





# WEEKLY INVESTMENT STRATEGY REPORT ON 30<sup>TH</sup> OCTOBER, 2023

## THE FOCAL POINT OF THE FED'S MONETARY POLICY MEETING

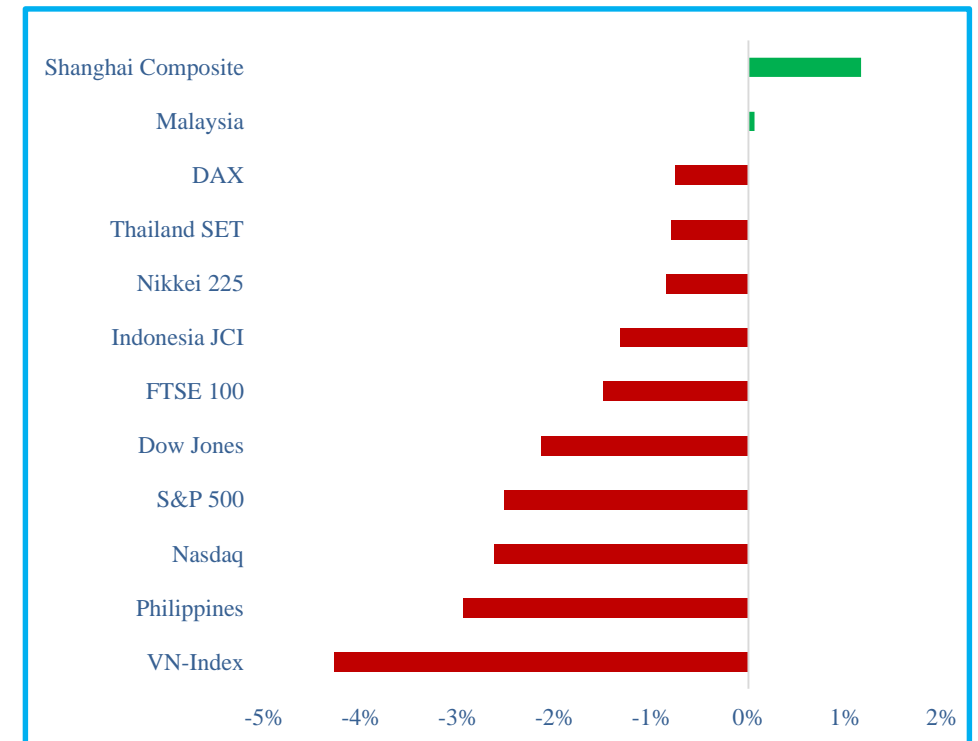


-  According to the report from the U.S. Department of Commerce on October 26, the GDP growth for Q3 in the United States reached 4.9%, which was higher than analysts' forecasts. This information caused the DXY index to increase to 106.6 points as of October 27, marking a 0.38% rise compared to the previous week.
-  The strengthening of the USD has had a negative impact on global stock markets, causing most indices to record declines ranging from 0.8% to 3% during the week of October 23 to 27. Among them, the VN-Index has experienced the most significant decline for the second consecutive week, with a drop of 4.28%, closing the week at 1,060 points. Investor sentiment has become notably cautious, leading to a slight decrease in liquidity and average trading value, with figures reaching 14,108 billion VND and 696 million shares, respectively, for each session.
-  The notable corporate event in the past week is the news that Vingroup Group has issued 250 million USD in international bonds with an interest rate ranging from 9.5% to 10%, payable quarterly in USD and maturing in 2028. These bonds are also convertible into VHM shares at a price range of 51,635 to 53,880 VND. According to our research, Vingroup's purpose in issuing these bonds is to partially refinance a portion of the 500 million USD bonds issued in September 2021 with a 5-year term.
-  **We forecast that the market focus in the week of October 30th - November 2nd, 2023, will center around the Fed's policy meeting in November, especially in the context of the USD/VND exchange rate being at its highest level since the beginning of 2023. If the Fed maintains the current interest rate level (which has a 99.5% probability according to the CME Group's observation tool), the VN-Index is expected to begin a mid-term bottoming process and fluctuate within the range of 1,030 to 1,080 points. Investors are advised to maintain a 40/60 equity/cash ratio, focusing on stocks with favorable Q3 earnings reports and significant growth potential going into 2024.**

