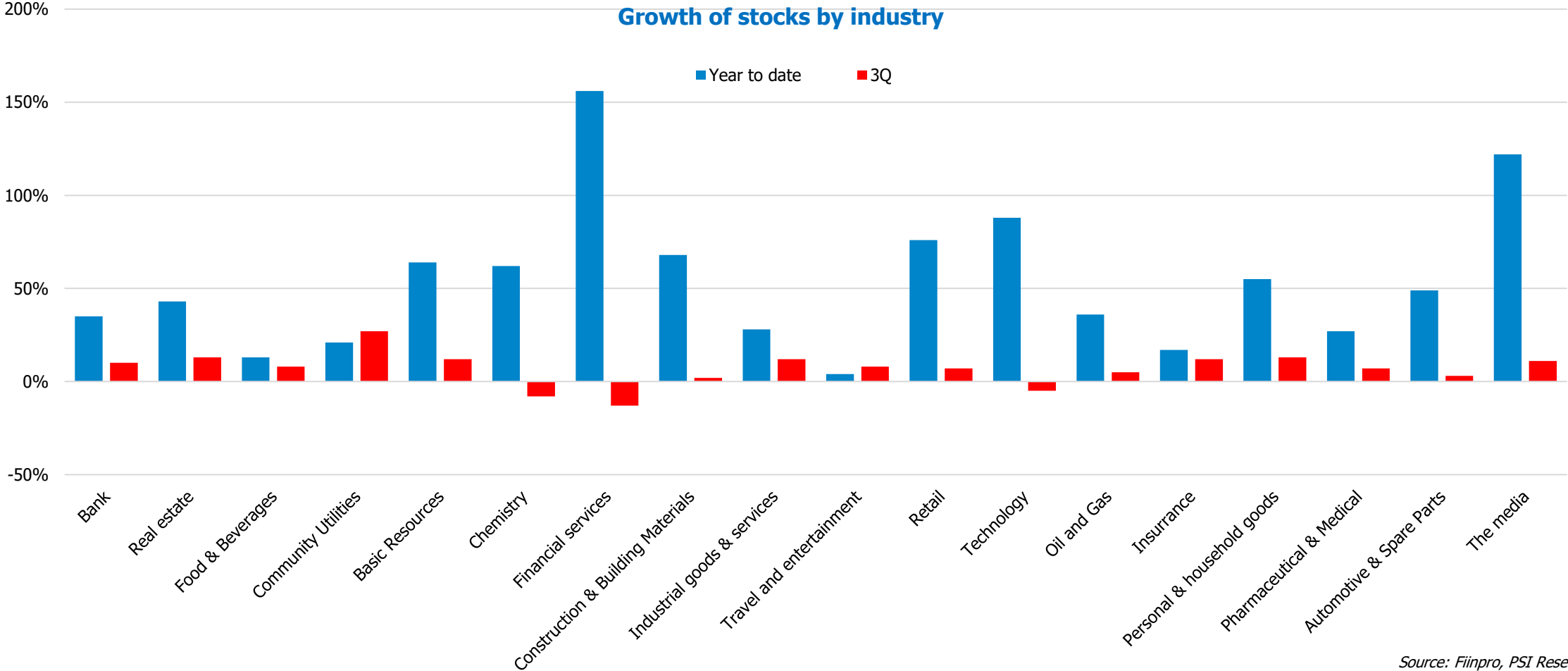
EBIT 3Q 2021 and profit growth of non-financial companies



VIETNAM STOCK MARKET OUTLOOK

Midcap and penny stocks attract speculative cash flow

- ✓ Since the beginning of the year, the groups of mid-cap and small-cap stocks have increased by an average of 50-100%.
- ✓ Financial Services, Media, Technology, Retail, and Construction & Building Materials are the five groups of equities that have seen the most increase so far this year. These are the stock groupings that have benefitted from the stock market continuously reached new high, public investment and the global wave of commodities.



Source: Fiinpro, PSI Research

VIETNAM STOCK MARKET OUTLOOK

Forecast of Vietnam market sensitivity scenario in 2022



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- ✓ We forecast that the VN-Index's target in 2022 will be towards a new peak of 1,700 points.
- ✓ The market is expected to continue its growth cycle when many industry groups will return to recovery after the lockdown is lifted and economic activity gradually returns to the "new normal".
- ✓ In comparison to 2021, earnings per share (EPS) are predicted to increase by 24.3% .
- ✓ If the profit growth in 2022 is 24.3% as expected, with the VN-Index at 1,704 points, the P/E will be at 16.0. As for profit growth at 35% and P/E ratio unchanged, VN-Index is expected to reach 1,850 points.

					2022F			
	EPS Forward	94.2	98.5	102.8	106.5	107.1	111.3	115.6
P/E Forward	% Chg	10%	15%	20%	24.3%	25%	30%	35%
11.5	-16.7%	1,083	1,133	1,182	1,225	1,232	1,280	1,329
12.0	-13%	1,130	1,182	1,234	1,278	1,285	1,336	1,387
12.5	-9.4%	1,178	1,231	1,285	1,331	1,339	1,391	1,445
13.0	-5.8%	1,225	1,281	1,336	1,385	1,392	1,447	1,503
13.8	0%	1,300	1,359	1,419	1,470	1,478	1,536	1,595
14.5	5.1%	1,366	1,428	1,491	1,544	1,553	1,614	1,676
15.0	8.7%	1,413	1,478	1,542	1,598	1,607	1,670	1,734
15.5	12.3%	1,460	1,527	1,593	1,651	1,660	1,725	1,792
16.0	15.9%	1,507	1,576	1,645	1,704	1,714	1,781	1,850

VIETNAM STOCK MARKET OUTLOOK

New impetus from the prospect of upgrading the market



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- ✓ **Vietnam Stock Exchange (VNX) was established on December 11th** with the goal of unifying the organizational model, mechanism, policy, development mindset, and information technology infrastructure in order to serve the market, replacing the model of two separate exchanges, Ho Chi Minh City Stock Exchange (HOSE) and Hanoi Stock Exchange (HNX).
- ✓ Furthermore, Vietnamese government intends to establish a clearinghouse (CCP) (under VNX) based on a new technology system, which is expected to resolve the margin ratio, which both FTSE and MSCI regard as a bottleneck in the upgrade of Vietnam's stock market to an emerging market. The goal margin ratio will be cut from 100% to 10%-20%, similar to that of future contracts.
- ✓ In the annual market review in September 2022, we expect Vietnam stock market to be upgraded to FTSE Secondary Emerging Markets. Besides, when the new trading system (KRX) is put into operational in the first half of 2022, Vietnam stock market is likely to be added to the watch list, as well as the announcement of upgrading to an emerging market in MSCI annual review in May 2024.

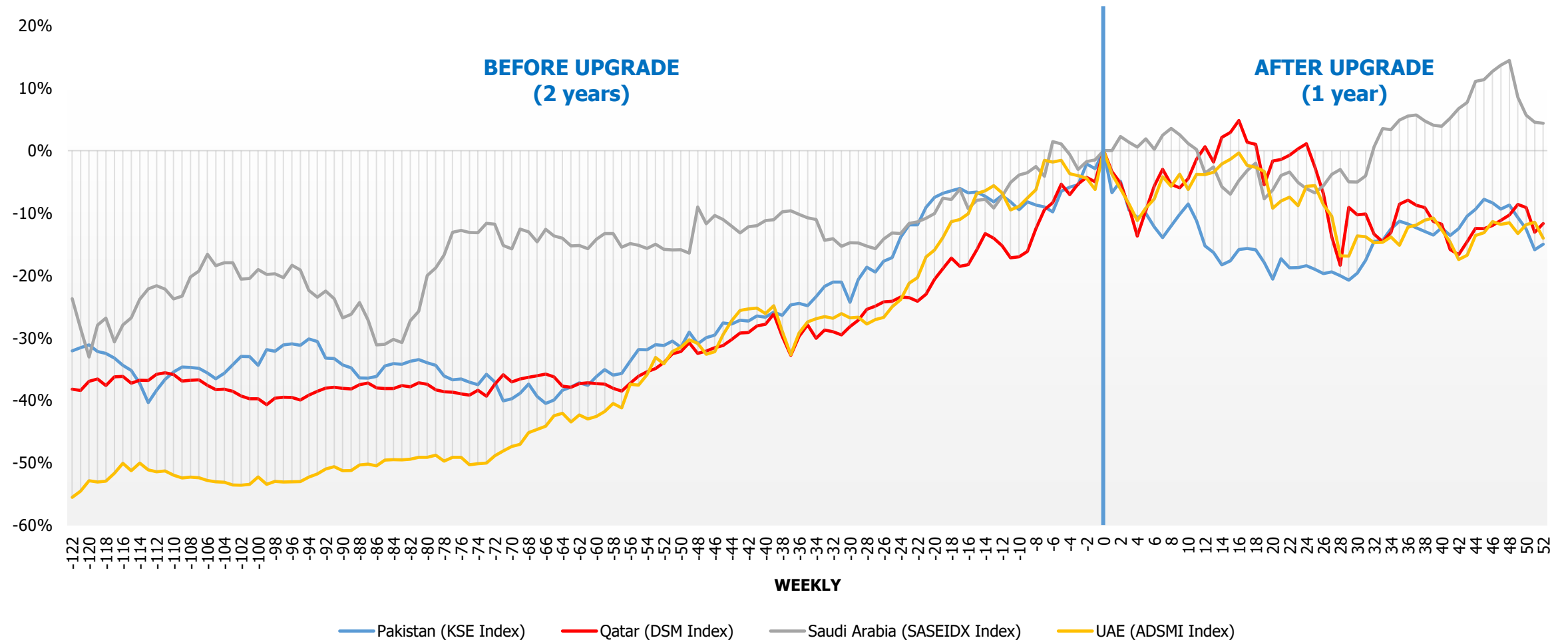
VIETNAM STOCK MARKET OUTLOOK

Market potential before upgrade announcement



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PETROVIETNAM SECURITIES INC.

- ✓ The stock market performance of Pakistan, Qatar, Saudi Arabia and UAE before and after MSCI's announcement of the market upgrade to Emerging Market.



Source: Bloomberg, PSI Research

VIETNAM STOCK MARKET OUTLOOK

Technical perspective: Long-term uptrend in 20 years



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PETROVIETNAM SECURITIES INC.

- ✓ After enduring a crisis and recession as a result of the Covid-19 pandemic, the VN-Index is commencing a long-term super growth cycle in 20 years.



VIETNAM STOCK MARKET OUTLOOK

Technical perspective: Long-term uptrend in 20 years



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

- ✓ The VN-Index is still in rising wave 5 according to the Elliot wave theory applied to the weekly chart, with a theoretical target in the area of 1,530-1,550 points (Fibonacci retracement 161.8% correction wave 4).



VIETNAM STOCK MARKET OUTLOOK

Risks for Vietnam's financial market in 2022



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PETROVIETNAM SECURITIES INC.

- ✓ **The Omicron variant is 5 times more likely to re-infect than the Delta variant;** the epidemic wave of the Omicron variant has sparked a wave of sell-offs in global financial markets amid concerns that it could stymie the economic recovery process; European countries are preparing to tighten travel restrictions and social distancing even further.
- ✓ **Inflationary pressure will rise in 2022 as a result of** (1) sharp increases in the price of input materials for manufacturing goods in 2021, such as gasoline, chemicals, fertilizer, coal, iron and steel, etc...These factors will be reflected in the price of consumer goods in 2022 as consumer demand recovers; (2) food prices rise as domestic demand recovers, with pork supply expected to be tighter in the second half of 2022; (3) consumer demand improves as a result of an increase in both the number of workers returning to work and a higher income level than during the epidemic's peak.
- ✓ **The risk of Chinese economy faltering** as a result of epidemic waves, as well as continuous tightening of economic management policies in particular areas; The threat of widespread power shortages and escalating bad debts among significant firms in Chinese real estate development corporations may have an impact on consumer demand and increase household debt burdens. China is currently Vietnam's greatest trading partner, accounting for more than 17% of Vietnam's export value (2nd after the US) and 33% of Vietnam's import value (rank 1) for the first 11 months of 2021.

VIETNAM STOCK MARKET OUTLOOK

Forecast of Vietnam market sensitivity scenario in 2022



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- ✓ In the event that the risks mentioned above occur and have a sudden impact on the Vietnamese stock market, we believe that the 1,280 – 1,300 point range will be a desirable price range for investors.
- ✓ The earning per share (EPS) we predict in the worst-case scenario of challenging market will keep **its growth momentum at 15%** in comparison to 2021.
- ✓ The VN-Index is expected to trade in a range of 1,350 - 1,550 points in 2022, based on a cautious scenario of 15% profit growth under the impact of economic uncertainties.

2022F			Careful		Basis			
	EPS Forward	94.2	98.5	102.8	106.5	107.1	111.3	115.6
P/E Forward	% Chg	10%	15%	20%	24.3%	25%	30%	35%
11.5	-16.7%	1,083	1,133	1,182	1,225	1,232	1,280	1,329
12.0	-13%	1,130	1,182	1,234	1,278	1,285	1,336	1,387
12.5	-9.4%	1,178	1,231	1,285	1,331	1,339	1,391	1,445
13.0	-5.8%	1,225	1,281	1,336	1,385	1,392	1,447	1,503
13.8	0%	1,300	1,359	1,419	1,470	1,478	1,536	1,595
14.5	5.1%	1,366	1,428	1,491	1,544	1,553	1,614	1,676
15.0	8.7%	1,413	1,478	1,542	1,598	1,607	1,670	1,734
15.5	12.3%	1,460	1,527	1,593	1,651	1,660	1,725	1,792
16.0	15.9%	1,507	1,576	1,645	1,704	1,714	1,781	1,850

VIETNAM STOCK MARKET OUTLOOK

Technical perspective: Cautious scenario

- ✓ With the possibility of new and more complicated strains of the Covid-19 pandemic, the VN-Index will indicate the end of the uptrend wave and begin a new phase of accumulation only if it declines rapidly and loses the support level of 1,350 points. The defined point area will range from 1,350 to 1,550 points.





PSI

Investment ideas

We expect investment opportunities in 2022 will result from:

- **Commodity prices: Oil & Gas, Electricity;**
- **Public investment: Infrastructure development: Industrial park real estate, Infrastructure construction;**
- **Digitalization of the economy: Technology, Telecommunications, Domestic Logistics;**
- **Recovery of domestic demand: Pharmaceuticals, Real Estate and some other industries will have a divergence among businesses such as Banking, Securities**



OIL & GAS

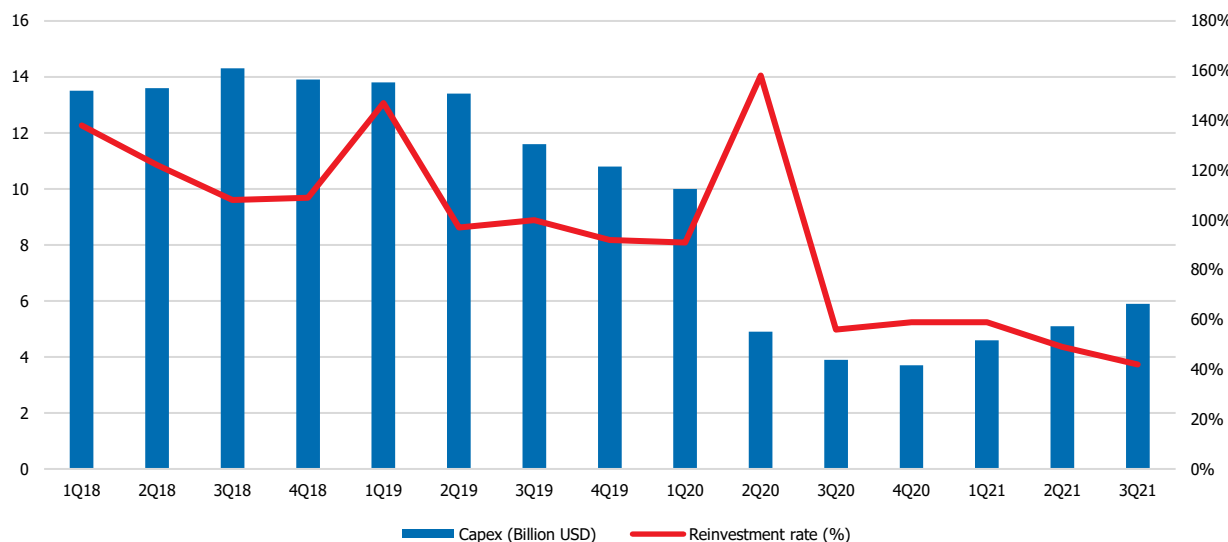
NEW TREND - ENHANCEMENT OF LNG CONSUMPTION DEMAND



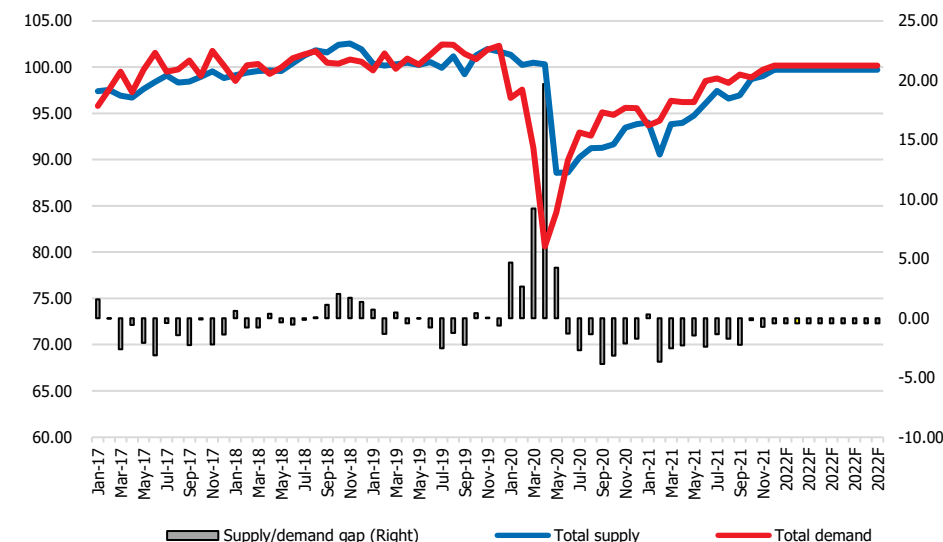
CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

The slow recovery in supply is the premise for higher price of oil in 2022

New investment in exploring/exploiting oil & gas in the US



Crude oil supply & demand (million barrels/day)



Source: EIA, Rystard Energy, PSI Research

- We adjust our forecast on the Brent average base price for 2022 to \$75/barrel from the initial forecast of \$70/barrel, relying on the fact that the oil supply grows slowly meanwhile the demand in 2022 is expected to rebound to pre-pandemic level.
- The US Energy Information Administration expected that the US production would reduce slightly in 2022 meanwhile OPEC+ is unlikely to expand its production due to low amount of new investment in manufacturing. These factors would maintain the oil price at a high level in 2022.
- Consequently, we believe that the demand for exploration and exploitation activities will be enlarged, thereby keeping higher unit prices involving in contracts to provide drilling, floating storage and marine construction services.

LNG – Energy source for an economic advancement

- Power Development Plan VIII has restricted the plan of developing new coal-fired power plants. Many of that kind were not considered for further development in the near future, such as those located in Hai Phong, Quang Ninh, Long An, Bac Lieu, Tan Phuoc,... and will be replaced by LNG energy plants which are more environmentally friendly.
- With regard to our forecast of high price of Brent crude oil, we expect that the average price of gas would be 7.9 USD/mmBTU in 2022. We also believe that the LNG price would cool down in 2023, and thus forecast that the average domestic gas price would be 8.6, 8.0, 8.2 USD/BTU million in 2023, 2024, 2025 respectively and the compounding annual growth rate of LPG import would be at 23% in the period of 2022 – 2025.

LNG Projects

Projects	Location	Size and Production Capacity	Progress
Thi Vai LNG Terminal	Thi Vai Port, Tan Phuoc Commune, Phu My Town, Ba Ria-Vung Tau Province	Phase 1 reaching 1 million of tons LNG/year, Phase 2 reaching 3 million of tons LNG/year	Expected to complete in 2022
Hai Linh LNG Terminal	Cai Mep Industrial Zone, Tan Thanh Commune, Ba Ria-Vung Tau Province	Total capacity: 220,000 m3	Completed in 2020
Son My LNG Terminal	Tan Thanh Commune, Ham Thuan Nam District, Binh Thuan Province	Phase 1 reaching 3 million of tons LNG/year, Phase 2 reaching 6 million of tons LNG/year	Expected to activate in 2024
Bac Lieu LNG Terminal	Xa Vinh Hau A Commune, Hoa Binh District, Bac Lieu Province	A floating storage and regasification unit with 150,000-174,000 m3	Expected to activate in 2024
Cai Mep Ha LNG Terminal	Ba Ria – Vung Tau	Total regasification capacity: 9 million tons/year; Total LNG storage capacity: 800,000 m3	Phase 1: Expected to activate in 2023, Phase 2: Expected to complete in 2026, Phase 3: Completing in 2030.

