

**YEAR AHEAD
INVESTMENT STRATEGY**

2025

DARE TO DEPART



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FOREWORD

Dear Investors,

As 2024 comes to a close, we turn our attention to 2025, navigating a landscape that presents both opportunities and challenges.

Reflecting on 2024, Vietnam demonstrated remarkable resilience, achieving robust economic growth and positive stock market performance despite external pressures and ongoing institutional reforms. Our investment strategies proved successful, enabling clients to maximize opportunities amidst market fluctuations.

Looking ahead to 2025, Vietnam's economy is expected to maintain steady growth, with GDP projected at 6.8% and inflation controlled at around 4%. A strong public investment agenda, including a projected 10.5% increase in development spending, alongside legal reforms and anticipated market upgrades to "Secondary Emerging Market" status by FTSE, will establish a positive foundation for the stock market. However, potential exchange rate volatility and domestic interest rate pressures exceeding the 2024 average pose challenges to monitor. The recovery in sectors such as real estate, retail, and energy will likely enhance Vietnam's appeal compared to regional and global markets.

The "2025 Investment Outlook," prepared by the research team at VDSC, analyzes key drivers, including policy reforms, private investment and consumption growth, foreign investment attraction, and risks from U.S. policies under President Donald Trump's new term. These factors are expected to drive market dynamics in the year ahead. We believe that maintaining investments, diversifying portfolios, and focusing on fundamentals will help clients construct resilient and adaptive investment strategies amid risk scenarios.

Our commitment is to deliver tailored solutions aligned with market trends, enabling clients to seize potential opportunities in the coming year.

As your trusted partner, we pledge to leverage our expertise and relationships to achieve the best outcomes for you.

Sincerely,

VDSC's Research Center

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Economic Growth – A Positive Recovery in Motion

The primary growth driver in 2024 comes from the export sector, with exports and industrial production growing at robust rates of 14.0% and 8.5% YoY, respectively. The average PMI reached 51.1 points, reflecting a favorable manufacturing outlook. Consumption and private investment recovered at a slower pace, with retail sales growth estimated at 9.0% YoY and private investment projected to expand by 7.5% in 2024.

Monetary Policy – Flexible Support for Economic Stability

The State Bank of Vietnam (SBV) proactively addressed external exchange rate pressures, resulting in a 4.8% VND depreciation for 2024, within the permissible range. Using credit limit tools, the SBV gradually pushed for credit growth while extending Circular 02, which allows debt restructuring and maintains debt group classifications until the end of 2024.

The pace of non-performing loan (NPL) formation slowed over the quarters, aided by SBV measures and improving borrower repayment capacity. Full-year credit growth is estimated at 16% YoY, with the on-balance-sheet NPL ratio at 4.55% as of September 2024, similar to end-2023 levels.

Deposit rates witnessed a sharp decline early in the year but rebounded in subsequent quarters, with the current 12-month average deposit rate about 15 basis points higher than end-2023. Meanwhile, the average lending rate for new loans decreased by approximately 96 basis points over the same period. Corporate credit demand remains the primary driver of credit growth, while personal credit, including mortgage loans, improved at a modest pace.

Fiscal Policy – Public Investment Faces Bottlenecks

As of November 2024, public investment disbursement reached 54.4% of the plan, equivalent to VND 438.9 trillion (USD 17.3 billion), down 11.2% YoY. Of the more than VND 100 trillion allocated for key transportation projects, disbursement as of October was estimated at VND 53 trillion (~52.3% of the plan).

Policy Environment – Laying the Foundation for Change

The year 2024 marks a political transition with a stable leadership team and significant legislative activity, including the passage of 31 laws aimed at addressing critical economic bottlenecks. Notable updates include amendments to the Law on Electricity, Land Law, Law on Credit Institutions, Securities Law, Urban and Rural Planning Law, Value-Added Tax Law, and Public Investment Law.

Stock Market – Resilient Amid Challenges

The market posted impressive gains in Q1 2024 (+9%) but faced headwinds as political transitions and the delayed monetary normalization in Western economies took a toll. Additional pressures arose with Donald Trump's re-election as U.S. President. Twelve-month trailing net profit growth was robust, with EPS rising 16.3% YoY as of Q3 2024. The VN-Index increased 11.29% YTD, placing it in the 51st percentile of 12-month return distributions over the past eight years. This performance outpaced the MSCI Frontier Markets Index (+1.74%). Average daily matching liquidity reached VND 16,457 billion (USD 647 million), marking a 22% YoY increase.

We anticipate that 2025 will mark the beginning of a new chapter for Vietnam, characterized by stable growth opportunities and significant transformations.

- The economic growth drivers from last year, including exports, consumption, and enhancements in investment, alongside new elements in public investment, are expected to support a 6.8% GDP growth in 2025.
- Regarding monetary policy, the SBV aims to foster growth while maintaining a balanced approach to exchange rate management. Although policy interest rates remain unchanged, deposit and lending rates may modestly increase, mainly due to heightened capital demand.
- Forecasting the exchange rate for 2025 presents challenges. The depreciation pressure on the dong is likely to persist and could intensify if the U.S. decides to impose tariffs on Vietnamese exports, even though this scenario seems unlikely.
- In 2025, we will witness a shift in fiscal policy, transitioning away from COVID-19 support to concentrate on wage reform and boost investment spending.
- Given the outlook discussed, we will examine five key macroeconomic themes for 2025 including:
 - 1) Reform initiatives that enhance the public system and affect public investment dynamics.
 - 2) Progress in private consumption and investment.
 - 3) Anticipations for FDI attraction under Trump 2.0.
 - 4) Export prospects amid tariff uncertainties from the Trump 2.0 administration
 - 5) Issues related to sustaining exchange rate stability.

The 2025 global economic outlook will bring both pros and cons for Vietnam:

- In 2025, the global economy is predicted to stay stable, primarily driven by growth in the US and Japan. In contrast, Europe is experiencing a sluggish recovery, while China's economic expansion faces uncertainty stemming from structural issues and tariff threats.
- Global inflation is gradually easing, driven by stable energy prices and a slow reduction in service inflation. While global monetary policy remains supportive, the pace of interest rate cuts will vary.
- Geopolitical tensions and trade risks create uncertainty, exerting pressure on supply chains and diminishing global growth outlook.

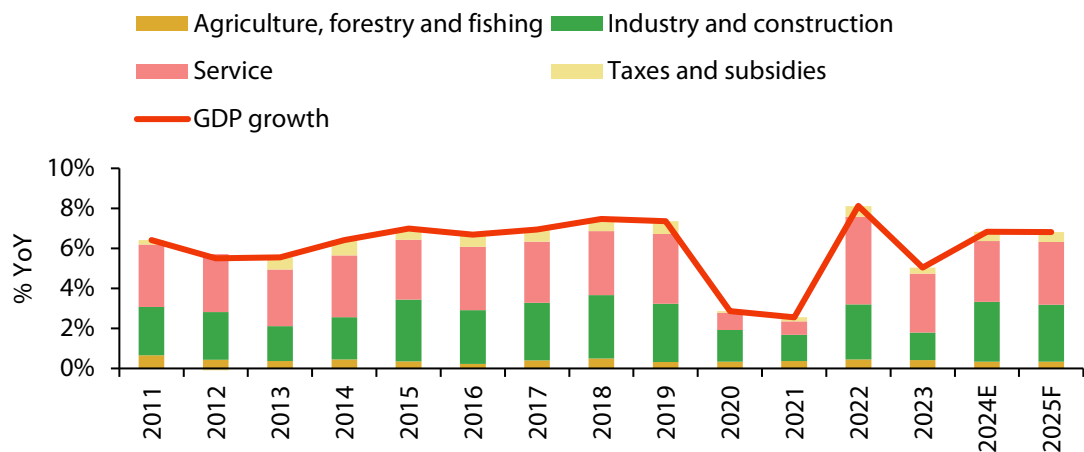
Outlook	Our view
<p>1. <u>Growth</u></p>	<ul style="list-style-type: none"> - In 2025, we expect economic growth to continue, driven by momentum carried over from the previous year: 1) Exports are expected to maintain growth momentum, although at a slower pace than the previous year, 2) Private investment and consumption demand are expected to improve, and 3) Public investment disbursement remains a key story, though several new factors will support it. A stable inflation environment will be the foundation for achieving positive growth. - Economic growth in 2025 is projected to reach 6.8%, within the target range set by the National Assembly of 6.5-7.0%.
<p>2. <u>Inflation</u></p>	<ul style="list-style-type: none"> - The average inflation rate in 2025 may be slightly higher than in 2024, at around 4.0%. - Factors contributing to the mild increase in inflation include 1) The delayed impact of exchange rate fluctuations in 2024 and the potential pressure from the depreciation of the VND in the first half of 2025, 2) The government’s continued rising price of controlled goods such as electricity and healthcare services, and 3) Income growth and improvements in domestic demand.
<p>3. <u>Monetary policy</u></p>	<ul style="list-style-type: none"> - We expect the policy interest rate to remain unchanged in 2025. The SBV will manage liquidity through open market operations to address exchange rate and short-term liquidity pressures. - Supply and demand for capital will be the main factor influencing the interest rate environment in 2025. Deposit rates are expected to increase by around 50-100 basis points. Lending rates may experience a slight increase in the second half of 2025 due to 1) Improved private investment capital demand, 2) Significant government borrowing pressure, and 3) The delayed impact of rising deposit rates. - Credit growth is forecast to reach 15-16% in 2025. With deposit growth behind credit growth and the SBV’s FX sales may lead to short-term liquidity constraints in the banking system. - Higher money velocity is needed to observe the spillover effects of monetary policy on the real economy over a longer period.
<p>4. <u>Exchange rate</u></p>	<ul style="list-style-type: none"> - Exchange rate pressure will remain a significant challenge for the SBV in 2025. From an external perspective, the strengthening of the USD, driven by policy expectations from the Trump 2.0 administration, is expected to exert pressure on the stability of exchange rates in emerging markets. - In 2025, with the FX reserves buffer continuing to erode and the unsustainable ability to attract/retain USD inflows, the USD/VND exchange rate is likely to experience significant fluctuations within a +/-5% range, ending the year at around 26,200 VND/USD. Additionally, the risk of tariff imposition from the Trump administration (which is not our base case scenario) could lead to even stronger depreciation pressure on the VND.
<p>5. <u>Fiscal policy</u></p>	<ul style="list-style-type: none"> - 2025 will be the year of transitioning to normalizing previous fiscal supports, with resources focused on wage reform and infrastructure investment. - The public investment plan for 2025 is expected to increase by around 16.3% compared to the estimated disbursement in 2024. The disbursement rate of public investment projects needs to be rapid and consistent to enhance the effectiveness of the government’s fiscal easing policies.

Key macroeconomic indicators

	2020	2021	2022	2023	2024E	2025F
GDP growth rate (%)	2.9	2.6	8.0	5.1	6.8	6.8
Average inflation rate (%)	3.2	1.8	3.2	3.3	3.8	4.0
Exports growth (%)	7.0	19.0	11.0	-4.4	14.0	10-12
Imports growth (%)	3.8	26.5	8.0	-8.9	16.0	12-14
Trade Balance (Billion USD)	19.9	4.4	10.8	28.0	25.8	21.0
USD/VND Exchange Rate (Year-End)	23,098	22,826	23,633	24,269	25,400	26,200
Credit growth (%)	12.2	13.6	14.0	13.7	16.0	15-16
Refinancing rate (%)	2.5	2.5	4.5	3.0	3.0	3.0
Discount rate (%)	4.0	4.0	6.0	4.5	4.5	4.5

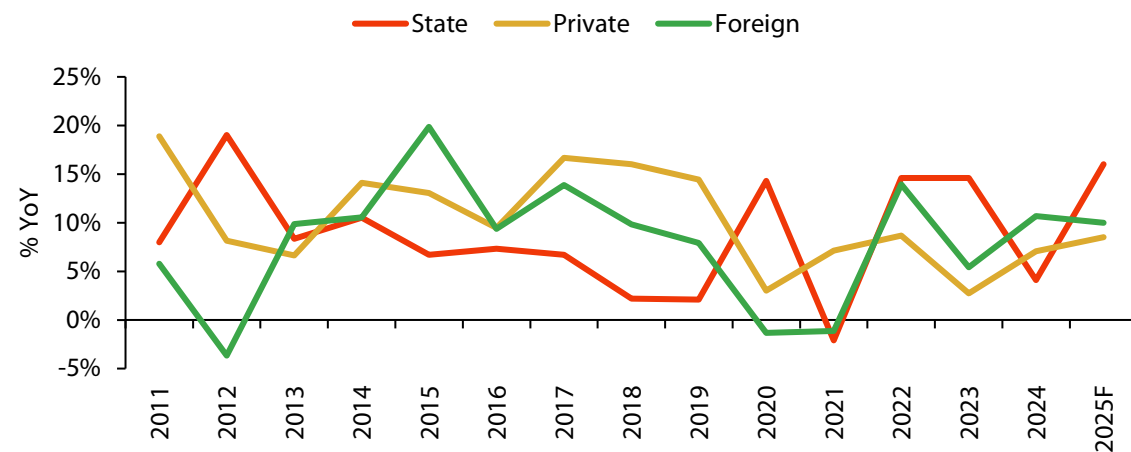
Source: RongViet Securities

GDP growth by sector (2011-2025F)



Source: GSO, RongViet Securities

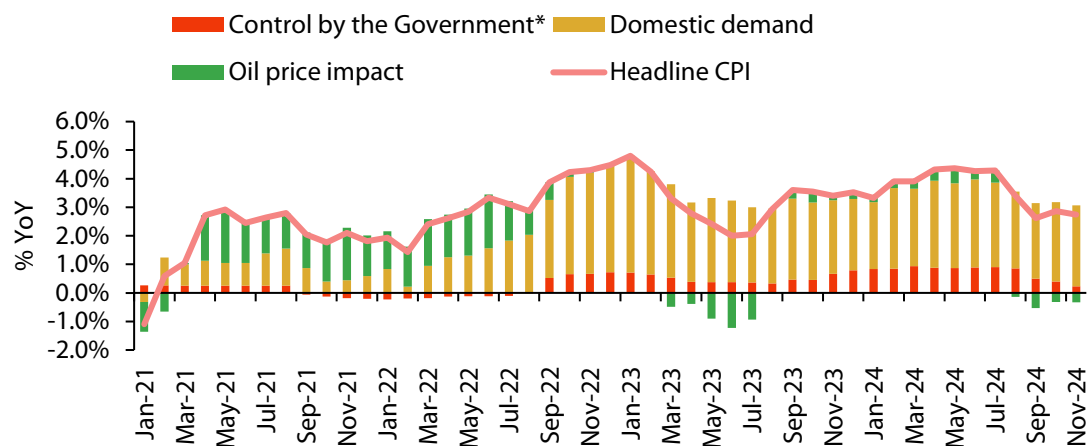
Investment growth by sector (2011-2025F)



Source: GSO, RongViet Securities

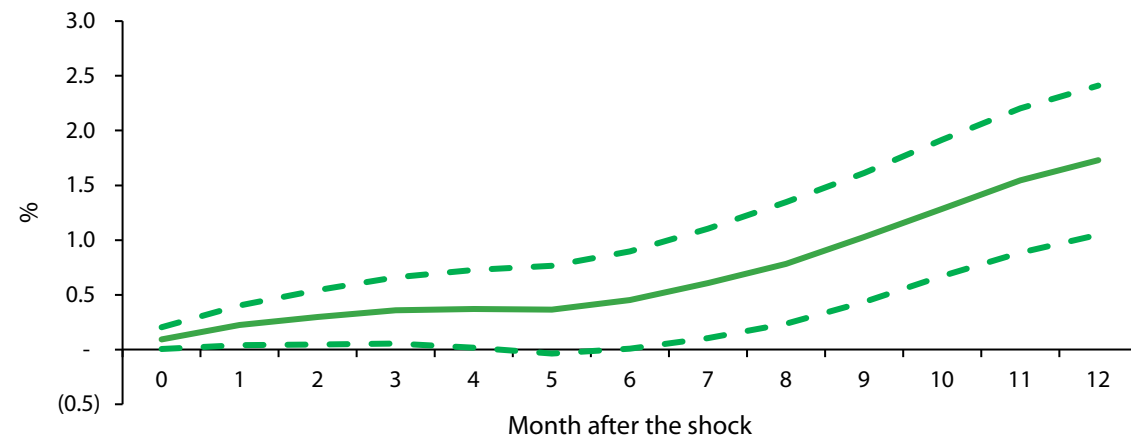
- **Exports** are expected to grow by 10-12% in 2025, slightly lower than a 14% increase in 2024.
- **Private investment** activities are expected to continue improving, driven by 1) A policy environment focused on growth targets, 2) Stable inflation and interest rates, and 3) A more optimistic domestic consumption outlook.
- **The retail sector for goods and services** is expected to perform better in 2025 compared to 2024 due to 1) Improved disposable income, which encourages spending, 2) The continuation of the public sector wage reform accumulated in 2024 to be implemented in 2025, and 3) Lower borrowing interest rates and a recovering real estate market, creating a wealth effect for the middle class.
- **New factors for public investment in 2025 include** 1) Development investment (at a 95% disbursement rate) is expected to increase by 10.5% compared to the estimate for 2024, 2) Revised Laws related to public investment will come into effect, 3) Streamlining of the Government's organizational apparatus, and 4) 2025 marks the final year of the 2021-2025 medium-term public investment cycle.

Contribution to inflation change by factors



Source: GSO, RongViet Securities, * includes only the healthcare and education services prices.

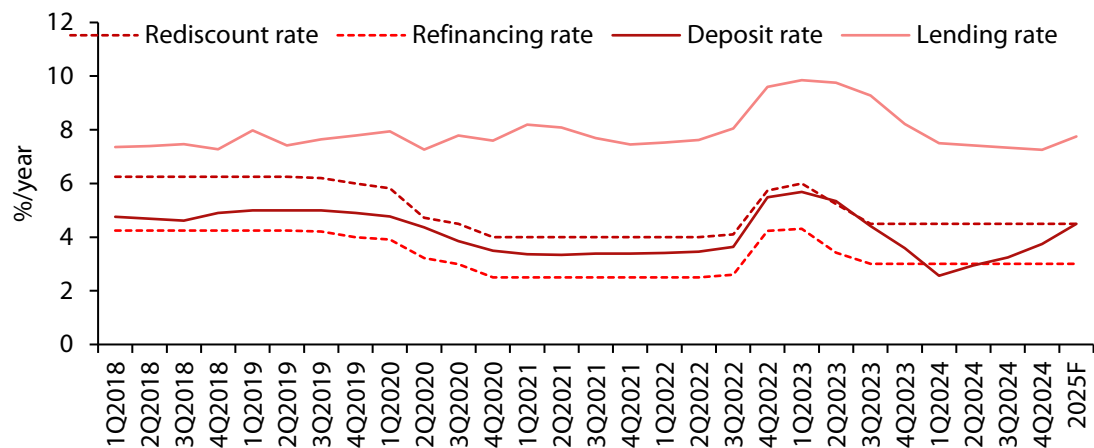
Impact of the 10% depreciation of the dong on inflation



Source: IMF (2023), RongViet Securities, dashed line: 95% confidence interval of the estimate.

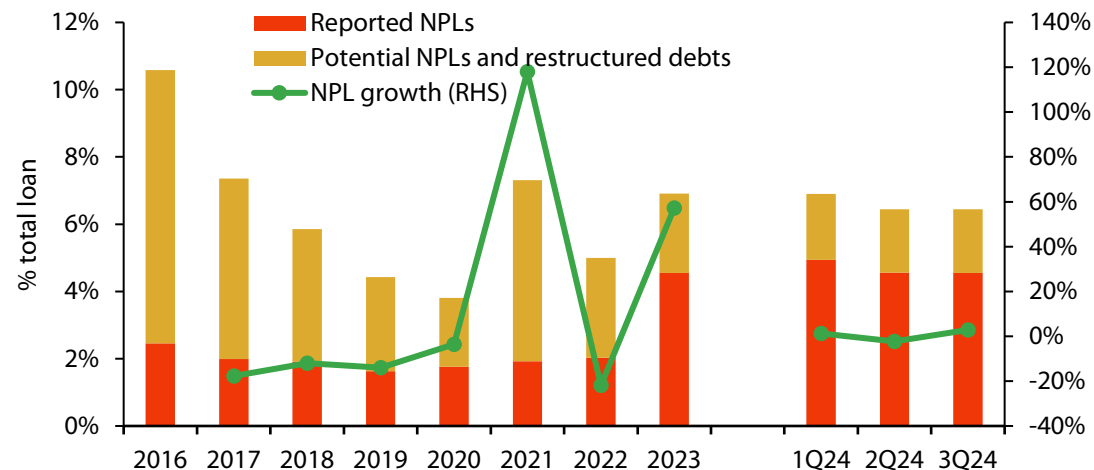
- In 2025, **the Government will continue adjusting controlled prices, including:** 1) Electricity prices: EVN have the right to adjust electricity prices four times a year and a potential two-part electricity pricing system impacting the CPI, and 2) Healthcare prices will rise in line with the basic wage.
- **Crude oil prices** will range from \$75 to \$80 per barrel in 2025, **stabilizing the transportation price index.** Agricultural and food prices remain stable. The government will maintain the reduction of environmental protection tax for a whole year and VAT support policies in 1H2025.
- According to IMF estimates, a 10% depreciation of the VND will increase inflation by an additional 1.7% point over the next 12 months. **An average 5% depreciation of the VND in 2024 could cause inflation to rise by an additional 0.86% point in 2025.**
- According to a survey by the SBV, inflation expectations for 2025 over the next 12 months range from 3.6-3.8%, showing little change from 2024. However, **average inflation for 2025 could be slightly higher at 4.0%** due to the delayed effects of exchange rate fluctuations and the impact of rising income and improved consumption.

Vietnam interest rates (2018-2025F)



Source: IMF, RongViet Securities

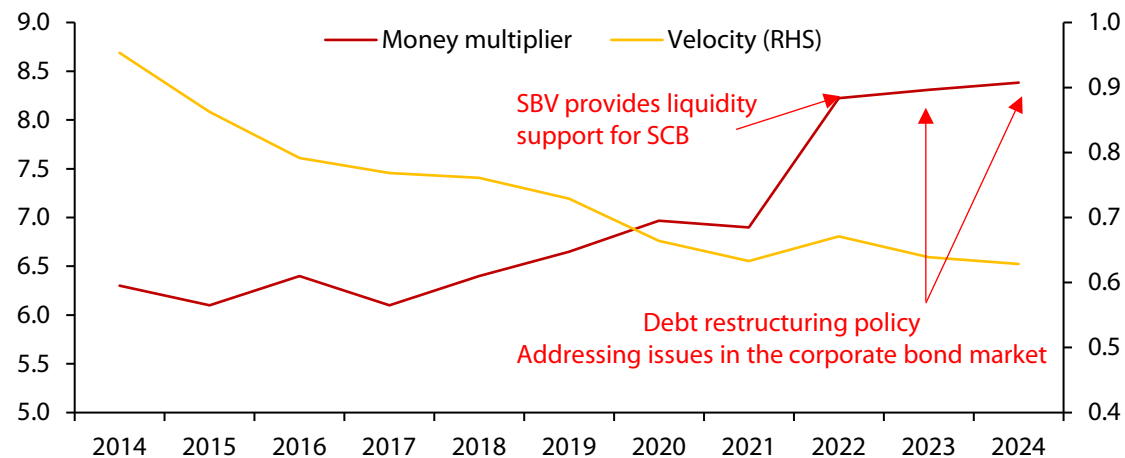
Non-performing loan ratio shows a gradual decline at a slow pace



Source: SBV, RongViet Securities, NPL growth (2016-23): % YoY, 1Q24-3Q24: %QoQ

- **The policy interest rate is expected to remain unchanged in 2025. The SBV will manage** liquidity through open market operations to address exchange rate and short-term liquidity pressures.
- **Supply and demand for capital will be the main factors influencing interest rates in 2025.** Deposit rates are expected to rise moderately by 50-100 basis points. On the other hand, lending rates may slightly increase in the second half of 2025 due to 1) improved private investment demand, 2) significant government borrowing (+22.8% compared to 2024 estimates), and 3) the delayed impact of higher deposit rates.
- **The end of Circular 02 on debt restructuring will have minimal impact,** as 1) credit institutions have already made full risk provisions by December 31, 2024, and 2) banks have proactively classified debt according to actual performance.
- **Credit exposure affected by Typhoon Yagi, VND190 trillion (~1.2% of total system credit), will receive debt restructuring support and the debt group will be retained in 2025.** The SBV aims to reduce the non-performing loan ratio to 3% by 2025.

Effectiveness of monetary policy

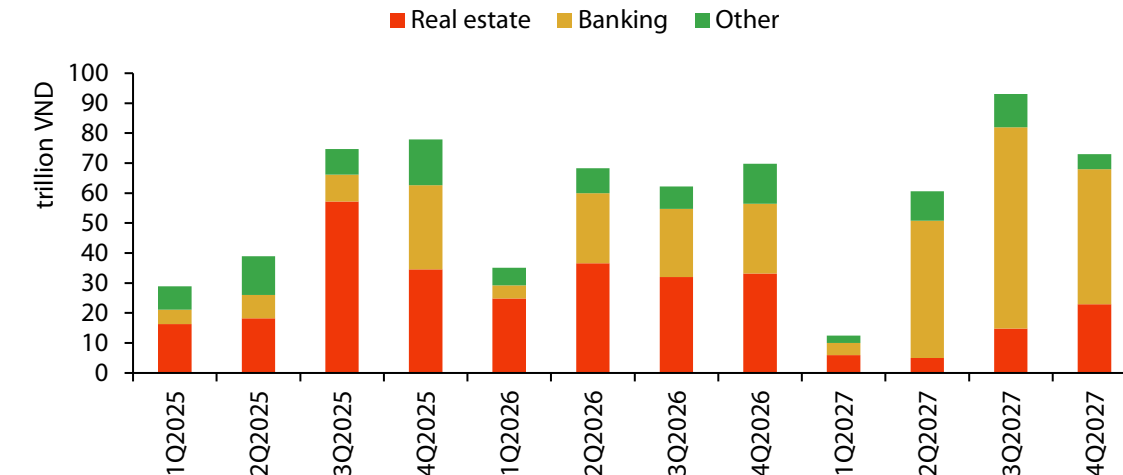


Source: SBV, GSO, RongViet Securities

Money multiplier = $M2 / \text{Reserves (including currency outside the banking system + CITAD)}$

Money velocity = $\text{Nominal GDP} / M2$

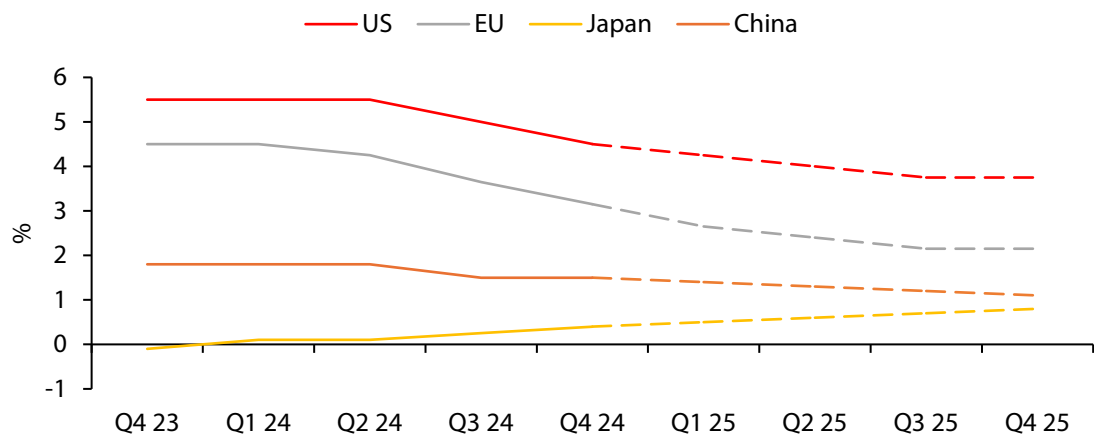
Corporate bond maturities of real estate sector remain elevated



Source: SBV, RongViet Securities

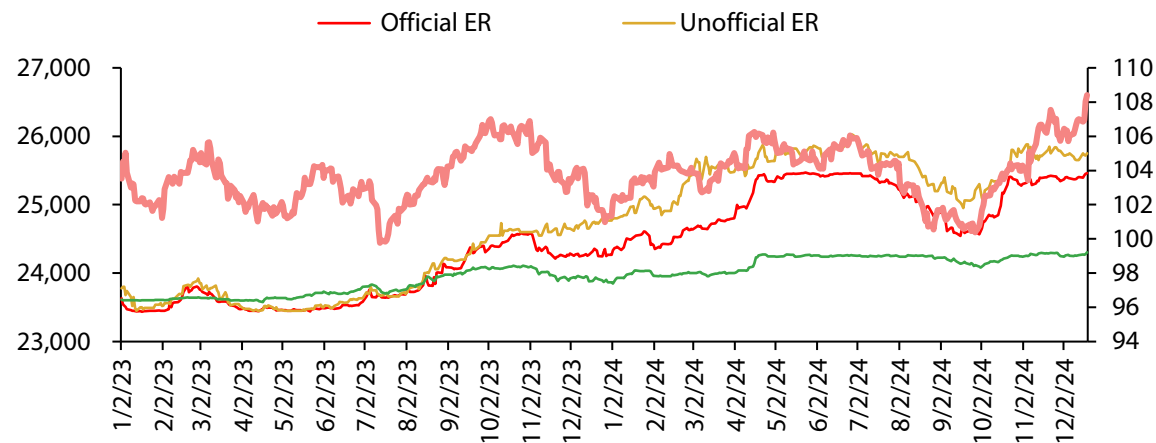
- The money multiplier has increased, but the velocity of money has declined, reflecting an economy with abundant liquidity but a limited impact of monetary expansion on the real economy. As a result, **credit growth has yet to boost consumption and investment activities significantly.**
- In 2025, total corporate bond maturities are estimated at VND220 trillion, of which the real estate sector accounts for approximately VND126 trillion. While the risks of defaults and delayed payments in the real estate sector are less severe compared to the previous two years, **the prolonged debt repayment pressure in this group continues to limit the efficiency of money velocity.**
- The SBV targets credit growth of 15% in 2025, which is achievable. However, slower deposit growth than credit growth, combined with the SBV selling USD to curb VND depreciation, **may result in temporary liquidity constraints. Over a longer horizon, the improved money velocity is necessary to fully realize the spillover effects of monetary policy on the real economy.**

Major central bank interest rates



Source: Bloomberg, RongViet Securities

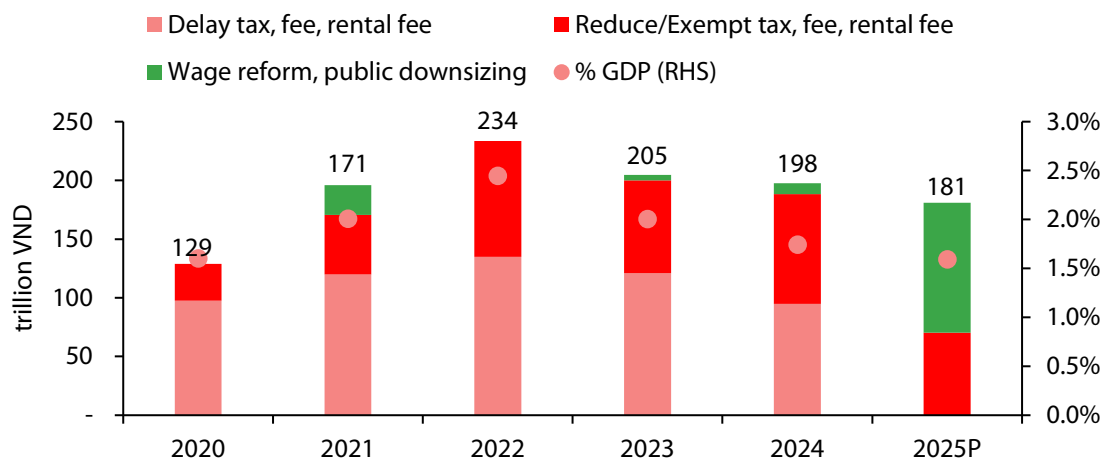
USDVND exchange rate and DXY index



Source: Bloomberg, RongViet Securities

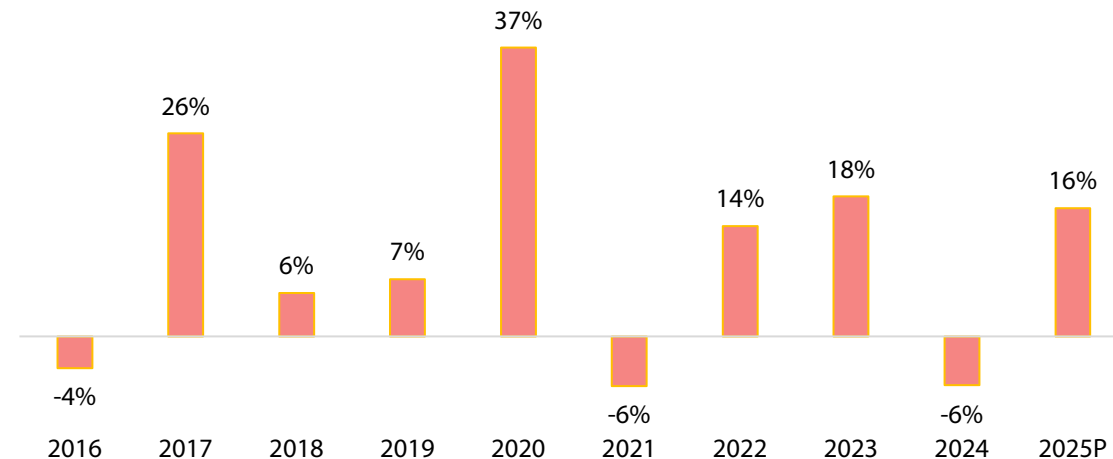
- Due to the thin FX reserves buffer, **exchange rate fluctuations in 2025 will depend on 1) domestic supply and demand for USD, 2) the outlook for the USD’s appreciation, and 3) the US trade policies toward Vietnam.**
- The DXY index is forecast to increase by 5-10% in 2025. Although the trend of interest rate cuts by global central banks provides some favorable conditions for managing exchange rates, **the pressure from a stronger USD could overshadow the positive effects of the global central bank rate-cutting cycle.**
- **Base scenario: The USDVND exchange rate is expected to fluctuate within a +/-5% range, ending 2025 at 26,200 VND/USD.**
- **Depreciation pressures often accompany tariff risks on the currency of the targeted country, and Vietnam will not be an exception.** Negative scenario: The USD/VND exchange rate could rise above 26,200 VND/USD if the US imposes 10-20% tariffs on Vietnamese exports in the second half of 2025. (See more in [Topic 5: Challenges in controlling exchange rate stability](#)).

Vietnam’s fiscal support policies (2020-2025P)



Source: MoF, RongViet Securities

Public investment growth (2016-2025P)



Source: MoF, RongViet Securities

- Demand side: 1) The VAT rate will remain at 8% until June 30, 2025, with the possibility of an extension until the end of the year depending on the recovery of private consumption, 2) A 50% reduction in environmental protection tax will continue in 2025, 3) The tax and land rent deferral policy will end, and 4) Wage reform spending will be around VND119 trillion (~0.9% of GDP and 1.7% of total retail sales of goods and services in 2024). Thus, **2025 will be a year of transitioning to the normalization of previous fiscal supports, with resources focused on wage reform and infrastructure investment.**
- Supply side: The planned development investment expenditure for 2025 is VND790 trillion, a 16.3% increase compared to the estimated disbursement for 2024. This includes VND76 trillion carried over from increased revenue in 2022-2023 to finance the public investment plan in 2025. **In addition to the increase in scale, the disbursement rate for public investment projects must be fast and consistent** to strengthen the effectiveness of the government's fiscal easing policies.

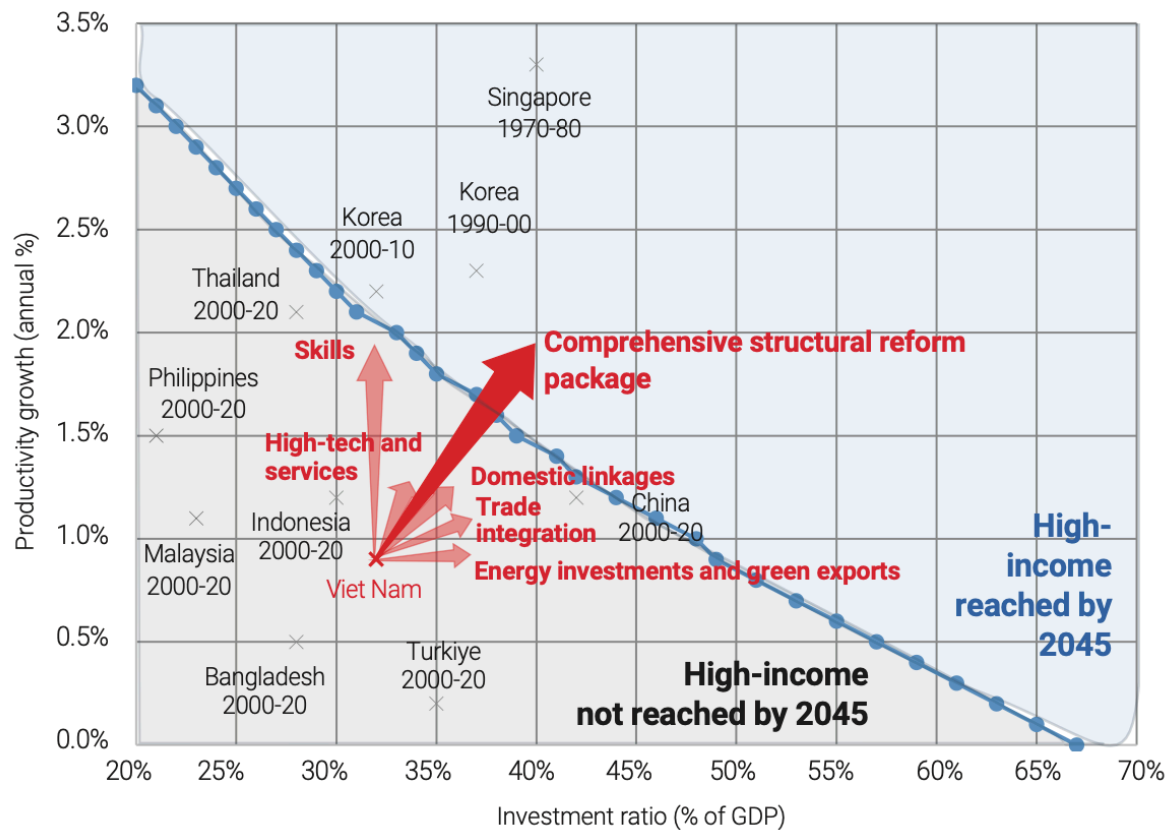
Topic	Our view
1. <u>A shifting policy landscape</u>	<ul style="list-style-type: none"> - Reforming and streamlining the Government organizational apparatus are seen as a fresh and powerful force in the macroeconomic outlook for 2025, bringing expectations and optimism for the future. If successful, this policy will catalyze and boost the growth drivers discussed in topics 2-3-4. However, the implementation will take time due to long-standing barriers within the system. - The economic and legal environment for public investment in 2025 will be influenced by both push and pull factors. Push factors include political stability, the end of the medium-term public investment phase, and a strong commitment to economic growth goals. Pull factors stem from the impact of streamlining the government apparatus and the delays in issuing decrees to implement the newly enacted laws.
2. <u>Improved private investment and consumption</u>	<ul style="list-style-type: none"> - Business and consumer confidence are recovering, albeit with some cautions. Private investment and consumption, which are mutually supportive, are expected to continue improving from the recovery trend of 2024. - The interest rate environment will remain favorable for both consumption and investment activities in 2025. However, other factors need further improvement for private consumption and investment to grow robustly as in the pre-COVID-19 period. For consumption, this means higher income growth alongside a more noticeable recovery in the real estate market. For private investment, improved consumer demand and enhanced competitiveness will be key drivers.
3. <u>FDI attraction – Strengthening domestic capacity</u>	<ul style="list-style-type: none"> - The China +1 strategy has helped Vietnam attract FDI while enhancing the value added to domestic exports. Under Trump 2.0, this strategy is expected to continue yielding positive results. - Vietnam ranked 18th out of 25 emerging markets in attracting FDI in 2024. Under Trump 2.0, further internal changes are necessary to strengthen FDI flows. - New FDI attraction strategies are urgent and are expected to be approved and implemented in 2025.
4. <u>Trade – Opportunities in uncertainty</u>	<ul style="list-style-type: none"> - Vietnam's export growth in 2025 is expected to align with the global trade recovery cycle, but due to the high base from the previous year, it will be lower than in 2024. - The U.S. market will continue to be the main contributor to Vietnam's export growth in 2025, driven by a more optimistic economic outlook compared to other markets, stable consumer spending growth, and the wave of inventory accumulation in response to tariff policies under the Trump 2.0 administration. - In the base-case scenario, we assume the U.S. will impose a 25% tariff on Chinese goods in Q2 2025 and implement targeted tariffs and increased trade barriers against Vietnam starting in 2026.
5. <u>Challenges in managing exchange rate stability</u>	<ul style="list-style-type: none"> - A review of the factors influencing the strength of the USD in 2025 suggests that the dollar is likely to continue strengthening. This is especially true as developments in the latter part of 2024 do not yet fully reflect the policies Trump will implement in 2025. - For the SBV, maintaining exchange rate stability in 2025 will present more challenges than opportunities. The main difficulty is that FDI inflows will be just enough to offset profits repatriated abroad, while the demand for USD remains high due to the sustained high interest rates in the U.S. and significantly reduced FX reserves.

Topic	Base case forecast	Impact on the market/industry
1. A shifting policy landscape	<ul style="list-style-type: none"> - To disburse 95% of the allocated funds, the public investment capital for 2025 is expected to reach over 750 trillion VND, marking a 10.5% increase compared to the estimated implementation in 2024. - The infrastructure in both highways and aviation is projected to improve significantly in 2025. 	<ul style="list-style-type: none"> - Sectors benefiting from the investment cycle during the phase of accelerated completion of the highway projects: Construction – Building materials – Cargo transportation – Aviation. - Sectors benefiting once the projects are operational: Industrial/Residential real estate and Consumption.
2. Improved private investment and consumption	<ul style="list-style-type: none"> - Private investment is expected to grow by 8-9% in 2025, higher than the 7.5% growth forecast for 2024. - Nominal retail sales growth for goods and consumption is projected to increase by 10%, surpassing the 9% growth expected in 2024. 	<ul style="list-style-type: none"> - The essential goods consumer sector remains stable, while we could see improved growth in non-essential consumer goods. - Additionally, attention should be paid to related sectors such as consumer lending and real estate.
3. FDI attraction – Strengthening domestic capacity	<ul style="list-style-type: none"> - FDI inflows are expected to reach \$39-40 billion in 2025, an 8-10% increase compared to 2024. - FDI disbursement is projected to total \$26.5 billion, a 7% increase over 2024. 	<ul style="list-style-type: none"> - The industrial real estate and electronic products and semiconductor materials manufacturing sectors.
4. Trade – Opportunities in uncertainty	<ul style="list-style-type: none"> - Vietnam's economic growth and exports are projected to be 6.8% YoY and 10-12% YoY, respectively. 	<ul style="list-style-type: none"> - Export sectors/companies with a primary market in the U.S. - During the recovery phase, key export industries in the domestic private sector are machinery/equipment, bags, and wood, all of which are showing very positive growth. Textiles and seafood are recovering at a moderate pace.
5. Challenges in managing exchange rate stability	<ul style="list-style-type: none"> - The Vietnamese dong is expected to fluctuate within a +/- 5% range, ending the year at 26,200 VND/USD. The probability of the U.S. imposing 10-20% tariffs on Vietnam (low likelihood) could lead to a more significant depreciation of the dong. 	<ul style="list-style-type: none"> - Strong short-term fluctuations in the USD/VND exchange rate negatively impact investor sentiment in the stock market. - Similarly, the pressure on the VND due to potential tariff threats (if any) will negatively affect indirect investment flows.

The path to becoming a high-income country by 2045 requires a combination of annual productivity growth of 1.8% and an investment rate of 36% by 2030. According to the World Bank, this ambitious goal **can only be achieved with a comprehensive structural reform package**. This is also one of the critical driving forces for political system reform to be implemented more strongly in the 2025-2030 period than before.

Reform is also a strategic move of the political apparatus, marking a new stage after the completion of the power transfer process.

Policy for Vietnam to become a high-income country by 2045



Source: Worldbank, RongViet Securities

Main objectives/principles in the reform of the apparatus

1.	By 2026, reduce 5% of civil servant payrolls and 10% of career payrolls receiving salaries from the state budget compared to 2021.
2.	Clearly define each agency and organization's functions, tasks, and powers in the political system. Overcome the situation of overlapping functions, tasks, and management areas.
3.	Rearrange and reduce administrative units at the district, commune, village, and residential group levels according to prescribed standards.
4.	Reasonably organize the Ministry to manage multiple sectors and fields, implementing the principle that one agency performs many tasks and one task is assigned to only one agency to preside over and take primary responsibility.
5.	Arrange and restructure the organization within the Ministries, ministerial-level agencies, and government agencies to streamline and reduce focal points. End the department/sub-department model in the Ministries and ministerial-level agencies.

Source: Resolution 18-NQ/TW issued in 2017, Decision 71-QD/TW issued in 2022, Document 141/KH-BCDTKNQ18 issued in December 2024, RongViet Securities

Objectives 1, 2, and 3 belong to Resolution 18, which aims to continue innovating and reorganizing the political system's apparatus to streamline and operate effectively and efficiently, and Decision 71, which concerns the political system's total payroll for the period 2022-2026.

Objectives 4, and 5 are supplemented and clarified in the latest document on apparatus reorganization.

Past reforms in other countries and Vietnam have mostly achieved their official and technical goals regarding mechanical numbers. However, **the effectiveness of the reform process is challenging to assess and is a matter of much debate.**

Reform of the apparatus is often a long-term, complex, incremental, pragmatic, and compromise-based process. In addition, reform of the government organizational system apparatus only plays a part in the overall institutional and economic reform (Yang, 2007).

Goals of the apparatus reform in number

Streamlining the payroll		
Civil servants	▼	5%
Public employees	▼	10%
Reorganizing the apparatus		
Internal focal points	▼	15-20%
Ministries, ministerial-level agencies	▼	5
Government agencies	▼	3
General departments	▼	12
Departments and equivalents under ministries	▼	500
Sub-Departments under ministries, ministerial-level agencies	▼	177
Public service units under ministries	▼	190

Source: Ministry of Home Affairs, RongViet Securities

Some advantages and difficulties of the apparatus reform process

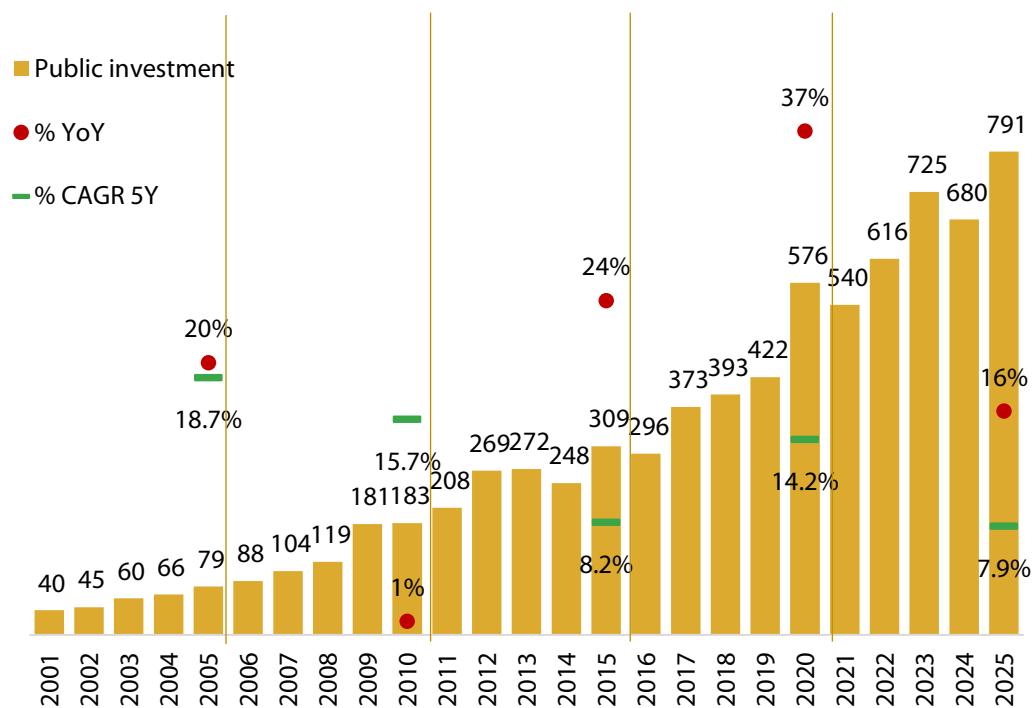
Advantages	Difficulties
Strong political determination	Overlapping and duplication of functions and tasks between agencies have existed for quite a long time in the system
Deployment at the same time between Central and local levels	Difficulties in arranging and assigning personnel and ensuring the rights of cadres, civil servants and public employees
Conduct in parallel with salary reform and draft Decree on talent attraction	Reactions from within, especially agencies that have been downsized and individuals whose rights have been cut
Include breadth and depth of the apparatus including reducing the size of civil servants and public employees and redesigning the apparatus	A larger amount of work must be completed with fewer civil servants and employees
	Reforms come with the amendment of a series of legal and administrative documents, which take time to deploy and implement

2025 marks the final year of the 2021-2025 mid-term public investment cycle. In the last two investment cycles, the growth rate in the final year consistently outpaced the average growth rate of the entire period.

The public investment plan for 2025 will be supplemented by additional budget revenue and unused funds from previous years, along with new projects added to the mid-term public investment goals. **The scale is expected to increase by 10.5% compared to the estimated implementation for 2024, assuming a 95% disbursement rate.**

Development investment expenditure by 5-year investment cycle

Trillion VND



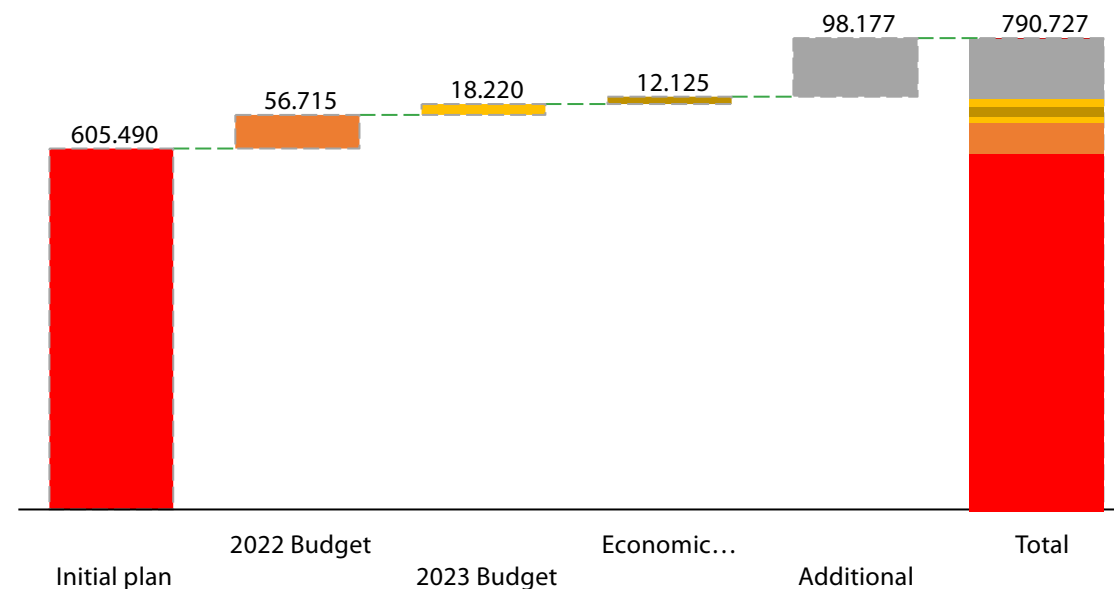
Source: MoF, RongViet Securities

(1) 2001-2022: Finalized state budget data

(2) 2023: Second estimate; (3) 2024: Preliminary estimate; (4) 2025: Budget projection

Development investment expenditure plan for 2025

Trillion VND



Source: MoF, RongViet Securities

(1) **Initial development investment** expenditure estimate for 2025 by MOF (10/2023)

(2) **2022-2023 Central budget:** Supplemented from increasing central government revenues

(3) **Economic recovery program:** Extended implementation timeline for the socio-economic recovery program

The political, economic, and legal environment for public investment in 2025 involves driving and restraining forces. The driving force comes from political stability and the conclusion of the mid-term public investment period, with a strong commitment to economic growth targets. The restraining force stems from the impact of streamlining governmental apparatus and delays in issuing decrees to implement newly enacted laws.

The implementation of public investment and the economic and legal environment for the 2021-2025 period

	Plan	Implementation	Disbursement Rate	GDP Growth	Economic/political environment	Legal framework related to public investment
	Trillion VND	Trillion VND	%	%		take into effect
2021	608	540	88.8	2.6	Anti-corruption, negative practices, and COVID-19	Investment Law 2020 & PPP Law 2020
2022	734	616	83.9	8.1	Anti-corruption, post-COVID-19 recovery, banking system instability (SCB), and corporate bond market	“Law amending 9 laws”: Law on Public Investment, Law on PPP, Law on Investment, Law on Bidding
2023	803	725	90.3	5.1	Anti-corruption, negative practices, SCB fallout, and corporate bond maturity pressure	Resolution 106: pilot implementation of special policies for investment in road construction projects
2024	807	680	84.3	6.8	Power transition and stabilize political apparatus	Land Law Resolution 111 on some specific policies and mechanisms to implement the National Target Program
2025	791	751	95.0	6.5-7.0	Streamlining Government organizational apparatus, combating waste, and final year of the medium-term public investment cycle	“Law amending 4 laws”: Law on Planning, Law on Investment, Law on PPP, Law on Bidding “Law amending 9 laws”: Law on State Budget, Law on Use of Public Assets” Amended Law on Public Investment

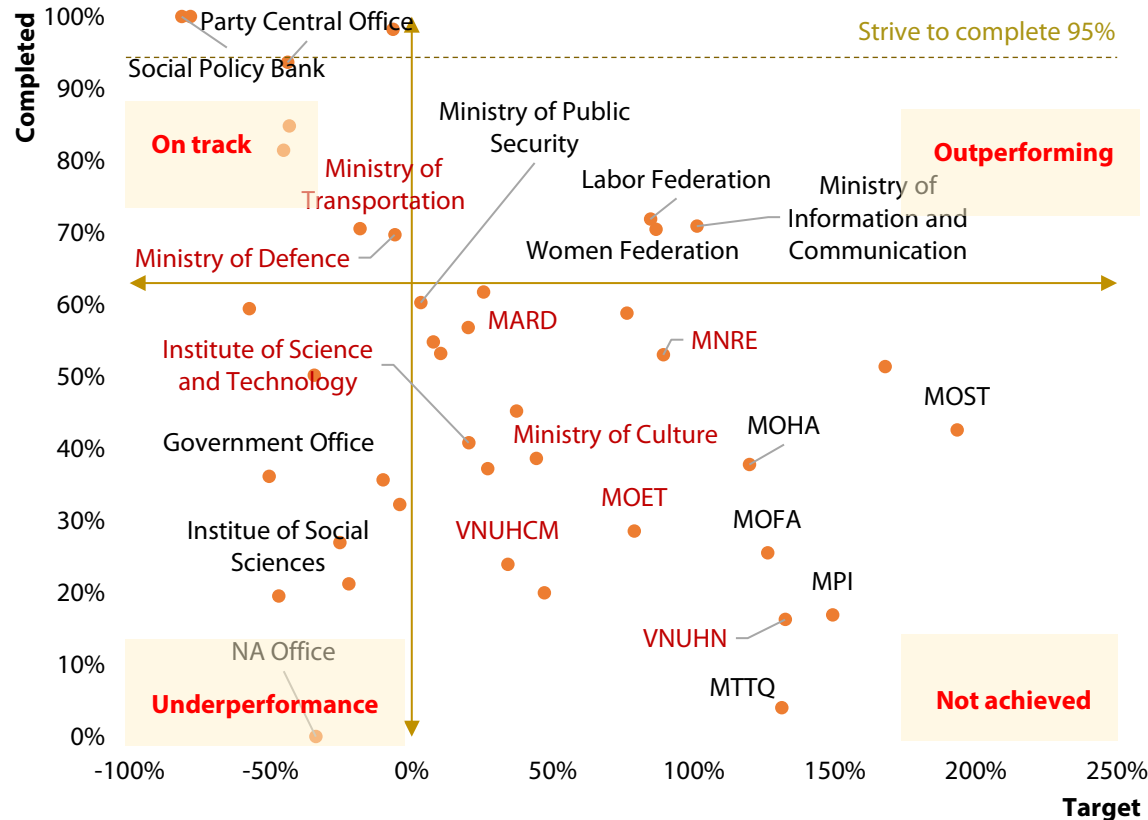
Source: MoF, GSO, RongViet Securities

(1) Public investment disbursement 2021-2024: Based on estimated state budget development investment expenditures, typically higher than the 13-month estimates from the MoF.

(2) National Assembly-approved target: 6.5-7.0%, striving for 7.0-7.5%; Government’s ambition: 8.0%. Public investment disbursement goal for 2025: 95%.

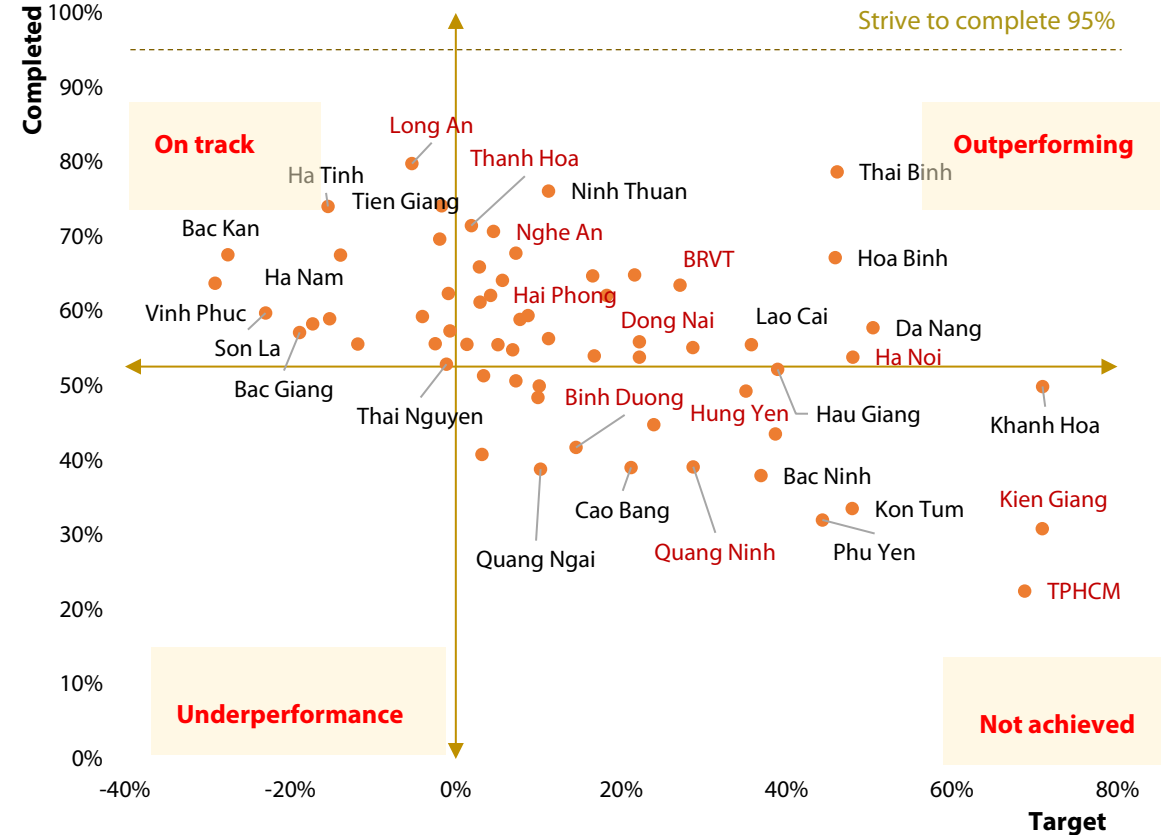
Most ministries, sectors, and localities will aim for higher growth in public investment disbursement in 2025. However, the ability to complete the plan, especially in achieving the 95% disbursement target, may be differentiated, as it did last year.