## GLOBAL STOCK MARKET OVERVIEW IN THE PREVIOUS WEEK

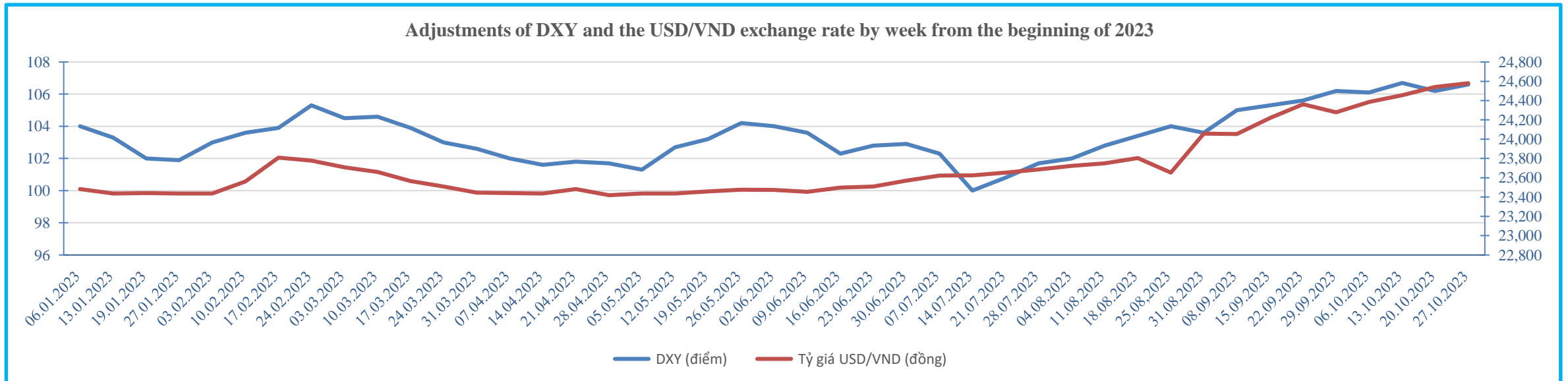
- The global stock markets saw a widespread decline, with most indices experiencing losses ranging from 0.8% to 3%. In the midst of this general downturn, the Shanghai Composite index notably recorded an increase of 1.16%.
- The VN-Index experienced the most significant decline in the world during the week, with a decrease of 4.28%.

| Indices            | 20 <sup>th</sup> October, 2023 | 27 <sup>th</sup> October, 2023 | Adjustments |
|--------------------|--------------------------------|--------------------------------|-------------|
| VN-Index           | 1,108.03                       | 1,060.62                       | -4,28%      |
| S&P 500            | 4,224.16                       | 4,117.37                       | -2,53%      |
| Dow Jones          | 33,127.28                      | 32,417.59                      | -2,14%      |
| Nasdaq             | 12,983.81                      | 12,643.01                      | -2,62%      |
| DAX                | 14,798.47                      | 14,687.10                      | -0,75%      |
| FTSE 100           | 7,402.14                       | 7,291.28                       | -1,50%      |
| Nikkei 225         | 31,259.36                      | 30,991.69                      | -0,86%      |
| Shanghai Composite | 2,983.06                       | 3,017.78                       | 1,16%       |
| Thailand SET       | 1,399.35                       | 1,388.23                       | -0,79%      |
| Malaysia           | 1,441.00                       | 1,441.90                       | 0,06%       |
| Philippines        | 6,143.00                       | 5,962.00                       | -2,95%      |
| Indonesia JCI      | 6,849.20                       | 6,758.80                       | -1,32%      |



## FOREIGN EXCHANGE MARKET OVERVIEW IN THE PREVIOUS WEEK

- The DXY index maintained a sideways trend at the beginning of the week before rallying towards the end of the week following the U.S. Department of Commerce's report on October 26, which showed that the U.S. GDP growth reached 4.9% in the third quarter, exceeding expectations of 4.7%. This happened despite interest rates being maintained at their highest level in 22 years. Overall for the week, the DXY index recorded a 0.38% increase compared to the previous week and closed at 106.6 points.
- In Vietnam, the USD/VND exchange rate increased by 0.16% compared to the previous week, reaching 24,580 VND/USD and reaching its highest level since the beginning of 2023. Additionally, year-to-date, the central exchange rate has increased by approximately 3.7%, while the USD prices at commercial banks have risen significantly by about 4.2%, with buying rates around 24,390 VND/USD and selling rates at 24,730 VND/USD.