OIL & GAS

NEW TREND - ENHANCEMENT OF LNG CONSUMPTION DEMAND

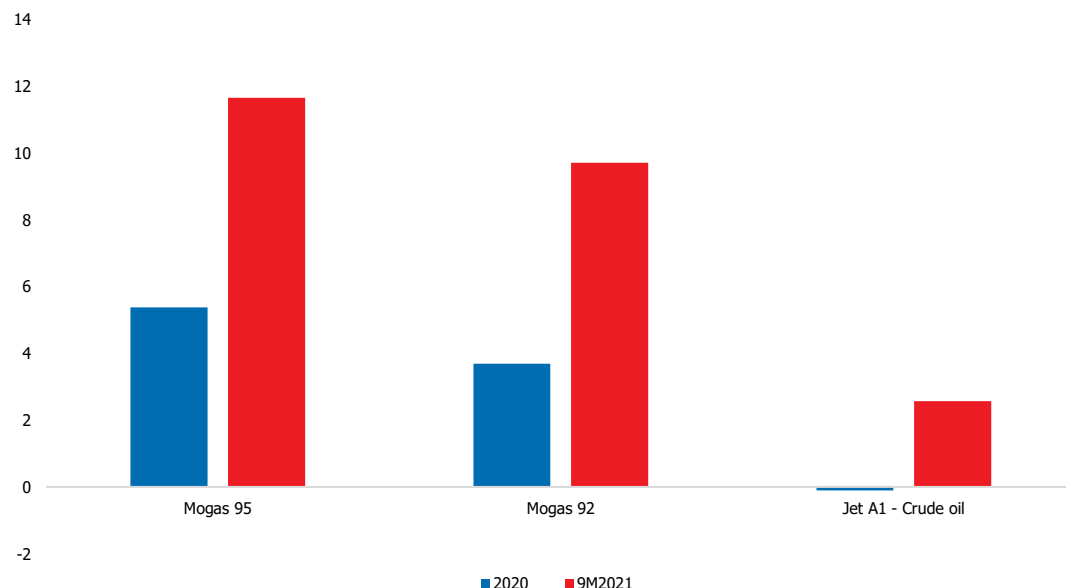


CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

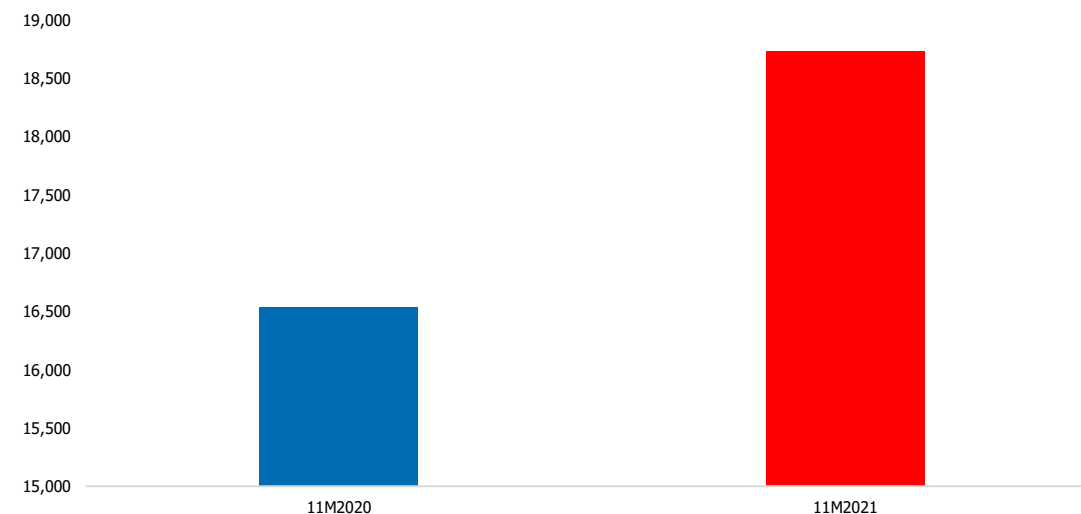
Refinery and Petrochemicals : Crack Spreads will remain stable yet competitive pressure hikes

We expect Crack Spreads to remain stable in 2022 as a recovering global economy has stimulated product demand. In particular, the fuel oil market also benefits from being a viable alternative fuel in the circumstances of record-high coal and natural gas prices. Moreover, power shortages in China due to policies towards lower emissions targets could reduce the capacity of China's refineries, making petroleum supplies to be scarce.

Crack Spreads BSR (USD/barrel)



Domestic Petroleum/Oil Production (1,000 tons)



Source: Bloomberg, MOIT, PSI Research

However, it is likely that competitive pressure in the domestic market will be more intense from both sides. In terms of demand for gasoline, the growth rate is moderate as a result of the Government's efforts to gradually limit personal vehicles in big cities and the replacement of electric vehicles. Regarding to the supply side, Long Son Refinery is expected to come into operation in 2023 with a capacity of 1.6 million tons/year added to the domestic gasoline/oil supply.

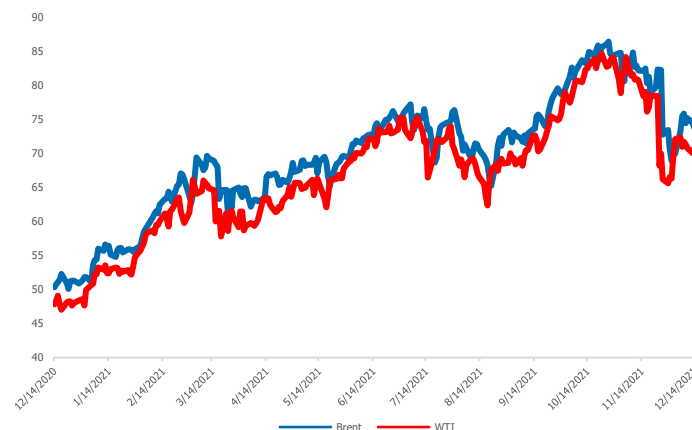
OIL & GAS

NEW TREND - ENHANCEMENT OF LNG CONSUMPTION DEMAND

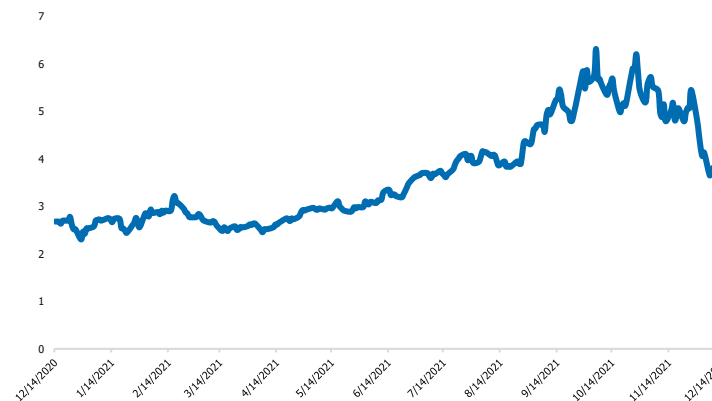


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PETROVIETNAM SECURITIES INC.

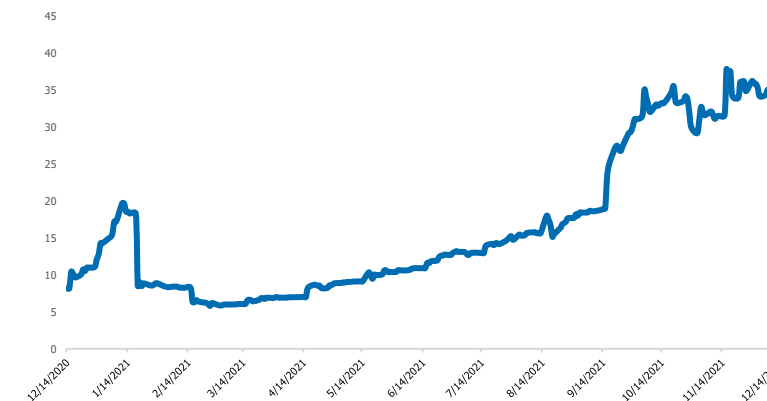
Brent & WTI Price (USD/Barrel)



Natural GAS Price (USD/MMBtu)



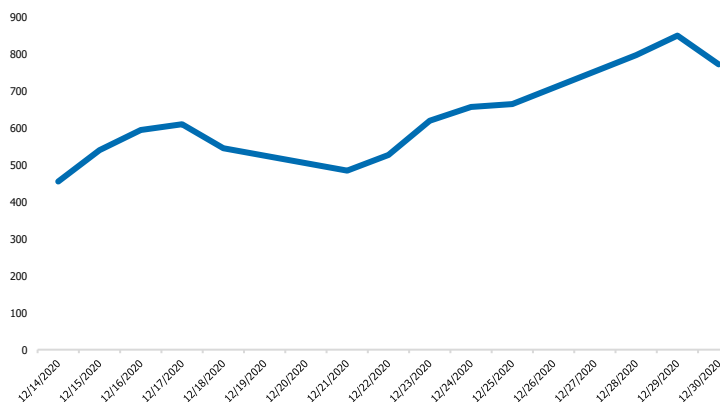
Asian LNG price (USD/MMBtu)



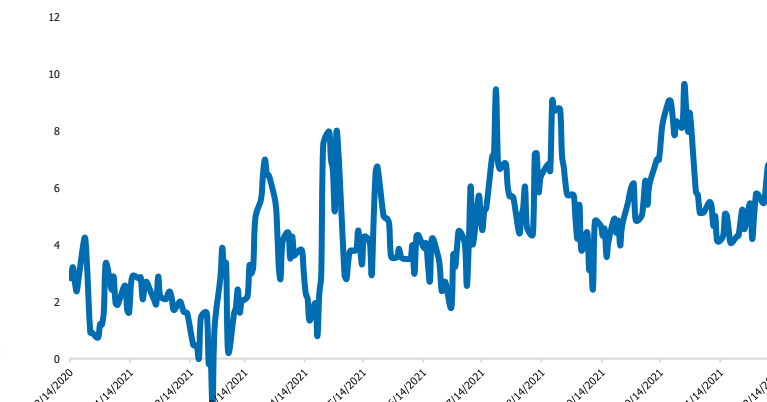
FO Price (USD/Barrel)



LPG Price (USD/ton)



Crack Spread WTI Cushing Crude Oil 211 (USD/Barrel)



PETROVIETNAM GAS JSC (GAS)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

PSI rating	BUY
Target price	122,500
Close price 15/12	97,700
Upside	25.38%

Information	
Industry	Oil & Gas
Stock exchange	HOSE
Highest/lowest price 52 weeks	125,000/71,250
Market capitalization (VND Billion)	187,567
Number of share outstanding (million share)	1,913.95
Average trading volume in 52w (share)	1,152,686

Analyst:

Vu Thi Ngoc Le

Catalysts

- **High oil price supports promising business performance:** 2022 average oil price is forecasted to be \$75/barrel, which is 6.23% higher than 2021 average price due to higher demand, meanwhile OPEC+ is quite considerate in improving the capacity. Also, the gas selling price of GAS is higher, bring the positive signs to the 2022 revenue of GAS.
- **LNG – New encouragement for the growth of PVGAS:** We expect that the project of LNG Thi Vai Terminal will be progressed timely and thus generated in the 3rd quarter of 2022, which contributes VND 2,400 billion and VND 6,500 billion of revenue for PVGAS in 2022 and 2023, respectively. In long term, the capacity expansion up to 3 million tons/year will help guarantee the ability to supply gases for new planned gasification power plants.
- **Recovery from gas-fired plants' demand due to weakening La Nina:** We estimated that the consumable production of dry gas in 2022 of GAS would reach 9.7 billion m3, increasing 30.9% from the estimated 2021 figure. The recovery from gas-fired plants' demand would be the crucial driver for stimulus output in 2022 and 2023.

	2019	2020	T12M	2021F	2022F
Net sales (VND Billion)	75,612	75,005	74,340	71,092	85,857
Gross profit (VND Billion)	17,491	16,919	13,078	13,533	17,243
Gross profit margin (%)	23.13%	22.56%	17.59%	19.04%	20.08%
NPAT (VND Billion)	11,709	12,086	8,503	9,289	11,615
Net profit margin (%)	15.1%	15.9%	11.44%	13.1%	13.5%
EPS (VND)	5,911	6,142	4,195	4,853	6,069
ROE (%)	26.1%	25.1%	16.94%	16.15%	18.35%
P/E (x)	14.65	15.26	23.12	25.24	20.18

BINH SON REFINING & PETROCHEMICAL JSC (BSR)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

PSI rating	BUY
Target price	28,100
Close price 15/12	21,300
Upside	31.92%

Information	
Industry	Oil & Gas
Stock exchange	UPCOM
Highest/lowest price 52 weeks	25,500/8,550
Market capitalization (VND Billion)	66,041
Number of share outstanding (million share)	3,100.5
Average trading volume in 52w (share)	13,839,282

Analyst:

Vu Thi Ngoc Le

Catalysts

- **The jump of domestic petroleum consumption demand after lockdown:** right transportation may bounce back quickly to serve for manufacturing activities right after the loosening of social distance, meanwhile passenger transport and personal travel may follow later. We expect that passenger transport would recover in 2022 as soon as the pandemic is gradually managed owing to the high coverage of vaccination in the society.
- **Improving profit margin thanks to the expansion of crack spreads and high inventory level:** The post-pandemic recovery of oil demand and the unlikeliness of OPEC+ to increase the production in short term firmly push the crude oil price and the crack spreads of refineries. We suppose that the gross margin would be enlarged until (at least) the first half of 2022 considering high level of inventory of Mogas 95, while the consumption amount is assumed to rebound to pre-pandemic level. BSR gross margin would be substantially higher than the previous period due to high price level of oil, at 7.31% and 6.11% in 2021 and 2022 respectively.

	2019	2020	T12M	2021F	2022F
Net sales (VND Billion)	102,824	57,959	83,723	91,151	112,951
Gross profit (VND Billion)	2,894	-2,215	5,924	6,663	6,906
Gross profit margin (%)	2.81%	-3.82%	7.08%	7.31%	6.11%
NPAT (VND Billion)	1,552	-2,848	5,261	5,608	5,341
Net profit margin (%)	1.51%	-4.91%	6.28%	6.15%	4.73%
EPS (VND)	898	-909	1,708	1,791	1,705
ROE (%)	4.76%	-8.78%	15.01%	16.58%	13.61%
P/E (x)	9.13		11.59	13.40	16.48

PETROVIETNAM DRILLING & WELL SERVICE CORPORATION (PVD)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

PSI rating	BUY
Target price	36,000
Close price 15/12	22,100
Upside	27.15%

Information	
Industry	Oil & Gas
Stock exchange	HOSE
Highest/lowest price 52 weeks	25,500/8,550
Market capitalization (VND Billion)	68,521
Number of share outstanding (million share)	3,100.5
Average trading volume in 52w (share)	13,839,282

Analyst:

Nguyen Viet Dung

Catalysts

- **Oil price is forecasted to be high in 2022 which would encourage oil & gas projects and push the demand for drilling services.** The occupation rate of Semisubmersibles > 7,500ft is currently 60%, which has been the peak in more than a year. We expect the average jack-up day rates in 2022 would be high as \$65,000 - \$70,000/day of Asia Jackups 361-400 UIC.
- **Drilling service of PVD has returned to be stable and got more contracts for the year 2022.** In the 2nd quarter, new contracts would bring more jobs, including drilling rigs which are in action for domestic investors such as Vietsovpetro, KrisEni, JOC Hoang Long, Cuu Long. The productivity rate of those rigs in the first 6 months would be roughly 77%.
- **Key highlight - TAD drilling rig will contribute largely to 2022 revenue.** In November 2021, TAD rig was equipped the DES and moved to Brunei to perform long-term drilling contract. Accordingly, we consider that TAD rig would contribute to the revenue from the beginning of 2022, which helps the total projected revenue of 2022 increases 43% compared to 2021.

	2019	2020	T12M	2021F	2022F
Net sales (VND Billion)	4,377	5,247	3,755	3,890	5,563
Gross profit (VND Billion)	450	329	233	338	683
Gross profit margin (%)	10.31%	6.29%	6.45%	8.11%	12.02%
NPAT (VND Billion)	173	172	184	72	322
Net profit margin (%)	3.95%	3.28%	4.90%	2.42%	5.78%
EPS (VND)	301.93	278.82	22.34	175.3	783
ROE (%)	0.94%	0.86%	0.02%	0.34%	2.83%
P/E (x)	49.96	58.45	944.86	205.62	45.97

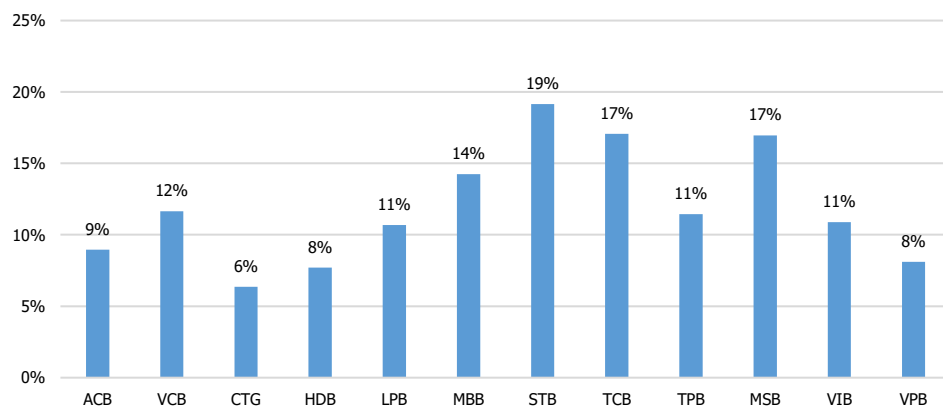
BANKING INDUSTRY

DISTINCTION AMONG BANKS

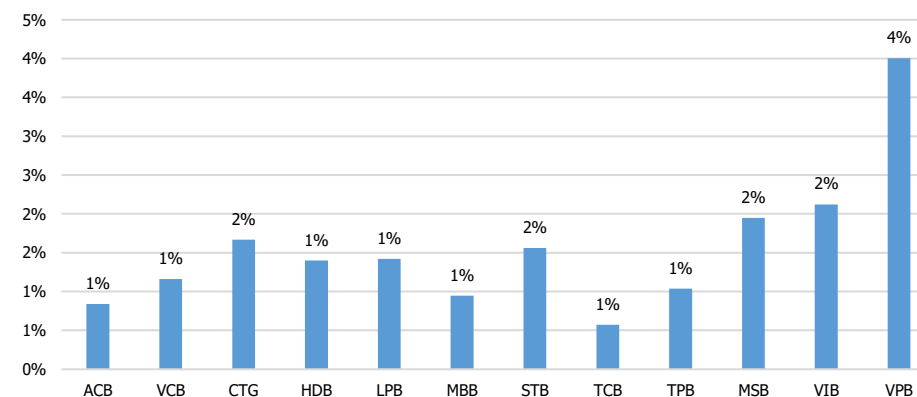
- **Credit is expected to bounce back in 2022.** By the end of November, credit growth rate of the banking system reached 10.1% compared to the beginning of the year, lower than previous years due to the impact of the epidemic that disrupted the manufacturing & trading activities. We forecast banking credit growth rate in 2022 will rebound and reach approximately 13 - 14%, on the basis of: (1) Manufacturing and trading activities return to the “new” normal, (2) real estate market warms up, (3) consumer’s purchasing power recovers.

- **Asset quality - the foundation of banks:** The 4th wave and the prolonged lockdown had a significant impact on the economy, thereby increased the risk of non-performing loans. We estimate the average NPL ratio of the industry to be around 1.6% at the end of the 3Q/2021, and “Restructured debt to total debt ratio” also increased with a range of 2–5 % invariably. Circular 14 has little impact on the banking industry's profit in 2021 yet increases the pressure of Provision for non-performing loans for the period of 2021-2023, therefore we do highly regard banks with a diversified customers and low non-performing loans ratio as well as low cost of capital such as TCB, MBB.

Credit growth rate by the end of 3Q 2021



NPL rate by the end of 3Q 2021



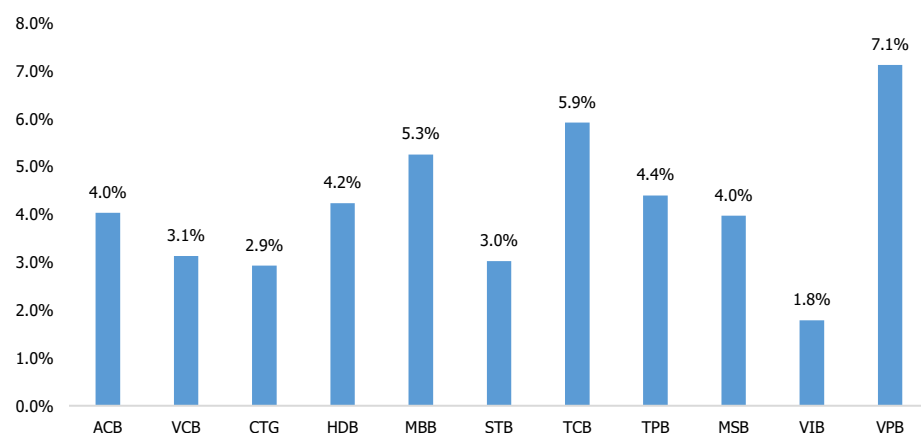
Source: PSI Research

BANKING INDUSTRY

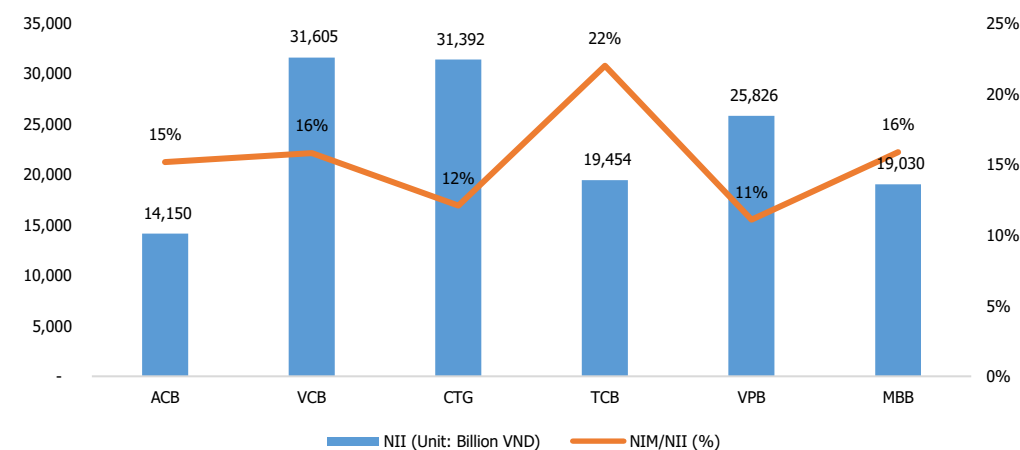
DISTINCTION AMONG BANKS

- **NIM declines slightly again:** We believe that NIM of the whole banking industry will decrease slightly in 2022 due to: (1) Deposit rates may increase again by the end of 2Q due to the influence of global monetary policy in general with inflationary pressure, (2) The competition to attract CASA between banks is getting fiercer and the cash flow shift to other investment channels, (3) Credit is expected to recover weakly at the beginning of the year which made it difficult for banks to increase lending interest rates, (4) Banks continued to support businesses by cutting output interest rates, especially SOEs.
- **Growth of non-interest income (NII):** With NIM of the whole industry expected to decrease slightly in 2022, we believe banks would accelerate the growth of non-interest income. For bancassurance segment, growth rate will remain stable thanks to the improvement of people's income, thereby boosting the penetration rate of the insurance industry. In addition, we also expect that banks that take ownership of ecosystem inclusive of securities companies/fund management will have a great advantage in the coming years for being able to offer a variety of financial products in the context of people's investment demand is increasing.

