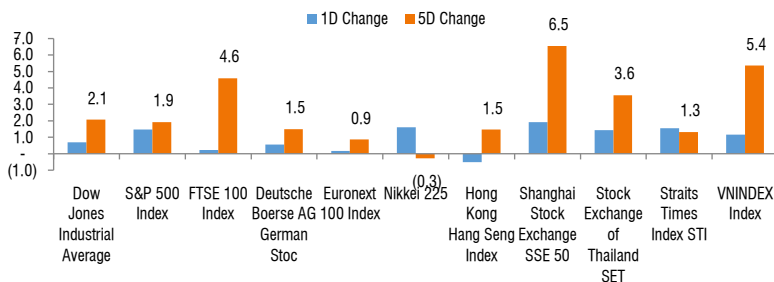
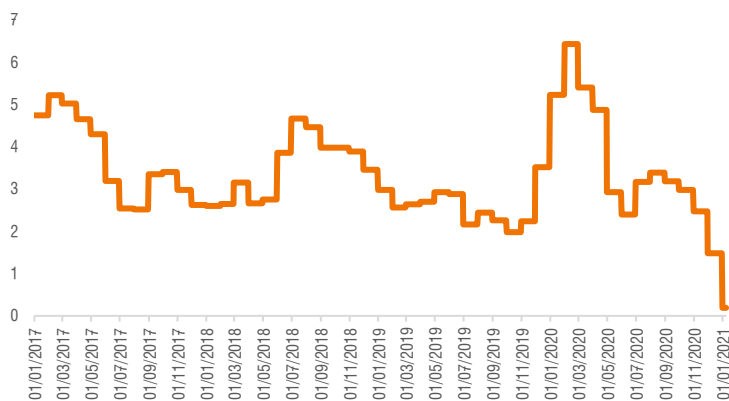


MACROECONOMICS

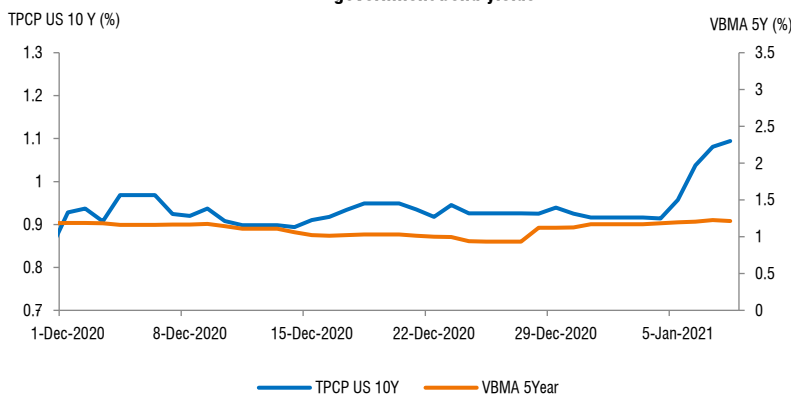
Global Indices



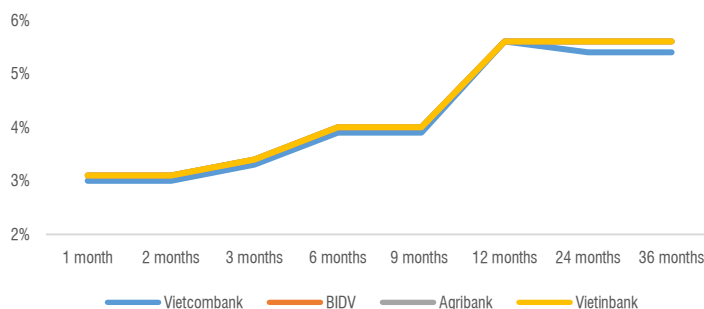
CPI MoM



10-year US government bond vs 5-year Vietnamese government bond yields



Deposit rates



Due to the strong effect of COVID-19 in 2020, VN-Index suffered significant decline of 32% YTD in March but managed to bounce back and ended the year with a 14.7% YTD growth, equivalent to 1,103 points. The remarkable recovery happened mainly during the last 2 months of the year with growth rate of 18.43%. From March to December, Vietnam's stock market skyrocketed thanks positive sentiment of the disease control system and the capital shift from other investment channels to the stock market. The favorable situation was also influenced by international markets where other nations still struggle with COVID-19 and the recession, but the stock markets still had a breakthrough in 2020 and up until now.