## VIETNAMESE STOCK MARKET OVERVIEW IN THE PREVIOUS WEEK

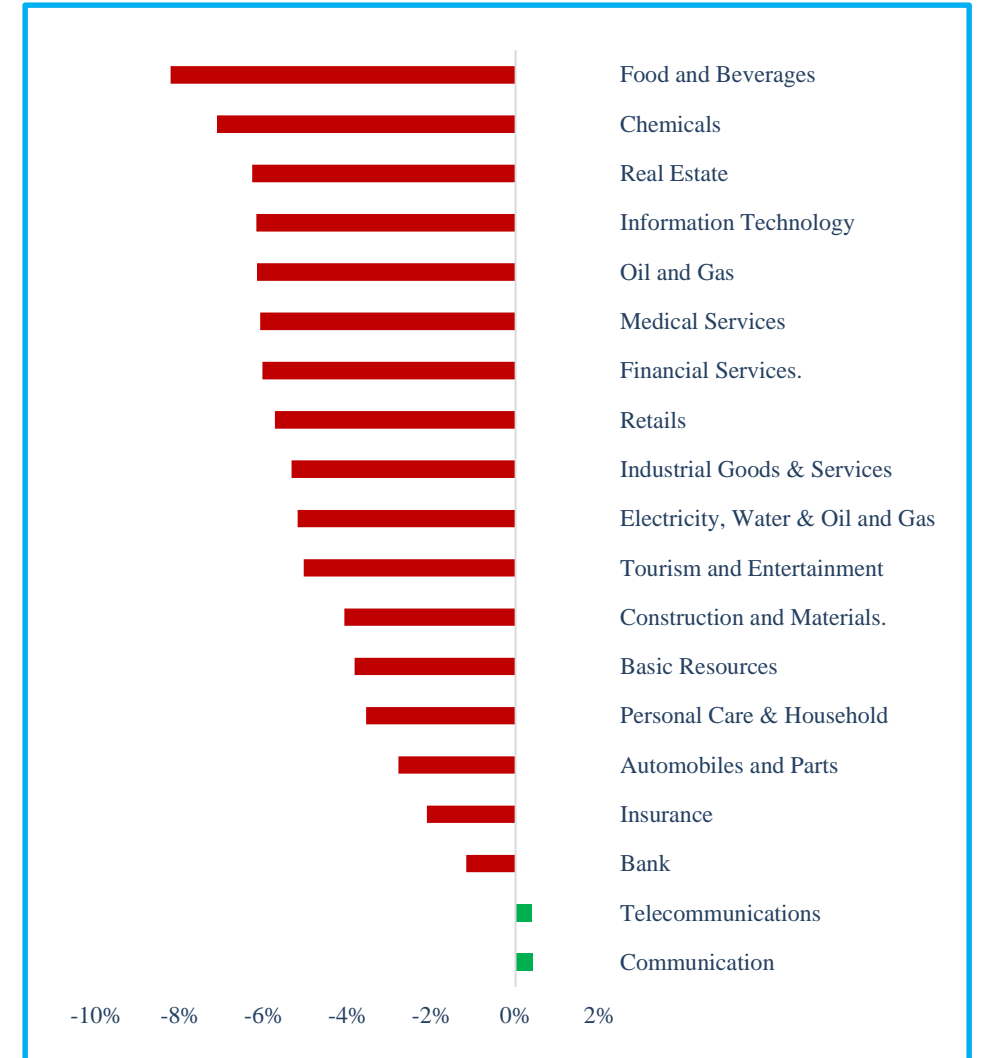


After a week of volatile trading, the VN-Index continues to close the week with an increase of 5.17 points (~0.49%) at 1,160.62 points. Looking at the entire week, the market has recorded a decrease of 47.41 points (~4.27%) compared to the closing price of 1,108.03 points at the previous week. Market liquidity remained low (except for the sell-off on October 26), indicating cautious investor sentiment, and money flow has not yet fully returned to the market.



