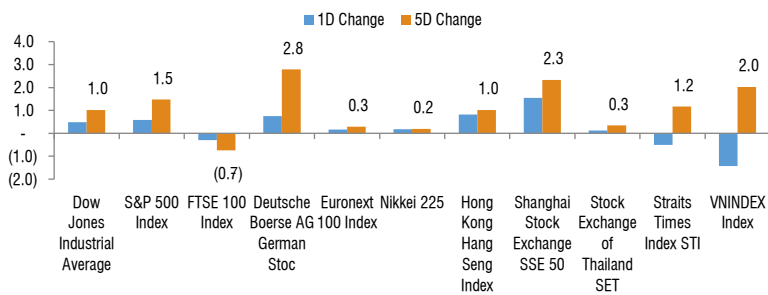
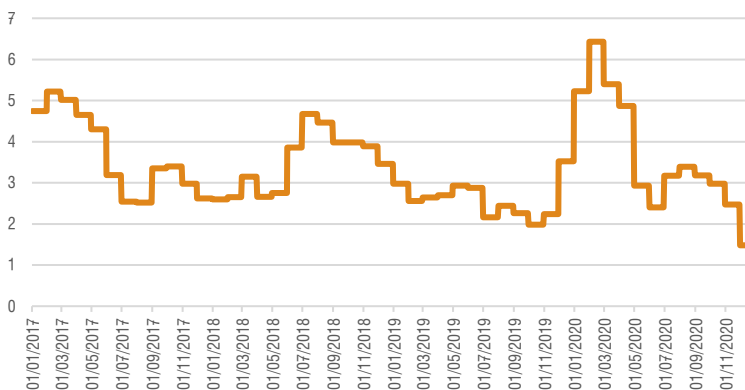


MACROECONOMICS

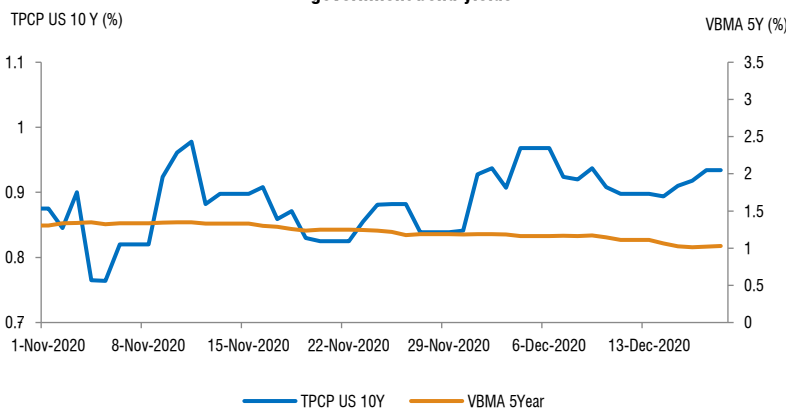
Global Indices



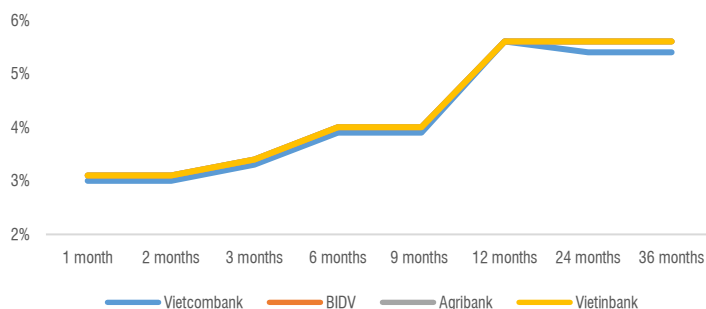
CPI MoM



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



Deposit rates



Global: As 2020 is coming to an end, quarantine measures around the world are still being imposed with stricter guidelines. Despite the rollout of the new Covid-19 vaccine, logistical barriers still remain a pressing issue for most of the developed nations. As new US jobless claims surge to 885,000, congressional leaders vowed to complete negotiations on a USD900 billion stimulus deal to bolster the US economy. As a result, Stocks closed at record levels on Thursday, boosted by hope of Washington coming through on additional fiscal aid before the end of 2020. Both the S&P 500 and Nasdaq hit intraday and closing records, gaining 0.6% and 0.8% respectively. The Dow posted its highest-ever closing level, climbing 148.83 points, or 0.5%, to 30,303.37. Meanwhile, the Brexit trade negotiations looked grim as there are “big differences remain to be bridged, in particular on fisheries”, as said by the European Commission President, Ursula von der Leyen.

Furthermore, the global market in 2020 saw a great divergence between the developed markets (DM) and the emerging markets (EM). With 76% of DM sovereign debt now trading at negative real yields, according to JP Morgan’s research data, DM investors are forced to seek other alternatives for better returns. In JPM’s outlook survey, 38% of investors indicate that they will add EM exposure over the next due to their stable financial status. On average, the countries are running a 1.9% of GDP current account surplus in 2020 which is predicted to sustain throughout 2021 at an average of 1.4%. Reserves have remained steady through the pandemic, experiencing only a modest USD177 billion of EM capital outflows at the peak of the Covid-19 crisis.

