



PORTFOLIO MANAGEMENT

20
23

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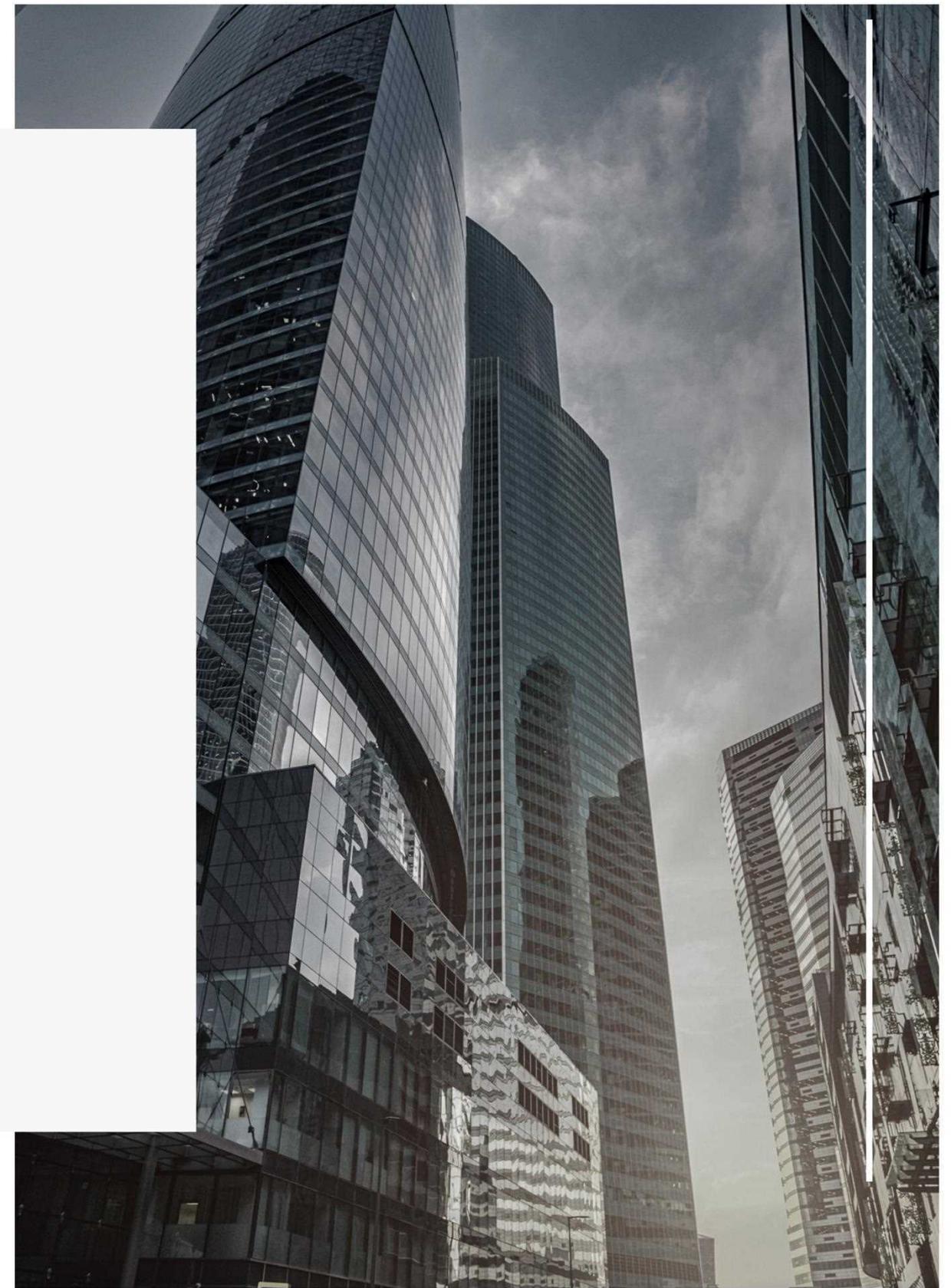


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Interest rates decrease

Which sectors will benefit from lower interest rates?

- The **Financial Services** sector will have the strongest profit growth when interest rates decrease.
- In addition, the **Banking sector** will be the representative sector for the recovery of the Vietnamese economy.

Banking sector

Expansionary fiscal policy

Which sectors will benefit from boosting public investment?

Public investment will accelerate in the coming months thanks to the recent efforts of the Government.
 --> The **construction** companies that are appointed as contractors for large projects
 --> The companies that supply construction materials (stone, steel) will benefit the most.

Steel

Which sectors will benefit from the disbursement of investment from the state-owned enterprise sector?

- The disbursement of investment from the state-owned enterprise sector will go into the energy sector.
- The E&P activities of the **Oil and Gas industry** will be boosted to enhance the energy supply.
- **Electricity sector** also enters a new chapter after the Power Plan 8 is approved.

Oil and gas industry

Source: VNDirect

BANK SECTOR

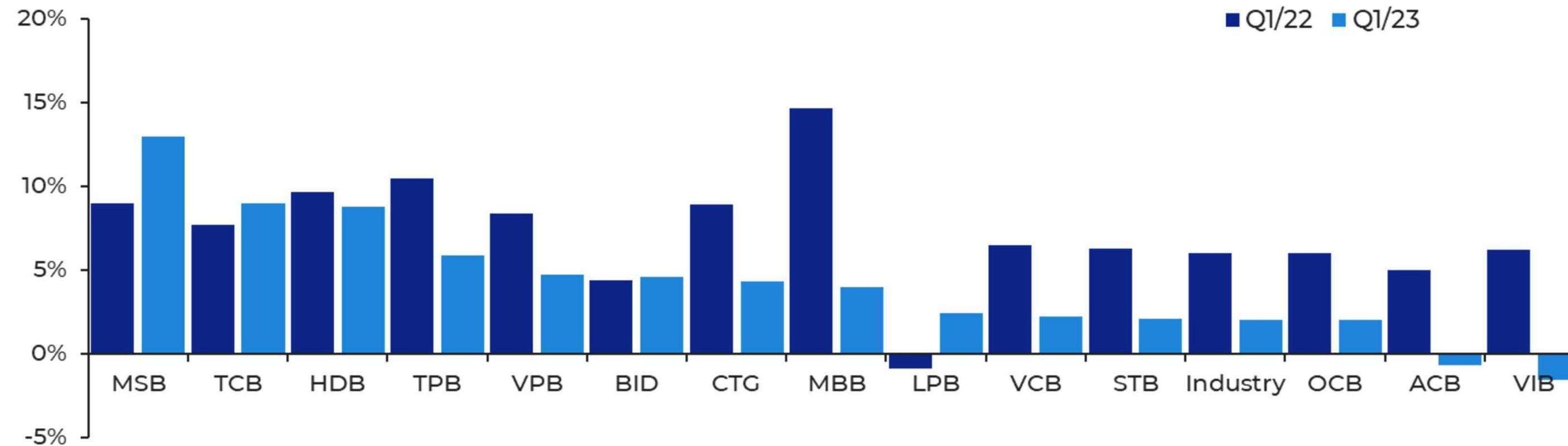
Investment thesis:

- (1) Credit growth recovers thanks to the cut in policy interest rates and the expansion of fiscal policy
- (2) VAT reduction stimulates consumer demand, and thereby credit demand
- (3) Circular 02 supports reducing provisioning pressure for commercial banks, especially banks with high group 2 debt ratio



Credit growth for the whole industry slowed down in 1H23

Credit growth in Q1/2023 vs Q1/2022 [%]



- The impact of weak global demand, Vietnam's economy slowed down sharply in the first two quarters of the year with GDP growth of only 3.7%

- Real estate market continued to be sluggish in the first half of the year

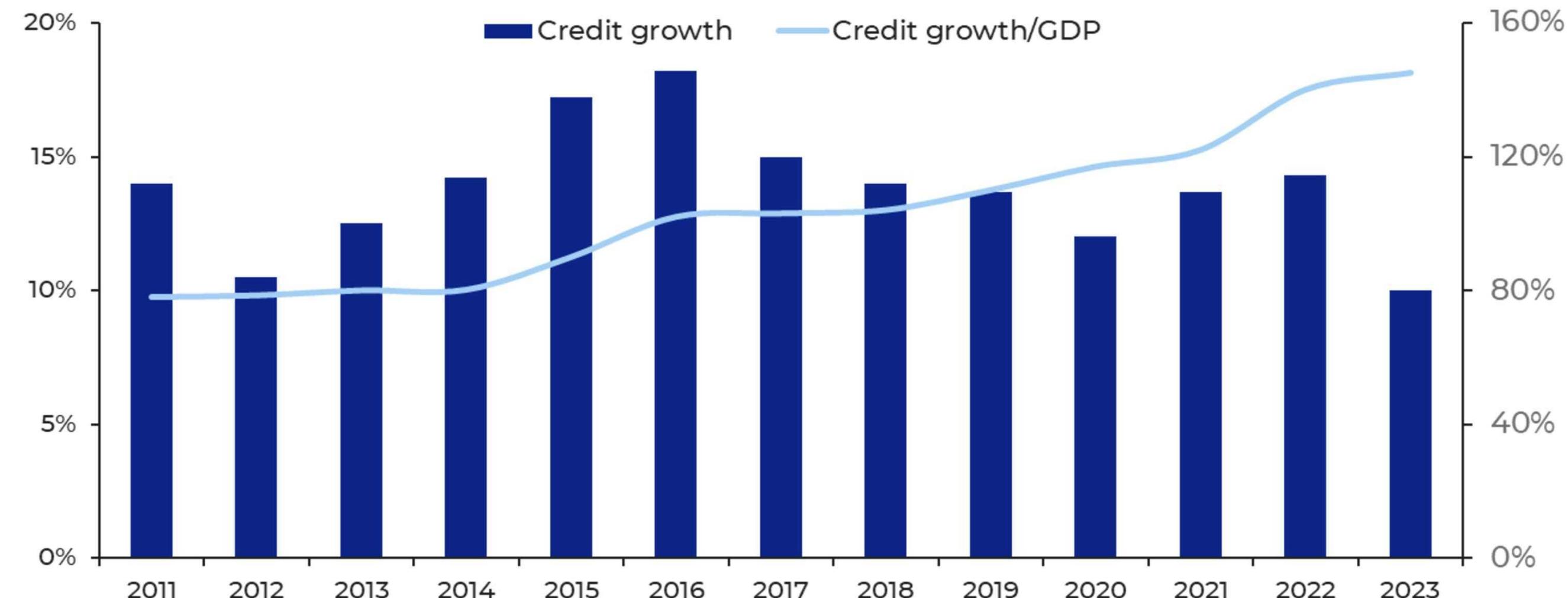
- Although interest rates peaked in the 2nd quarter, the current level is still quite high
---> Unable to stimulate demand for loans to expand production and business

Source: NHNN

Credit growth will accelerate again in the last 6 months of the year 2023

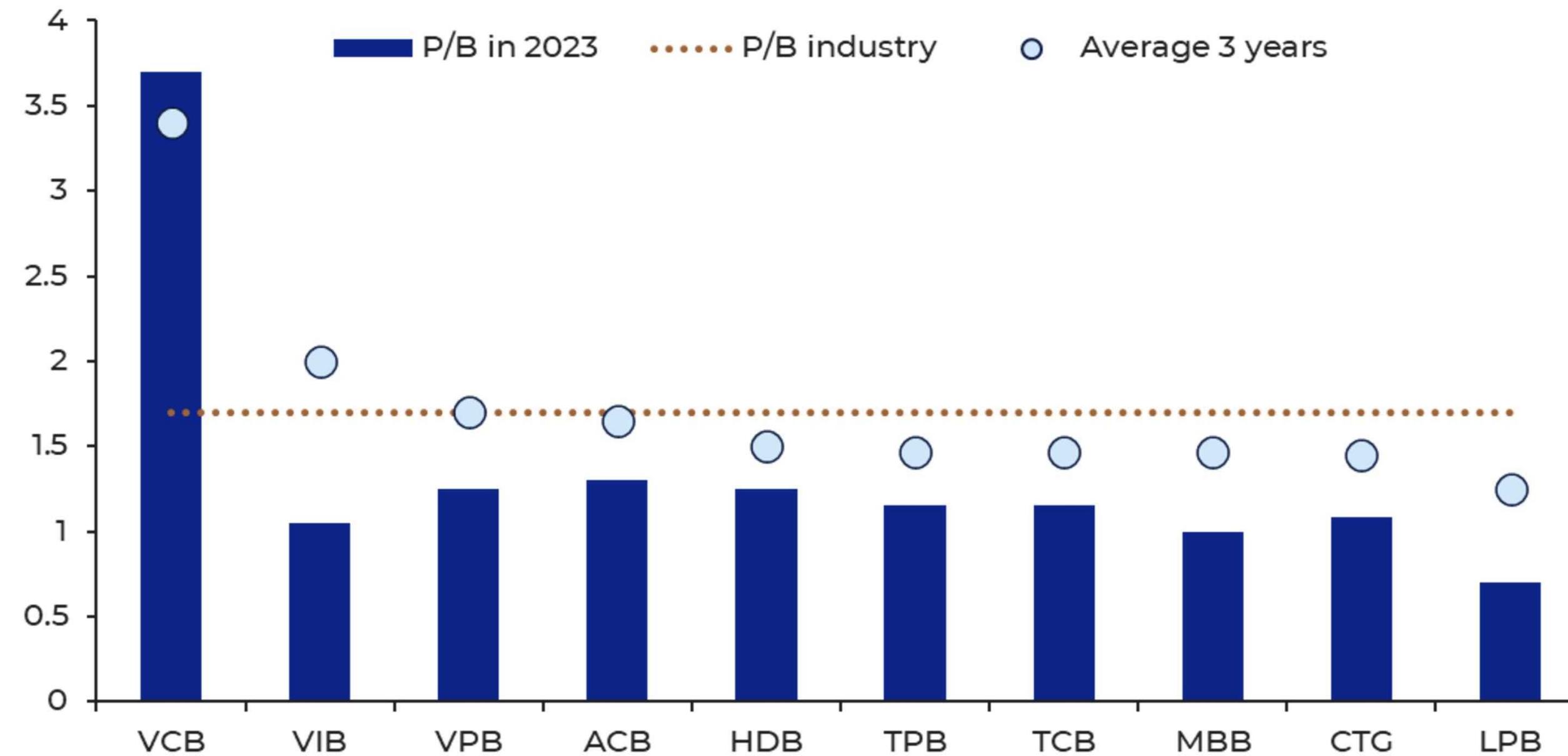
- The effect of lower lending rates starts to stimulate the demand for borrowing from businesses and people.