NIM of banks in 9 months of 2021



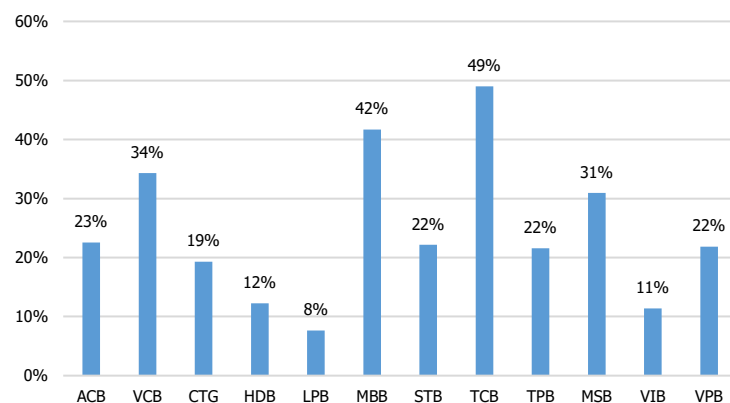
NIM & NIM to Total interest income ratio



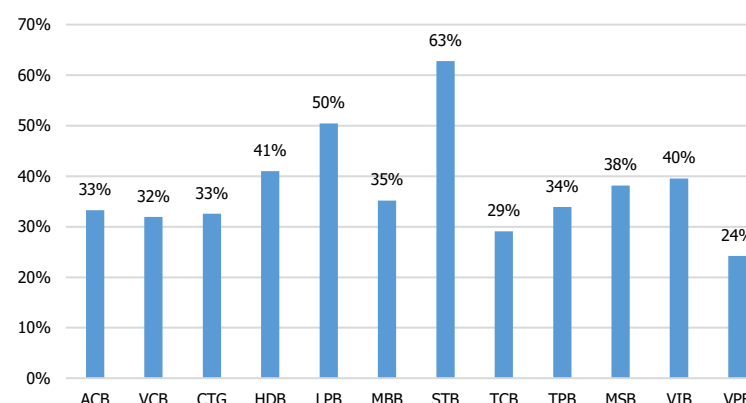
BANKING INDUSTRY

DISTINCTION AMONG BANKS

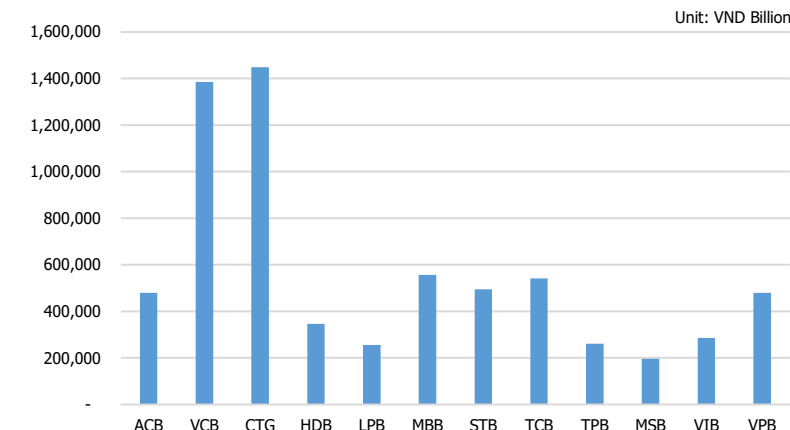
CASA Q3/2021 (%)



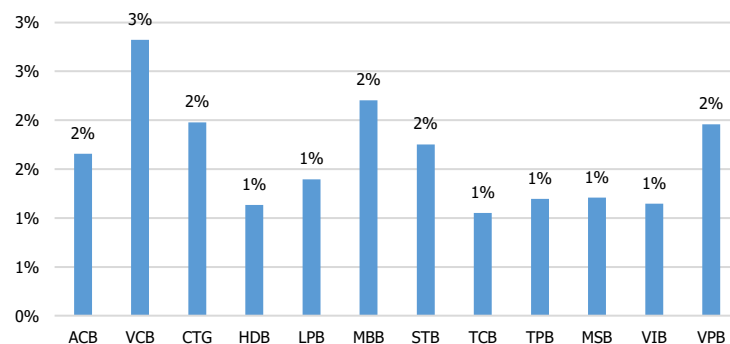
CIR 3Q/2021 (%)



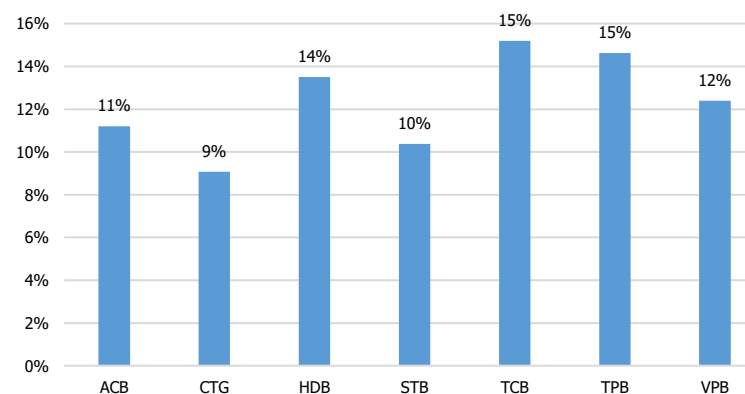
Total assets Q3/2021



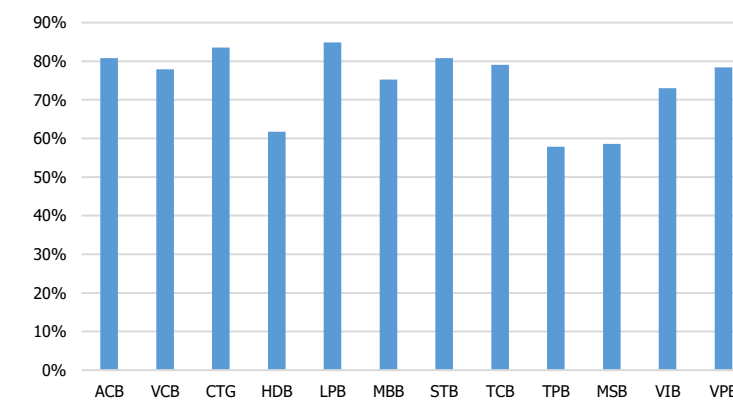
Provisions to Total debt outstanding Q3/2021 (%)



CAR Q3/2021 (%)



LDR Q3/2021 (%)



MILITARY COMMERCIAL JOINT STOCK BANK (MBB)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

PSI rating	BUY
Target price	35,300
Close price 15/12	28,500
Upside	23.86%

Information	
Industry	Banking
Stock exchange	HOSE
Highest/lowest price 52 weeks	32,200/16,300
Market capitalization (VND Billion)	105,415
Number of share outstanding (million share)	3,778
Average trading volume in 52w (share)	17,592,629

Analyst:

Nguyen Viet Dung

Catalysts

- **Maintaining high NIM** We believe that in 2022, MBB will still maintain its position in the top of the industry with the highest net interest income (NIM) ratio in the system due to the newly invested technology system and the digital platform being customers' favorite as well as having loyal corporate customers such as Viettel, VNPost,...
- **Transforming into diversified business models up to international standards** such as: MB Private (Private Banking service for the super-wealthy customer segment), MB Priority (priority banking service for the wealthy customer segment) and MB Modern Youth (serving the modern, stylish customer segment)...that meet customer needs. MBB's credit growth is forecasted at approximately 16% and is categorized in the group of banks with high credit standards due to relatively quality assets and capital adequacy ratio (CAR).
- **Owning a diverse ecosystem meeting the needs of customers**, including: MB Securities Company, MB Ageas Life Insurance Company, MB Capital Fund Management Company.

	2019	2020	T12M	2021F	2022F
NII (billion VND)	18,000	20,278	24,824	26,562	30,025
NIM (%)	4.90%	4.75%	5.3%	5.15%	5.21%
Profit before tax (billion VND)	10,036	10,688	14,438	15,932	19,063
NPL (%)	1.2%	1.1%	0.9%	1.10%	1.10%
EPS (VND)	3,596	3,329	3,719	3,979	4,009
ROA (%)	2.02%	1.82%	2.1%	2.27%	2.36%
P/B (x)	1.21	1.27	1.68	1.84	1.93

VIETNAM TECHNOLOGICAL AND COMMERCIAL JOINT STOCK BANK (TCB)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

PSI rating	BUY
Target price	60,000
Close price 15/12	50,200
Upside	19.52%

Information	
Industry	Banking
Stock exchange	HOSE
Highest/lowest price 52 weeks	58,000/21,200
Market capitalization (VND Billion)	173,790
Number of share outstanding (million share)	3,581
Average trading volume in 52w (share)	15,893,720

Analyst:

Nguyen Viet Dung

Catalysts

- **TCB leads the retail banking industry** with policies attracting new depositors with free online transaction program, unlimited 1% cashback program for transactions paid by credit card. With debit card, the bank was honored as the leading bank in the industry in terms of electronic money transfer and domestic card payment, modern loan approval process on the basis of Intelligence Decision Computing system.

- **Industry-leading asset quality:** TCB continued to maintain high deposit growth, helping net LDR to reach 72.1% at the end of Q3. The remaining room for disbursing outstanding loans is still quite large when this ratio as per regulations of the State Bank is stated at 85%. In addition, the bank's bad debt ratio in the third quarter of 2021 was only 0.57%, an increase of 27bps QoQ, the lowest in the banking system. The bad debt coverage ratio reached 184.4%, being one of the the highest in the industry. By the end of the 3 quarters of 2021, the restructuring debt balance according to Circular 14/2021 of TCB reached VND 2,800 billion, equivalent to 0.8% of the total outstanding loan.

- **Cost of capital continues to stay low.** In Quarter 3, 2021, TCB successfully mobilized a foreign syndicated loan worth USD 800 million. This unsecured loan consists of two parts: \$600 million with a 3-year term and \$200 million with a 5-year term. The interest rate is equal to the USD interbank lending rate (LIBOR) + 1.35%/year for 3-year term and 1.62%/year for 5-year term. The bond significantly complements TCB's long-term capital, helping to keep the bank's cost of capital low.

	2019	2020	T12M	2021F	2022F
NII (billion VND)	14,258	18,751	23,353	24,376	30,389
NIM (%)	4.45%	5.00%	5.9%	5.68%	5.59%
Profit before tax (billion VND)	12,838	15,800	20,599	22,068	24,864
NPL (%)	1.29%	0.51%	0.62%	0.60%	0.62%
EPS (VND)	2,967	3,521	4,613	4,781	5,502
ROA (%)	2.95%	2.99%	3.47%	3.48%	3.49%
P/B (x)	1.33	1.48	2.11	2.58	2.28

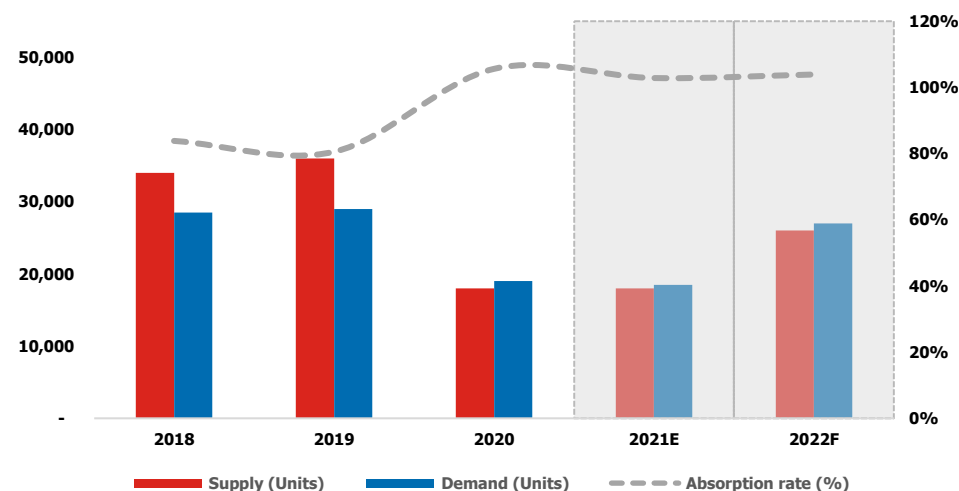
REAL ESTATE INDUSTRY - RESIDENTIAL

INTENSE RECOVERY WITH A BOOM IN DEMAND FROM HIGH-END SEGMENT

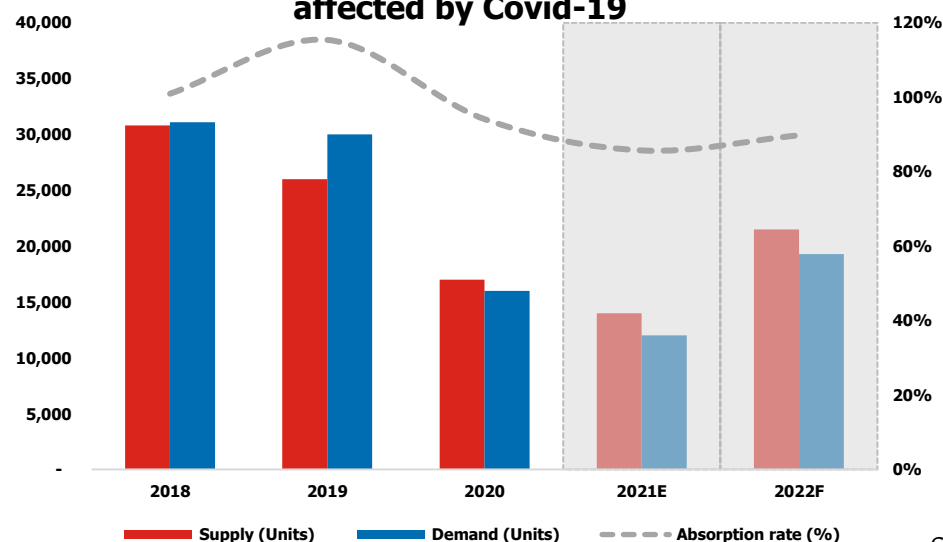


CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

Hanoi market



Supply in Ho Chi Minh City is heavily affected by Covid-19



Abundant supply from major projects in 2022:

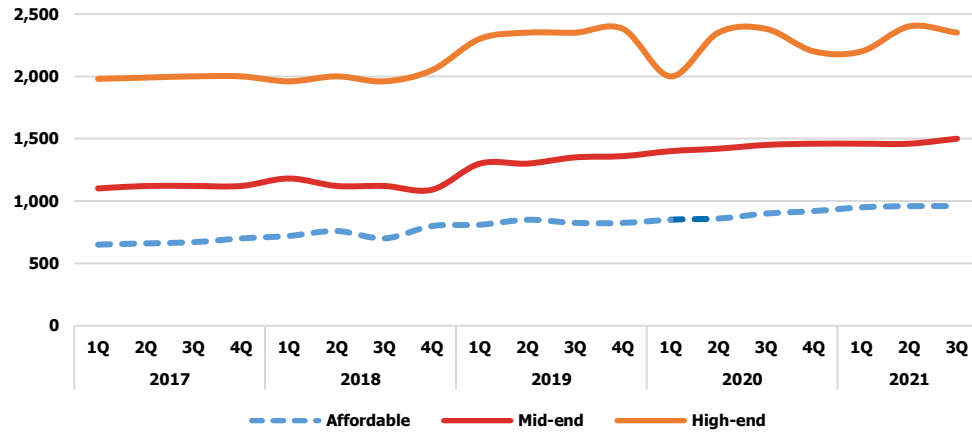
- **Supply is forecasted to increase again in both the North and South markets,** CBRE forecasts the supply in 2022 will reach 26,000 and 22,000 units in Hanoi and Ho Chi Minh City, respectively. However, the new supply mainly focused on certain areas, such as in Hanoi, 93% of the new supply came from the East and West of the city; in Ho Chi Minh City 44% of new supply comes from Thu Duc City area (the East of the city), and the trend of newly developed projects is concentrated in the provinces surrounding Ho Chi Minh City such as Long An and Dong Nai.
- **The absorption rate continued to keep above 90%** when new launch was still limited due to the prolonged impact of the Covid-19 epidemic, delaying the opening and sales activities at the projects.
- The regulations such as Decree 148, the revised Construction Law 2020 and the revised Land Law are expected to remove "bottlenecks" in the approval of residential projects and shorten licensing time. The real estate market will be active again after a gloomy period in 2021.

Source: CBRE

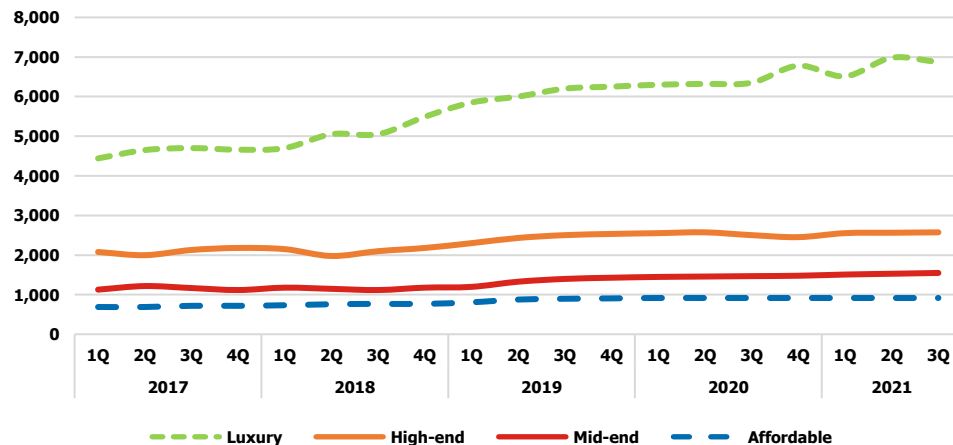
REAL ESTATE INDUSTRY - RESIDENTIAL

INTENSE RECOVERY WITH A BOOM IN DEMAND FROM HIGH-END SEGMENT

Slightly fluctuated primary selling price in COVID-19 pandemic



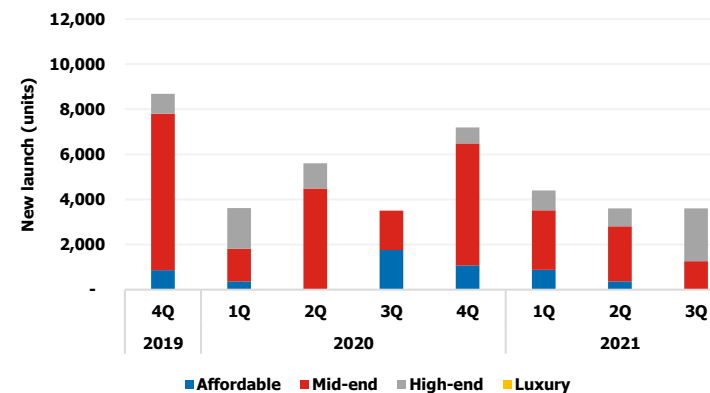
Increasing average primary selling price thanks to high-end segment



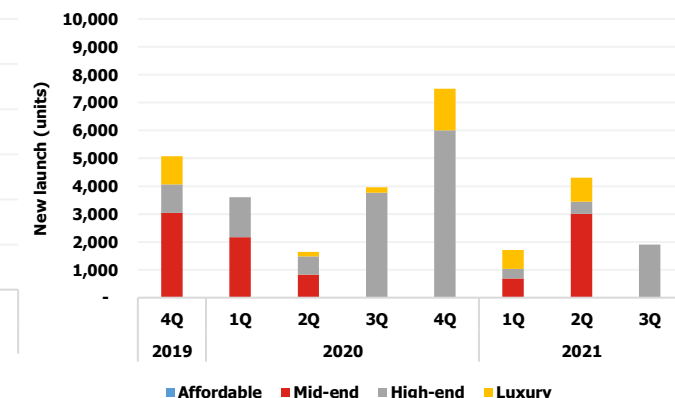
- **Primary selling price would be continuously and stably improved at a rate ranging from 5%-7%.** Up to the 3rd quarter of 2021, the primary selling price in Hanoi and Ho Chi Minh City reached \$1,542/m² and \$2,271/m², increasing 15.4% and 17% year on year, respectively. The demand for accommodations and investing purposes was relatively immense due to: (1) Low lending rates, for example around 9% in first 9 months of 2021; (2) Incentive policies for apartments of many projects, for example 0% of lending rate offered in the first year of loan.
- **A shift of trend towards high-end segment:** In the 3rd quarter of 2021, the supply from this segment occupied 65% of Hanoi market and might have further growth thanks to: (1) Vietnam's Per-capita income has improved regularly years by years, (2) Higher customer demand for apartments with full utilities included.

Supply shifting to high-end segment

Hanoi



Ho Chi Minh City



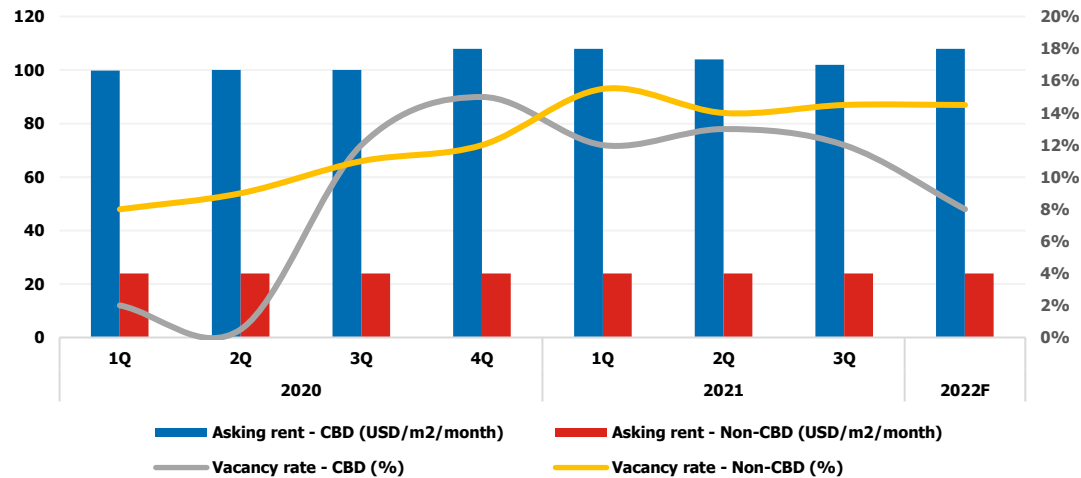
REAL ESTATE INDUSTRY - RETAILS

BACK IN THE RACE

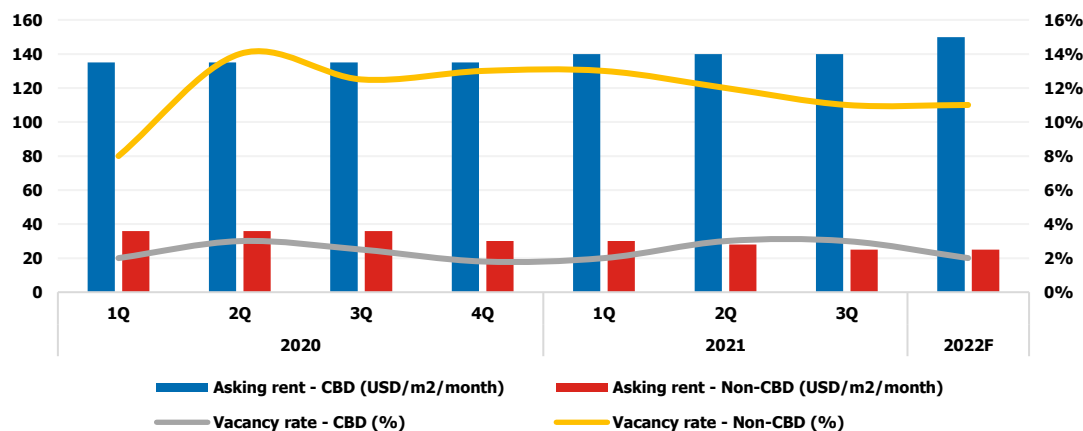


CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

Hanoi retail market

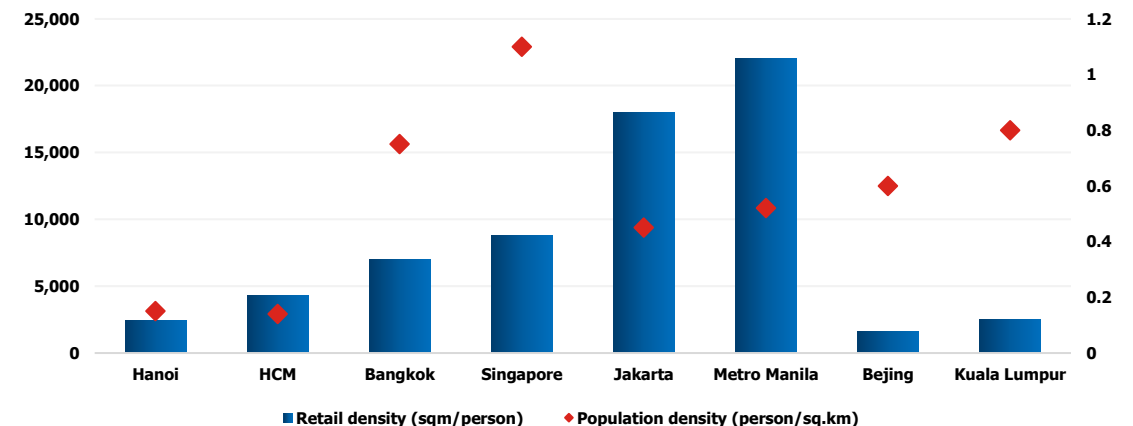


Ho Chi Minh City retail market



- **The low penetration rate reflects a strong potential of growth in retail services.** Hanoi and Ho Chi Minh City have been two of the cities with lowest penetration rate in Vietnam, regarding to the floor capacity per capita. The total modern retail capacity – including commercial centers, grocery stores – was 1.07 million m2 in Ho Chi Minh City and 1.00 million m2 in Hanoi, up to the 3rd quarter in 2021.
- **Total retail capacity in Hanoi and Ho Chi Minh City was 2.1 million m2 NLA,** as the CAGR was at 15% from 2010 to 2020.
- **Asking rent price was kept stable,** despite higher rate of vacancy in commercial centers caused by the pandemic.