Vietnam: As of domestic news, Credit Suisse is expecting Vietnam’s GDP growth to rebound sharply to 6.5% in 2021, led by a recovery in consumption and FDI. Rising industrial production and retail sales have reached closely to pre-Covid levels. This momentum is expected to accelerate in 2021 as global economy recovers. Long-term structural growth remains intact as urbanization keeps rising, attractive demographic is sustained and robust inflows of FDI. Some of Credit Suisse’s top picks include VHM, HPG, VPB, MWG and PNJ.

In other news, the State Bank of Vietnam (SBV) has extended the credit growth limits for the second time this year to some commercial banks, of which the highest level is up to 30%. Leading banks including the 4 SOBs also introduced loan package for SMEs with preferential interest rates. The lending rates range from 4.8-6.5% per year for loans less than 6 months and 5.5-7.5% per year for loan from 6 to 12 months.

Within the local market, the gain momentum sustains. The movement increased rapidly and strongly at open and was interrupted by a decreasing session, but with higher liquidity. Particularly, liquidity on December 10 was over 13.4 trillion dong. Foreseeably, market had a strongly increasing session with the order-matching value of over 10,000 billion dong. Favorable movements were to continue, but market sentiment was dampened by US' accusation towards Vietnam. In such a sensitive time, the trading system once again crashed. The order-matching value in the ATC session prior to the crash was ample, amounting to 14.9 trillion dong. On a positive note, funding seems to be pouring into the market on December 17th.

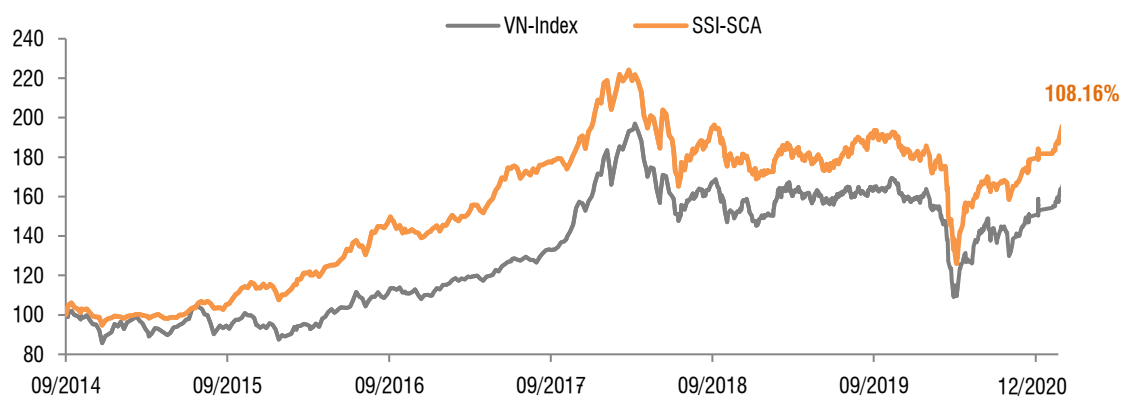
More information on the allegations from the US, according to a report released on December 16, the US Treasury officially accused Vietnam and Switzerland of currency manipulation. According to regulations, the US Treasury will submit this report to Congress. Accordingly, US Congress will request the government to conduct negotiations with the country accused of currency manipulation to seek remedy. If an agreement is not reached, the US government can then impose economic sanctions. The US Treasury also recommended that Vietnam reduce or stop intervening in foreign exchange so that the domestic currency appreciates. Therefore, we expect that in near future, the two governments will work closely and may still intervene in the foreign exchange market but with limited access. The VND may strengthen, creating competitive pressure on Vietnam's exports, but also facilitating imports and reducing the risk of FX depreciation for foreign investors when investing in Vietnam.

In general, short-term market fluctuations are inevitable, so it is crucial to evaluate investment opportunities carefully. We will continue to look for attractive disbursement opportunities in the near future. We believe in the short- to medium-term prospects of the market thanks to cheap capital, the recovery of the business by 2021 and the supply shortage in real estate and bonds. In order to mirror the current market, SSI-SCA maintained equity at 80%, while fixed-income assets accounts for 11% of the total portfolio. Finally, in addition to the recent bad news, we also observe that market valuations have surpassed the 5-year average, and scenarios surrounding the epidemic are still uncertain.

NAV as of 17th Dec

NAV/Unit		% WoW	Profit		
			% MTD	% YTD	Since inception
20,816.23	SSI-SCA	4.91%	9.94%	14.95%	108.16%
	VN-Index	2.02%	8.55%	9.45%	73.85%

* Fund inception dated 26 Sep 2014



TOP HOLDINGS

TICKER	% NAV	TICKER	% NAV
HPG	9.03%	TDM	4.13%
FPT	8.01%	IMP	3.97%
MWG	7.23%	VTP	3.80%
BONDHDG	6.25%	PLX	3.37%
TCB	4.51%	PC1	3.28%

PERFORMANCE INDICATORS

	SSI-SCA	VN-INDEX
P/E (12 month)	11.94x	17.82x
P/B	2.00x	2.29x
ROE	18.18%	13.53%
Yield	2.76%	1.56%

Source: Bloomberg, SSIAM

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