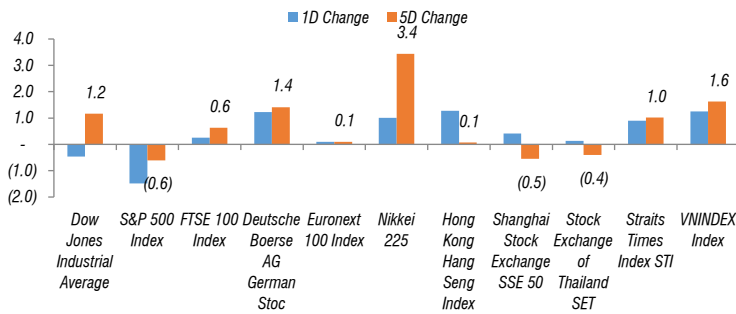
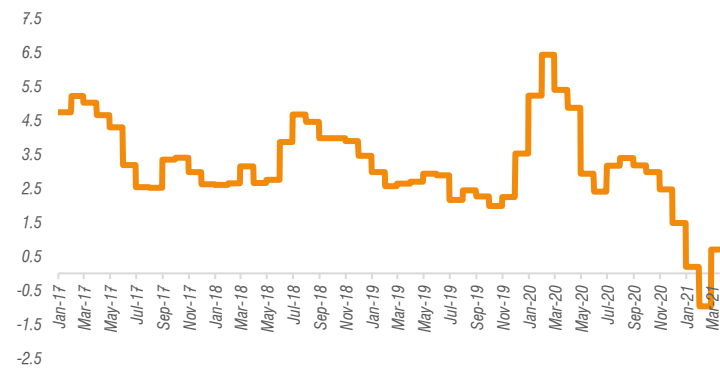


MACROECONOMICS

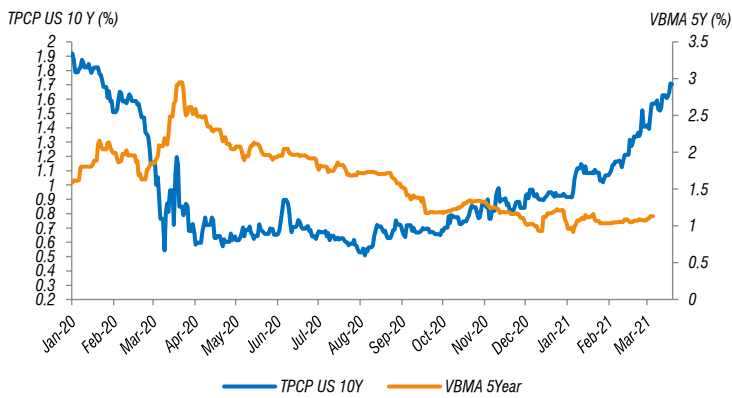
Global Indices



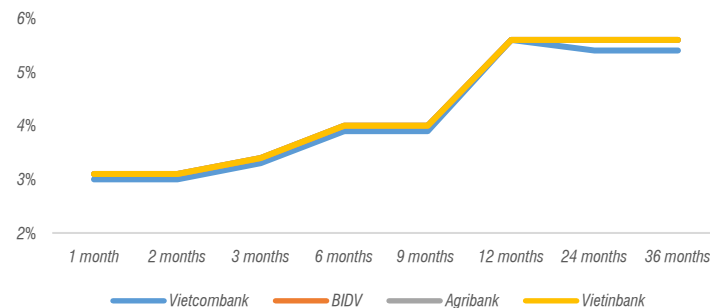
CPI MoM



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



Deposit rates



Global: This week's FOMC meeting concluded with unchanged policy with respect to rates and asset purchases as Fed speakers have said they expect the fiscal stimulus to have only temporary impacts on inflation and have repeatedly said they intend to look through upcoming transitory inflation, emphasizing that fiscal stimulus will not overheat the economy. Powell has committed to a long period of engagement before changing policy and penciling in a rate hike would violate that commitment. As the Fed made a mistake last cycle by signaling rates hikes at the front end of the recovery, they have now changed the narrative with strong commitments to supporting a full-employment economy. Despite this persistent reassurance from the Fed, the 10-Year Treasury yield jumped above 1.7% on Thursday, its highest level in more than a year, a move which could be interpreted as "belated overreaction" to the Fed's announcements. Such drastic move in the bond market has caused volatility in high-growth stocks as investors reprice the shares accordingly to the changes. Overall, Nasdaq composite closed Thursday 3% lower and S&P500 decreased by 1.5%.