Retail density and population density of some Southeast Asian cities

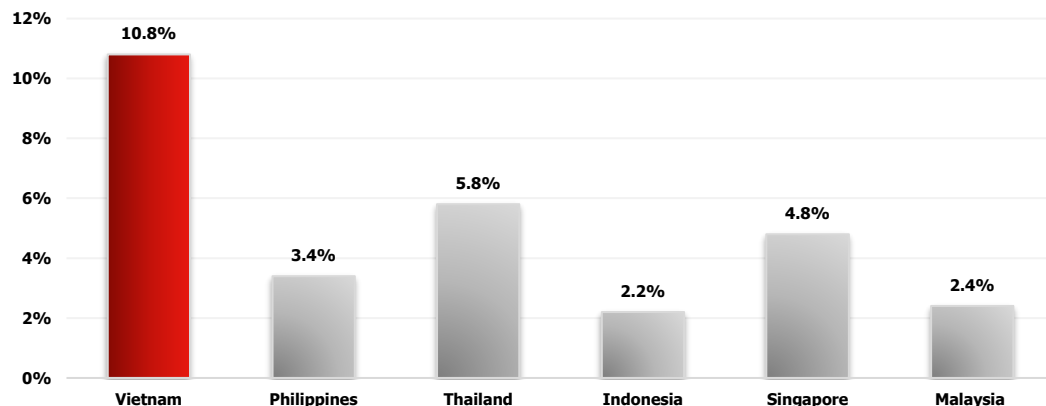


Sources: CBRE, WorldBank

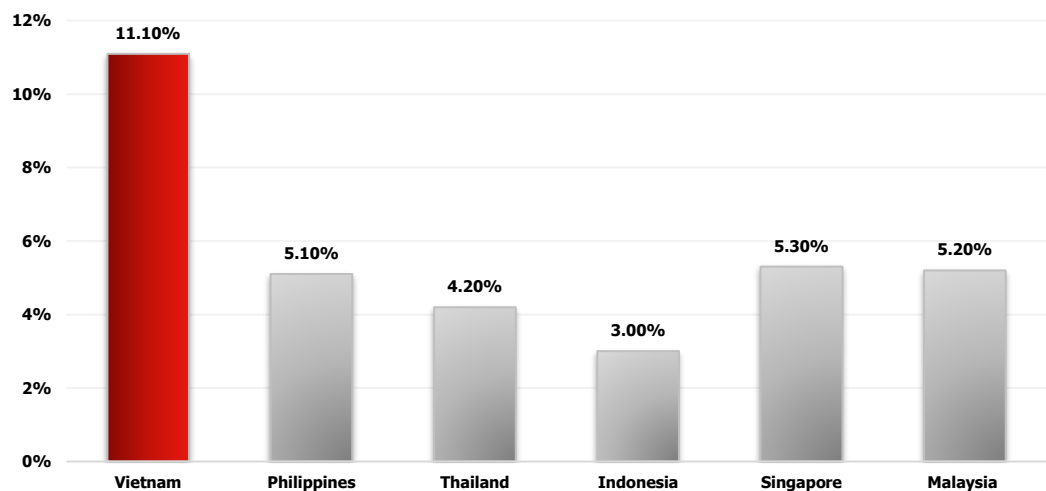
REAL ESTATE INDUSTRY - RETAILS

BACK IN THE RACE

**Growth in disposable income per capita
(2021-2023F)**

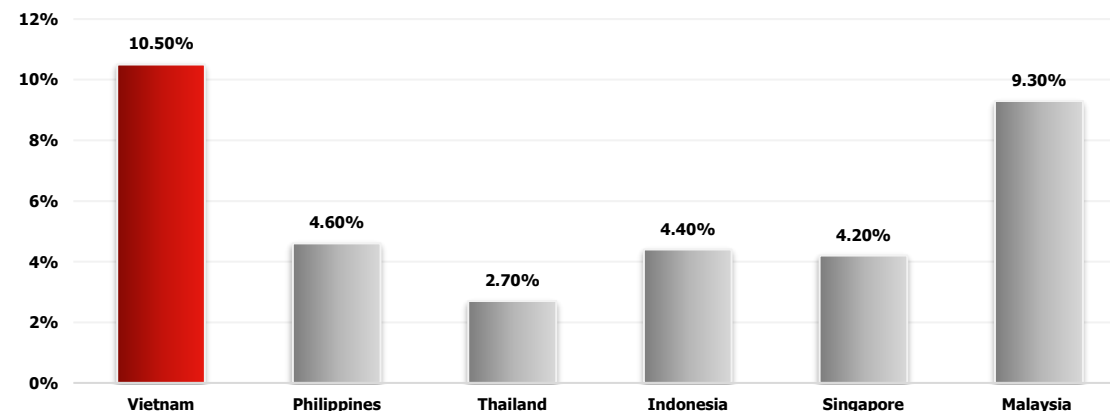


Growth in personal consumption (2021-2023F)



- **Futures consumption of Vietnam being supported by growth in both personal income and consumption.** CAGR of GDP per capita in the period of 2010 – 2020 was 7.77%.
- Compared to SEA countries, Vietnam would be the one with highest growth rate of retails in the next 2 years, at approximately 10.5%.
- Rental retail market in Vietnam remains rooms for a thriving future with the penetration of recognized brands such as H&M, ZARA, by opening stores in big commercial centers. However, only large retailers would be beneficial because of the demand for large floor capacity.

Growth in retails (2021-2023F)



VINHOMES JOINT STOCK COMPANY (VHM)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

PSI rating	BUY
Target price	104,000
Close price 15/12	82,600
Upside	25.90%

Information	
Industry	Real Estate
Stock exchange	HOSE
Highest/lowest price 52 weeks	91,100/64,300
Market capitalization (VND Billion)	359,670
Number of share outstanding (million share)	4,354.37
Average trading volume in 52w (share)	5,400,365

Analyst:

Pham Hoang

Catalyst

- **VHM continues to lead the housing segment, with the largest land owned among real estate enterprises (16,000 ha), while Novaland ranks second with 5,400 ha.** Notably, VHM's urban areas and projects are located in convenient locations, and traffic infrastructure is being promoted and constructed.
- **VHM promotes the sales right after lockdown in the 4th quarter of 2021. Vinhomes' next two big projects, Dream City (Hung Yen) and Wonder Park (Dan Phuong, Hanoi), are expected to be available for sale.** In the 1st phase, the products for sale are low-rise apartments, projects with large campus and utilities, creating a great advantage for Vinhomes because the supply of low-rise products is in shortage while the demand is high, causing the selling price to be high.
- **Taking advantage of the Vingroup ecosystem to integrate and promote utilities in big urban areas** such as commercial centers, VinBus transportation system, Vinmec medical system and Vinschool. In addition, there are great incentives for apartment buyers such as Vinfast car vouchers, and 0% lending rate offered in the first year at Techcombank.
- **VHM continues to promote its presence in the industrial estate segment,** as it owns a land capacity for industrial estate development with a total area of 29 million m2.

	2019	2020	T12M	2021F	2022F
Net sales (VND Billion)	51,627	71,547	83,849	85,467	100,447
Gross profit (VND Billion)	27,456	25,936	41,757	43,161	52,835
Gross profit margin (%)	53.18%	36.25%	49.80%	50.50%	52.60%
NPAT (VND Billion)	24,319	28,207	38,244	35,041	38,170
Net profit margin (%)	47.11%	39.42%	45.61%	41.00%	38.00%
EPS (VND)	5,002	6,396	8,287	7,693	8,155
ROE (%)	43.81%	38.60%	40.31%	32.03%	27.60%
P/E (x)	13.04	10.76	9.90	10.73	12.75

NAM LONG INVESTMENT CORPORATION (NLG)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

PSI rating	BUY
Target price	82,000
Close price 15/12	61,000
Upside	34.00%

Information	
Industry	Real Estate
Stock exchange	HOSE
Highest/lowest price 52 weeks	62,200/25,800
Market capitalization (VND Billion)	24,393
Number of share outstanding (million share)	382.94
Average trading volume in 52w (share)	3,152,886

Analyst:

Pham Hoang

Catalyst

- **NLG owns land capacity and projects in great locations, and there is still room for price increase.** The land capacity of 670 hectares in developing projects is mainly located in the satellite area - Thu Duc City (District 9, Thu Duc) - the area with the largest increase in selling prices in 2021, more than VND 60 million/m² (up 71% compared to the beginning of 2020). We forecast that the primary selling price of NLG's apartments in the neighboring provinces could increase by 15-20% in 2022 when the selling price in areas around Ho Chi Minh City has increased sharply in recent years.
- **Strong supply from projects that will be available for sale in 2022.** In 2021, due to the impact of the Covid-19 epidemic, NLG's large projects were delayed for sale and handover such as at Akari Project, Mizuki Park, Waterfront. However, thanks to 2021 delay, 2022 will be an eventful year for NLG.
- **NLG can earn additional VND 300 billion in 2022** from the transfer of the remaining 25% stake in Paragon Dai Phuoc project with a Japanese partner.
- **Abundant future supply from large integrated urban projects** Waterfront (Dong Nai), Waterpoint (Long An), Paragon Dai Phuoc (Dong Nai).

	2019	2020	T12M	2021F	2022F
Net sales (VND Billion)	2,546	2,217	1,706	3,516	5,978
Gross profit (VND Billion)	1,066	671	483	1,231	2,307
Gross profit margin (%)	41.89%	30.26%	28.32%	35.01%	38.60%
NPAT (VND Billion)	1,007	850	1,342	1,793	2,871
Net profit margin (%)	39.56%	38.36%	78.69%	50.99%	48.03%
EPS (VND)	3,103	2,689	4,331	4,682	7,497
ROE (%)	15.49%	12.40%	10.20%	13.40%	21.46%
P/E (x)	7.32	9.92	14.78	13.02	10.93

VINCOM RETAIL JOINT STOCK COMPANY (VRE)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

PSI rating	BUY
Target price	38,000
Close price 15/12	30,400
Upside	25.00%

Information	
Industry	Real Estate
Stock exchange	HOSE
Highest/lowest price 52 weeks	37,800/26,100
Market capitalization (VND Billion)	69,078
Number of share outstanding (million share)	2,272.31
Average trading volume in 52w (share)	6.265.094

Analyst:

Pham Hoang

Catalyst

- **VRE maintains its No. 1 position in the commercial center segment with more than 80 commercial centers nationwide**, especially concentrates in 2 big cities, Ho Chi Minh City, and Hanoi – 2 big retail centers in Vietnam (total retail area reached 2.1 million m2 NLA, at the end of 3Q2021).
- **The high rate of vaccine coverage supports the recovery and reopening of shopping malls.** As of mid-December, 2021, the vaccinated coverage of 1st dose reached 77.5% of the population and the fully vaccinated rate reached 59.5% of the population. Right after the time of reopening, 78/80 shopping centers were reopened.
- **VRE's retail space supply is supplemented from shopping malls that are about to be opened in the near future** (Vincom Megamall Smartcity, Hanoi (68,000 m2), Vincom Plaza Bac Lieu and My Tho (27,402 m2) ending 2021 and early 2022).
- **VRE's strategy is to focus on developing shopping malls with a larger area, and has proven effectively**, when major international brands such as Zara, H&M, Uniqlo all require large space, and those are all choosing VRE's Vincom system to operate their stores.

	2019	2020	T12M	2021F	2022F
Net sales (VND Billion)	9,259	8,329	7,777	7,372	9,260
Gross profit (VND Billion)	4,404	3,821	3,500	3,402	4,213
Gross profit margin (%)	47.56%	45.88%	45.00%	46.15%	45.50%
NPAT (VND Billion)	2,852	2,382	2,168	1,592	2,639
Net profit margin (%)	30.80%	28.60%	27.87%	21.60%	28.50%
EPS (VND)	1,226	1,048	954	701	1,161
ROE (%)	10.31%	8.50%	7.41%	6.23%	8.60%
P/E (x)	27.73	29.96	31.77	43.36	32.73

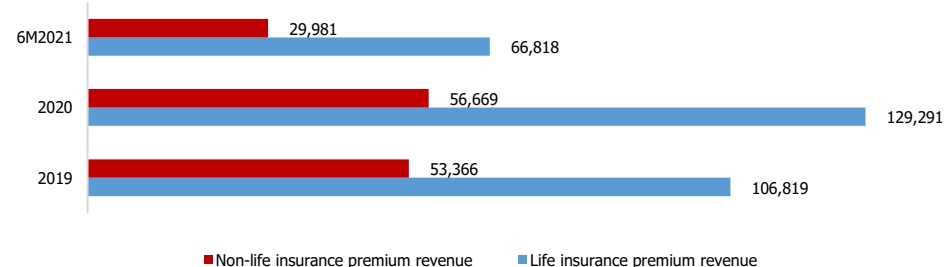
• **The draft revised Insurance Law**, creating a positive premise for the development of the insurance industry, was first introduced in February 2021, and is expected to be enacted in the next 5 years. The draft includes a number of important points such as:

- 1) *Standardize the standard of insurance contracts, minimizing disputes arising;*
- 2) *Insurance businesses are more proactive in business activities, operating models and methods;*
- 3) *Transforming the financial regime into a combined model consisting of 3 main pillars: corporate and risk governance, capital on the basis of risk and Information disclosure to ensure the safety of insurance businesses;*
- 4) *Insurance businesses have more investment options, and able to invest abroad;*
- 5) *Encourage the application of technology in operation and development.*

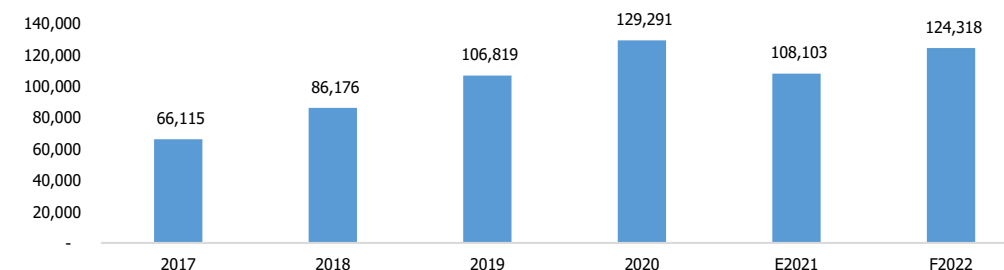
• **Insurance premium per capita will continue to increase in 2022:** The Covid-19 pandemic will have a two-way impact on the insurance business results in 2021. While life insurance industry with the participation of foreign insurance companies recorded positive growth in revenue, the growth of non-life insurance revenue was relatively quite low due to the stagnation of production and business activities. We believe that in 2022, non-life business activities will grow strongly in the context of production and business activities recovering. We forecast non-life insurance revenue growth at approximately 12% in 2022.

Insurance premium revenue 2019 – 6M2021

Unit: VND Billion



Non-life insurance premium revenue 2017 – 2022F



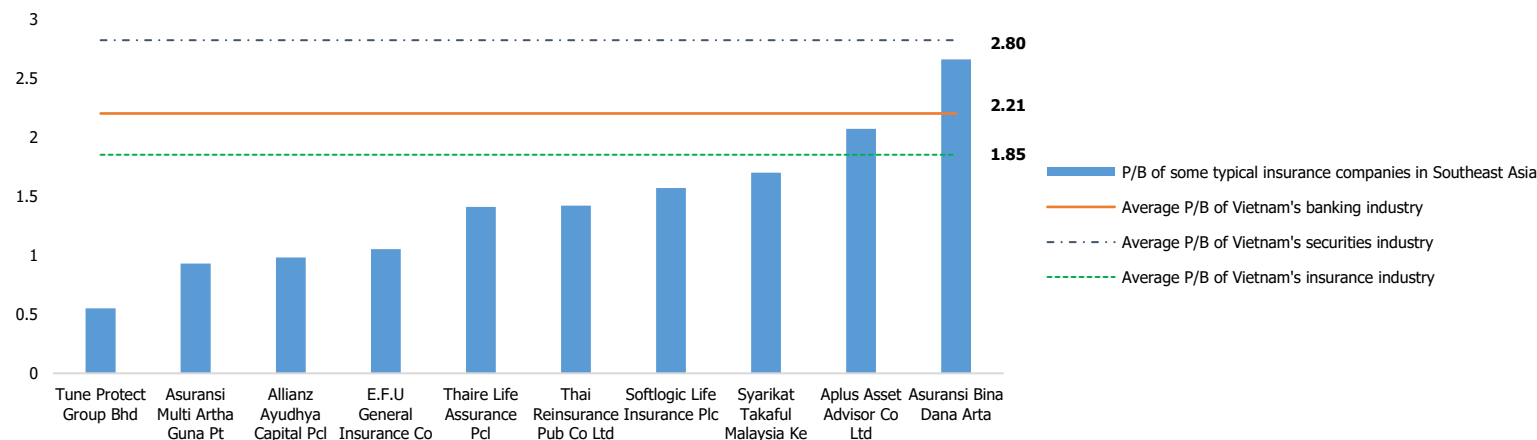
Source: Insurance Supervision Administration, PSI Research

INSURANCE

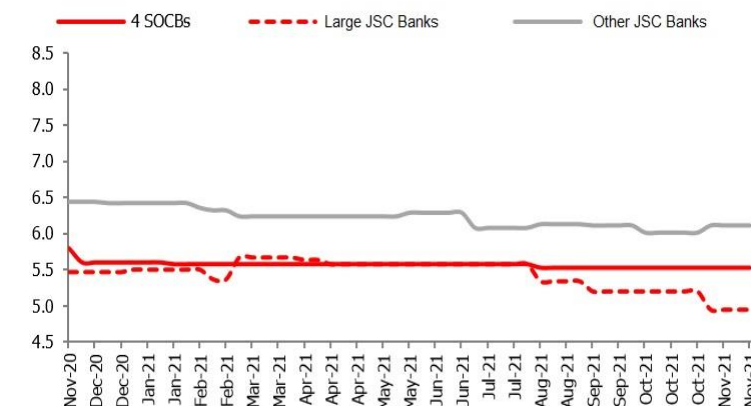
HIDDEN GEMS

- **Rising interest rates to improve investment revenue:** At the latest meeting in December, FED's announced that it would accelerate the reduction of the asset purchase program will end in March 2022. Thereby, Fed will start raising interest rates 2-3 times in 2022. In the above trend, we believe that the interest rate level in Vietnam will start to increase slightly from the end of Q1/2022 – thereby raising average rate of about 0.5 – 0.75% compared to the average in 2021, leading to insurance businesses benefiting from improved revenue from investment activities.
- **Attractive price level:** In general, the price level of insurance stocks is quite attractive compared to the regional market as well as other companies in the industry. We also expect the divestment activities of domestic insurance companies to help boost insurance stocks in 2022.

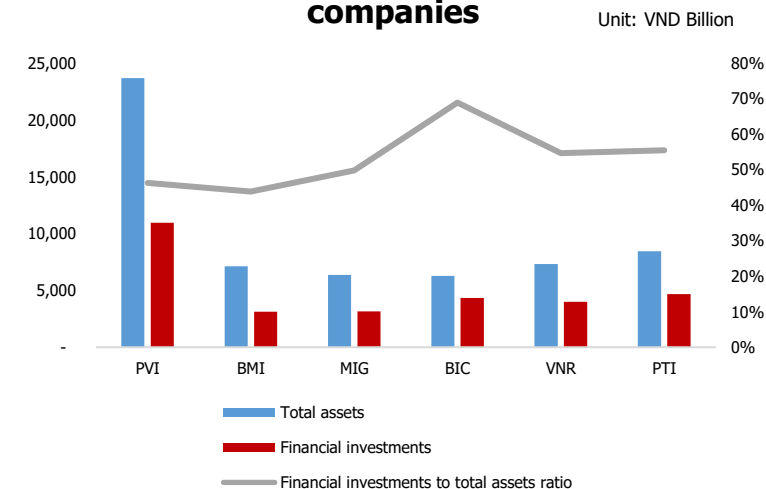
PB of insurance businesses relative to banking & securities industry



12 Months Interest rate



Investments value of insurance companies



PVI JSC (PVI)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

PSI rating	BUY
Target price	60,000
Close price 15/12	50,400
Upside	19.04%

Information	
Industry	Insurance
Stock exchange	HNX
Highest/lowest price 52 weeks	53,900/27,800
Market capitalization (VND Billion)	11,290
Number of share outstanding (million share)	234
Average trading volume in 52w (share)	195,419

Analyst:

Nguyen Viet Dung

Catalysts

- **PVI is a leading Financial - Insurance Institution in Vietnam.** Member companies such as General Insurance Corporation continue to lead non-life insurance activities, PVI RE is one of only two reinsurers in Vietnam and PVI AM is one of five management companies with the largest trust and investment advisory fund in the market with total assets of nearly 10,000 billion VND.
- **Stable dividend:** PVI maintains a fairly stable cash dividend policy with payments over 20% in cash. With positive business results, PVI is expected to pay a dividend higher than 24% of the plan assigned in the General Meeting of Shareholders.
- **Industry insurance revenue is expected to increase strongly in 2022.** In the context of recovering oil prices and being in the uptrend, we estimate that industrial insurance revenue from investment, exploration, exploitation and installation of offshore rigs will increase strongly in 2022. We expect premium growth rate of PVI will reach about 12-15% in 2022 and the combined ratio will remain stable at 90%.