- Fiscal policies such as reducing VAT from 10% to 8%, ... will have a stimulating effect on consumer demand.



Source: NHNN, NHTM

The P/B valuation of bank stocks is around 1.5 times



- Except for VCB, the P/B ratio of most banks is fluctuating below the 3-year average level

Source: VNDirect

TECHCOMBANK

HOSE: TCB

Closing Price – 16/11/2023 [VND]	31,700
52Wk high	35,800
52Wk low	21,900
Market Capitalisation [VND Bilion]	108,858.53
EPS	4,864



(1) Circular 02/2023 will reduce provisioning pressure in the coming quarters, especially for banks with high lending exposure to the real estate sector in their credit portfolio

Provisioning pressure for banks will ease as banks can restructure their provisioning expenses over 2 years (2023- 2024).

--> support investor sentiment for banks with high real estate lending ratios in their credit structure such as TCB in the context of expected higher credit costs.

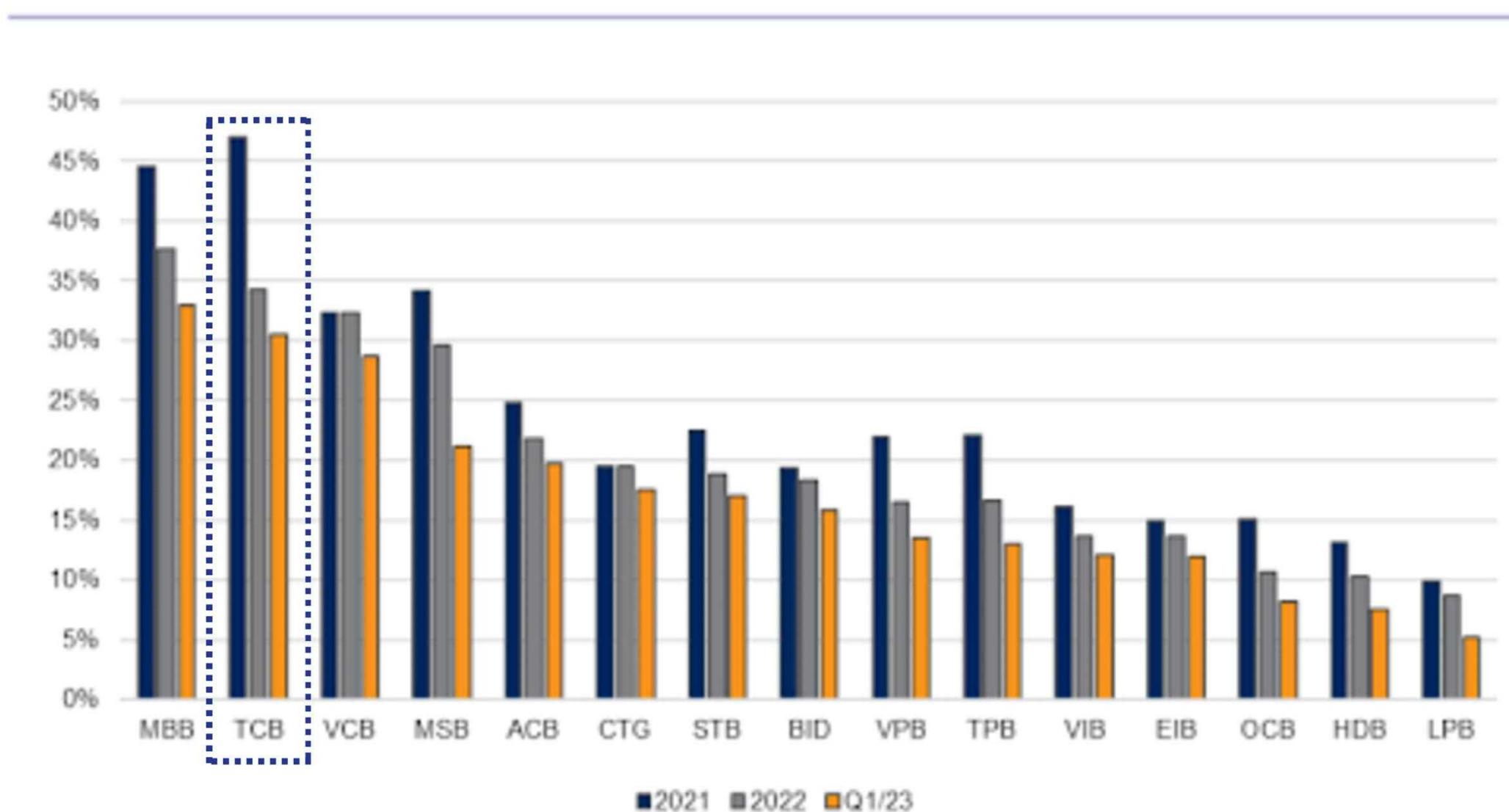
Thông tư/Dự thảo	Nội dung
Thông tư 02/2023 Hướng dẫn các tổ chức tín dụng rà soát, giãn nợ gốc/lãi hoặc giữ nguyên nhóm nợ đối với khách hàng cho vay SXKD và tiêu dùng	(1) Gia hạn chương trình tái cơ cấu thêm 6 tháng (đến 30/6/2024 thay vì 31/12/2023 như dự thảo). Khoản dư nợ được tái cơ cấu không được quá hạn quá 10 ngày. (2) Quy định về điều khoản trích lập: - A: nếu trích lập thông thường - B: nếu trích lập theo quy định mới về giữ nguyên nhóm nợ - C (Số trích lập bổ sung) = A - B - Số cần trích lập thêm (C) được chia ra: Đến hết năm 2023: tối thiểu 50% C Đến hết năm 2024: trích hết 100% C
Thông tư 03/2023 Tạm hoãn Điều 11 Khoản 4 Thông tư 16, cho phép ngân hàng được mua lại trái phiếu doanh nghiệp chưa niêm yết đã bán/phân phối với một số điều kiện	- Thời gian hoãn thi hành từ 24/04/23 đến 31/12/2023 - Điều kiện: (1) Doanh nghiệp được TCTD mua lại TPĐN đã phải thanh toán toàn bộ số tiền tại thời điểm mà TCTD ký kết hợp đồng bán trái phiếu trước đó. (2) Tổ chức phát hành trái phiếu cần có xếp hạng tín nhiệm (xếp hạng nội bộ của ngân hàng) cao nhất tại thời điểm được ngân hàng mua lại
Dự thảo điều chỉnh Thông tư 41/2016 quy định về tỷ lệ an toàn vốn đối với các ngân hàng	- Hệ số rủi ro (HSRR) đối với khoản vay kinh doanh BDS sẽ không thay đổi ở mức 200%; tuy nhiên HSRR sẽ giảm xuống 160% nếu tài trợ dự án kinh doanh BDS khu công nghiệp. - Bổ sung quy định HSRR áp dụng cho các khoản vay thế chấp nhà ở theo tỷ lệ tài sản bảo đảm (LTV) và tỷ lệ khả năng trả nợ (DSC) với các khoản cho vay mua nhà ở xã hội.

Source: NHNN

(2) TCB will have more room to improve NIM, leading to lower capital costs in the context of lower lending rates across the market

... và tỷ lệ CASA của các ngân hàng vào cuối Q1/23 (%)

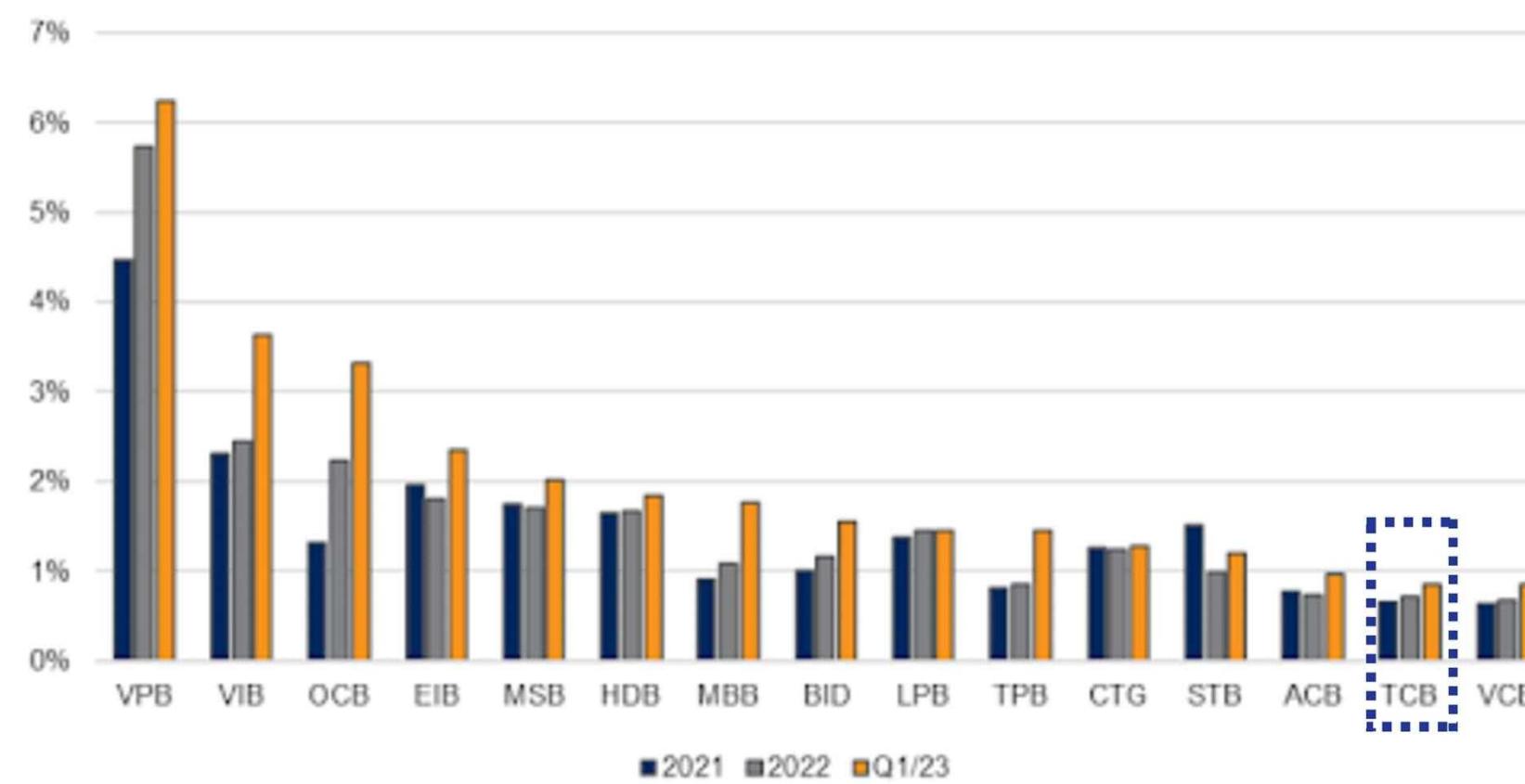
- We believe that banks with a good CASA base like TCB
- Demand for real estate loans to increase will help TCB's interest rate rise sharply again, especially in Q4/2023 and the first half of 2024