## SECTORS IN THE PREVIOUS WEEK

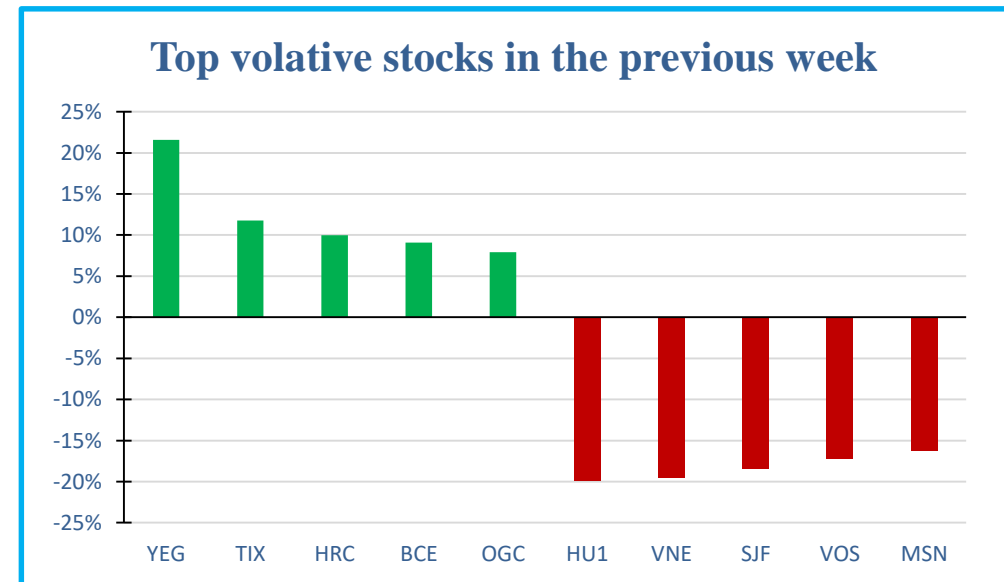
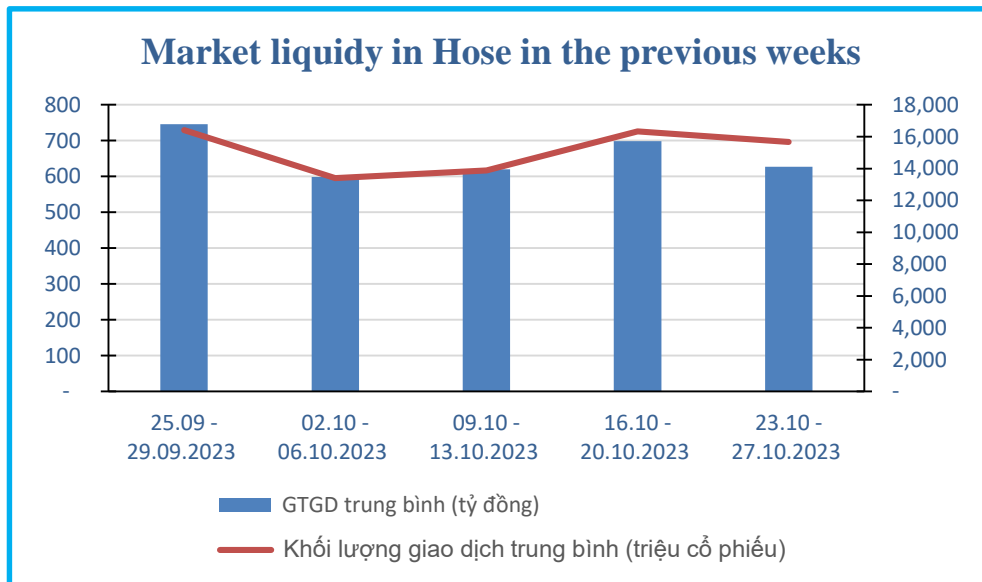
| Sectors                          | No. of companies | Trading Volume (No. of shares) | % Price volatility | Total Value (Billion VND) | % Trading Value |
|----------------------------------|------------------|--------------------------------|--------------------|---------------------------|-----------------|
| Communication                    | 23               | 5.372.676                      | 0,42%              | 95,54                     | 0,10%           |
| Telecommunications               | 1                | 800                            | 0,40%              | 0,02                      | 0,00%           |
| Bank                             | 19               | 748.488.766                    | -1,17%             | 15.242,79                 | 15,95%          |
| Insurance                        | 9                | 3.907.031                      | -2,12%             | 116,68                    | 0,12%           |
| Automobiles and Parts            | 11               | 16.320.474                     | -2,80%             | 156,36                    | 0,16%           |
| Personal Care & Household        | 31               | 30.972.529                     | -3,56%             | 848,82                    | 0,89%           |
| Basic Resources                  | 60               | 270.654.036                    | -3,84%             | 4.885,33                  | 5,11%           |
| Construction and Materials.      | 134              | 369.766.744                    | -4,08%             | 6.737,73                  | 7,05%           |