	2019	2020	T12M	2021F	2022F
Net sales (VND Billion)	5,911	4,776	4,961	5,254	5,779
Gross profit (VND Billion)	750	919	1,048	974	1,033
Gross profit margin (%)	12.68%	19.23%	21.15%	18.54%	17.87%
NPAT (VND Billion)	702	849	1,011	896	950
Net profit margin (%)	11.87%	17.77%	20.42%	18.84%	19.97%
EPS (VND)	2,851	3,572	3,530	3,825	4,056
ROE (%)	9.27%	11.22%	13.35%	11.89%	12.61%
P/E (x)	10.80	8.90	10.05	11.02	11.91

SECURITIES

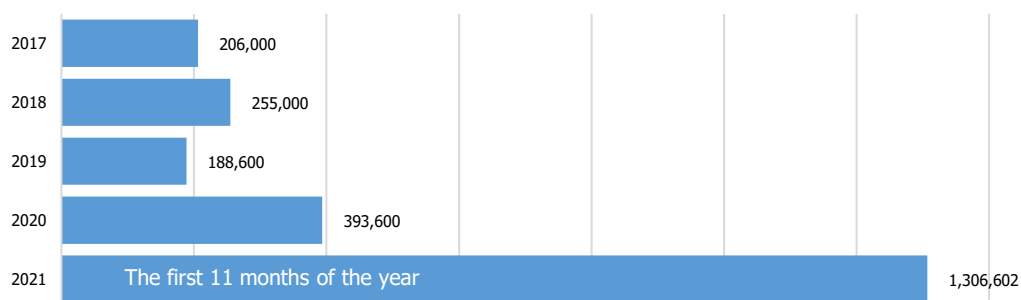
THE PORCH RISES TO NEW LEVELS



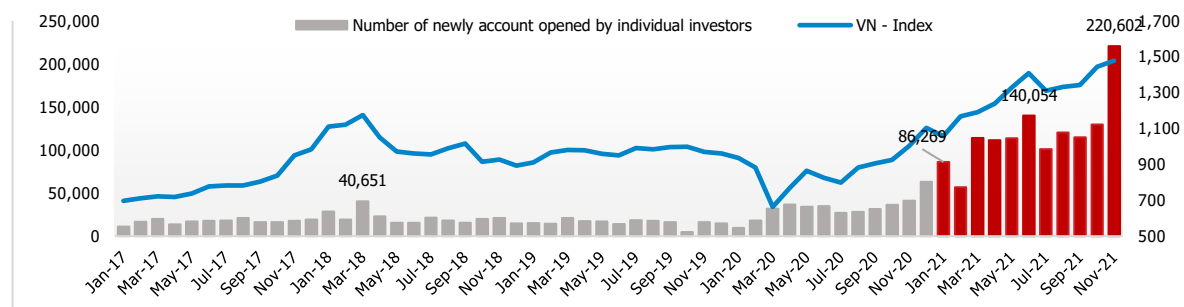
CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

- **The stock market is a popular investing option.** The fourth outbreak of the Covid-19 epidemic in 2021 has had a significant economic impact, as seen by a 6.2 percent drop in GDP in the third quarter of 2021, the largest drop since Vietnam calculated and announced quarterly GDP. In contrast to the above difficult context, the securities industry made great strides during the year, especially on November 25, when the VN-Index surpassed 1,500 points, closing the session officially at 1,500.81 points, increased by more than 33.94% compared to the beginning of the year.
- **Individual investors are becoming more important.** Individual investors registered approximately 1.3 million new accounts in the first 11 months of 2021, a surge of more than 3.3 times the number of new accounts registered in the entire year of 2020, and more than the total number of accounts that have been activated for all four years of 2017 to 2020. More than 4 million securities accounts exist in Vietnam, accounting for roughly 4% of the population. According to the China Securities Depository and Settlement, new investors climbed by 18.02 million to 177.77 million in 2020, accounting for 12.7 percent of China's population. Meanwhile, in 2021, this percentage will be 20%, with 74% in Korea, 80% in Taiwan, and 7% in Thailand. In comparison to other Asian nations, the Vietnamese stock market still has room to boost the number of new consumers.

Number of newly created securities accounts by domestic investors



Number of newly account opened by domestic individual investors

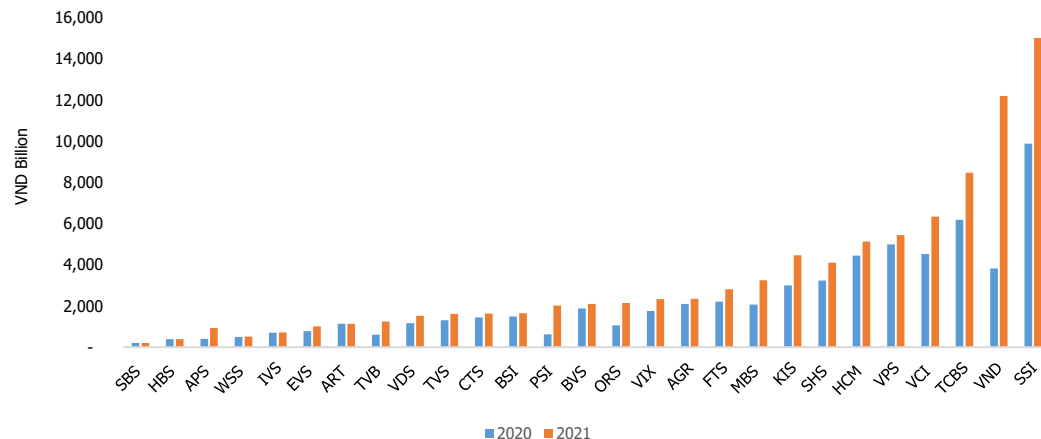


SECURITIES

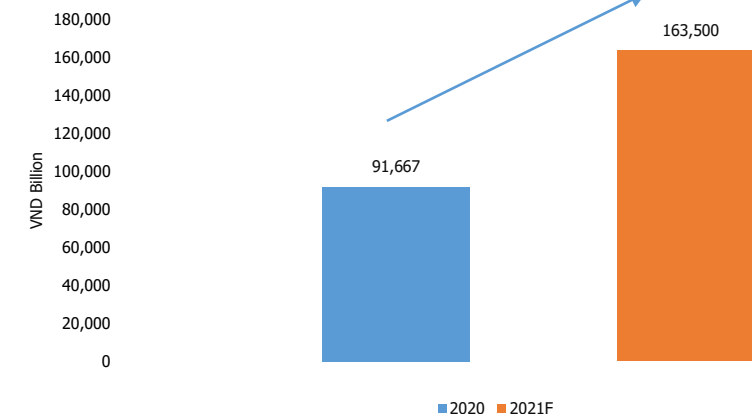
THE PORCH RISES TO NEW LEVELS

- ✓ **The demand for investment is increasing.** Vietnam is currently undergoing a phase of middle class formation, with a forecasted population of 23.2 million people by 2030, placing it seventh among nine countries with the fastest increasing middle class population in the decade. As a result, the demand for investment is expanding. The Government's goal, according to Resolution No. 31/2021/QH15, is for the number of investors to reach 5% of the population by 2025 and 8% by 2030.
- ✓ **There is still plenty of room to enhance margin loans.** According to data from over 60 securities firms, the outstanding balance of margin loans reached nearly VND 154,000 billion by the end of the third quarter of 2021, a 68 percent rise over the same period last year and a new high. In addition, two companies, SSI and VND, aim to raise capital by VND 5,152 billion and VND 4,350 billion, respectively. As a result, the margin loan balance is estimated to reach over VND 163,500 billion in 2021, representing a 78.36% increase over 2020.
- ✓ **Industry Risks:** The securities companies' biggest risk is diminishing profit margins for core activities, such as loans and securities brokerage, as a result of fierce rivalry amongst competitors. Furthermore, rising inflation, interest rates, and declining stock prices can all lead to a reduction in market liquidity and profitability.

Equity of securities companies



Outstanding margin loans of securities companies



RETAIL AND COMSUMER GOODS

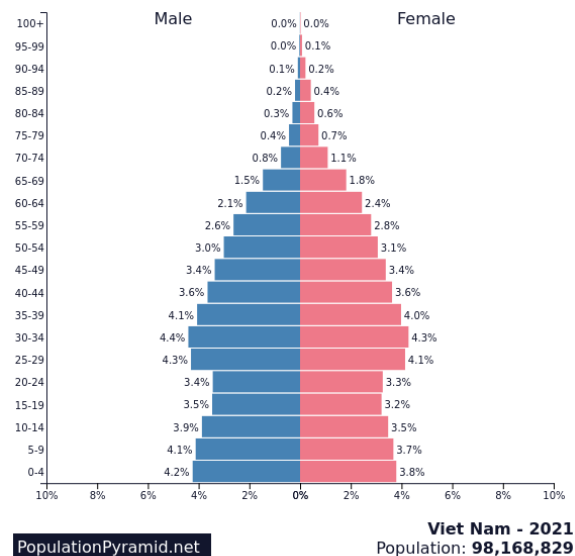
FAST GROWTH DUE TO GEOGRAPHIC FACTORS

Geography is the key driver

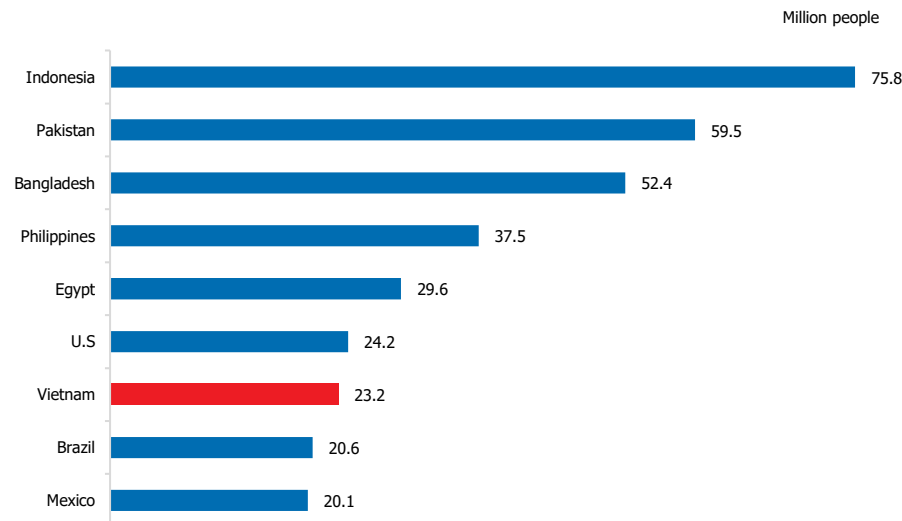
Vietnam is the 15th most populous country in the world with about 66% of the population of working age. Thanks to this force, the economy developed rapidly, per capita income grew by 7.8% in the period 2010-2020. Furthermore, The National Assembly's five-year development plan for the 2021-2025 period aims to raise per capita income to \$4,500 by 2025, equivalent to a compound growth rate of 11.1% per year for the whole period.

Data from World Data Lab shows that Vietnam ranks 7th in top 9 countries that have fastest growth in middle class population in the world to 2030. The young population combined with the rapid growth of the middle class population give Vietnam's retail industry bright prospects in the long run.

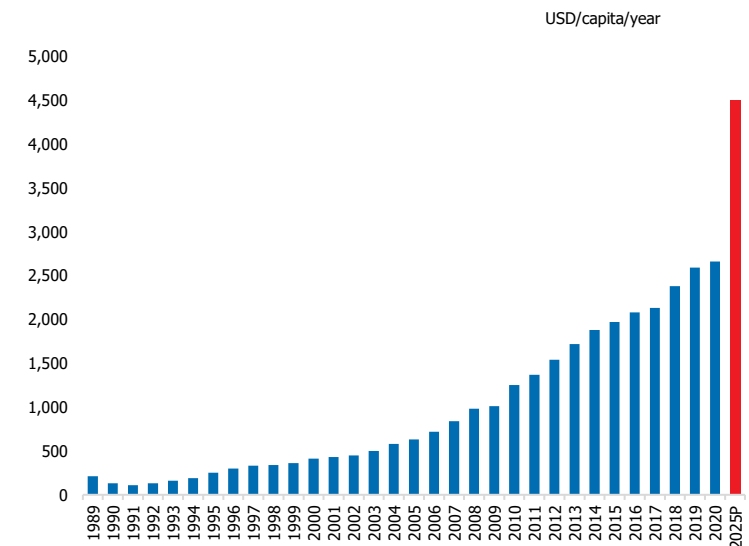
Vietnam population pyramid



Countries with fastest growth in middle class population to 2030



Per capital income of Vietnam



Source: Population pyramid, World Data Lab, WB, PSI Research

RETAIL AND CONSUMER GOODS

FAST GROWTH DUE TO GEOGRAPHIC FACTORS

Retail in 2022 is about to rise from the ashes after 2 consecutive years of being hit by 4 waves of Covid-19.

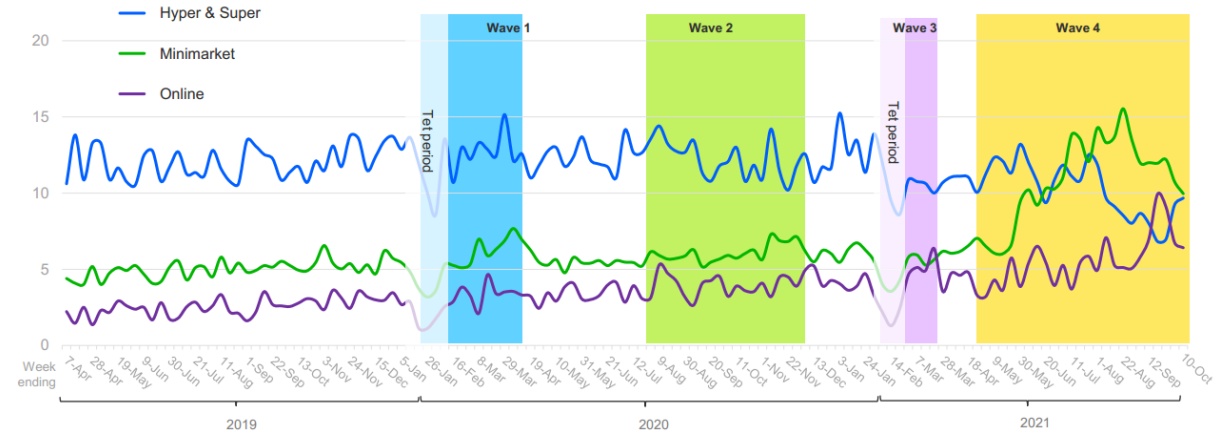
The sectors that we rate as fast recovering from the pandemic are food and beverage, fashion, and personal care products. Meanwhile, luxury goods such as jewelry and watches will recover slowly because the jobs and incomes of the majority of people negatively affected by Covid-19 are unable to recover to the pre-pandemic level instantly.

Shift in consumers' behaviors

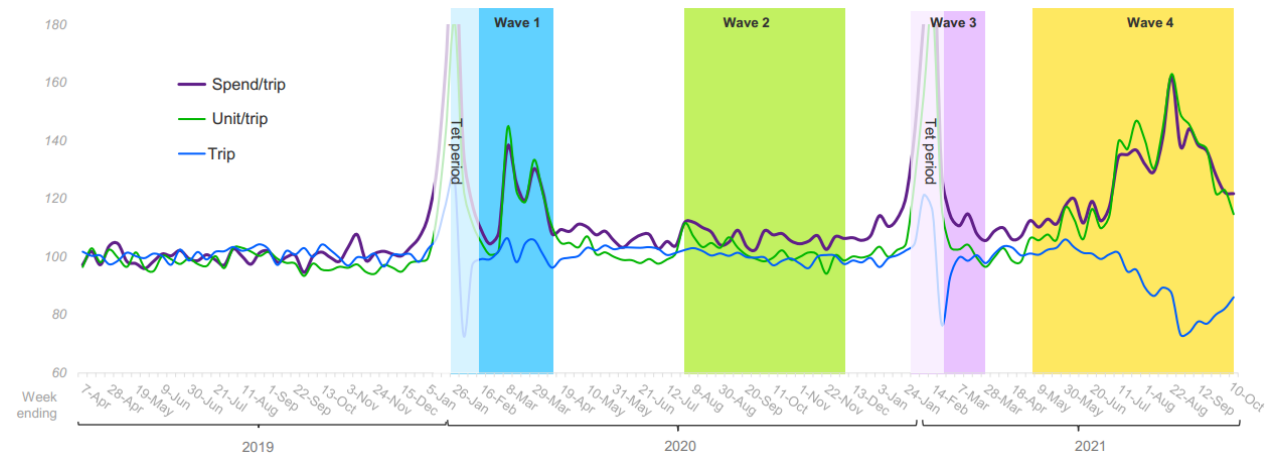
Accordingly, online shopping continues to be the strongest growth channel after consumers have formed this habit during 2 years of the pandemic and many businesses have also built digital platforms to easily reach customers with lower costs.

Consumers also tend to splurge on premium products more often due to increased incomes and more health-conscious attitudes after the pandemic.

Value share by channel – Weekly FMCG spending (Urban 4 key cities)



Index vs pre-covid week (average week of April 2019) – Weekly FMCG performance across key measures (Urban 4 key cities)



Source: Kantar Worldpanel

MASAN GROUP CORPORATION (MSN)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

PSI rating	BUY
Target price	197,000
Close price 15/12	161,000
Upside	22.36%

Information	
Industry	Multiple sectors (Food)
Stock exchange	HOSE
Highest/lowest price 52 weeks	157,500/81,338
Market capitalization (VND Billion)	190,066
Number of share outstanding (million share)	1,181
Average trading volume in 52w (share)	1,635,816

Analyst:

Vu Thi Ngoc Le

Catalysts

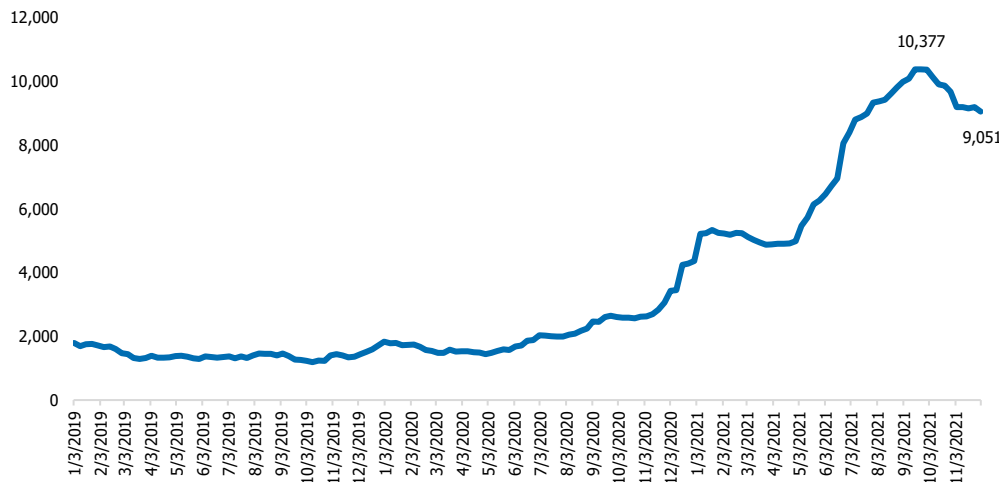
- **Retail sales of consumer goods swiftly recover:** The pandemic is under control, causing consumers' suppressed demand during the lockdown period bursts out. Consumer goods will see substantial sales growth. According to our forecast, MSN, which benefits from top-of-mind brands, will have a robust comeback in 2022, particularly in premium segment.
- **The performance of the Vinmart and Vinmart+ chains has steadily improved:** WCM's EBITDA margin at the end of the third quarter of 2021 was 5.5 percent, up from 2.1% in the first half of 2021 and -4% in 2020. Initiatives to boost MSN LFL/m2 such as modifying the shop layout, focusing on the fresh product category, integrating with Phuc Long kiosks, and so on are having a beneficial impact.
- **Sustained high raw material prices underpin mining margins:** We project mining EBITDA margins to reach about 28% in 2022, owing to increasing demand for MHT's products in the context of tungsten being stockpiled by automakers and higher copper demand globally due to the green shift.

	2019	2020	T12M	2021F	2022F
Net sales (VND Billion)	37,354	77,218	86,401	97,335	101,942
Gross profit (VND Billion)	10,941	17,889	20,472	22,874	23,320
Gross profit margin (%)	29.29%	23.17%	23.69%	23.5%	26.8%
NPAT (VND Billion)	6,365	1,395	3,566	4,813	6,108
Net profit margin (%)	17.04%	1.81%	4.13%	4.94%	5.99%
EPS (VND)	4,776	1,054	2,031	4,077	5,148
ROE (%)	12.27%	5.57%	11.02%	14.07%	16.62%
P/E (x)	11.83	83.62	70.21	33.87	38.26

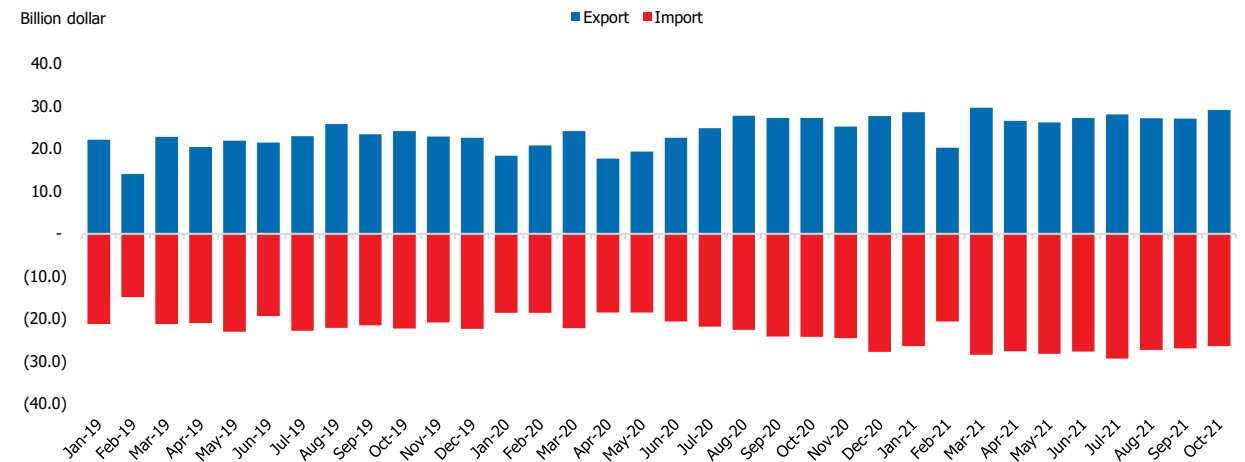
Seaport and warehouse businesses are incapable of maintaining high profit margins and freight charges after the pandemic

The world container index fell 12.7% from the peak in September, indicate the stable flow of goods, reducing the pressure on transportation costs. Faster movement of goods will cause warehouses at the port to no longer operate at maximum capacity and for that reason warehouse rents will likely be adjusted down. The silver lining for seaport businesses is that the world is entering the “new normal” and the international trade is recovering. The volume of goods through the port, especially for export, is expected grow rapidly after a long time when Exporters have to close down and operate at low capacity, causing orders to be pent-up. We believe that the revenue of seaports and warehouses will be offset by the increased volume of goods through the port, but profit margins will be affected by the inability to maintain high fees.