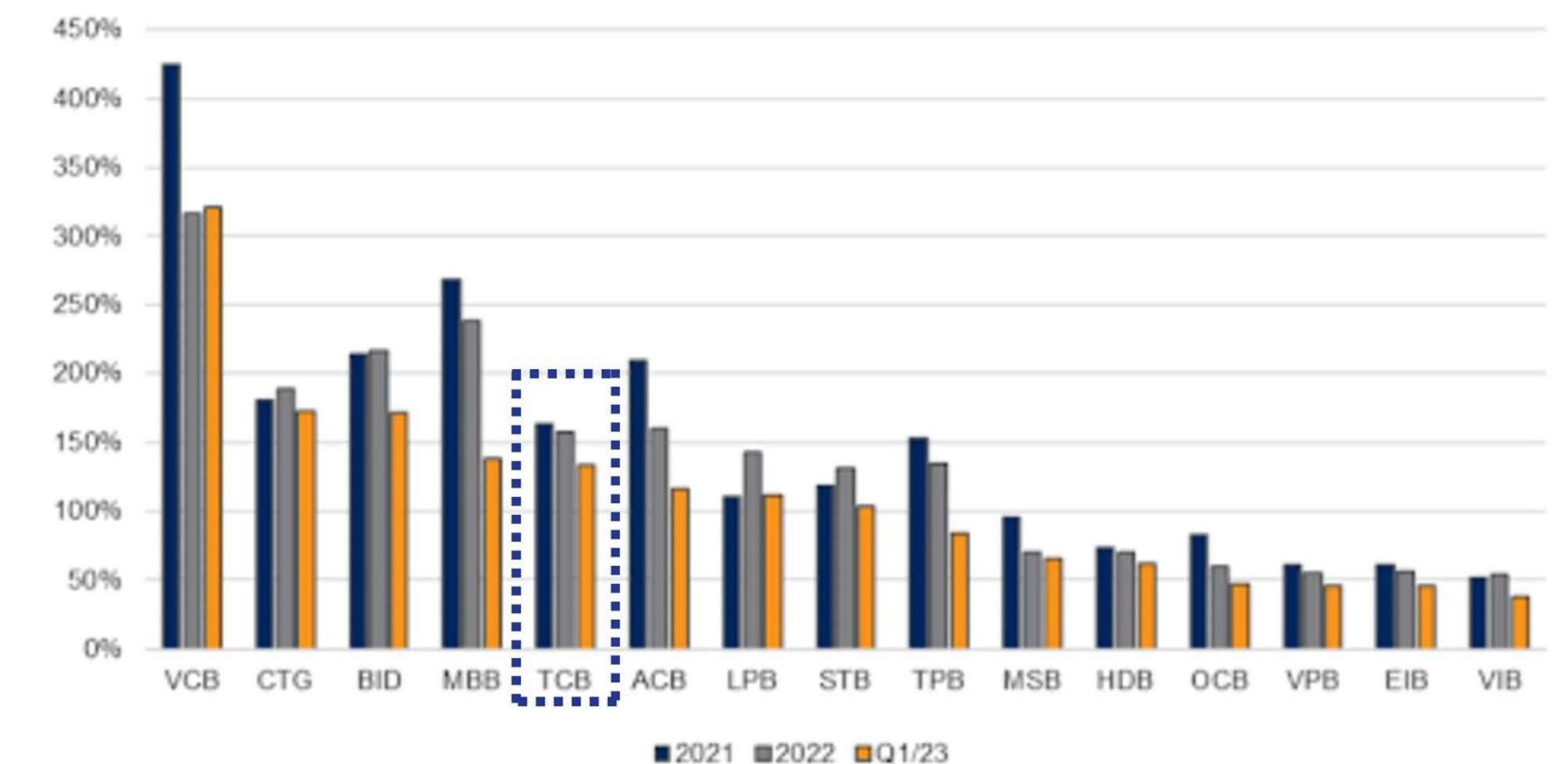
Source: VNDirect

(3) TCB is in the top 2 banks with the lowest bad debt ratio and top 5 banks with the highest bad debt coverage ratio - data as of the end of Q1/23

Nợ xấu của các ngân hàng niêm yết tăng trong Q1/23



Trong khi tỷ lệ bao phủ nợ xấu giảm từ mức đỉnh cuối 2022



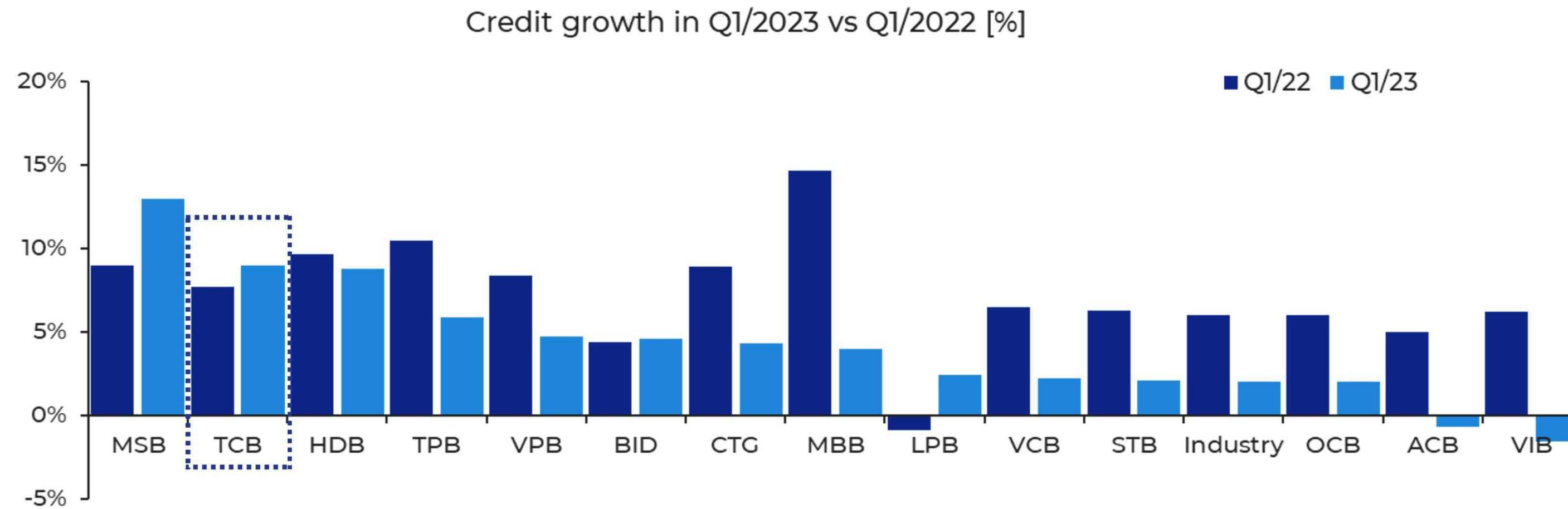
Source: VNDirect

(4) Although Credit growth for the whole industry slowed down in 1H23, TCB has higher growth rates than the industry average

- TCB has a large corporate customer base and the demand for capital of this customer group is high in the first half of the year.

--> Better credit growth

- TCB's Credit growth will reach 19.8% in 2023 and 22.4% in 2024 due to the recovery of demand for home loans in the second half of 2023 as well as the increase of restructuring demand for real estate



Source: VNDirect

(5) The valuation of the TCB has fallen to a historical low.

Method: comparing the P/B ratio

with ROE:

- **only TCB** is currently recording a lower P/B valuation than before the Covid 19 epidemic and at the same time have improved ROE

Method: Comparing P/B and P/E

with 5-year average

- 6 bank stocks (**ACB, HDB, MBB, TCB, TPB, VIB**) currently recording lower P/B and P/E valuations than the 5-year average.

--> a valuation level that is not too expensive, a stock price level that is far enough from the peak and have

stable business results: **TCB**

	ROE 2019	ROE TTM	P/B 2019	P/B TTM	P/B Average	P/E 2019	P/E TTM	P/E Average
ACB	25.11%	25.42%	1.2	1.4	1.6	5.5	5.2	7
BID	12.64%	19.65%	1.9	2.2	2.2	17.1	12	16.5
CTG	8.59%	15.86%	0.9	1.3	1.3	7.6	8.9	10
HDB	17.95%	20.79%	1	1.3	1.5	5.6	6.3	7.7
MBB	20.56%	23.09%	1	1.2	1.4	4.9	5.5	6.9
STB	10.93%	14.92%	0.6	1.4	1.2	7.3	8.7	11.6
TCB	16.83%	17.18%	1	0.9	1.3	5.9	6.7	7.9
TPB	21.58%	20.31%	1	1.3	1.5	5.1	7	8.1
VCB	26.32%	23.16%	3.3	3.3	3.6	14.4	15.6	16.5
VIB	27.36%	28.40%	1	1.6	1.9	4.2	5.9	7.5
VPB	21.95%	11.76%	1.1	1.5	1.6	6	12.8	9.7

Source: Team analysis

STEEL INDUSTRY

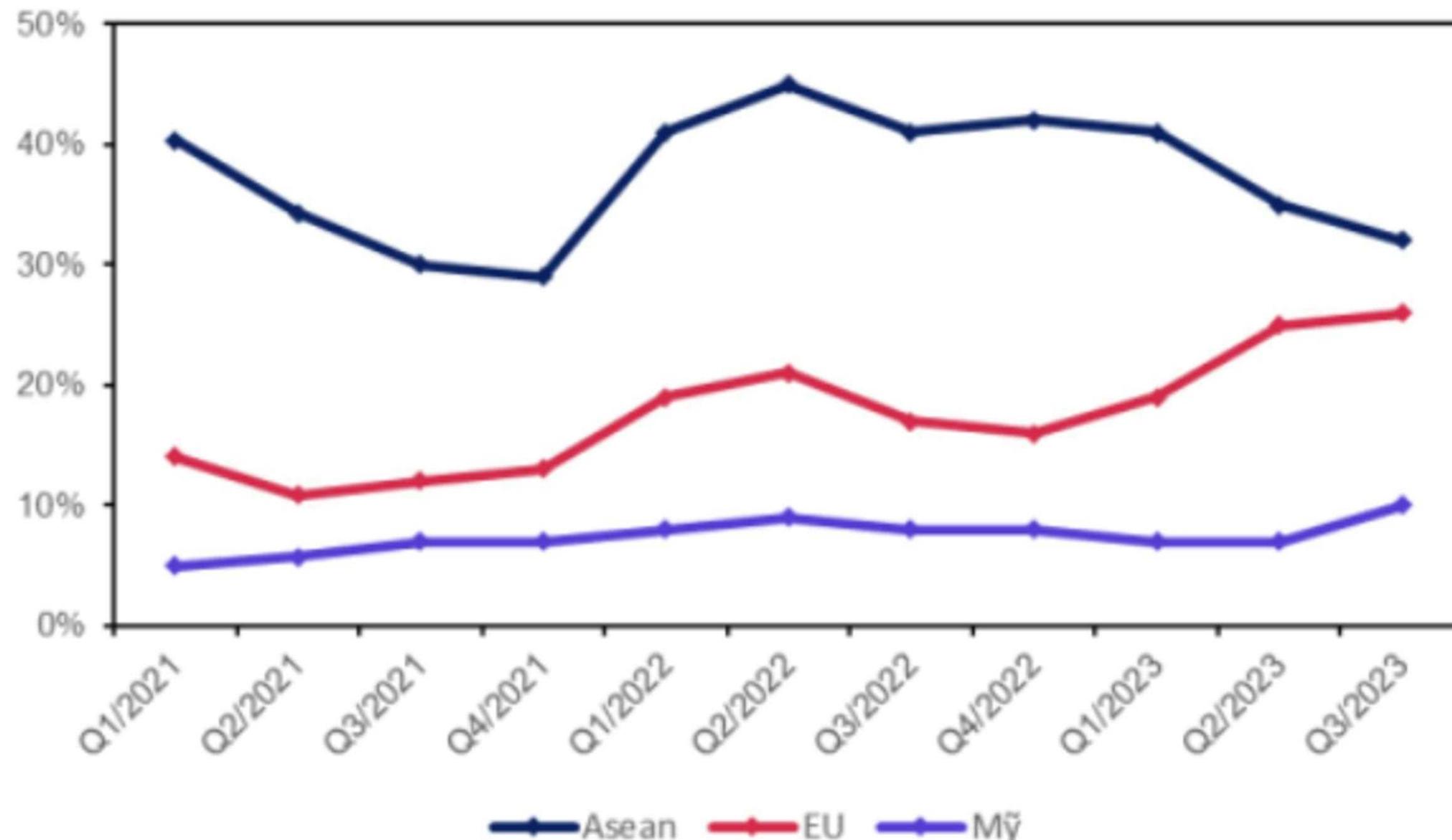
Investment thesis:

- (1) The real estate market recovers, boosting public investment disbursement as a driving force for the steel industry to recover in the second half of 2023.
- (2) The low base of the same period in 2022 when many steel enterprises suffered losses will be the basis for this group to have strong growth in business results in the second half of 2023.