The likelihood of achieving target by central government in 2024



Source: MOF, RongViet Securities, Completion threshold based on the central government's average.
 (1) Target: 2024 plan vs. 2023 estimate; (2) Completion: Estimated disbursement in November 2024.
 (3) Ministries in red have 2024 public investment capital of over VND1 trillion. The MOT, MOD, and MARD have the largest capital, at VND75, 20, and 11 trillion, respectively.

The likelihood of achieving target by province in 2024



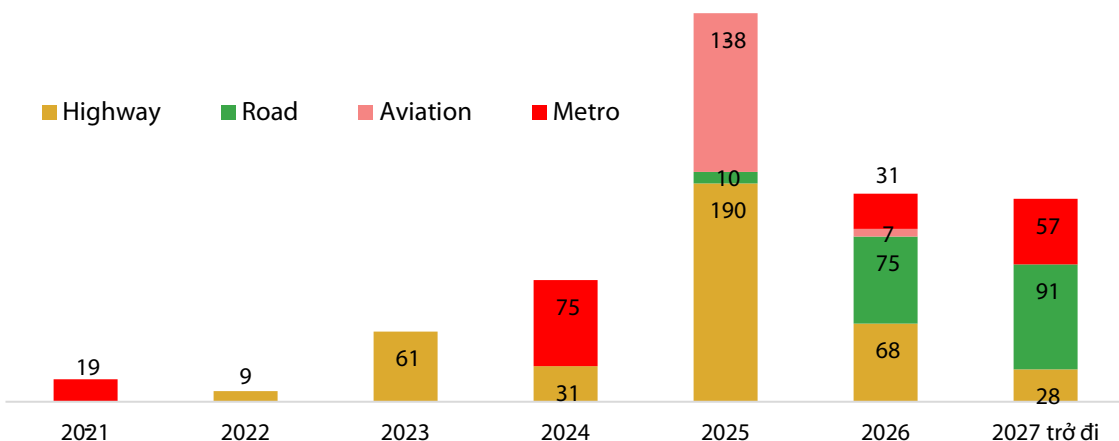
Source: MoF, RongViet Securities, Completion threshold based on the average of localities
 (1) Goal: 2024 plan vs 2023 estimate; (2) Completion: Estimated disbursement in November 2024.
 (3) Red-marked provinces have 2024 investment capital above VND10 trillion, with Ha Noi and HCMC being the largest, at VND83 and 79 trillion, respectively.

The highway and aviation infrastructure will see significant improvement in 2025, driven by the acceleration of the completion of the North-South Expressway Phase 2 project and the completion of key airport projects.

The construction and completion of these important infrastructure projects will have a ripple effect, first on the construction industry and building materials, followed by growth in freight transport and aviation. The impact on real estate and consumer sectors will be more evident once the projects are completed and operational.

Progress of completion for key transportation projects

Total investment, VND trillion



Impact on sectors based on the public investment disbursement cycle

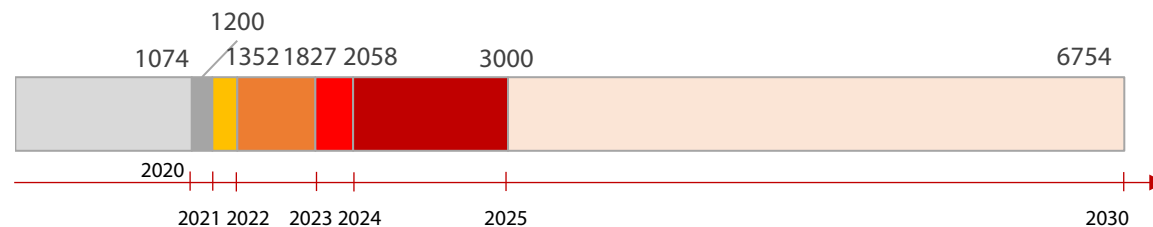


Source: MoF, RongViet Securities

(1) Does not include inter-regional transportation projects and those scheduled for implementation during or after 2025.

The transportation infrastructure expected to be completed in 2025

Expressway (km)



Approximately **942 km** of highways are expected to be completed in 2025, primarily under the **North-South Expressway Phase 2 (2021-2025)**. Compared to initial plans, the timeline for these projects has been accelerated by 3-8 months. In addition, the **HCM road project**, with a total investment of approximately **VND10 trillion**, is also projected for completion in 2025.

Aviation

	Long Thanh Airport	Terminal T2 - Noi Bai	Terminal T3 – Tan Son Nhat
Investment	VND114,450 billion*	VND4,996 billion	VND10,990 billion
Scale	25 million arrivals/year	5 million arrivals/year	20 million arrivals/year
Complete	12/2025**	12/2025	04/2025

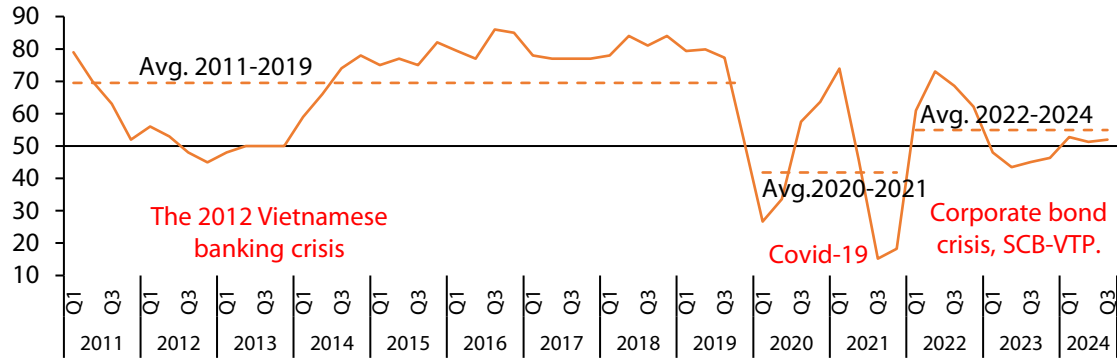
Source: MoF, RongViet Securities

(*) Total investment for Phase 1

(**) Excludes customs office headquarters under Component Project 2 and other structures under Component Project 4

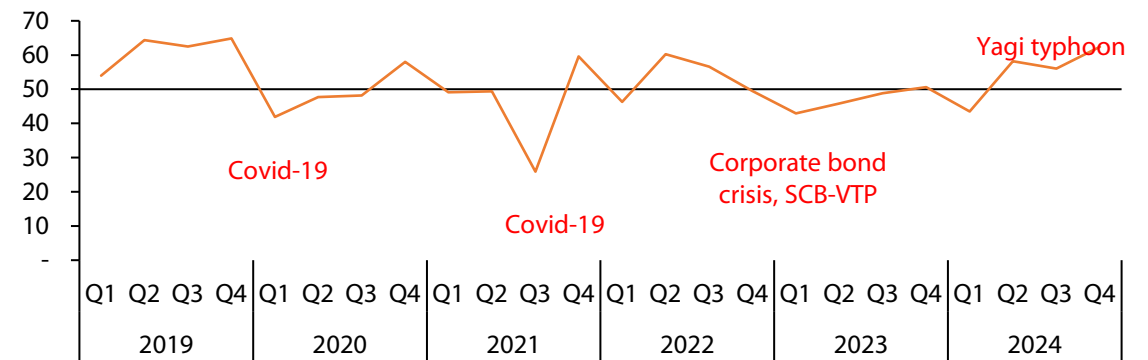
Business confidence is recovering, but optimism regarding future output, new establishments, and investments remains relatively cautious.

Business confidence index



Source: EuroCham, RongViet Securities, 228/1400 EuroCham members responded in Q3/2024.

Business trends of enterprises



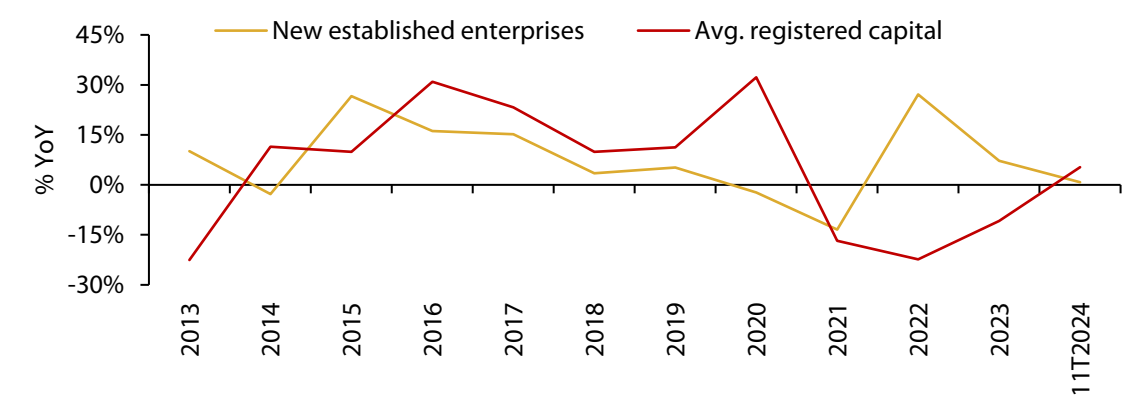
Source: GSO, RongViet Securities, Business Sentiment Index = % Better + % Stable/2.

Business confidence on output in the next 12 months



Source: S&P Global, RongViet Securities, survey of 400 manufacturers.

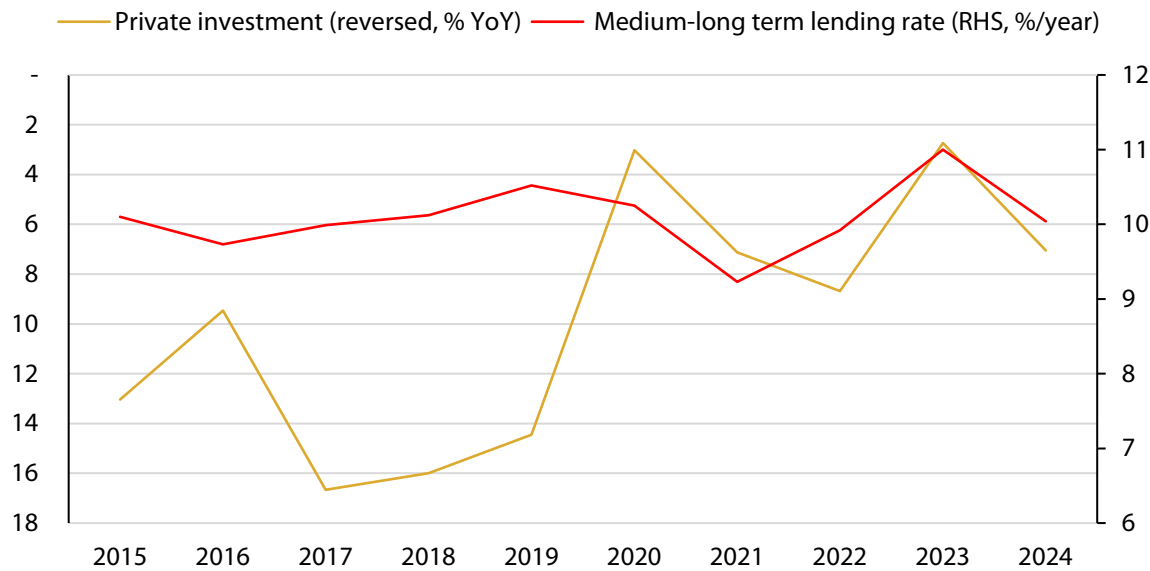
New established enterprises and registered capital



Source: GSO, RongViet Securities

In addition to the positive impact of lower borrowing rates on private investment, **factors related to the market, labor, and input costs are less optimistic.** With lending rates expected to decrease by around 100 basis points in 2024, **the interest rate environment will remain favorable for investment financing in 2025.** However, **other factors need further improvement for private investment to grow robustly,** similar to the pre-COVID-19 period.

Private investment growth and medium to long-term lending rates



Source: GSO, RongViet Securities

(1) Calculated as a weighted average of outstanding loan balances and corresponding lending rates applied to medium- and long-term loans, there is a one-year lag compared to the actual average lending rates for new loans.

(2) 2024 Data: Reflects Q3/2024 figures.

▲: Improvement compared to one or both preceding years.

▼: Decline compared to one or both preceding years.

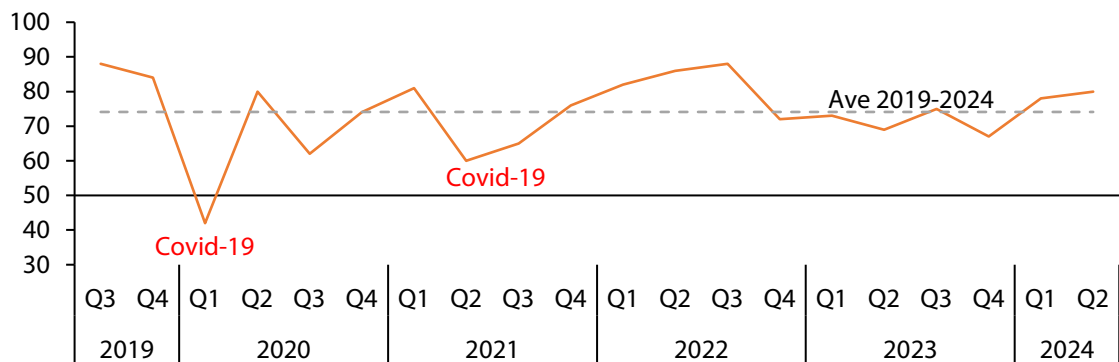
--: Stable compared to the previous year or both preceding years.

Factors affecting production and business activities

Category	Factor	2024	2023	2022	Trend
Institution/Infras.	Lack of energy	Low	Low	Low	▲
	Law policies	Low	Low	Low	▲
Input	Outdated technology equipment	High	High	High	▼
	Lack of raw materials	High	High	High	--
Labor	Unable to recruit labor as required	High	High	High	▼
	No access to loans	Low	Low	Low	▲
Finance	High borrowing rate	High	High	High	--
	Financial difficulties	High	High	High	▲
	High competitiveness of imported goods	High	High	High	▼
Demand	Low external demand	High	High	High	▲
	High domestic competitiveness	High	High	High	▼
	Low domestic demand	High	High	High	▲

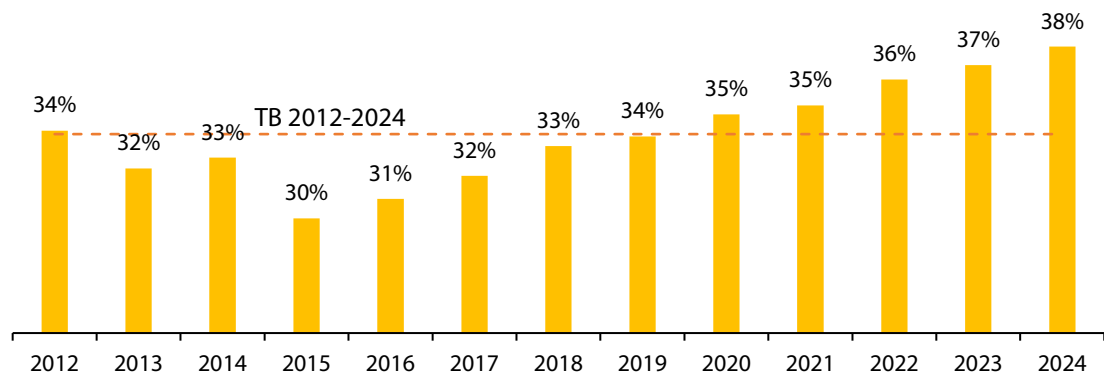
Although there is more optimism about the economic outlook, **consumers remain cautious in spending** due to weak real income growth. At the same time, while deposit and consumer loan interest rates have decreased, **savings have increased, and the recovery in consumer borrowing is still slow.**

Consumer optimism about future economic prospects



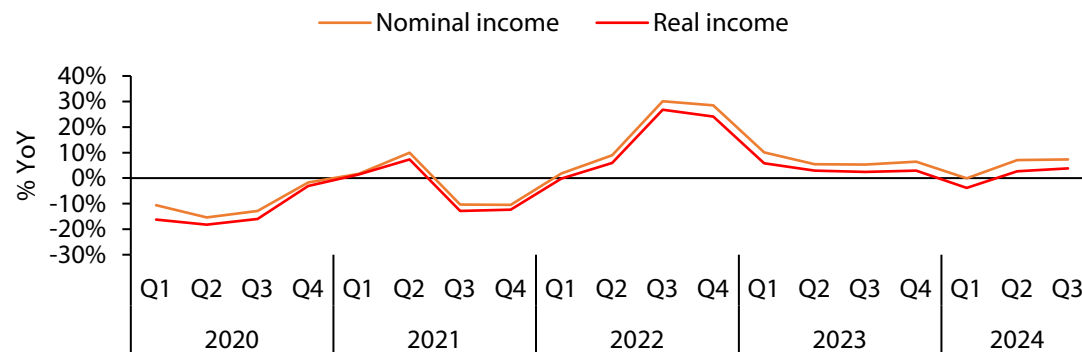
Source: Kantar, RongViet Securities

Savings-to-gdp ratio at its highest level since 2012



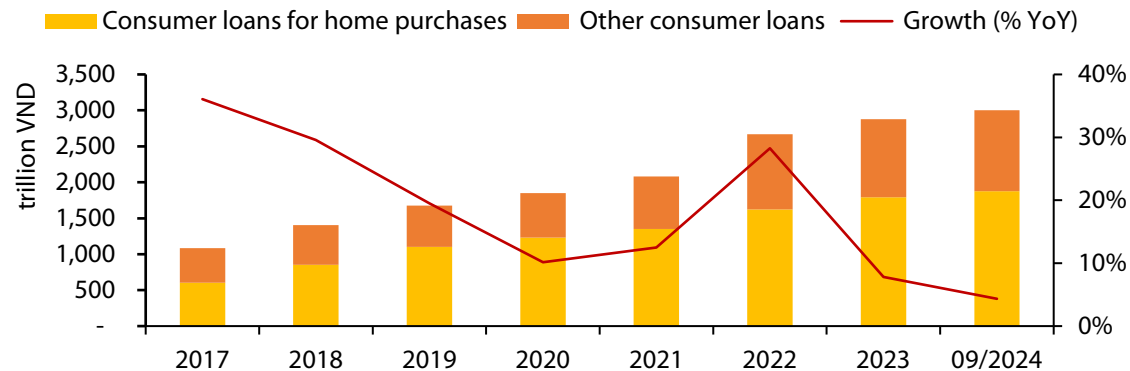
Source: CEIC, RongViet Securities, 2024: RongViet Securities' estimate.

Growth in nominal and real income



Source: GSO, RongViet Securities, % Real Income Growth = % Nominal Income Growth – % Inflation.

Consumer loan growth recovering slowly

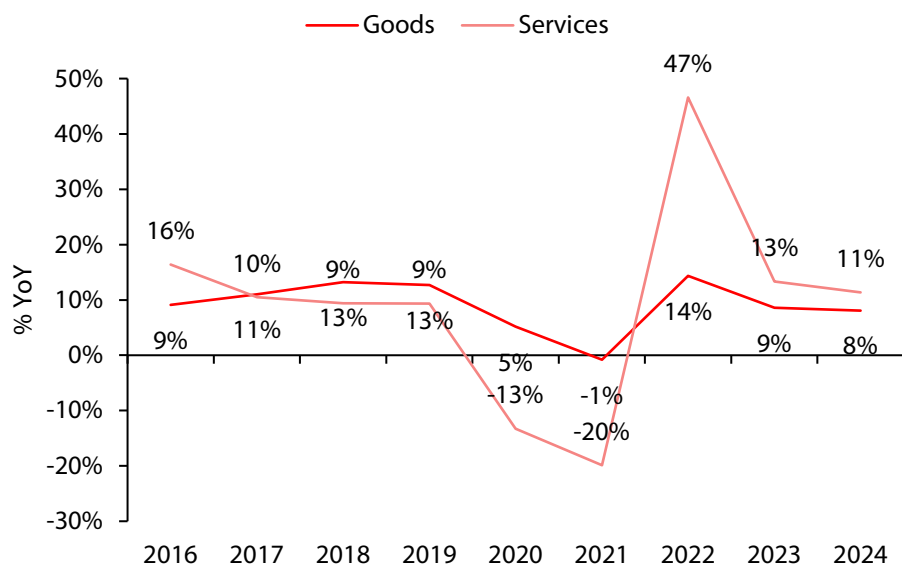


Source: SBV, RongViet Securities

The cautious consumer spending has led to limited improvement in the growth of retail sales of goods and services in 2024. However, **consumer goods groups, from essentials (food and groceries) to non-essentials (home appliances, automobiles), are on an upward trend.**

In 2025, consumer sector growth may improve further, driven by optimism about the economic outlook, income growth, and lower interest rates. Additionally, **an apparent recovery in the real estate market** is necessary for the consumer sector to approach pre-COVID-19 growth levels.

Growth in retail sales of goods and services



Source: GSO, RongViet Securities, 2024: Data as of November 2024

▲: Improvement compared to the previous year or the 2016–2019 average.

▼: Lower than the previous year or the 2016–2019 average.

--: Stable growth.

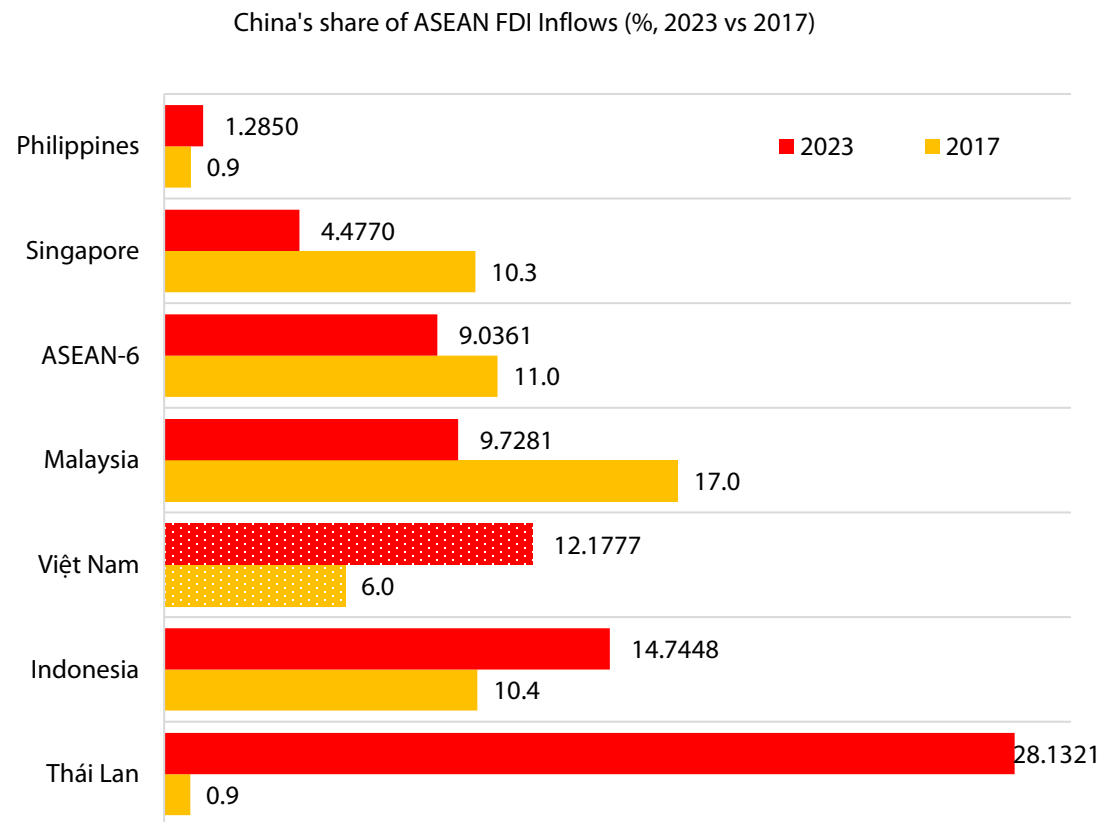
Heatmap of growth across consumer goods and services categories

% YoY	2020	2021	2022	2023	2024	2016-19 Avg.	
Food & Foodstuffs	8.3%	8.9%	10.0%	11.7%	10.7%	12.8%	—
Textile	3.7%	-10.5%	18.5%	7.1%	8.7%	10.0%	▲
Household appliances	8.1%	-8.7%	6.6%	7.5%	8.0%	10.5%	▲
Education & Culture	-3.6%	-7.5%	21.0%	14.4%	6.6%	9.6%	▼
Transportation Vehicles	-4.5%	-2.3%	13.8%	-1.4%	7.5%	10.8%	▲
Other goods	3.9%	-4.0%	19.7%	7.7%	5.5%	12.0%	▼
Food services	-15.9%	-23.1%	54.8%	14.7%	12.5%	10.9%	▲
Tourism	-64.6%	-59.4%	275.5%	52.5%	14.2%	10.8%	▲
Other services	-6.2%	-15.6%	36.1%	10.4%	9.0%	11.4%	▼

Vietnam benefited but has not experienced a significant change in foreign investment contribution from China compared to Thailand since Trump 1.0.

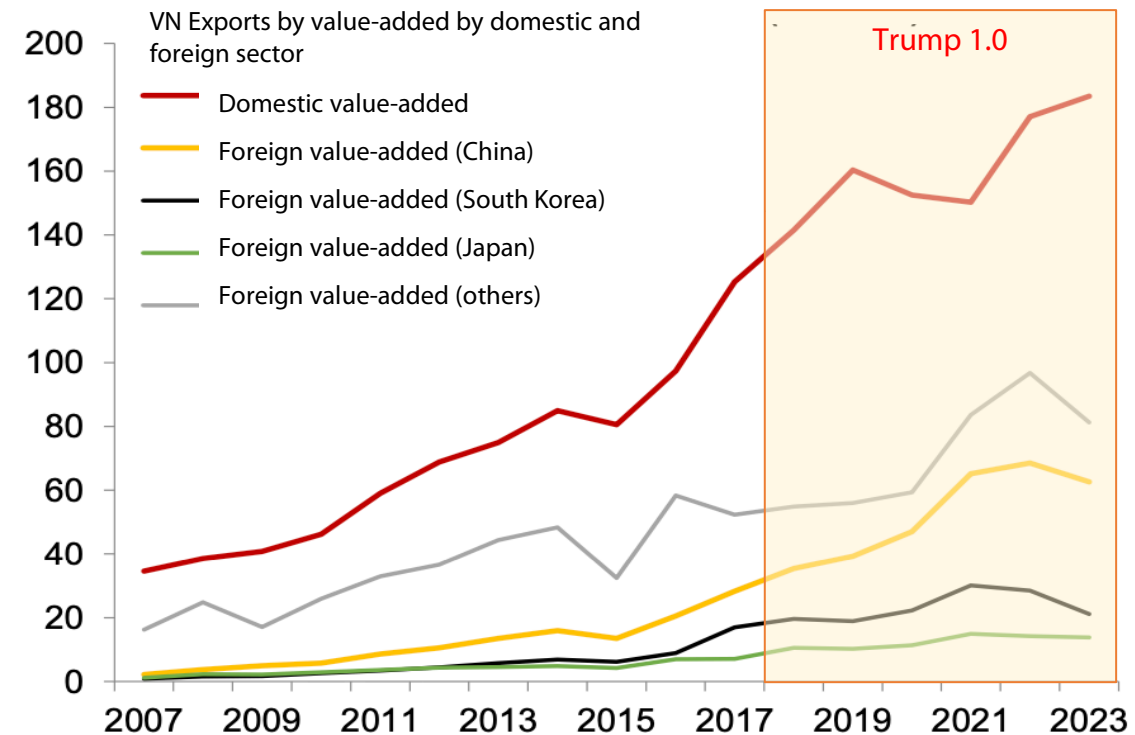
The shift in the supply chain has boosted the value of imports from China in the total export scale while also **increasing the value added by domestic enterprises**. We expect this trend to continue under Trump 2.0.

Investment from China to Vietnam have surged since Trump 1.0



Source: MUFG, RongViet Securities

The "China +1" strategy has a positive impact on the value-added of exports from the domestic sector



Source: MUFG, RongViet Securities

Domestic Value-Added = Total domestic export value – Intermediate import value from other countries + Vietnam's contribution to exports (e.g., labor wages, local materials)

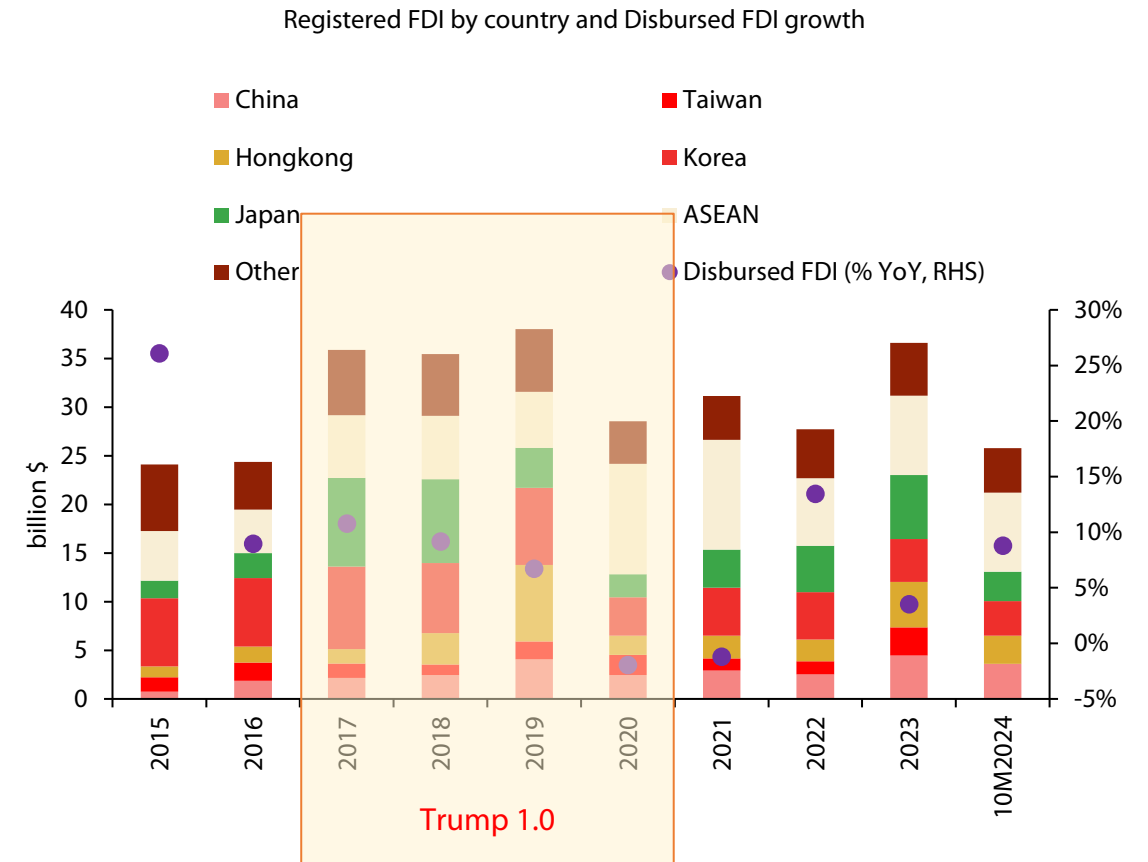
Vietnam's return to the ranking of top foreign investment destinations among emerging markets is a positive sign. However, **more significant internal changes (institutional reforms, infrastructure, policies, and labor quality) are needed for FDI flows to strengthen in the Trump 2.0 era.**

Vietnam does not stand out significantly in the global FDI attraction ranking



Source: ATKearney, RongViet Securities

Despite a breakthrough in attracting FDI, disbursed FDI growth has declined during the Trump 1.0 period



Source: MOPI, RongViet Securities

Vietnam's semiconductor investment attraction policy compared to other countries

Policy tools													
		China	Japan	Korean	Taiwan	US	EU	Vietnam	Singapore	Malaysia	Philippines	Thailand	Indonesia
Tax	Corporate income tax reduction	✓		✓	✓	✓		✓	✓	✓	✓	✓	✓
	VAT tax incentives	✓				✓					✓		
	Import tax and customs incentives	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Tax incentives to attract talent		✓		✓	✓	✓	✓	✓	✓		✓	
Subsidies	Direct financial support	✓	✓	✓	✓	✓	✓	✓	✓	✓			
	Investment support funds	✓		✓	✓	✓		✓	✓	✓			
Regulations	Intellectual Property Rights (IPR) support policies	✓	✓		✓	✓			✓				
	Policies to promote international cooperation	✓					✓		✓	✓	✓		

Source: NIC, Deloitte, ASEAN Briefing, MOPI, RongViet Securities

✓ Expected to be implemented ✓ Implemented

VN Semiconductor Strategy by 2030

	No. of projects		Scale (Billion \$)	
Registered FDI	174		11.6	
	2023	2024	2030	
Revenue (billion \$)	16.3	18.2	25.0 (+15.4%/year)	
Enterprises	No. of Firms	No. of Engineers	No. of Firms	No. of Engineers
Semiconductor design	36	6,000	100	15,000
Testing, packaging	3	5,575	15	35,000
Chip manufacturing plant			1	

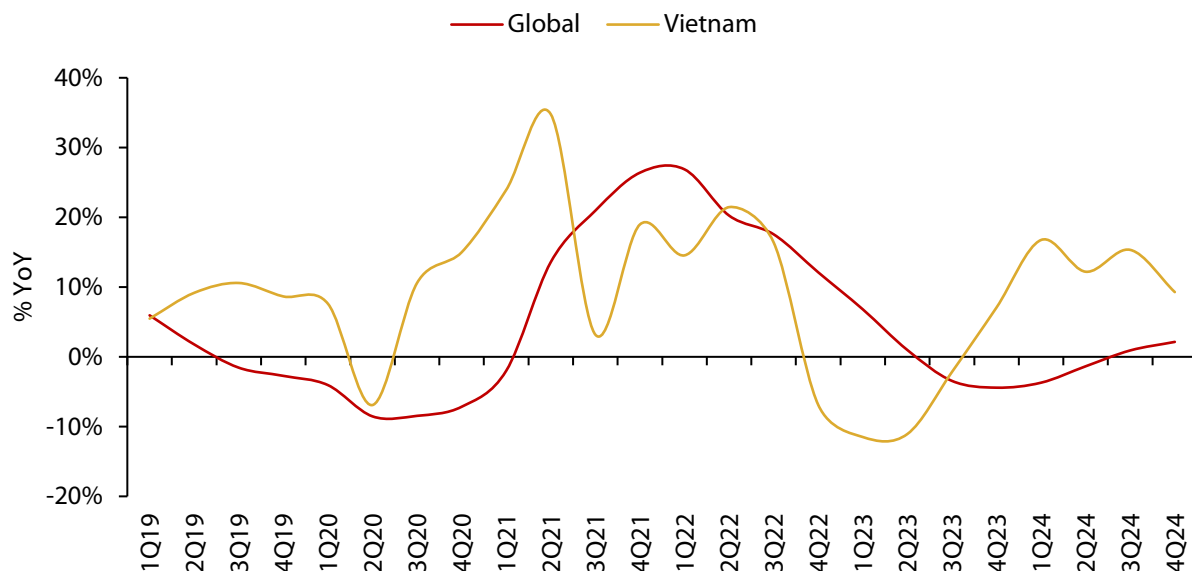
The Vietnamese government is drafting specific policies for the semiconductor industry, including:

- Investment support fund Decree:** This decree offers incentives for workforce training (50%), R&D (1-30%), fixed asset investment (1-10%), production costs (0.5-3%), and social infrastructure (25%). Conditions for semiconductor firms are more favorable than for high-tech enterprises. It is expected to become effective in early 2025 and has a budget allocation of VND10,000 billion.
- Digital technology industry Law:** Provides tax incentives for corporate income tax, import duties, and personal income tax for experts. It supports machinery purchases (<5%), moving production equipment (<10%), new projects (<10% TIC), and R&D (150% deduction) - expected approval in May 2025.

Global trade growth is recovering, and the outlook for 2025 remains positive. This is supported by stable economic growth, moderate inflation, and central banks' continued accommodative monetary policies.

A low base from the previous year largely drove Vietnam's strong export growth 2024. Therefore, we expect **exports in 2025 to be lower than last year, reaching approximately 10-12% growth (base scenario).**

Global and Vietnam's goods trade growth



Source: UNCTAD, General Department of Customs, RongViet Securities
Export growth in 2024, export share by product and market are based on data from the first 11 months of 2024

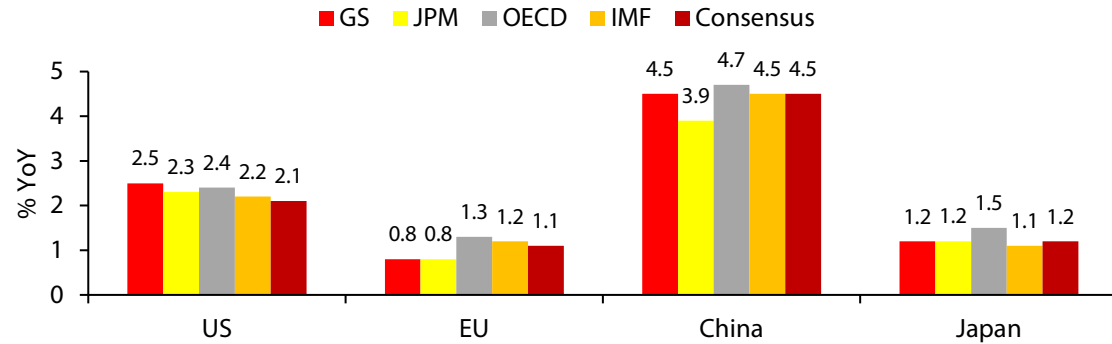
Vietnam's export growth by product and market

By product	% exports	2023	2024
Computer	17.6%	3.2%	26.3%
Phone	13.6%	-9.7%	3.2%
Machinery	12.9%	-5.7%	21.6%
Textile	9.1%	-11.4%	10.6%
Shoes	5.6%	-15.3%	12.9%
Wood products	4.0%	-15.9%	21.2%
Steel	3.4%	-2.5%	12.5%
Fishery	2.5%	-17.9%	11.5%
Camera	2.0%	19.5%	9.7%
Vegetables	1.8%	66.7%	27.4%
Handbag	1.0%	-7.8%	12.1%
Others	26.5%	-1.0%	11.4%

By market	% exports	2023	2024
US	29.5%	-11.3%	24.0%
China	14.9%	5.8%	-1.1%
EU	12.6%	-6.6%	17.1%
ASEAN	9.2%	-4.6%	13.9%
Korea	6.3%	-3.4%	8.6%
Japan	6.1%	-3.7%	5.3%
UK	1.9%	4.6%	19.5%
Others	19.7%	-2.7%	18.2%

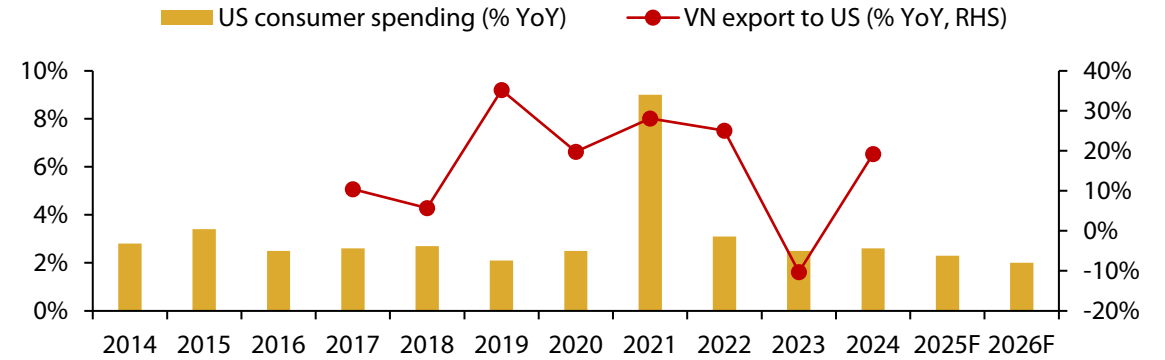
The U.S market will continue to be the main contributor to Vietnam's export growth in 2025.

2025F GDP growth of the U.S. compared to other economies



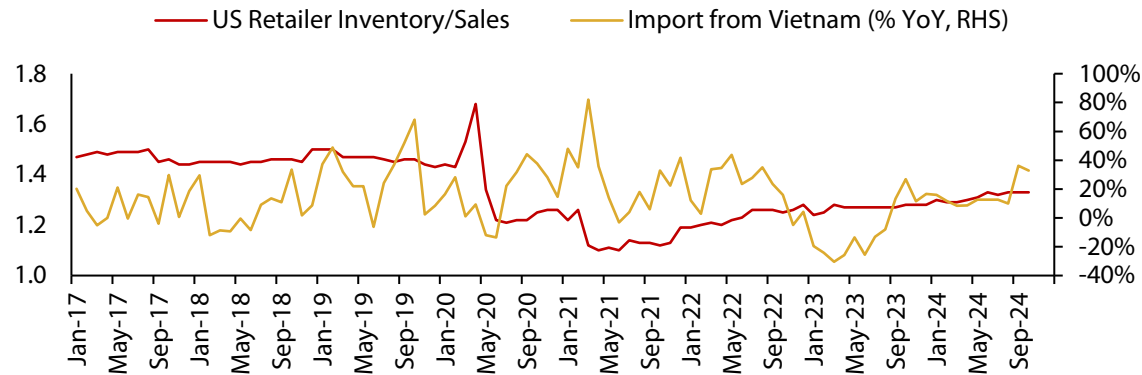
Source: Bloomberg, RongViet Securities

U.S. consumption growth and Vietnam's exports to the U.S



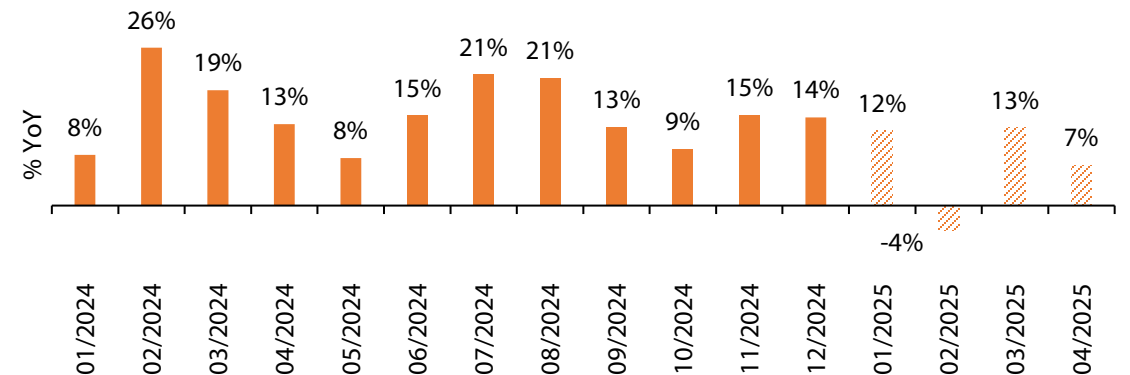
Source: Bloomberg, RongViet Securities

U.S. inventory/sales ratio lower compared to the Trump 1.0 period



Source: USTR, FRED, RongViet Securities

Cargo imports at U.S. seaports continue increasing in 1Q25

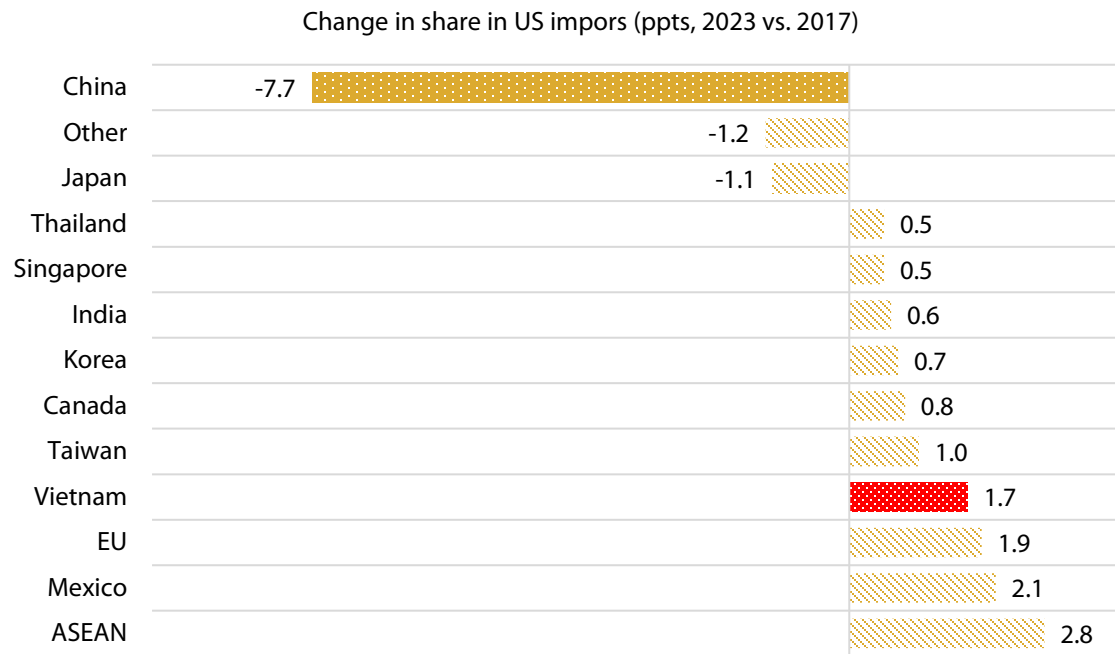


Source: NRF, RongViet Securities

Similar to the Trump 1.0 era, Vietnam could benefit from the supply chain and goods shift as China faces tariffs, especially if Trump imposes a 60% tariff on Chinese goods.

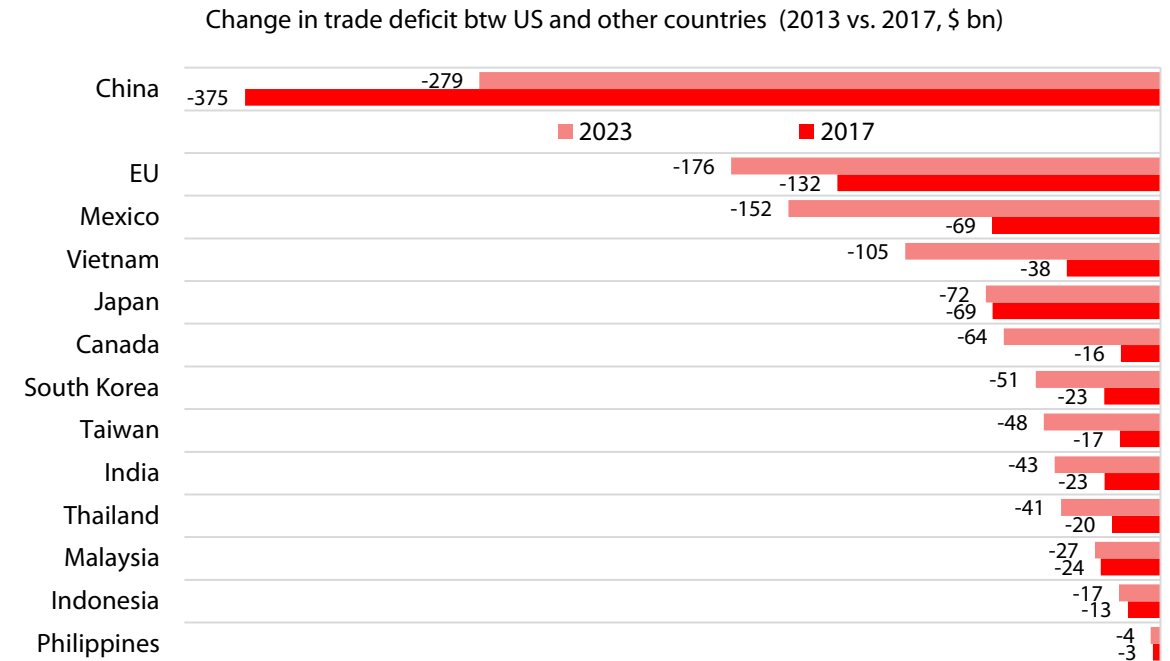
The difference in Trump 2.0 is that the tariffs on Chinese goods are higher and broader, and the approach to tariffs on other countries differs. The base case scenario is that the Trump 2.0 administration will apply targeted tariffs/trade defense measures and link these tariffs to stricter origin rules, with the ultimate goal being the shift of Chinese goods to Vietnam to avoid higher U.S. tariffs. There remains a low but possible probability that Vietnam could face a 10-20% tariff in the second half of 2025 or 2026, which would negatively impact export prospects.

Vietnam is one of the countries that has gained the most market share to the U.S. since the Trump 1.0 era



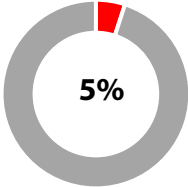
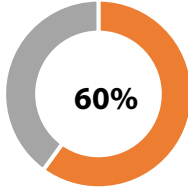
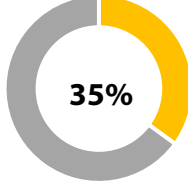
Source: MUFG, RongViet Securities

The trade deficit between Vietnam and the U.S. has continued to widen since the Trump 1.0 era



Source: USTR, RongViet Securities

The impact of Trump's tariff policy on Vietnam

Scenerio	Negative	Base	Positive
Probability	 <p>5%</p>	 <p>60%</p>	 <p>35%</p>
Tariff	<ul style="list-style-type: none"> - 60% on all Chinese goods - 10-20% on all Vietnamese goods 	<ul style="list-style-type: none"> - 25% on Chinese goods - Imposing targeted anti-dumping measures on Vietnamese goods 	<ul style="list-style-type: none"> - 60% on Chinese goods - No tariffs on Vietnamese goods
The timing of the implementation	<ul style="list-style-type: none"> - Q2/25 for Chinese goods - 2H25 for Vietnamese goods 	<ul style="list-style-type: none"> - Q2/25 for Chinese goods - 1H26 for Vietnamese goods 	<ul style="list-style-type: none"> - Q2/25 for Chinese goods
Impact	<p>GDP growth ⬇️ 6.3%</p> <p>Exports growth ⬇️ 6 - 8%</p>	<p>GDP growth ⬇️ 6.8%</p> <p>Exports growth ⬇️ 10 - 12%</p>	<p>GDP growth ⬇️ 7.0%</p> <p>Exports growth ⬇️ 13 - 15%</p>

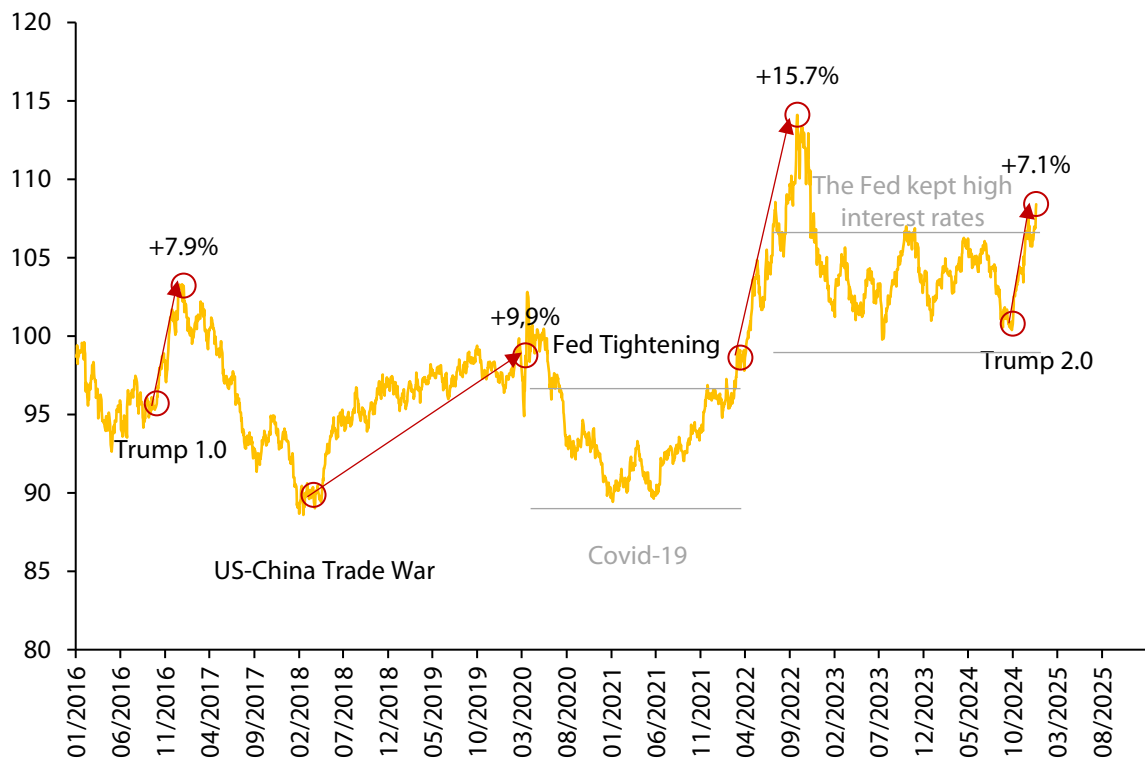
Source: RongViet Securities

The late 2024 surge in the DXY index has yet to fully reflect the potential impact of Trump's planned tariff policies.

Factors influencing the USD's outlook largely favor its continued appreciation in 2025.

Downside risks to the USD include: 1) U.S. economic growth falling short of expectations, 2) the Trump administration imposing lower-than-threatened tariff rates, and 3) peaceful resolutions in ongoing conflict zones.

The performance of the DXY index (2016 – December 19, 2024)



Source: Bloomberg, RongViet Securities

Factors affecting the outlook for the USD in 2025

Economic growth	Trump policy	Yield spread	Geopolitical
U.S. GDP growth is forecast to remain stable in 2025, outperforming other developed economies	Tariffs will pressure the affected nation's currency to depreciate	The Fed cautiously cuts rates, while other central banks opt for steeper cuts to support growth	The USD serves as a safe-haven asset amid escalating regional conflicts and rising political instability
+/-	+++	++	+/-

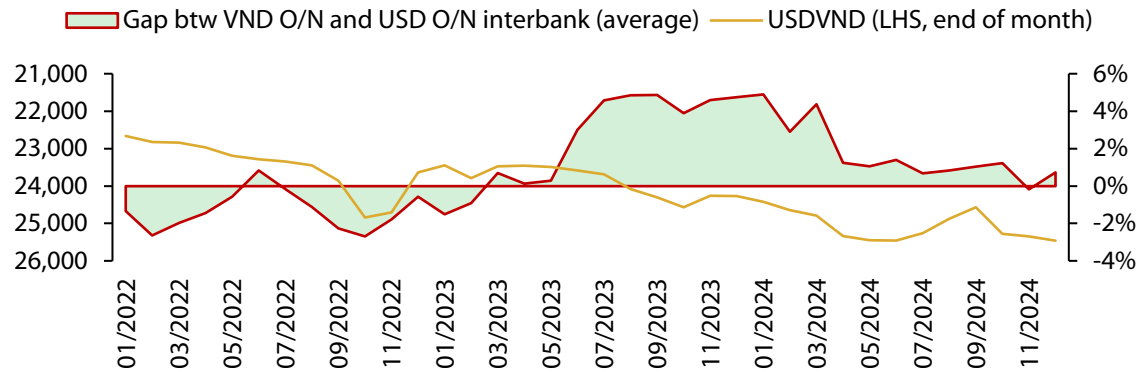
Source: RongViet Securities

+/-: Light impact; ++/-: Moderate impact; +++/-: Strong impact

Managing exchange rate stability in 2025 poses opportunities and challenges for the SBV.

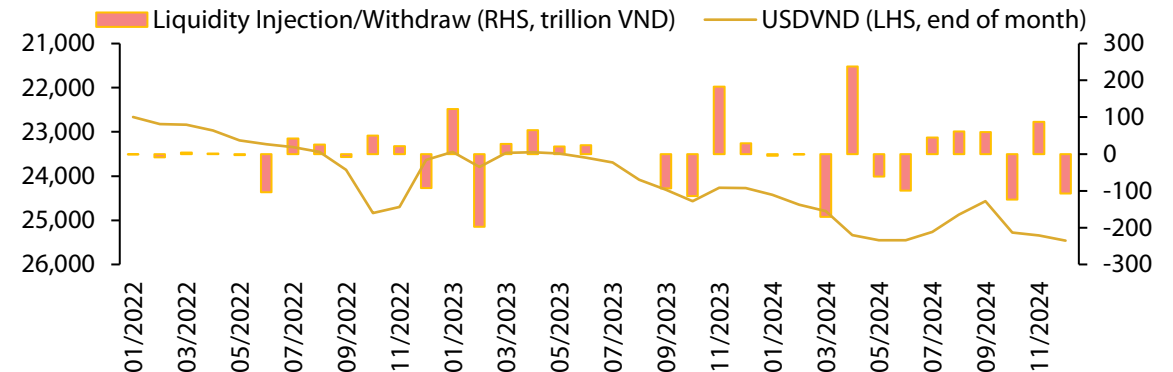
(+) Narrowing USD-VND interest rate differential; (-) FDI disbursement barely offsets profit repatriation; sharp decline in FX reserves.