World container index



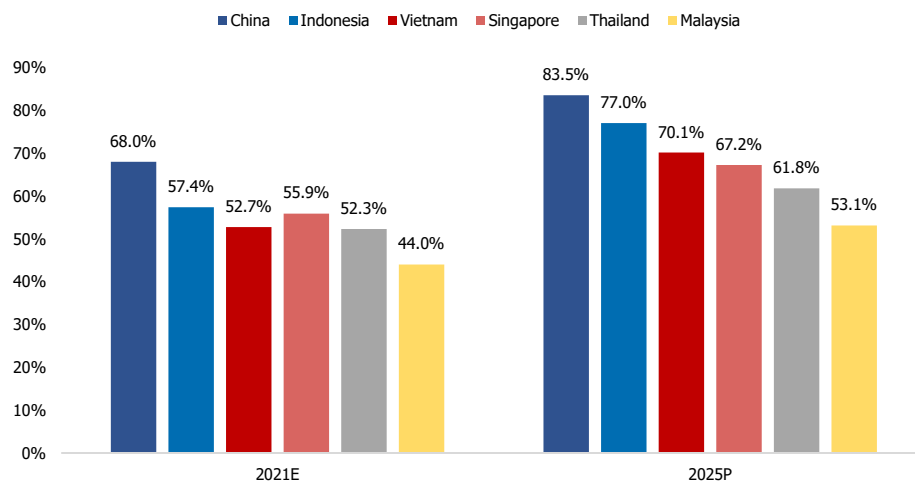
Export-Import turnover



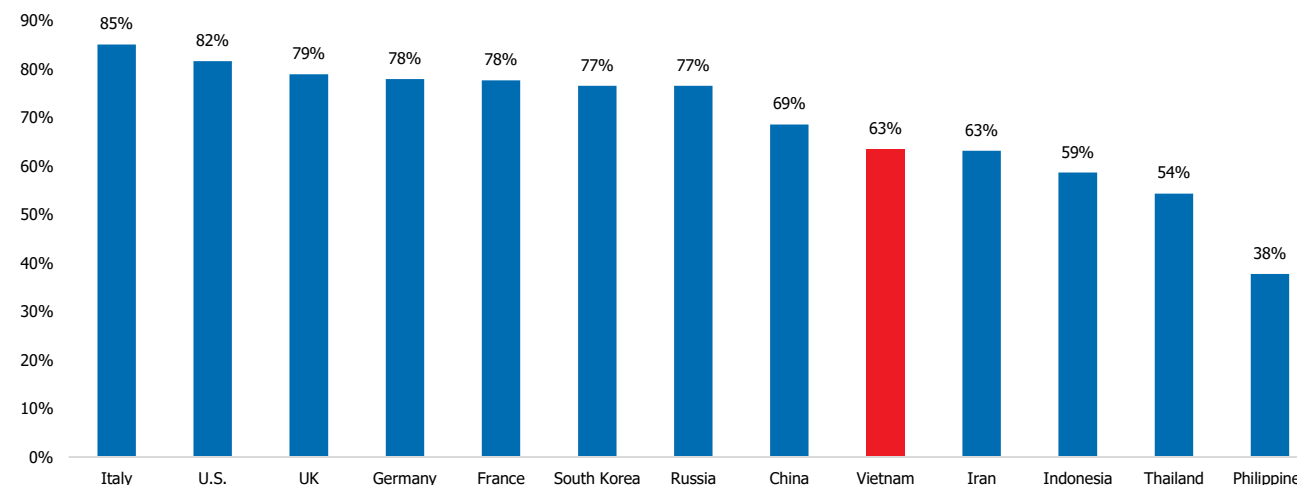
Last-mile delivery is rapidly expanding as a result of the e-commerce boom.

Google Temasek's "e-Economy SEA 2021" report forecasts that Vietnam will quickly rise to become the second largest e-commerce market in the region with a projected market size of \$39 billion by 2025, equivalent to the CAGR of 35% in the period of 2020-2025. The penetration rate of e-commerce in Vietnam is currently around 52.7% and is forecasted to increase to 70.1% by 2025 according to Statista's e-commerce report. The young population, along with the top rate of smart device use in the world, has resulted in a surge in e-commerce in Vietnam, generating fertile ground for last-mile delivery services. We highly appreciate the growth prospects of last-mile delivery businesses when shopping preferences shift, especially post pandemic.

E-commerce penetration rate



Smartphone penetration rate 2020



VIETTEL POST JOINT STOCK CORPORATION (VTP)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

PSI rating	BUY
Target price	90,200
Close price 15/12	74,800
Upside	20.59%

Information	
Industry	Logistics
Stock exchange	HOSE
Highest/lowest price 52 weeks	92,000/63,400
Market capitalization (VND Billion)	7,746
Number of share outstanding (million share)	103.558
Average trading volume in 52w (shares)	221,978

Analyst:

Vu Thi Ngoc Le

Catalysts

- **Revenue from last-mile delivery service expands along with the surge of e-Commerce:** The tremendous expansion of e-Commerce generates fertile ground for delivery firms like Viettel Post. We consider VTP a formidable opponent in the rivalry of e-commerce delivery, with the advantage of owning the top two market share, a self-contained ecosystem and network coverage throughout all provinces.
- **Technology to shorten delivery time:** Viettel Post has put into operation 2 automatic sorting lines with the largest capacity compared to other competitors, helping to improve timeliness, creating a great competitive advantage in the industry since timeliness is one of the most important factors for choosing a carrier when the freight rates of the competitors have almost no significant difference.
- **Expecting gross profit margin to recover after the pandemic:** We expect VTP's service gross margin to recover to 10.5% as the corporation reduces generating costs of post offices closure and Covid test for staffs compared to the time of the epidemic.

	2019	2020	T12M	2021F	2022F
Net sales (VND Billion)	7,812	17,234	21,010	20,189	23,740
Gross profit (VND Billion)	775	699	611	755	1,056
Gross profit margin (%)	9.92%	4.06%	2.91%	3.74%	4.45%
NPAT (VND Billion)	380	383	324	396	569
Net profit margin (%)	4.86%	2.22%	1.54%	1.96%	2.40%
EPS (VND)	4,084	4,060	3,320	3,821	4,577
ROE (%)	39.27%	35.19%	25.17%	29.94%	34.99%
P/E (x)	20.28	26.72	24.49	19.83	19.71

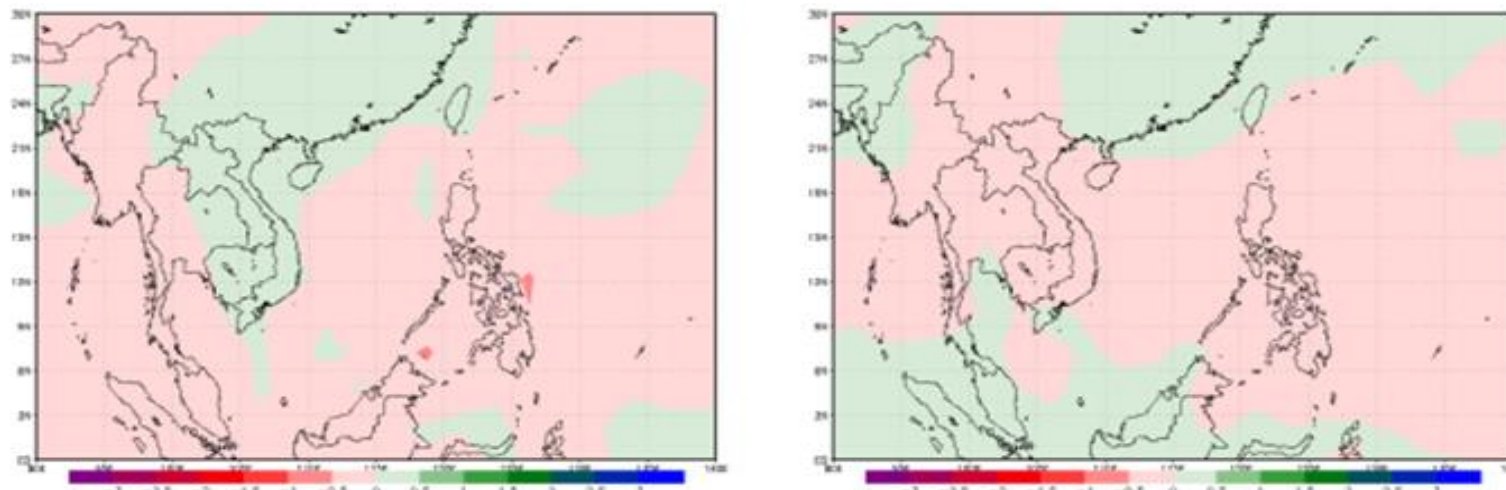
POWER

THERMAL POWER WIN THE PRIORITY

Electricity production in 2022 is forecasted to grow by 12% compared to 2021, owing to the economy's rebound and the expectation that the pandemic will be controlled by other measures beyond social distancing. The average electricity purchase price in 2022 will also increase as the proportion of thermal power and renewable energy output in the system will enlarge while hydropower will be less active when the climate is no longer considerably favorable.

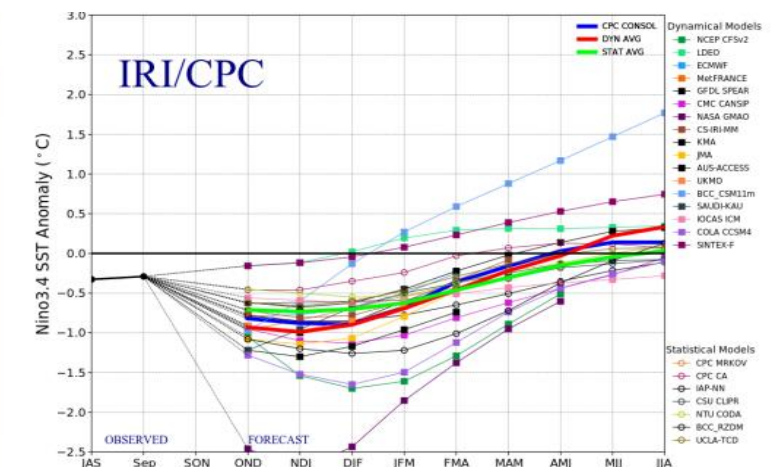
Hydropower no longer benefit from La Nina

According to forecasting models revised on October 19, 2021 by the International Institute for Climate and Social Research (IRI), the La Nina phenomena would last until the end of the first quarter of 2022, after which the climate will bounce back to neutral state. The National Centre for Hydro-meteorological Forecasting's outlook also indicates that the average rainfall across the nation would be lower than usual in the later part of the dry season (April-June). Furthermore, hydropower reservoirs on Da River terrace are expected to lack water during the dry season in early 2022, raising concerns about power shortages in Northern area.



Rainfall standard deviation (mm/day) Jan-Feb-Mar 2022 (left), Apr-May-Jun 2022 (right)

ENSO forecast models



Source: NCHMF, NOAA

POWER

THERMAL POWER WIN THE PRIORITY



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

Thermoelectricity soon to be recovered

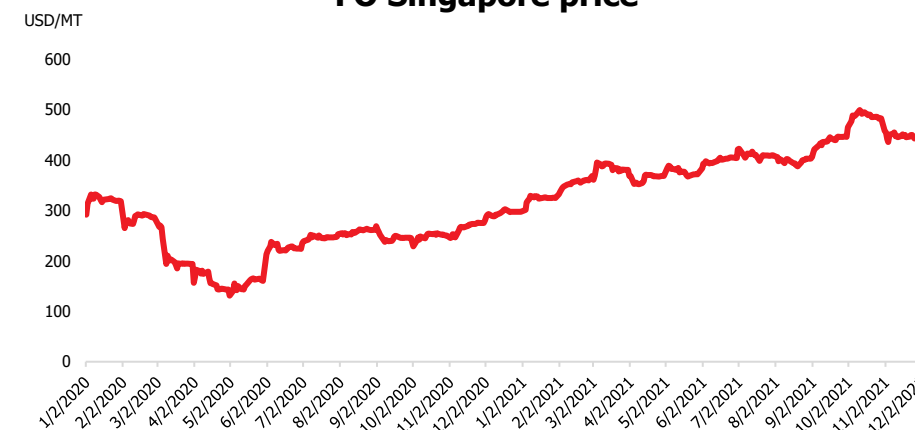
The climate gradually returns to neutral, and El Nino aids in a substantial recovery of thermal power in 2022. Thermal power plants, in our perception, will bounce back at a rapid pace due to their stability and efficiency. As a result, thermal power plants will expect optimistic financial results next year, particularly coal-fired power plants, as coal prices plummeted after a period of surge.

The gas supply for gas power plants will be augmented in 2022 by the operation of the Thi Vai LNG Terminal; nevertheless, the implementation of gas sources will raise input prices, impacting generators' gross profit margins.

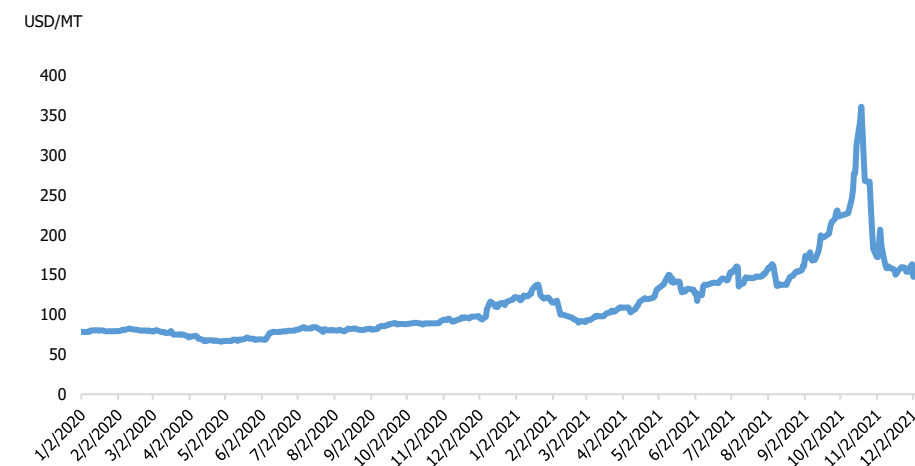
Renewable energy development slows down after exploding cycle

The policies designed to support the growth of renewable energy, most notably the FIT pricing mechanism, have expired, and the timetable for issuing new price mechanisms has not been specified, leaving investors uninterested in the development of renewable energy projects. We believe that renewable energy will continue to expand their share of total electricity generation; however, the development of new sources will be restrained until further guidelines are enacted.

FO Singapore price



Thermal coal price



Source: Bloomberg

PETROVIETNAM POWER CORPORATION (POW)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

PSI rating	BUY
Target price	22,500
Close price 15/12	16,100
Upside	39.75%

Information	
Industry	Utilities
Stock exchange	HOSE
Highest/lowest price 52 weeks	16,250/9,900
Market capitalization (VND Billion)	37,704
Number of share outstanding (million share)	2,341.87
Average trading volume in 52w (shares)	14,293,040

Analyst:

Vu Thi Ngoc Le

Catalysts

- **Thermal plants are expected to increase their contribution in total national electric supply.** POW's Qc 2022 is estimated to rise by 35% as a result of hydro power plants slowdown since climate conditions are no longer beneficial. Combined with the overall bright future of energy industry, we anticipate that POW's total production would reach 14.9 billion kWh in 2022, up 4.1 percent from 2021, despite the fact that Vung Ang 1 Power Plant will only operate with one unit in the first half of 2022.
- **Promising long-term prospects considering LNG plants in the future:** Nhon Trach 3&4 plants are being actively implemented and assumed to be accomplished on schedule and placed into operation from 2024, producing an annual power generation of roughly 9 billion kWh, a 40% increase over the existing average.
- **POW is a prominent gas-fired plant developer:** With a current gas electricity market share of over 38%, POW is Vietnam's largest gas power generator. POW's leading position and experience in operating gas-fired power plants make it the top-of-mind for developing the next gas-fired power projects, opening up a lot of potential for future growth.

	2019	2020	T12M	2021F	2022F
Net sales (VND Billion)	35,376	29,732	28,873	24,110	24,373
Gross profit (VND Billion)	5,143	4,580	4,589	3,551	3,586
Gross profit margin (%)	14.54%	15.40%	15.89%	14.73%	14.71%
NPAT (VND Billion)	2,880	2,663	3,065	1,978	1,604
Net profit margin (%)	8.14%	8.96%	10.62%	8.20%	6.58%
EPS (VND)	1,027	999	1,178	750	608
ROE (%)	10.14%	8.76%	9.37%	6.16%	4.55%
P/E (x)	11.15	13.61	10.14	20.67	37.01

QUANG NINH THERMAL POWER JSC (QTP)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

PSI rating	BUY
Target price	21,450
Close price 15/12	17,100
Upside	25.44%

Information	
Industry	Utilities
Stock exchange	HOSE
Highest/lowest price 52 weeks	18,200/10,800
Market capitalization (VND Billion)	7,695
Number of share outstanding (million share)	450
Average trading volume in 52w (shares)	1,282,222

Analyst:

Vu Thi Ngoc Le

Catalysts

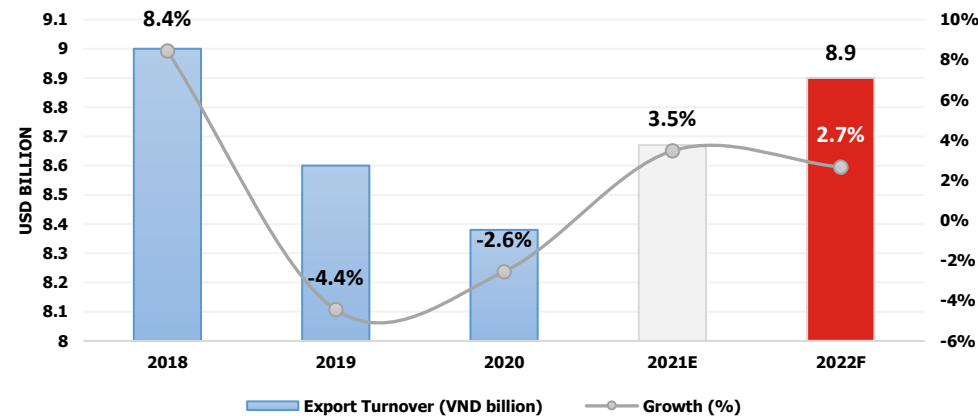
- **Electricity demand in the North increase after the pandemic while hydroelectric power plants in the region lack water:** There have been no severe floods in the Red River-Thai Binh basin in the last ten months, and the water levels in critical, huge reservoirs in the north are at very low levels. Hydropower plants will struggle to achieve multi-purposes, thus thermal power will be reassigned the majority of Northern area electricity supply. We believe that the Quang Ninh Thermal Power Plant will benefit considerably from its location in the North's dynamic economic development quadrangle, including QN-HP-BG-HN.
- **Improved business results thanks to reduction in financial costs and depreciation:** By extending the depreciation period for machinery and equipment from 10 to 15 years, the company may achieve larger annual profits. Furthermore, the rapid decrease in debt helps businesses reduce the burden of interest expenses and exchange rate differences since the company's loans in foreign currency is about to settled.
- **Regular and appealing cash dividends:** QTP's dividend payout is based on stable company operations and consistent cash flow. We estimate that with interest costs reduced, QTP will be able to pay regular and attractive dividends of roughly 10% - 15% of par value, equating to a dividend yield of about 5.87% -8.82%.

	2019	2020	T12M	2021F	2022F
Net sales (VND Billion)	10,127	9,182	8,108	8,482	9,754
Gross profit (VND Billion)	1,271	1,834	1,587	784	1,223
Gross profit margin (%)	12.55%	19.97%	19.57%	9.24%	12.54%
NPAT (VND Billion)	651	1,306	1,201	597	1,032
Net profit margin (%)	6.43%	14.22%	14.81%	7.04%	10.58%
EPS (VND)	1,398	2,901	2,670	1,328	2,293
ROE (%)	14.45%	23.78%	20.05%	9.65%	15.76%
P/E (x)	8.15	4.07	6.29	12.95	9.35

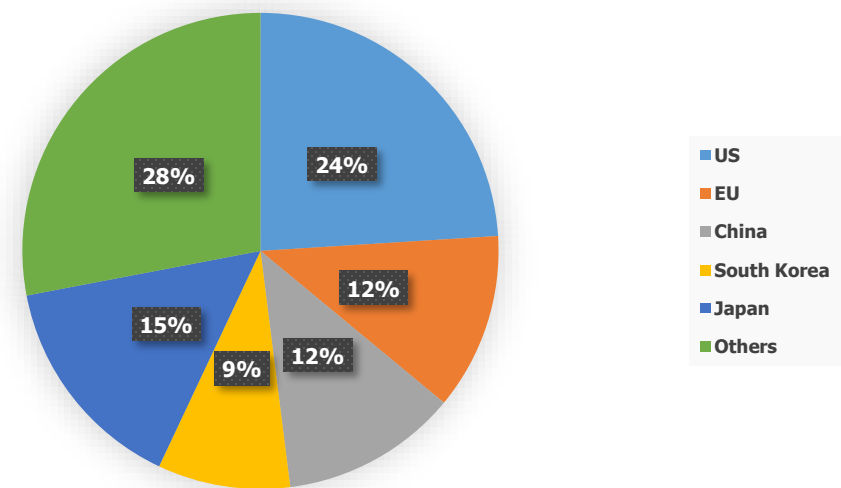
SEAFOOD PROCESSING

OVERCOMING OBSTACLES - WELCOME OPPORTUNITIES

Seafood export turnover



Seafoods export market share 11M.2021



Source: GSO, VASEP

In 2022, the value of seafood exports will continue to rise.