The steel industry is showing signs of recovery after hitting a profit low in Q4/2022.

Hình 19: Thị phần xuất khẩu của thép VN



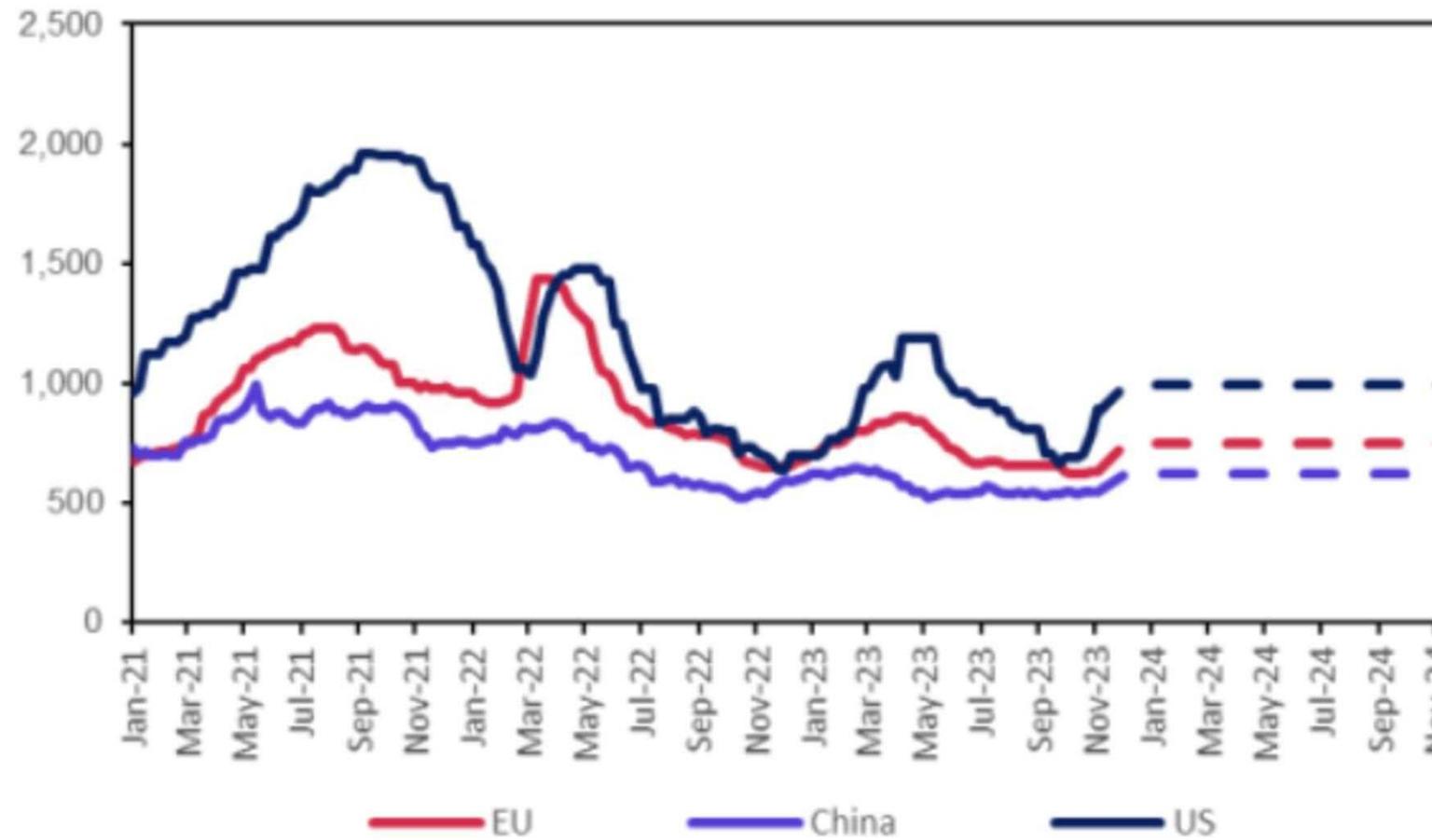
- There is a supply shortage in the EU due to a sharp increase in electricity costs
- Export partners to the EU such as Turkey, Russia, and Ukraine are unable to maintain production.

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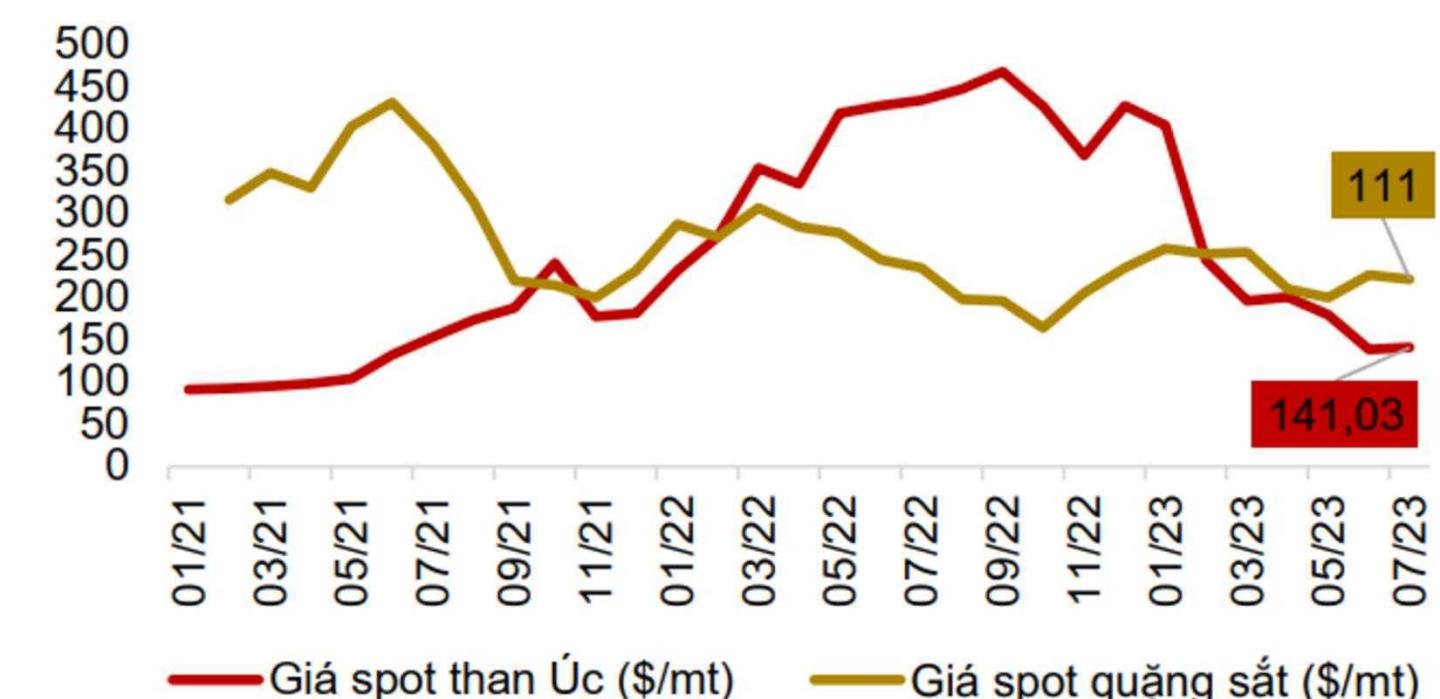
Source: MBS

Low domestic prices of raw steel and HRC

Hình 21: Dự báo giá HRC thế giới (USD/tấn)



Giá đầu vào ngành thép dần ổn định



- Companies producing steel pipes and galvanised steel for export are poised to benefit from the low domestic prices of raw steel and HRC.

- The prices of coal and iron ore are declining and are at a low level compared to the beginning of the year

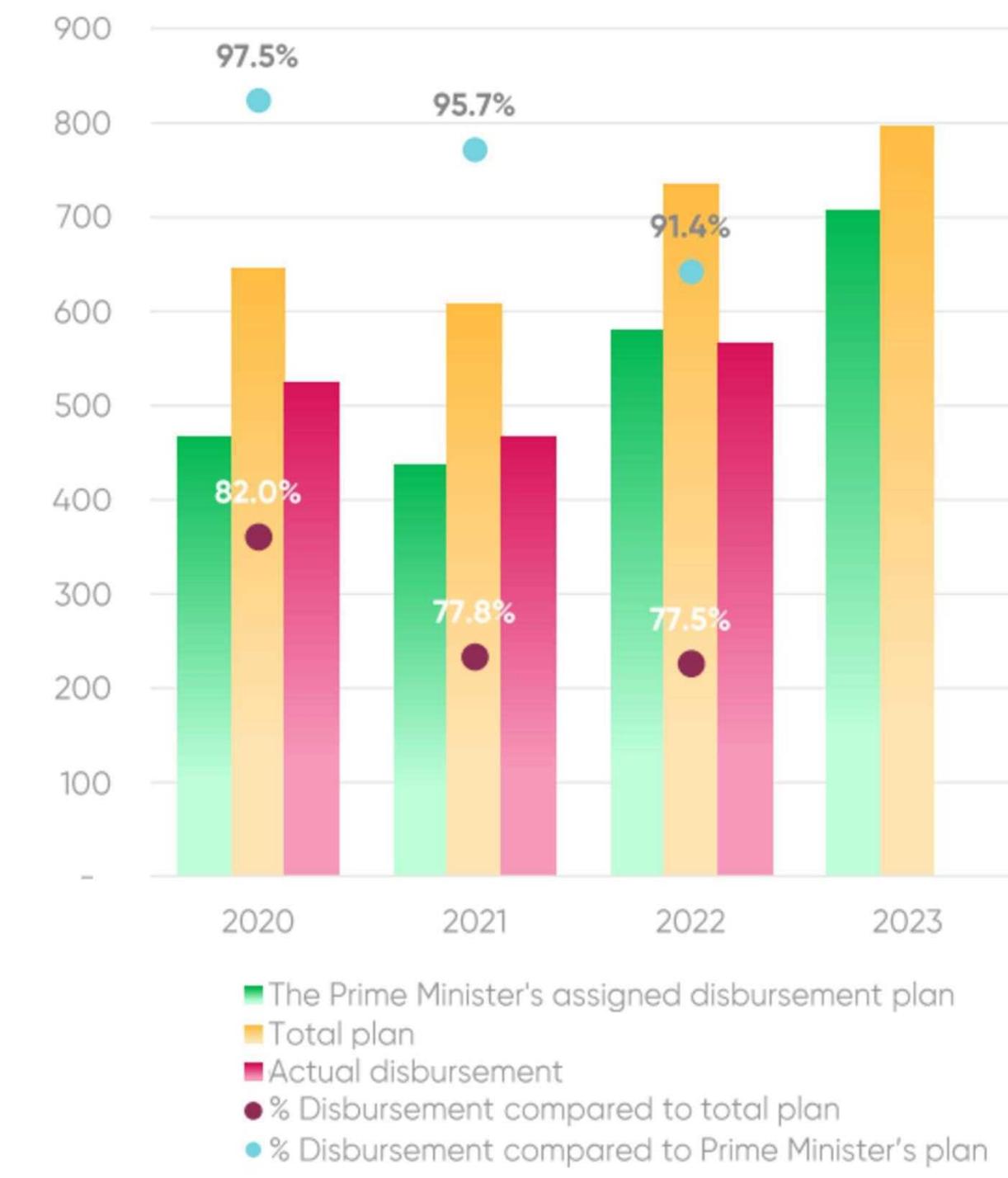
Source: MBS, Agriseco Research

Public investment has become a lifeline stimulating construction activity

- In 2023, MoF announced a **record-high** **> 796 trillion VND** disbursement plan for public investment
- Prime Minister also allocated **> 707 trillion VND**
- Boost the economy, and make public investment the main driver of Vietnam's economic growth

