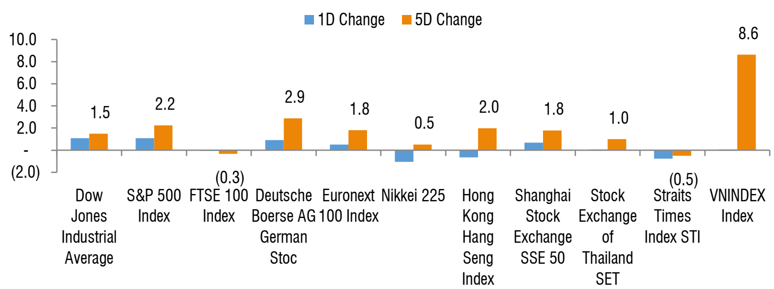
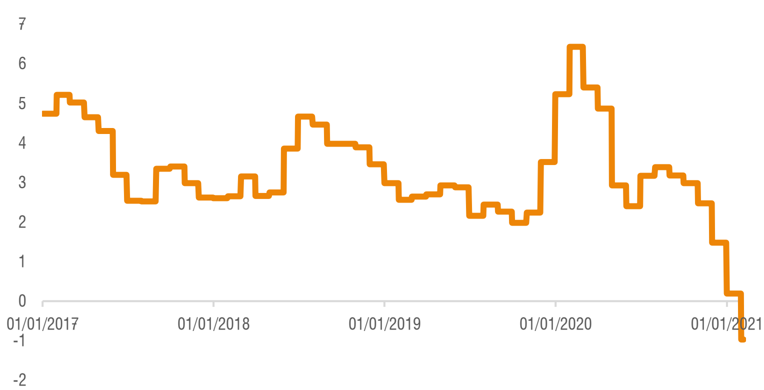
MACROECONOMICS

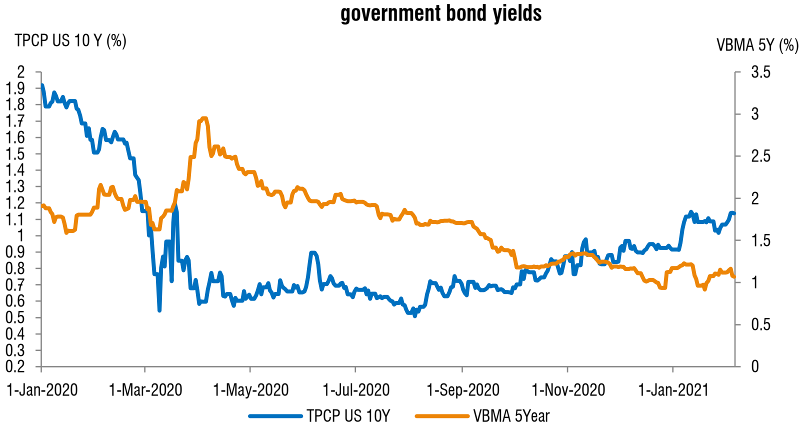
Global Indices



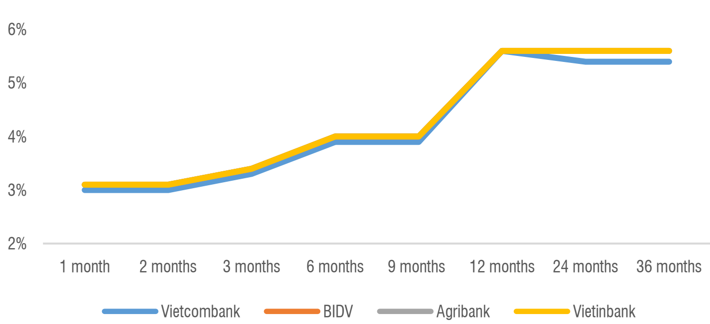
CPI MoM



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



Deposit rates



Global: 2020 saw greater investors' appetite for Chinese equities despite the escalated geopolitical tensions. In November, the Trump administration issued an executive order to ban Americans from investing in Chinese companies. However, as Biden takes over the new administration, he has delayed the implementation of that ban until May 27 to review actions taken by his predecessor.

In addition, investors are expecting large additional economic stimulus from the new administration, along with the stronger global growth expected as vaccination drives the recovery pace. As a result, the difference between the yields on 30-year Treasury the shorter-term five-year note reached 147.3 basis points on Thursday, the widest since October 2015. The gap between benchmark 10-year and 2-year Treasury yields, another widely watched portion of the curve, reached its widest point since 2017. The benchmark 10-year yield now stood at 1.14%, having hovered around 0.9% as recently as December. The 30-year has risen to around 1.93%, having been 1.65% at the start of the year. "This is due to a rise in inflation expectations and the market's belief that a fairy large fiscal stimulus is on the way", said Leslie Falconio, senior fixed-income strategist at UBS Global Wealth Management.