USD-VND interest rate differential narrows but remains positive



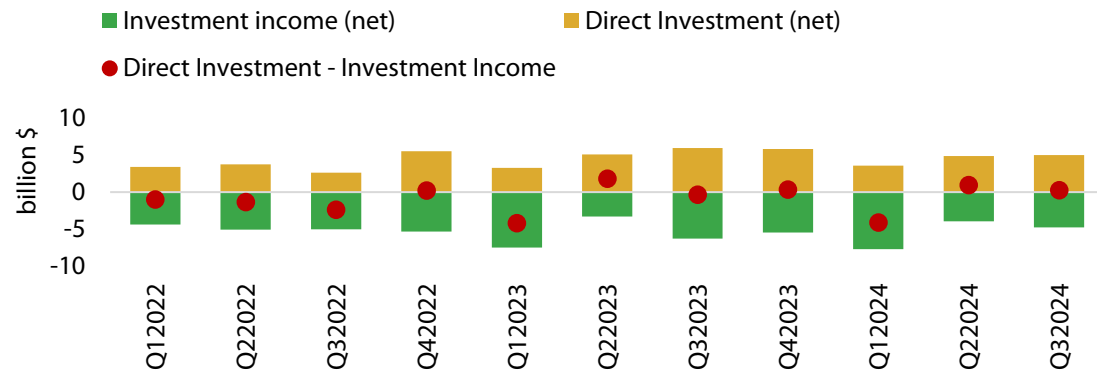
Source: SBV, RongViet Securities

The frequency and scale of liquidity adjustments increase under FX pressure



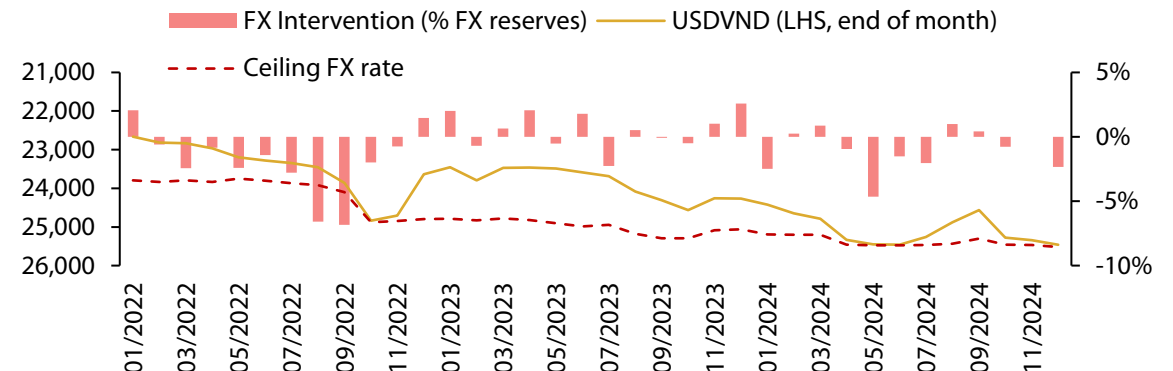
Source: SBV, RongViet Securities

Trends in direct investment and profit repatriation



Source: SBV, RongViet Securities

SBV used FX intervention when the FX reached ceiling rate



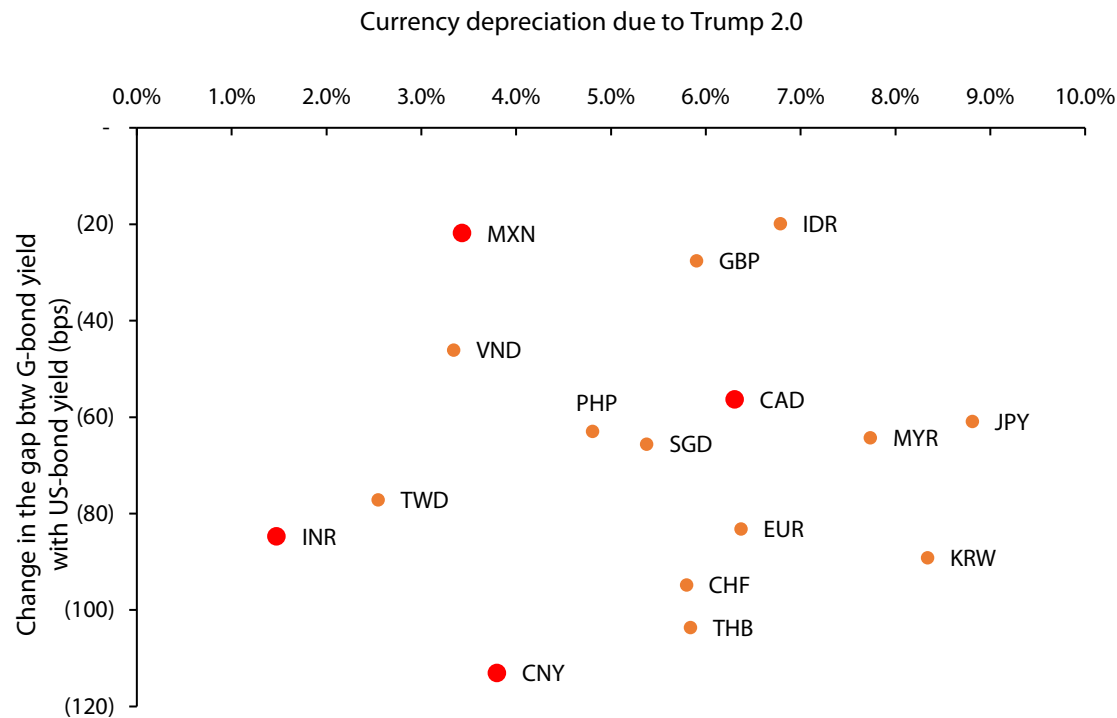
Source: SBV, RongViet Securities

The depreciation pressure on currencies in late 2024 has not fully reflected the impact of tariffs, especially for currencies threatened by Trump’s tariffs since his election.

During the US-China trade war (2018-2020), Vietnam was seen as a beneficiary, with its currency depreciating less against the USD.

In 2025, the VND could fluctuate within a +/- 5% range, ending the year at 26,200 VND/USD. The probability of the US imposing 10-20% tariffs on Vietnam (despite the low likelihood) could lead to a stronger depreciation of the VND.

The impact of Trump 2.0 on global currencies

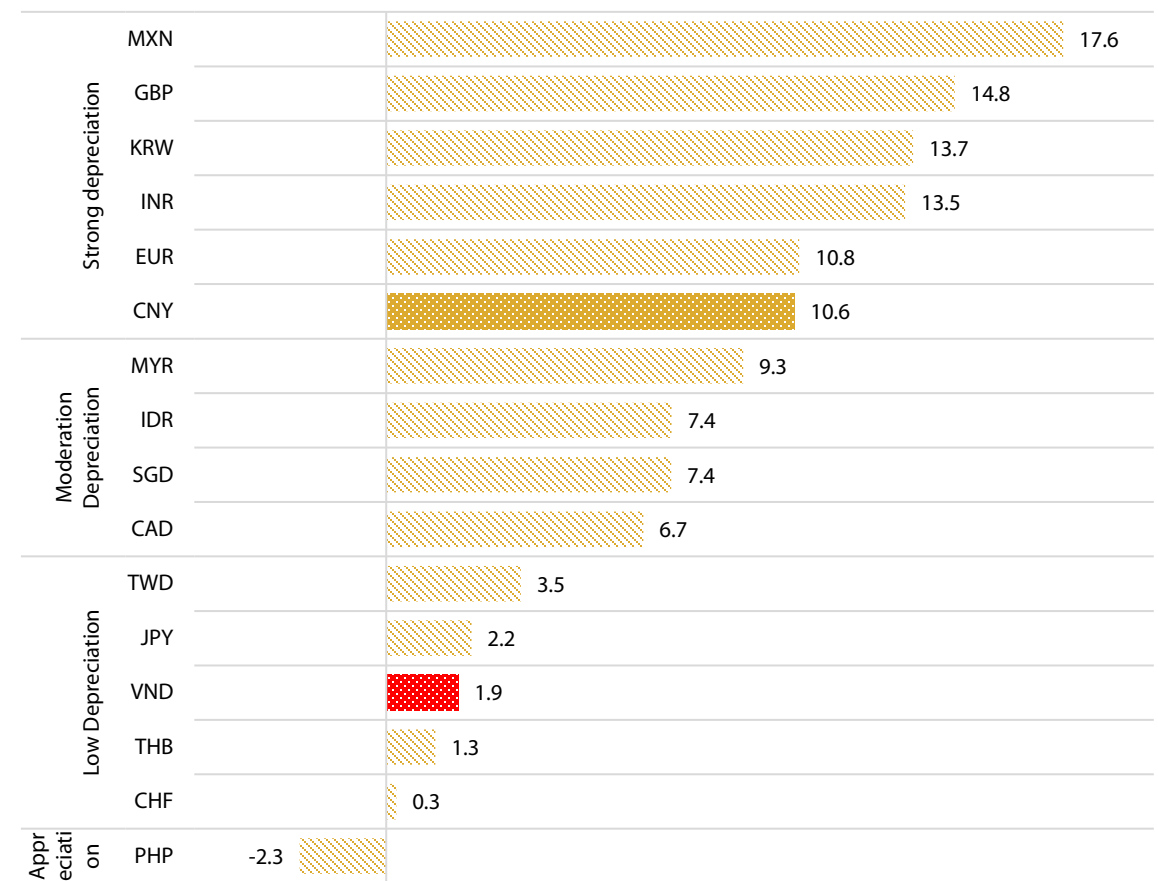


Source: Bloomberg, RongViet Securities

(*) Data from October 1, 2024, to December 19, 2024

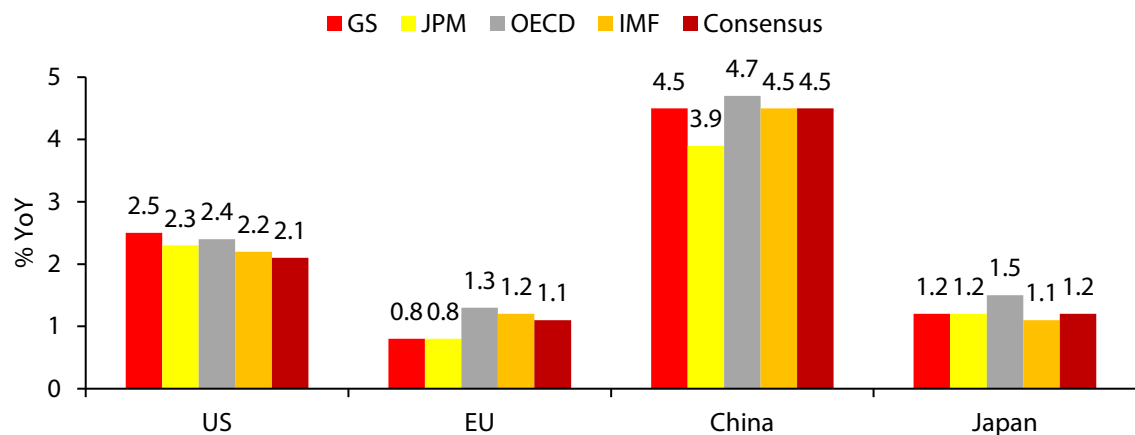
● Currency of countries threatened by Trump with tariffs since his election.

Currency movements during the US-China trade war



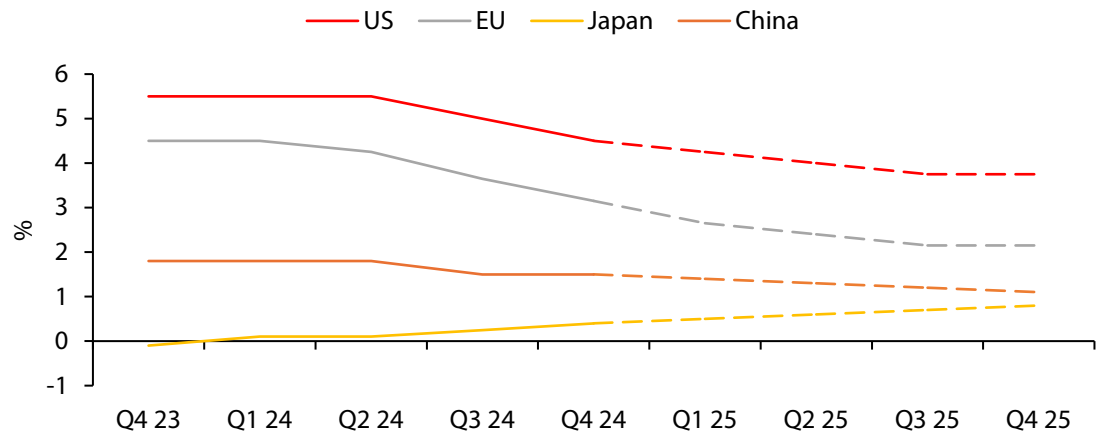
Outlook	Perspective
<p>1. <u>Growth</u></p>	<ul style="list-style-type: none"> - Global economic growth is expected to remain stable in 2025, with the following outlook for major economies: <ul style="list-style-type: none"> • The US economy is forecast to grow by 2.1% in 2025, mainly due to moderate domestic consumption growth and private investment supported by tax cuts and deregulation in financials and industrials. • Europe is recovering slowly as improved domestic consumption partly offsets the decline in exports, with the EU economic growth forecast at 1.1% in 2025, up slightly from the estimated 0.8% in 2024. • China's economic growth is uncertain due to a sluggish property market and weak domestic demand. It is forecast at 4.5%, lower than the 4.8% achieved in 2024. • Japan can use the weak yen to boost exports and tourism, while wage growth will boost consumption. Japan's economic growth in 2025 is forecast to increase by 1.2%, reversing from -0.2% in 2024.
<p>2. <u>Inflation</u></p>	<ul style="list-style-type: none"> - Global inflation to continue easing in 2025 <ul style="list-style-type: none"> • Energy prices are forecasted to maintain stability at low levels, indicative of weak global demand. • Wage growth is slowing in major economies, which is expected to support the reduction of inflationary pressures in service pricing.
<p>3. <u>Monetary policy</u></p>	<ul style="list-style-type: none"> - Most major central banks continue rate-cutting cycles, except Japan <ul style="list-style-type: none"> • The Fed is expected to reduce rates at a slower pace due to concerns over a potential resurgence in inflation. The policy rate may settle at 3.75–4.0% by 2025. • The ECB is likely to implement significant rate cuts to stimulate economic growth, with the benchmark rate expected to decline to 2.15–2.35%. • The PBoC is set to continue its monetary easing, lowering the 7-day repo rate to 1.1% to boost consumption and counter tariff pressures. • The BOJ is moving toward monetary policy normalization, raising the policy rate to 0.75% as the economy achieves sustainable inflation targets.
<p>4. <u>Trade and geopolitical risks</u></p>	<ul style="list-style-type: none"> - Prolonged and intensified tariff and geopolitical risks in 2025 pose challenges to global economic growth <ul style="list-style-type: none"> • Tariffs are expected to rise significantly in 2025 under three possible scenarios. • Ongoing economic polarization and escalating conflicts (Ukraine, Middle East, Taiwan) destabilize global supply chains. • Advanced economies such as Germany, Japan, and South Korea face internal challenges from immigration crises and economic reform pressures.

2025 growth forecast for major economies



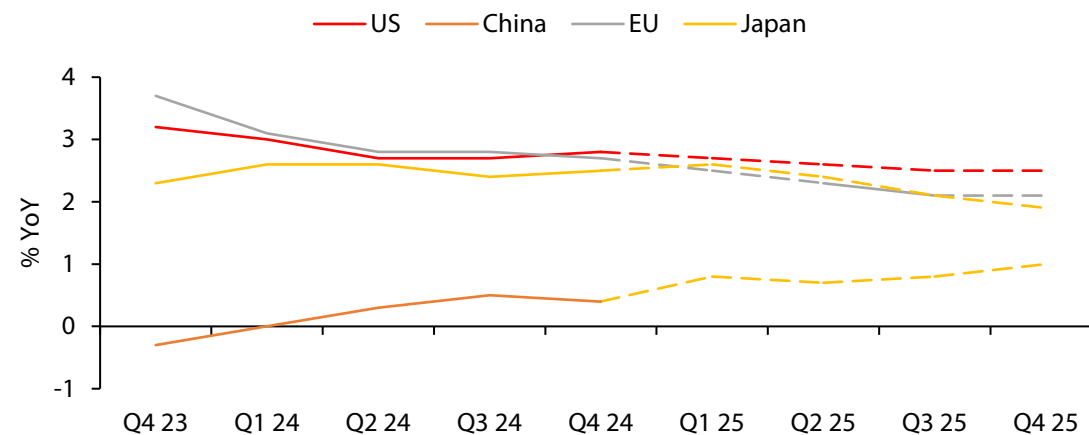
Source: Bloomberg, RongViet Securities

Policy rate expectations of major central banks



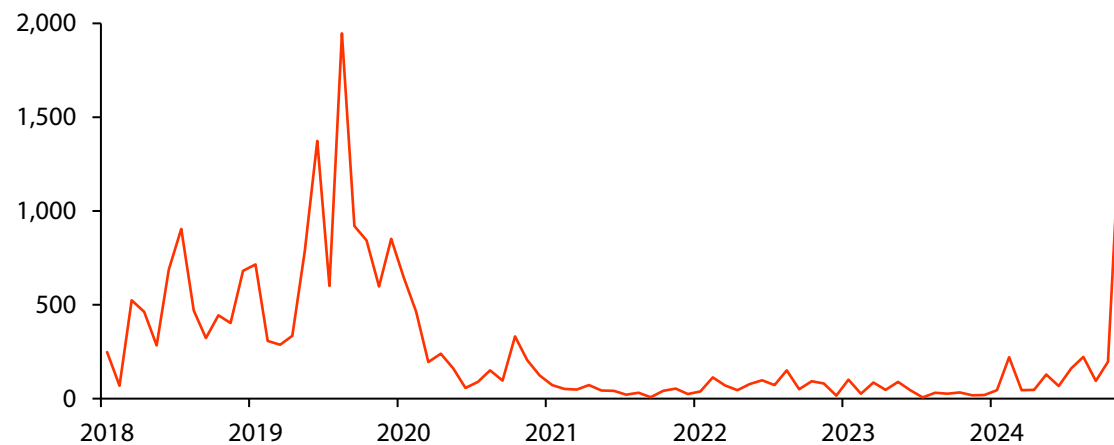
Source: Bloomberg, RongViet Securities

Core inflation in major economies gradually declines, except Japan



Source: Bloomberg, RongViet Securities

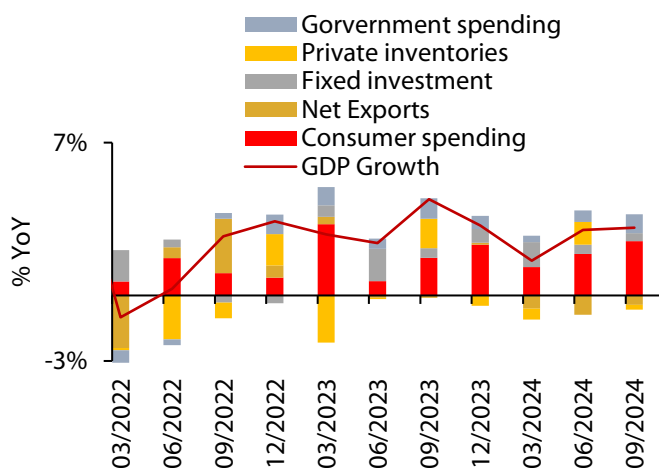
Trade policy uncertainty index



Source: Bloomberg, RongViet Securities

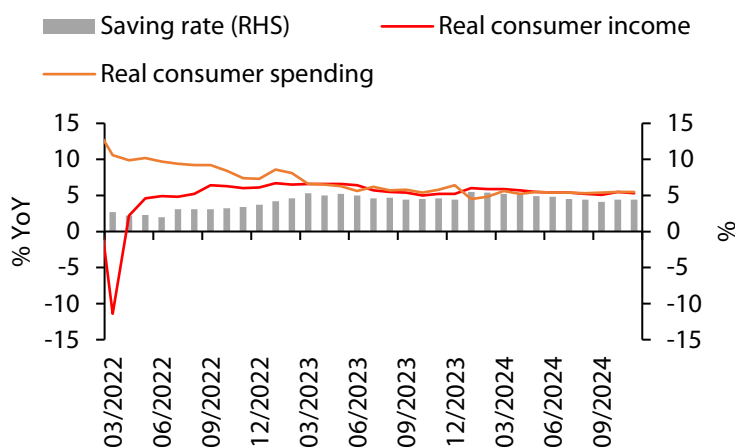
- **U.S. economic growth will persist but slow.** Higher income growth than inflation (5.3% in November 2024) supported a 5.5% rise in consumer spending, while the savings rate stabilized at 4.4%. In 2025, consumer spending is expected to moderate at a trend-like rate of 2.3% (forecast) due to slower job growth and sustained high inflation. U.S. GDP is projected to grow by 2.1% in 2025, driven by moderate domestic consumption and private investment supported by tax reduction and deregulation policies.
- **Inflation faces challenges in reaching the target.** While core PCE inflation declined from 3.1% in January 2024 to 2.8% in November 2024, fiscal and tariff policy risks may hinder achieving the 2.0% target in 2025.
- **Fiscal policy boosts optimism.** The Trump 2.0 administration focuses on stimulating the economy by extending the Tax Cuts and Jobs Act (TCJA), reducing corporate income taxes, and encouraging investment and consumption. Efforts to deregulate the energy, automotive, housing, financial, and pharmaceutical sectors further drive economic growth, enhancing business confidence and the labor market.

US GDP breakdown



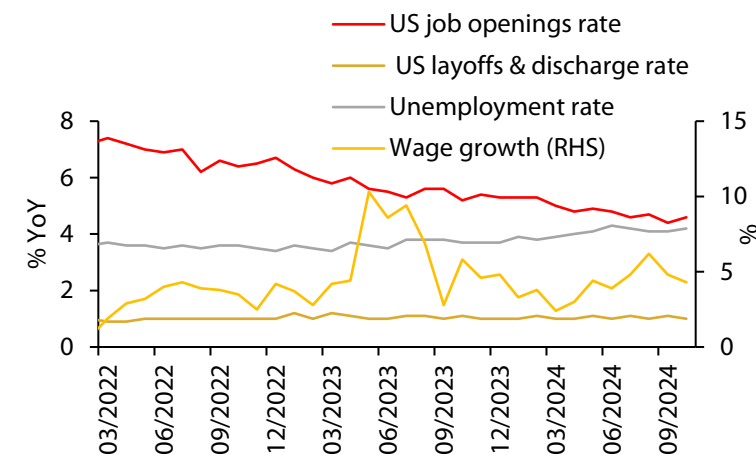
Source: Bloomberg, RongViet Securities

US income & consumption growth & saving rate



Source: BEA, RongViet Securities

US employment and labor market trends



Source: BEA, RongViet Securities

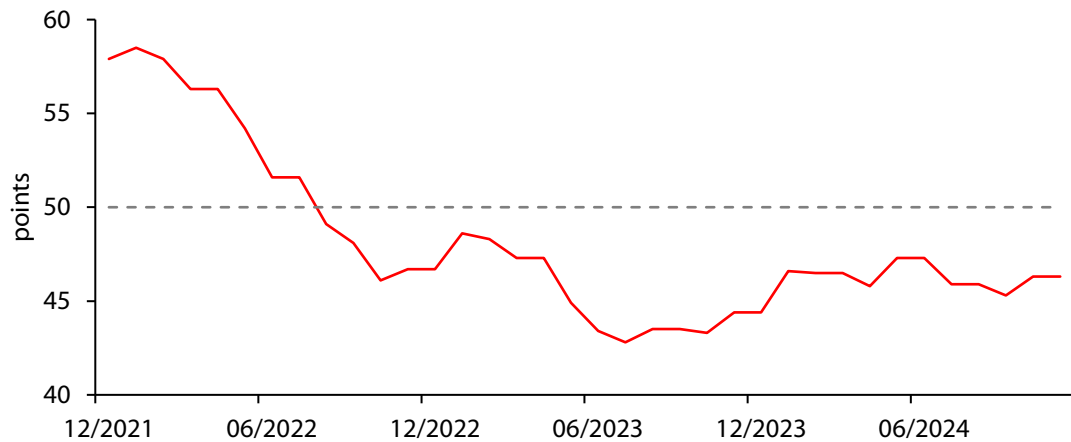
Proposed Trump policies and their impacts

	Proposals	GDP	Inflation	Fed fund rate	Budget
Tax	Expansion of all provisions of the Tax Cuts and Jobs Act (TCJA)				--
	Corporate tax reduction from 21% to 15%				▼ 25 bn \$/year
	Expand the cap on state and local tax deductions (SALT)				▼ 30 bn \$/year
	Eliminate tax on overtime income	▲	▲	▲	▼ 20 bn \$/year
	Exclude tips from taxable income				▼ 10 bn \$/year
	Restore business incentives: 100% bonus depreciation, research and development credits, and interest expense deductions				▼ 60 bn \$/year
	Terminate support under the Affordable Care Act (ACA)				▲ 20 bn \$/year
Energy	Support traditional energy sectors: Fast-track approvals for fossil fuel projects, expand LNG exports, and reverse restrictions on oil and gas production	▲	▼	▼	na
	Reduce clean energy subsidies: Scale back provisions under the Inflation Reduction Act (IRA)	▲	▼	▼	▲ 15 bn \$/year
Immigration	Stricter immigration policies: Tighten legal immigration measures, potentially reducing inflows by up to 750,000 individuals annually	▼	Insignificant	▼	na
	Deport unauthorized immigrants: Commit to full deportation of undocumented individuals				
Defense	Cut U.S. aid to Ukraine	▲	▼	na	na
	Pressure NATO members: Push allies to increase defense spending to 2% of GDP	na	na	na	na

Source: Goldman Sachs, RongViet Securities Corporation (compiled), *excluding tariffs-related policies (refer to the slide [Global: Tariff scenarios in Trump 2.0](#)).

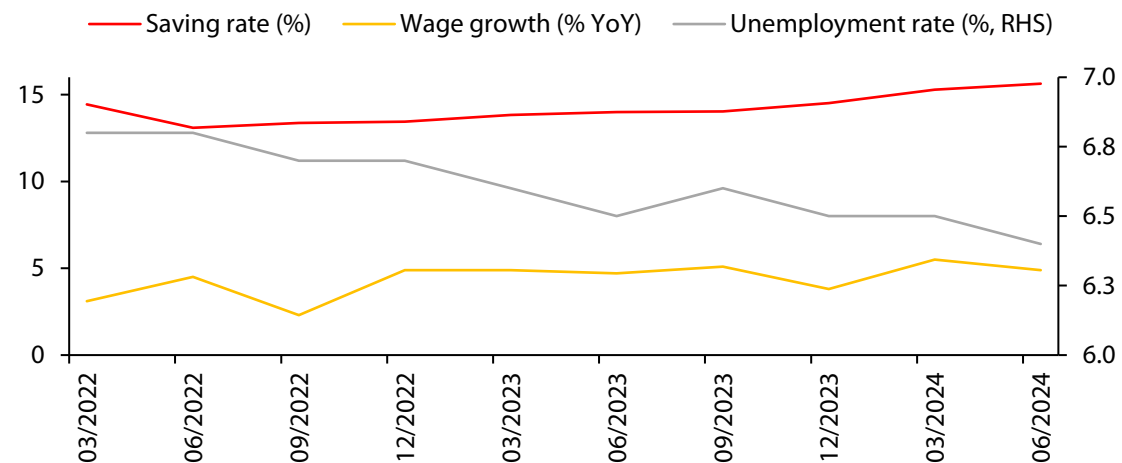
- **Europe's economic growth faces a slow recovery in 2025.** Economic growth in Europe is expected to recover slowly in 2025, largely due to a decline in exports. This is driven by increased production in China, which has led to lower export prices and increased competitive pressure on European manufacturers. Additionally, new U.S. tariffs in 2025 may exacerbate these challenges. Europe's manufacturing PMI has remained in contraction territory since September 2022, recording 46.3 points in November 2024.
- **Domestic consumption is a key growth driver.** Strong labor markets support domestic consumption, with the unemployment rate holding steady at 6.3% in October 2024 and wage growth at a stable 4.5% in Q3 2024. Inflation in Europe fell to 2.7% in November 2024, allowing the ECB to shift focus from controlling inflation to stimulating economic recovery. The ECB's policy rate cuts are expected to further boost household spending, particularly with high savings rates—a legacy from the COVID-19 period.

Europe's Manufacturing PMI



Source: S&P Global, RongViet Securities

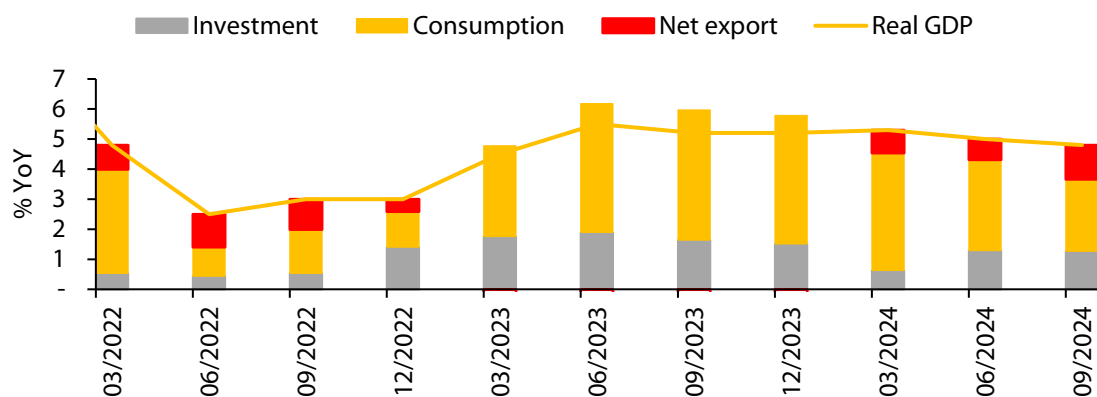
Income growth, unemployment rate, and savings rate in europe



Source: Bloomberg, RongViet Securities

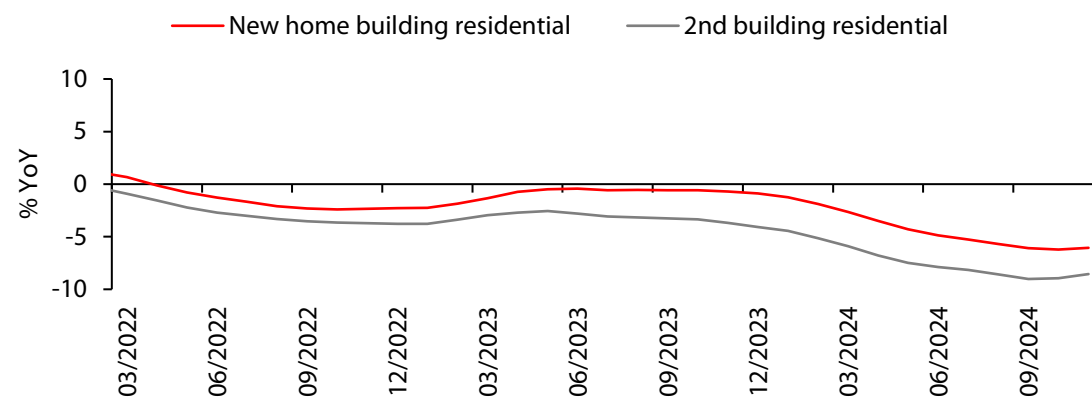
- **China's economy is expected to continue facing difficulties in 2025.** Due to prolonged downturns in the real estate sector and weak domestic demand, economic growth is forecast to slow further, reaching 4.5%. Trade tensions continue to weigh heavily on exports and foreign investment. In 2024, the growth momentum shifted from exports to relying on the effectiveness of fiscal and monetary support policies.
- **The real estate market struggles for stability.** China's housing market remains unbalanced, with home prices declining since 2022. In November 2024, newly constructed and secondary housing prices fell by 6.1% and 8.5% YoY, respectively, reflecting diminishing consumer confidence after a decade-long construction boom.
- **Policy easing to support domestic demand.** China has pursued aggressive fiscal and monetary measures to stimulate the economy and restore confidence, particularly in late 2024. The Central Economic Work Conference in December 2024 pledged to intensify fiscal policy in 2025, including issuing special bonds worth ¥3 trillion (~\$411 billion) and increasing the budget deficit target from the initially planned 3% of GDP to 4% of GDP.

China GDP breakdown



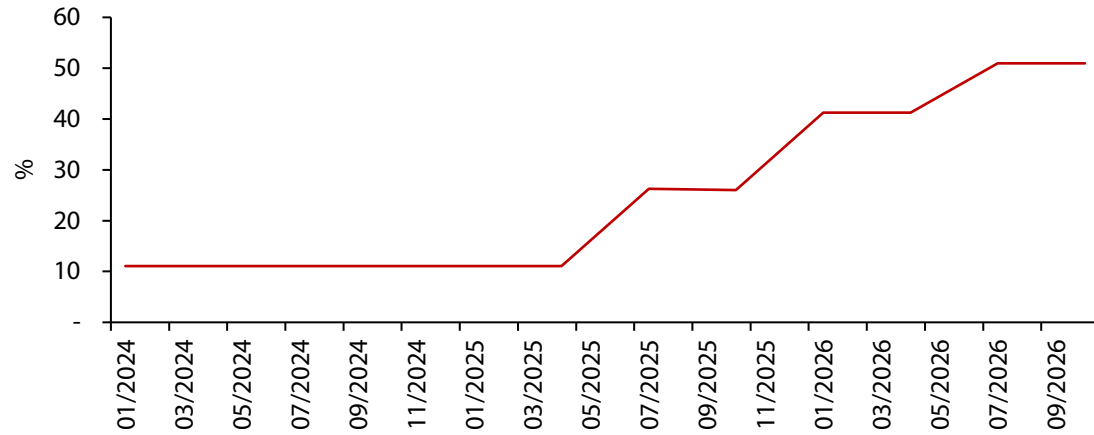
Source: Bloomberg, RongViet Securities

Housing prices in China show no signs of recovery



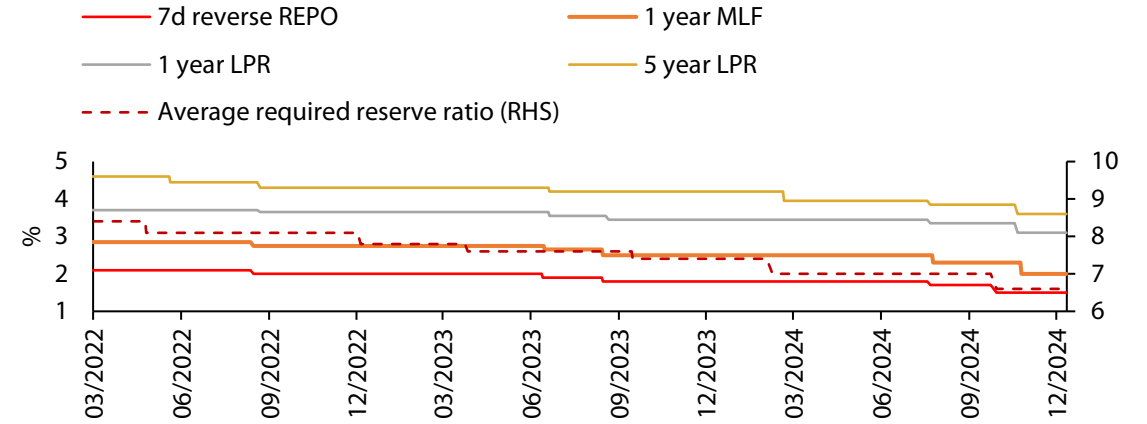
Source: Bloomberg, RongViet Securities

Projected U.S. tariff schedule on Chinese goods



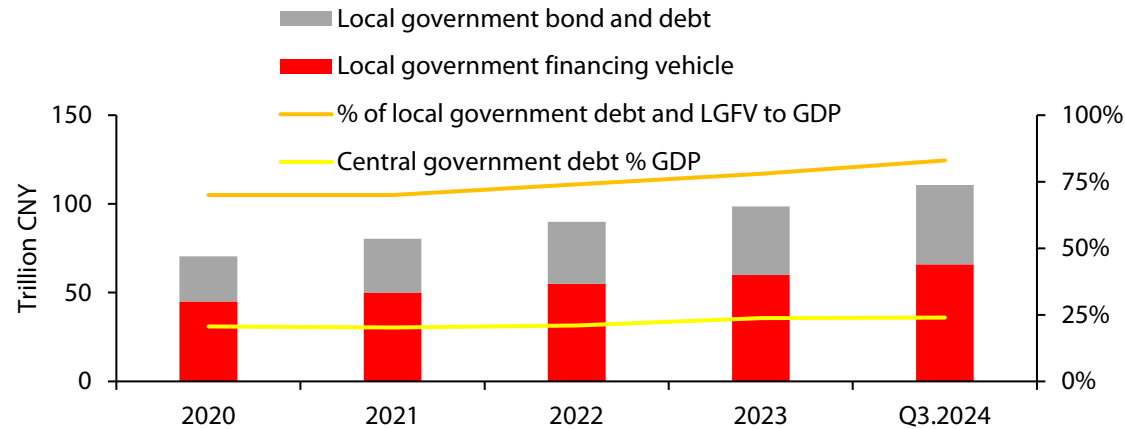
Source: CMBIGM, RongViet Securities

China's key policy rates and reserve requirement ratios



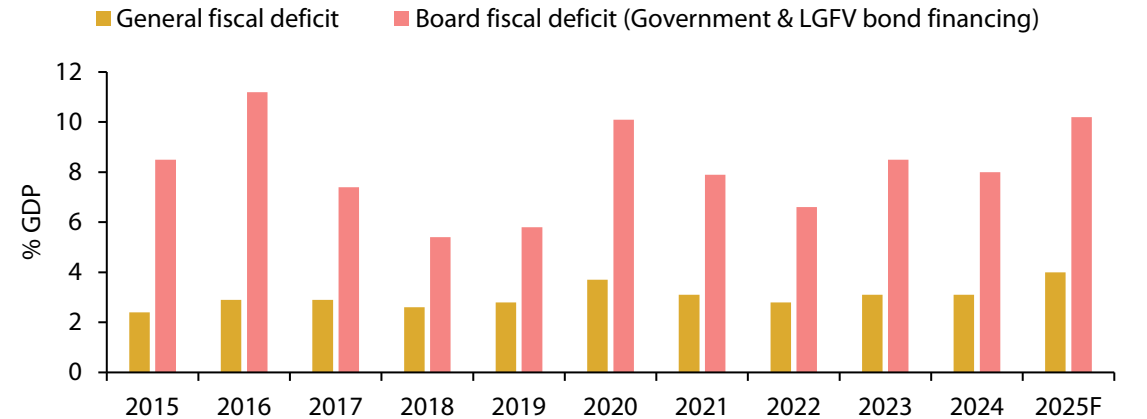
Source: Bloomberg, RongViet Securities

China's local government debt



Source: Bloomberg, RongViet Securities

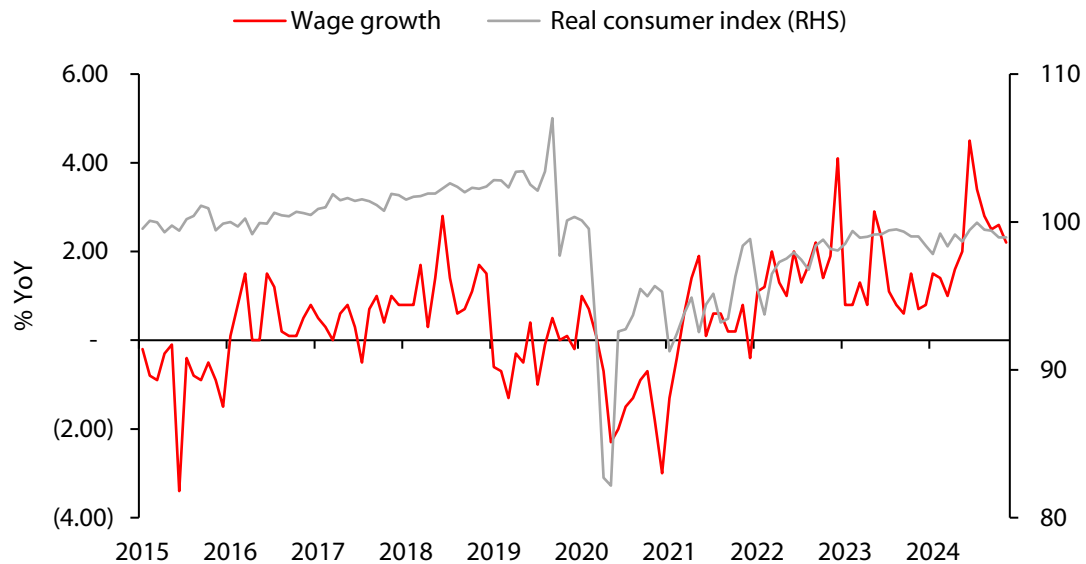
China's budget deficit 2015-2024 and 2025 forecast



Source: CMBIGM, RongViet Securities

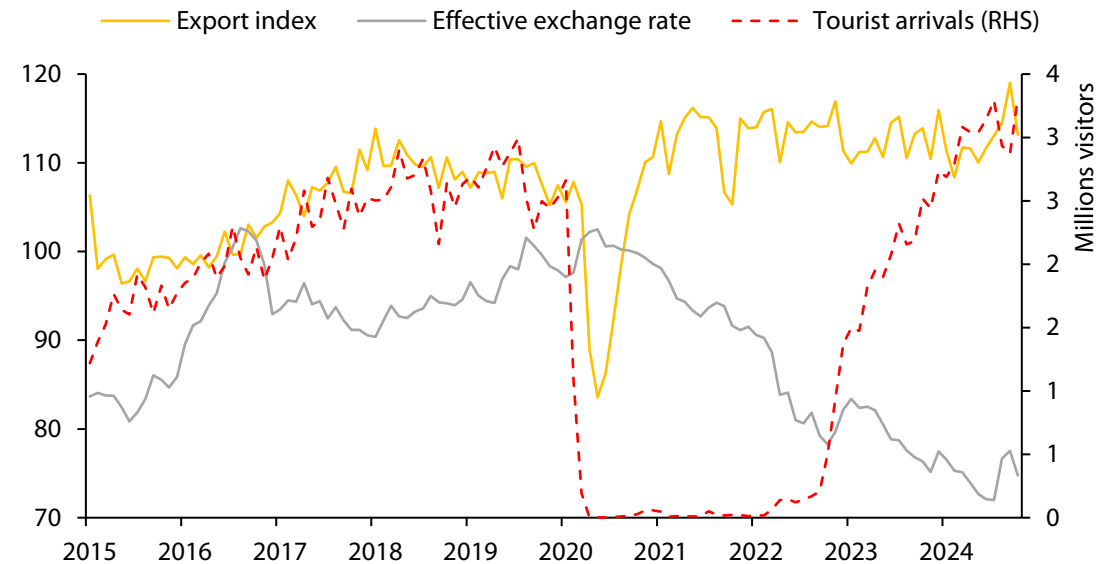
- **Japan's economy is shifting after prolonged stagnation. After a period of stagnation, the country is showing signs of recovery.** With positive real income prospects, driven by a 2.5% increase in base wages (September 2024) and government tax cuts, consumer purchasing power is expected to improve significantly in 2025. The real consumption index reached 98.95 points in October 2024, reflecting a positive trend in household spending recovery.
- **Exports and tourism are set for strong growth in 2025.** The Japanese Yen's depreciation since 2022 continues to support these sectors. The export index rose to 119 points in 2024, and Japan welcomed 3.3 million international tourists in October 2024. The recovery of these sectors is expected to be a key driver of Japan's economic growth in 2025.

Wage growth contributes to increased consumption in Japan



Source: Bloomberg, RongViet Securities

Yen depreciation boosts tourism and export growth



Source: Bloomberg, RongViet Securities

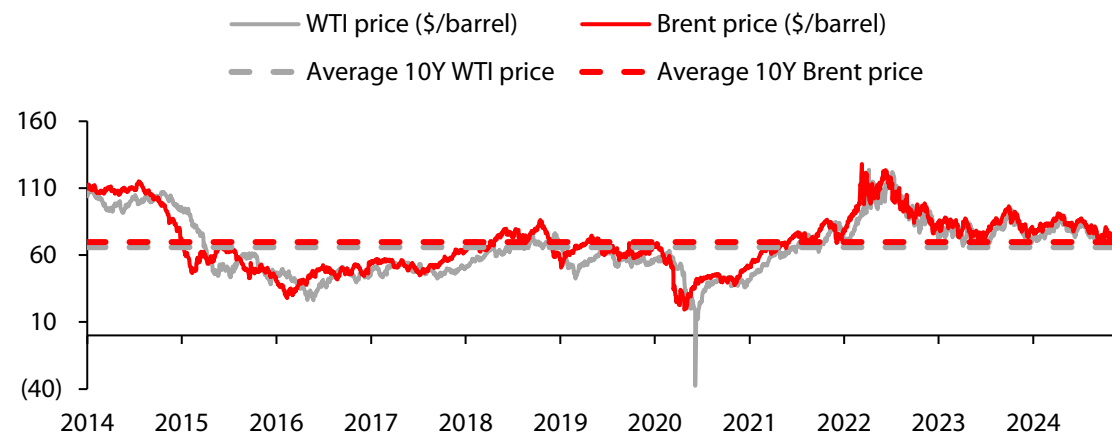
Inflation continuing to decrease is the main basis for the Fed and ECB to reduce interest rates, though the pace will vary depending on growth outlooks:

- **The Fed is taking a cautious approach to rate cuts.** It is expected to reduce interest rates gradually, slower than in other regions, due to concerns that inflation could resurge under the Trump administration's fiscal policies. The Fed's policy rate is forecast to end 2025 at 3.75%—4.0%, a 50 basis point reduction from current levels.
- **The ECB is accelerating rate cuts to support growth.** It is expected to implement stronger rate cuts than the Fed. By the end of 2025, its policy rate will fall to 2.15% - 2.35%, a 75 basis point reduction from current levels.

The PBoC continues monetary easing. China will rely on fiscal and monetary policies to address tariff pressures and reduced export demand. To boost domestic consumption, the 7-day repo rate is forecast to decrease to 1.1% by the end of 2025, down 40 basis points.

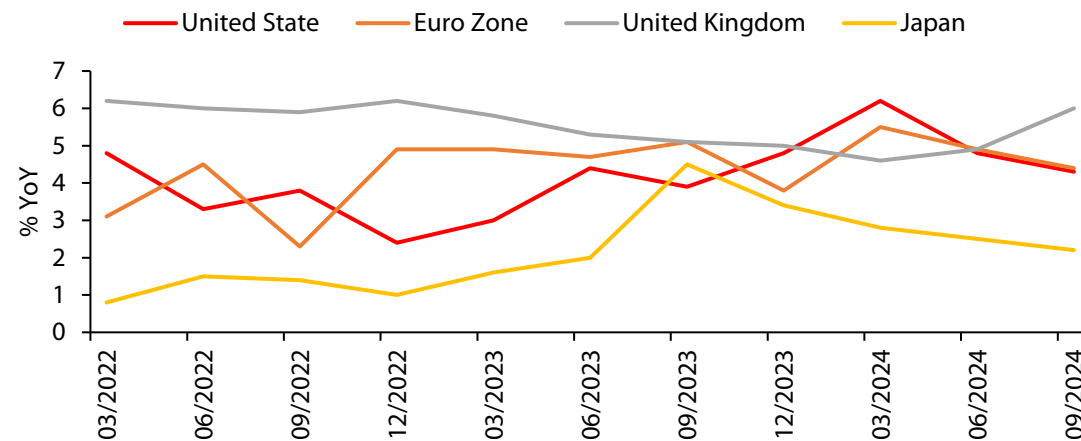
The BOJ normalizes monetary policy. Japan's economy in 2025 is expected to achieve sustainable inflation targets, supported by wage growth and improved consumption and investment. The BOJ is expected to raise the policy rate by 50 basis points to 0.75% by the end of 2025, marking a clear shift away from a prolonged deflationary period.

Oil prices expected to stabilize in 2025



Source: Bloomberg, RongViet Securities

Slower wage growth helps reduce service inflation



Source: Bloomberg, RongViet Securities

Trump's Tariff Power Scorecard

	Supported by current legislation	Tariff rate limits	Tariff rate limits applied to all goods	Applied to all countries	Applied immediately	Mechanism of checks and balances in power
IEEPA	National emergency status	✓	✓	✓	✓	Can be easily applied after the president has consulted with Congress
Section 232	Imported goods considered a threat to national security	✓	✗	✗	✗	✓
Section 301	Unfair trade practices	✓	✓	✗	✗	✓
Section 338	Discriminatory practices by other countries against U.S. companies	50%	✓	✗	✗	✓
Section 122	Trade deficit	15%	✓	✓	✓	✗

Source: Global Trade Alert, RongViet Securities

IEEPA: International Emergency Economic Powers Act, a U.S. law granting the President authority to impose economic sanctions on foreign nations in cases of national emergency.

Section 232, 301, 338, 122: Specific provisions within U.S. trade laws, each enabling the implementation of various trade restrictions for different reasons.

SCENERIO 1 (25%) GENERAL TARIFFS	SCENERIO 2 (60%) SELECTIVE TARIFFS	SCENERIO 3 (15%) TRADE AGREEMENT
<p>The average tariff on all Chinese goods is expected to rise to 60% by the end of 2026 (from around 10%).</p> <p>Tariffs (ranging from 10% to 20%) will also be applied to goods from several other countries.</p> <p>Retaliatory measures from trade partners are anticipated.</p>	<p>Universal tariffs face challenges in approval by Congress and legal hurdles, pushing the administration towards bilateral and selective tariffs.</p> <p>The average tariff on all Chinese goods will triple in phases, reaching approximately 50% by the end of 2026 (from around 10%).</p> <p>Bilateral tariffs will be applied to major imports from other countries in categories where U.S. substitutes are available (e.g., raising tariffs on imported cars from the EU to 22.5%, imposing 97.5% tariffs on electric vehicles from China entering Mexico, and 3.4% on other imports into the U.S.).</p> <p>Retaliatory measures from trade partners are expected.</p>	<p>The U.S. reaches a new trade agreement with China and Europe, facilitating improved economic and geopolitical relations.</p> <p>This new agreement may include modest tariffs on certain products but will primarily focus on purchase quotas to reduce the U.S. trade deficit.</p> <p>Enforcement will be stricter than the initial agreement, with tighter monitoring provisions and requirements for Rules of Origin.</p>

Source: Goldman Sachs, UBS, RongViet Securities

Impact of Trump's trade policies on the growth and inflation of the U.S and China - PIIE

INTERVENTION	Deviation from the base-case scenario (% points)	No retaliation				Retaliation			
		US		China		US		China	
		GDP	Inflation	GDP	Inflation	GDP	Inflation	GDP	Inflation
1. Termination of normal trade relations with China	2025	0.01	0.24	-0.50	-0.06	-0.01	0.39	-0.52	0.47
	2026	-0.11	0.11	-0.55	0.16	-0.19	0.17	-0.70	0.33
	2027	-0.13	0.06	-0.55	0.09	-0.22	0.06	-0.73	0.16
2. Imposing a 60% tariff on all Chinese goods	2025	0.03	0.39	-0.89	-0.20	-0.07	0.71	-0.81	0.99
	2026	-0.15	0.17	-0.94	0.25	-0.39	0.30	-1.16	0.60
	2027	-0.19	0.09	-0.94	0.16	-0.43	0.10	-1.22	0.27
3. Impose a 10-20% tariff on all imports from other countries.	2025	-0.13	0.64	-0.25	-0.45	-0.35	1.34	-0.02	-0.45
	2026	-0.36	0.23	-0.15	-0.11	-0.88	0.53	-0.13	-0.11
	2027	-0.35	0.03	-0.11	-0.04	-0.88	0.07	-0.12	-0.04

Source: PIIE, RongViet Securities

Overall impact of Trump's trade policies on U.S, China, and global growth and inflation – Oxford Economics

Deviation from the base-case scenario (% points)	Base-case scenario: Selective tariffs (30% tariffs on China, 5% tariffs on other countries)						Worst-case scenario: General tariffs (60% tariffs on China, 10% tariffs on other countries)					
	US		China		Global		US		China		Global	
	GDP	Inflation	GDP	Inflation	GDP	Inflation	GDP	Inflation	GDP	Inflation	GDP	Inflation
2025	-0.50	0.60	-0.10	0.10	-0.20	0.10	-1.40	1.20	-0.50	0.30	-0.60	0.20
2026	-0.30	0.00	-0.30	-0.10	-0.20	-0.10	-1.30	-0.10	-1.10	-0.30	-0.90	-0.40
2027	-0.20	0.00	-0.30	0.10	-0.20	0.10	-1.00	0.30	-1.40	0.30	-1.00	0.20

Source: Oxford Economics, RongViet Securities

RISK	LIKELIHOOD	DESCRIBE	IMPACT	
Economic polarization	High	The 21st century is centered around power dominance, with technological superiority being the core factor shaping the global economic and political order.	USDCNY	↑
			DXY	↑
			Resources (metals and rare earths)	↑
Escalation of conflict	High	The prolonged Ukraine conflict carries the risk of escalation, as the U.S. increases long-range weapon support to strengthen Ukraine's position in negotiations, while Trump's policy shift after 2025 aims to fulfill his electoral pledge to end the war.	Gold	↑
			Oil and Gas	↑
			U.S. Treasury bond yield	↓
Domestic political instability	Moderate	Developed countries like Germany, South Korea, and Japan face political instability: Germany is under pressure from the immigration crisis and the rise of the far right, South Korea is facing a conflict between opposition parties, and Japan is pushing for economic reform policies and an aging population.	Gold	↑
			Domestic political tensions could create short-term uncertainties about economic prospects and social reforms. Despite increased opposition pressure, the ruling parties in Japan, South Korea, and Germany will likely retain power.	U.S. Treasury bond yield

- In our base case, we forecast VN-Index to reach 1,486 at the end of 2025, in line with a price increase of 18.2% from the closing level on December 20, 2024. Coupled with the average 12-month dividend yield of 1.7% over the past three years, the total return could reach 19.9%.
- Assuming an average turnover rate (the average daily trading value/market capitalization of free-floating shares), ranging from 0.5% to 0.75% per session, combined with a market-wide free float ratio of 50%, trading liquidity for the year is expected to range between VND 14,000 billion (USD 552 million) and VND 22,900 billion (USD 903 million) per session, with a median of VND 18,200 billion (USD 718 million) per session, reflecting a 10.4% YoY growth.
- For 2025, the key assumptions in our earnings outlook include: the economy maintaining a growth rate of 6.8%, inflation stabilizing at 4%, and credit growth at 15%. We forecast VN-Index's EPS to increase by 17.9% YoY in 2024 and continue growing by 12.2% in 2025. By the end of 2025, VN-Index is expected to record a 12-month EPS for Q3 2025 of approximately VND 108.
- VN-Index has the opportunity to re-rate to a target P/E of 13.8x, corresponding to a +4% re-rating. This is expected to occur in the context of central banks continuing to normalize policy rates toward a neutral long-term level. Under our base case, Fed is projected to cut rates by 50 basis points in 2025, while domestic interest rates could rise by 50 to 100 basis points. Combined with earnings prospects and the comparative correlation between interest rates and market yields, the opportunity for domestic cash flows remains robust. Foreign cash flows will return as Fed continues to cut rates and earnings growth prospects are confirmed after each earnings season.
- In comparison to regional and global markets, Vietnam's economic growth and market valuations remain attractive to global capital inflows.
- Additionally, a highlight for 2025 will be the opportunity for market upgrading. While the prospect of an upgrade under FTSE is fairly certain, MSCI will take note of Vietnam's "market reforms" that are fostering a more transparent, fair, and investor-friendly environment for foreign investors. This is driven by Circular 68/2024 and the newly amended Decree No. 155/2020/ND-CP, which address most of the existing bottlenecks in MSCI's upgrading criteria.
- With a significant weight in the index and valuations currently at historical lows, we believe that a re-rating of the real estate sector could pose an upside risk to our base case. 2025 is expected to mark the beginning of a recovery cycle for the sector when new laws and decrees come into effect and are implemented uniformly from the central government to the local level.

Positive

- Global interest rates are expected to decrease, creating favorable conditions for foreign capital to return to emerging and frontier markets.
- The prospect of a market upgrade under FTSE and MSCI attracts international investors.
- A public investment policy is driving a 10.5% increase in development expenditure.
- Economic growth is projected to sustain at 6.8%, with inflation remaining stable at 4%.
- Revenue and profit of listed companies continue to rise, with VN-Index EPS projected to grow by 12.2%.
- Real estate, Construction, and Retail sectors are benefiting from policy reforms and market recovery.
- Domestic capital flows play an important role, with transaction volume maintaining above 90%.

Negative

- ❖ Pressure from domestic interest rates may rise by 50-100 basis points, reducing the appeal of local investments.
- ❖ Exchange rate volatility of the VND, with a potential devaluation of 5%, could impact import costs and investor confidence.
- ❖ Corporate bond repayment pressure, particularly in the real estate sector.
- ❖ The risk of the US imposing tariffs of 10-20% on Vietnam's exports.
- ❖ Export growth is projected to reach only 10-12%, lower than in 2024.
- ❖ Geopolitical instability and international trade tensions remain key risks.
- ❖ Concerns over domestic market liquidity may decline due to capital-raising pressures.

We forecast that VN-Index EPS will reach VND 99.6 in 2024, representing a 17.9% YoY increase, and continue to grow by 12.2% in 2025, reaching VND 111.8.

The overall revenue growth is expected to be driven by sectors:

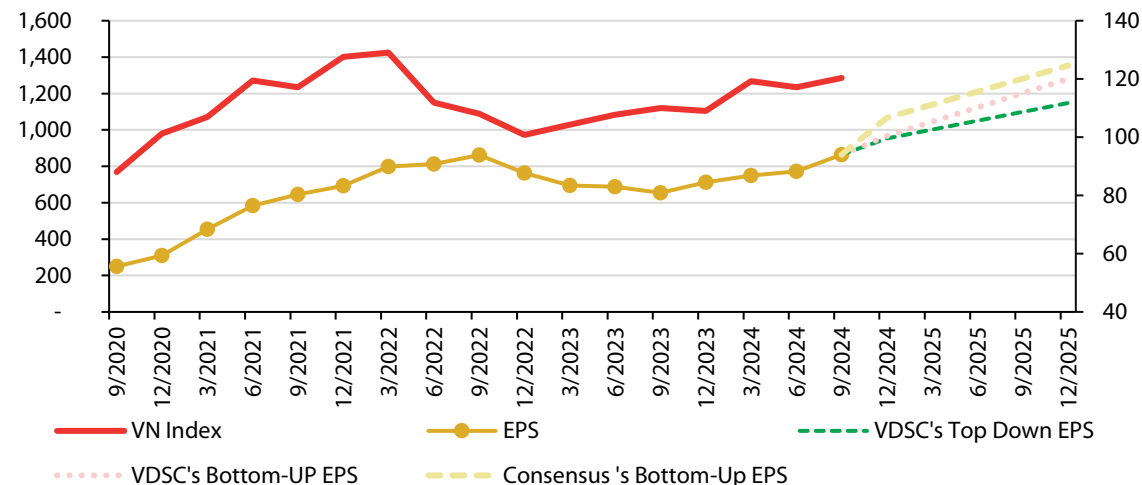
- The non-financial sector is expected to record growth approximately in line with nominal GDP, around 10%, under the base case.
- The financial sector is closely correlated with credit growth and interest rates in the economy. We forecast that the credit growth will reach an average of 15% in 2025, while interest rates remain under pressure from competition and will face challenges in rising sharply.
- The real estate sector is expected to achieve 12% growth, driven by the market recovery that will improve inventory turnover. Notably, projects that have resolved legal bottlenecks will support companies in accelerating delivery schedules, leading to quicker revenue recognition.

The profit after tax margin of the overall market is expected to remain stable in 2025 following a recovery in 2024. Key factors include: (1) NIM of banking sector is unlikely to recover quickly in 2025, (2) commodity and service price inflation is anticipated to remain stable, (3) the impact of a low base effect due to the pricing war among retail companies is no longer a factor, and (4) interest rates will continue to benefit from economic stimulus measures.

Our Top-Down EPS estimate differs from the Bottom-Up approach, which is derived from the projected 2025 financial performance sample compiled by analysts at VDSC. This discrepancy arises from the representative market capitalization weight of the sample, as the Bottom-Up method covers only 62% of the total market capitalization.

The Bottom-Up EPS projection, based on the average consensus data from market analysts (covering 83% of total market capitalization), has been approximately 1.1 times higher than actual results over the past five years. Therefore, after adjusting by a factor of 1.1, the EPS under this method is estimated to reach 98 in 2024 and 113 in 2025, which is in line with the results from our Top-Down approach.

EPS Forecasts from VDSC and the consensus estimates from market analysts.



	12T @		VDSC's Top-down		VDSC's Bottom-Up	
	FY23	3Q2024	FY24E	FY25F	FY24E	FY25F
Sales Growth (%YoY)	0,2%	3,4%	5,9%	12,6%	11,1%	14,3%
Net profit margin	9,7%	10,5%	10,8%	10,8%	13,4%	14,0%
Growth(YoYbps)	-981	1.240	1.125	- 30	389	449
EPS	84,5	94,0	99,6	111,8	100,5	120,0
EPS growth (%)	-7,2%	16,3%	17,9%	12,2%	15,4%	19,5%

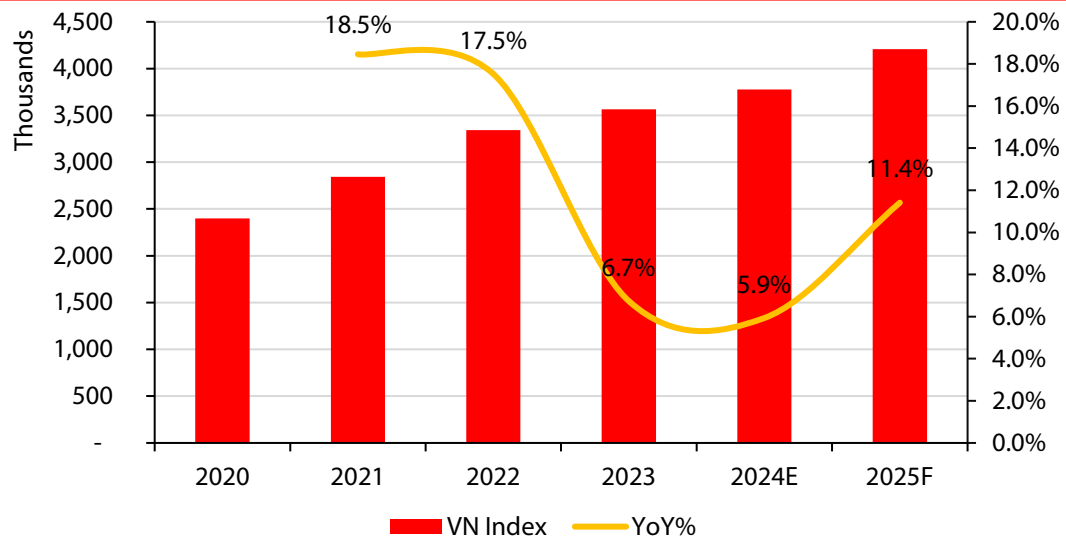
Source: Bloomberg, RongViet Securities Compiled

Bottom up: The bottom-up method aggregates data from individual stocks.