Source: VPS

The annual disbursement of public investment capital
Unit: thousand billion VND



HOA PHAT GROUP

HOSE: HPG

Closing Price – 16/11/2023 [VND] 27,200

52Wk high 29,000

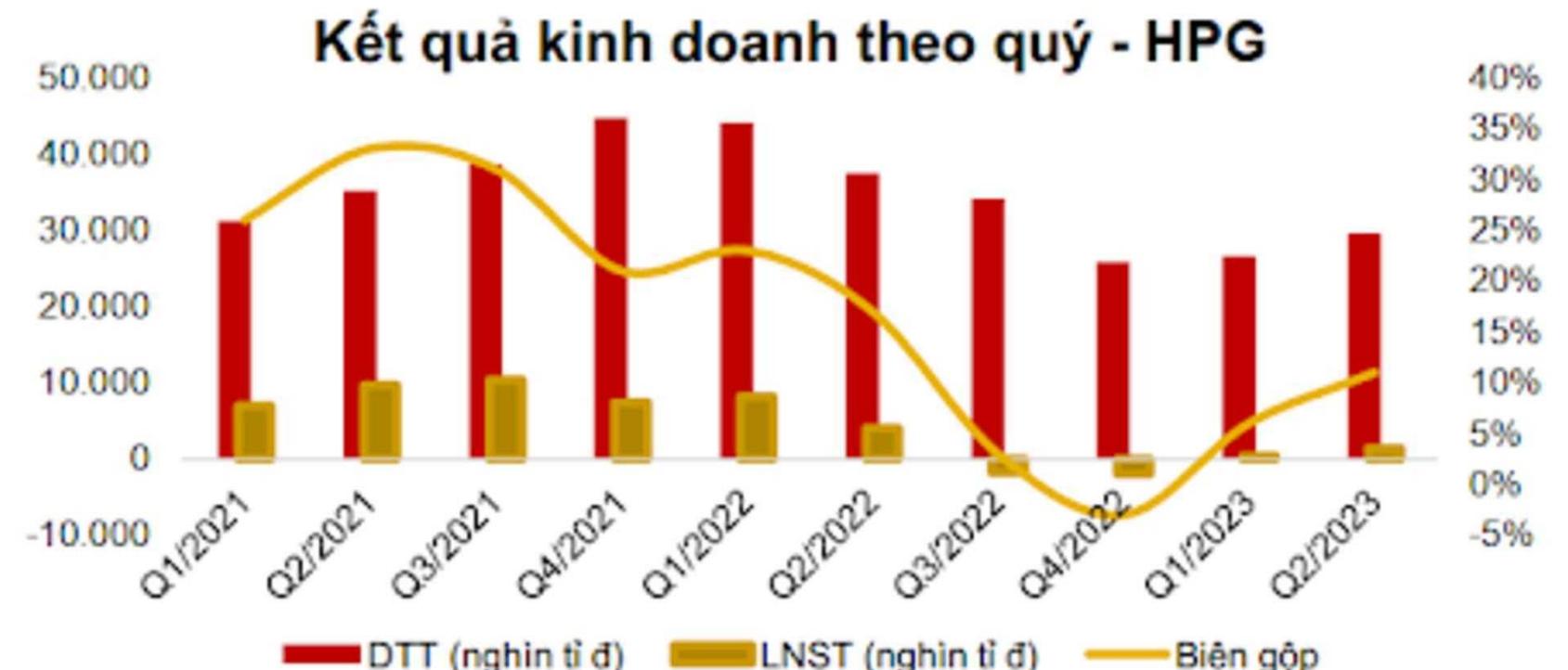
52Wk low 13,800

Market Capitalisation [VND Bilion] 158,162.17

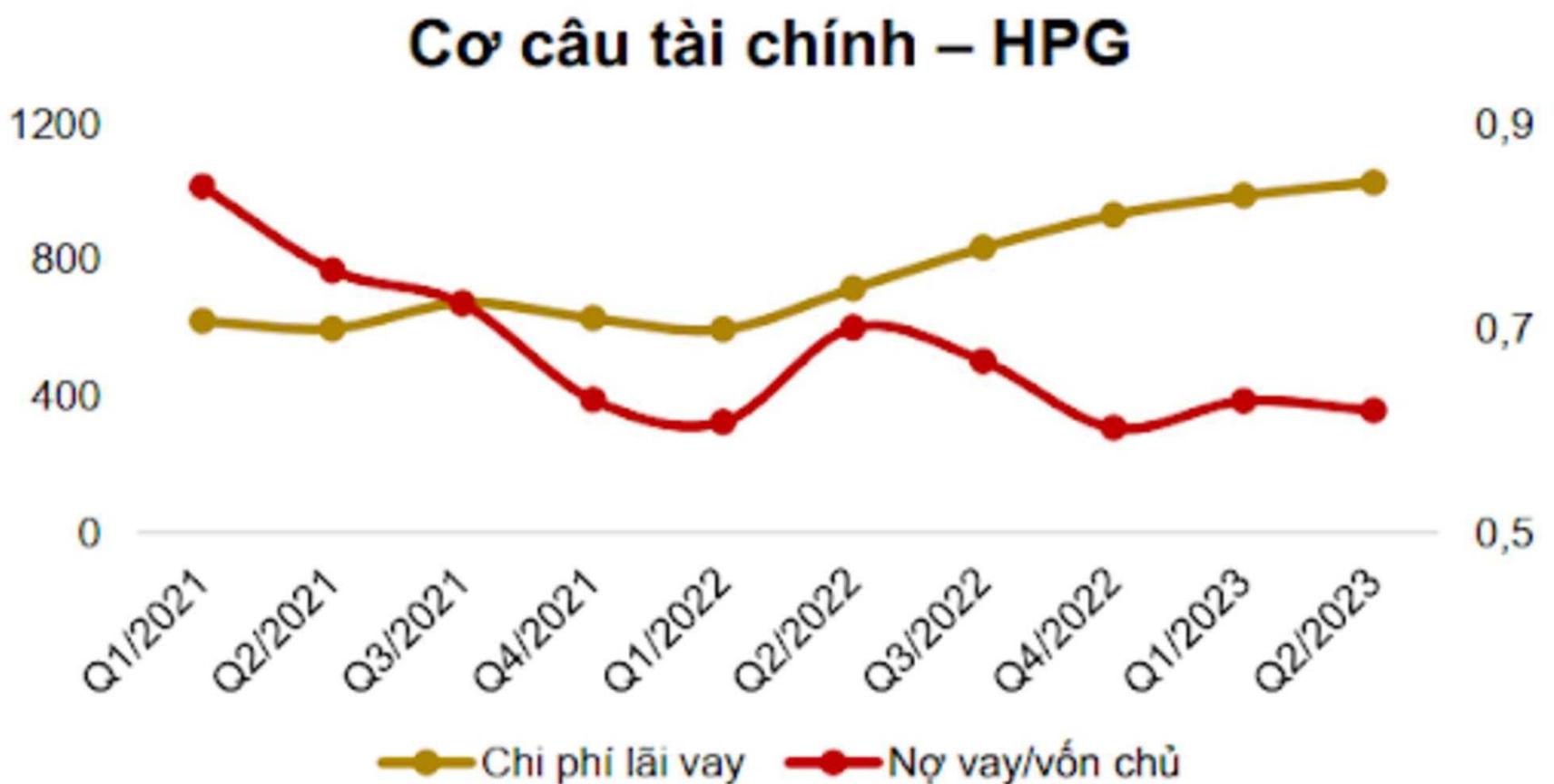
EPS 322



The financial performance of HPG is expected to continue recovering due to the ongoing stability in exports and the revival of domestic demand.



Nguồn: BCTC HPG, Agriseco Research tổng hợp



- HPG's revenue reached 56,665 billion VND, and the profit reached 1,831 billion VND.
- Public investment (North-South Expressway Phase 2, the Ring Road 4-5 in Hanoi, the Ring Road 3 in Ho Chi Minh City, and Long Thanh Airport), could significantly benefit HPG.
- HPG has reopened all seven blast furnaces since the beginning of July 2023

Source: Agriseco Research

PETROLEUM INDUSTRY

Investment thesis:

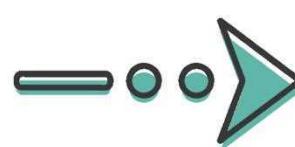
- (1) Expectations for increasing Brent oil price in 2023-2024
- (2) Upstream: The oil and gas drilling market is accelerating globally
- (3) Upstream: Domestic E&P activities will be more vibrant from 2024 onwards





1 Expectations for increasing Brent oil price in 2023-2024

- **OPEC+** agreement to **cut production** → **support oil prices** in 2023 and 2024.
- **EIA** forecasts global crude oil **consumption** could **exceed** crude **oil production** 2H.2023.



Some events that could **affect oil prices** in the future:



Figure: Price of Brent oil.

Source: General Statistics Office

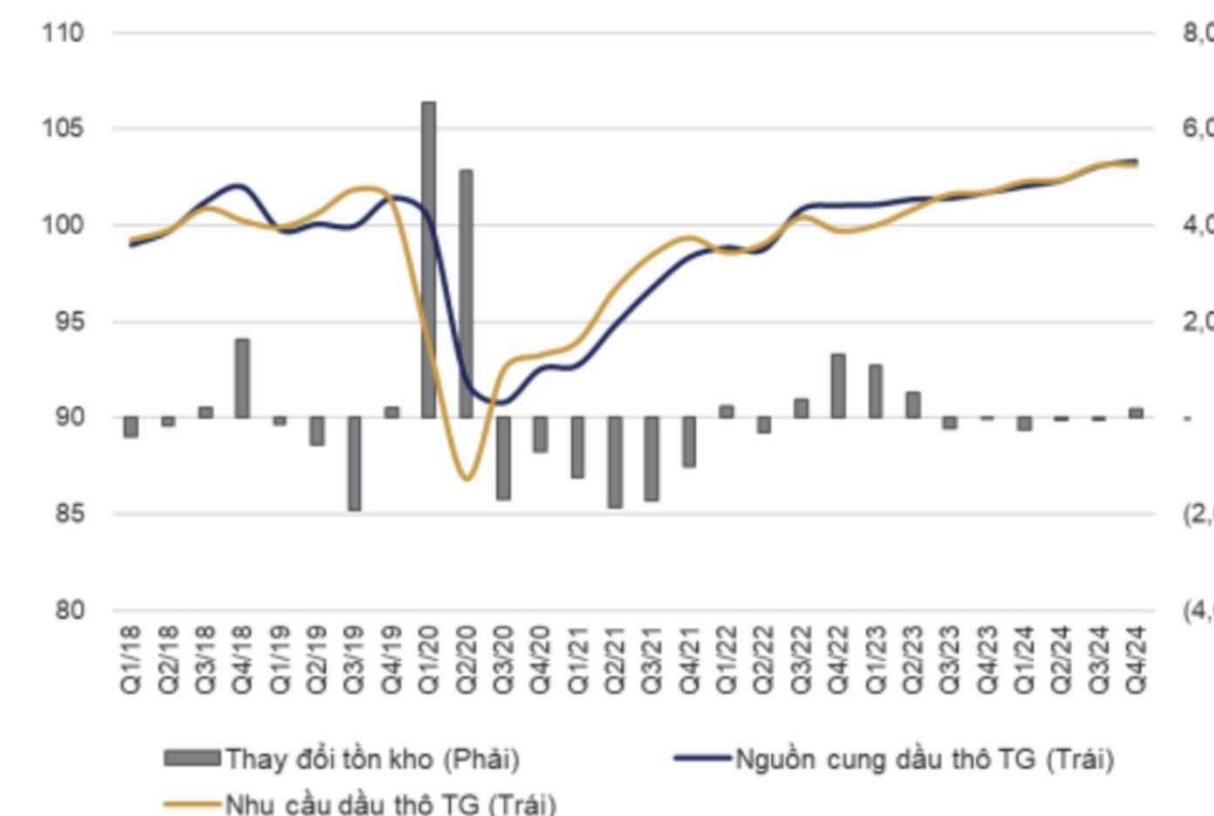


Figure: Global crude oil consumption & crude oil production
Source: General Statistics Office

	Sự kiện	Tác động lên giá dầu
Nhu cầu	Nhu cầu Trung Quốc hồi phục sau khi mở cửa	
	FED tăng lãi suất	
Nguồn cung	Thỏa thuận hạt nhân Iran / Giảm nhẹ cấm vận đối với Venezuela	
	Sản lượng khai thác dầu thô của Mỹ tăng	
	Khủng hoảng Nga - Ukraine kéo dài	
	Sự can thiệp của OPEC+ vào sự vận động của thị trường	

Ghi chú: Tích cực; Tiêu cực

2

Upstream: The oil and gas drilling market is accelerating globally

- 155 JU drilling rigs that **ceased operations** globally period 2015-2021
- 158 jack-up rigs that are **over 30 years old**, which **60 not ready to operate**
- **Rental price of jack-up rigs** in Southeast Asia has reached **an unprecedented high** since 2015



A good sign for drilling rig service providers.