The stable macroeconomic environment, low interest rate remains the common narrative that helps to maintain investors' positive investment outlook. Looking at 2020 as a whole, Vietnam's macroeconomy saw noticeable achievements such as: being one of the few countries in the world that managed to curb the pandemic; GDP is among the highest in the world (2.91%); strong public investment; stable inflation and a large trade surplus (CPI 3.23% - lower than the 4% target; trade surplus reached USD19.1 billion); manageable budget deficit, public debt increased but remained under control nevertheless.

Low interest rate helped the stock market to become a more attractive investment channel in comparison to bank deposits. Overall in 2020, SBV did not inject nor withdraw significantly from the market, however recorded large inflows from forex activities. According to the Government's estimate, net injection from the SBV increased by 13% YoY, lowering the deposit rate by 1.5 - 3% p.a for all tenors. Lending rates also decreased by 0.5 - 2.5% p.a and is currently at the lowest range recorded in history.

In the past, it is a rare occasion where VN-Index increased for 5 consecutive sessions. Since Dec 31st, the index has risen by 58.95 points (equivalent to 5.26%) with trading value reaching VND15,000 billion/session. Right in the first trading session of 2021, VN-Index was supported by the banking, O&G and industrial real estate stocks.

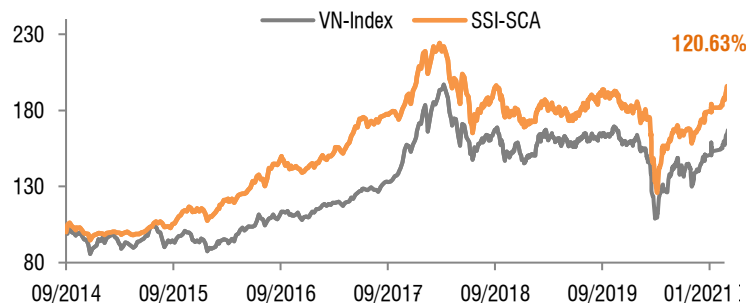
At same time, we were able to observe sell-to-cover activities, especially in the cases of VNM, FPT and HPG, etc. However, the buying forces were equally strong. In the following sessions, this trend continued to repeat with many other stocks that supported the VN-Index to rise such as VIC, VHM, VRE, MSN, NVL, and NLG. The number of newly opened accounts reached a record-breaking level in December 2020, which partially explains the strong capital inflows. In addition, the MSCI Frontier Index has decided to take Kuwait out of the basket (since the country has been upgraded to emerging market status) and thereby increased the weight of Vietnam to 30.6%. According to estimates, about USD250 million – USD400 million flowed into the Vietnamese market from investment funds that follow frontier markets. This is also a factor to attract capital from local investors to large-cap stocks, exacerbating a strong impact on VN-Index.

As stated in the previous week's newsletter, the New Year holiday and the scattered spread of information were taken advantage by investors. Large amounts of transaction poured into the market, as long as the stock has positive news, it will immediately attract the attention of investors. We take a cautious view with the market going up too fast in the short term despite the good prospects in the medium and long term. Disbursement needs to be carefully considered while information needs to be filtered to find suitable investment opportunities. The equity proportion of SSI-SCA is at a high level of 80%, fixed-income accounts for 11% of the total portfolio value.

NAV as of 07th Jan

NAV/Unit		% WoW	Profit		
			% MTD	% YTD	Since inception
22,062.59	SSI-SCA	2.72%	11.27%	2.72%	120.63%
	VN-Index	4.77%	12.28%	4.77%	91.16%

* Fund inception dated 26 Sep 2014



TOP HOLDINGS

TICKER	% NAV	TICKER	% NAV
MWG	9.96%	TDM	3.85%
HPG	9.58%	IMP	3.84%
FPT	8.27%	VTP	3.51%
BONDHDG	5.83%	MBB	3.44%
TCB	5.14%	PLX	3.34%

PERFORMANCE INDICATORS

	SSI-SCA	VN-INDEX
P/E (12 month)	12.89x	19.46x
P/B	2.18x	2.5x
ROE	18.41%	13.62%
Yield	2.55%	1.40%

Source: Bloomberg, SSIAM

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