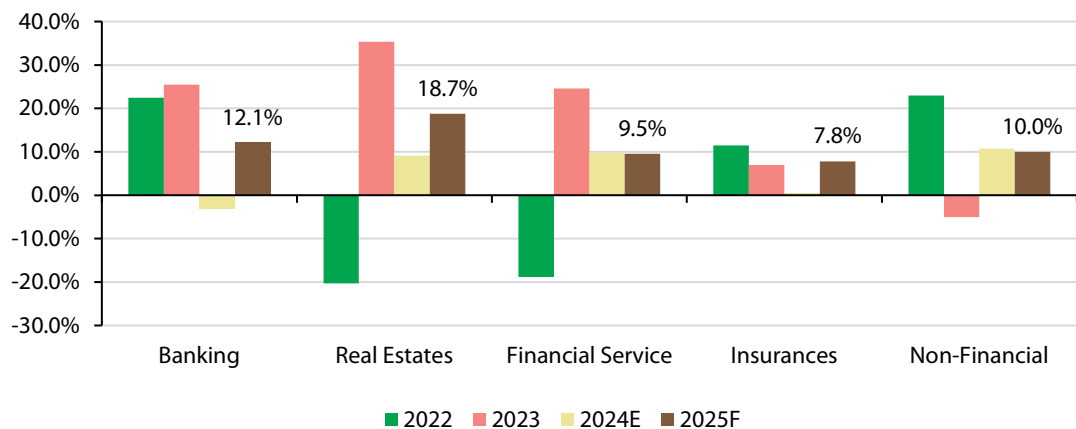
Top-Down: The top-down method assumes business performance metrics correlate with broader economic drivers.

Consensus's Bottom-Up	
FY24E	FY25F
106,8	124,6
27,7%	16,7%

The total market revenue is estimated to grow by 11.4% YOY.

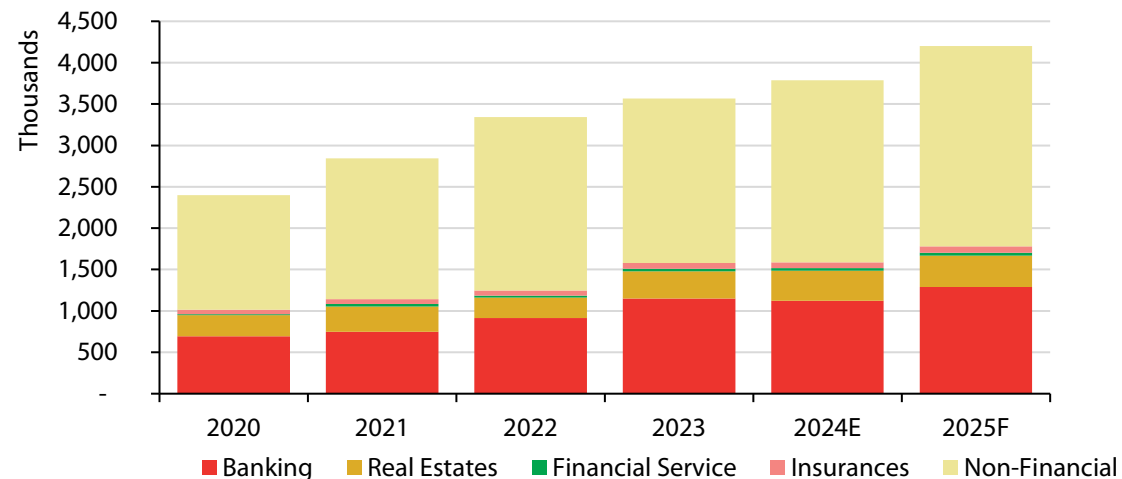


Economic growth is expected to continue, building on momentum from the previous year and the recovery of Real estate sector driving revenue growth of double-digit levels...

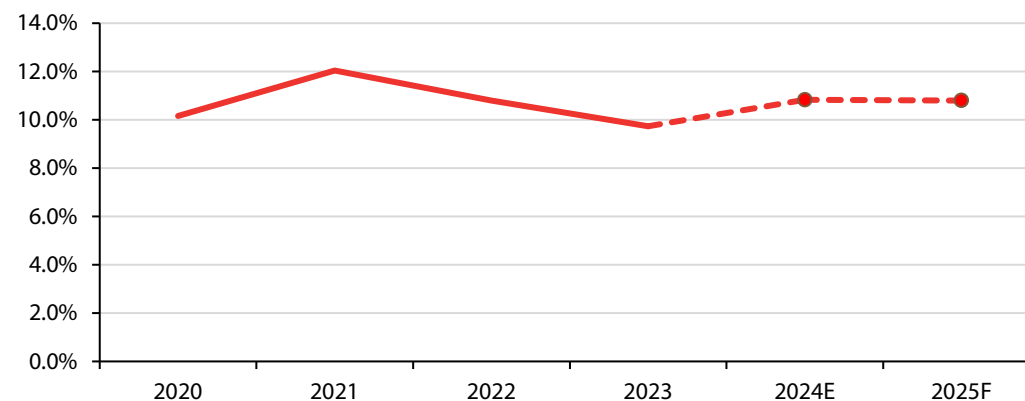


Source: Bloomberg, RongViet Securities Compiled

Primarily contributions from Non-Financial, Banking, and Real Estate sectors....



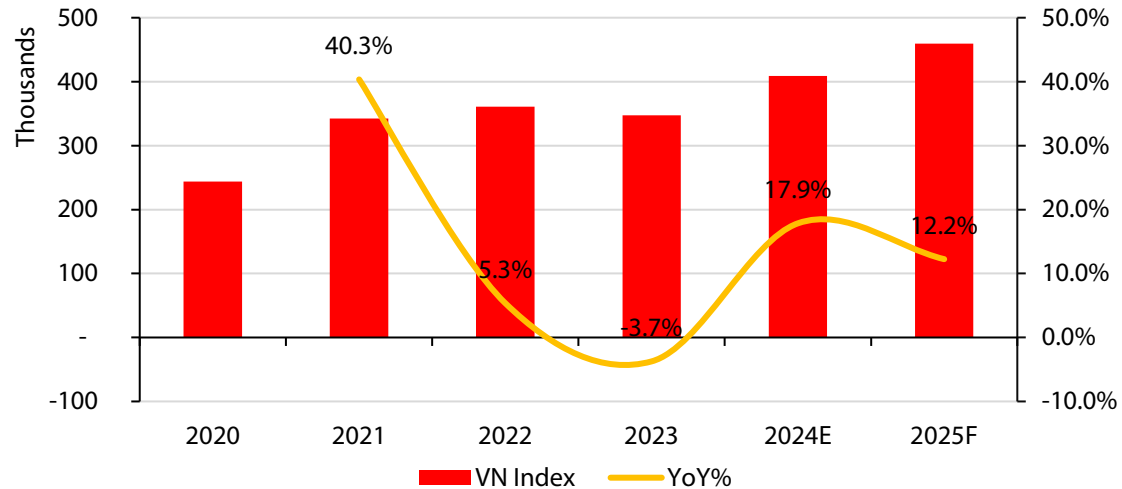
.... Meanwhile, profit after tax margins are expected to remain flat after recovering from the low base of 2023



The flat profit margin trend is reinforced by expectations:

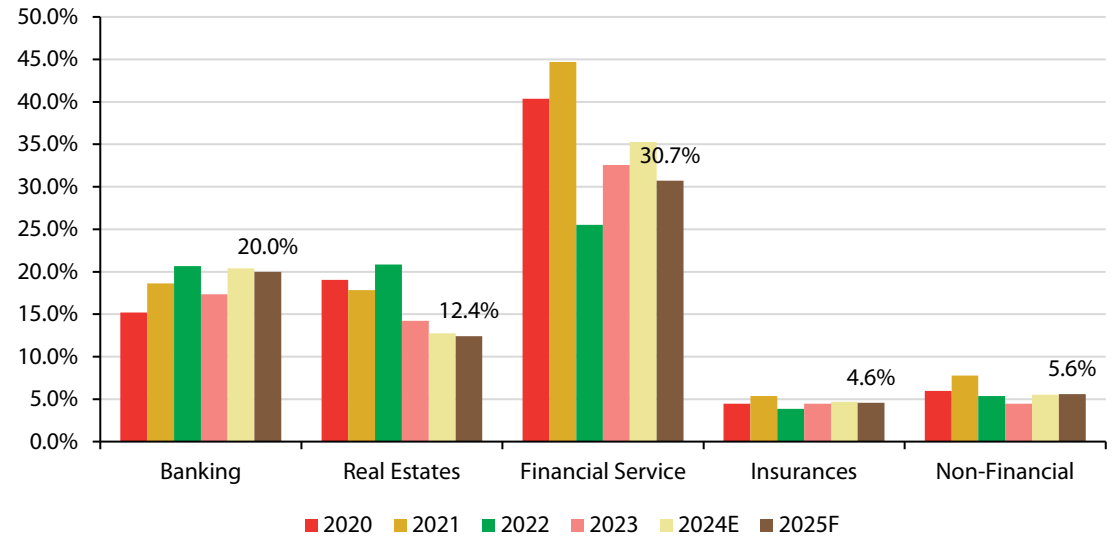
- Although NIM of banking sector is expected to remain under pressure in 2025, a slight decline in credit costs is anticipated, stabilizing the profit margin.
- Commodity and service price inflation is expected to remain stable.
- The impact of the low base effect from the price war among retail companies is no longer a factor..
- Interest rates continue to benefit from economic stimulus measures, enabling Non-financial sector to maintain stable profit margins.

...This supports the market's profit after tax to achieve a growth of 12.2% in 2025.

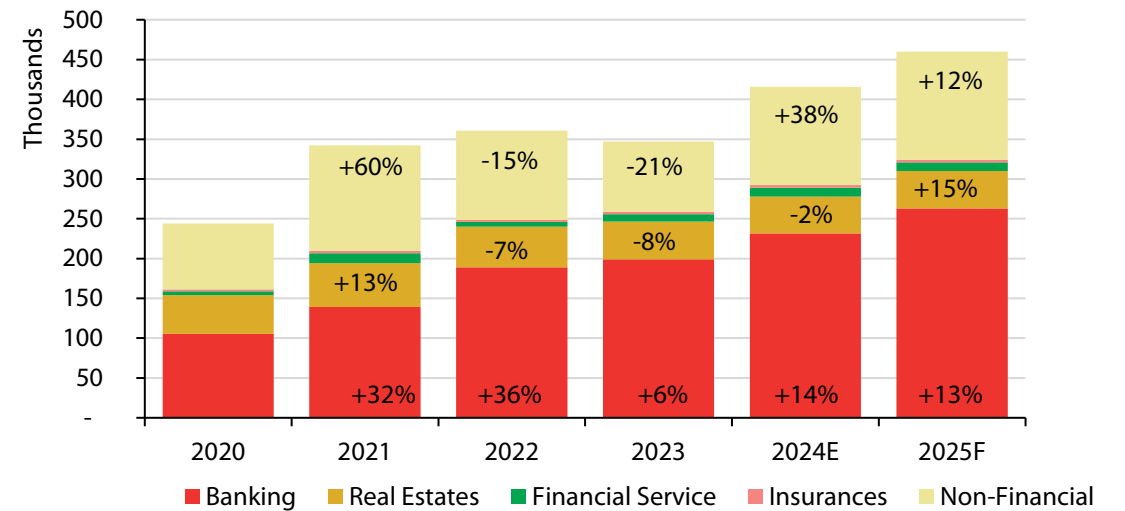


Source: Bloomberg, RongViet Securities Compiled

The profit margin trends across sectors are expected to remain stable

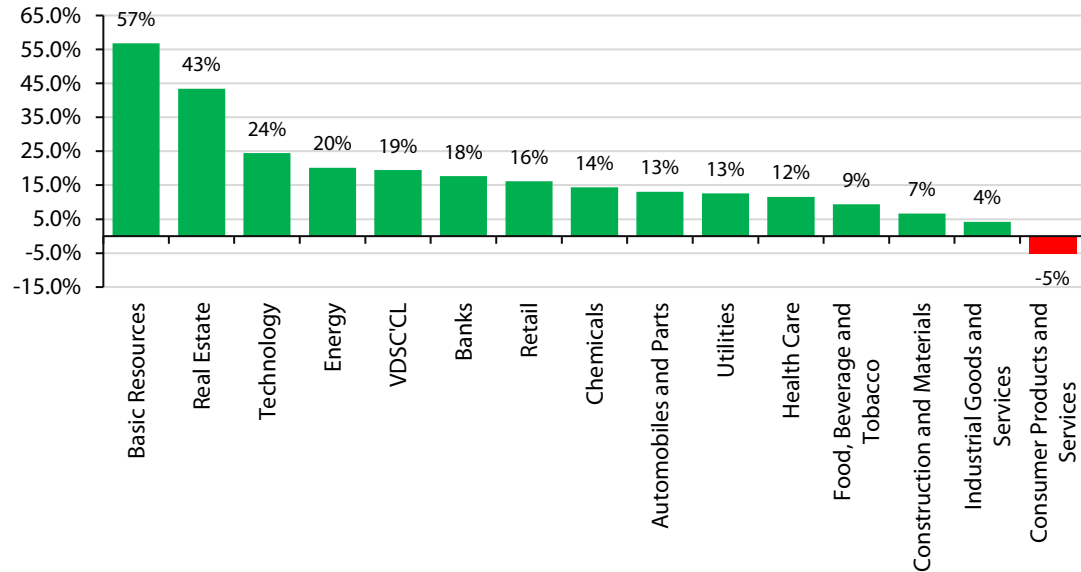


The profit scale and YOY growth across sectors.



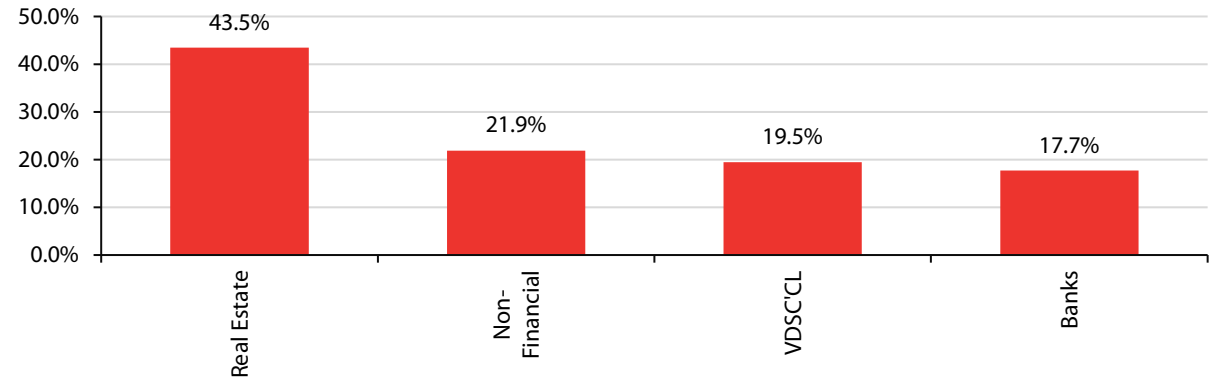
The market capitalization of VDSC’s analysis portfolio represents 62% of the total market capitalization. Banking stocks account for 83% of the sector's capitalization, non-financial stocks represent 62% of the total capitalization, while Real estate stocks comprise only 19% of the sector's capitalization. These core factors contribute significantly to the notable discrepancies in the growth outlook compared to our Top-Down approach.

NPAT-MI growth across stock groups in 2025.



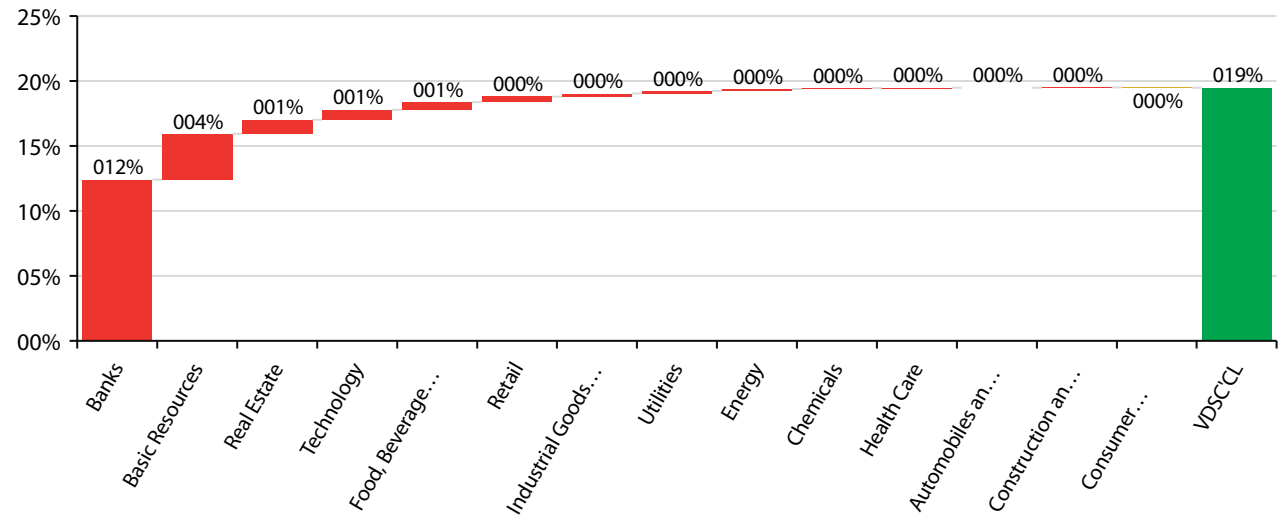
Source: RongViet Securities Compiled

NPAT-MI growth projections for stock groups in 2025.



Source: RongViet Securities Compiled

The contribution of various sectors to NPAT-MI growth in 2025.

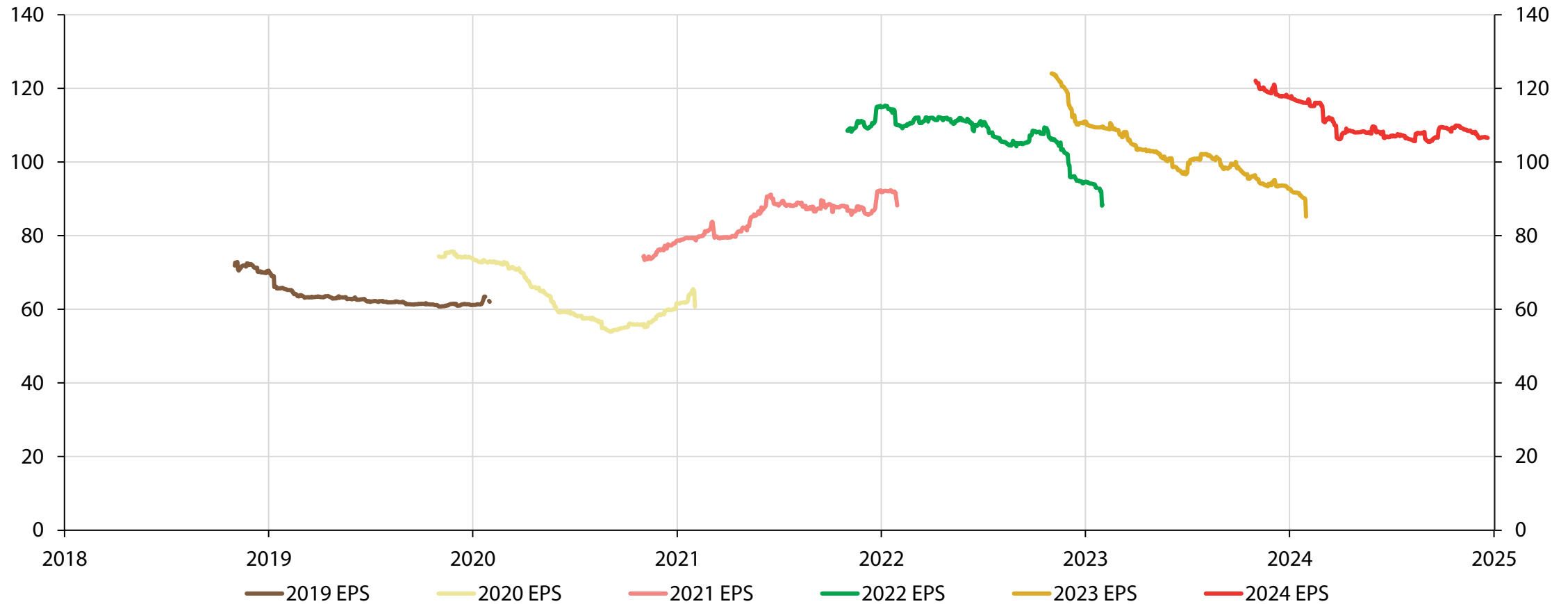


Source: RongViet Securities Compiled

BOTTOM-UP APPROACH FROM THE MARKET – LIKELY TO EXCEED ACTUAL RESULTS BY APPROXIMATELY 1.1 TIMES ON AVERAGE

According to Bloomberg statistics, the estimated EPS of the VN-Index over the past five years, as forecasted by market analysts, has typically been about 1.15 times higher than the actual EPS published in the following year..

The trend of changes in projected EPS versus actual EPS for the VN-Index over the years (2019-2024)



Source: Bloomberg, RongViet Securities Compiled, the final EPS data for each year represents the actual results after the fourth-quarter financial performance is reported.

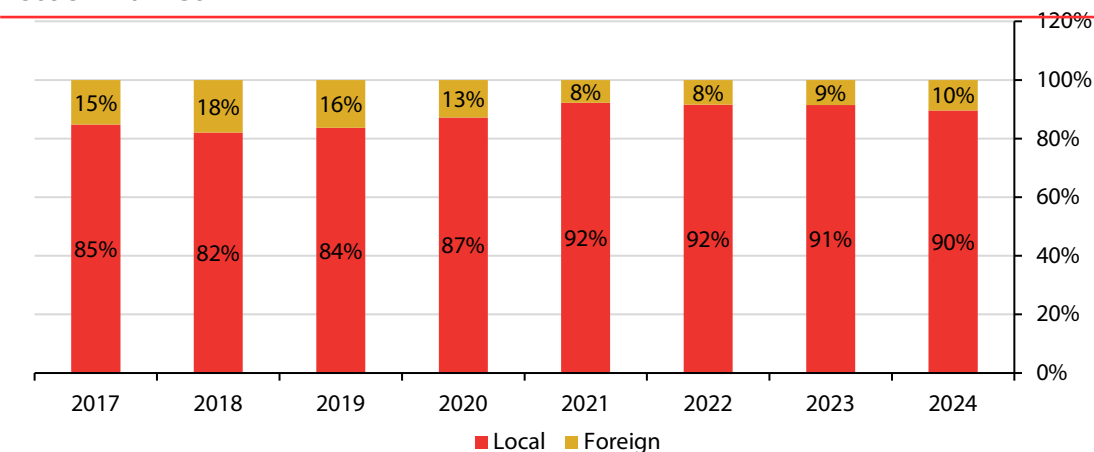
In 2025, we anticipate that the VN-Index will have an opportunity to re-rate to a target P/E ratio of 13.8x, representing a 4% increase compared to its valuation as of December 20, 2024. This expectation is set against a backdrop where central banks are gradually normalizing monetary policy rates to long-term neutral levels, while domestic interest rates are projected to rise by 50 to 100 basis points.

The expected returns for domestic investors will be strongly influenced by economic interest rates. Under the pressure of exchange rates, rising credit demand, and the Government’s continued strong capital mobilization efforts in 2025, Vietnam’s government bond (VGB) yields are forecasted to increase by 30–50 basis points, following the general trend of economic interest rates. Consequently, 10-year VGB yields are expected to trade around 3.3%. Combining this with the average yield spread (E/P – 10-year VGB yield) of 3.9% since 2020, we estimate that domestic investors’ E/P will reach approximately 7.2%.

For international investors, USD interest rates will play a critical role in determining expected returns on the Vietnamese market. Under the baseline scenario, the Federal Reserve (FED) is expected to reduce interest rates by 50 basis points in 2025. With the long-term yield spread between VN-Index E/P and 10-year US Treasury yields at around 3.9%, we project international investors’ E/P to reach approximately 7.7%.

Since 2020, the Vietnamese stock market has entered a boom phase, with significant participation from domestic capital, reducing the dominance of foreign investors. At the current valuation levels, domestic capital remains the primary driver of the market, maintaining a steady transaction proportion of 90% from domestic investors and 10% from foreign investors. Accordingly, the expected E/P yield for the Vietnamese market is estimated at approximately 7.2%, equivalent to a target P/E ratio of 13.8x. This valuation ranks in the 44th percentile of trading history over the past 8 years, reflecting a positive yet cautious outlook compared to previous periods.

Trading proportions of domestic and foreign investors in the Vietnamese stock market



Source: Finn, Rong Viet Securities Compiled

Summary table of P/E valuation expectations in 2025

Pricing summary				
	Current	Worst case	Base case	Best case
Local Investors’s expected yield		7.4%	7.2%	6.9%
Foreign Investors’s expected yield		8.5%	7.7%	7.5%
Weighted expected yield	7.5%	7.5%	7.2%	7.0%
Implied P/E	13.3x	13.3x	13.8x	14.4x
	%percentile	36th	43th	53th
Expected probability		25%	50%	25%
Expected P/E target		13.8x		
	%percentile	44th		

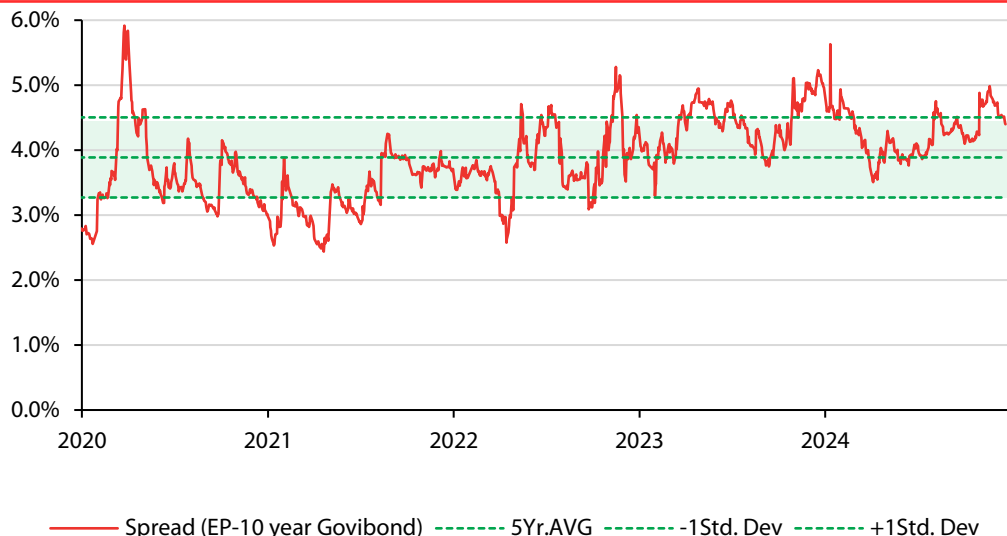
Source: Bloomberg, Rong Viet Securities Compiled

The expected market yield for domestic investors is projected to range between 6.9% and 7.4%, slightly below the current market valuation of 7.5%. Coupled with anticipated EPS growth in 2025, this highlights significant potential to attract domestic capital despite the possibility of interest rates rising by 50–100 basis points.

The equity risk premium (ERP) reflects how the market prices the risk premium for investing in listed equity versus the risk-free rate of an equivalent investment horizon. Over the long term, this metric tends to revert to its average, representing default risk and economic cycle risks associated with this asset class. As short-term factors or negative impacts subside, the ERP is expected to stabilize around 3.9% in 2025.

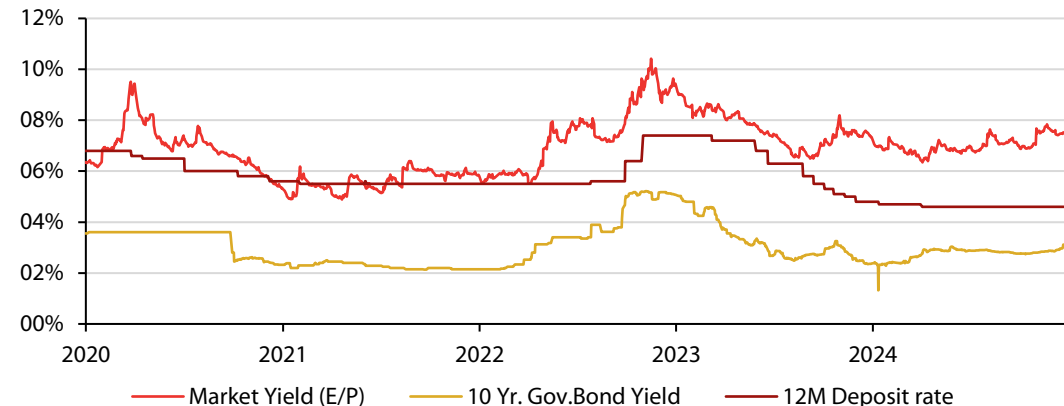
Under pressures from exchange rates, a resurgence in credit demand, and the government’s strong capital mobilization efforts in 2025, interest rates may increase by 50–100 basis points, implying a 30–50 basis point fluctuation in government bond yields. In a positive scenario, the State Bank of Vietnam (SBV) could effectively support the economy, helping maintain stable interest rate levels.

Yield spread between the stock market and 10-year government bond yields



Source: Bloomberg, RongViet Securities Compiled

Correlation between stock market returns, 10-year government bond yields, and VCB’s 12-month deposit rates



Source: Bloomberg, RongViet Securities Compiled

Scenario analysis: expected returns for domestic investors in the listed equity market

Local Expected Yield Analysis	Current	Potential buy zone	2025 scenarios		
			Worst case	Base case	Best case
Market Yield (E/P)	7,5%	7,0%	7,4%	7,2%	6,9%
10 year Vietnam Gov. Bond Yield	3,1%	3,1%	3,5%	3,3%	3,0%
Spread (E/P-10 Yr. Bond)	4,4%	3,9%	3,9%	3,9%	3,9%
Implied P/E	13,3	14,3	13,5	13,9	14,5
%Percentile	36th	51th	39th	45th	55th

Source: Bloomberg, RongViet Securities Compiled

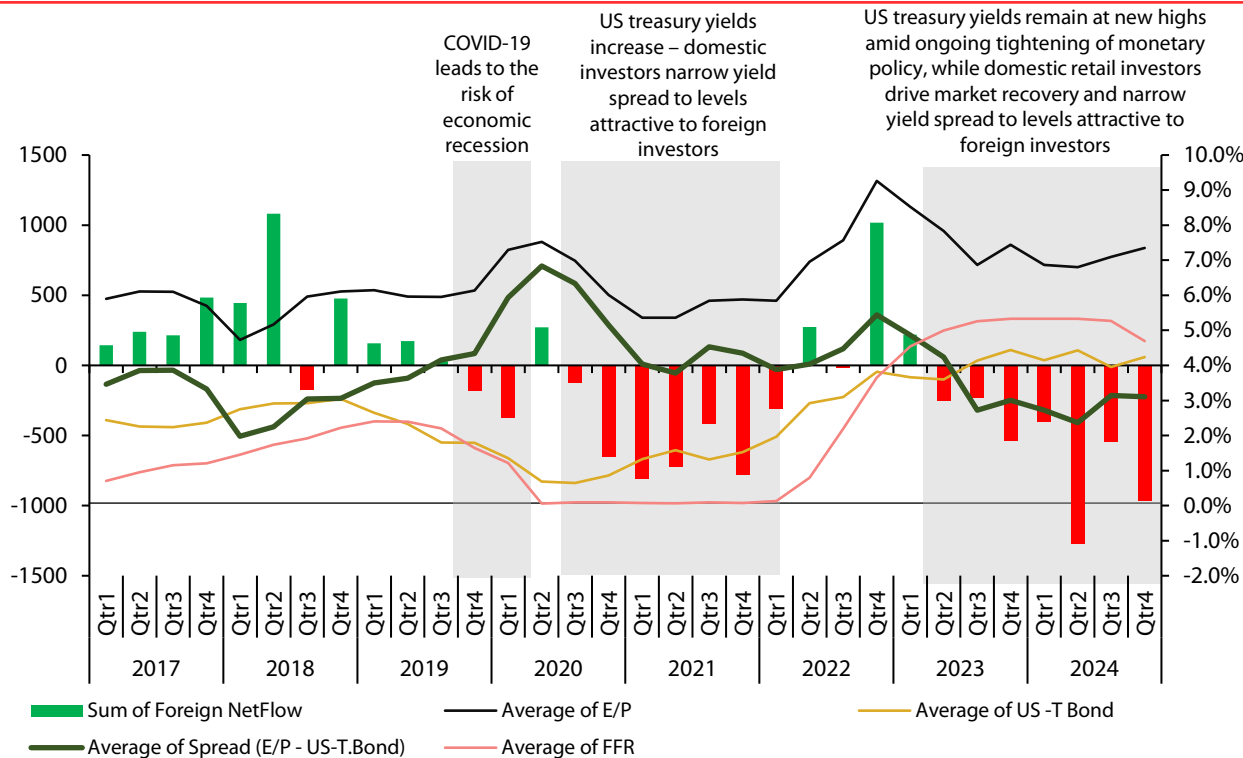
The expected yield for foreign investors in the Vietnamese equity market is forecasted to range between 7.5% and 8.5%.

The long-term yield spread (ERP) is expected to converge to 3.9%, a level historically favored by foreign investors, especially when combined with positive profit growth prospects in the coming period.

In the base case, the Federal Reserve (FED) is projected to reduce interest rates by 50 basis points, which would support market valuations and make Vietnam’s equity market more attractive to foreign investors. In a positive scenario, trade agreements with key partners could lead to a 100 basis point rate cut, further boosting investor sentiment and market flows.

Despite the higher expected yield compared to the current market yield of 7.5%, the 18.9% projected EPS growth in 2025 suggests market yields could reach 8.9%, creating an attractive opportunity for foreign investors. This becomes even more compelling if the FED continues to cut rates and earnings growth is confirmed in upcoming quarterly results.

Correlation between USD interest rates, VNIndex yield, and foreign capital flows



Source: Bloomberg, RongViet Securities Compiled

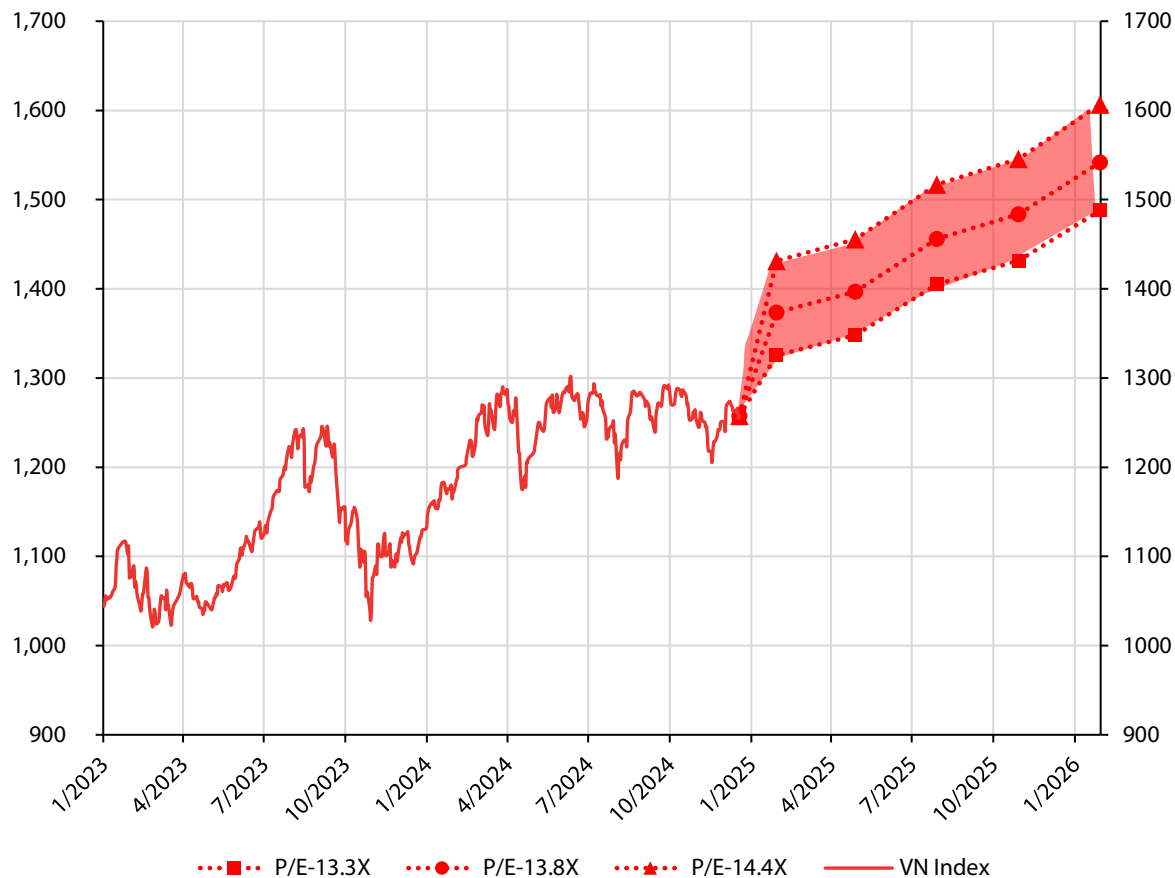
Expected yield scenario for foreign investors in the Vietnamese market

Foreign Expected Yield Analysis	Current	Potential buy zone	2025 scenarios		
			Worst case	Base case	Best case
Market Yield (E/P)	7,5%	8,2%	8,5%	7,7%	7,5%
10 Yr. U.S Government Bond Yield	4,3%	4,3%	4,6%	3,8%	3,5%
Spread (E/P- 10 Yr.Bond)	3,0%	3,9%	3,9%	3,9%	3,9%
Effective Fed Fund rate	4,3%	4,3%	4,6%	3,8%	3,3%
Implied P/E	13,3	12,2	11,8	13,0	13,4
%Percentile	36th	24th	19th	33th	38th

Source: Bloomberg, RongViet Securities Compiled

We forecast that the VN-Index could reach **1,486** by the end of 2025 in the base case scenario, representing a 18.2% increase compared to the closing price on December 20, 2024. Along with an average 12-month dividend yield of 1.7% over the past three years, **the total expected return could reach 19.9%**. Our forecast is based on several key assumptions: the economy will maintain a growth rate of 6.8%, inflation will stay stable at 4%, and credit growth will be around 15%. With these assumptions, the VN-Index is expected to achieve a 12-month EPS of approximately 108 VND in Q3 2025, and the P/E ratio target will be raised to 13.8x.

VN Index potential paths in 2025 to reflect EPS growth



Source: Bloomberg, RongViet Securities Compiled

Expected return for the VNIndex in the base case scenario

Valuation results	Present	Next 12 months
P/E	13,3x	13,8x
%Percentile	36th	44th
Market yield (E/P)	7,5%	7,2%
12M EPS	94	108
12 M EPS growth	14%	14,4%
Target VN Index	1.258	1.486
%Potential cap gain		18,2%
%Percentile		63th
Expected dividend yield		1,7%
Total return		19,9%

VNIndex sensitivity analysis based on P/E movements and 12-month EPS growth scenarios compared to Q3 2024

		Growth							
		1.486	9%	11%	12%	14%	16%	18%	20%
P/E	11.3	1,163	1,185	1,196	1,217	1,239	1,260	1,281	
	11.8	1,215	1,237	1,249	1,271	1,293	1,315	1,338	
	12.3	1,266	1,289	1,302	1,325	1,348	1,371	1,394	
	12.8	1,318	1,342	1,354	1,379	1,403	1,427	1,451	
	13.3	1,369	1,394	1,407	1,432	1,457	1,482	1,507	
	13.8	1,420	1,446	1,460	1,486	1,512	1,538	1,564	
	14.3	1,472	1,499	1,513	1,540	1,567	1,594	1,621	
	14.8	1,523	1,551	1,566	1,594	1,621	1,649	1,677	
	15.3	1,575	1,603	1,619	1,647	1,676	1,705	1,734	
	15.8	1,626	1,656	1,671	1,701	1,731	1,761	1,790	
16.3	1,677	1,708	1,724	1,755	1,786	1,816	1,847		

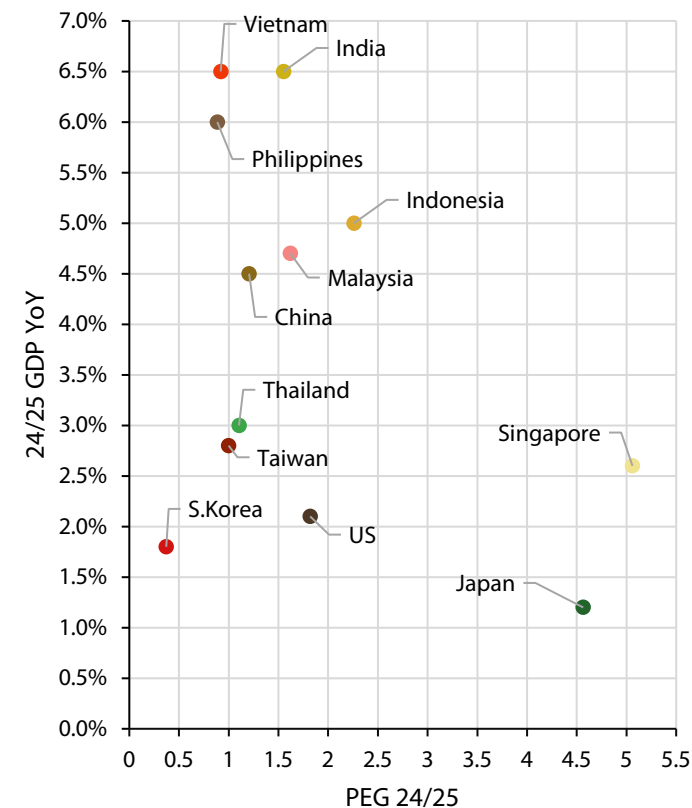
Source: Bloomberg, RongViet Securities Compiled

Vietnam continues to be an appealing destination for global capital, especially when compared to other emerging and frontier markets. This is supported by our projected data and consensus estimates from international financial institutions, as compiled by Bloomberg.

The country maintains strong economic growth, on par with countries like India and the Philippines, while many other markets are facing slower growth or signs of economic deceleration. Based on the PEG (Price/Earnings to Growth) ratio forecast for 2024/2025, the VN-Index ranks just behind South Korea and the Philippines, offering significantly better attractiveness compared to other markets.

We believe that foreign capital inflows into Vietnam will be further catalyzed in 2025, especially as the global interest rate normalization continues, and Vietnam is set to upgrade its market classification, making it an even more appealing investment destination.

	HSX	SET	JAKARTA COMP	FTSE MALAY EMAS	PSE	FTSE STRAITS TIME	TWII	SHANGHAI COMP	NIKKEI 225	KOSPI	NIFTY 50	SP500
	Vietnam	Thailand	Indonesia	Malaysia	Philippines	Singapore	Taiwan	China	Japan	South Korea	India	US
MSCI classification	Frontier	Emerging	Emerging	Emerging	Emerging	Developed	Emerging	Emerging	Developed	Emerging	Emerging	Developed
EPS Y-2 (2022)	89	94	449	93	446	276	1360	228	1416	206	824	190
12M EPS -1 (2023Q3)	83	82	387	110	485	300	849	214	1268	140	903	190
EPS Y-1 (2023)	85	82	390	110	485	300	849	213	1205	139	936	190
12M EPS (2024Q2)	89	81	274	106	529	265	1034	205	1616	187	1047	200
12M EPS (2024Q3)	94	75	302	110	540	272	1103	208	1882	201	1065	202
EPS F2024	100	86	590	104	584	318	1233	248	1912	244	1070	242
EPS F2025	112	97	620	114	650	325	1432	274	1994	298	1205	272
2023/22 growth YoY	-5%	-13%	-13%	18%	9%	9%	-38%	-7%	-15%	-33%	14%	0%
2024/23 growth YoY	18%	5%	51%	-5%	20%	6%	45%	16%	59%	76%	14%	27%
+ EPS Quarter 3/2024 %YoY	14%	-9%	-22%	0%	11%	-9%	30%	-3%	48%	44%	18%	6%
+ EPS Quarter 3/2024 %QoQ	6%	-8%	10%	3%	2%	2%	7%	1%	16%	8%	2%	1%
2025/24 growth YoY	12%	13%	5%	9%	11%	2%	16%	10%	4%	22%	13%	12%
PE trailing	13.3	18.3	23.1	14.5	11.9	13.7	20.4	16.2	20.6	11.9	22.1	29.3
PE F12M	12.6	16.2	12.0	15.4	11.2	11.9	18.8	13.7	20.4	10.0	22.2	24.9
PE forward, Y+1,2025	11.3	14.4	11.4	14.1	10.0	11.6	16.1	12.4	19.6	8.2	19.7	22.2
PEG 24/25	0.92	1.10	2.26	1.62	0.89	5.06	1.00	1.20	4.56	0.37	1.55	1.82
Index yield of the previous year	12%	-15%	6%	-3%	-2%	-0%	27%	-4%	28%	19%	20%	24%
Index yield YTD 2024	11%	-4%	-4%	9%	-1%	15%	26%	13%	16%	-9%	9%	24%
%2023/22 GDP YoY (real)	5,1%	5,1%	5,1%	5,1%	5,1%	5,1%	5,1%	5,1%	5,1%	5,1%	5,1%	5,1%
%2024/23 GDP YoY (forecast)	6,7%	2,7%	5,0%	5,2%	5,8%	3,6%	4,3%	4,8%	-0,2%	2,2%	7,8%	2,7%
%2025/24 GDP YoY (forecast)	6,5%	3,0%	5,0%	4,7%	6,0%	2,6%	2,8%	4,5%	1,2%	1,8%	6,5%	2,1%



Source: Bloomberg, Rong Viet Securities Compiled

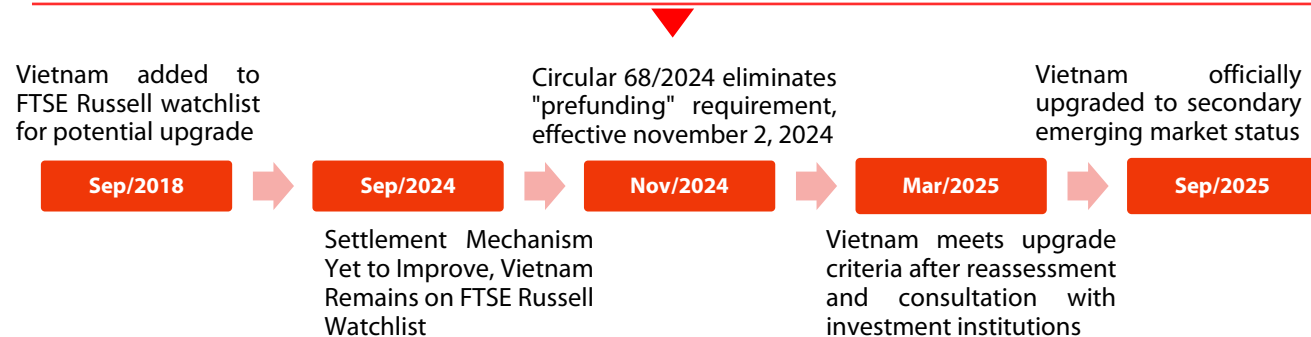
We anticipate that Vietnam’s stock market will officially be upgraded to "Secondary Emerging Market" status by FTSE Russell in 2025.

Unlike previous review cycles, FTSE Russell has recognized significant market reforms led by the Vietnamese Government and the State Securities Commission (SSC). Notably, Circular 68/2024, issued on September 18, 2024, and effective from November 2, 2024, has addressed the two remaining criteria required for the upgrade. Under this regulation, foreign institutional investors will no longer need prefunding before placing buy orders, resolving a critical accessibility concern. Consequently, FTSE Russell is likely to confirm Vietnam’s eligibility during the March 2025 review and announce the upgrade in its September 2025 evaluation.

If upgraded, Vietnam’s equities are projected to account for 0.57% of the FTSE Emerging Index, equivalent to \$43 billion out of the index's total market capitalization of \$7.593 trillion. This could translate to an estimated \$916 million in passive inflows into Vietnam’s stock market, representing 2.2% of the total foreign equity ownership value in the market today.

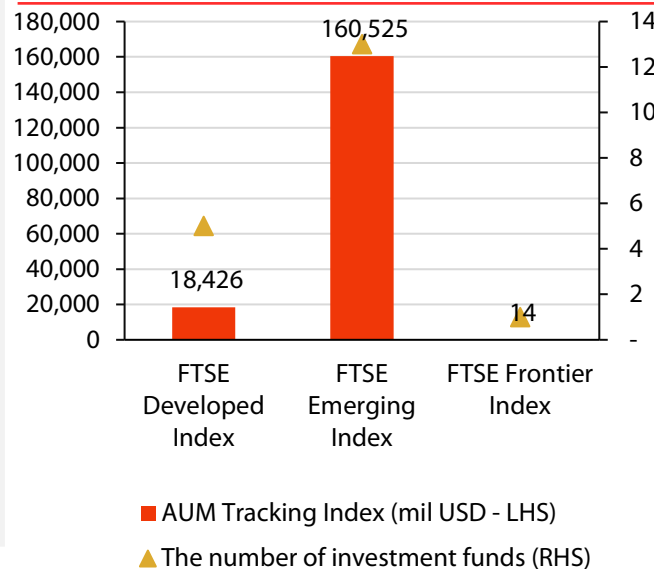
Although the asset size of funds benchmarked to the FTSE Emerging Index is smaller compared to those tracking MSCI indices, we believe this upgrade holds significant symbolic importance, showcasing the improved quality of Vietnam’s stock market. Additionally, the nearly \$1 billion in capital inflows could have a catalytic effect, driving market growth and supporting our optimistic valuation scenario of a P/E ratio reaching 14.4 times.

Projected roadmap for FTSE Russell market upgrade



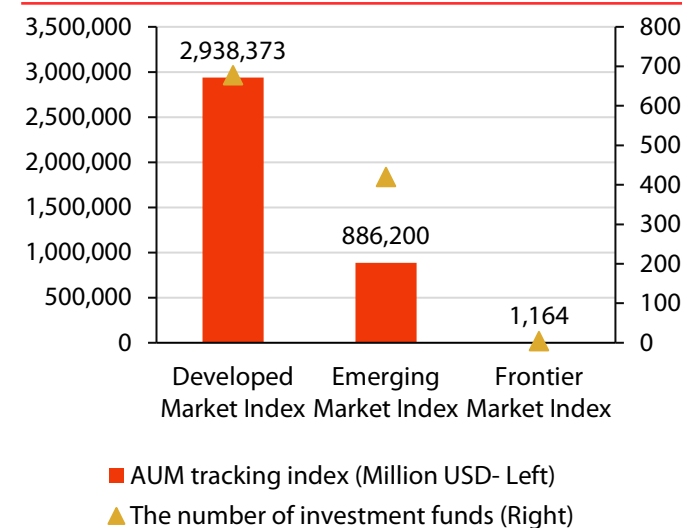
Source: RongViet Securities Compiled

Statistics on the number and total AUM of investment funds tracking FTSE indices by market classification



Source: Bloomberg, RongViet Securities Compiled

Statistics on the number and total AUM of investment funds tracking MSCI indices by market classification



The openness to foreign ownership and the effectiveness of market operations for foreign investors are improving significantly.

Several key bottlenecks identified in the June 2024 evaluation report include: (1) limitations on foreign investor ownership, (2) public company disclosure standards, and (3) trading mechanisms.

Recently, the National Assembly passed the revised Securities Law, providing a legal foundation for the Ministry of Finance to issue a draft decree amending and supplementing several provisions of Decree No. 155/2020/ND-CP. These amendments focus on addressing most of the remaining bottlenecks in MSCI’s market upgrade criteria, with key changes as follows:

Section 2.4: Regulations on opening up market access for foreign investors:

1. Eliminate the provision in Article 139 that allowed general meetings of shareholders and company charters to set foreign ownership limits below the legal requirements, protecting the rights of foreign shareholders under corporate law.
2. Clarify the responsibility to notify the maximum foreign ownership percentage at privatized companies.
3. Set a six-month deadline to complete the notification process for foreign ownership limits after the amended decree comes into effect, thereby reflecting accurate foreign ownership limits and clearly quantifying criteria 1 and 2.
4. Recognize foreign investors as professional securities investors, broadening their market access.

Section 2.5 of the draft decree concerns registration, custody, clearing, and settlement of securities transactions. It proposes amendments to Articles 150, 302, 305, and 310 to ensure securities transactions are cleared under the central counterparty (CCP) mechanism by **the Vietnam Securities Depository and Clearing Corporation (VSDC) or its subsidiaries**. This will resolve the remaining bottleneck and allow VSDC to integrate the CCP clearing mechanism into the new trading system (KRX).

5. Circular 68/2024 not only eliminates the pre-funding mechanism (bottleneck #5) but also requires simultaneous disclosure of information in English by listed companies and regulatory authorities. This addresses information flow issues and ensures equal information access for foreign investors.

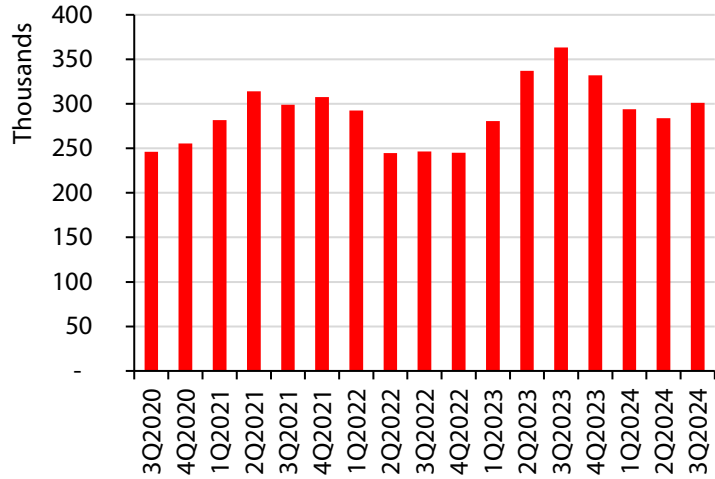
2025 will be the year for the implementation of these policies. Therefore, we do not expect MSCI to upgrade Vietnam’s market status in the near term. However, with the clear and specific solutions currently being implemented, we believe the market upgrade is only a matter of time.

Barriers to Market Upgrade and the Proposed Solutions

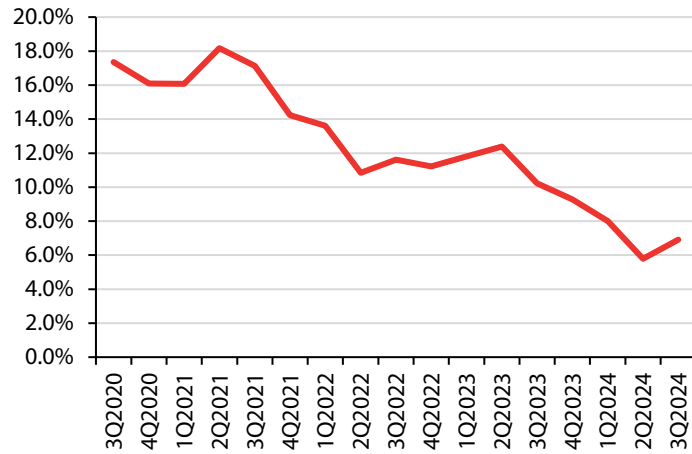
No.	Criteria	Definition of condition	Solution
1	Foreign ownership limit	In certain sectors, companies have foreign ownership limits ranging from 0% to 51%, which affects more than 10% of the total market capitalization	The 2024 Securities Law Amendment, along with the Decree amending and supplementing several provisions of Decree No. 155/2020/ND-CP
2	"Foreign room"	More than 1% of the MSCI Vietnam IMI index is impacted by the remaining low foreign ownership limits	
3	Equal rights for foreign investors	The rights of foreign investors are limited due to the strict foreign ownership restrictions	Circular 68/2024 requires the disclosure of information in english, while Decision No. 345/QD-BTC of 2020 provides a roadmap for the implementation of IFRS standards
4	Information flow	Stock market information is not always disclosed in English, and the quality of financial information has yet to be standardized according to international standards	
5	Clearing and settlement, securities lending, and short selling	Vietnam does not yet have a system for overdraft and pre-funding for transactions	The amended Securities Law of 2024 and the Decree amending and supplementing certain provisions of Decree No. 155/2020/ND-CP

Source: MSCI, RongViet Securities Compiled

Revenue of industry reached a bottom in Q4/2022



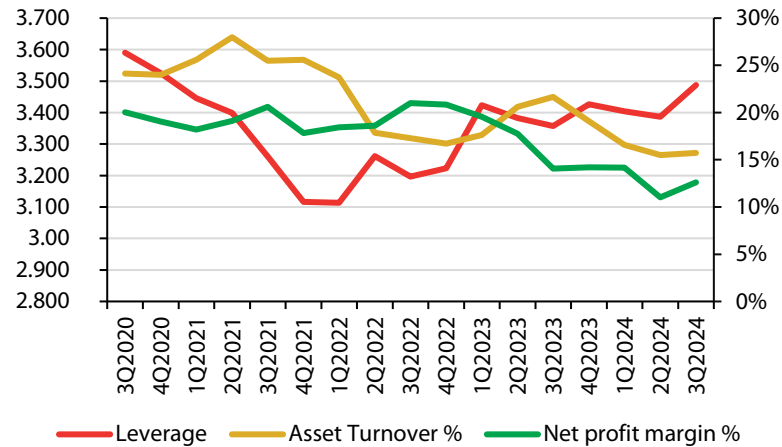
ROE saw a significant decline



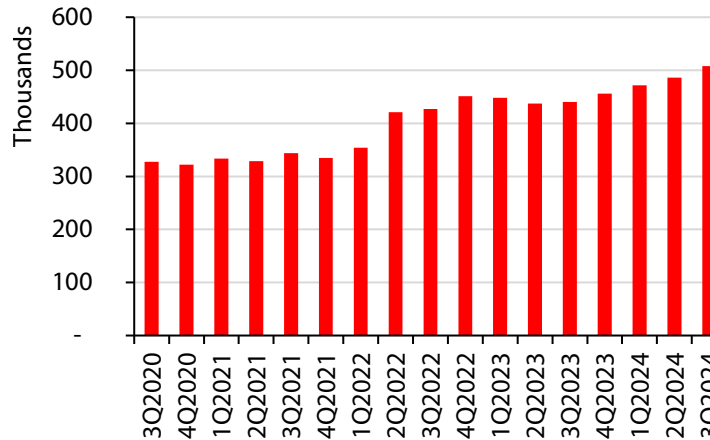
... brought P/B valuation to its historical bottom



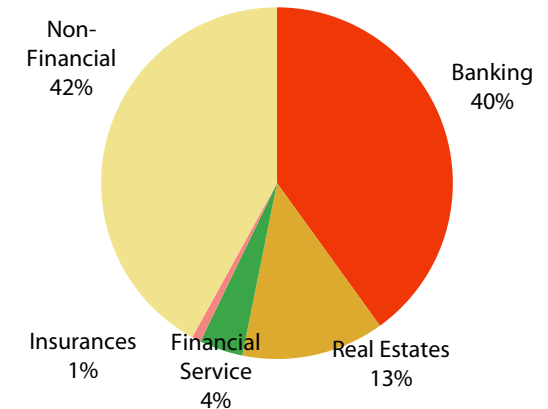
... decline in ROE comes from a decrease in asset turnover and profit margins, while leverage has been increased to improve performance



... suboptimal asset turnover is due to companies significantly increasing their inventory levels



... with a large market cap weight, revaluation from improved asset turnover poses an upside risk for the VNIndex



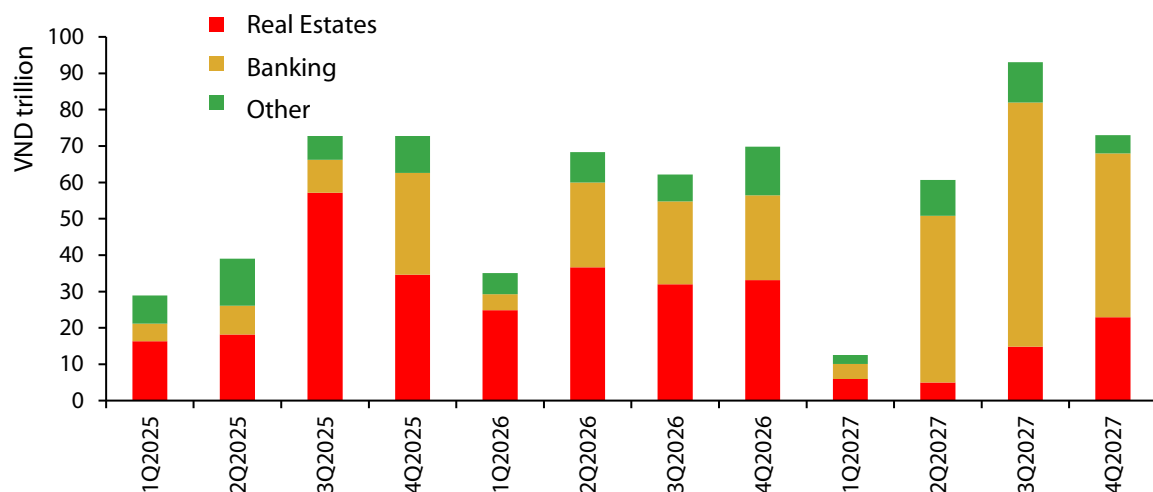
Source: Bloomberg, RongViet Securities Compiled

- The motto “Dare to reform” has sparked a shift in economic growth, propelling it into a new phase with aspirations of significantly higher growth rates. While initial results may fall short of generating immediate optimism, we believe this represents an opportunity to identify long-term investments in the listed equity market.
- For 2025, earnings growth remains the primary driver of the market, complemented by revaluation opportunities supported by: (1) domestic yield spreads remaining attractive to local investors despite the anticipated 50–100 basis points increase in domestic interest rates, and (2) the outlook for further global interest rate cuts throughout 2025. As such, we recommend overweight equity exposure until valuations approach more reasonable levels..
- Tactical allocation for 2025 including: (1) **Sector Rotation**: Investors should emphasize reallocating between sectors, increasing exposure to high-growth sectors while reducing holdings in defensive stocks. In addition, (2) employing financial **leverage** could be considered during periods of short-term market volatility caused by headwinds, thereby enhancing investment performance. Furthermore, Conduct quarterly **portfolio rebalancing** after corporate earnings reports to align with updated valuations and optimize returns based on prevailing market trends.
- For Investment Themes for 2025, Our proposed investment strategy for 2025 combines large-cap and mid-to-small-cap stocks, capitalizing on opportunities stemming from:
 - ❖ **Policy Reforms**: Government reforms aimed at removing bottlenecks in key sectors and advancing the potential for Vietnam's stock market to achieve an upgraded classification.
 - ❖ **Public and Private Investment Revival**: Accelerated public investment combined with a recovery in private investment activity.
 - ❖ **Consumption Recovery**: Improved consumer spending as both global and domestic economies recover and expand.
- Our top stock picks for 2025 represent a balanced approach to capturing both growth and value opportunities in Vietnam’s capital markets. These include **ACB** (TP: 32,500 VND, +31.0%), **CTG** (TP: 41,950 VND, +16.0%), **HPG** (TP: 35,800 VND, +34.1%), **KBC** (TP: 40,600 VND, +47.1%), **REE** (TP: 84,300 VND, +24.5%), **KDH** (TP: 41,303 VND, +15.2%), **VIB** (TP: 22,300 VND, +17.7%), **HSG** (TP: 23,000 VND, +22.7%), **SIP** (TP: 97,000 VND, +14.9%), **PVT** (TP: 34,600 VND, +24.5%), and **HAH** (TP: 58,000 VND, +17.6%). These selections reflect strong growth potential supported by favorable market conditions, sector-specific catalysts, and robust earnings outlooks

Earnings growth is the driving force for the market. 2025 is expected to be the second consecutive year that the EPS growth of the whole market has been maintained at a higher level than the average growth rate of the past 10 years. This trend, along with the brightening color of the macro, we believe that the P/E ratio will continue to be revalued to a higher level than the valuation at the end of 2024.