- **Vietnam's seafood exports turnover is expected to reach \$8.67 billion in 2021, up 3.5% YoY** despite supply chain interruptions from the outbreaks of Covid-19 pandemic causing most seafood businesses operated at less than 50% of their capacity from July 2021 to November 2021.
- **When many nations and regions continue to apply new import control rules in early 2022 due to the possibility of a new strain of Covid-19, the scenario for seafood export remains problematic:** (From January 1st, 2022, China will implement Regulations 248, 249 on imported agricultural products: Agricultural products must be 100% scanned at the border gate before customs clearance), but there will still be plenty of opportunities, with value of seafood exports is expected to increase by 2.7 percent, reaching \$8.9 billion, mainly due to:

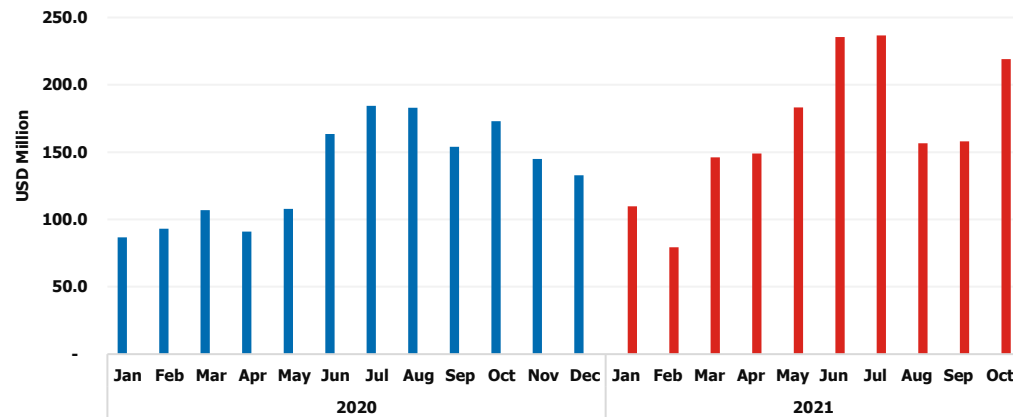
- 1) Exportation is promoted upon** (a) Trade activities are opened at border gates thanks to loosened epidemic control measures; (b) Sea freight rates continue to decrease.

SEAFOOD PROCESSING

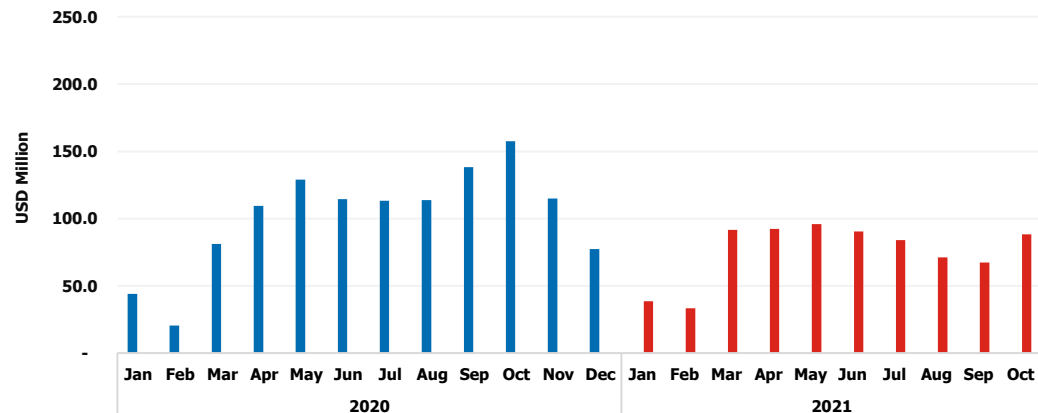
OVERCOMING OBSTACLES - WELCOME OPPORTUNITIES

Seafood export turnover of the US and the Chinese market is expected to recover in 2022

US



China



Source: GSO, VASEP

2) Trade agreements' tax incentives will continue to be a driving force behind seafood exports:

Due to negotiated trade agreements such as EVFTA, CTPPP, and UKVFTA, Vietnam's seafood exports continue to rise. Seafood business, in particular, is one of the industries with sub-sectors to be benefited from the EVFTA as of August 1, 2020, and for the first four years.

3) There is still room to expand the market to areas such as Canada, Mexico...

According to VASEP, Canada's seafood import demand increases by 7%/year. The total value of Vietnam's exports to this market is only about 250 million USD, while Vietnam's products have confirmed their position in Canada, including frozen shrimp and processed shrimp, accounting for about 30% of the Canadian market, basa fish and tuna (yellowfin and bigeye) account for about 80% of the Canadian market.

4) The key product to promote Vietnam's seafood exports in 2022 will be pangasius

(thanks to its leading position in major export markets and the average market selling price of pangasius continues to increase) along with shrimp products (taking advantage of the difficulty from Covid-19 in the main competitors such as Indonesia, India... to increase Vietnamese businesses' market share in the US market - where consumption demand grew rapidly after the pandemic).

VINH HOAN CORPORATION (VHC)

PSI rating	BUY
Target price	87,850
Close price 15/12	63,000
Upside	39.40%

Information	
Industry	Fisheries
Stock exchange	HOSE
Highest/lowest price 52 weeks	67,400/35,300
Market capitalization (VND Billion)	11,753
Number of share outstanding (million share)	181,95
Average trading volume in 52w (share)	1,548,832

Analyst:

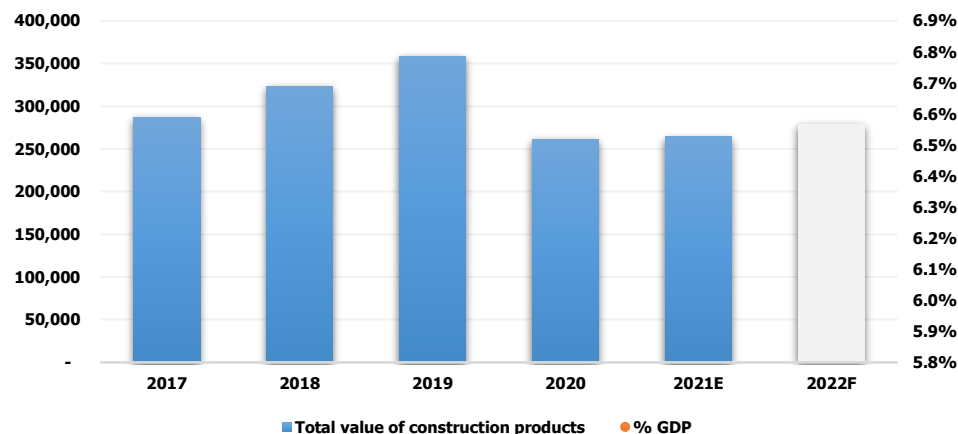
Pham Hoang

Catalysts

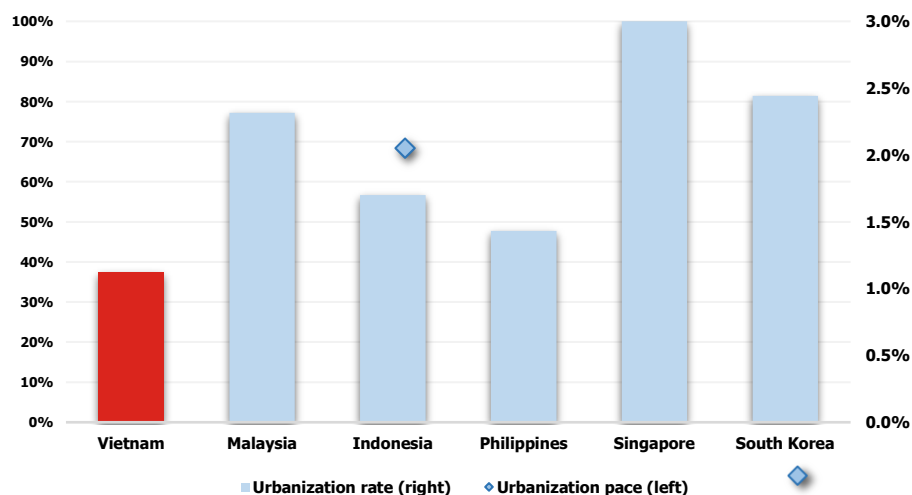
- **VHC maintains its top position in the pangasius export segment** - particularly in the US market - which has seen VHC and Vietnam export the most seafood since the beginning of the year.
- **After a downturn in 2021, VHC's Collagen & Gelatin (C&G) sector is predicted to resume significant growth.** C&G's revenue is expected to increase by 64% YoY in 2022, reaching over 1.1 trillion VND, thanks to rising demand for beauty, health, and lifestyle products.
- **VHC's largest export market experienced favorable development, particularly in the United States**, which has seen an uptick in consumer statistics since the economy reopened. We forecast that the selling price of pangasius would fast rise to USD 4.2/kg in 2022, up 37% from the average selling price in this market in 2021.
- **Increasing the amount of FOB contracts**, owing to VHC's bargaining capacity as well as its global position in the pangasius export industry, particularly in light of the fact that sea freight prices remain high.

	2019	2020	T12M	2021F	2022F
Net sales (VND Billion)	7,867	7,037	8,305	8,806	9,502
Gross profit (VND Billion)	1,533	1,015	1,353	1,588	1,805
Gross profit margin (%)	19.49%	14.42%	16.30%	18.03%	19.00%
NPAT (VND Billion)	1,179	719	817	986	1,233
Net profit margin (%)	14.99%	10.22%	9.83%	11.20%	12.98%
EPS (VND)	12,559	3,953	4,475	5,406	7,028
ROE (%)	26.10%	14.30%	14.70%	15.20%	18.60%
P/E (x)	3.16	10.47	14.37	11.65	12.50

**Total value of construction products
(VND billion)**



Urbanization rate and speed of some countries



Source: WB, GSO, PSI Research

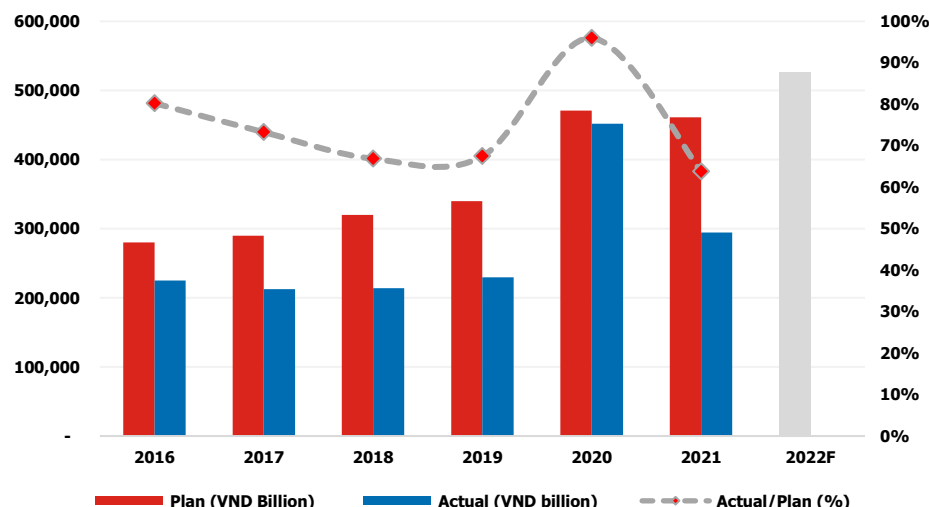
Accelerated demand for residential estate propels civil construction growth:

- **We forecast a 6.5% increase in construction product value in 2022.** The total value of construction products is still estimated at VND 264 trillion in 2021, up 2.5% YoY, despite the epidemic and prolonged social distancing measures. We expect the construction industry to grow better in 2022 when (1) the economy recovers and demand for affordable accommodation remains strong (2) infrastructure construction is promoted with public investment.
- **In 2022, the urbanization rate will reach 42%, and in 2030, it will reach 50%, with a national average housing area of 25.5 m²/person.** The construction industry in Vietnam has a lot of potential due to a low urbanization rate (only 40.4%) and the quickest urbanization pace in the region (2.83% in 2020).
- **In the affordable condo market, there is still a lot of demand:** The demand for civil construction in Hanoi and Ho Chi Minh City remains significant, with typical population growth rates of around 2.2 percent in both cities. Furthermore, there is an imbalance in product structure; particularly, Ho Chi Minh City market has entirely lost its supply of accessible goods.

CONSTRUCTION

WELCOME A NEW CYCLE

Disbursement of Public investment



	Total Investment (VND Billion)	Distance (km)
Cần Thơ - Hậu Giang	9,768	37
Hậu Giang - Cà Mau	17,485	72
Bãi Vọt - Hàm Nghi	7,588	36
Hàm Nghi - Vũng Áng	10,707	54
Vũng Áng - Bùng	11,785	58
Bùng - Vạn Ninh	10,526	51
Vạn Ninh - Cam Lộ	10,591	68
Quảng Ngãi - Hoài Nhơn	20,898	88
Hoài Nhơn - Quy Nhơn	12,544	69
Quy Nhơn - Chí Thạnh	12,298	62
Chí Thạnh - Vân Phong	10,601	51
Vân Phong - Nha Trang	12,906	83
Total	146,990	729

Infrastructure construction will continue to fuel construction prospects in 2022:

- **Capital for public investment is expected to increase by 10% to VND 526 trillion in 2022.** In 2021, social distancing caused disruption to transportation of materials, boost of input materials' price and equipment for deployment in the first 11 months of the year, disbursement progress for public investment was only approximately 64% of the government's plan.
- **The progress and efficiency with which public investment cash is disbursed in 2022 will be used to evaluate the leadership:** The criteria to assess, evaluate, and rank the level of work fulfillment of the head include ministries, central agencies, and local governments is to disburse 90% of the given plan at minimum.
- **The Ministry of Transportation has proposed public investment in 12 component projects (phase 2).**
- **In Vietnam, there is still a lot of room for infrastructural development.** According to the Ministry of Transport and the People's Committees of Hanoi and Ho Chi Minh City, Vietnam would invest almost USD 24 billion in critical infrastructure projects between 2021 and 2027.

FECON CORPORATION (FCN)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

PSI rating	NEUTRAL
Target price	27,000
Close price 15/12	26,700
Upside	1.13%

Information	
Industry	Construction
Stock exchange	HOSE
Highest/lowest price 52 weeks	27,900/10,000
Market capitalization (VND Billion)	4,195
Number of share outstanding (million share)	157.44
Average trading volume in 52w (share)	3,575,749

Analyst:

Pham Hoang

Catalysts

- **FCN is a technical contractor with extensive experience in foundations and underground construction.** FCN continues to grow with the goal of becoming a general contractor. Recently, the company raised its charter capital to VND 1,574 billion by issuing VND 416 billion to strategic shareholders. We believe that the generated funds will greatly strengthen FCN's bidding ability, especially given the vast number of infrastructure projects still available.
- **FCN has won bidding packages in projects in a row, with total contracted sales reaching VND 4,100 billion by the end of November 2021 (including transitional contracts from 2020).** The promotion of metro projects in Hanoi is an opportunity to expand FCN's subterranean works; we anticipate that the Metroline 3 project will generate more money for FCN, despite the fact that the project has been suspended since 7/2021 owing to the epidemic situation and site clearing progress.
- **In the future, FCN will benefit from the trend of renewable energy investment in Vietnam.** FCN took advantage of the opportunity, participating in the constructing of more than 10 significant wind power projects worth up to VND 2,884 billion in total contract value, while also owning 51% and 40% of two renewable energy facilities with a total capacity of 80MW.

	2019	2020	T12M	2021F	2022F
Net sales (VND Billion)	3,091	3,154	3,346	3,494	4,368
Gross profit (VND Billion)	434	473	479	506	655
Gross profit margin (%)	14.05%	15.01%	14.33%	14.48%	15.00%
NPAT (VND Billion)	212	134	122	112	174
Net profit margin (%)	6.84%	4.24%	3.63%	3.21%	3.98%
EPS (VND)	1,774	940	938	712	1,109
ROE (%)	10.02%	5.32%	5.25%	3.89%	6.05%
P/E (x)	5.31	14.37	28.42	37.50	24.31

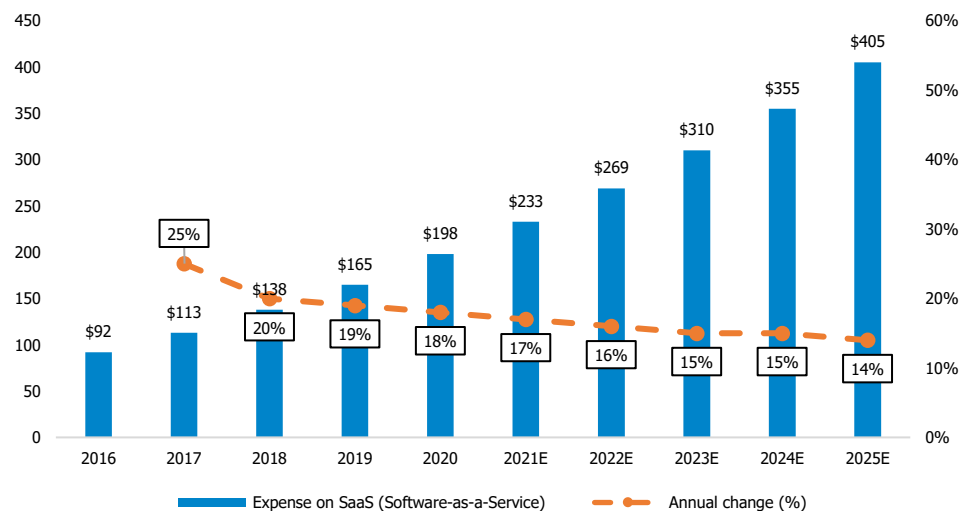
TELECOMMUNICATIONS INDUSTRY

DIGITAL TRANSFORMATION – THE GLOBAL TREND

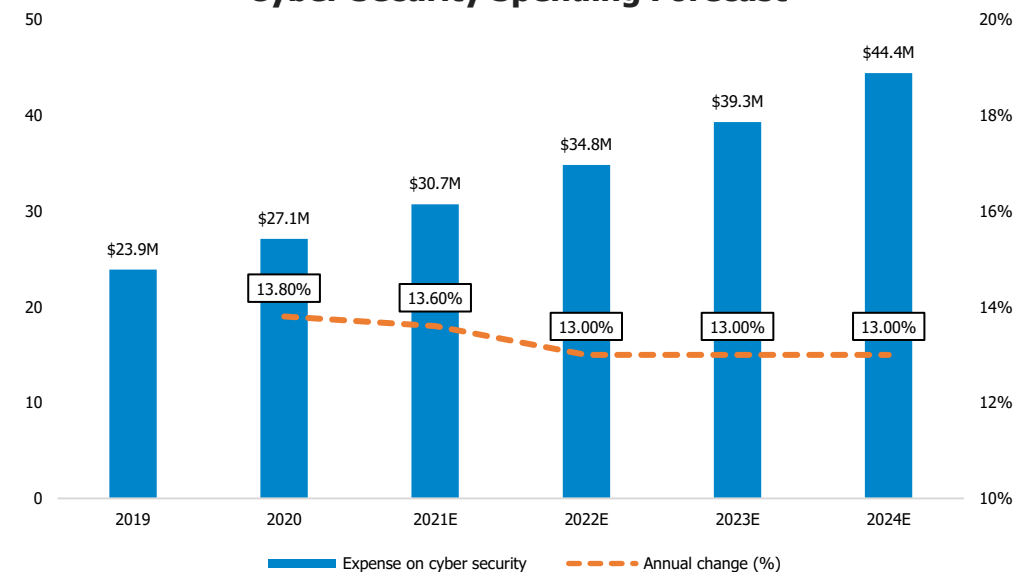
Higher and higher needs for digital transformation

- According to IDC forecast, investment in digital transformation is still growing at a forecasted compound annual growth rate (CAGR) of **15.5% during 2020-2023**. IDC also pointed out that 65% of global GDP may come from this sector. By 2023, it is estimated that 75% of international organizations would be driven to a comprehensive digital transformation program, generating a multi-aspect digitalized revolution for business and society.
- In Vietnam, the **COVID-19 pandemic has created many challenges for the economy, forcing enterprises to develop new business models**, including digital transformation which would be a vital component of the economy. The National Digital Transformation Programme by 2025 with vision towards 2030, approved by the Prime Minister set goals that the digital economy will contribute 30% to the country's economy and at least 20% to each field and industry.

**Software-as-a-Service Spending Forecast
(USD Billion)**



Cyber Security Spending Forecast



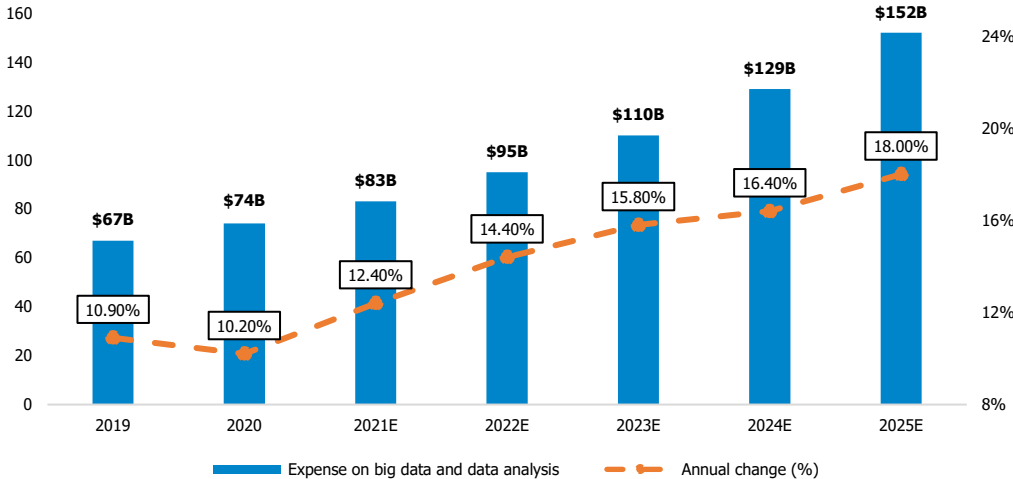
TELECOMMUNICATIONS INDUSTRY

DIGITAL TRANSFORMATION – THE GLOBAL TREND

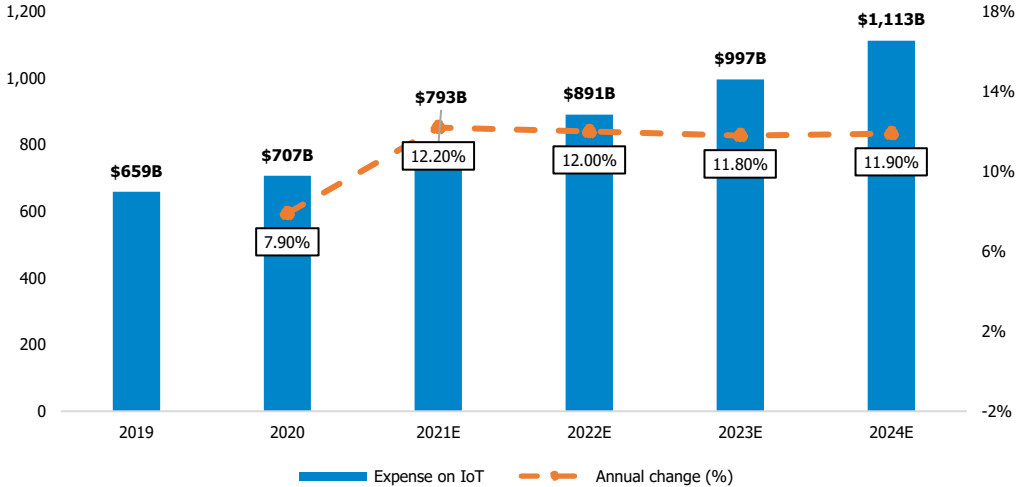


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PETROVIETNAM SECURITIES INC.