| Tourism and Entertainment        | 16               | 21.391.216                     | -5,05%             | 822,33                    | 0,86%           |
| Electricity, Water & Oil and Gas | 53               | 57.211.388                     | -5,19%             | 951,89                    | 1,00%           |
| Industrial Goods & Services      | 101              | 207.986.847                    | -5,35%             | 4.888,93                  | 5,12%           |
| Retails                          | 16               | 81.872.360                     | -5,74%             | 3.172,94                  | 3,32%           |
| Financial Services.              | 48               | 944.072.295                    | -6,04%             | 18.492,35                 | 19,35%          |
| Medical Services                 | 25               | 16.517.262                     | -6,09%             | 272,24                    | 0,28%           |
| Oil and Gas                      | 5                | 99.817.645                     | -6,17%             | 2.980,71                  | 3,12%           |
| Information Technology           | 17               | 35.616.012                     | -6,18%             | 2.019,14                  | 2,11%           |
| Real Estate                      | 78               | 1.075.649.648                  | -6,28%             | 23.066,52                 | 24,13%          |
| Chemicals                        | 41               | 156.983.174                    | -7,12%             | 4.941,85                  | 5,17%           |
| Food and Beverages               | 53               | 264.975.850                    | -8,23%             | 5.883,78                  | 6,16%           |