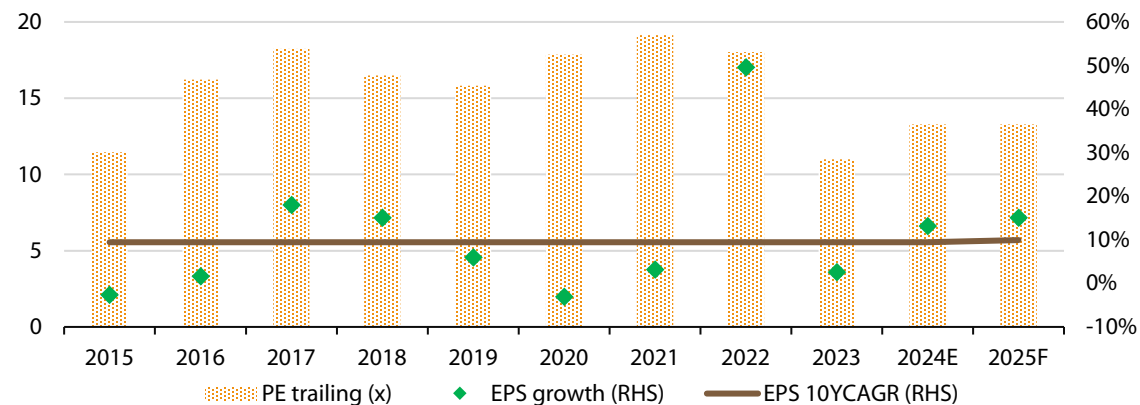
Domestic individual investors play a leading role for most of the time. But **the return of foreign investors will be a catalyst for strong gains for the index.** We expect the second half of the year to be a sublimation period for the market.

The amount of corporate bonds of real estate enterprises maturing will still be high in 2025



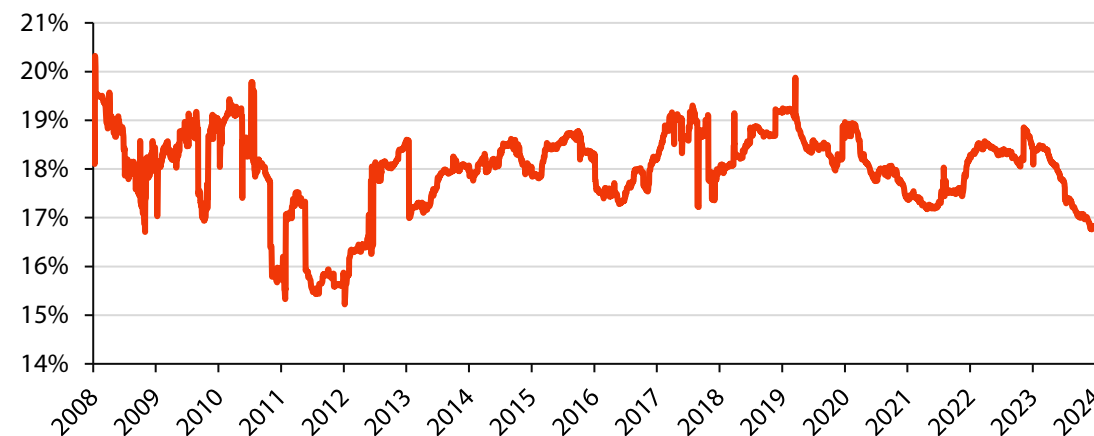
Source: FiinPro, RongViet Securities

P/E ratio still has room to be revalued according to the growth momentum of EPS



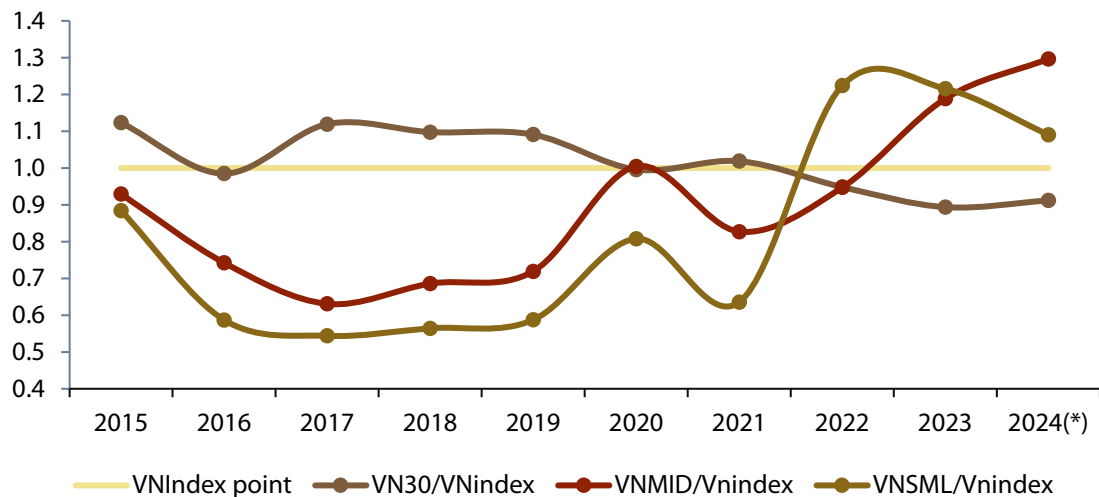
Source: Bloomberg, RongViet Securities

Except for the period 2011 – 2012, which was the period when the global financial market fell into crisis, the current foreign investor ownership rate has reached the lowest level in many years. We believe that the pressure from foreign investors will no longer be great in 2025.



Source: FiinPro, RongViet Securities

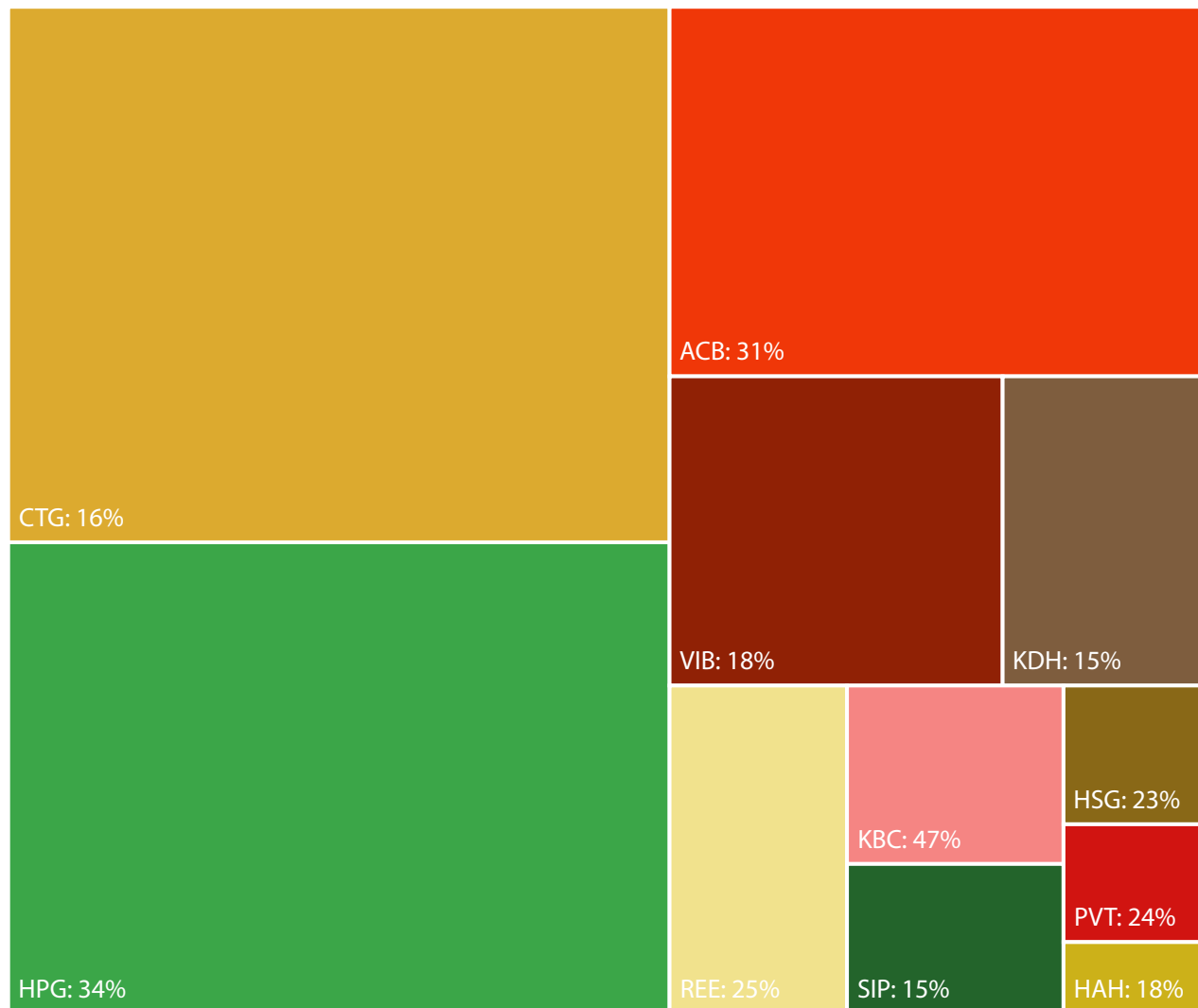
The P/E valuation of the VN30 group remains low compared to the VNIndex valuation for the third consecutive year



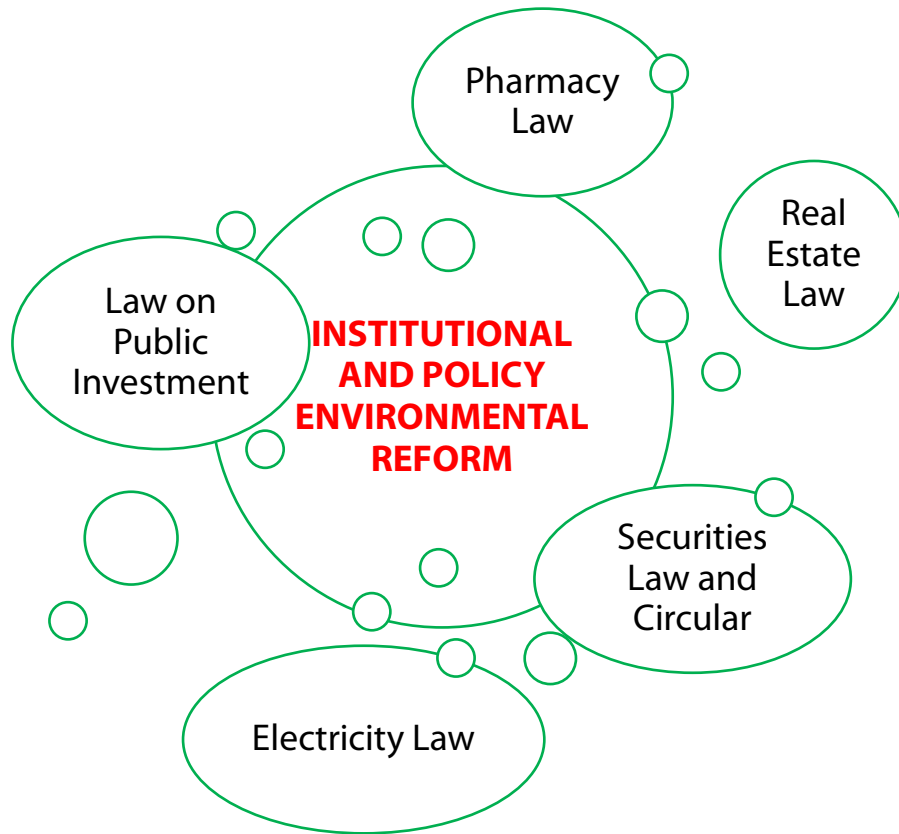
Source: FiiPro, RongViet Securities

We propose an investment portfolio with a combination of large-cap stocks and small- and medium-cap stocks to be able to take advantage of opportunities from: (1) The Government's efforts to reform the policy environment, opening up opportunities for upgrading the Vietnam stock market, (2) Public investment accelerates while private investment recovers, and (3) Consumption improves as the world and domestic economies recover and grow.

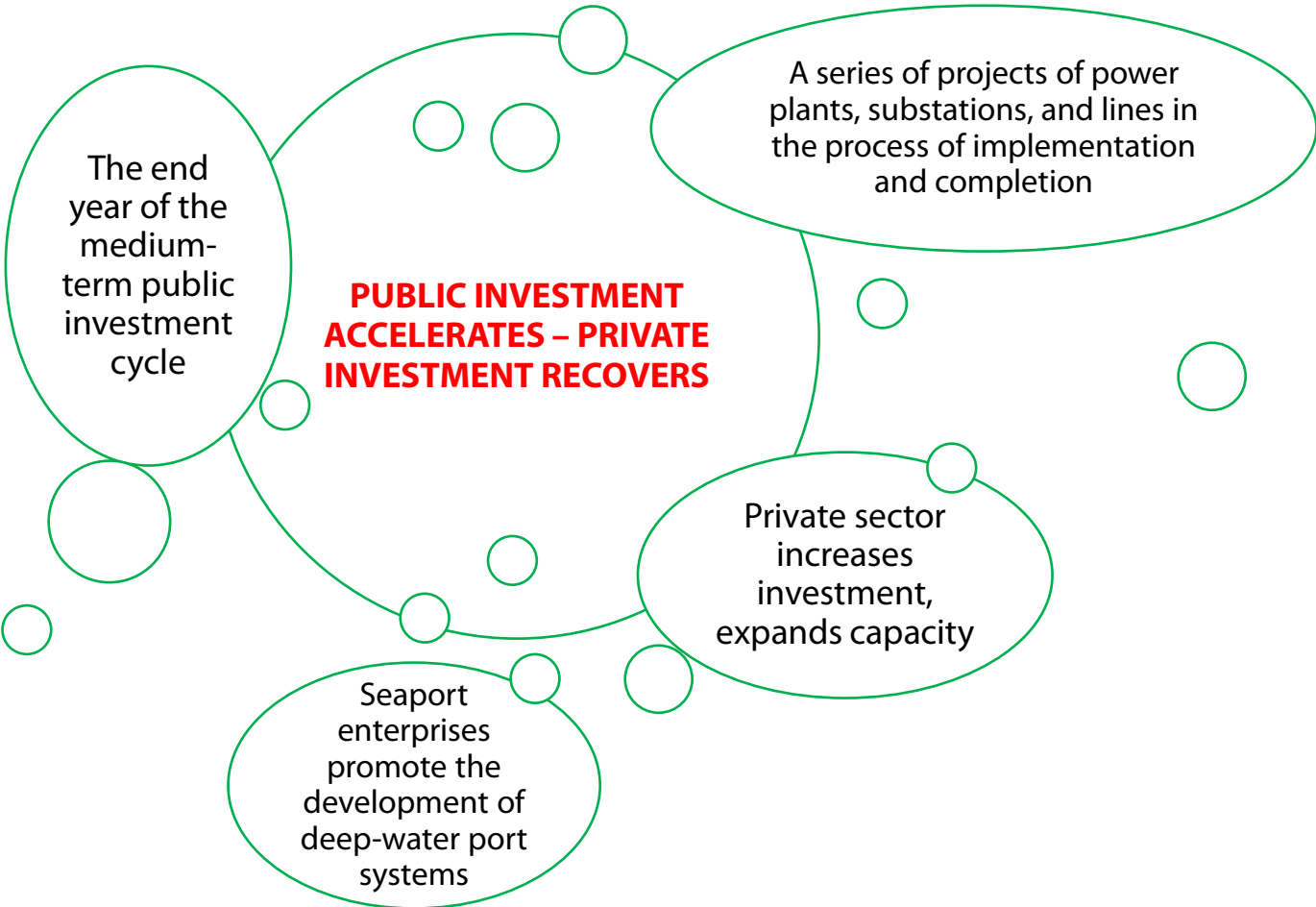
Our 2025 top calls



Source: RongViet Securities | Square size: market capitalization size | %: expected return for the next 12 months



Field	Key issues
<p>Real Estate</p>	<ul style="list-style-type: none"> • Land Law, Housing Law, Real Estate Business Law • The National Assembly's Resolution on piloting commercial housing projects through agreements on receiving land use rights or having land use rights, with a term of 5 years. Specifically, investors are allowed to implement commercial housing projects with agricultural and non-agricultural land other than residential land, residential land and other land in the same plot as the case of agreement on land use right receipt. • The new land price list helps to shorten the compensation time and calculate land use levy, helping many new projects to be implemented and projects that were previously suspended are restarted.
<p>Electrical Industry</p>	<p>The amended Electricity Law gradually realizes the objectives of the Power Plan VIII:</p> <ul style="list-style-type: none"> •Legislation on the two-component electricity price mechanism and DPPA futures contracts, •Create a legal corridor for power transmission projects •Prioritize the development of renewable energy, offshore wind power and LNG, bringing the total renewable energy capacity to 30.9 – 39.2% by 2030 •Supplementing solutions to create capital sources and mobilize investment capital for the development of the electricity sector in the Power Plan VIII in order to encourage private investment in power projects.
<p>Pharmaceutical industry</p>	<ul style="list-style-type: none"> • The amended and supplemented Law on Pharmacy creates a more transparent, clear, and specific legal framework, in the direction of 1) ensuring the health of the whole population, 2) the right to access drugs at reasonable prices, 3) prioritizing the development of the domestic pharmaceutical industry, and 4) supporting high-quality domestic pharmaceutical products. The overarching impact is to support the business of the pharmaceutical industry. The race to "standardize" will continue to be the strategic orientation of many businesses in the industry. • The amended and supplemented Law on Health Insurance has the following impacts: 1) expanding the benefits of health insurance participants and 2) increasing the allocation for medical examination and treatment activities. As a result, expanding health insurance coverage, increasing pharmaceutical revenue through the ETC channel
<p>Tax</p>	<ul style="list-style-type: none"> • The Law on Value-Added Tax is amended, the Law amending and supplementing a number of articles of tax laws • The Law on Corporate Income Tax and Excise Tax (amended) is expected to be passed in the 9th session (T5/2025)



Steel: Businesses are and will invest in expanding capacity

Company	Project	Scale/Capacity	Total investment (VND billion)	Deployment time
HPG	Hoa Phat Dung Quat 2 Iron and Steel Complex	5.6 million tons of hot-rolled steel coils/year	85,000	Phase 1: Early 2025; Phase 2: End of 2025
GDA	Phu My Galvanized Steel Foil Factory	1.2 million tons/year	7,000	Phase 1: Quarter 2-3/2026
NKG	Nam Kim Phu My Corrugated Iron Factory	1.2 million tons/year	4,500	Implementation in 2025-2026

Infrastructure: Projects expected to be completed in 2025/26

Project	Current Status
North-South Expressway (Phase 02)	<ul style="list-style-type: none"> Localities handed over 99% of the construction site The output of projects reached 60.8% of the contract value
Bien Hoa – Vung Tau Expressway	<ul style="list-style-type: none"> Components 1 & 2 (Via Dong Nai): Handing over the site Component 3 (Via Vung Tau): completely handed over the site, the construction volume reaches 51% of the project value
Ring Road 03 – Ho Chi Minh City. HCM	<ul style="list-style-type: none"> The construction value in Ho Chi Minh City, Ho Chi Minh City, Long An, and Binh Duong reached 16%, 45% and 13% of the total value, respectively.
Long Thanh Airport	<ul style="list-style-type: none"> 3/4 of the component projects are on schedule, expected to be handed over in the 4th quarter of 2025.

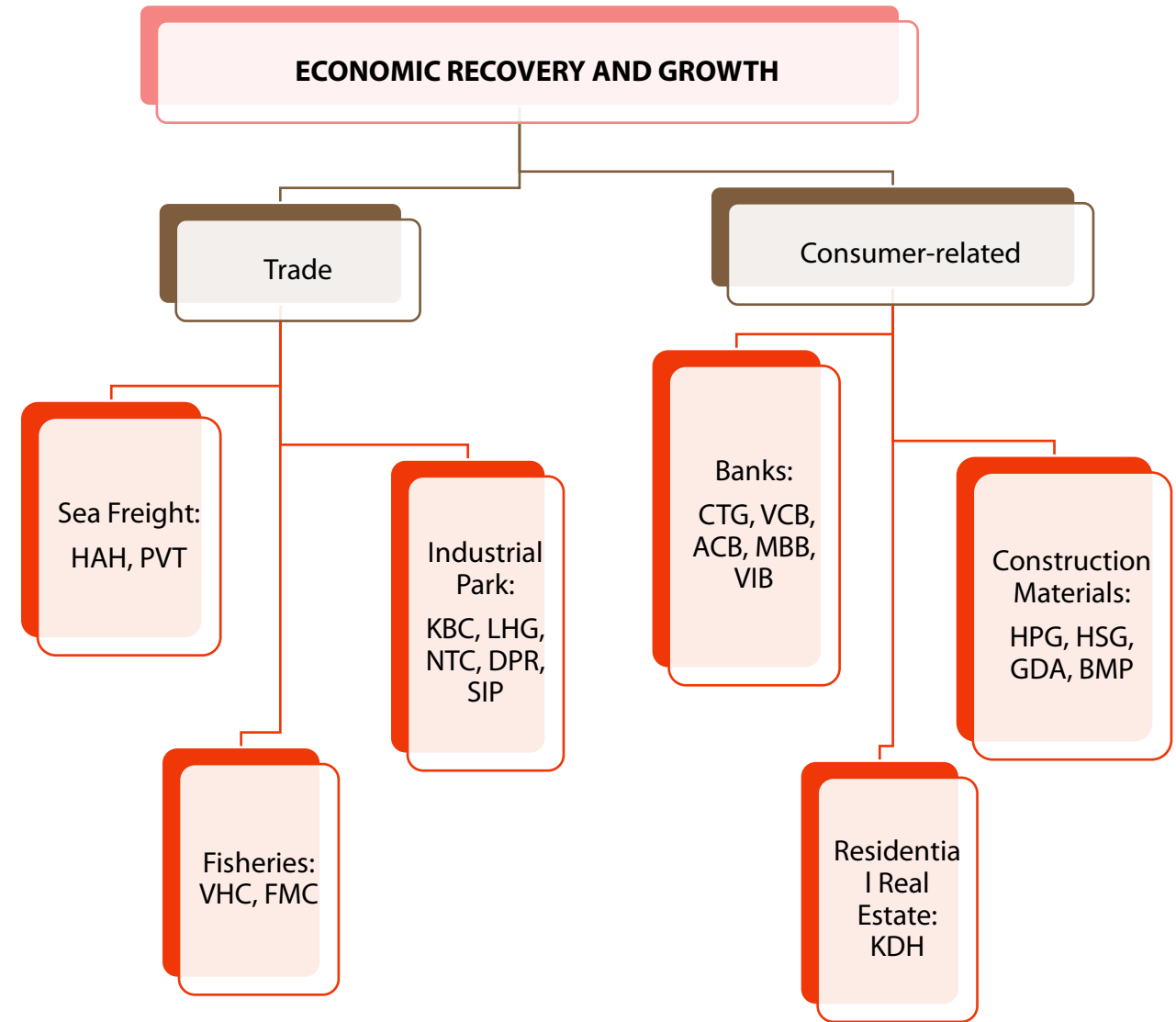
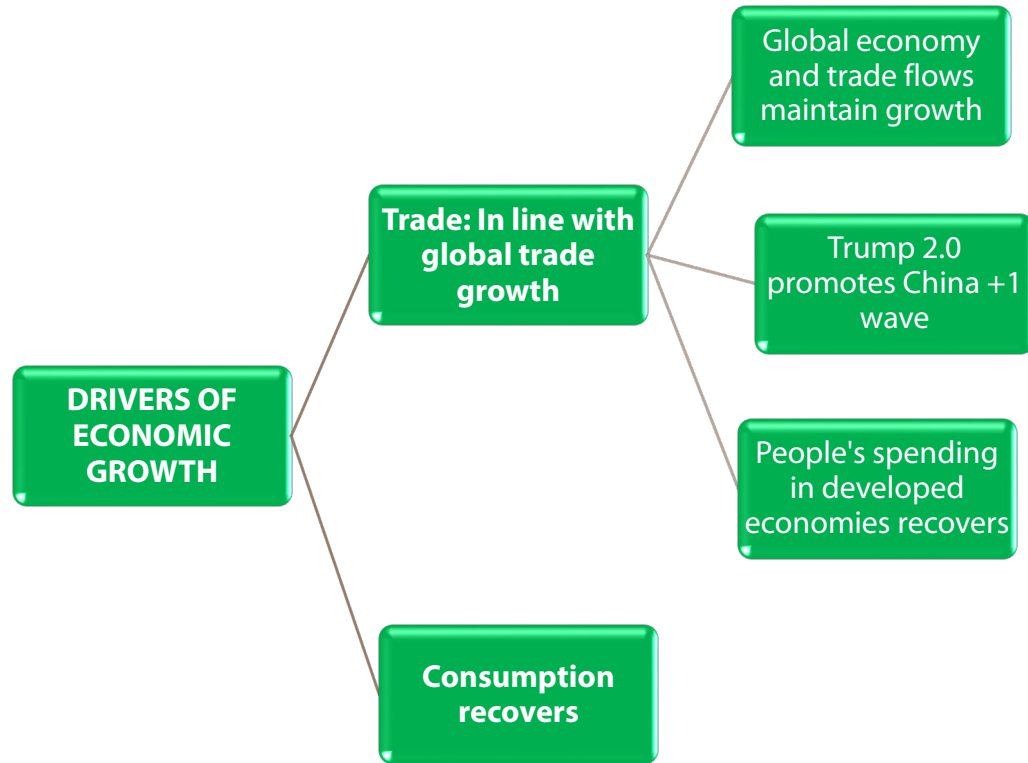
Source: Rong Viet Securities

Seaports: Deep-water port projects that are about to be implemented/put into operation

Deep water port	Total investment (VND billion)	Estimated completion time	Design capacity (Million TEU)
Lien Chieu - Da Nang	3,420	Q4-FY25	2.5
Lach Huyen Ben 3 & 4	6,946	Q1 - FY25	1.1
Lach District Wharf 5 & 6	8,950	Q1 - FY25	N/A
Gemalink phase 2A	3,700	Q2-FY26	0.6

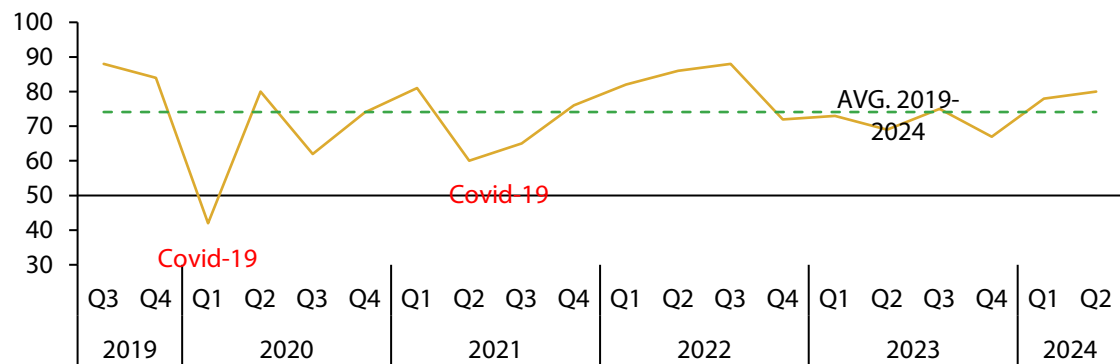
Shipping: Carriers invest in and rejuvenate fleets

Company	Investment plan	Detail
PetroVietnam Transportation Joint Stock Corporation (PVTrans)	Expanded fleet to 82 vessels with a total capacity of 2.5 million DWT	<ul style="list-style-type: none"> - 2024-2025 period: Investment of 819 million USD - 2024: Invest USD 492 million in 21 new ships, including 13 oil/chemical tankers, 4 LPG tankers, 4 bulk carriers
Vietnam Shipping Joint Stock Company (Vosco)	Investing in 10 new ships	<ul style="list-style-type: none"> - Purchase 1 Supramax bulk carrier (56,000-58,000 DWT) - Built 4 new Ultramax vessels (62,000-66,000 DWT) - Built 4 new MR-sized oil tankers (about 50,000 DWT)
Global Pacific Shipping Joint Stock Company (PCT)	Building 4 new oil/chemical tankers	<ul style="list-style-type: none"> - The tonnage of each ship is about 25,900 DWT - Total investment capital of more than 192.6 million USD (about 4,900 billion VND)



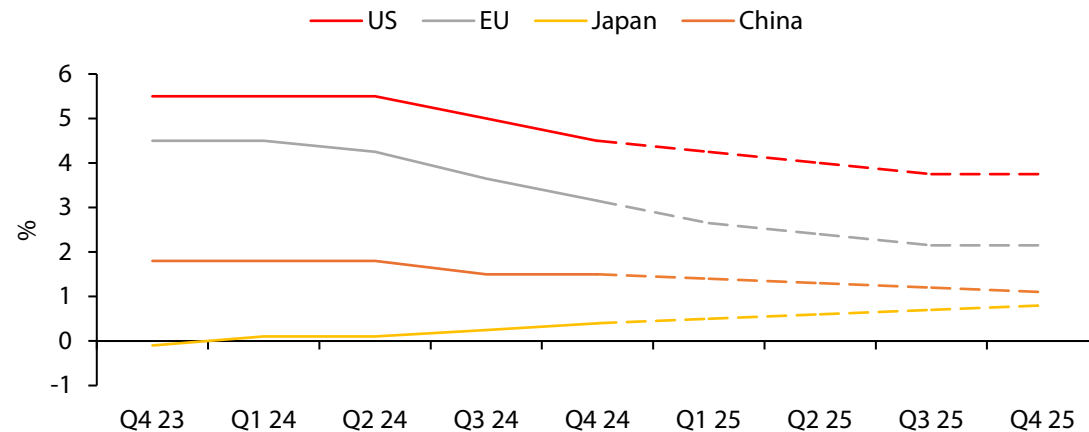
Controlled inflation and a low interest rate environment will be factors driving consumer demand in 2025.

Consumers' optimism about the future of the economy



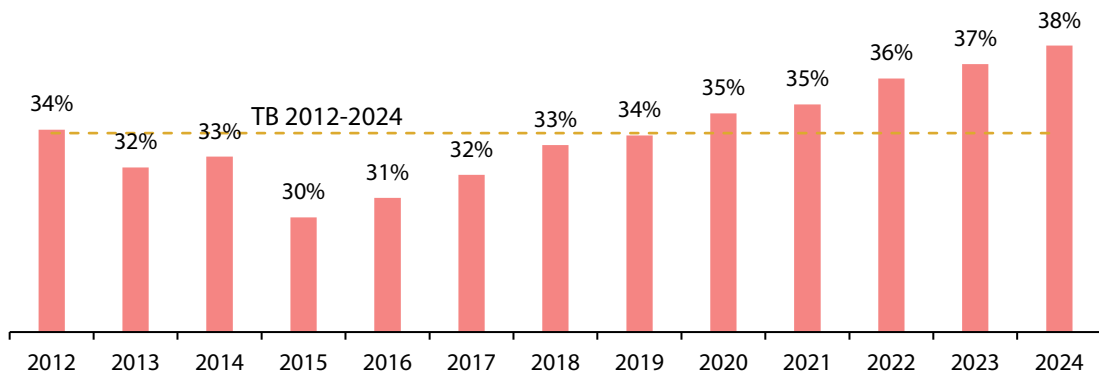
Source: Kantar, RongViet Securities

Policy rate expectations of major central banks



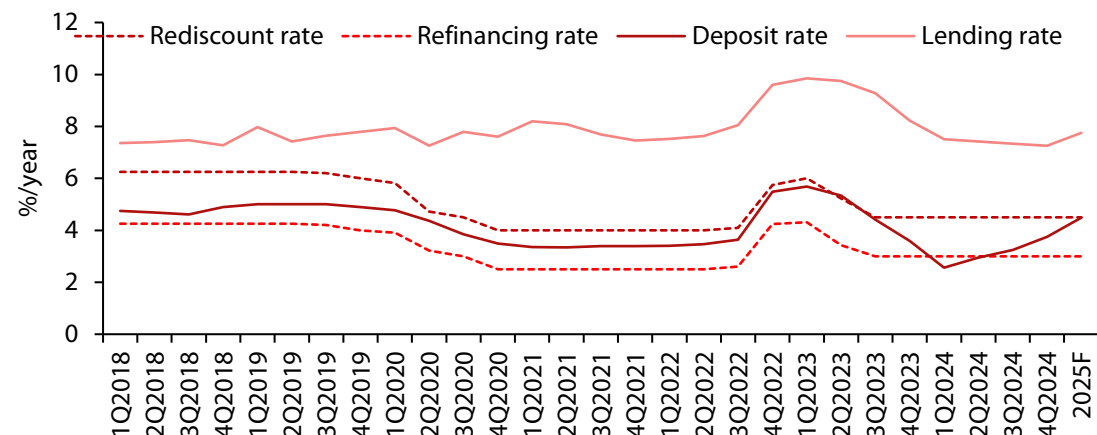
Source: Bloomberg, RongViet Securities

The savings/GDP ratio is at its highest level in 2012-24



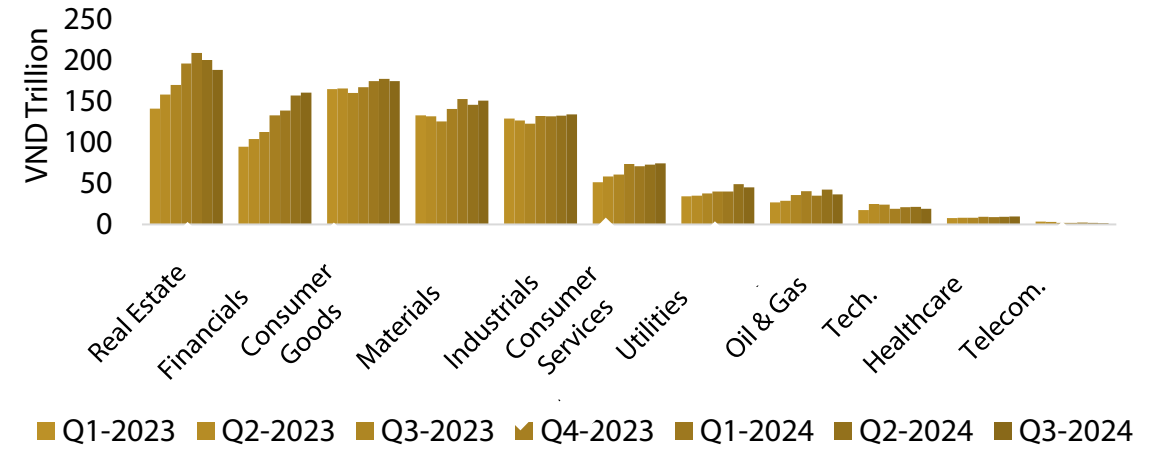
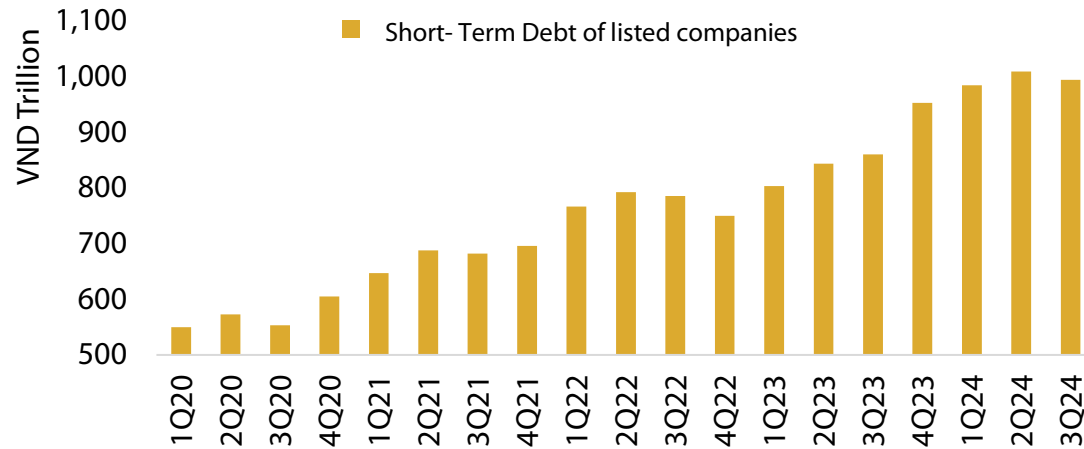
Source: CEIC, Rong Viet Securities, 2024: Estimate of RongViet Securities

Interest rates for the period 2018-2024 and forecast for 2025

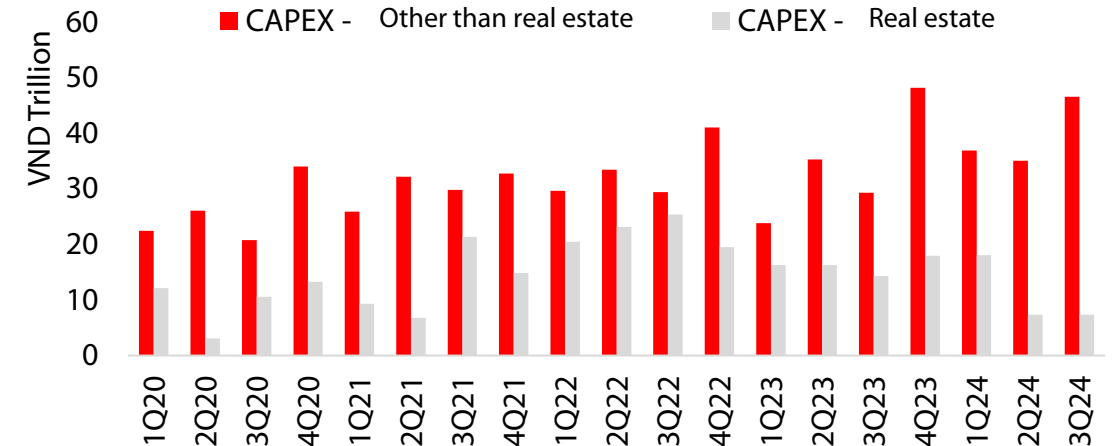
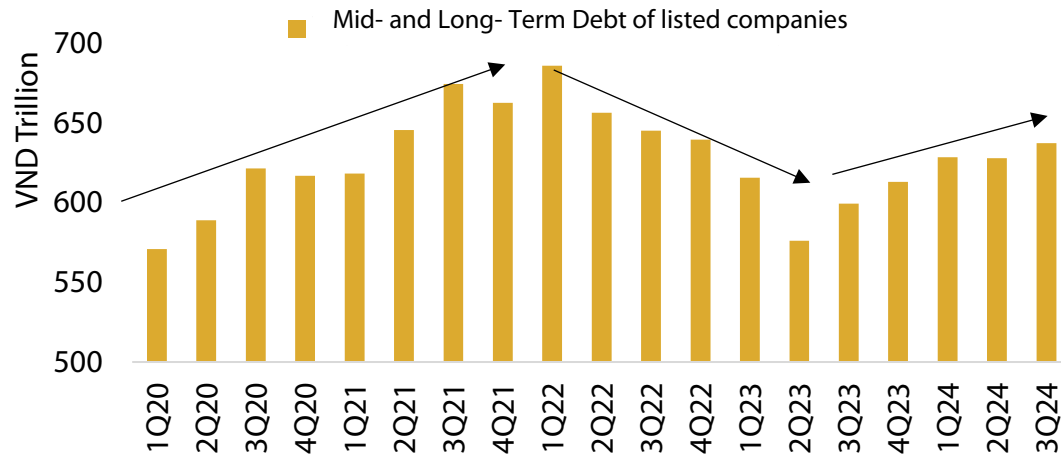


Source: IMF, RongViet Securities

The short-term credit capital demand of listed enterprises is still relatively positive, supported by the debt restructuring needs of real estate enterprises and the working capital needs of other manufacturing enterprises

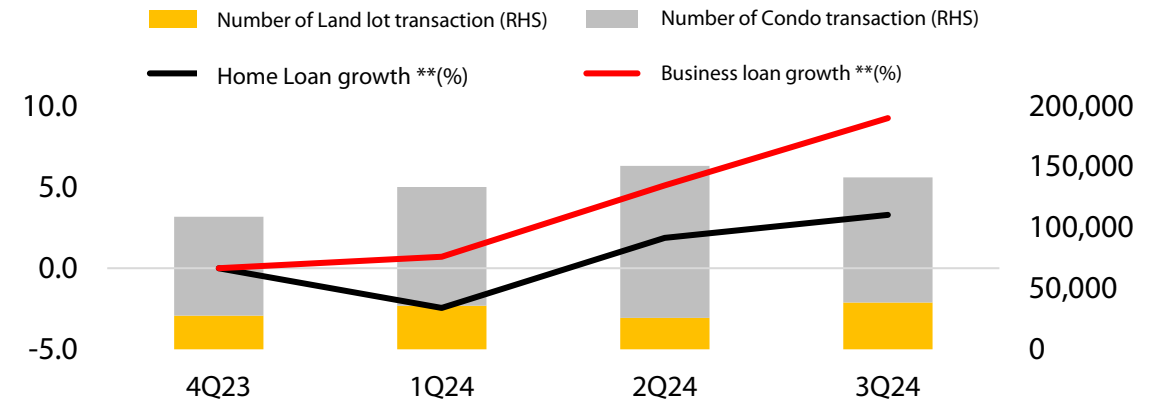
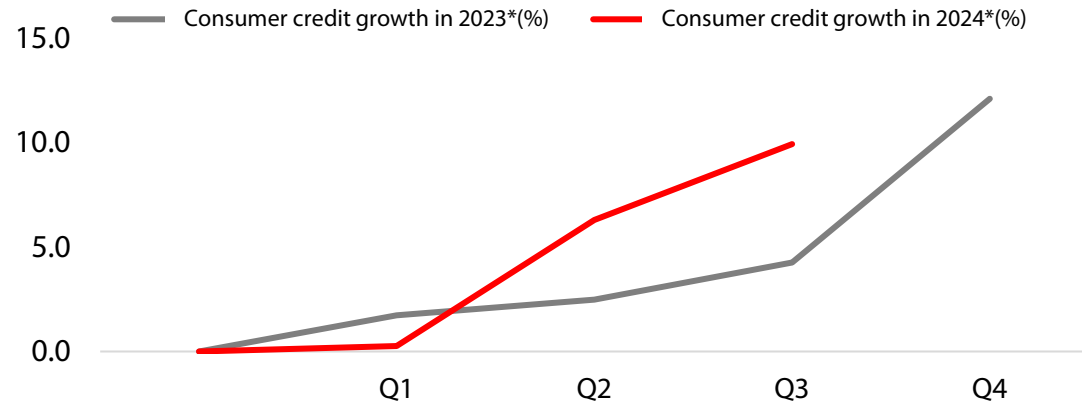


Medium- and long-term credit capital demand is forecast to continue the upward trend thanks to lower lending rates, creating conditions for businesses to access investment capital to expand production

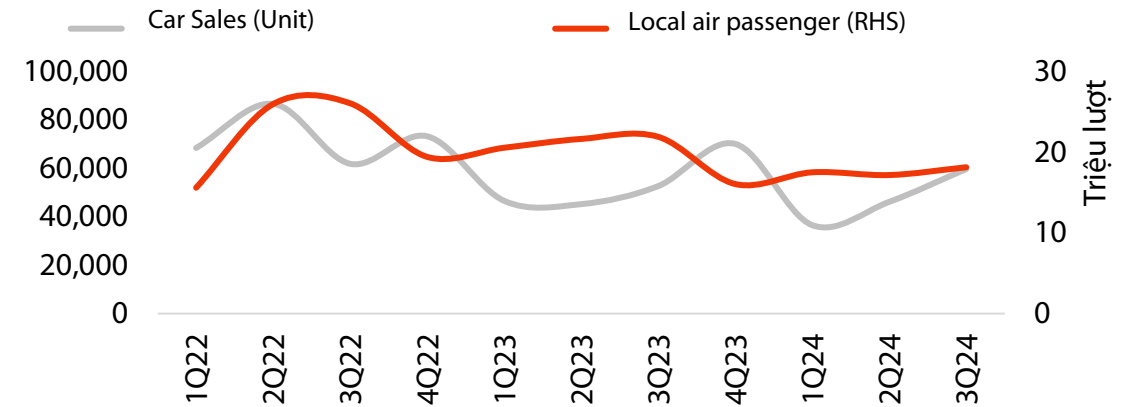
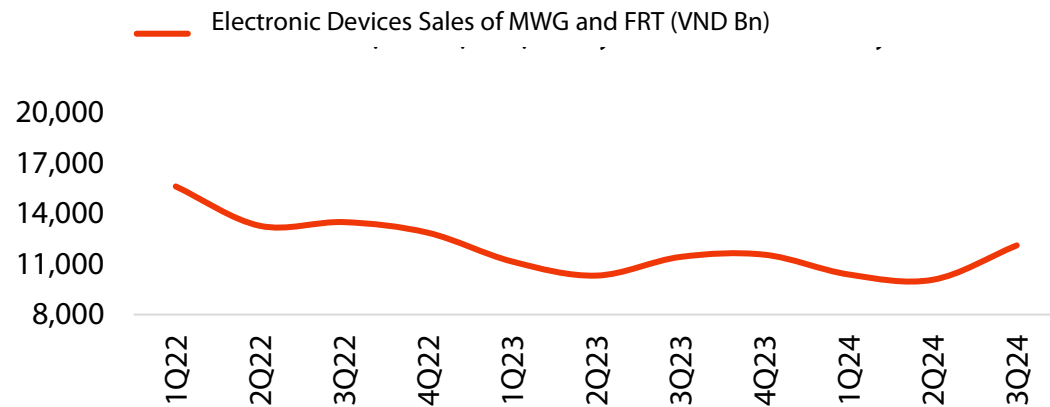


Source: Financial statements of companies listed on HOSE, HNX and UPCoM, RongViet Securities

Consumer credit has improved in growth compared to 2023, but the driving force still comes from business loans, while consumer loans and real estate purchases (with higher NIM) have not recovered too significantly

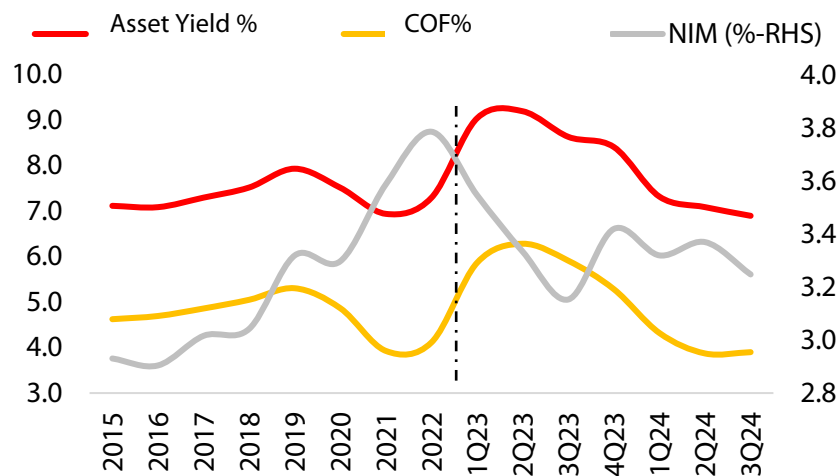


Discretionary spending has bottomed out and is improving at a slow pace, partly thanks to fiscal policies (VAT reduction, car registration fee reduction,...), reflecting that the growth of people's disposable income has not really prospered

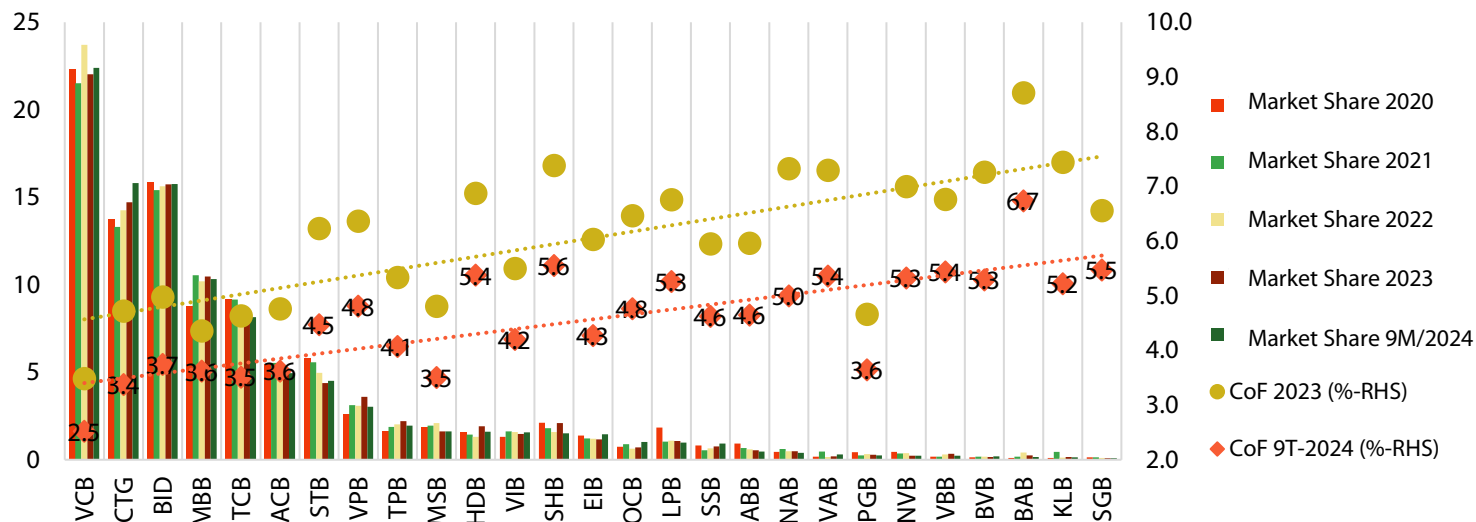


Source: Financial statements of banks, Ministry of Construction, VAMA, ACV, MWG, FRT, RongViet Securities* Financial statements of 19 banks announcing loans to individual customers ** Including BID, CTG, VCB, TCB, HDB, VIB

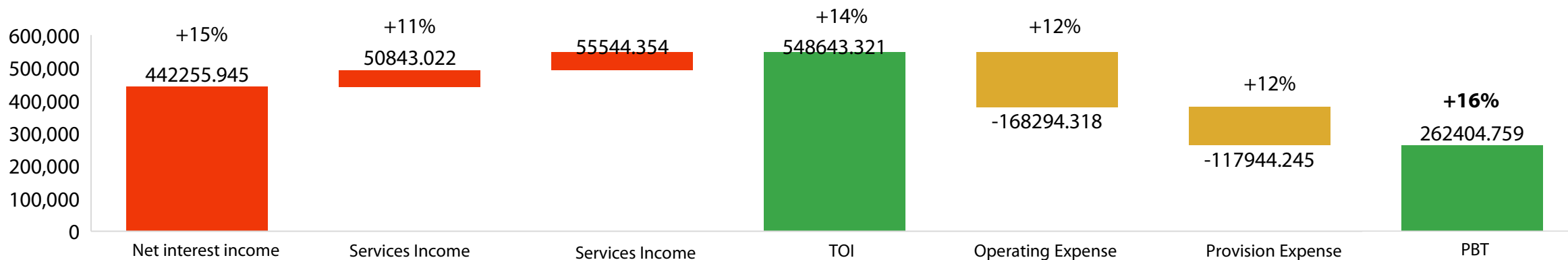
Capital costs are likely to increase faster than asset returns in 2025



State-owned banks increase CASA market share in 9M-2024, leading in cheap capital costs



Income and expense components in 2025 of banks in our coverage list* (%)



Source: Banks' financial reports, RongViet Securities * VCB, BID, CTG, MBB, TCB, ACB, VPB, HDB, VIB, OCB

RongViet's conviction list in 2025

Ticker	Market cap (VND bn)	3-mon avg turnover (VND mn)	Current P/E (x)	P/E fwd 2025 (x)	Curren P/B (x)	ROE trailing 12 M (%)	Target Price	Price as of 20/12	Upside (%)	2024E			2025F			Revenue growth		NPAT-MI growth	
										Revenue	NPAT-MI	EPS	Revenue	NPAT-MI	EPS	2024E	2025F	2024E	2025F
LHG	1,820	4,779	9.1	7.6	1.1	12.5	54,000	36,400	53.6	412	169	3,385	582	240	4,795	4.5	41.2	1.9	41.7
KBC	21,186	137,263	50.3	7.5	1.1	2.3	40,600	27,600	47.1	3,922	683	890	7,103	2,842	3,700	-30.2	81.1	-66.4	315.9
GDA	3,111	4,881	9.1	7.6	0.8	9	38,700	27,127	46.3	19,051	391	3,308	19,735	420	3,580	9.3	3.6	37.7	7.4
ACB	110,773	190,275	6.8	5.7	1.4	21.7	32,500	24,800	35.1	33,955	16,739	3,713	38,599	19,588	4,344	3.7	13.7	4.3	17
HPG	170,780	536,136	14	8.9	1.5	11.4	35,800	26,700	34.1	142,055	12,349	1,815	189,733	20,439	3,004	19.4	33.6	80.7	65.5
DPR	3,302	14,956	13	11.5	1.3	10.5	47,100	38,000	31.8	1,071	272	3,126	1,207	286	3,292	2.9	12.7	31.3	5.3
NTC	5,017	2,410	19.1	18.4	4.3	24.8	262,000	209,022	27.3	257	251	10,441	643	272	11,348	9.3	150.1	-16.4	8.7
REE	31,888	40,401	17.5	13.3	1.8	10.3	84,300	67,700	26	8,130	1,812	3,809	9,269	2,428	5,104	-5.1	14	-17.2	34
PVT	9,897	48,743	8.9	7.6	1.3	15.3	34,600	27,800	25.5	12,001	1,223	3,297	13,511	1,350	3,641	25.6	12.6	25.8	10.4
HSG	11,643	147,118	22.7	14.8	1.1	4.6	23,000	18,750	25.3	39,270	510	828	43,331	838	1,265	24.1	10.3	1,599.10	64.4
VIB	56,454	206,152	7.8	6.5	1.4	18.6	22,300	18,950	23	20,556	7,146	2,376	24,534	8,705	2,895	-7.2	19.4	-16.5	21.8
HAH	5,982	116,795	13.8	9.7	2	15.5	58,000	49,300	17.6	3,759	544	3,635	4,176	749	5,067	43.9	11.1	41.3	37.7
VCB	516,991	128,977	14.9	13.4	2.7	19.4	108,100	92,500	16.9	70,295	35,550	5,867	79,121	41,921	6,919	3.8	12.6	7.6	17.9
GEG	4,121	3,974	36.2	12.1	1.1	3.1	13,400	11,500	16.5	2,351	179	441	2,402	288	947	8.7	2.2	30.4	60.8
PC1	8,154	39,707	17.4	15.9	1.5	8.9	26,500	22,800	16.2	9,596	486	1,345	9,144	518	1,435	23	-4.7	255.7	6.6
SIP	17,769	41,939	14.9	14.4	4.2	30.5	97,000	84,400	16.1	7,587	1,103	5,458	8,334	1,181	5,847	13.6	9.8	19	7.1
CTG	194,125	221,208	9	8.2	1.4	16.3	41,950	36,150	16	80,010	22,212	3,715	90,519	26,337	4,405	13.2	13.1	11.1	18.6
GMD	26,909	66,170	15.1	23	3	14.8	73,100	65,000	15.5	4,694	1,688	3,752	4,621	1,270	2,823	22.1	-1.6	-24	-24.8
KDH	36,249	90,089	68.9	43.8	2.2	3.3	41,303	35,850	15.2	4,523	1,058	979	4,440	885	819	116	-1.8	47.5	-16.4
VHC	16,452	49,080	19.2	10.3	1.9	10.2	78,000	73,300	6.4	12,506	1,198	5,336	14,047	1,601	7,131	24.6	12.3	33.6	33.6
HDG	10,157	98,043	14.3	10.3	1.6	11.7	30,900	30,200	4	2,485	762	2,186	2,986	1,025	2,939	-13.8	20.2	7.1	34.5

Source: RongViet Securities

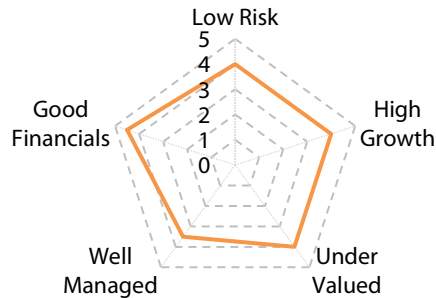
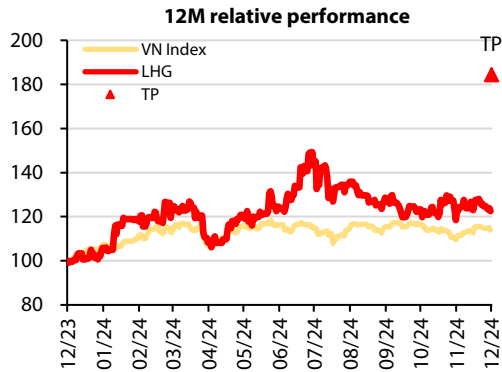
MP: 36,400

TP: 54,000

STOCK INFOR

FINANCIALS

2023 2024F 2025F



Sector	Real Estate
Market Cap (USD Mn)	72
Current Shares O/S (Mn shares)	50
3M Avg. Volume (K)	128
3M Avg. Trading Value (VND bn)	5
Remaining foreign room (%)	31
52-week range ('000 VND)	29,3 - 44

Revenue (VND bn)	395	412	582
NPATMI (VND bn)	166	169	240
ROA (%)	5,5	5,4	7,2
ROE (%)	10,6	10,1	12,8
EPS (VND)	3.323	3.385	4.795
Book Value (VND)	31.885	35.227	39.948
Cash dividend (VND)	1.900	1.900	1.900
P/E (x)	9,1	10,8	7,6
P/B (x)	1,0	1,0	0,9

INVESTMENT THESIS

Revenue recovery expectations from land leasing at Long Hau 03 IP (LH03)

- Land lease activities with Long Hau 03 Industrial Park (LH03), in the period of 2023-2024, are quiet due to 1/ Difficulties in land clearance (the area mostly belongs to households who do not agree with the compensation plan) and 2/ Calculate land use levy and leave enough area adjacent to the plot to hand over to customers (currently the Company has completed 7 land allocation batches with a total area of 109ha). We expect that in 2025, when the bottleneck on land clearance is removed, enterprises will: 1/ Complete the land clearance with the remaining area (recover ~4ha of land area), and 2/ Complete the calculation of land use levy and land allocation in the 8th phase. Accordingly, the Company has an adjacent area in LH03 Industrial Park to be handed over to customers.
- In a cautious scenario, we expect the 4-hectare area (with tenants in 2024) to be able to record revenue in 2025, corresponding to revenue from industrial park land leasing of VND 262 billion (+173% YoY, with an average rental price of USD250/m2/lease cycle).