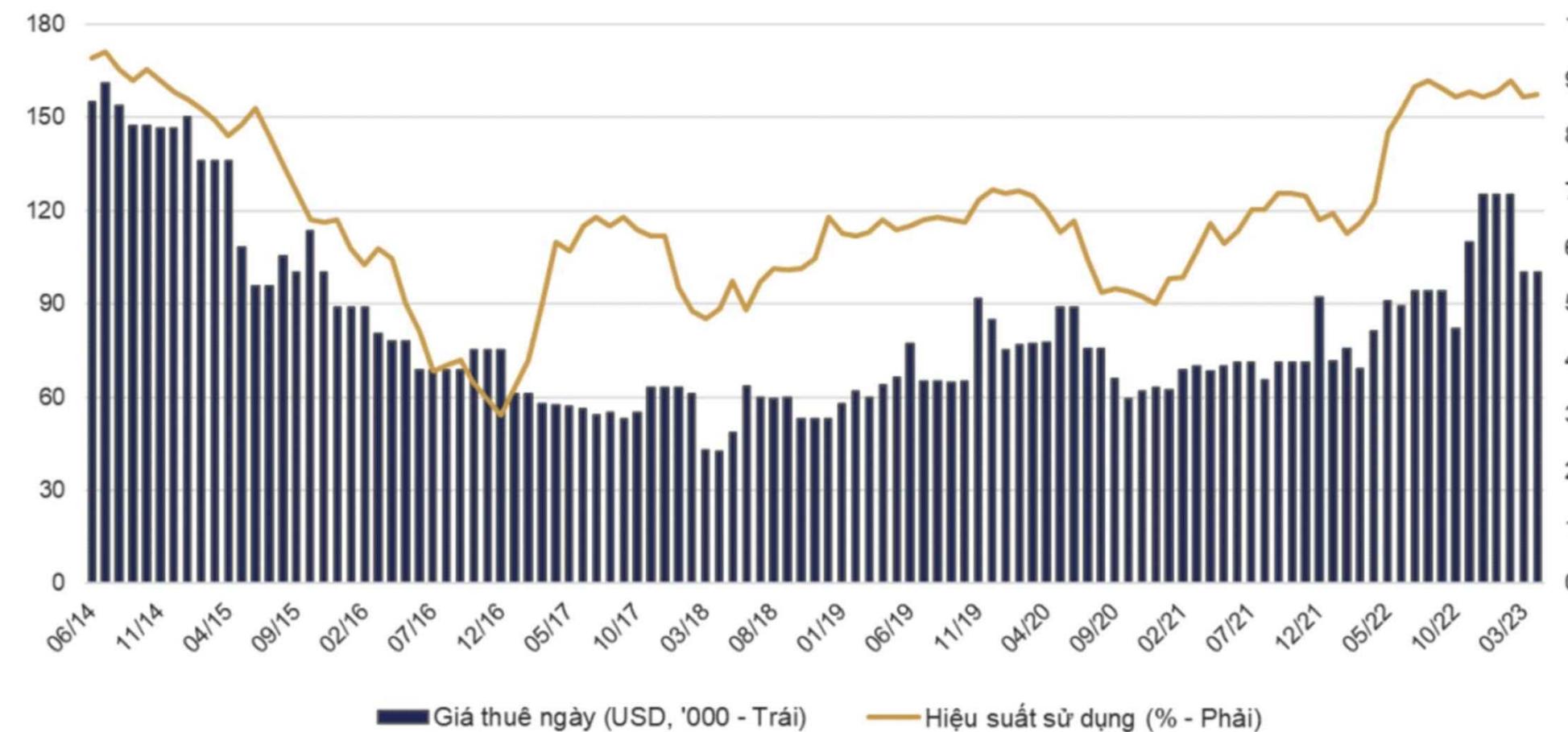
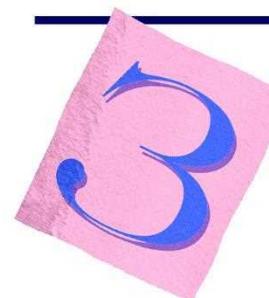


Figure: Rent price of JU rigs.



Upstream: Domestic E&P activities will be more vibrant from 2024 onwards

- Domestic oil, gas production continuously **declining** since 2015 due to the **lack of major E&P projects**.
- Recent **political, economic crises** highlighted importance of **energy supply autonomy**.
- **Mines in Vietnam** have entered the **final stage** of their exploitation lifecycle

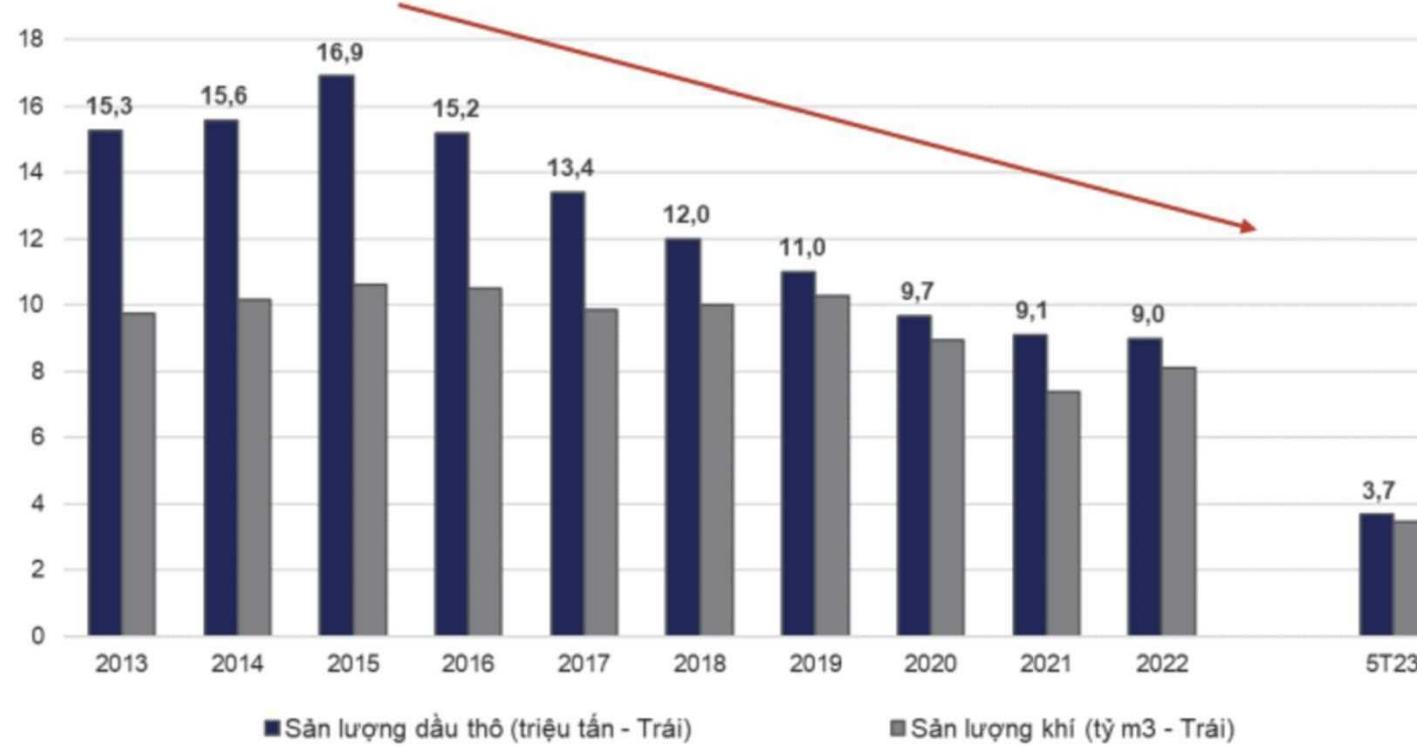


Figure: Quantity of crude oil and gas
Source: General Statistics Office

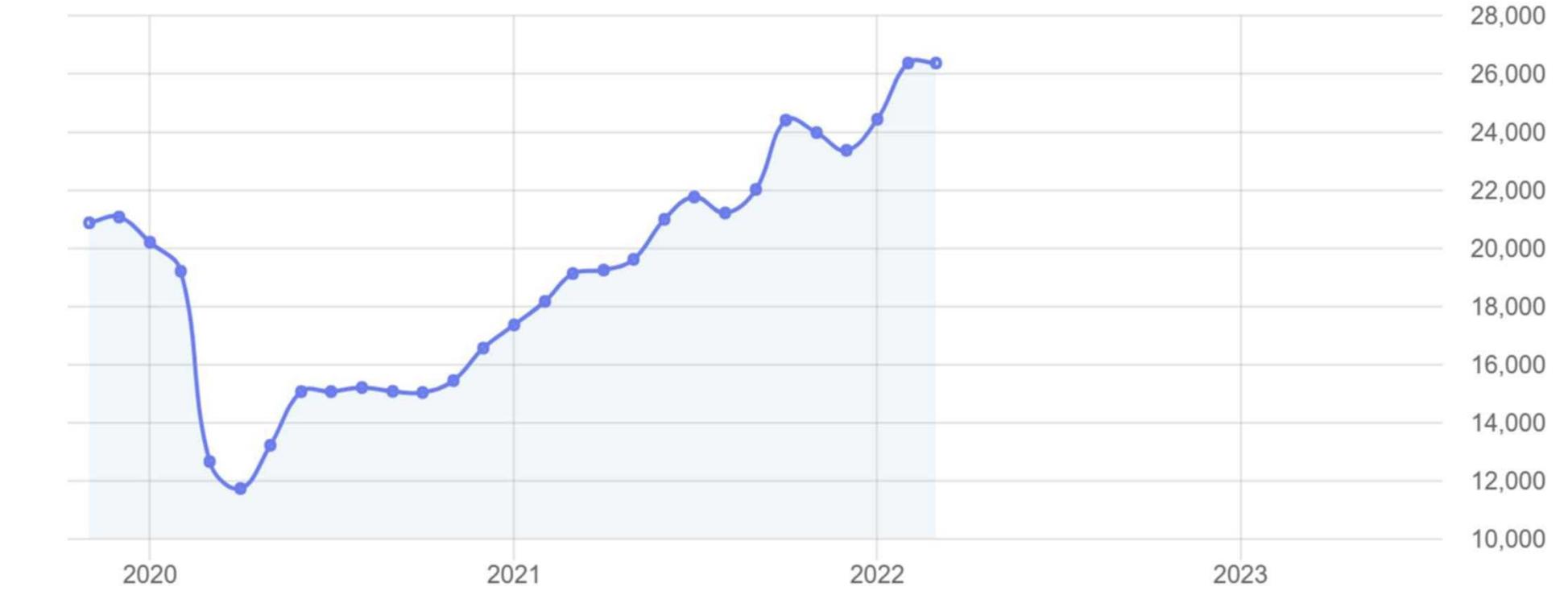


Figure: Price of petrol in Vietnam
Source: General Statistics Office

PETROVIETNAM TECHNICAL SERVICES CO.

HNX: PVS

Closing Price – 16/11/2023 [VND]	32,400
52Wk high	39,900
52Wk low	18,500
Market Capitalisation [VND Bilion]	18,353.91
EPS	1,847



Growth in operation of PVS

- **PVS's revenue** for the first half of 2023 reached **8.4 billion VND (11% yoy)**
- **M&C activities** with construction projects reaching **4.9 billion VND (31.1% yoy)**