Source: Fiiipro, Vietinbank Securities

# MARKET LIQUIDITY AND TOP VOLATIVE STOCKS IN THE PREVIOUS WEEK

- Statistics from Vietstock show that the average trading value per session in the past week reached 14,108 billion VND, a decrease of approximately 10.3% compared to the previous week. Similarly, the average trading volume of shares also recorded a 4.1% decrease to 696 million shares. This indicates a cooling-off in market liquidity, with both trading value and volume decreasing compared to the previous week.
- In the previous week, the top 3 stocks that saw the most significant increases in their prices were YEG (21.57%), TIX (11.78%), and HRC (9.98%). On the contrary, the top 3 stocks with the most significant decreases in their prices for the week were HU1 (-19.92%), VNE (-19.55%), and SJF (-18.39%).



Source: Vietstock, Vietinbank Securities

## MACRO-ECONOMIC OVERVIEW IN THE PREVIOUS WEEK

| INFORMATON  | EFFECT          | ASSESSMENT  |
|---|-----------------|---|
| <p>The GDP for Q3/2023 of the United States reached a growth rate of 4.9%, surpassing the projected 4.3% and far exceeding the previous quarter with 2.1%.</p>  | <p>Neutral</p>  | <p>This is the highest growth rate since Q4/2021 and the 5<sup>th</sup> consecutive quarter of GDP growth. It's a very positive signal for the U.S. economy, temporarily pushing back the recession scenario. However, if the current robust economy leads to stubborn inflation, the Fed may have to maintain higher interest rates for a longer period.</p> |
| <p>According to Bloomberg, property developer Country Garden is being considered as having defaulted on USD bonds for the first time. Country Garden missed the payment of \$15.4 million in USD bond interest at the end of the 30-day grace period, following the initial payment deadline on September 17. The default status was virtually confirmed after the company announced last week that they might not be able to meet all their offshore debt obligations on time.</p> | <p>Negative</p> | <p>This news has directly affected the sentiment of investors, causing a state of panic and selling off in the market.</p>  |
| <p>According to the data from the Foreign Investment Agency (Ministry of Planning and Investment), as of October 20, 2023, the total registered capital for new investment, adjustments, and capital contribution to purchase shares or contribute capital by foreign investors (FDI) has reached over 25.76 billion USD, an increase of 14.7% compared to the same period last year.</p>   | <p>Positive</p> | <p>This is a positive signal for the overall economy in general and the stock market in particular.</p>   |
| <p>According to the State Bank of Vietnam (SBV), deposits in the banking system by both individuals and economic organizations reached their highest levels in history in August. Deposits continued to increase despite the continuous reduction of interest rates in the banking sector.</p>  | <p>Negative</p> | <p>Deposits in the banking system experience an increase through the decline in interest rates, indicating a cautious sentiment among investors, and the flow of money has not yet returned to the stock market.</p>  |



## THE NOTABLE EVENT RELATED TO LISTED COMPANY IN THE PAST WEEK: VINGROUP HAS ISSUED 250 MILLION USD INTERNATIONAL BONDS THAT CAN CONVERT INTO VHM WITHIN THE PRICE RANGE BETWEEN 51.665 – 53.880 VNĐ AND WILL MATURE IN 2028

- As per the information released, on the evening of October 25th, Vingroup Group completed the issuance of 250 million USD in international bonds. These bonds are convertible into Vinhomes shares owned by Vingroup, maturing in 2028 with prices ranging from 51,635 to 53,880 VND, and carry an interest rate fluctuating between 9.5% and 10%, paid quarterly and denominated in USD.
  
- According to our research, the purpose of this bond issuance by Vingroup Group is to partially refinance the 500 million USD bonds issued in September 2021 with a maturity of 5 years. The previous bonds had no collateral and carried a fixed interest rate of 3% per year. Bondholders had the right to convert them into Vingroup shares and request the company to buy back the bonds under certain terms and conditions.
  
- As of June 2023, Vingroup's leadership still considered the entire bond as long-term debt. However, in the recently published Q3 financial report, this debt has been reclassified as short-term. This reclassification could imply that the conglomerate has a plan to repurchase or exchange the bonds or that bondholders have requested the company to buy them back.

**Tập đoàn Vingroup – Công ty CP** B09a-DN/HN

THUYẾT MINH BÁO CÁO TÀI CHÍNH HỢP NHẤT (tiếp theo)  
Quý III năm 2021

**23. VAY VÀ NỢ (tiếp theo)**

**23.2 Vay và nợ dài hạn (tiếp theo)**

**23.2.3 Trái phiếu phát hành**

| Đơn vị tư vấn phát hành  | Số cuối kỳ<br>(Triệu VND) | Kỳ hạn                    | Lãi suất  |
|--|---------------------------|---------------------------|---|
| Công ty TNHH Chứng khoán<br>Kỳ Thương<br>Trong đó: Trái phiếu đến hạn trả  | 41.569.326<br>(4.360.045) | Từ 18 tháng<br>đến 10 năm | Lãi suất huy động tiết kiệm<br>trung bình kỳ hạn 12 tháng<br>trả sau bằng VND (+) biên<br>độ 3,25% đến 4,5%/năm;<br>lãi suất cố định 8,5%/năm |
| Credit Suisse Singapore<br>Limited, The HongKong and<br>Shanghai Banking<br>Corporation Limited<br>(Singapore) và Morgan<br>Stanley Asia (Singapore) PTE | 11.191.371                | 5 năm                     | Lãi suất cố định 3%/năm   |