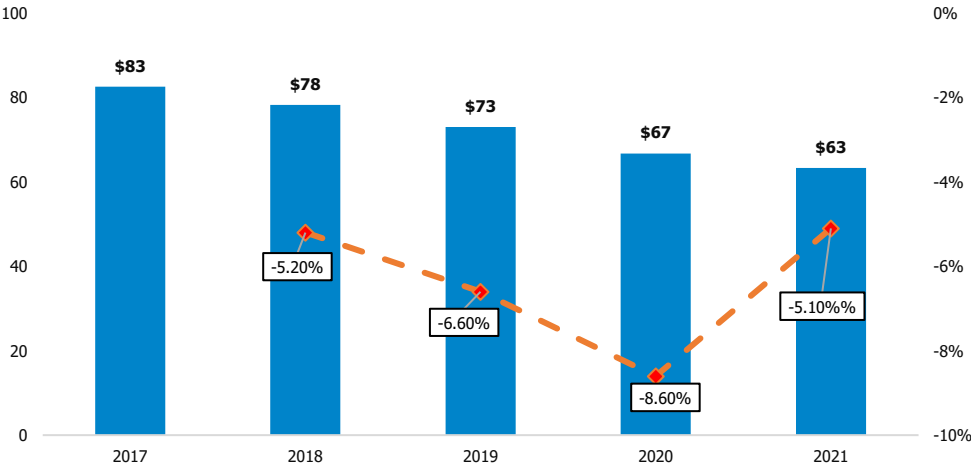
Big Data & Data Analysis Spending Forecast



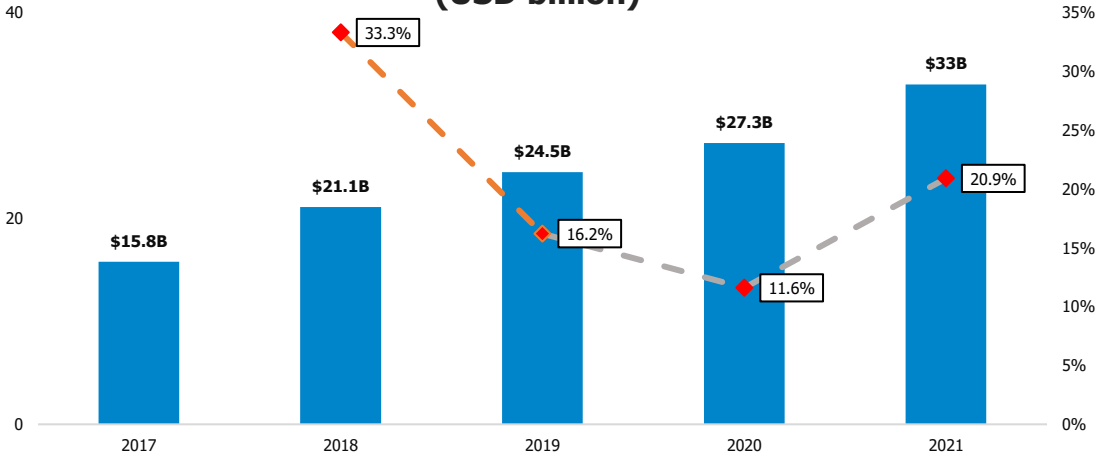
IOT Spending Forecast



IT Outsourcing consumption (USD billion)



Cloud Computing Outsourcing Services consumption (USD billion)



TELECOMMUNICATIONS INDUSTRY

DIGITAL TRANSFORMATION – THE GLOBAL TREND

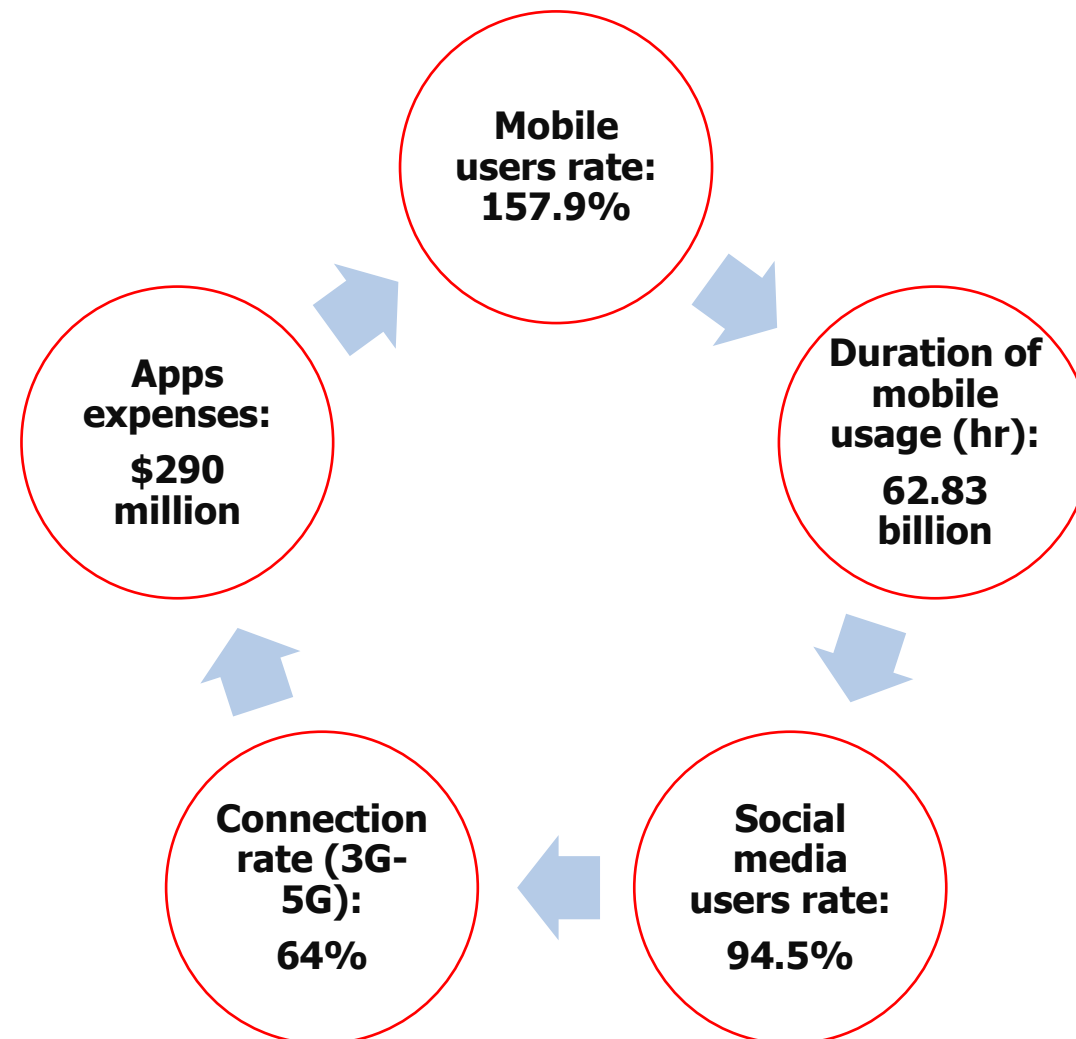


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5G Technology – The base for a digital world

5G Technology and Network Infrastructure Sharing. 5G is the next-gen technology providing fast-speed and low-latency services for multi users at the same time. It is expected that 5G would be becoming vital for the widespread IoT utilization and long-distance automation, and finally turning to a backbone and an important infrastructure of the digitalized economy.

The mobile penetration rate of Vietnam is currently relatively high, amounted to 154.4 million users, equivalent to 1.57 times to the country population. 96.9% of which is using smartphone, making Vietnam to be listed in top 10 countries with the most smartphone users. Therefore, the 5G technology is believed to boost the pace of the digitalization of economic.



FPT TELECOM JSC (FPT)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

PSI rating	BUY
Target price	114,600
Close price 15/12	95,900
Upside	19.49%

Information	
Industry	Technology-Telecommunication
Stock exchange	HOSE
Highest/lowest price 52 weeks	100,000/49,900
Market capitalization (VND Billion)	85,121
Number of share outstanding (million share)	907.47
Average trading volume in 52w (shares)	2,449,242

Analyst:

To Quoc Bao

Catalysts

- **The demand for IT services is increasing thanks to the trend of digitization.** With forecast global IT service demand continues to grow, we expect FPT's software export segment to continue this opportunity owing to its advantage in labor costs, improved technology capacity in consulting and digital transformation, and new project deployment centers overseas will improve the quality of FPT's customer service. Especially, the domestic IT services segment is expected to grow at a CAGR of 25% in the period 2022-2025 as a result of the strong increase in digital transformation demand.
- **Telecommunication services:** We expect the CAGR in the period of 2022-2025 for the profit would be 8.5%, mainly caused by the encourage of data center leasing due to large demand for cloud computing, meanwhile the fixed broadband and television subscription would grow at slower rate given the saturation of domestic demand.
- **Education segment:** We expect CAGR of revenue in the period 2022-2025 to reach 22% thanks to the additional contribution from FPT Schools in grades 1-12.

	2019	2020	T12M	2021F	2022F
Net sales (VND Billion)	27,717	29,830	33,620	35,567	43,210
Gross profit (VND Billion)	10,712	11,814	13,054	13,125	16,420
Gross profit margin (%)	38.65%	39.60%	38.83%	36.90%	38.00%
NPAT (VND Billion)	3,912	4,424	4,014	5,289	6,802
Net profit margin (%)	14.11%	14.83%	11.94%	14.87%	15.74%
EPS (VND)	3,667	4,120	4,443	4,284	5,509
ROE (%)	21.63%	23.80%	25.05%	25.20%	27.50%
P/E (x)	13.82	15.26	20.98	22.07	20.30

VIETTEL CONSTRUCTION JSC (CTR)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

PSI rating	BUY
Target price	98,000
Close price 15/12	83,100
Upside	17.93%

Information	
Industry	Construction– Telecommunication infrastructure
Stock exchange	UPCOM
Highest/lowest price 52 weeks	90,800/51,900
Market capitalization (VND Billion)	7,648
Number of share outstanding (million share)	92.93
Average trading volume in 52w (shares)	684,214

Analyst:

To Quoc Bao

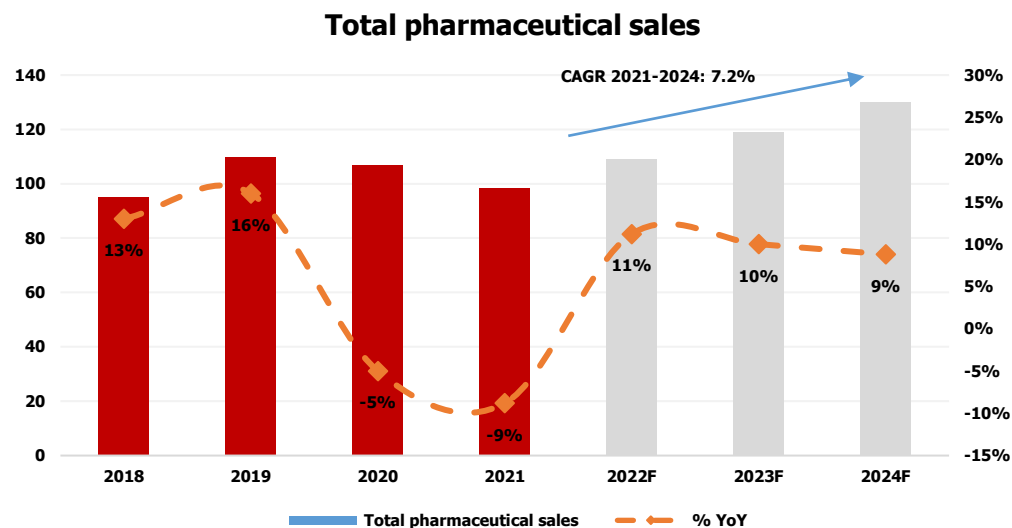
Catalysts

- **Business activities is less affected by Covid-19** as the company operates in different aspects: Exploitation, construction, investment in rental infrastructure (Towerco), integrated solutions.
- **Home Care – The key driver 2022:** With the advantage of technical human resources of nearly 10,000 people spread across 63 provinces and cities across the country, CTR has the ability to penetrate the market to provide a variety of household appliances maintenance services. This service will help complete the value chain of civil construction - supply & install smart home appliances, internet, civil equipment - home care service (Home Care).
- **Long-term prospect from Towerco:** CTR aims at towerco providers No. 1 in Vietnam. In 2022 – 2023 we expect that CTR would increase quickly the number of stations/DAS/fiber-optic cables to meet the demand for 5G infrastructure implementation, at a rate of 2,000 stations per year.

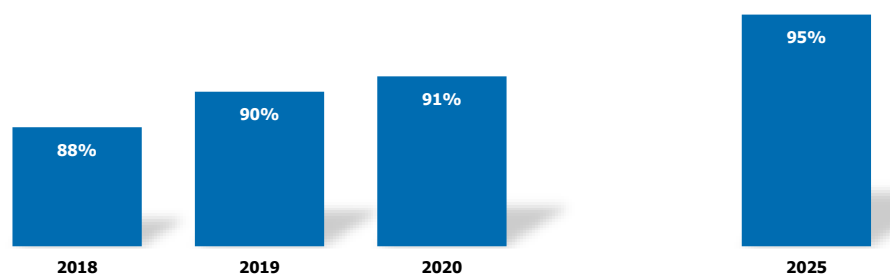
	2019	2020	T12M	2021F	2022F
Net sales (VND billion)	5,100	6,359	7,591	7,821	8,820
Gross profit (VND billion)	304	475	604	594	650
Gross profit margin (%)	5.96%	7.46%	7.95%	7.59%	7.36%
NPAT (VND Billion)	189	274	351	328	372
Net profit margin (%)	3.70%	4.31%	4.62%	4.19%	4.21%
EPS (VND)	1,787	3,006	4,109	3,539	4,013
ROE (%)	23.01%	28.44%	31.83%	28.50%	27.81%
P/E (x)	14.90	17.93	19.71	23.48	20.70

PHARMACEUTICAL – HEALTH

DEMAND FOR HEALTH CARE TO PROMOTE GROWTH



National health insurance coverage rate



Source: IQVIA, BHXH.GOV, PSI Research

After the disruption of Covid-19, Vietnam's pharmaceutical industry has continued to grow:

- **According to IQVA, pharmaceutical sales in Vietnam will expand at a compound annual growth rate (CAGR) of 7.2% from 2021 to 2024.** Total pharmaceutical sales are expected to rebound from their low point in 2021 in 2022, reaching VND 109,000 billion, up 11% year on year, and reaching VND 130,000 billion in 2024.
- **The pharmaceutical sector in Vietnam will rebound in 2022, following a period of low demand in 2021:** The production activities of businesses have been considerably impacted by the extended periods of social distancing, when capacity had to be reduced by up to 20-25% compared to typical.
- **Because of the rise of health insurance in Vietnam and the Government's ability to impose tighter control over prescription drug sales,** the hospital channel (ETC) continues to grow. Currently, the ETC channel contributes for over 74% of pharmaceutical sales in Vietnam, up more than 5% from 2018 when the government was still pursuing universal health insurance (reaching 91%). According to Resolution 20-NQ/TW, the goal is to reach 95% coverage by 2025.

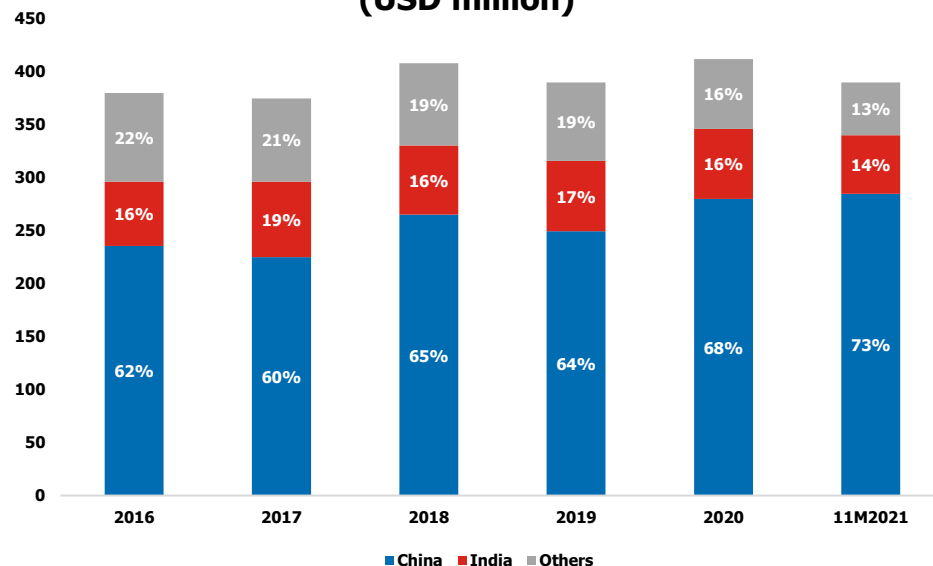
PHARMACEUTICAL – HEALTH

DEMAND FOR HEALTH CARE TO PROMOTE GROWTH



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

Structure of imported pharmaceutical ingredients of Vietnam
(USD million)



Source: GSO

- **Pharmaceuticals and other health services are in high demand due to the aging population structure and rising per capita income:** According to World Bank estimation, Vietnam's population over 65 years old would double between 2020 and 2040, rising from 7.9 million individuals in 2020 to 18.4 million people, equivalent to 18% of the total population in 2040.
- **According to the Ministry of Industry and Trade, imports account for 80-90 percent of pharmaceutical raw materials, primarily from China and India.** The overall import turnover of pharmaceutical materials reached USD 390 million in the first 11 months of 2021, with 73 percent coming from China and 14 percent from India. As a result, the price of imported pharmaceutical materials is determined by the cost of transportation. We anticipate that the cost of imported pharmaceutical ingredients will continue to fall in 2022, helping to improve the profit margin of manufacturing firms in Vietnam due to:
 - (1) Freight rates are cooling down following a period of global supply chain disruption,
 - (2) Since August 2021, India and China have gradually reduced API costs after resuming production following social distancing.

TRAPHACO JSC (TRA)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

PSI rating	BUY
Target price	115,000
Close price 15/12	93,500
Upside	22.99%

Information	
Industry	PHARMACEUTICAL
Stock exchange	HOSE
Highest/lowest price 52 weeks	101,100/61,500
Market capitalization (VND Billion)	3,813.5
Number of share outstanding (million share)	41.45
Average trading volume in 52w (share)	15,105

Analyst:

Pham Hoang

Catalysts

- **The industry's future looks promising, as demand for health care continues to rise.** With rising wages, an aging population, and health issues arising as the pace of industrialization and modernization accelerates... the pharmaceutical business will continue to grow. According to IBM's market research department, the pharmaceutical business in Vietnam would develop at an annual rate of 11% from 2021 to 2026, with a market size of USD 16.1 billion by 2026.
- **TRA has a diverse product portfolio** that caters to a variety of additional market areas, including health drinks, high-end supplements, and cosmetics.
- **Traphaco has a retail client network of 28,000 pharmacies around the country,** as well as GMP or GACP accreditation, which has been available since 2020. According to the Association of Functional Foods (VAFF), dietary supplement demand has expanded dramatically over the last decade, with the percentage of Vietnamese consumers using dietary supplements rising from 6% in 2010 to 26% in 2019. Owning a large distribution system helps TRA to easily access customers.

	2019	2020	T12M	2021F	2022F
Net sales (VND Billion)	1,710	1,909	2,192	2,015	2,235
Gross profit (VND Billion)	940	1,031	1,187	1,080	1,240
Gross profit margin (%)	54.98%	54.03%	54.17%	53.59%	55.05%
NPAT (VND Billion)	171	217	271	286	302
Net profit margin (%)	9.97%	11.35%	12.38%	14.19%	13.51%
EPS (VND)	3,269	4,185	5,509	6,908	7,294
ROE (%)	13.21%	16.44%	19.82%	21.05%	20.08%
P/E (x)	18.51	17.11	16.97	13.31	12.61

PSI

2022 PORTFOLIO RECOMMENDATIONS



2022 PORTFOLIO RECOMMENDATIONS



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

No.	Ticker symbol	Industry	Closing price	Forecast 12M price	Projected net profit margin	2022F				P/E		Market cap. (VND billion)
						Revenue (VND billion)	% Revenue growth	Net profit (VND billion)	% Net profit (loss) growth	P/E T12M	P/E 2022F	
1	GAS	Oil & Gas	97,700	122,500	25.38%	85,857	20.77%	11,615	25.04%	23.12	20.18	187,567
2	BSR	Oil & Gas	21,300	28,100	31.92%	112,951	23.91%	5,341	4.76%	11.59	16.48	66,041
3	PVD	Oil & Gas	22,100	36,000	27.15%	5,563	43.01%	322	347.22%	944.86	45.97	68,521
4	MBB	Banks	28,500	35,000	23.86%	30,025	13.04%	19,063	19.65%	9.51	6.95	105,415
5	TCB	Banks	50,200	60,000	20.32%	30,389	24.67%	24,864	12.67%	9.78	9.01	173,750
6	PVI	Insurance	50,400	60,000	19.04%	5,779	10.00%	950	6.03%	11.76	11.91	11,618
7	VHM	Real estates	82,600	104,000	25.90%	100,447	17.53%	38,170	8.90%	9.90	12.75	359,670
8	VRE	Real estates	30,400	38,000	25.00%	9,260	25.61%	2,639	65.70%	31.80	32.73	69,078
9	NLG	Real estates	61,000	82,000	34.43%	5,978	70.02%	2,871	60.10%	14.78	10.93	24,393
10	PSI	Stocks	17,800	26,000	46.07%	611	47.84%	76	76.00%	22.76	17.51	1,053
11	MSN	Multi-industry	161,000	197,000	22.36%	101,942	4.73%	6,108	26.91%	70.21	38.26	190,066
12	VTP	Logistics	74,800	90,200	20.59%	23,740	17.59%	569	43.69%	24.49	19.71	7,746

Closing price: 15th December 2021

2022 PORTFOLIO RECOMMENDATIONS (CONTINUED)



CHỨNG KHOÁN DẦU KHÍ
PETROVIETNAM SECURITIES INC.

No.	Ticker symbol	Industry	Closing price	Forecast 12M price	Projected net profit margin	2022F				P/E		Market cap. (VND billion)
						Revenue (VND billion)	% Revenue growth	Net profit (VND billion)	% Net profit (loss) growth	P/E T12M	P/E 2022F	
13	POW	Power	16,100	22,500	39.75%	24,373	1.09%	1,604	-18.91%	10.14	32.57	37,704
14	QTP	Power	17,100	21,450	25.44%	9,754	14.99%	1,032	72.86%	6.29	9.35	7,695
15	VHC	Seafood processing	63,000	87,850	39.40%	9,502	7.90%	1,233	25.05%	14.37	12.50	11,753
16	FCN	Construction	26,700	27,000	1.13%	4,368	25.01%	174	55.35%	28.42	24.30	4,195
17	FPT	Technology	95,900	114,600	19.49%	43,210	21.49%	6,802	28.61%	21.58	20.30	174,169
18	CTR	Telecommunications	83,100	98,000	17.93%	8,820	12.77%	372	13.41%	20.22	20.70	7,648
19	TRA	Pharmaceutical-Health	93,500	115,000	22.99%	2,235	10.91%	302	5.59%	16.97	12.61	3,813

Closing price on 15/12/2021

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