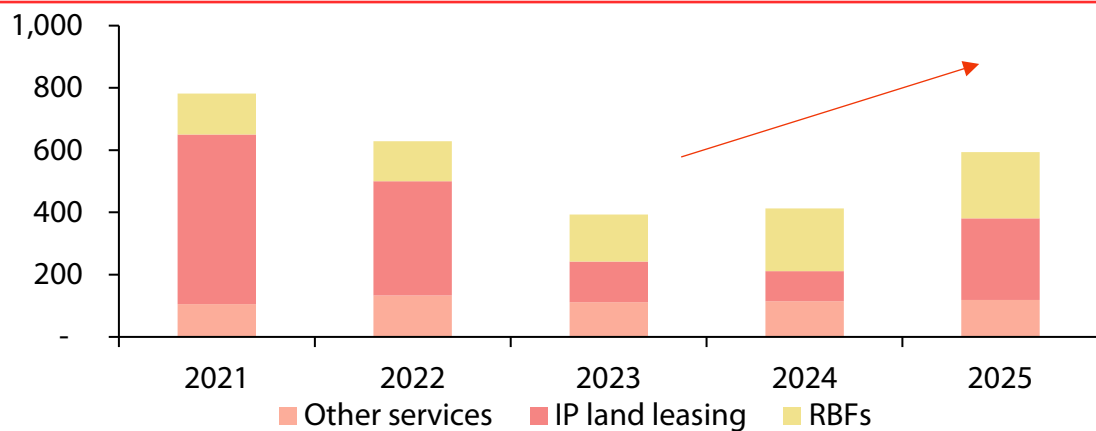
Stable cash flow from leasing ready-built factories (RBF)

- With the advantages of: 1/ Experience in exploiting RBFs, with a total exploitation area of over 12ha, 2/ The average scale of RBFs is 3,000m2, suitable for target customers (enterprises in the field of food processing), LHG maintains a full rate of over 90% at RBFs, equivalent to the average cash flow brought in at 200 billion VND/year (equivalent to the rental rate at ~20%).
- In 2025, we expect the company to continue: 1/ Invest in a high-rise RBF in LH1 Industrial Park (commercial area of 26,000m2), 2/ Expand 10,000m2 of RBFs in LH3 Industrial Park; thereby, the total area of the enterprise's production facilities can reach 16ha (+33%YoY), bringing the potential for cash flow growth in the period of 2026 and later.

RISKS TO OUR CALL

Upside Risk : Early approval of investment policy for An Dinh IP (200 hectares, not included in valuation model).

LHG's revenue in the period of 2021-2025 (billion VND) – Business performance is expected to recover, from boosting LH3



Summary of land allocation area of LH3 from the period of 2019-2025

No	Time	Area (ha)
1-5	2017-2020	95.7
6	2021	7.5
7	2024	5.7
8	2025F	5.9
Sum		114.8

Source: LHG, RongViet Securities

The current status of Long Hau 03 industrial park (phase 01, 124ha), with the area that has been interested by customers

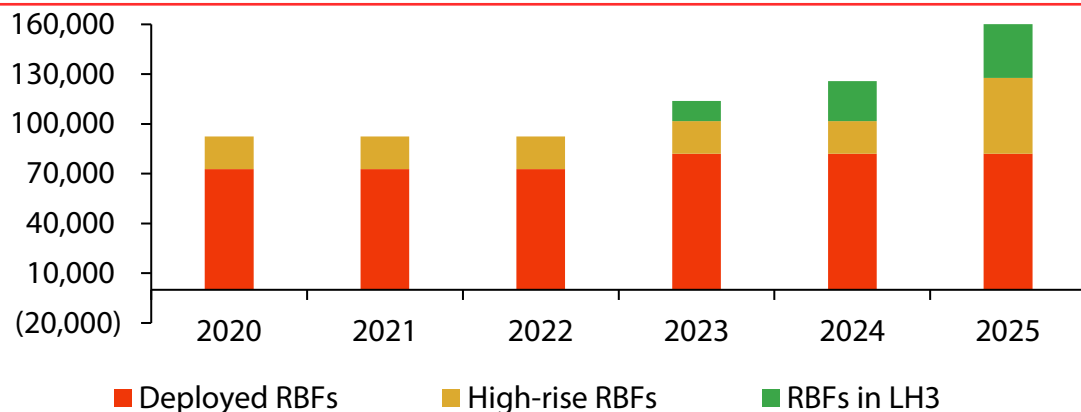


Source: LHG, RongViet Securities

RBFS in LH03 Industrial Park, with an average area of 3,000m2 and a rental price of USD 5/m2/month



Area of RBFs for lease in the period of 2020-2025 (m2)



Source: LHG, RongViet Securities

LHG's valuation

Asset	% Owned	Method	Valuation (billion VND)
LH03	100%	DCF	876
RBFS	100%	DCF	875
IP services	100%	P/E (7.0x)	254
Sum			2,005
(+) Cash & Cash Equivalents			70
(+) Short-term investment			885
(+) Other investments			202
(-) Debt			(194)
(-) Other liabilities			(280)
NAV			2,689
Number of outstanding (million shares)			50.0
TP (VND)			54,000

Source: LHG, RongViet Securities

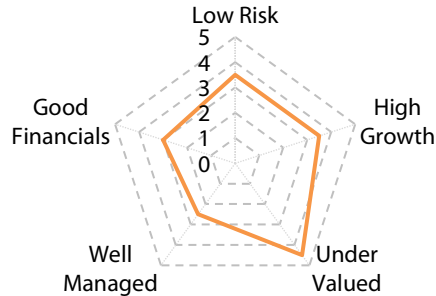
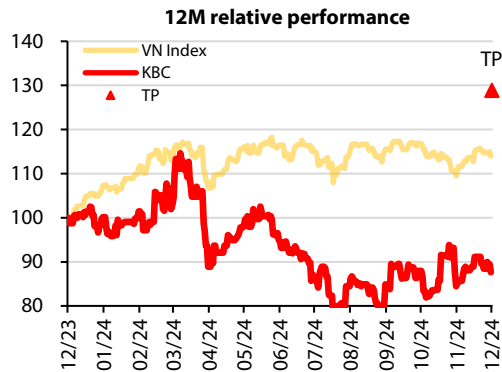
MP: 27,600

TP: 40,600

STOCK INFOR

FINANCIALS

2023 2024F 2025F



Sector	Real Estate
Market Cap (USD Mn)	832
Current Shares O/S (Mn shares)	768
3M Avg. Volume (K)	4,763
3M Avg. Trading Value (VND bn)	133
Remaining foreign room (%)	30
52-week range ('000 VND)	24,2 - 36,3

Revenue (VND bn)	5,618	3,922	7,103
NPATMI (VND bn)	2,031	683	2,842
ROA (%)	5.9	1.7	6.0
ROE (%)	11.9	3.7	14.0
EPS (VND)	2,646	890	3,700
Book Value (VND)	23,679	24,569	28,272
Cash dividend (VND)	-	-	-
P/E (x)	12.0	31.0	7.5
P/B (x)	1.3	1.1	1.0

INVESTMENT THESIS

Addressing bottlenecks is a prerequisite for recovery expectations in 2025

- KBC is one of the largest listed industrial park (IP) companies, with projects located in Tier-1 markets in both the northern and southern regions, covering a total area of approximately 2,500 hectares, including: 1/Northern Region: Nam Son Hap Linh (NSHL, 300ha) and Trang Due 03 (TD03, 621ha, awaiting investment policy approval); 2/ Southern Region: Tan Phu Trung (TPT, 543ha), Tan Tap (654ha), and Loc Giang (466ha).
- In 2024, KBC experienced weak business performance due to: NSHL IP not completing land compensation with households, thus not having contiguous land for investors; Trang Due 03 IP not yet receiving investment policy approval. By 2025, we expect these difficulties to be resolved, enabling KBC to accelerate the development and leasing of IPs. The total leasable area could reach 234 hectares (compared to approximately 50 hectares in 2024).

Positive Cash Flow Expectations from Private Placements and Project Transfers

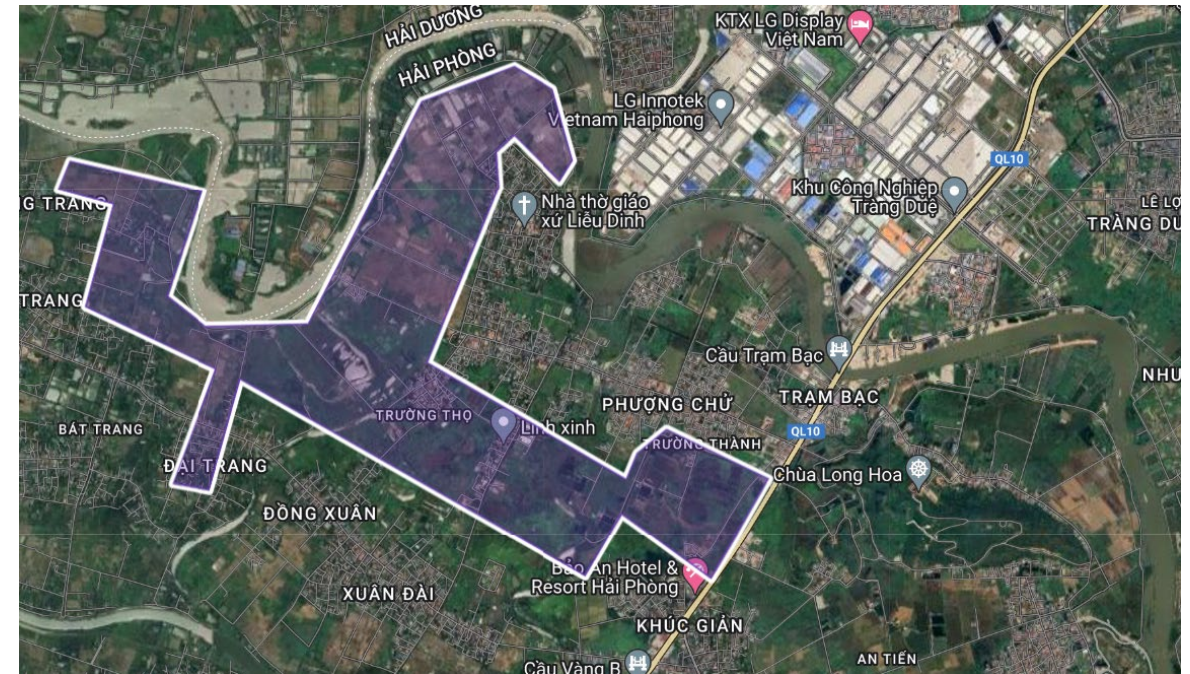
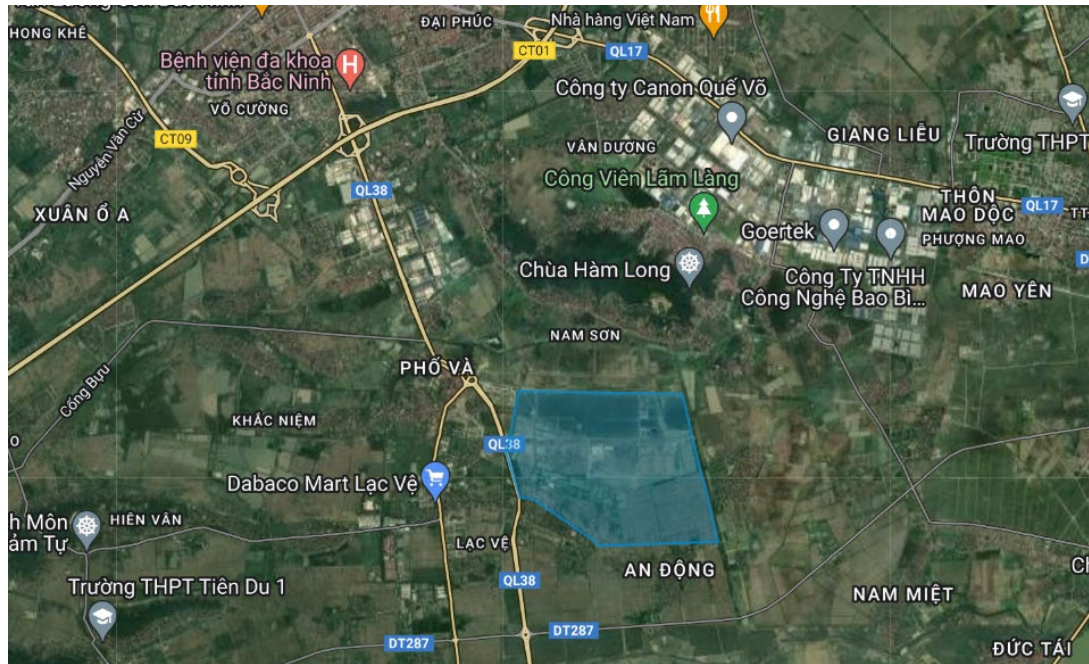
- The total capital demand for the 2025-2026 period is estimated at around VND 17 trillion to focus on projects such as TD03, Tan Tap, and Loc Giang. If the planned private placement (250 million shares, representing 32.6% of the outstanding shares) succeeds, it is expected to raise approximately VND 6 trillion, enhancing the company's project execution capacity.
- Additionally, the Trang Cat Urban Area is anticipated to complete its 1/500 planning and land-use fee payment by 2025. This could facilitate partial project transfer and significant revenue recognition (over VND 10 trillion) in 2026..

RISKS TO OUR CALL

- Slower-than-expected legal progress, leading to lower-than-expected revenue recognition from IP land leasing.

- The total newly signed leasable IP area in 2025 is expected to reach 234 hectares (+368% YoY), mainly from: 30 hectares (+17% YoY) at NSHL IP, as land clearance progresses faster in 2025; 170 hectares from Trang Due 03 IP (including 100 hectares with an MOU signed in 2024), expected to receive investment policy approval in the first half of 2025.

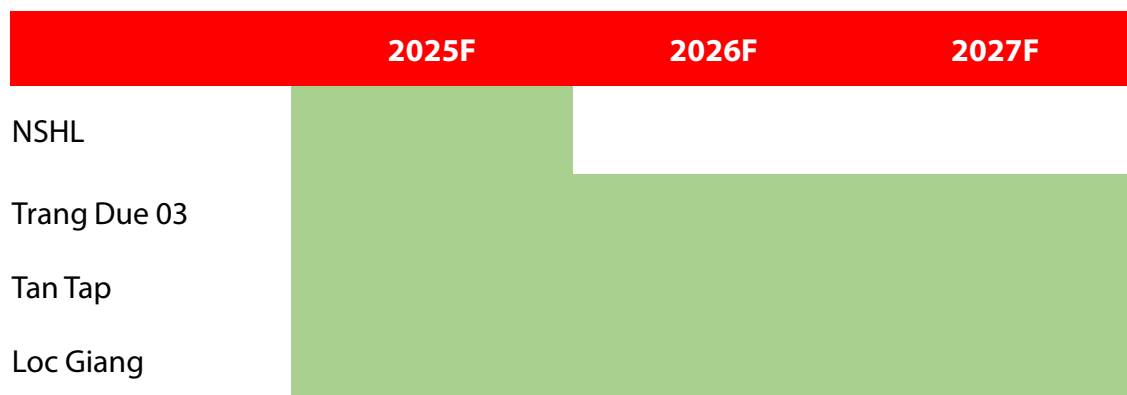
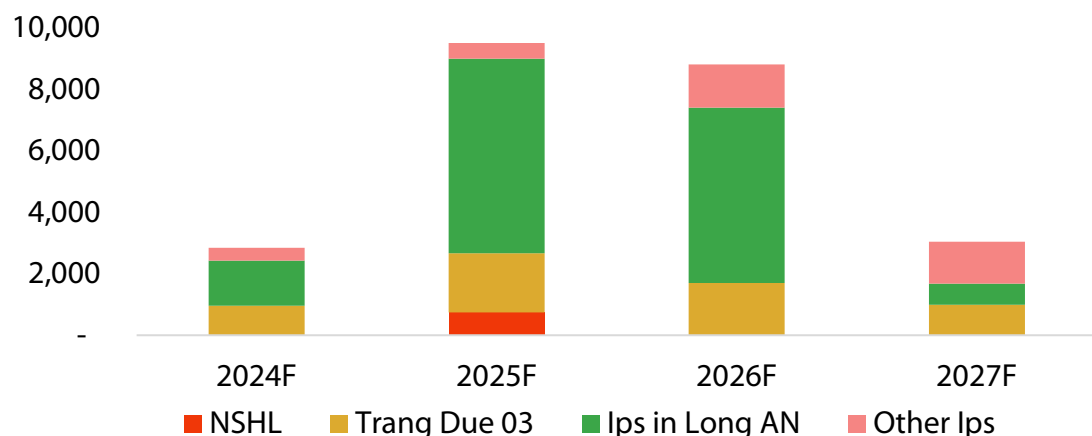
Current status of KBC's industrial parks to focus on in 2025 - Nam Son Hap Linh and Trang Due 03



Source : Google map, RongViet Securities

- KBC could successfully issue shares privately to strategic investors (raising an estimated VND 6 trillion) to support long-term investment needs. Moreover, the Trang Cat Urban Area is expected to complete its planning and land-use fee payment in 2025, paving the way for partial project transfers and significant cash flow (over VND 10 trillion) in 2026..

Projected investment expenditure for Ips in the period 2024-2027 (BnVND, above) and expected progress of site clearance for industrial parks (below)



Source : KBC, RongViet Securities

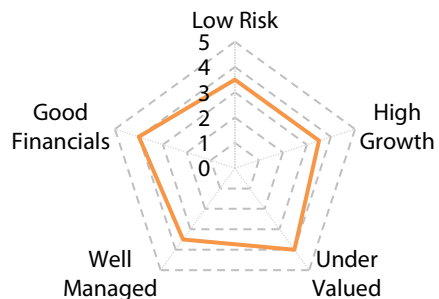
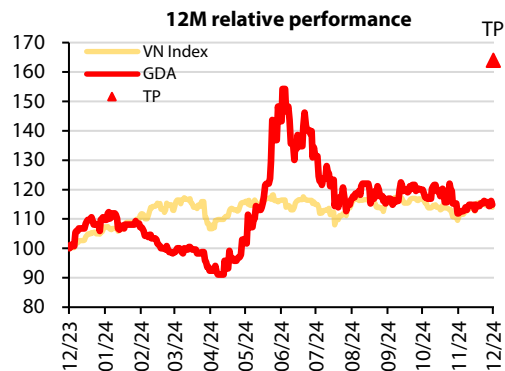
KBC's valuation

Asset	% Ownership	Method	Valuation (bn VND)
NSHL	100%	DCF	2,632
Tan Phu Trung	73%	DCF	1,685
Trang Due 3	89%	DCF	4,918
Ips in Long An (Tan Tap, Loc Giang)	57% - 73%	DCF	2,485
Other Ips		DCF	3,215
Trang Cat UA	100%	P/B (1.3x)	10,895
Other assets			6,700
Sum			32,497
(+) Cash and equivalent			7,655
(+) Other asset			4,763
(-) Dbet			(5,931)
(-) Other liabilities			(7,828)
NAV			31,157
Number of outstanding (million shares)			768
TP (VND)			40,600

Source : RongViet Securities

MP: 27,100

TP: 38,700



STOCK INFO

Sector	Basic Resources
Market Cap (USD Mn)	122
Current Shares O/S (Mn shares)	115
3M Avg. Volume (K)	247
3M Avg. Trading Value (VND bn)	5
Remaining foreign room (%)	30
52-week range ('000 VND)	21,4 - 36,4

FINANCIALS

	2023	2024F	2025F
Revenue (VND bn)	17,435	19,051	19,735
NPATMI (VND bn)	284	391	420
ROA (%)	5.1	6.2	6.1
ROE (%)	8.0	10.4	10.5
EPS (VND)	2,472	3,308	3,580
Book Value (VND)	31,556	33,846	36,426
Cash dividend (VND)	1,000	1,000	1,000
P/E (x)	10.2	8.2	7.6
P/B (x)	0.8	0.8	0.7

INVESTMENT THESIS

Sustained position in the domestic market

- Thanks to a cautious investment strategy focusing on product quality, GDA has gradually increased its market share and remains one of the top three largest coated steel companies (alongside HSG and NKG). From 2016 to 2024, GDA consistently held the second position in the domestic market, with an average market share of 15%.
- In 2025, although export volumes may be affected by trade defense measures in key markets (e.g., US), we expect GDA to shift part of its orders to the domestic market, increasing the domestic share to 47% (from 42% in 2024). This will result in GDA's 2025 output and revenue reaching 850,000 tons (flat YoY, with 100% operational efficiency) and VND 19.7 trillion (+4% YoY), respectively. With a projected GPM of 8.2% (assuming HRC prices recover to USD 530/ton, +3.5% YoY), GDA's 2025 net profit could reach VND 420 billion (+8.2% YoY).
- Currently, GDA is trading at 2025 P/E and P/B multiples of 8.2x and 0.8x, respectively, offering an attractive valuation given its position as the second-largest coated steel company in the domestic market

Long-term growth potential from a new plant

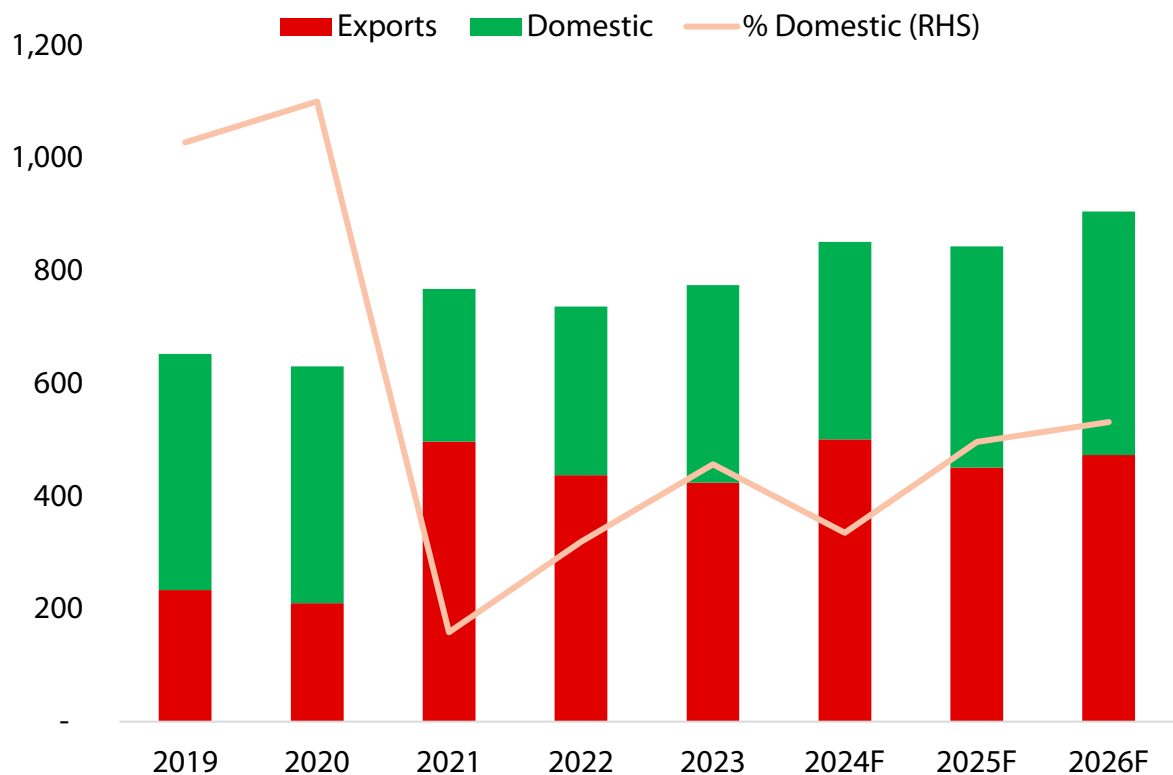
- From H2 2026, the company plans to launch Phase 1 of its new flat steel plant (total capacity: 1.1 million tons/year, Phase 1: 300,000 tons/year). In the long term, beyond construction coated steel, the company is equipped to enter the industrial steel market—a segment with double-digit growth potential and no significant domestic players

RISKS TO OUR CALL

- Greater-than-expected volatility in raw material prices (HRC), negatively impacting short-term financial results.

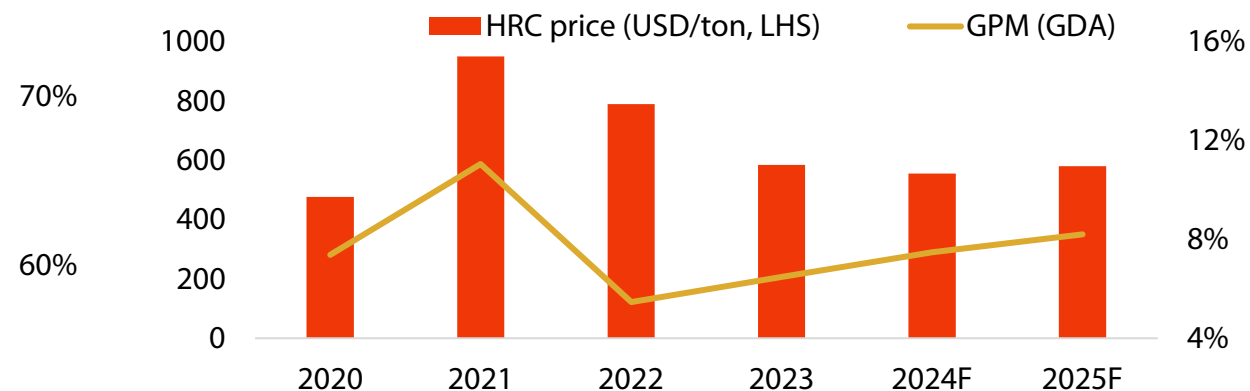
- GDA's profits for 2024/2025 are projected at VND 391 billion / VND 423 billion (+38% / +8% YoY). While short-term growth potential is limited due to full production capacity, the Phu My plant (Phase 1, operational from H2 2026) will be a long-term growth driver.
- Currently, GDA trades at 2025 P/E and P/B multiples of 8.2x and 0.8x, highlighting its attractive valuation compared to its position as the second-largest coated steel company in the domestic market.

GDA sales volume by market (thousand tons)

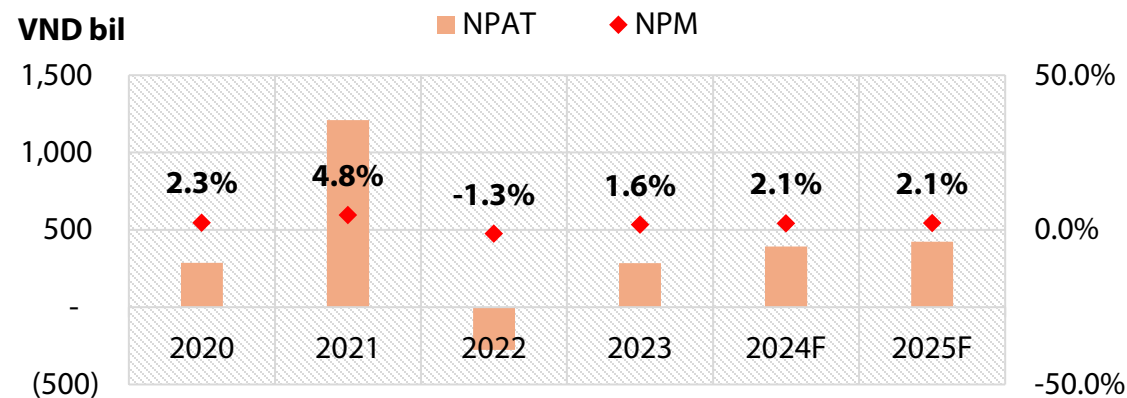


Source: GDA, VSA, RongViet Securities

GDA's GPM and HRC price, period 2020-2025



GDA's NPAT for the period 2020-2025



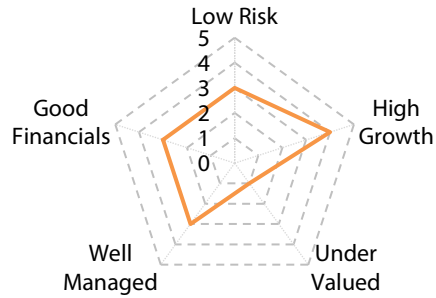
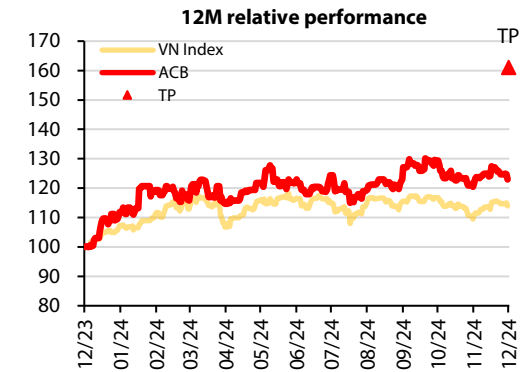
MP: 24,800

TP: 32,500

STOCK INFO

FINANCIALS

2023A 2024F 2025F



Sector
Market Cap (USD Mn)
Current Shares O/S (Mn shares)
3M Avg. Volume (K)
3M Avg. Trading Value (VND bn)
Remaining foreign room (%)
52-week range ('000 VND)

	2023A	2024F	2025F
Revenue (VND bn)	32,747	33,955	38,599
NPATMI (VND bn)	16,045	16,739	19,588
ROA (%)	2.4	2.2	2.2
ROE (%)	24.8	21.7	21.5
EPS (VND)	4,131	3,713	4,344
Book Value (VND)	18,269	18,729	22,073
Cash dividend (VND)	1,000	1,000	1,000
P/E (x)	5.0	6.7	5.7
P/B (x)	1.1	1.3	1.1

INVESTMENT HIGHLIGHTS

ACB's capital efficiency is among the top in the banking system, driven by attractive profitability, strong risk management, and a stable cash dividend payout policy.

- We project a CAGR of 22% in PBT for the 2025F–28F period, largely due to **(1)** sustaining an 18% CAGR by focusing on the personal customer segment and diversifying into corporate lending (industrial zones and supporting export sectors like textiles and footwear) and **(2)** Projected at a CAGR of 10%, reflecting expectations of declining NPL after peaking in 2024.
- ACB's prudent business strategy has led to earlier improvements in newly formed NPL ratios compared to the industry, peaking in Q1 2024 and currently trending downward. We forecast newly formed NPL ratios to stabilize at 0.1%–0.2% from 2025, down from 0.6% in 2024F, resulting in NPL ratios declining to below 1% during the 2025F–28F forecast period.
- ACB is likely to maintain a cash dividend payout ratio of 10% during the forecast period, with ROE projected to remain above 23%, placing it among the top banks in terms of capital efficiency.

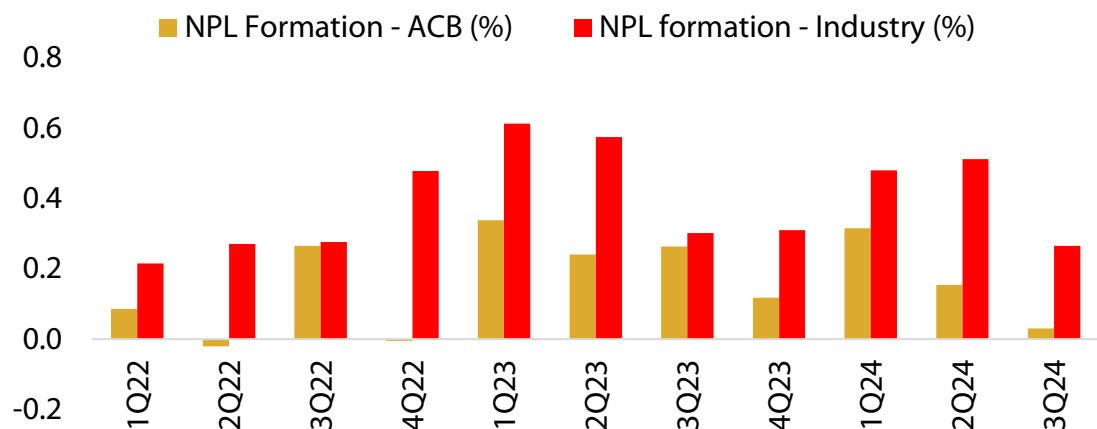
We estimate PBT growth of 5% in 2024F and 18% in 2025F.

- **2024F PBT** is expected to reach VND 21.1 trillion (+5% YoY), primarily due to an 85% reduction in gains from investment securities trading compared to the high base of 2023 and a 10 bps NIM contraction to 3.75%, driven by increased fundraising through the issuance of valuable papers, intense competition, and loan portfolio diversification into corporate customers.
- **2025F PBT** is projected at VND 24.8 trillion (+18% YoY), driven mainly by (1) a credit growth of 16%, (2) a slight NIM improvement of 5 bps to 3.8%, partly due to stable funding costs following enhanced bonds issuance in 2024, (3) a flat provisioning expenses.

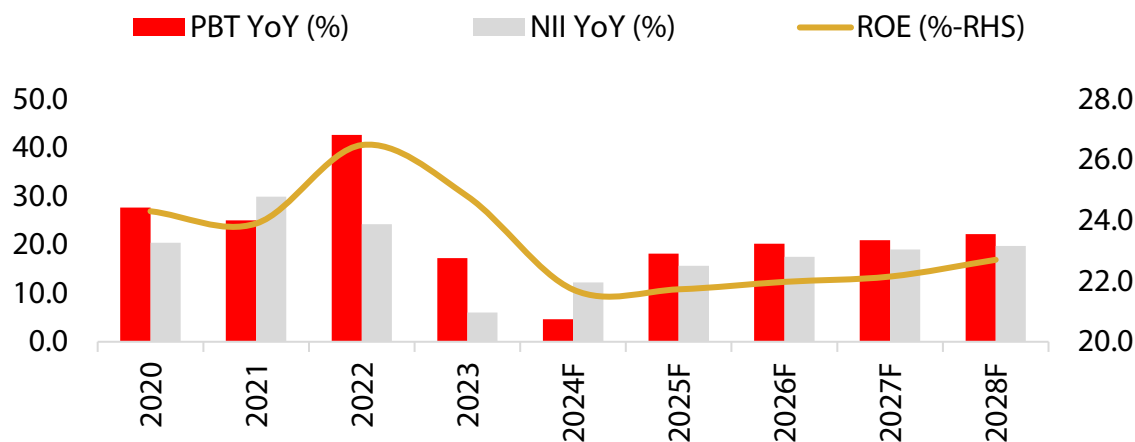
RISKS TO OUR CALL

- Asset yields remain under steepening pressure from competition, resulting in lower-than-expected NIMs.

ACB has shown improvement in the net NPL formation ratio earlier than the industry average

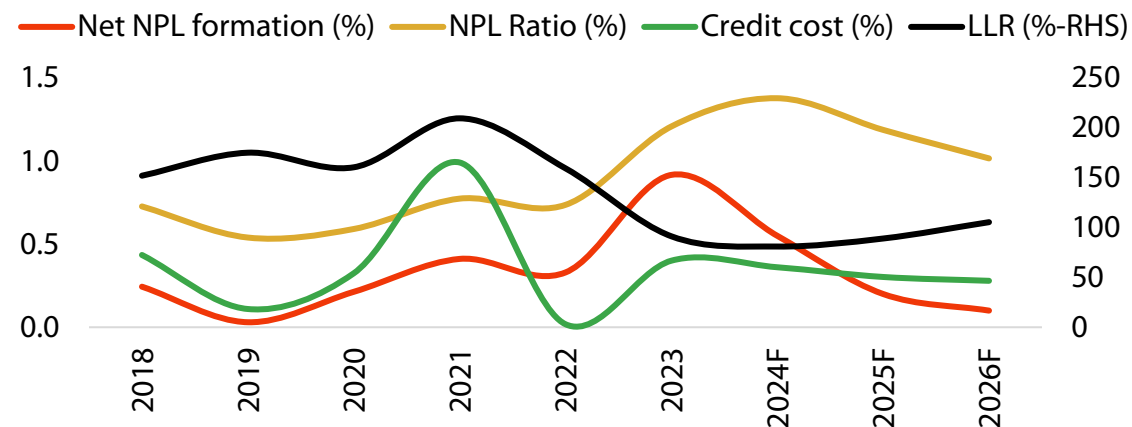


Net interest income contributes significantly to pre-tax profit (PBT) growth; ROE is forecasted to recover to above 23%

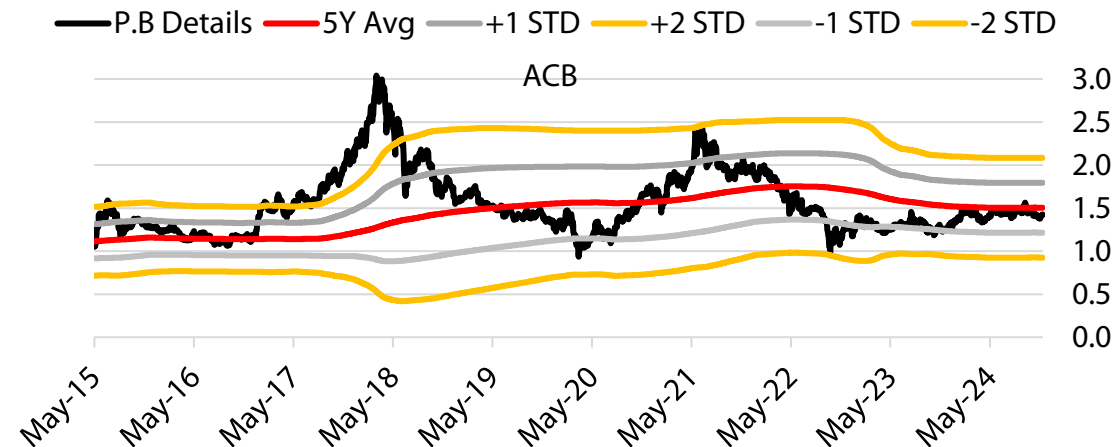


Source: ACB, banks' financial reports, RongViet Securities

Credit provisions for 2025F-26F may exceed the new NPL formation rate to strengthen the provision buffer to over 100%



We expect ACB's P/B valuation to rise to 1.6x, higher than the 5-year average of 1.5x.



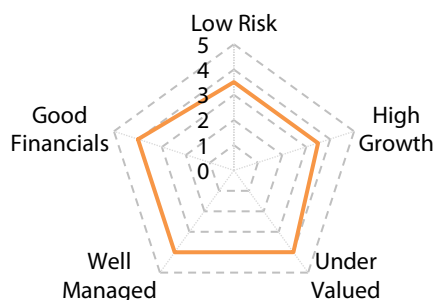
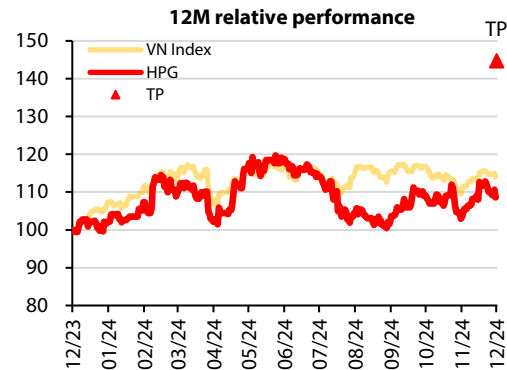
MP: 26,700

TP: 35,800

STOCK INFO

FINANCIALS

2023 2024F 2025F



STOCK INFO	FINANCIALS	2023	2024F	2025F	
Sector	Basic Resources	Revenue (VND bn)	118,953	142,055	189,733
Market Cap (USD Mn)	6,709	NPATMI (VND bn)	6,835	12,349	20,439
Current Shares O/S (Mn shares)	6,396	ROA (%)	3.8	6.1	9.1
3M Avg. Volume (K)	19,482	ROE (%)	6.8	11.1	16.0
3M Avg. Trading Value (VND bn)	523	EPS (VND)	1,175	1,815	3,004
Remaining foreign room (%)	27	Book Value (VND)	17,674	17,426	19,975
52-week range ('000 VND)	24,59 - 29,95	Cash dividend (VND)	-	-	-
		P/E (x)	21.6	14.7	8.9
		P/B (x)	1.4	1.5	1.3

INVESTMENT THESIS

Launching DQ02, combined with trade defense measures, will enable HPG to meet domestic demand for HRC

- Launching DQ02, combined with trade defense measures, will enable HPG to meet domestic demand for HRC. The demand for HRC in Vietnam (a raw material for coated steel, steel pipes, and industrial steel production) is approximately 12.5 million tons in 2024, with expected future growth (driven by construction demand and recovery). Currently, 70% of the supply is imported steel (mainly from China, which has a price advantage of ~5-10% compared to Vietnamese manufacturers). The expected imposition of anti-dumping duties (provisional) on imported HRC from China in Q1/2025 (with rates over 5%) will allow domestic manufacturers to compete effectively with imports.
- Dung Quat 02 (Phase 1, with a capacity of 2.8 million tons of HRC/year) is expected to commence commercial operations in Q1/2025. With cost advantages (HPG maintains a GPM above 10% while being price competitive with Chinese HRC) and trade defense measures, the company is poised to capture market share from imported steel. We expect Phase 1 to operate at 70% capacity, corresponding to HPG's 2025 HRC production reaching 4.9 million tons (+69% YoY), including domestic production of 3.4 million tons (meeting ~26% of total demand).

The recovery in production volume and profit margins will result in positive business performance for HPG in 2025.

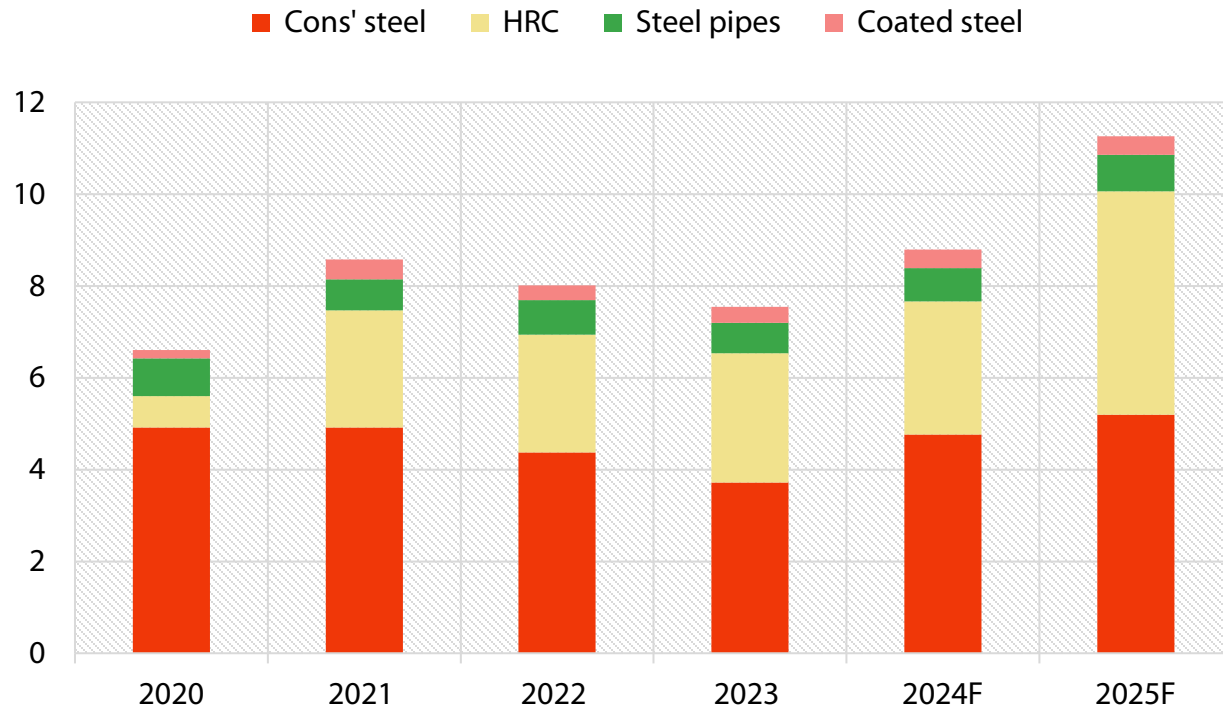
- In 2025, we anticipate HPG's revenue reaching VND 190 trillion (+34% YoY), driven by: 1/ Domestic demand supporting construction steel production; 2/ Increased HRC production due to DQ02 (Phase 1). The company's gross profit margin in 2025 could reach 16%, supported by: 1/ Optimal production costs at DQ02 (15% reduction in coking coal consumption compared to DQ10); 2/ Clear recovery in finished product prices (especially HRC) starting in 2025, as pressure from the Chinese market is expected to ease. Net profit in 2025 is forecast to reach VND 20 trillion (+66% YoY).

RISKS TO OUR CALL

- Significant volatility in finished product prices (rebar, HRC).
- Delays in implementing trade defense measures.

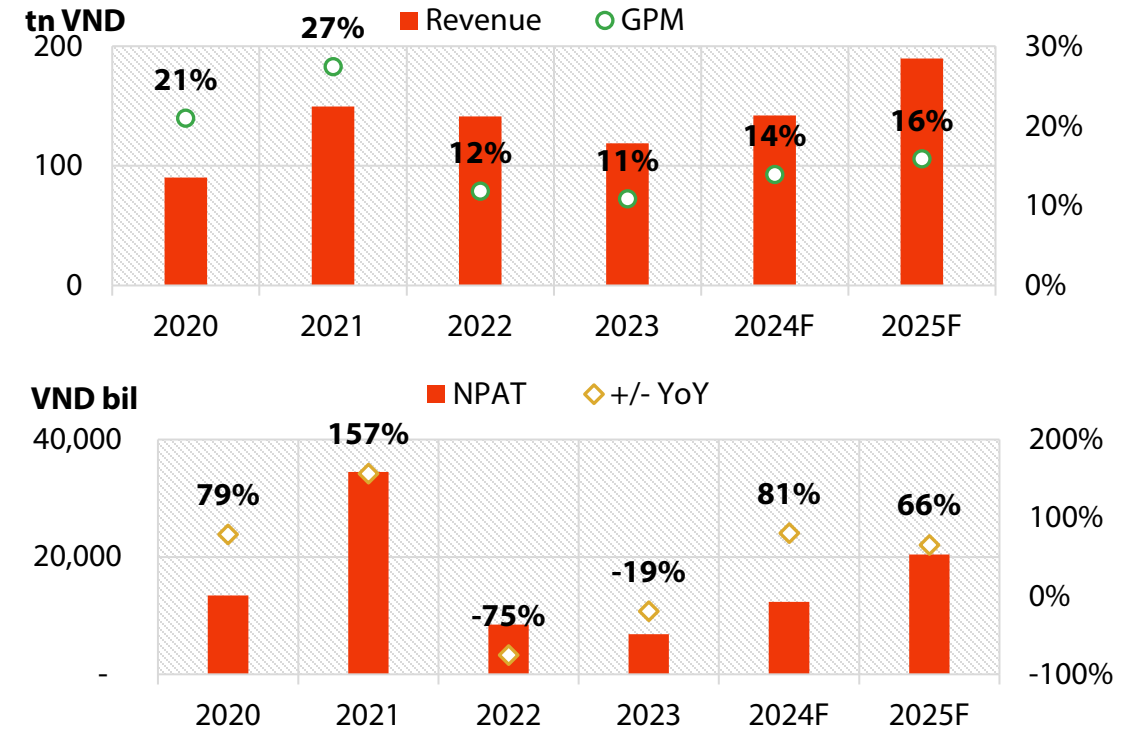
- HPG's revenue for 2024/2025 is projected at VND 142 trillion / VND 190 trillion (+20% YoY, +34% YoY), driven by: i/ Domestic demand supporting construction steel production; ii/ DQ02 (Phase 1) operations boosting HRC production capacity to 5.8 million tons/year, becoming a core product for HPG beyond 2025; iii/ Strong demand for HRC products, particularly in the domestic market (currently, Vietnamese manufacturers meet only 30% of demand, and the government is inclined to support domestic production).
- With the expectation of: i/ Optimal production costs at DQ02 (15% reduction in coking coal consumption compared to DQ10); ii/ Clear recovery in finished product prices (especially HRC) starting in 2025, aligned with the anticipated price cycle for steel products, HPG's gross profit margin in 2025 could recover to 16% (compared to 14% in 2024).

HPG's sales volume in the period 2020-2025 (mn tons)



Source: HPG, RongViet Securities

HPG's revenue and profit in the period 2020-2025



Source: HPG, RongViet Securities

BUY: 23.9%

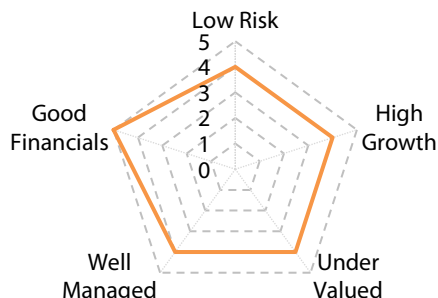
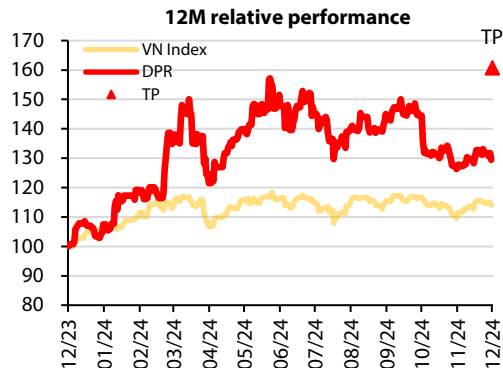
MP: 38,000

TP: 47,100

STOCK INFOR

FINANCIALS

2023A 2024F 2025F



Sector
Market Cap (USD Mn)
Current Shares O/S (Mn shares)
3M Avg. Volume (K)
3M Avg. Trading Value (VND bn)
Remaining foreign room (%)
52-week range ('000 VND)

Chemicals
130
87
353
14
45
29,5 - 47,4

Revenue (VND bn)	1,041	1,071	1,207
NPATMI (VND bn)	207	272	286
ROA (%)	5.1	6.1	5.9
ROE (%)	8.9	11.1	10.7
EPS (VND)	2,382	3,126	3,292
Book Value (VND)	27,048	29,501	31,806
Cash dividend (VND)	1,500	1,500	1,500
P/E (x)	13.3	12.2	11.5
P/B (x)	1.2	1.3	1.2

INVESTMENT THESIS

Rubber segment – selling price is expected to be anchored in the range of 47-50 million VND/ton until at least Q2/2025

- We maintain the view that rubber prices will continue to be anchored until at least 1H25 based on the following factors: 1/ Rubber supply in Southeast Asian countries is forecast to remain in shortage, 2/ Hainan (China's main rubber producing region) suffers losses with an area of about 2.1% of China's rubber area, 3/ New planting areas are expected to start in the harvest period in 2027 - 2028.
- We estimate that DPR's production in 2025 will reach 13,800 tons (+12% YoY) with 11,400 tons of self-exploitation and procurement of 2,400 tons, revenue from the rubber segment in 2025 is estimated at VND 988 billion (+14% YoY) with the assumption of an average selling price of VND 47 million/ton.

Other business segments – expectations slowing down

- Regarding the tree liquidation segment, there will not be much of a spike when DPR maintains a liquidation area of ~ 350-400 hectares/year, with the liquidation price ranging from 250 to 300 million VND/ha.
- With the industrial park development segment, we have extended the progress for 2 industrial parks North Dong Phu Expansion and South Dong Phu Expansion due to the expectation that the investment policy will be approved in 2025 and 2026. Meanwhile, the Tien Hung 1 project (64ha) can be re-auctioned and bring the company 56 billion VND in compensation (estimated unit price of 0.98 billion/ha).

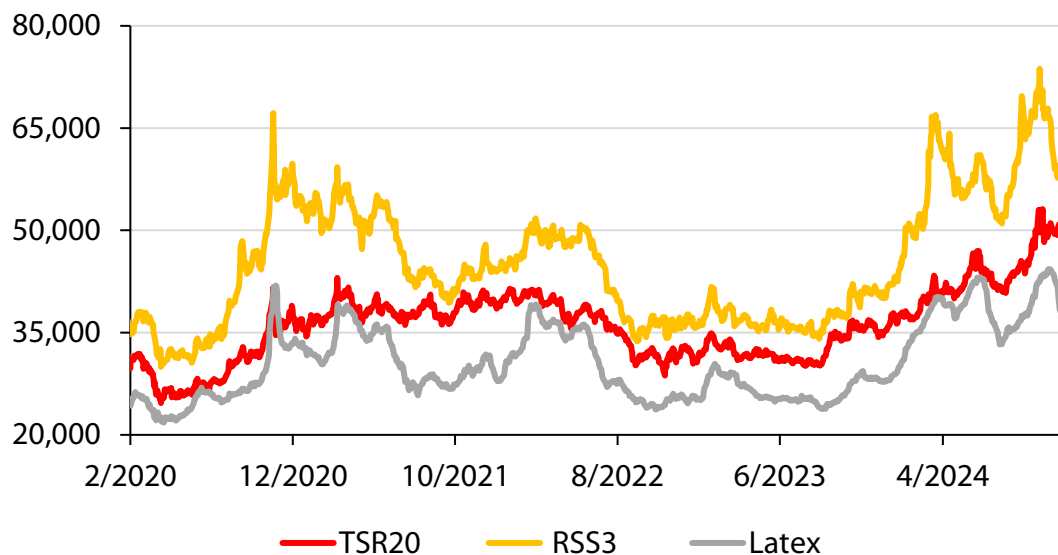
Business results in 2025 – growth expectations thanks to the anchoring trend of rubber prices

- In the base scenario, we forecast DPR's revenue and NPAT-MI in 2025 to reach VND 1,208 billion (+12.4% YoY) and VND 295 billion (+8% YoY), respectively, based on (1) rubber prices continue to anchor when the forecast supply is still short; (2) The tree liquidation segment brings stable profits; (3) DPR can receive compensation for Tien Hung 1 project.

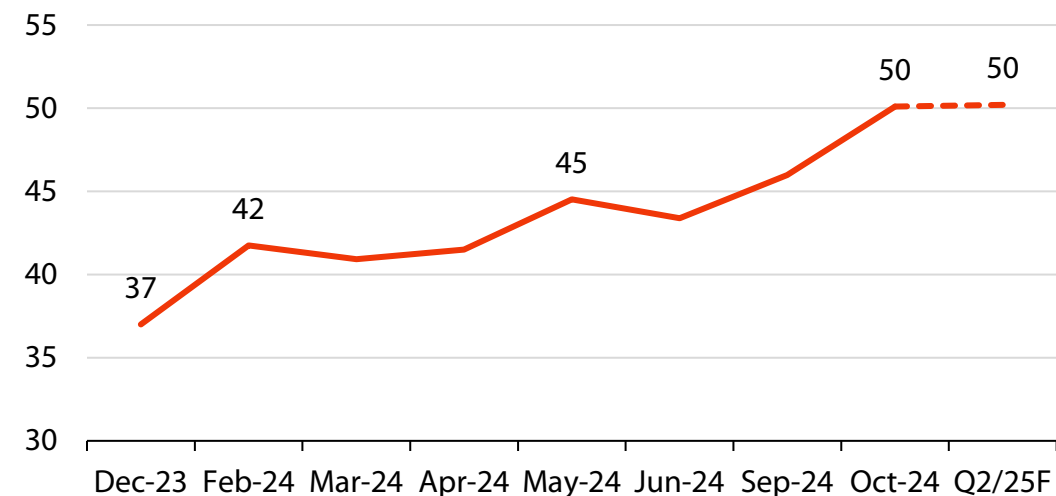
RISKS TO OUR CALL

- Downside risk: Rubber prices fell compared to anchoring expectations, affecting business results.
- Price increase risk: Potential industrial zones are approved for investment policies earlier than expected.