Vietnam: Yesterday Moody's changed its Vietnam sovereign rating outlook from negative to positive and affirmed a rating of Ba3. At first glance the upgrade looks a bit strange and unconventional, as normally it needs to change from negative to stable, and then from stable to positive. However, there is some background context here to recollect. Regular readers of the wrap might recall that Moody's assigned a negative outlook on Vietnam back in Dec 2019, citing the reason of a delayed payment of a governmental obligation (see our discussion here, Daily Call Dec 19th, 2019). At the time, we had noted that a downgrade is unlikely to occur within the next 3 months, and the risk for another delay in terms of servicing the debt payment is unlikely to occur again anytime soon (noting that the related debt has been paid in full). We had noted, rightly, that what is happening is more of a temporary lapse regarding debt payment procedures. Other rating agencies such as Fitch at the time had still affirmed Vietnam at BB with a positive outlook, as they believed that "delayed payment does not have an immediate impact on the rating".

The 1,200-threshold has been surpassed this week. However, VN-Index declined in the last session of this week, recording a 0.86% increase in comparison to the previous week. The matched transaction value oscillated around VND14,000 billion and the

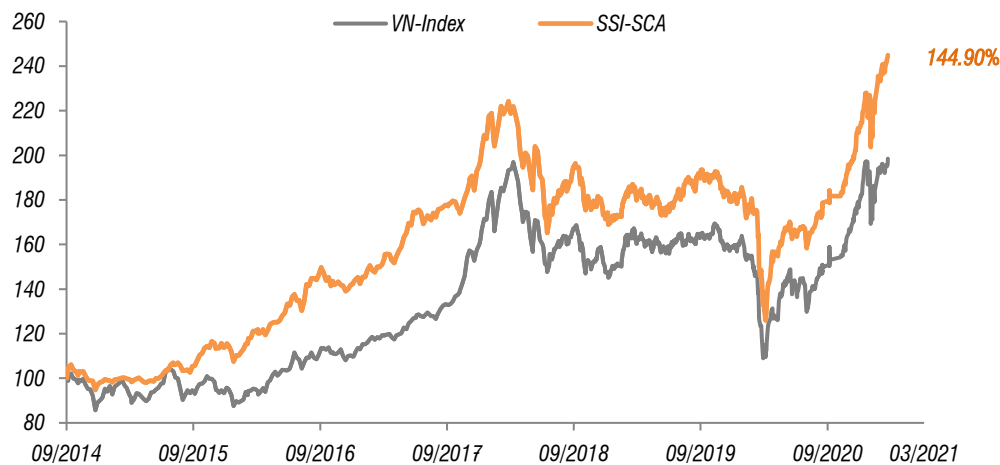
congestion issue continues. Foreign investors kept their net selling momentum that amounted up to VND3,000 billion. In general, this group sustained the momentum despite the capital inflow into ETFs. Without a doubt, the congestion problem poses liquidity risk which led to the capital outflows from foreign investors to allocate to other markets or index funds. Stocks from the banking sector, notably CTG, BID and ACB made positive impressions this week.

The optimistic news with regards to Moody's forecasts raised outlook for Vietnam whilst maintaining the Ba3 rating were well received by the market in conjunction with FPT's test for the trading system in the next 2 weeks. However, in general, the market saw no clear trends. Conquering the 1,200-benchmark does not seem like it created enthusiasm among investors. There are many issues on the plate such as how far will it increase to, which sectors will lead the market, whether the capital inflow is strong enough to support the market and how long the congestion issue will go on. Finding profitable investment when the market has no clear trend will not be an easy task. SCA continues to look for new investment ideas among small and medium cap stocks to disburse further.

NAV as of 18th Mar

NAV/Unit		% WoW	Profit		
			% MTD	% YTD	Since inception*
24,490.33	SSI-SCA	1.47%	3.30%	14.03%	144.90%
	VN-Index	1.63%	2.78%	8.79%	98.51%

* Fund inception dated 26 Sep 2014



TOP HOLDINGS

TICKER	SECTOR	% NAV
HPG	Materials	13.29%
MWG	Consumer Discretionary	8.55%
MBB	Financials	7.65%
FPT	Information Technology	6.71%
VIB	Financials	5.96%

PERFORMANCE INDICATORS

	SSI-SCA	VN-INDEX
P/E (12 month)	13.74x	18.78x
P/B	2.40x	2.51x
ROE	18.97%	14.02%
Yield	2.52%	1.52%

Source: Bloomberg, SSIAM

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