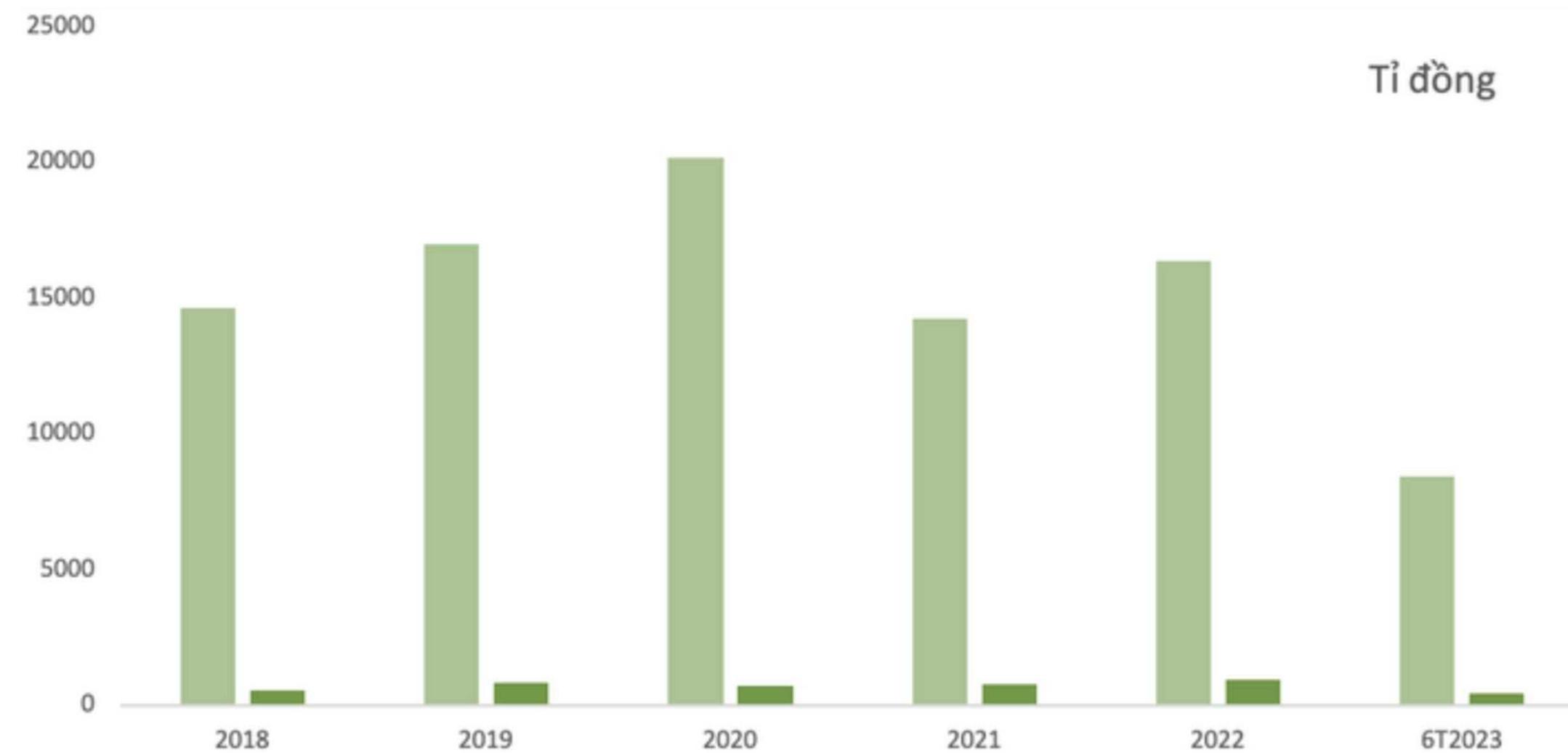


Figure: Revenue and net profit after tax of PVS

Source: General Statistics Office

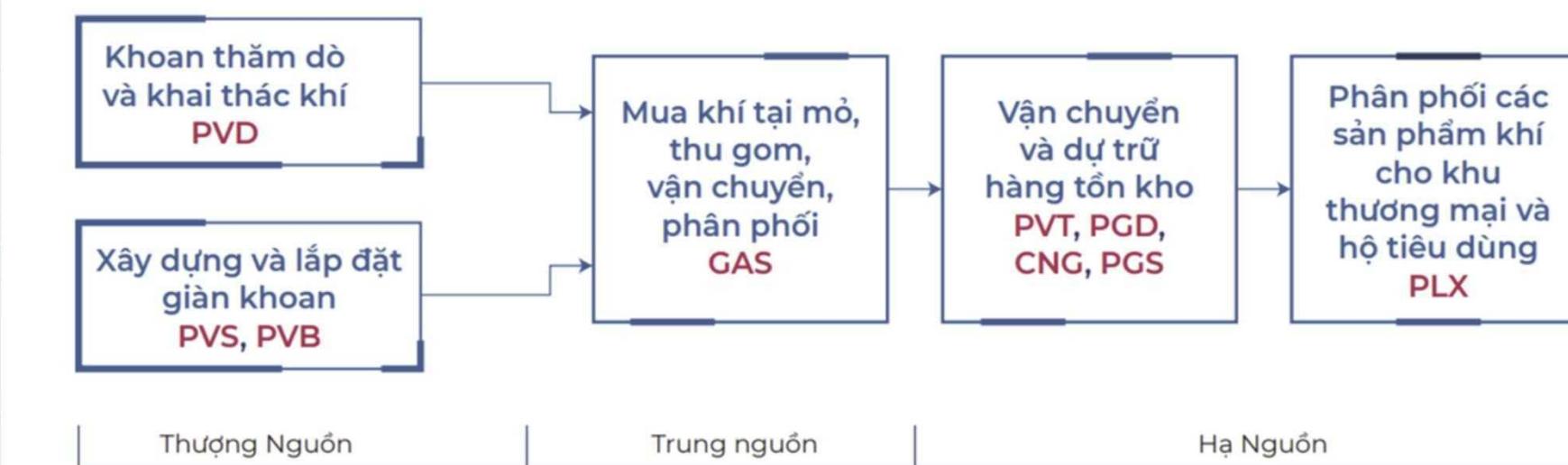
Benefits, PVS will receive from projects and PVS's financial situation

- PVS's leading position in the **construction of offshore oil and gas** projects in Vietnam, benefit from **QHD8 (Lot B O Mon)**, wind power contracts such as **Hai Long** and **Changhua in Taiwan, Baltica in Poland**.
- Have a **very strong financial situation**, with a **net cash over 8,800 billion VND**, a **net debt/equity ratio of -67%** at the end of Q1 2023

TT	Dự án	Chủ đầu tư	Vốn đầu tư- Capex (tr usd)	Dự kiến Thời gian thực hiện							
				2022	2023	2024	2025	2026	2027	2028	2029
1	Đại Hùng pha 3 (lô 05.1a)	PVEP POC	121								
2	Sư Tử trắng giai đoạn 2B	JOC Cửu Long: PVEP (50%), Perenco (23,25%), KNOC (14,25%), SK (9%) và Geopetrol (3,5%)	1,100								
3	Lô B- Ô mòn- phát triển mỏ	PQPOC: PVN (42.38%), PVEP (23.50%), MOECO. (25.62%), PTTEP Thailand (8.50%)	2,430								
	Lô B- Ô mòn- Khai thác		6,900								
	Lô B- Ô mòn- đường ống	SWPOC: PVN(28.7%), PVGAS(51%), MOECO, PTTEP	1,270								
4	Nam Du - U Minh	Jadestone Energy (70%); PVEP (30%)	200								
5	Lạc đà vàng (lô 15-1/05)	Murphy Oil (40%), SK Energy (25%), PVN (35%)	693								
6	Cá Voi xanh	ExxonMobil (64%), PVN (36%)	2,500-4,000								

Table: Upcoming projects and contracts

Source: General Statistics Office



TECHNOLOGY INDUSTRY

Investment thesis:

- (1) The technology industry is expected to continue to grow strongly because the wave of digital transformation continues to take place at a very fast pace.
- (2) Facing the wave of foreign investment has brought many opportunities for Vietnam's IT labor market to become the most vibrant ever.



IT has made significant strides, maintaining high growth rates for many years

Mục tiêu chuyển đổi số Việt Nam đến 2025

20%	Kinh tế số chiếm 20% GDP	80% - 100%	Mạng Internet cáp quang phủ 80 – 100%
70	Việt Nam thuộc 70/193 quốc gia dẫn đầu về Chính phủ điện tử	Phổ cập	Phổ cập dịch vụ mạng 4G/5G và điện thoại di động thông minh
80 – 100%	Phát triển Chính phủ số với chuyển đổi 80% dịch vụ công; 90% hồ sơ công việc; 100% CSDL quốc gia	> 50%	Tỷ lệ dân số có tài khoản thanh toán điện tử

- Vietnam has a stronger growth rate for **IT services and software** than the period 2015 - 2020. The GOV also spent 10 trillion VND in the **Socio-Economic Recovery and Development Program** for digital infrastructure development.
- Cybersecurity law is passed with the expectation that **domestic IT and Telecommunications** business will benefit.
- **5G network system** is being tested and is expected to promote strong digital transformation in Vietnam.

FPT CORPORATION

HOSE: FPT

Closing Price – 16/11/2023 [VND] 93,000

52wk high 99,000

52Wk low 69,300

Market Capitalisation [VND Bilion] 118,107.105

EPS 4,815



FPT is a potential investment choice.

Số liệu cập nhật ngày 12/05/2023

Các chỉ số	FPT	CMG	ELC	VGI
ROE (%)	27.70%	13.48%	4.17%	5.41%
ROA (%)	12.29%	5.91%	3.24%	3.02%
EPS	4,771	2,116	411	282
P/E	16.58	19.59	34.65	78.25
P/B	3.46	2.33	0.92	2.56
Tổng Nợ/VCSH	1.04	1.25	0.26	0.72

- FPT is the **undisputed leader** in the Vietnamese IT and telecommunications market, with a market share of over 20%.
- **Outstanding indicators** show that FPT has **strong future growth**.

Figure: Industry competitor ratio analysis

Source: SBS Securities

FPT is a potential investment choice.

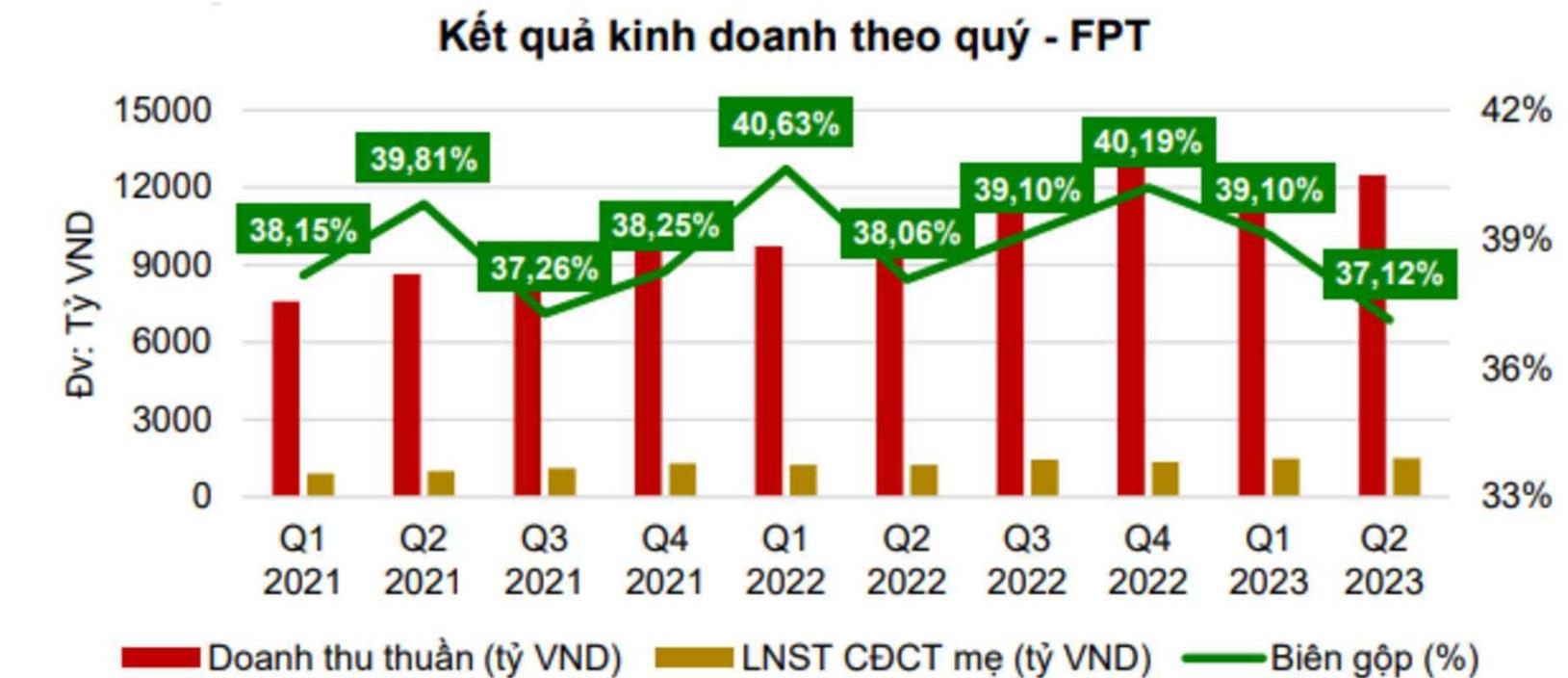
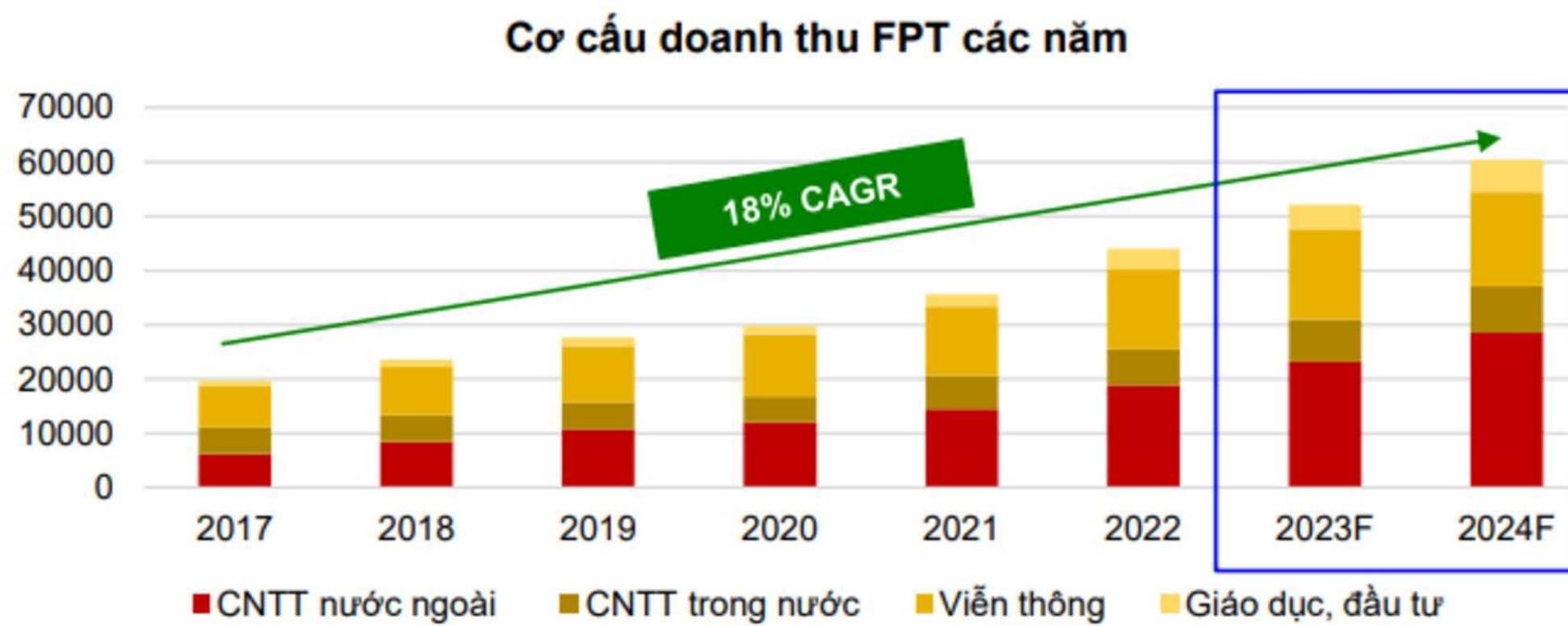