World rubber price movements in the period 2020 – 2024 ('000 VND/ton)



Selling price of DPR's rubber from 12/2023 – Q2/25F ('000 VND/ton)

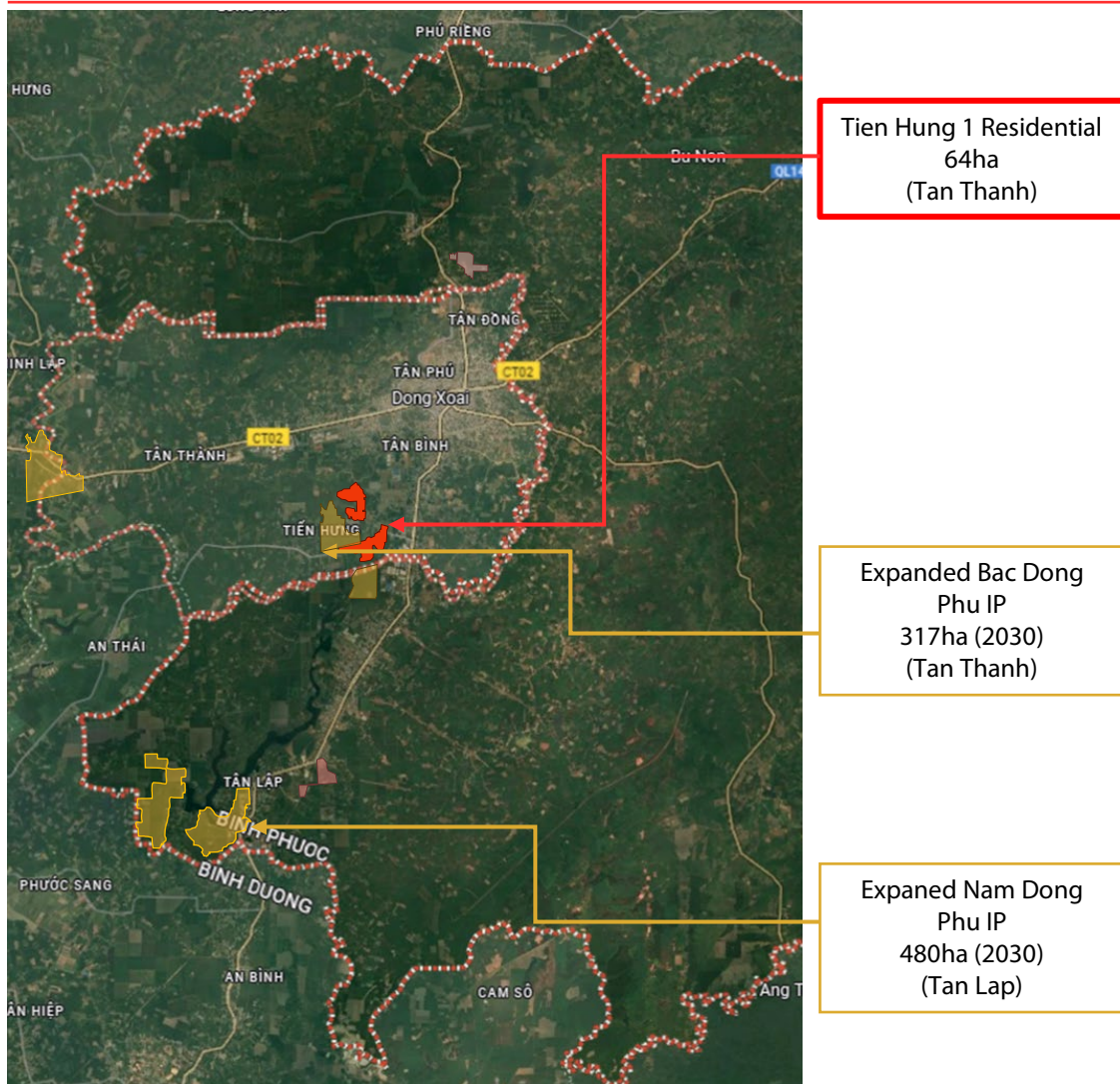


Assumptions on the progress of industrial park projects and receiving compensation from DPR from 2025F – 2028F

Project	2025F	2026F	2027F	2028F
Self-implementation project progress				
Expanded Bac Dong Phu IP				
Expanded Nam Dong Phu IP				
Land clearance compensation				
Tien Hung 1 Residential Area				
Expanded Bac Dong Phu IP				
Expanded Nam Dong Phu IP				

Source: Bloomberg, DPR, RongViet Securities

Location of projects implemented in the period 2025-2026 of DPR



- Tien Hung 1 project, we expect to re-bid and select investors in 2025. It is expected to bring the company 56 billion VND in compensation (estimated unit price of 0.98 billion/ha).
- We are more cautious about the estimated implementation time for 2 expanded North Dong Phu Industrial Parks and South Dong Phu Expansion when there are currently no new legal signals and land allocation from Binh Phuoc province. We expect the North Dong Phu Industrial Park project to start receiving land clearance compensation and implement it from 2026.
- Subsequently, we expect that the expanded Nam Dong Phu Industrial Park project will be implemented from 2027, when the industrial park land targets to 2030 for new projects in the list are released.

Analysis of stock price sensitivity based on scenarios

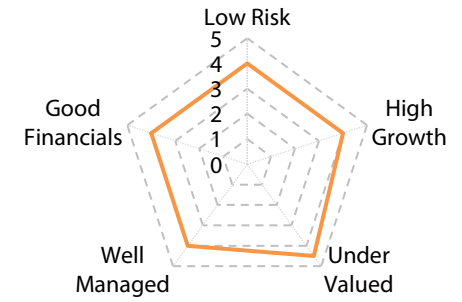
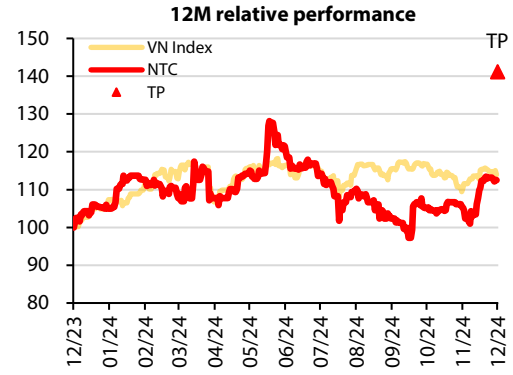
The number of years the projects are pushed back from the intended						
	0	1	2	3	4	
WACC	11.7%	49,200	48,000	46,800	45,800	44,900
	12.2%	48,100	46,800	45,600	44,500	43,600
	12.7%	47,100	45,700	44,500	43,400	42,500
	13.2%	46,100	44,700	43,500	42,400	41,400
	13.7%	45,200	43,800	42,500	41,400	40,400

Source: RongViet Securities compiled

BUY: 25.2%

MP: 209,200

TP: 262,000



STOCK INFO

Sector
Market Cap (USD Mn)
Current Shares O/S (Mn shares)
3M Avg. Volume (K)
3M Avg. Trading Value (VND bn)
Remaining foreign room (%)
52-week range ('000 VND)

FINANCIALS		2023A	2024F	2025F
Real Estate	Revenue (VND bn)	235	257	643
	NPATMI (VND bn)	300	251	272
	ROA (%)	7.1	5.1	4.2
	ROE (%)	35.8	23.1	20.2
	EPS (VND)	12,485	10,441	11,348
	Book Value (VND)	40,022	50,463	61,811
	Cash dividend (VND)	8,000	6,000	6,000
	P/E (x)	15.5	20.0	18.4
	P/B (x)	4.8	4.1	3.4
	197			
24				
12				
2				
0				
167 - 242				

INVESTMENT THESIS

NTU 3 project – Expected to hand over 90 hectares in 2025

- In June 2024, the biggest bottleneck in calculating land used fee has been resolved. Accordingly, with a total land price determination area of 344ha, a term of use of 70 years as of September 13, 2068, the unit price of land to be used is 2.4 million VND/m2. We expect the progress of land used fee payment to take place in Q1/2025.
- In 2025, we expect NTC to be able to complete the payment of use fees and hand over 90 hectares of land for which MOUs have been signed (in 2023, the rental price is 140 USD/m2) to customers and continue to promote sales of the remaining area.

The portfolio maintains high and regular cash dividends

- In 9M2024, investments in associated companies have brought a dividend flow about VND 60 billion (-35% yoy), thereby bringing a dividend yield/total investment of ~13%.

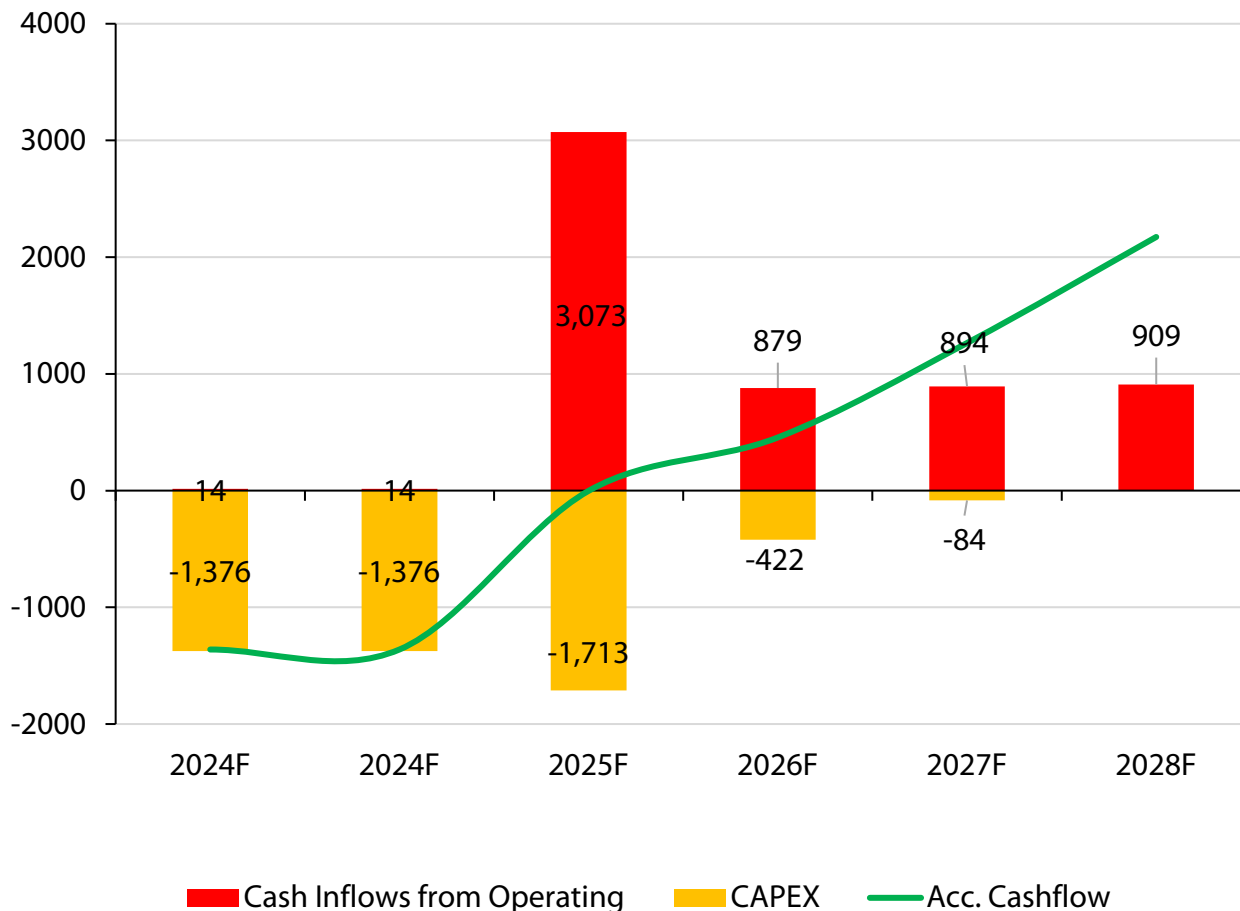
Business results in 2025 are estimated to grow strongly, mainly from the NTU3 project

- Based on the sales progress of NTU3 mentioned above, we estimate that revenue from the IP segment in 2025 will reach VND 643 billion (85% recorded allocation, 15% recorded one-time revenue), thanks to the handover of 90 hectares of industrial park land at the base scenario price of \$140/m2. Accordingly, NTC's total revenue in 2025 is estimated at VND 643 billion (+150% YoY), and NPAT-MI will reach VND 272 billion (+9% YoY).

RISKS TO OUR CALL

- Upside risk: The ability to find new customers and lease faster than expected.

Cash flow of NTU3 project – assuming the rental price increases by 2%/year and the current rental price is USD140 per m2



Analysis of NTC stock price sensitivity based on scenarios of rental price and cost of capital (Ke)

		First year's rental price (USD/m2)				
		140.0	145.0	150.0	155.0	160.0
Ke	12.0%	271,000	279,000	288,000	296,000	305,000
	13.0%	266,000	274,000	283,000	291,000	300,000
	14.0%	262,000	270,000	278,000	286,000	295,000
	15.0%	258,000	266,000	274,000	282,000	290,000
	16.0%	254,000	262,000	269,000	277,000	285,000

Summary of asset value of NTC's projects

	Method	% Staked	Valuation (billion VND)
IPS			2,711
NTC3	FCFE	100%	2,828
Other projects	BV	100%	10
Total			2,720

Sources: NTC, RongViet Securities

BUY: 24.5%

MP: 67,700

TP: 84,300

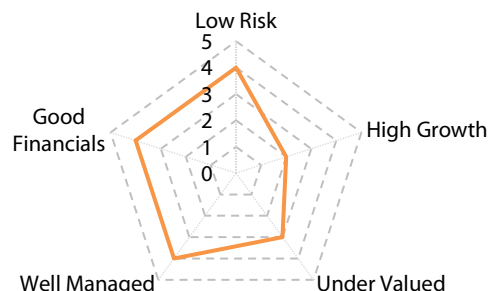
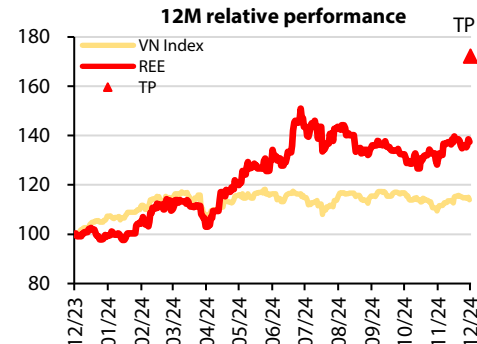
STOCK INFO

FINANCIALS

2023A 2024F 2025F

Sector	Power
Market Cap (USD Mn)	1,253
Current Shares O/S (Mn shares)	471
3M Avg. Volume (K)	617
3M Avg. Trading Value (VND bn)	40
Remaining foreign room (%)	0
52-week range ('000 VND)	47,74 - 75,7

Revenue (VND bn)	8,570	8,130	9,269
NPAT-MI (VND bn)	2,188	1,812	2,428
ROA (%)	6.3	4.9	6.2
ROE (%)	12.6	9.6	11.7
EPS (VND)	5,353	3,809	5,104
BVPS (VND)	42,375	40,066	44,018
Cash dividend (VND bn)	1,000	1,000	1,000
P/E (x)	9.2	17.8	13.3
P/B (x)	1.2	1.7	1.5



INVESTMENT THESES

Stellar financial results in 2025F due to (1) recovery of power segment and (2) higher contribution of office leasing and real estate segment.

Power segment: Volume recovery due to favorable weather conditions; REE continues to expand its capacity

- We forecast power segment revenue of VND 4,878 bn (+17% YoY) and gross profit of VND 2,603 bn (+33% YoY).
- We assume consolidated sales volume of 3.5bn kWh (+11% YoY), in which hydropower plants would contribute 2.9bn kWh (+13% YoY) as La Nina cycle returns.
- Additionally, REE is expanding its hydropower generation capacity with Tra Khuc 2 (30MW), Thac Ba 2 (19MW) and Duyen Hai 2 (48MW) projects. These projects would help REE to increase its effective total capacity by 8% (excluding coal-fired plants)

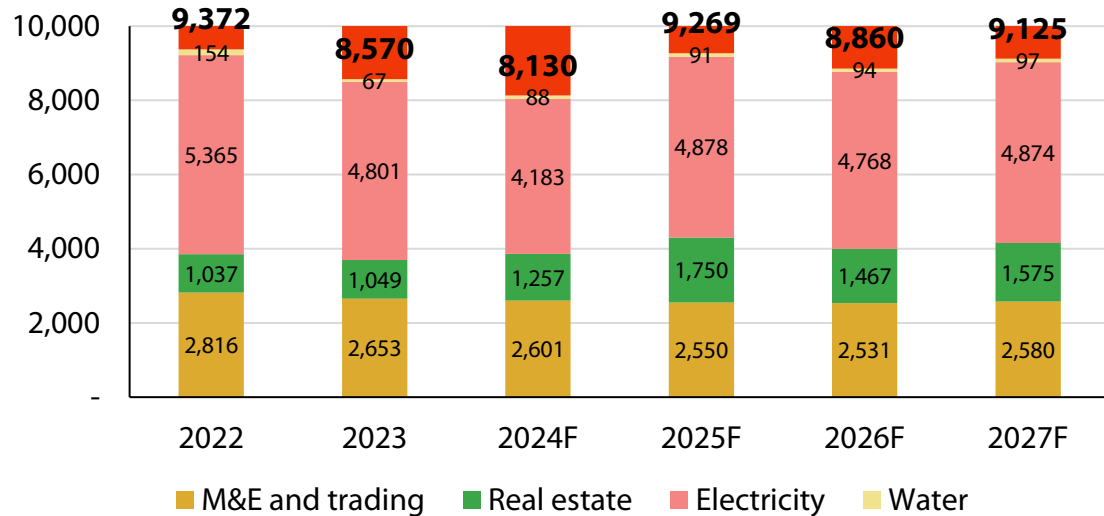
Office leasing & real estate segment: Contribution from Etown 6 in 2025F and handover of The Light Square residential real estate project

- We forecast the segment revenue of VND 1,750 bn (+39% YoY) and gross profit of VND 1,055 bn (+15% YoY).
- Office leasing segment to achieve revenue of VND 1,256 bn (+15% YoY) and gross profit of VND 855 bn (+9% YoY). We assume Etown 6 office (of which NLA is 36,780 sqm, approx. 25% total NLA) to achieve 38% occupancy rate in 2025F before reaching full occupancy in 2027F.
- Real estate segment to recognize revenue of VND 465bn (+200% YoY) and gross profit of VND 193 bn (+200% YoY) from handing over 30 units of The Light Square project.

FURTHER CATALYSTS

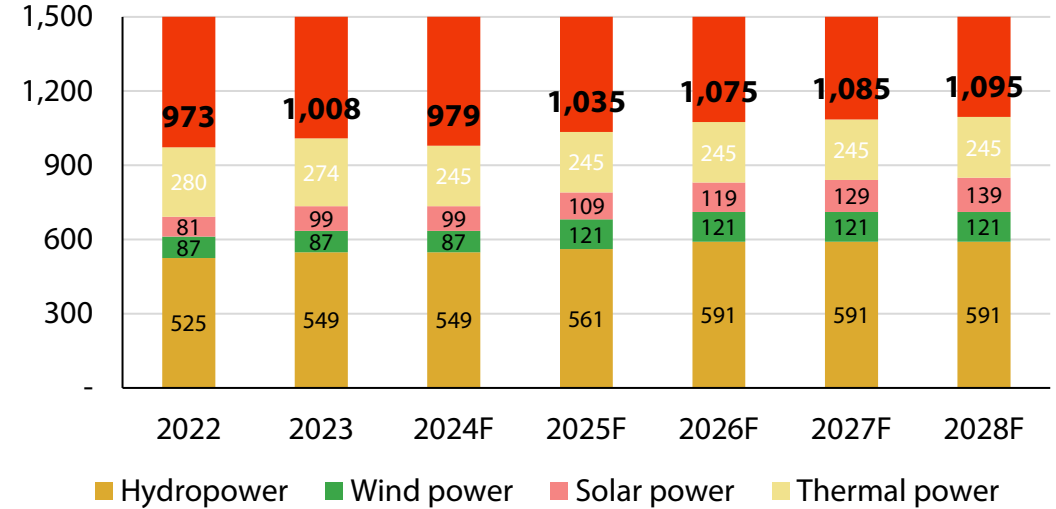
- Foreign investor Jardine C&C would further increase its stake at REE (currently 41%).
- REE to increase its investments in current associates CHP, TMP, SBH.
- REE to IPO its subsidiaries (REE Energy, REE Land).

Projected revenue (VND bn)



Source: REE, Rong Viet Securities

Projected effective capacity (MW)



Source: REE, Rong Viet Securities

Stellar 2025F financial results on the back of (1) recovery of power segment and (2) higher contribution of office leasing and real estate segment.

- For hydropower segment, we forecast revenue of VND 4,878 bn (+17% YoY) and gross profit of VND 2,603 bn (+33% YoY) due to higher hydropower sales volume (2.9 bn kWh; +11% YoY) which drives total sales volume to 3.5 bn kWh (+13% YoY)
- Additionally, we forecast REE’s effective generation capacity to increase 105MW in 2024-2027F due to new projects such as Thac Ba 2 (19MW), Tra Khuc 2 (30MW), Duyen Hai 2 (48MW)
- Real estate segment to achieve revenue of VND 495 bn (+200% YoY) and gross profit of VND 139 bn (+200% YoY) from handing over 30 units of The Light Square project in 2025F (compares to 10 units in 2024)
- We forecast office leasing segment’s revenue of VND 1,256 bn (+15% YoY) and gross profit of VND 855 bn (+10% YoY) due to higher contribution of Etown 6 office.

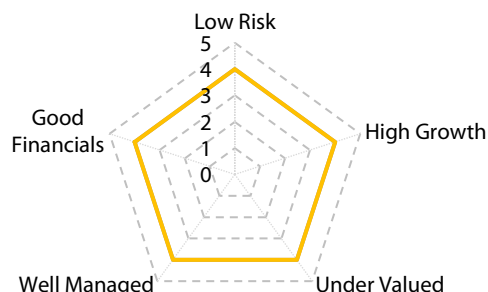
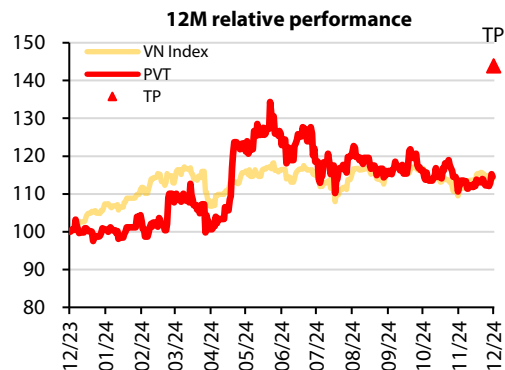
Valuation

Valuation	Enterprise value (VND bn)	Valuation method	Target EV/EBITDA	Capacity (MW)	Equivalent fair value (VND bn/MW)
1. M&E	1,350	EV/EBITDA	5.0		
2. Office leasing	10,866	EV/EBITDA	10.0		
3. Real estate	440	NAV			
4. Hydropower	12,015	EV/EBITDA	11.3	345	34.8
VSH	8,705		11.0	187	46.5
TBC	1,952		12.0	94	20.8
Others	1,358		12.0	64	21.1
5. Wind power	5,750	EV/EBITDA	8.0	121	47.7
6. Solar power	2,074	EV/EBITDA	10.0	139	14.9
7. Retail electricity	1,558	EV/EBITDA	10.0		
8. Associate investments in power companies	6,775	MV		491	13.8
9. Associate investments in water companies	2,646	BV			
Total asset value	43,475				
Less: projected debt	(3,779)				
Equity value	39,696				
Shares outstanding (mn)	471				
Target share price	84,300				

BUY: 24.5%

MP: 27,800

TP: 34,600



STOCK INFO

Sector	Oil & Gas
Market Cap (\$mn)	389
Current Shares O/S (mn shares)	356
3M Avg.Volume (K)	1,839
3M Avg.Trading Value (VND Bn)	51
Remaining foreign room (%)	37
52-week range ('000 VND)	23,36 - 32,7

FINANCIALS

	2023	2024F	2025F
Revenue (VND Bn)	9,556	12,001	13,511
NPATMI (VND Bn)	972	1,223	1,350
ROA (%)	5.6	6.0	6.3
ROE (%)	14.3	15.5	15.0
EPS (đồng)	2,829	3,297	3,641
Book Value (đồng)	21,044	22,154	25,295
Cash dividend (đồng)	800	300	500
P/E (x)	8.5	8.4	7.6
P/B (x)	1.1	1.3	1.1

INVESTMENT RATIONALES

Fleet expansion and modernization to enhance market reach

- In 2024, PVT has invested in an additional 8 vessels, including product tankers, chemical carriers, LPG tankers, and bulk carriers, increasing its fleet to 58 vessels (49 owned directly and 9 leased under bareboat charter), resulting in a year-on-year fleet capacity increase of 23% to 1.6 million DWT.
- With a strategy focused on expanding operations and leveraging management cost advantages that are 10-15% lower than those of foreign companies, PVT has successfully entered high-demand markets such as Europe and North America, rather than limiting its focus to Asia and the Middle East. Currently, over 85% of PVT's fleet is engaged in international transportation routes.

Disposal of aging vessels for reinvestment in new builds

- Our observations indicate that PVT primarily invests in used transport vessels with an average age of 8 to 15 years, as well as divests vessels with an average age of 20 to 35 years.
- The company currently operates two LPG carriers over 30 years old and one chemical tanker over 20 years old. This vessels face challenges in both domestic and international transport. Therefore, we believe it is likely that the company will soon divest these vessels to reinvest in a younger fleet in the coming years.

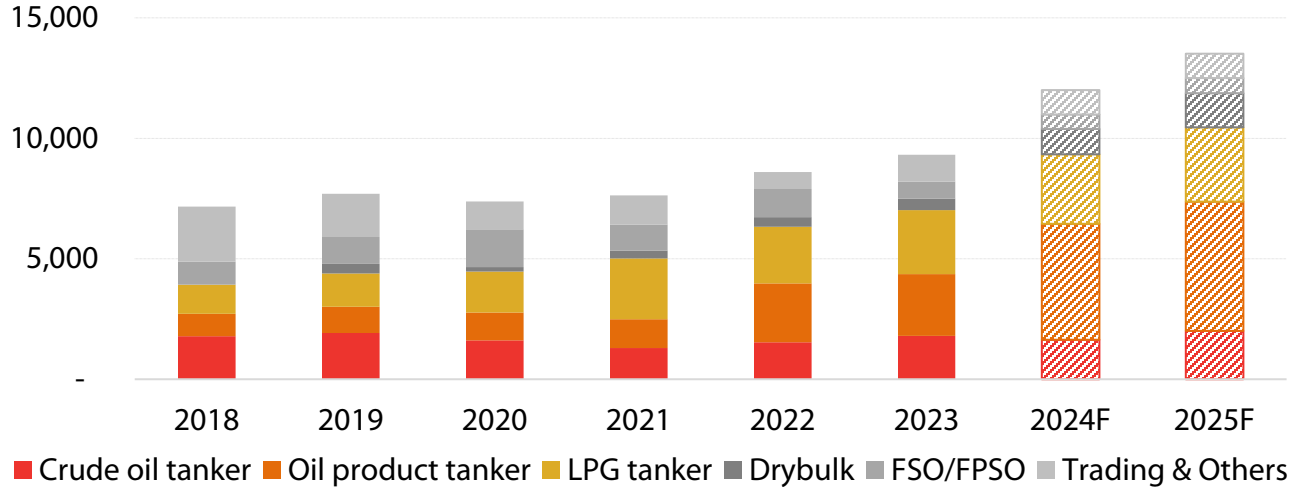
Growth in 2025 driven by new vessel contributions

- In 2025, we expect that the time charter rate of oil and gas transportation will remain high for crude oil while experiencing a slight decline for product oil.
- The revenue from PVT's oil and gas transportation segment is expected to grow, driven by two key factors: (1) we estimate that the transportation volume of crude oil and product oil from BSR will increase by over 20% following maintenance, and (2) the revenue contributions from the new vessels will offset the decline in freight rates for product oil.
- Revenue estimates for various business segments indicate growth: product oil/chemical transport (+11.5% YoY), LPG transport (+6.9% YoY), bulk transport (+34.6% YoY), and crude oil transport (+22.4% YoY).

RISK TO OUR CALL

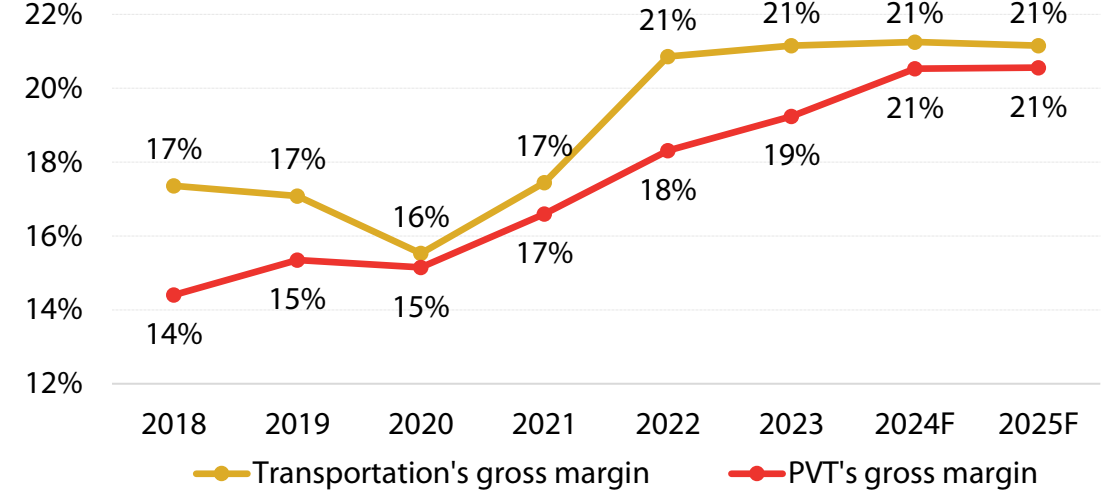
- Freight rates for maritime transport may decline more rapidly than anticipated due to increased vessel supply, which could impact profit margins.
- A reduction in geopolitical tensions may lead to shorter transportation routes for oil and gas.

Revenue by segment for PVT from 2018 to 2025 (VND Bn)



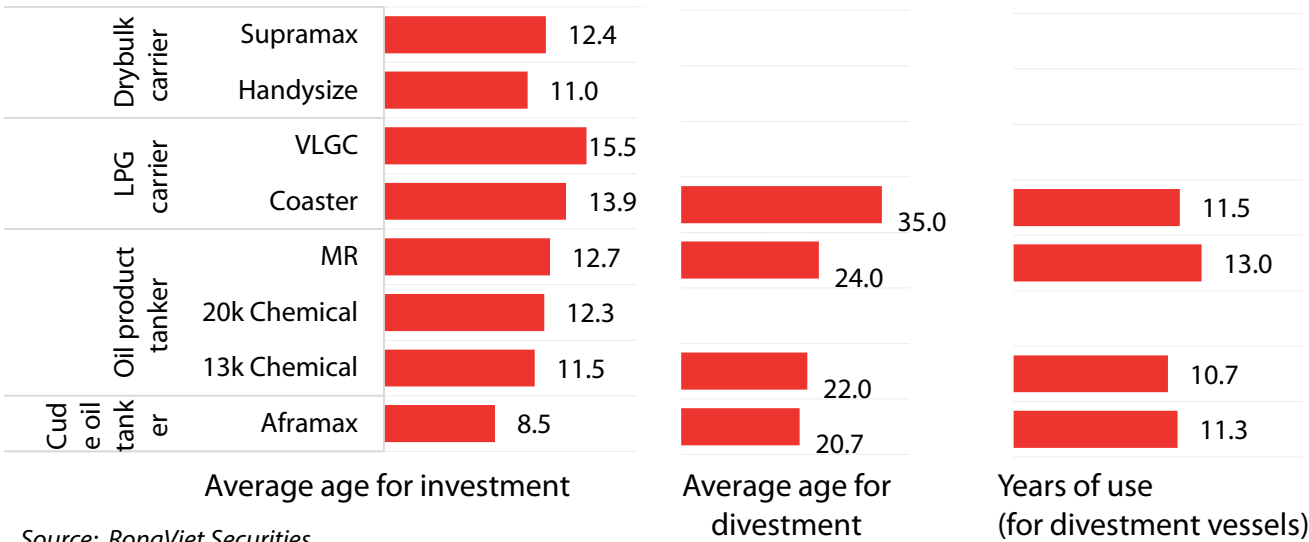
Source: RongViet Securities

Profit margin of PVT from 2018 to 2025 (%)



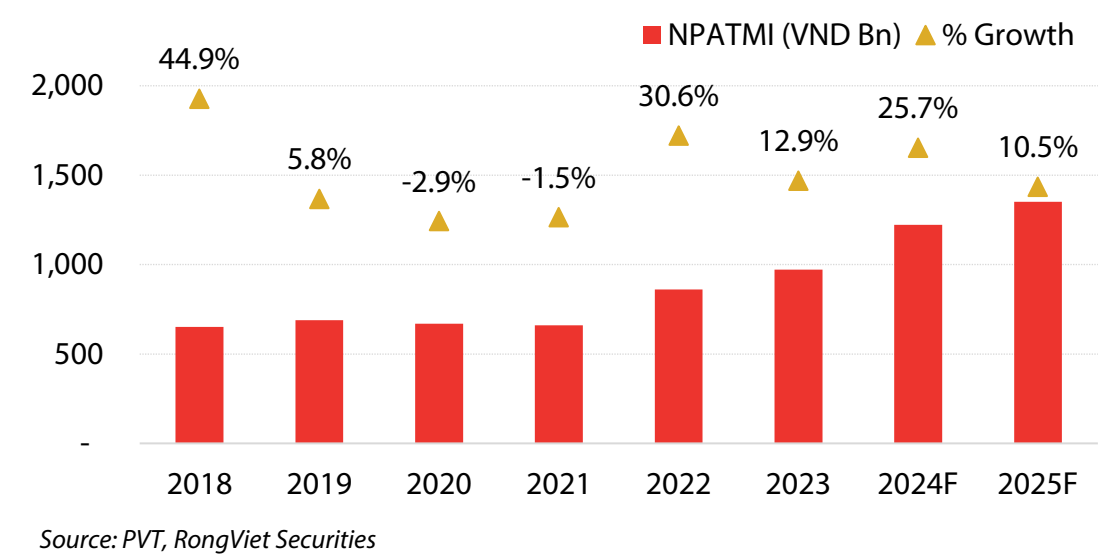
Source: PVT, RongViet Securities

Average age of PVT's Fleet



Source: RongViet Securities

Net profit of PVT from 2018 to 2025 (VND Bn)

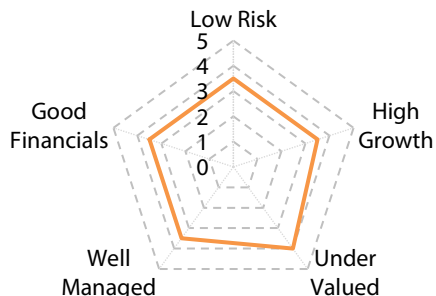
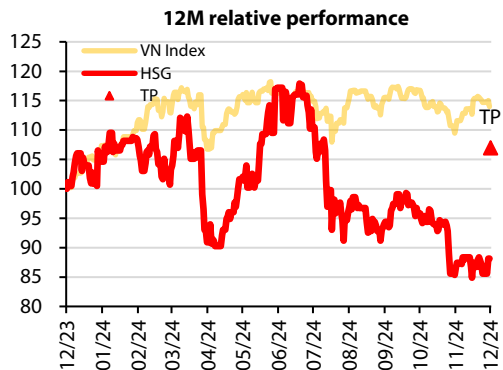


Source: PVT, RongViet Securities

BUY: 22.7%

MP: 18,750

TP: 23,000



STOCK INFO

Sector	Basic Resources
Market Cap (USD Mn)	457
Current Shares O/S (Mn shares)	621
3M Avg. Volume (K)	6,951
3M Avg. Trading Value (VND bn)	140
Remaining foreign room (%)	39
52-week range ('000 VND)	17,55 - 26,1

FINANCIALS

	2023	2024A	2025F
Revenue (VND bn)	31,651	39,270	43,331
NPATMI (VND bn)	30	510	838
ROA (%)	0.1	2.6	4.0
ROE (%)	0.2	4.7	7.6
EPS (VND)	47	828	1,265
Book Value (VND)	17,345	17,606	18,372
Cash dividend (VND)	-	500	500
P/E (x)	485.1	22.7	14.8
P/B (x)	1.3	1.1	1.0

INVESTMENT THESIS

Recovery outlook driven by the domestic market and market leadership

For FY2025, coated steel production is expected to reach 1.5 million tons (+3% YoY), including a 15% YoY increase in domestic consumption, supported by: 1/ Signs of recovery in the real estate market and accelerated real estate project sales in 2025, boosting construction and material demand; 2/ A nationwide network of stores (~400 traditional outlets and ~110 HoasenHome stores), enabling the company to capture domestic market share, particularly in northern Vietnam.

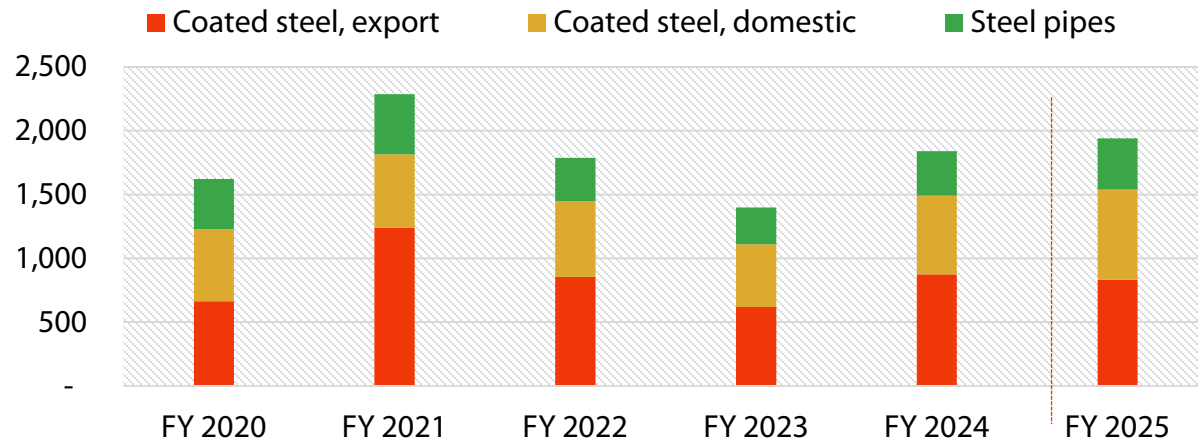
Improved profit margins in FY2025, maintaining costs for HoasenHome

- Assuming HRC prices recover to USD 530/ton (+3.5% YoY), we expect HSG to maintain a GPM of 11.6% in FY2025 (compared to 10.8% in FY2024). While HSG continues to maintain superior profit margins compared to other coated steel companies, it will need to sustain relatively high SG&A costs in FY2025 (VND 4.1 trillion, +8% YoY, with an SG&A/revenue ratio of 9.5%) to expand the HoasenHome network.
- Net profit for 2025 is projected at VND 838 billion (+64% YoY, following a loss in Q4 FY2024). The stock is trading at 2025 P/E and P/B multiples of 15x and 1.0x, making it attractive given the company's industry outlook and position.

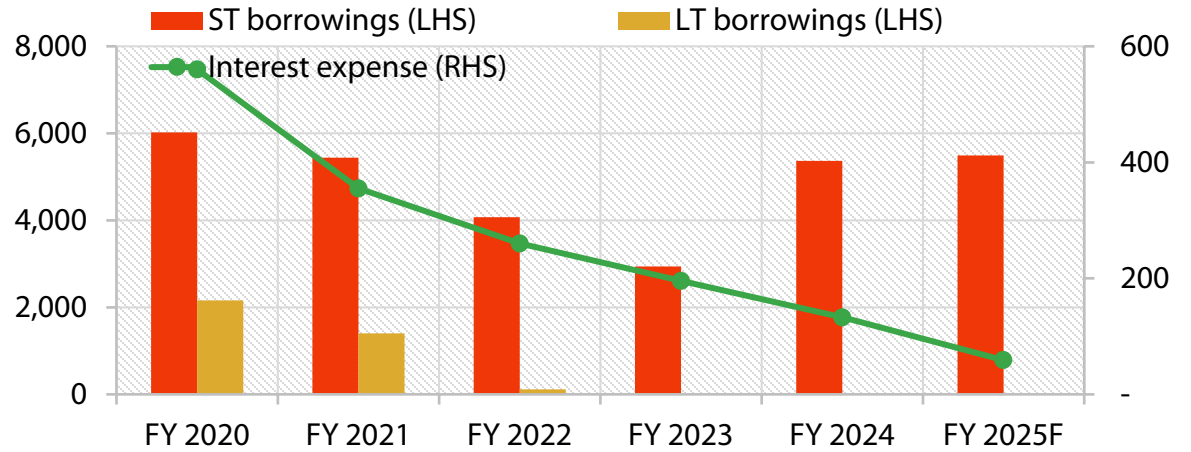
RISKS TO OUR CALL

- Higher-than-expected volatility in raw material prices.
- Weaker-than-expected demand for coated steel.

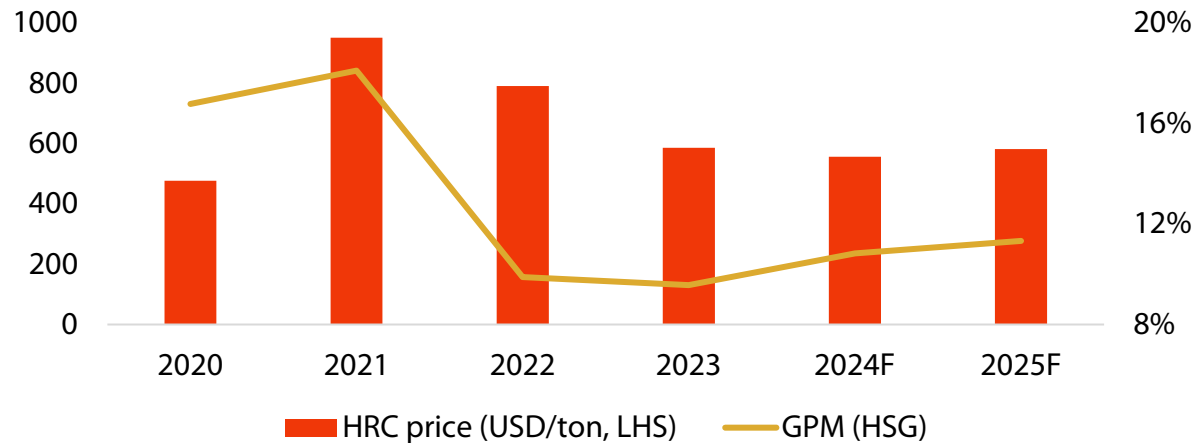
Sales volume expected to recover (thousand tons)



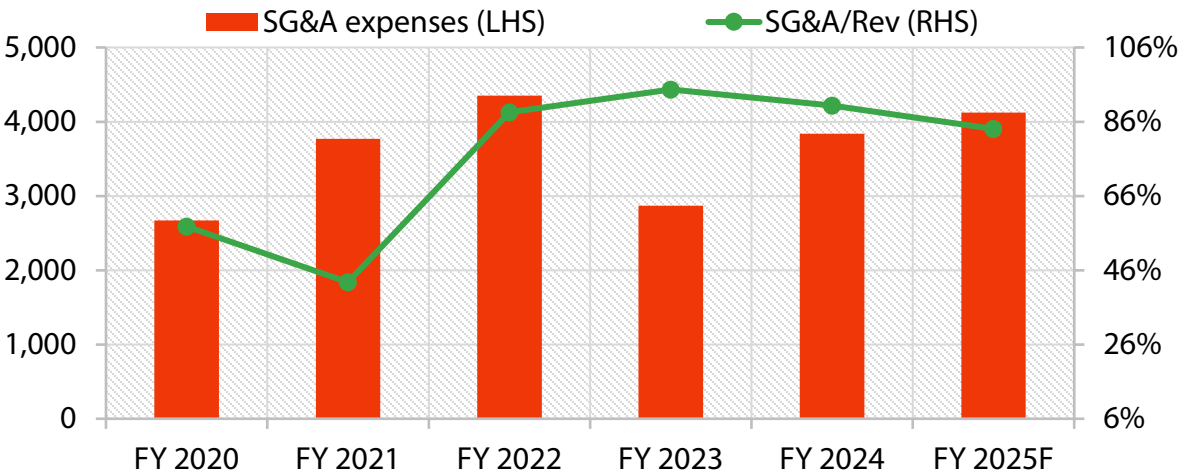
HSG uses short-term debt for working capital needs (billion VND)



HSG's GPM and HRC price, period 2020-2025



Maintaining the Hoasen Home system helps the company have superior profit margins, but records high SG&A costs (billion VND)

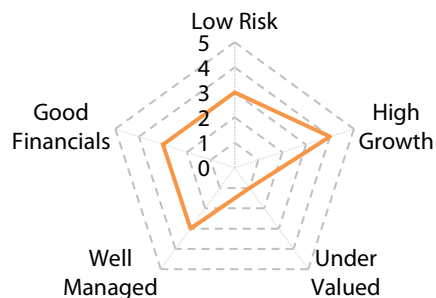
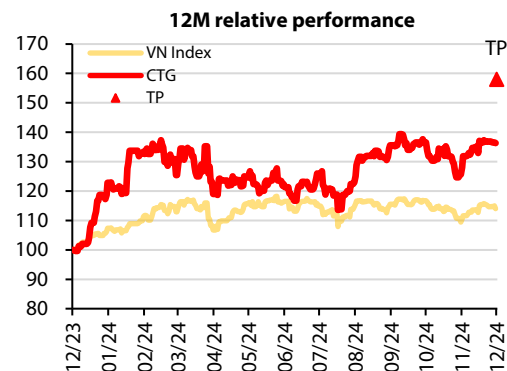


Source: VSA, HSG, RongViet Securities

ACCUMULATE: 16%

MP: 36,150

TP: 41,950



STOCK INFO

Sector
Market Cap (USD Mn)
Current Shares O/S (Mn shares)
3M Avg. Volume (K)
3M Avg. Trading Value (VND bn)
Remaining foreign room (%)
52-week range ('000 VND)

Banks
7,626
5,370
6,358
227
3
26,75 - 38,75

FINANCIALS

	2023A	2024F	2025F
Revenue (VND bn)	70,659	80,010	90,519
NPATMI (VND bn)	19,992	22,212	26,337
ROA (%)	1.0	1.0	1.0
ROE (%)	17.0	16.4	16.8
EPS (VND)	3,723	3,715	4,405
Book Value (VND)	23,596	26,995	31,400
Cash dividend (VND)	-	-	-
P/E (x)	7.3	9.7	8.2
P/B (x)	1.1	1.3	1.2

INVESTMENT HIGHLIGHTS

High and stable profit growth (PBT's CAGR 2025F–2028F: 21%) driven by the effective execution of a prudent financial strategy.

- Since appointing a new CEO in 2020, CTG has implemented robust measures to strengthen credit risk provisions, maintaining an average credit cost of 1.9% from 2021–2024—three times higher than the average credit cost under the previous CEO. These measures aim to safeguard the bank from latent risks associated with legacy loans that were not tightly managed in the past.
- State-owned banks typically undergo an extensive "clean-up" cycle of their balance sheets, with annual average credit costs ranging from 1.7%–2.0%, lasting approximately five years. As a result, we project CTG's average credit cost to decline to 1.4% during 2025F–2028F due to a lower non-performing loan (NPL) ratio, creating a positive outlook for income growth.

Positioned for higher valuation levels due to improved operational efficiency, its competitive edge asset quality trends, and in market share and brand strength.

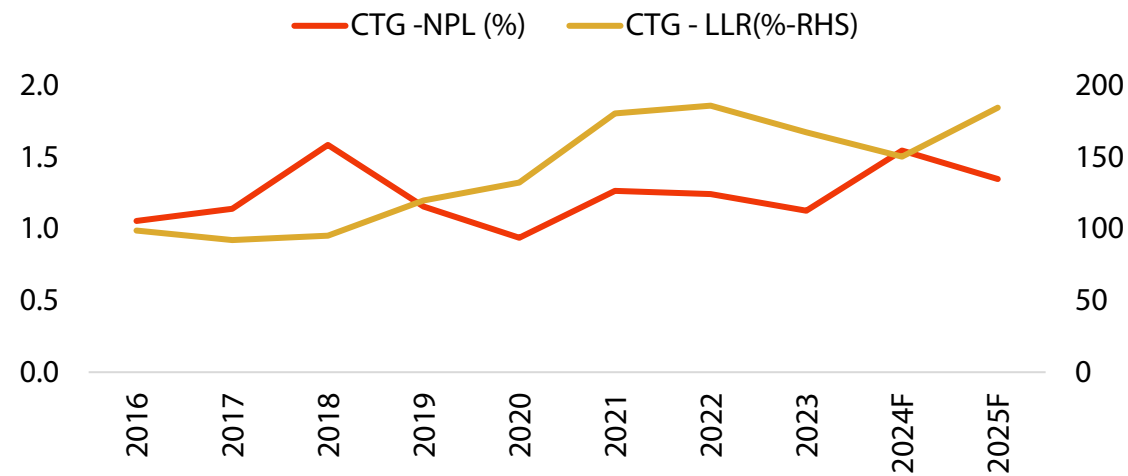
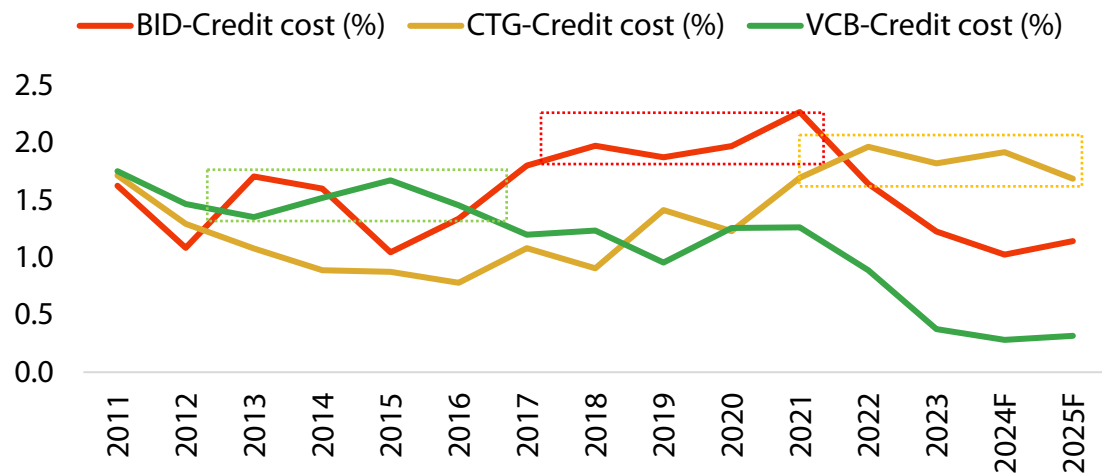
- We forecast that CTG will (1) continue enhancing asset quality, with its NPL ratio gradually declining to 1.1% and provision coverage exceeding 200%, and (2) boost operational efficiency, with ROE improving to 18% by the end of the projection period (2028F). These factors, coupled with favorable macroeconomic conditions, will support CTG in achieving valuations above its 5-year average P/B ratio of 1.4x.

Moderated pre-tax profit growth of 9% forecast for 2024F due to management's decision to allocate higher-than-planned provisions, before rebounding to 18% in 2025F. We commend CTG's increased provisioning in 2024, particularly in the context of economic challenges caused by Storm No. 3, as this strengthens its capacity to lower credit costs starting in 2025.

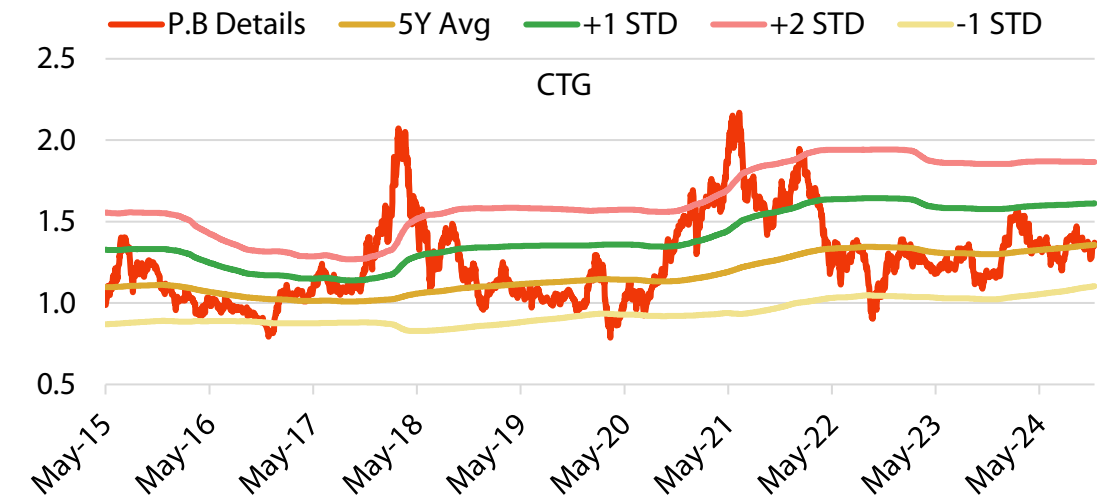
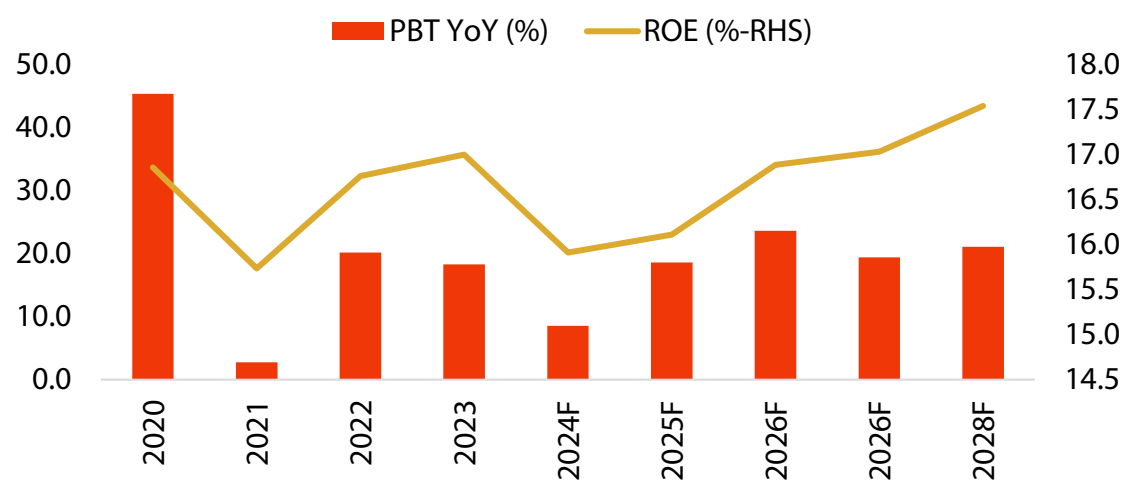
RISKS TO OUR CALL

- The clean-up cycle may take longer than anticipated, delaying income growth expectations and revaluation opportunities.

CTG's "clean-up" cycle should end after 2025, and we expect the asset quality to improve clearly afterward.



Valuation level is likely to be rerated in line with the improvement in asset quality and operating efficiency.



Source: CTG, VCB, BID, Bloomberg, RongViet Securities

ACCUMULATE: 17%

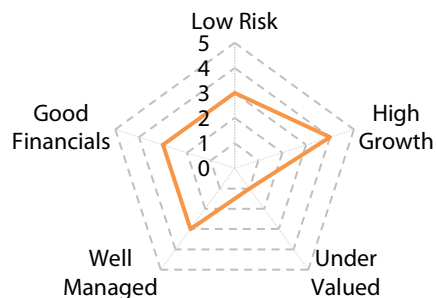
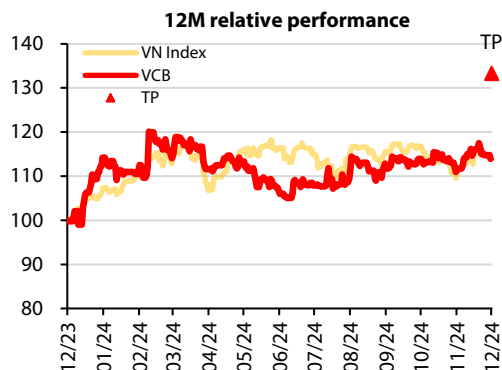
MP: 92,500

TP: 108,100

STOCK INFO

FINANCIALS

2023A 2024F 2025F



Sector
Market Cap (USD Mn)
Current Shares O/S (Mn shares)
3M Avg. Volume (K)
3M Avg. Trading Value (VND bn)
Remaining foreign room (%)
52-week range ('000 VND)

Banks
20,310
5,589
1,400
130
7
80,3 - 100,5

	2023A	2024F	2025F
Revenue (VND bn)	67,723	70,295	79,121
NPATMI (VND bn)	33,033	35,550	41,921
ROA (%)	1.8	1.8	2.0
ROE (%)	21.7	19.6	19.2
EPS (VND)	5,910	5,867	6,919
Book Value (VND)	30,139	35,529	42,447
Cash dividend (VND)	-	-	-
P/E (x)	13.6	15.8	13.4
P/B (x)	2.7	2.6	2.2

INVESTMENT HIGHLIGHTS

Positive outlook for net interest income growth, supported by ample room for nim expansion and credit growth.

- With a leading market share in CASA and access to low-cost funding through Treasury deposits, VCB's NIM is well-insulated from monetary market fluctuations. This resilience is expected to persist amid favorable economic conditions over the next 1–2 years. We forecast NIM expansion of 5 bps in 2025F and 10 bps in 2026F.
- VCB's mandatory take-over of Construction Bank (CB) positions it to gain larger credit quotas from the SBV, alongside benefits such as an expanded branch network, particularly in regions where its presence is currently limited.

Enhanced capital strength through stock dividend policies and private placements.

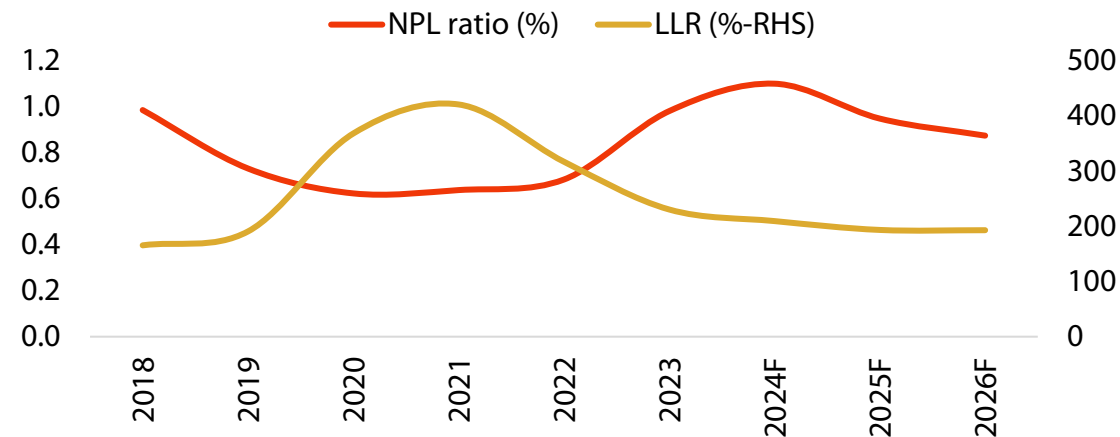
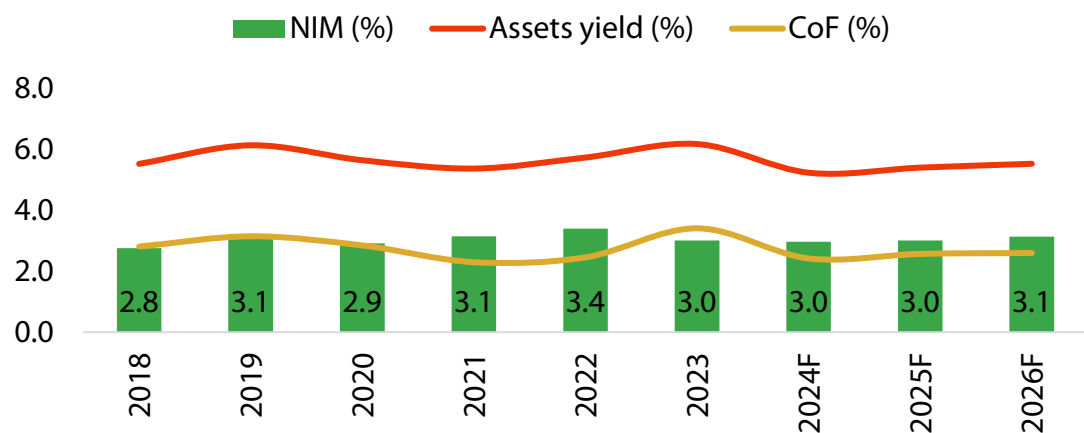
- To ensure effective restructuring of CB, VCB may receive policy support from the National Assembly, allowing it to issue stock dividends and strengthen its capital base. As of Q3-2024, VCB's retained earnings stood at VND 109 trillion, accounting for 54% of its equity.

Strong pre-tax profit growth of 20% projected for 2025F. This improvement will stem from a NIM recovery (2024F/25F: 2.95%/3.01%), after being temporarily pressured in 2024 by preferential loan packages to assist customers affected by typhoon No. 3.