**23.2.2 Trái phiếu phát hành**

Chi tiết các khoản trái phiếu phát hành tại ngày 30 tháng 9 năm 2023 như sau:

| Đơn vị tư vấn phát hành  | Số cuối kỳ<br>(Triệu VND)  | Kỳ hạn               | Lãi suất  |
|--|----------------------------|----------------------|---|
| Công ty TNHH Chứng khoán<br>Kỳ Thương<br>Trong đó: Trái phiếu đến hạn trả  | 37.416.673<br>(11.100.204) | Từ 1,5 đến<br>10 năm | Lãi suất thả nổi, lãi suất<br>huy động tiết kiệm trung<br>bình kỳ hạn 12 tháng trả<br>sau bằng VND (+) biên độ<br>2,8% đến 4,5%/năm;<br>Lãi suất cố định từ 8,5% -<br>14,5%/năm |
| Công ty TNHH Chứng khoán<br>Sài Gòn - Hà Nội   | 1.428.847                  | Từ 2 đến<br>3 năm    | Lãi suất huy động tiết kiệm<br>trung bình kỳ hạn 12 tháng<br>trả sau bằng VND (+) biên<br>độ 4% đến 4,5%/năm  |
| Ngân hàng The Bank of New<br>York Mellon, London Branch<br>và ngân hàng The Bank of<br>New York Mellon SA/NV,<br>Dublin Branch<br>Trong đó: Trái phiếu đến hạn trả | 12.018.447<br>(12.018.447) | 5 năm (*)            | Lãi suất cố định 3%/năm   |

## EVENTS RELATED TO LISTED COMPANIES FOR THE NEXT WEEK

| NO. | Stock symbol | Exchange | Ex- Date   | Record Date | Effective Date | Event Details  | Event Type                 |
|-----|--------------|----------|------------|-------------|----------------|--|----------------------------|
| 1   | ABI          | UPCoM    | 03/11/2023 | 06/11/2023  | 28/11/2023     | Dividend payment for 2022 in cash, 1,000 VND per share                                     | Dividend payment in cash.  |
| 2   | ABI          | UPCoM    | 03/11/2023 | 06/11/2023  | N/A            | Dividend payment for 2022 in stock, at a ratio of 10,000:4,134                             | Dividend payment in stock. |
| 3   | HNA          | UPCoM    | 03/11/2023 | 06/11/2023  | 05/12/2023     | Payment of the 2 <sup>nd</sup> dividend installment for 2022 in cash, 500 VND per share.   | Dividend payment in cash.  |
| 4   | INC          | HNX      | 01/11/2023 | 02/11/2023  | 15/11/2023     | Payment of the 2022 dividend in cash, 1,500 VND per share.                                 | Dividend payment in cash.  |
| 5   | TVN          | UPCoM    | 31/10/2023 | 01/11/2023  | 23/11/2023     | Payment of the 2022 dividend in cash, 300 VND per share.                                   | Dividend payment in cash.  |
| 6   | CLW          | HOSE     | 31/10/2023 | 01/11/2023  | 17/11/2023     | Payment of the 2 <sup>nd</sup> dividend installment for 2022 in cash, 420 VND per share.   | Dividend payment in cash.  |
| 7   | BT1          | UPCoM    | 30/10/2023 | 31/10/2023  | N/A            | Dividend payment for 2022 in stock, at a ratio of 100:8.                                   | Dividend payment in stock. |
| 8   | ANV          | HOSE     | 30/10/2023 | 31/10/2023  | 25/12/2023     | Payment of the 2022 dividend in cash, 1,000 VND per share.                                 | Dividend payment in cash.  |
| 9   | PHN          | HNX      | 30/10/2023 | 31/10/2023  | 06/11/2023     | Payment of the 1 <sup>st</sup> dividend installment for 2023 in cash, 3,000 VND per share. | Dividend payment in cash.  |
| 10  | DTD          | HNX      | 30/10/2023 | 31/10/2023  | N/A            | Dividend payment for 2022 in stock, at a ratio of 100:15                                   | Dividend payment in stock. |
| 11  | TA3          | UPCoM    | 30/10/2023 | 31/10/2023  | 20/11/2023     | Payment of the 2022 dividend in cash, 277.933 VND per share.                               | Dividend payment in cash.  |

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