Figure: FPT business result
Source: Agriseco Research

- **FPT's 2023 business results** will continue to grow by **18 - 20%** due to foreign technology segment.
- **Revenue and EBIT in 2023** are forecast to increase by about **20% yoy** with a large contribution from the foreign IT segment with the Japanese market expected to recover.
- The **Telecommunications segment** is expected to maintain a sustainable growth momentum of 10% yoy.
- The **education segment** is expected to grow more than 30% yoy.

Benefits, FPT will receive from projects and FPT's financial situation.

TECHNICAL ANALYSIS





Figure: Team analysis

- Based on **MACD: MA12 cut up MA26** → an **upward trend**
- The **recent bottom** was higher than **previous bottom**. → uptrend
- **MA100** also **cut up MA200** → a **long term uptrend**.
- We can **buy** when it **hit** the **support line**, if **price break down** it, we can **cut loss**.

- Based on **MACD**: **MA12** cut up **MA26** → an **upward trend**, but **MA26** may tend to cut down **MA12** so we would be **careful** and **wait** for the **confirmation**.
- **MA100** also **cut up MA200** → a **long term uptrend**.
- We can **buy** when it **hit the support**, if price **break down** it, we can **cut loss**.
- We can buy when the **MA26 don't cut down MA12** and when **price hit the support line** and **cut loss** when **price breaks down it**.



Figure: Team analysis

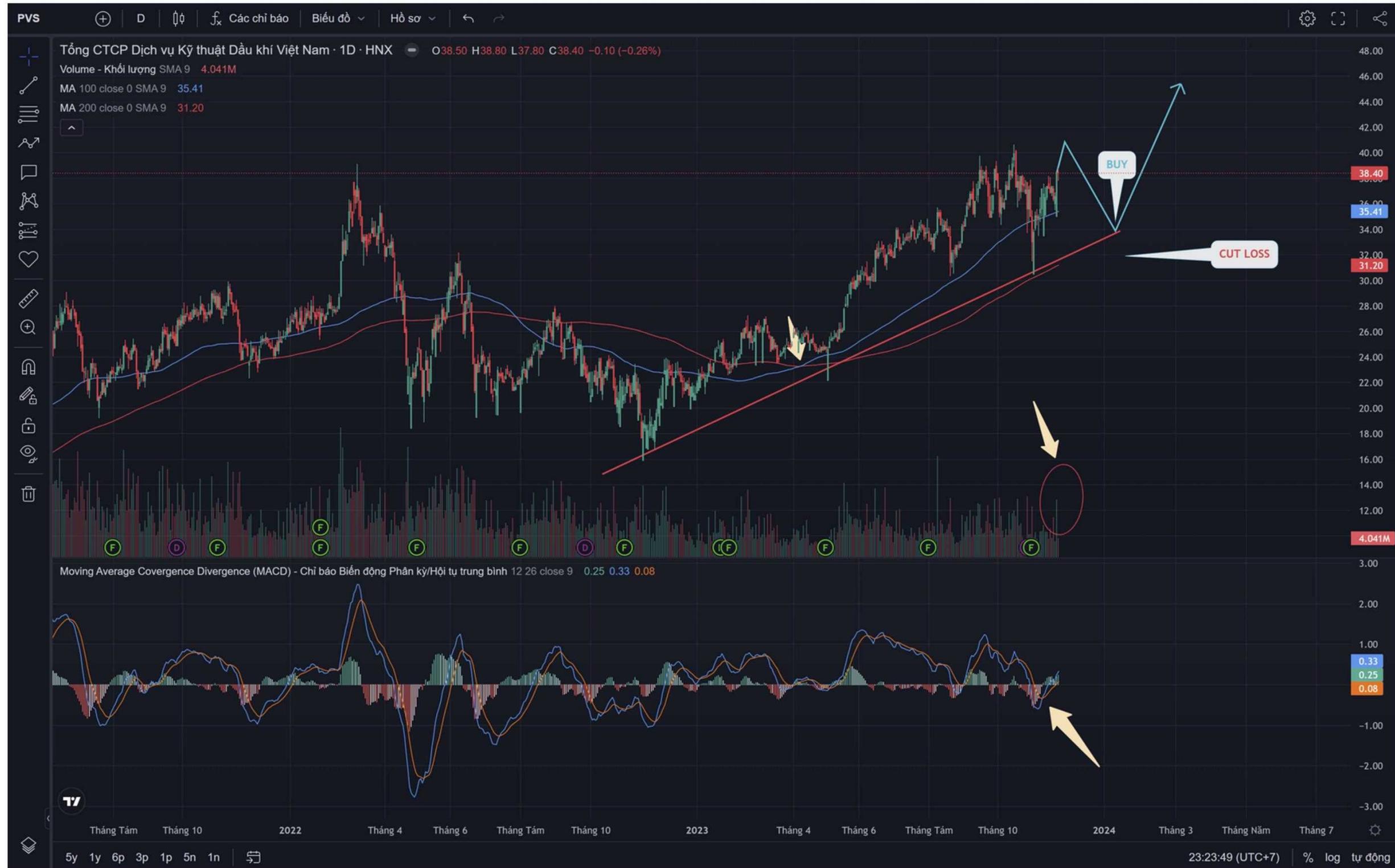


Figure: Team analysis

- Based on **MACD: MA12 cut up MA26** → an **upward trend**
- In **some up candles** have a **very high volume** with **close price near highest price** → **A very strong demand**
- **MA100** also **cut up MA200** → **a long term uptrend.**
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- Based on **MACD**: **MA12 cut up MA26** → an **upward trend**
- In **some up candles** have a **very high volume** with **close price near highest price** → A **very strong demand**
- **MA100** also **cut up MA200** → a **long term uptrend**.
- The **peak** and **bottom** generate **a triangle pattern** so when it **break up** the pattern we will take **a long position**



Figure: Team analysis

PORTFOLIO WEIGHTED - OBJECTIVE: MINIMIZE RISK

	<i>Assets</i>		
	weights	return	stdev
PVS	19.40%	30.90%	54.51%
HPG	17.70%	13.80%	38.94%
TCB	12.89%	10.84%	36.29%
FPT	50.00%	30.33%	29.32%
budget	100%		

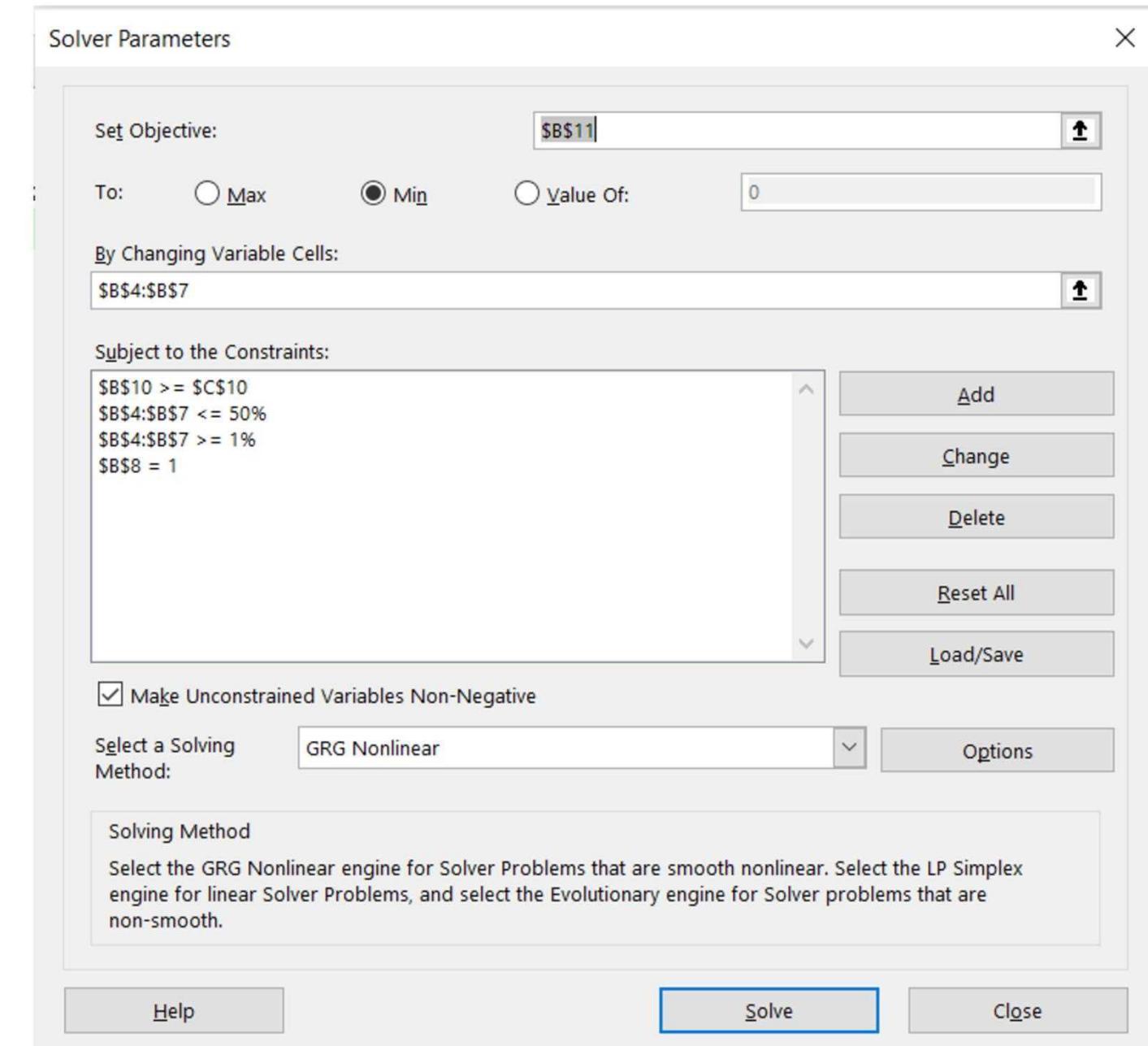
portfolio return 25.00% 25.0% return constraint
 portfolio stdev 28.97%

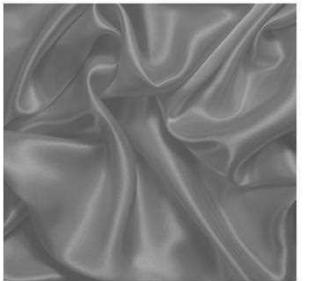
Constraint

- Each of the portfolio's securities is not lower than 1 % and not higher than 50%
- > diversify our portfolio
- The sum of all securities must equal 100%
 - Portfolio return is 25% (yearly)

Risk-free rate (RFR)

5.00%





THANK YOU

