

MONTHLY NEWSLETTER

November 2024

Indochina Capital is one of Vietnam's leading investment firms. Founded in 1999, ICC has two divisions:

Asset management: Exclusive focuses on listed Vietnam equities

Real estate: Property development, investment, and advisory

Indochina Equity Model Portfolio

Portfolio Manager: Diep Nguyen (13 years managing the strategy)

Number of Investments: 15

Median Portfolio Market Cap: \$3.48 bn

Strategy

The firm's long-term active fundamental investment philosophy is supported by bottom-up company analysis complemented by a top-down overlay. The success of ICC's high conviction and disciplined strategy hinges upon close and consistent engagement with its portfolio companies.

	2024f	2025f
EPS Growth	188.21%	21.68%
P/E Ratio	18.08	14.34

Performance

	1 Month	YTD	3 Year (CAGR)	5 Year (CAGR)	10 Year (CAGR)
Indochina Capital	-2.20%	9.31%	-3.48%	11.69%	11.46%
VN Index	-1.32%	5.89%	-8.07%	2.72%	5.72%
MSCI FM	-0.99%	5.03%	-6.74%	-1.06%	-1.79%
MSCI EM	-3.66%	5.36%	-3.82%	0.73%	0.71%
S&P 500	5.73%	26.47%	9.72%	13.94%	11.30%

Manager's Comment

- The VN-Index dipped to its 1200-support level before rebounding to close November at 1,250.46. Market sentiment weakened as concerns rose on Trump 2.0's protectionism. **The VN Index registered a monthly loss of 1.32% in USD terms.**
- **Our portfolios posted an average loss of 2.20% in November.** The primary positive contributors were FPT, driven by the launch of AI factories in Vietnam and Japan, and DXG, supported by progress on the Gem Riverside project and signs of recovery in the real estate market. During November, we maintained 15 holdings and remained fully invested.
- **While Trump 2.0's policies remain a wild card, Vietnam's stock market offers attractive opportunities with undemanding valuations and resilient economic outlook.** As the country's new leadership rolls out reforms and significant infrastructure investments to achieve ambitious

growth targets, the business environment is expected to improve and support sustainable economic development. Among regulatory developments, the recent removal of prefunding requirements for securities trading has received positive comments by FTSE and the agency is expected to upgrade Vietnam to secondary emerging market status in 2025.

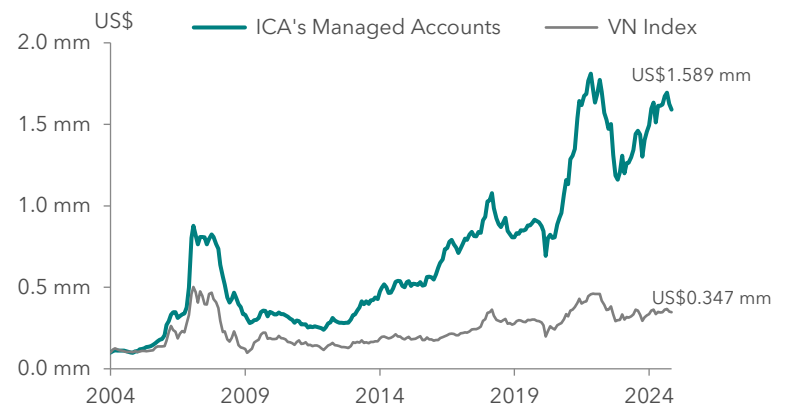
Top 10 Holdings (78% of NAV)

Ticker	Sector	NAV%	VN Index%	% Change	Sector	Weight	VN Index Weight
FPT	Info. Technology	15.17%	4.13%	6.18%	Banks	37.63%	40.00%
IDC	Industrials	9.24%	N/A	-1.07%	Materials	11.69%	8.81%
MBB	Banks	8.25%	2.49%	-3.59%	Industrials	9.24%	8.99%
TCB	Banks	7.96%	3.24%	-1.26%	Info. Technology	15.17%	4.58%
MWG	Cons. Discretionary	7.51%	1.72%	-9.02%	Cons. Discretionary	12.08%	3.66%
ACB	Banks	7.44%	2.19%	-0.79%	Energy	5.66%	1.54%
HPG	Materials	6.09%	3.33%	-0.56%	Real Estate	3.14%	12.79%
PVD	Energy	5.66%	0.26%	-7.60%	Cons. Staples	0.00%	8.29%
DHC	Materials	5.60%	0.05%	-3.09%	Others	4.74%	11.34%
CTG	Banks	5.10%	3.74%	0.14%	Cash	0.65%	

Information

Structure	SMA
Strategy Inception	January 2004
NAV Frequency	Monthly
Fees	1.5% + 15% HWM
Administrator	Indochina Capital Advisor
Custodian	Deutsche Bank AG

Performance Since Inception vs VN Index



* Calculated based on US\$100,000 invested with ICA since inception (2004) versus invested in the VN Index

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If you would like to arrange a call with the Portfolio Team, please contact [Diep Nguyen](#).