Vietnam: The third major Covid-19 outbreak in Vietnam has passed for more than one week, and people are watching whether this outbreak could be largely controlled in the next 3 days. By absolute number compared to the rest of the world, current local infections are still small, with just 375 cases. The spread is fast however with the new mutation, as it has taken less time to ramp up to this caseload than previous strains of the virus. Eyes are fixed upon how the government will mitigate the risk of a potential outbreak after the Lunar New Year holiday – the largest mobility event of the year - starting next week. A number of pre-emptive measures have been introduced, such as screening people who travel back to their hometown, or canceling firework events/local festivities. Vaccines have not been rolled out here, as the first shipment for the AstraZeneca vaccine is expected to arrive in Q1, and the export ban might make it a bit harder to get it on time. It will be a challenge for containment efforts keep caseload numbers down and mitigate risk, as the country is dealing with a relatively unknown set of variables given the faster spread characteristics of this new mutation.

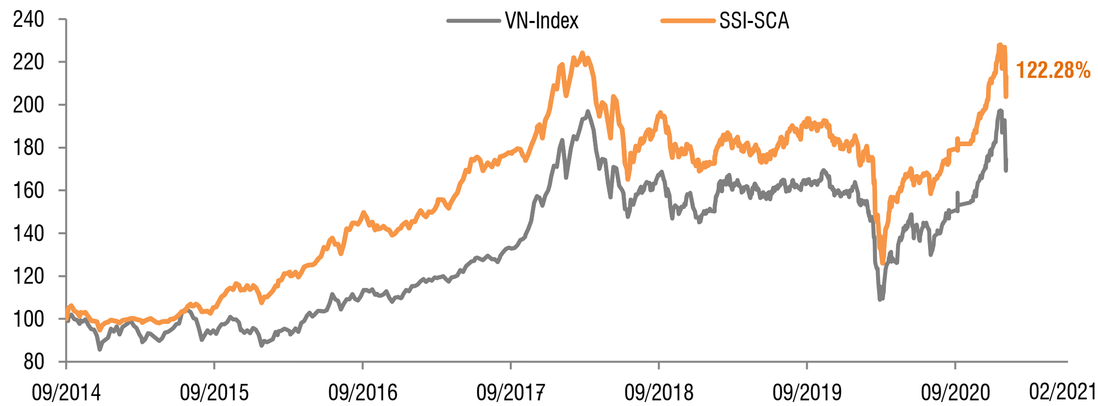
The domestic stock market extended its winning streak to a third consecutive session. The selling pressure took place in the afternoon but the market quickly got over when foreigners continued to net buy. At the close, VN-Index increased slightly by 0.9 points (+0.08%) to 1,112.19 points, while VN30 fell by 0.24 points (-0.24%) to 1,117.74 points. The whole market was balanced with 209 advancers versus 220 decliners. Besides, midcap and smallcap group gained 0.77% and 0.62% respectively.

We maintain our positive belief of the Vietnamese market in the medium and long term with macro stability, robust growth in comparison to other markets, and cheap capital inflows. In addition, we forecast profit growth to increase by 24% YoY. In the short run, the "black swan" phenomena occur which worsens the correction than expected. Thus, it is difficult to expect the market to regain balance and rebound immediately again. However, with a long-term investment outlook, we believe that the corrected market is an opportunity to increase equity holdings, especially those with solid fundamentals at a reasonable valuation. Previously, high market valuations meant SCA maintained a relatively large cash holding accounting for more than 10% of its portfolio. As the market began to move towards the 1000+/- range, the fund is gradually disbursing.

NAV as of 4th Feb

NAV/Unit		% WoW	Profit		
			% MTD	% YTD	Since inception
22,228.07	SSI-SCA	9.10%	6.81%	3.49%	122.28%
	VN-Index	8.62%	7.41%	0.75%	83.84%

** Fund inception dated 26 Sep 2014*



TOP HOLDINGS

TICKER	% NAV	TICKER	% NAV
MWG	12.09%	MBB	3.93%
HPG	11.93%	TDM	3.75%
FPT	11.88%	SAB	3.65%
TCB	4.72%	PC1	3.64%
VHM	4.14%	IMP	3.64%

PERFORMANCE INDICATORS

	SSI-SCA	VN-INDEX
P/E (12 month)	12.34x	17.33x
P/B	2.2x	2.33x
ROE	19.54%	14.05%
Yield	3.00%	1.63%

Source: Bloomberg, SSIAM

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