Appendix

Macro

Growth momentum eased in November but remained sturdy, driven by strong retail sales, robust industrial output, and a steady FDI inflow. Credit growth accelerated and inflation stayed under control.

- **Revenue of retail sales and services** in November grew by **0.81% MoM** and **8.75% YoY**. YTD, this number increased by **8.82% YoY**.
 - Retail sales of goods (+8.27% YoY vs. +7.36% in October), accommodation and food services (+12.89% YoY vs. +6.51% in October), and other services (+7.72% YoY vs. +6.81% in October) posted stronger growth.
 - International tourism surged 20.54% MoM in November, bringing 11M2024 arrivals to 15.8 million (+39% YoY), just 2.8% below 11M2019 pre-pandemic levels.
- In **November, the Index of Industrial Production (IIP) increased by 2.29% MoM** and **by 8.94% YoY**, maintaining solid momentum. YTD, IIP increased by 8.36% YoY (11M 2023: 1.04% YoY).
 - For 11M, manufacturing grew 9.69% YoY, power generation 10.18% YoY, and water distribution 9.64% YoY, while mining fell 7.31% YoY.
- Vietnam's **Manufacturing PMI** posted **50.80 in November**, signaling a modest improvement in the sector compared to October.
 - Output and new orders continued to rise, while export demand declined, indicating a cautious international market environment.
- **Vietnam** recorded a **trade surplus of US\$24.31 billion in 11M 2024** (11M 2023: US\$25.83 billion).
 - October exports growth eased to 8.2% YoY (vs October's 10.1% YoY). Import growth decelerated to 9.8% YoY (vs October's 13.6% YoY).
 - For 11M 2024, exports and imports grew by 14.4% YoY and 16.4% YoY, respectively.
- **11M registered FDI** reached **US\$31.38 billion (+1.0% YoY)** while **disbursed FDI** rose to **US\$21.68 billion (+7.1% YoY)**.
 - Manufacturing led the inflows with \$20.20 billion, accounting for 64.4% of newly registered FDI, followed by real estate at 17.9%, and other sectors at 17.7%.
- **Credit growth** accelerated to **11.12% YTD** as of November-end (October: 9.46% YTD).
 - The SBV lifted 2024 credit growth quotas for several commercial banks with an aim to achieve the system-wide target of 14% by the year-end.
 - Deposit rates rose at some private banks amid intensified competition for liquidity. The SBV injected \$3.3 billion in November to ease interbank overnight rates from 6.0% to 4.7%.
- **CPI rose** slightly by **0.13% MoM**, while **YoY inflation eased to 2.77%**, indicating a balanced price environment.
 - Food and food service prices (-0.22% MoM & +4.12% YoY) slid MoM but remained the largest driver of YoY inflation. Meanwhile, rental prices (+0.45% MoM & 4.69% YoY) and electricity costs

(+2.03% MoM & 7.83% YoY) rose, reflecting steady property demand and EVN's retail electricity adjustments.

- **The USD/VND exchange rate rose to 25,459 (+0.22% MoM and +4.52% YTD)** as the USD strengthened after Trump's election victory (DXY +1.69% MoM).
- Last month marked a pivotal landmark for Vietnam with **regulatory and administrative reforms and policy focus on infrastructure developments**, signaling a promising outlook under the new leadership.
 - The National Assembly approved amendments to nine key laws, including the Securities, Pharmaceutical, Public Investment, and Electricity Laws, strengthening the regulatory framework for long-term growth.
 - Government departments were streamlined, including the consolidation of ministries to improve efficiency.
 - Two mega-projects were approved, including the Ninh Thuan Nuclear Power Project and the North-South express railway.

Stock Market

- The VN Index closed the month of November at 1,250.46, registering **a monthly loss of 1.32%** and **a YTD gain of 5.89%** in **USD terms**.
 - The market decline was driven by losses in the banking sector (-2.1% MoM), real estate sector (-0.8%), consumer and retail sector (-2.9% MoM), and oil and gas sector (-1.8% MoM). The information and communications technology sector stood out with a strong gain of 6.2% MoM.
- Liquidity fell, with a combined **average daily trading value** on the Ho Chi Minh and Hanoi Stock Exchanges of **US\$590.17 million**, down 11.64% MoM and 27% below L12M average.
- **Vietnam's listed market capitalization** reached **US\$213.90 billion** as at November's end.