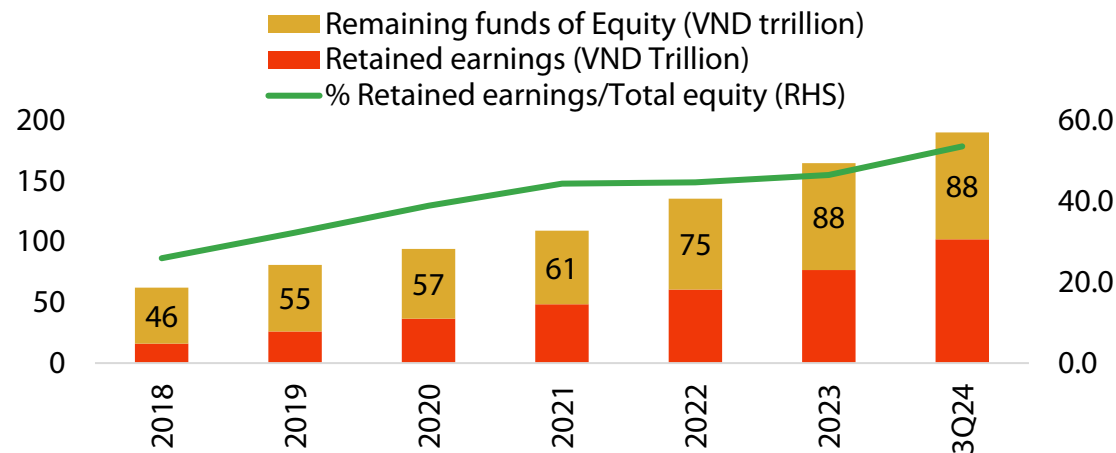
RISKS TO OUR CALL

- Higher-than-expected operating expenses may arise from CB's restructuring process, while continued implementation of preferential loan packages could weigh on NIM performance.

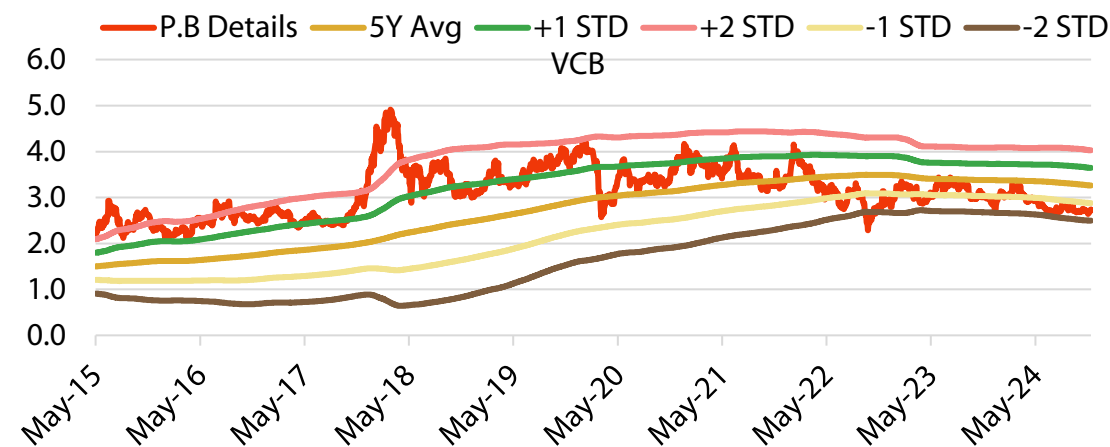
Low funding costs and robust asset quality (minimizing accrued interest reversals) provide ample room for NIM recovery in 2025F/26F, following the challenges of 2024, which were impacted by a rapid increase in NPL and by the typhoon Yagi



Retaining profits instead of paying cash dividends is crucial for strengthening VCB's capital profile



VCB's P/B is currently at the lower range of its 10-year valuation band, indicating minimal downside risk



Source: VCB, Bloomberg, RongViet Securities

ACCUMULATE: 18%

MP: 18,950

TP: 22,300

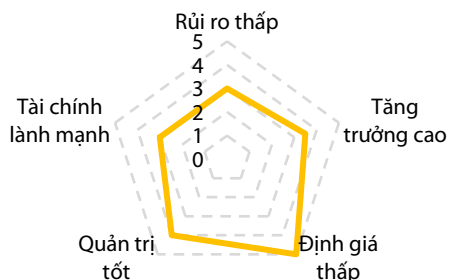
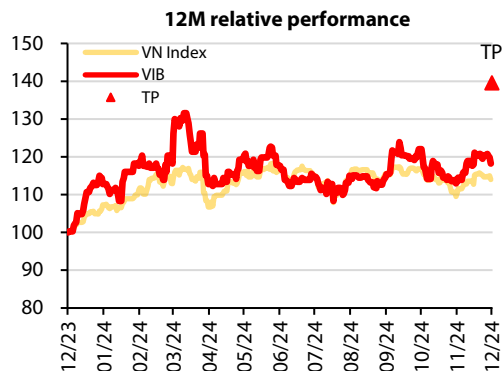
STOCK INFO

FINANCIALS

2023A

2024E

2025F



Sector	Banks
Market Cap (USD Mn)	2,218
Current Shares O/S (Mn shares)	2,979
3M Avg. Volume (K)	10,857
3M Avg. Trading Value (VND bn)	206
Remaining foreign room (%)	0
52-week range ('000 VND)	16,32 - 21,37

Revenue (VND bn)	22,160	20,556	24,534
NPATMI (VND bn)	8,562	7,146	8,705
ROA (%)	2.3	1.6	1.7
ROE (%)	24.3	17.9	19.7
EPS (VND)	3,380	2,376	2,895
Book Value (VND)	14,955	14,090	15,735
Cash dividend (VND)	1,250	1,250	1,000
P/E (x)	5.0	8.0	6.5
P/B (x)	1.1	1.3	1.2

INVESTMENT HIGHLIGHTS

Profit is expected to bottom out in 2024 and return to high growth in the longterm by leveraging the potential of retail lending market through its competitive advantages in flexibility and prudence in credit policies

- 2024F PBT is projected to decline by 17% YoY, primarily due to the weakening performance of its core product - mortgage loans (-13% YoY), coupled with a significant contraction in NIM (-100 bps) due to lower proportion of retail credit and fierce competition in lending rate, as well as rising credit cost. For 2025, we expect the economic landscape to improve, resolving the headwinds of 2024 when mortgage loan have an accelerate growth, accompanied by healthier asset quality. Consequently, 2025F PBT is projected to grow by 22% YoY.
- We believe that VIB, with its inherent competitiveness in loans processing speed and its flexibility in designing attractive retail products, can capitalize on the sector's potential. We forecast a compound annual growth rate (CAGR) of 24.5% for PBT during the 2025F–2028F period.

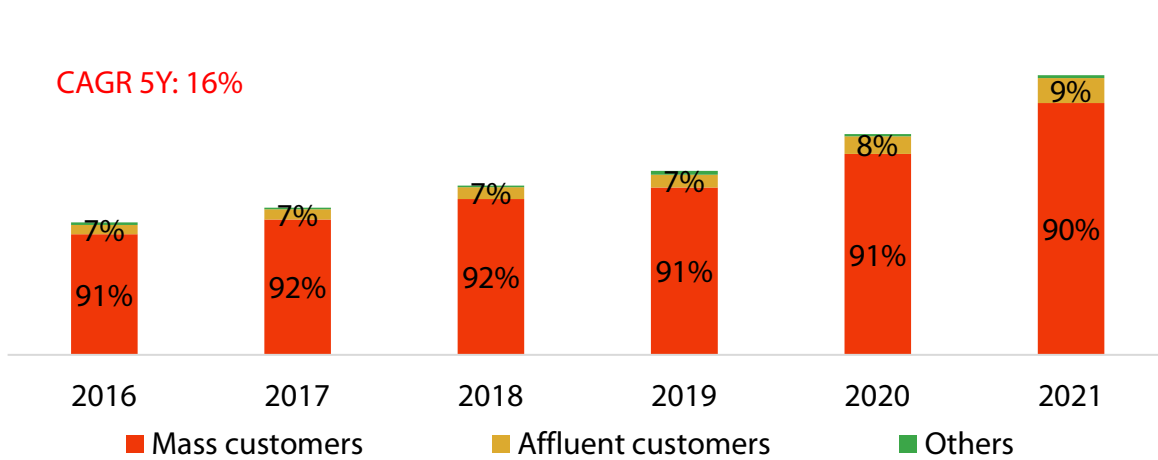
In addition to an attractive PBT growth outlook, **VIB's stable cash dividend policy will enable it to maintain its ROE among the leading banks in the system.** We expect VIB to sustain at least 10% cash dividend during the forecast period, which will drive its ROE to recover from 18% in 2024 to 24% by 2028F.

The search for a new foreign strategic investor, following CBA's divestment, will serve as a catalyst for valuation. In the two most recent deals involving a 15% equity sale to foreign strategic investors at OCB (2020) and VPB (2023), the P/B valuation ranged from 2.3x to 2.5x, with ROE (in the year prior to the transaction) ranging from 21%-25%. As such, VIB is likely to be re-rated at a higher level, reflecting the potential of a strategic equity sale.

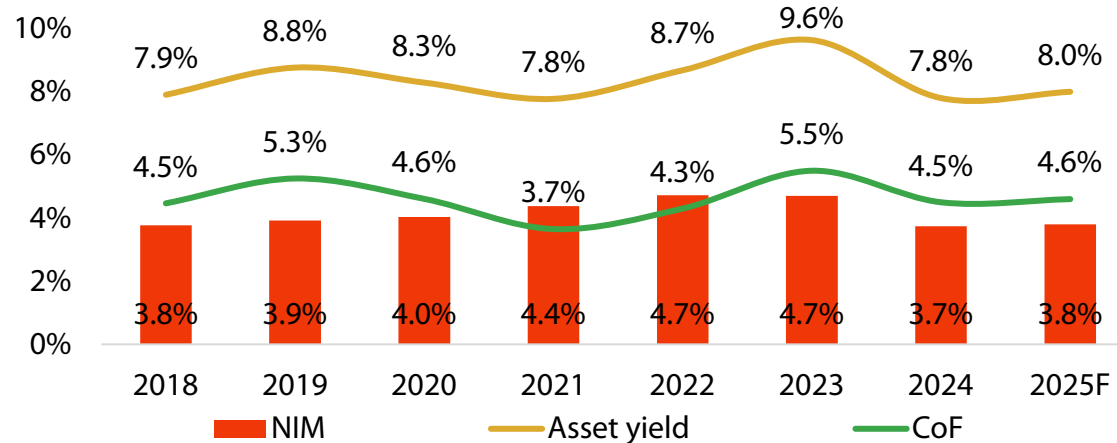
RISKS TO OUR CALL

- The slower-than-expected recovery of the real estate market affects VIB's ability to credit growth, NIM improvement, and bad debt recovery.

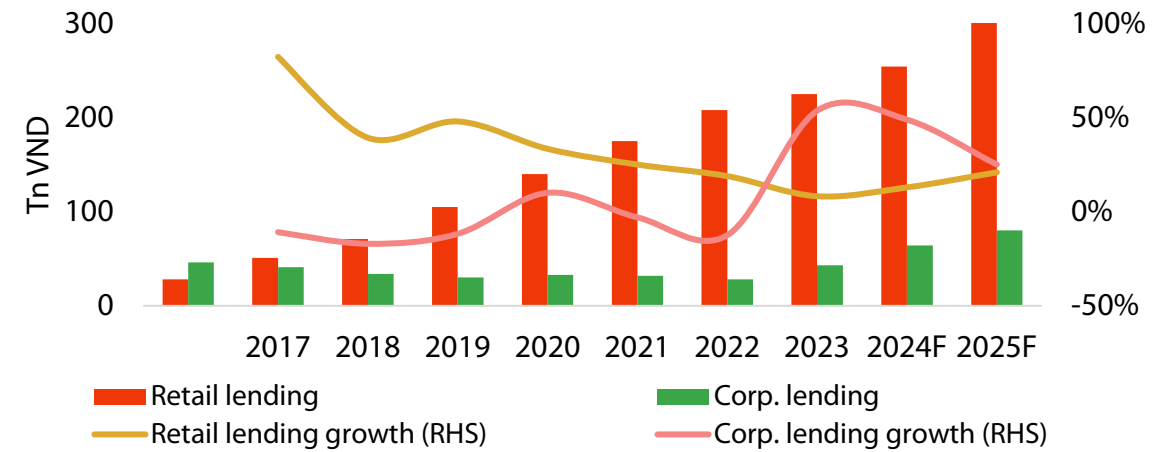
90% of VIB's customers in low-to-middle income segment



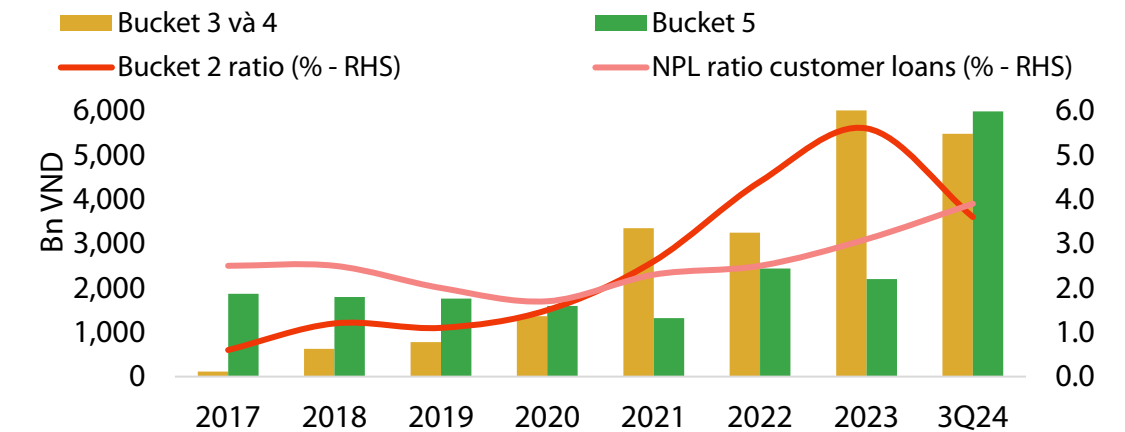
2025F NIM expands by 10 bps, supporting the outlook for net interest income growth



Retail lending returns to a strong growth period



NPLs raise mainly in bucket 5, while others bucket decrease, implying that provisioning costs may reduce soon

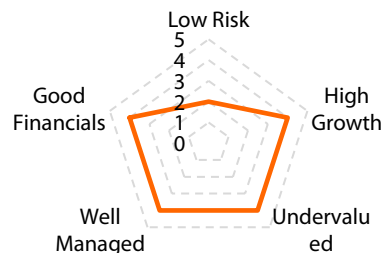
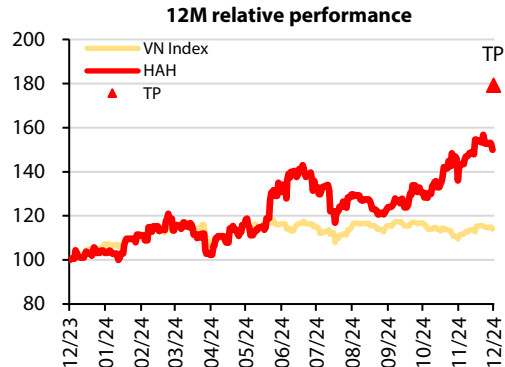


Source: VIB, RongViet Securities

ACCUMULATE: 18%

MP: 49,300

TP: 58,000



STOCK INFO

Sector	Industrial Goods & Services
Market Cap (USD Mn)	235
Current Shares O/S (Mn shares)	121
3M Avg. Volume (K)	2,614
3M Avg. Trading Value (VND bn)	119
Remaining foreign room (%)	16
52-week range ('000 VND)	32 - 51,3

FINANCIALS

	2023A	2024F	2025F
Revenue (VND bn)	2,613	3,759	4,176
NPATMI (VND bn)	385	544	749
ROA (%)	7.4	7.2	8.9
ROE (%)	14.9	15.2	17.1
EPS (VND)	3,648	3,635	5,067
Book Value (VND)	25,240	26,030	30,204
Cash dividend (VND)	-	-	-
P/E (x)	9.0	13.6	9.7
P/B (x)	1.3	1.9	1.6

INVESTMENT RATIONALES

The fleet operations are looking up, leading to a significant revenue boost in 2025

• **Container transportation and auxiliary transport activities might struggle to keep up as new ships continue to enter the market...**

- The output remains flat compared to the high base in 2024, as China ramps up shipping goods to the US between June and August 2024.
- Freight rates are expected to drop by 7% YoY due to the influx of new ships putting pressure on domestic and intra-Asia routes. Global shipping supply is projected to increase by about 5% YoY, with major carriers actively operating on intra-Asia routes. Meanwhile, the domestic market will welcome three new vessels from GMD.

• **...However, a revival in time-charter activities will drive growth in 2025**

- Two ships, HAIAN OPUS and HAIAN GAMA, have been chartered at high rates, generating new revenue after investment in 2H2024.
- Three ships, HAIAN VIEW, WEST, and EAST, have been re-chartered at 30% higher rates compared to previous contracts.

The company's fleet guarantees cargo volume for Hai An port, providing stable cash flow for HAH. With 50% of the ships serving long-time customer SM Line, Hai An port consistently receives an average of 6 - 7 calls per week, ensuring stable output for the port.

Profit margins are expanding due to an increased share of Time-charter revenue. The gross margin of Time-charter averages 60% to 70%, which is 15% to 20% higher than the average for transportation.

RISKS TO OUR CALL

- Maritime freight rates are experiencing significant volatility due to political influences.
- High volatility in the fleet structure between Time-charter and transportation has caused the results to stray from forecast.

HAH's fleet

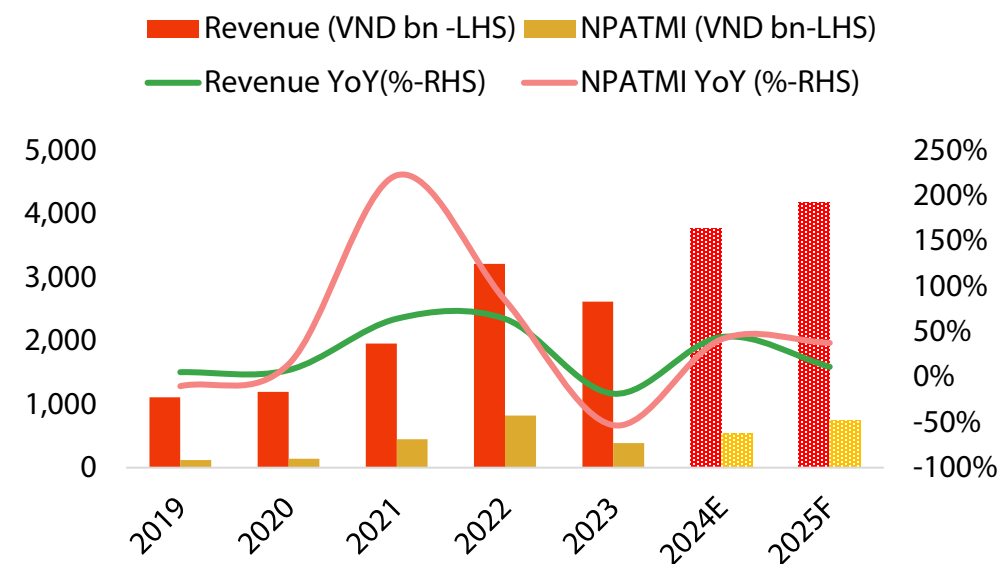
No	Name	Capacity	BCC Rate	Form	Time charter rate (USD/day)	Scheduled TC
1	HAIAN PARK	787	100%	Self-operation		
2	HAIAN TIME	1,032	100%	Self-operation		
3	HAIAN BELL	1,200	81%	Self-operation		
4	HAIAN LINK	1,060	100%	Self-operation		
5	HAIAN MIND	1,794	67%	Time-charter	24,000	10/2024 – 09/2025
6	HAIAN VIEW	1,577	70%	Time-charter	13,400	05/2024 – 04/2025
7	HAIAN WEST	1,740	90%	Time-charter	18,000	01/2024 – 01/2025
8	HAIAN EAST	1,702	90%	Time-charter	18,000	01/2024 – 01/2025
9	HAIAN CITY	1,577	65%	Self-operation		
10	HAIAN ROSE	1,708	84%	Self-operation		
11	ANBIEN BAY	1,700	44%	Time-charter	40,000	07/2022 – 11/2024
12	HAIAN ALFA	1,700	97%	Self-operation		
13	HAIAN BETA	1,700	100%	Self-operation		
14	HAIAN OPUS	1,700	81%	Time-charter	24,000	08/2024 – 08/2026
15	ANBIEN SKY	1,700	0%	Time-charter	15,950	05/2024 – 01/2025
16	HAIAN GAMA	3,500	100%	Time-charter	30,000	11/2024 – 06/2025

Valuation of marine time industry

Indicator	2018	2019	2020	2021	2022	2023	Mean
Weight	15%	15%	15%	15%	20%	20%	
EV/EBITDA							
Mean	15.1x	14.x	8.x	8.2x	4.6x	4.7x	8.7x
Median	11.8x	10.2x	7.9x	3.x	.8x	4.2x	5.9x
P/E							
Mean	66.4x	150.1x	24.5x	3.4x	1.4x	5.8x	38.1x
Median	40.8x	37.1x	9.7x	3.1x	1.4x	6.7x	15.2x
P/B							
Mean	0.9x	1.0x	1.5x	1.6x	0.8x	0.7x	1.0x
Median	0.8x	1.0x	1.5x	1.5x	0.8x	0.6x	1.0x

Source: HAH, Bloomberg, RongViet Securities

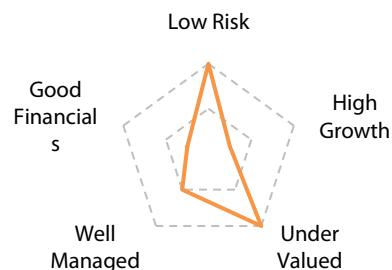
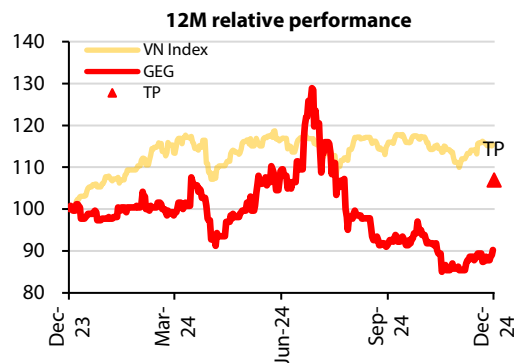
Forecast revenue and NPAT-MI



ACCUMULATE: 17%

GTT: 11.100

GMT: 13.400



STOCK INFO

Sector	Điện
Market Cap (USD Mn)	3.977
Current Shares O/S (Mn shares)	405
3M Avg. Volume (K)	383
3M Avg. Trading Value (VND bn)	5
Remaining foreign room (%)	0
52-week range ('000 VND)	10,6-16,75

FINANCIALS

	2023A	2024F	2025F
Revenue (VND bn)	2,163	2,351	2,402
NPAT-MI (VND bn)	137	179	288
ROA (%)	0.8%	1.1%	1.8%
ROE (%)	3.9%	5.9%	6.6%
EPS (VND)	214	441	947
BVPS (VND)	11,266	11,976	12,287
Cash dividend (VND bn)	0	0	0
P/E (x)	58.4	11.7	7.1
P/B (x)	1.7	1.3	1.1

INVESTMENT THESES

We forecast GEG's 2025F revenue of VND 2,402 bn (+2% YoY) and NPAT-MI of VND 288 bn (+14% YoY) thanks to (1) the recovery of the hydropower segment and (2) lower interest expenses.

Hydropower recovery supports revenue growth

- For FY2025F, we expect hydropower revenue to contribute VND 384 bn to GEG's revenue structure thanks to the return of the La Nina cycle.
- Other power generation sources' revenues remain stable. Specifically, we estimate solar farm power's revenue of VND 763 bn, rooftop solar power 's revenue of VND 83 bn, and wind power's revenue of VND 1,112 bn.

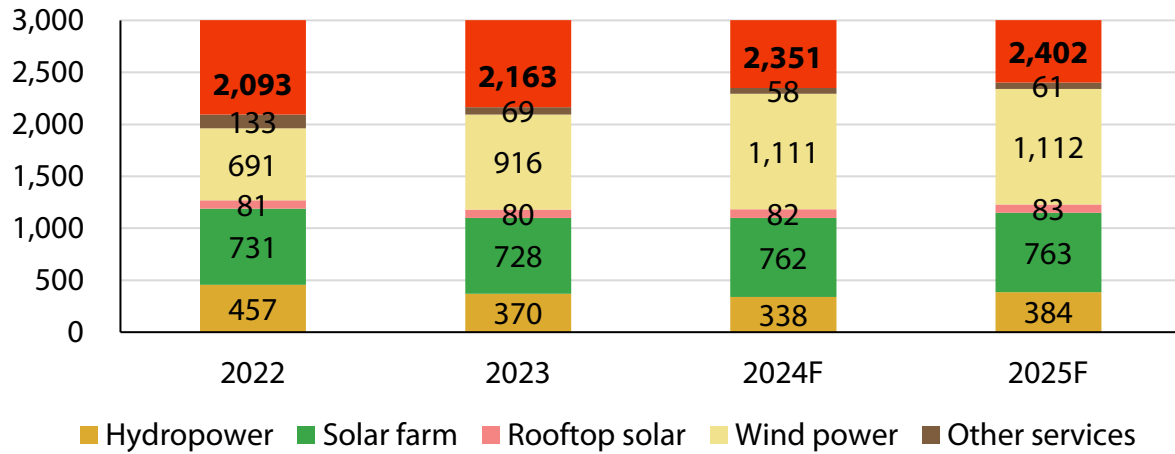
Interest expense to decline due to the restructuring of long-term loans and lower outstanding loans

- Q3/2024, GEG has completed the restructuring of VND 500 bn of previous loans, and it plans to restructure the remaining debts of VND 500 bn in Q4/2024 – Q1/2025.
- We estimate financial expense of 692 VND bn (-14% YoY).

CATALYSTS

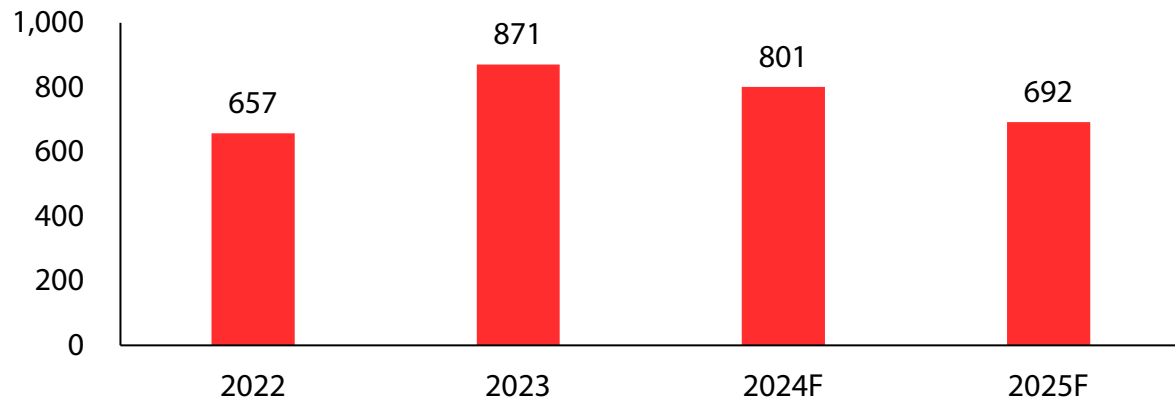
- Currently, the Tan Phu Dong 1 wind power project is being paid at a temporary tariff of 50% of the ceiling price (908 VND/kWh, according to Decision No. 21). In 2025F, GEG may record an compensation when completing the transitional electricity price negotiation for the TPD1 project, with a value of VND 200bn in NPAT-MI according to our estimates.
- However, we do not factor the tariff adjustment into our forecast and valuation, as the negotiation with the EPTC could be stalled.

Projected revenue (VND bn)



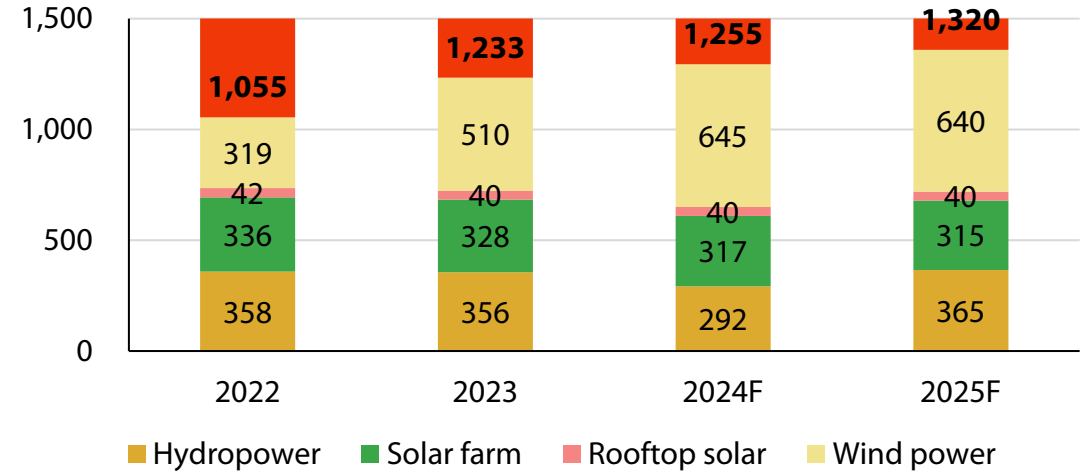
Source: GEG, RongViet Securities

Lower financial expenses (VND bn)



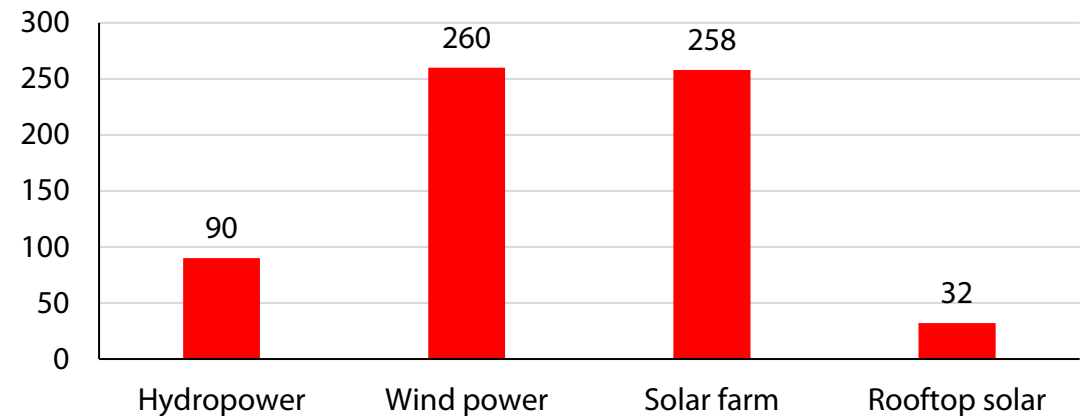
Source: GEG, RongViet Securities

GEG's sales volume (mn kWh)



Source: GEG, RongViet Securities

GEG power capacity(MW)

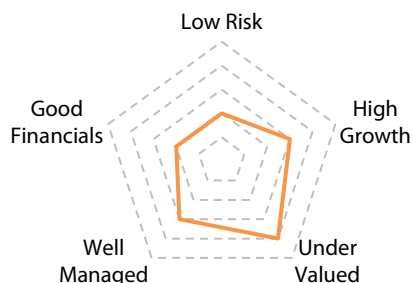
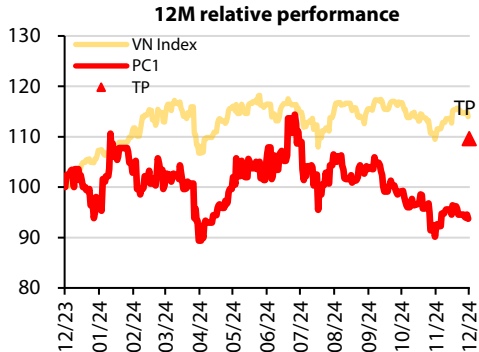


Source: GEG, RongViet Securities

ACCUMULATE: 16%

MP: 22,800

TP: 26,500



STOCK INFO

Sector	Construction, Power
Market Cap (USD Mn)	320
Current Shares O/S (Mn shares)	358
3M Avg. Volume (K)	1,569
3M Avg. Trading Value (VND bn)	37
Remaining foreign room (%)	37
52-week range ('000 VND)	21,3 - 27,78

FINANCIALS

	2024F	2024F	2025F
Revenue (VND bn)	7,803	9,596	9,144
NPAT-MI (VND bn)	137	486	518
ROA (%)	1.8	5.1	5.5
ROE (%)	2.7	8.2	8.0
EPS (VND)	217	1,345	1,435
BVPS (VND)	16,668	16,605	18,040
Cash dividend (VND bn)	-	-	-
P/E (x)	115.4	17.0	15.9
P/B (x)	1.5	1.4	1.3

INVESTMENT THESES

Overall, in 2025, we expect business results to inch up with revenue of VND 9,144 billion (-5% YoY) and NPAT-MI of VND 518 billion (+5% YoY). Despite flat results, we see that the growth drivers are becoming brighter for PC1's business segments.

- Revenue decreased due to the Nickel segment (contributing 11% of total revenue) recording a 17% YoY decrease in production and lower selling prices due to Indonesia's increased nickel exports.
- 2025F NPAT-MI to modestly increase due to lower financial expenses with falling debt balance.

The privatization of 220kV transmission lines and accelerating approvals for renewable energy projects drives PC1's construction segment in 2026 – 2030F

- 2025F financial results could yet to reflect the positive impacts of these policies as they would take time before coming to effect. However, PC1 has taken an active approach and signed contracts with foreign investors in H2 2024, as shown by an EPC contract for Camarines Sur's wind energy project in Philippines with total backlog of VND 1,200bn.
- Construction contracts with private companies usually deliver higher gross profit margin (9-10%) compares to contracts with EVN (7-8%).

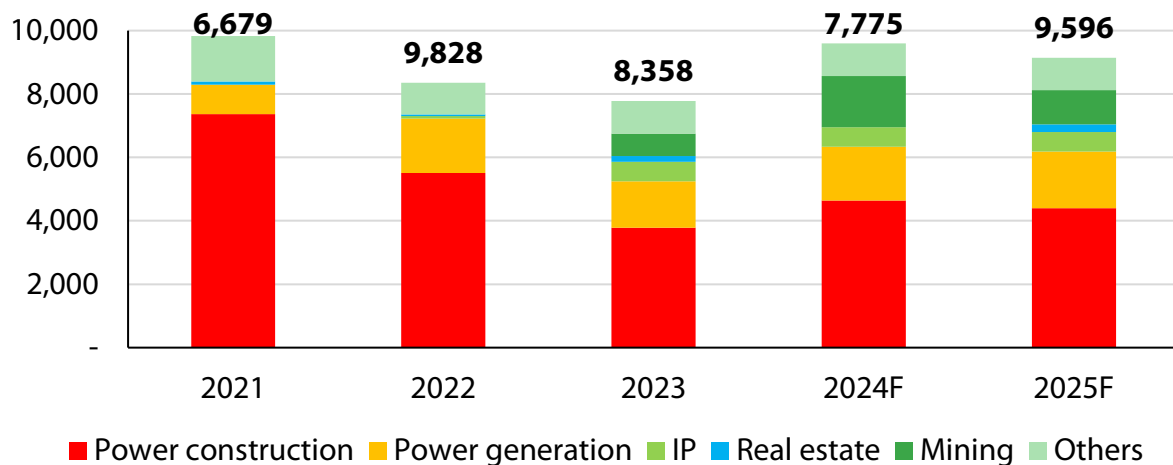
Thap Vang – Gia Lam real estate project to generate cash flows in 2025F

- PC1 successfully bid Thap Vang Gia Lam real estate project in Q3 2024. We forecast the project to deliver total revenue of VND 1,464bn and NPAT-MI of VND61 bn in 2025 – 2027F.
- Additionally, we expect Nomura-phase 2 IP project to be approved in H1 2025 and generate cash flows in 2026F.

RISKS TO OUR CALL

- Business results could trail our estimates if Nickel price is below our forecast.
- VND to depreciate over 5% against USD.

PC1 revenue forecast (VND bn)



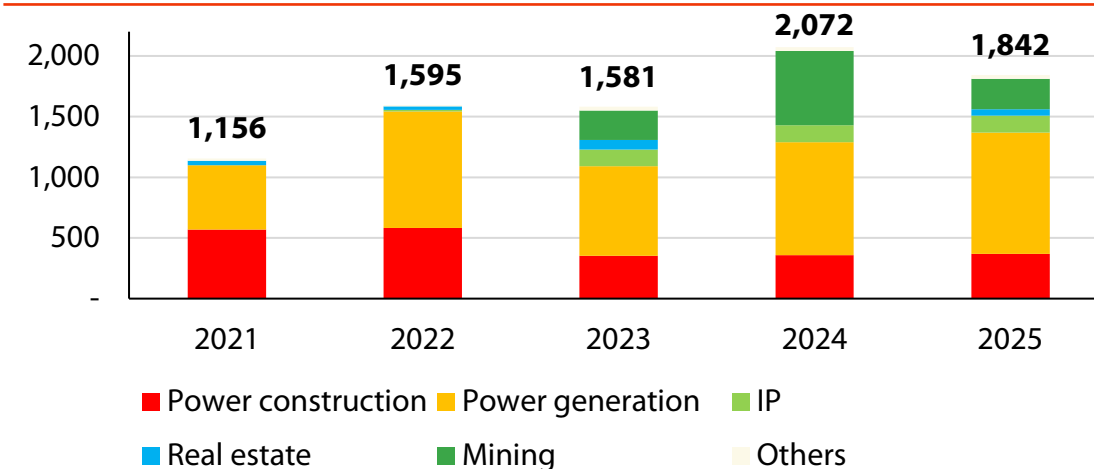
Source: PC1, RongViet Securities

Projects that PC1 successfully bid in Q4/2024

Construction projects	Area	Investor	Type	Value (VNDbn)	Expected deadline
EPC – Equipment supply and construction of 110 kV undersea cable	Con Dao	National Power Transmission (NPT)	Joint venture Prime contractor	2,000	2025
Power stations	Bac Lieu	National Power Transmission (NPT)	Joint venture Prime contractor	183	2025
220 kV power stations in Sam Son	Thanh Hoa	National Power Transmission (NPT)	Joint venture Sub-contractor	159	2025

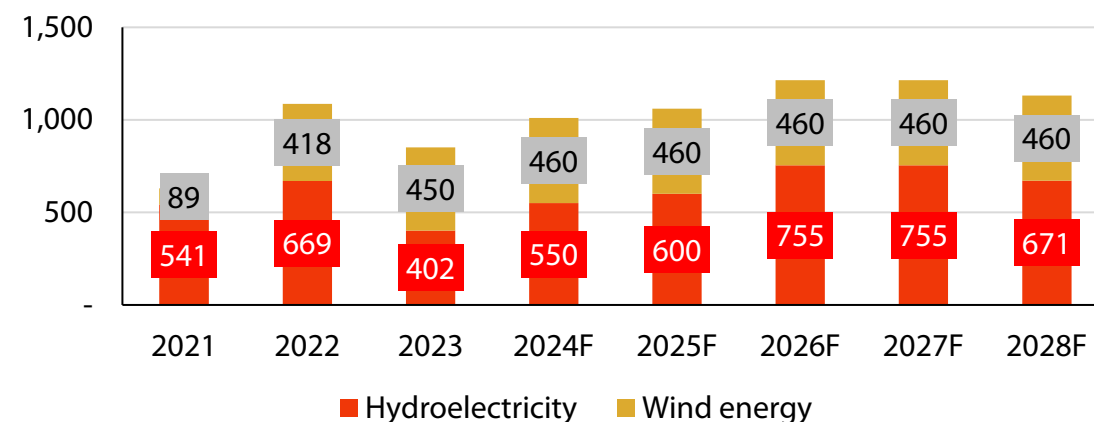
Source: PC1, RongViet Securities

PC1 gross profit forecast (VND bn)



Source: PC1, RongViet Securities

Higher hydropower volume in 2025F (bn kWh)



Source: PC1, RongViet Securities

Table 2: PC1's valuation

Valuation	Equity value (VND bn)	Valuation method
1. Hydropower	2,723	DCF
2. Wind power	2,454	DCF
3. Power construction and industrial production	1,142	DCF
4. Nomura phase 2 IP	368	NAV
5. Real estate (Thap Vang – Gia Lam)	278	NAV
6. Mining	854	DCF
7. Investment in associate - Western Pacific	1,605	
Total equity value	9,425	
Shares outstanding (mn)	358	
Target share price(VND)	26,500	

Source: RongViet Securities

ACCUMULATE: 15%

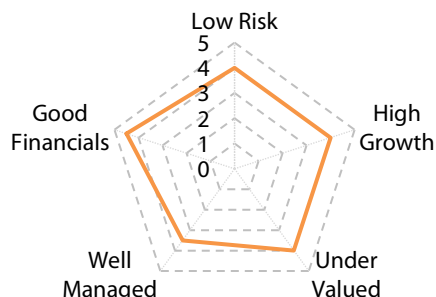
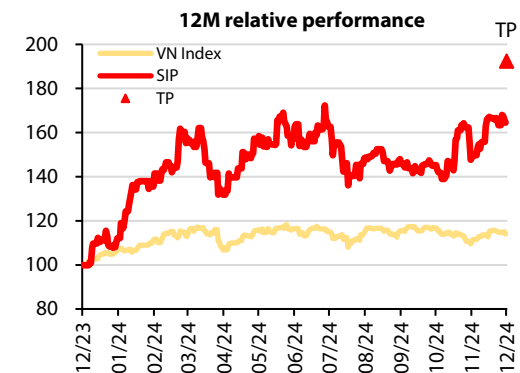
MP: 84,400

TP: 97,000

STOCK INFO

FINANCIALS

2023 2024F 2025F



Sector	Real Estate
Market Cap (USD Mn)	686
Current Shares O/S (Mn shares)	211
3M Avg. Volume (K)	480
3M Avg. Trading Value (VND bn)	38
Remaining foreign room (%)	45.8
52-week range ('000 VND)	49.13 - 87.9

Doanh thu (tỷ đồng)	6,677	7,587	8,334
LNST – CDM (tỷ đồng)	927	1,103	1,181
ROA (%)	5.0	5.0	6.0
ROE (%)	29.0	25.0	20.0
EPS (đồng)	4,574	5,458	5,847
GTSS (đồng)	18,480	29,558	35,405
Cổ tức tiền mặt (đồng)	2,000	1,000	1,000
P/E (x)	12.1	15.5	14.4
P/B (x)	3.0	2.9	2.4

INVESTMENT THESIS

The total newly signed leasable IP area is estimated to grow 30% to 100 hectares, primarily contributed by Phuoc Dong IP

- We expect new leases at Phuoc Dong IP to reach 70 hectares (+17% YoY) due to: 1/ Competitive lease rates (average rental price at USD 80/m²/lease term, 50% lower than Tier-1 market rates); 2/ Strategic location (near the Moc Bai - HCMC Expressway, connecting the Cambodia and Vietnam markets); 3/ Utilities provided, such as electricity and water treatment services, suitable for manufacturing and processing enterprises.
- Additionally, we expect the company to complete land clearance at Phuoc Dong IP in 2025, ensuring contiguous land plots for handover to customers.

Profit from business activities maintains growth

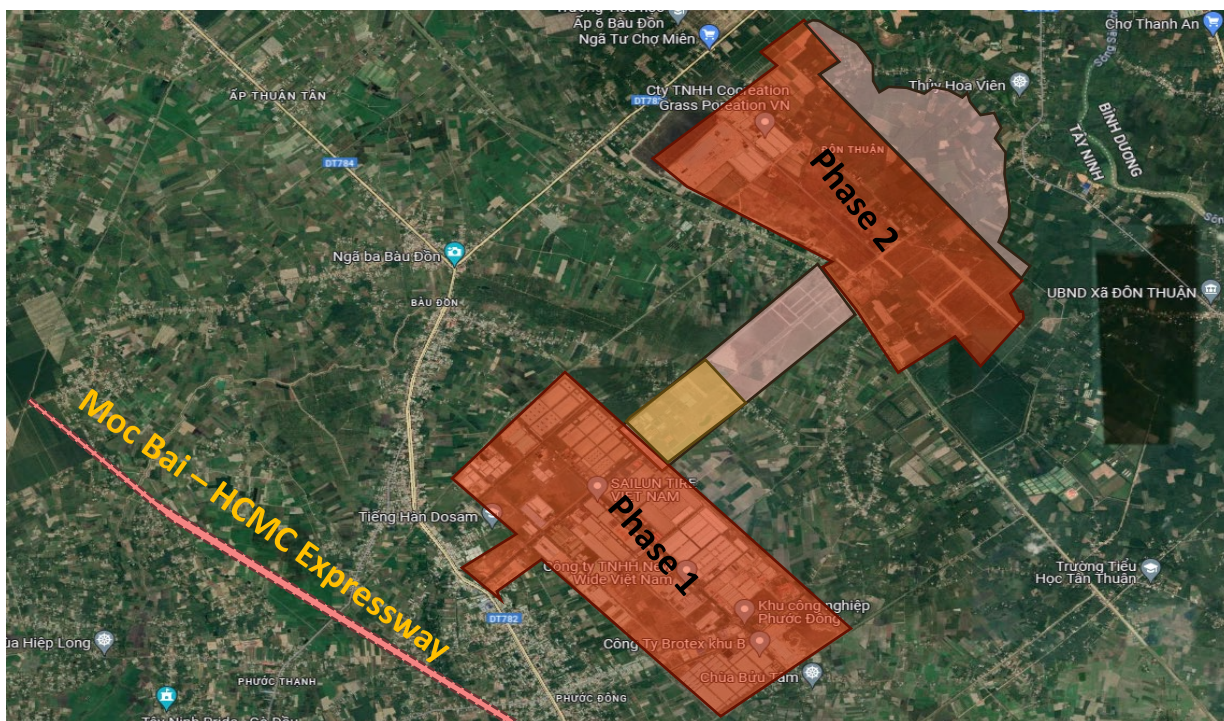
- Total revenue is projected to reach VND 8,334 billion (+10% YoY), driven by: 1/ VND 7,080 billion (+10% YoY) from electricity and water services in IPs, as occupancy rates increase and electricity retail prices are expected to rise by 3% in 2025; 2/ VND 482 billion (+34% YoY) from revenue recognition of signed contracts in 2024 at Phuoc Dong IP and Loc An Binh Son IP. Gross profit for the year is expected to reach VND 1,219 billion (+16% YoY).
- Net profit attributable to parent company shareholders is estimated at VND 1,181 billion (+7% YoY), excluding extraordinary financial revenue from divestment in GVR and TRC in 2024. EPS for 2025 is projected at VND 5,050.

RISKS TO OUR CALL

- Slower-than-expected sales progress or land clearance at Phuoc Dong IP

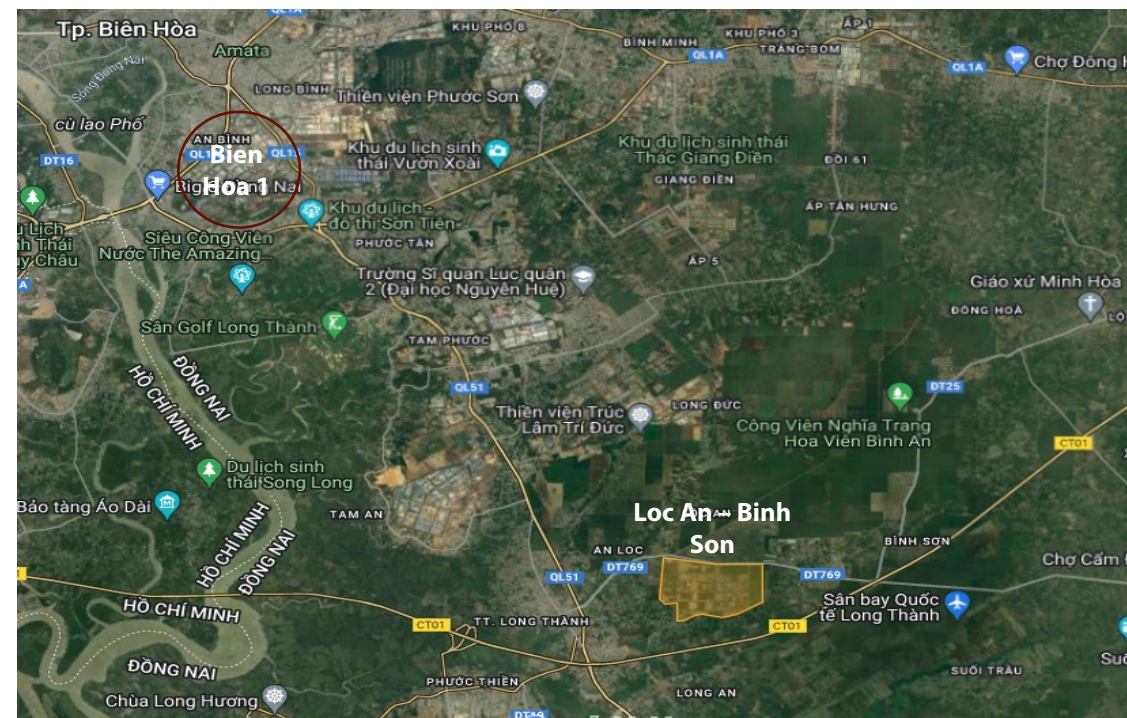
- The total area of newly signed industrial park land lease in 2025 is expected to reach 100ha (+30%YoY), coming from: 1/70ha (+17%YoY) in Phuoc Dong Industrial Park; 2/ 16 hectares from Loc An Binh Son Industrial Park (equivalent to 2024) and an additional 10 hectares from Le Minh Xuan 03 Industrial Park (the new chemical center of Ho Chi Minh City). Ho Chi Minh City).

Promoting sales in Phuoc Dong Industrial Park phase 2 in 2025



Source: SIP, RongViet Securities

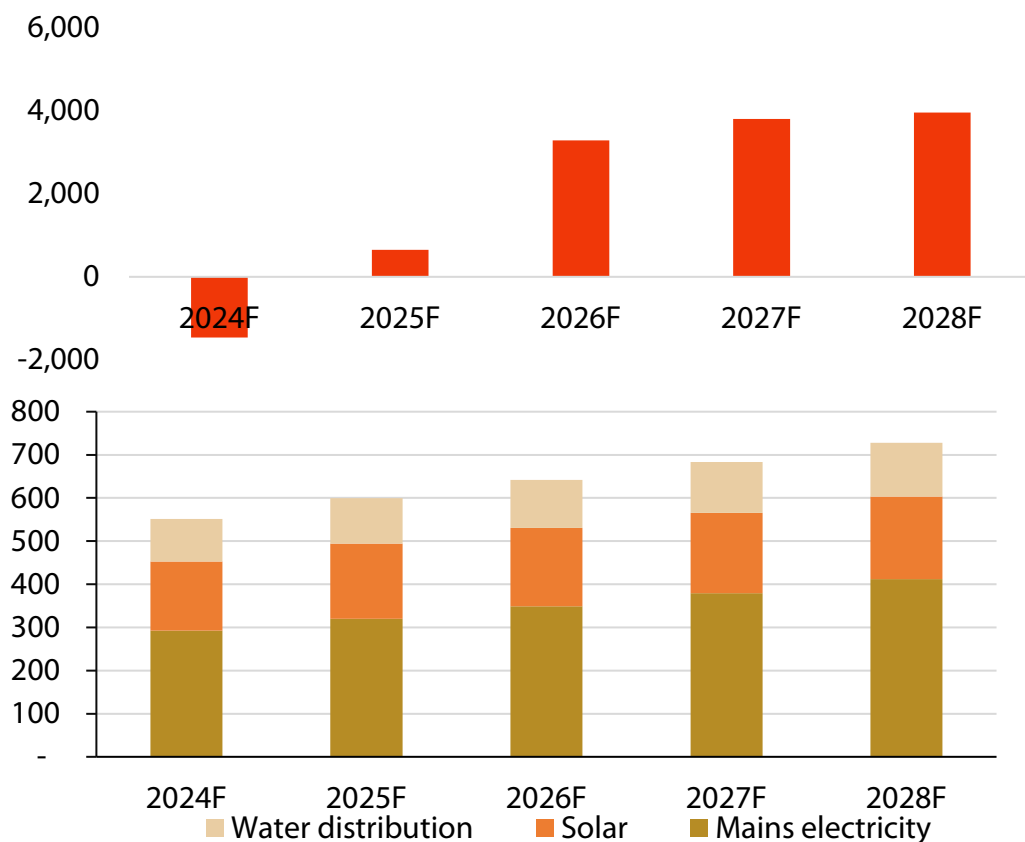
The location advantage of Loc An Binh Son Industrial Park (Dong Nai) – with the tendency to move factories in Bien Hoa 1 Industrial Park to the southern industrial zones



Source: SIP, RongViet Securities

- The total area of newly signed industrial park land lease in 2025 is expected to reach 100ha (+30%YoY), coming from: 1/70ha (+17%YoY) in Phuoc Dong Industrial Park; 2/ 16 hectares from Loc An Binh Son Industrial Park (equivalent to 2024) and an additional 10 hectares from Le Minh Xuan 03 Industrial Park (the new chemical center of Ho Chi Minh City).

Projected FCFE from industrial park land leasing (top) and provision of electricity and water services (bottom) in the period 2024-2028 (billion)



Source: SIP, RongViet Securities

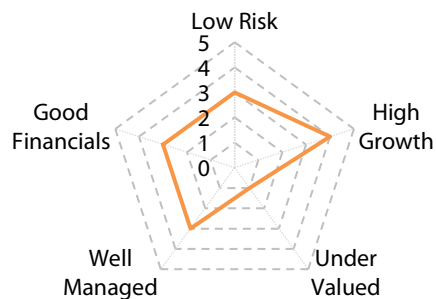
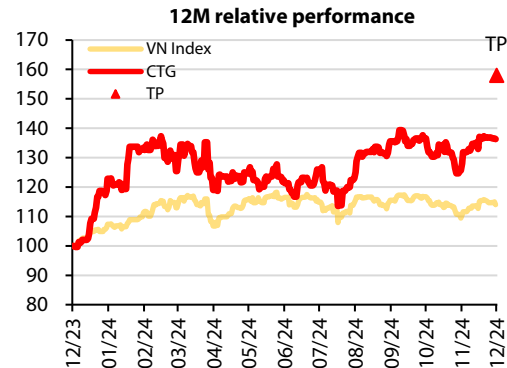
SIP's valuation

Asset	% Ownership	Method	Valuation (billion)
IPs	63%-100%	DCF	10,707
Industrial park services (electricity, water,...)	100%	P/CF (7.0x)	5,468
Other assets	100%		147
Sum			16,322
(+) Cash & Cash Equivalents			4,704
(+) Short-term investment			2,072
(+) Other investments			1,411
(-) Debt			(3,674)
(-) Other liabilities			(484)
NAV			20,352
Number of outstanding (million shares)			211
TP (VND)			97,000

ACCUMULATE: 16%

MP: 36,150

TP: 41,950



STOCK INFO

Sector
Market Cap (USD Mn)
Current Shares O/S (Mn shares)
3M Avg. Volume (K)
3M Avg. Trading Value (VND bn)
Remaining foreign room (%)
52-week range ('000 VND)

Banks
7,626
5,370
6,358
227
3
26,75 - 38,75

FINANCIALS

	2023A	2024F	2025F
Revenue (VND bn)	70,659	80,010	90,519
NPATMI (VND bn)	19,992	22,212	26,337
ROA (%)	1.0	1.0	1.0
ROE (%)	17.0	16.4	16.8
EPS (VND)	3,723	3,715	4,405
Book Value (VND)	23,596	26,995	31,400
Cash dividend (VND)	-	-	-
P/E (x)	7.3	9.7	8.2
P/B (x)	1.1	1.3	1.2

INVESTMENT HIGHLIGHTS

High and stable profit growth (PBT's CAGR 2025F–2028F: 21%) driven by the effective execution of a prudent financial strategy.

- Since appointing a new CEO in 2020, CTG has implemented robust measures to strengthen credit risk provisions, maintaining an average credit cost of 1.9% from 2021–2024—three times higher than the average credit cost under the previous CEO. These measures aim to safeguard the bank from latent risks associated with legacy loans that were not tightly managed in the past.
- State-owned banks typically undergo an extensive "clean-up" cycle of their balance sheets, with annual average credit costs ranging from 1.7%–2.0%, lasting approximately five years. As a result, we project CTG's average credit cost to decline to 1.4% during 2025F–2028F due to a lower non-performing loan (NPL) ratio, creating a positive outlook for income growth.

Positioned for higher valuation levels due to improved operational efficiency, its competitive edge asset quality trends, and in market share and brand strength.

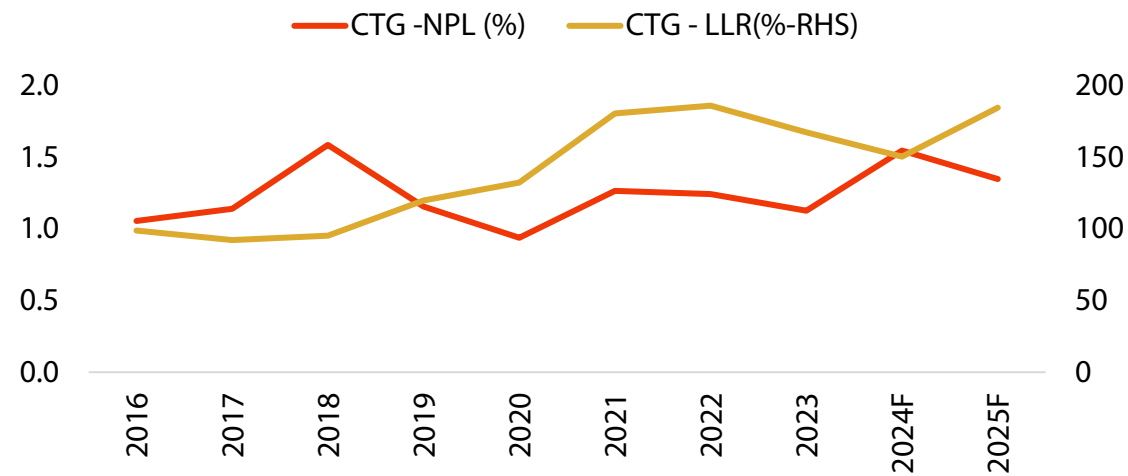
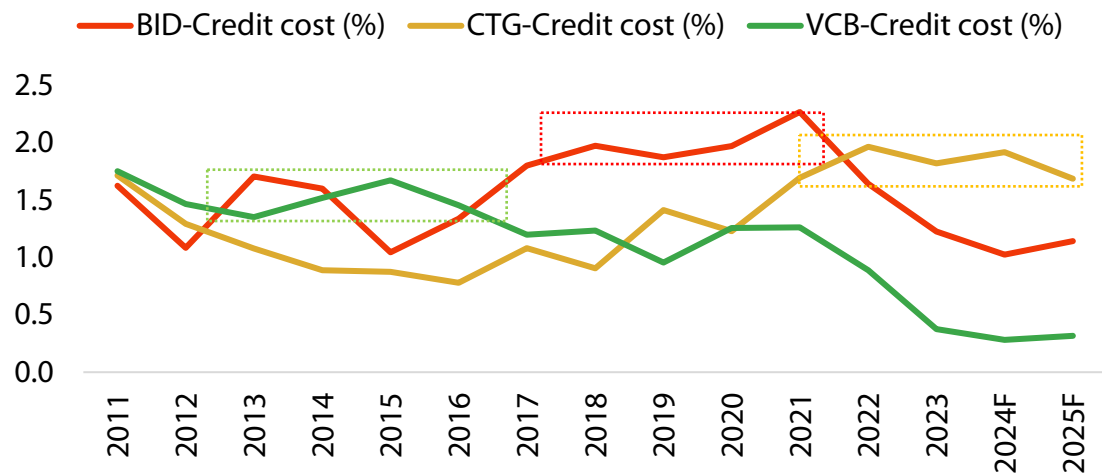
- We forecast that CTG will (1) continue enhancing asset quality, with its NPL ratio gradually declining to 1.1% and provision coverage exceeding 200%, and (2) boost operational efficiency, with ROE improving to 18% by the end of the projection period (2028F). These factors, coupled with favorable macroeconomic conditions, will support CTG in achieving valuations above its 5-year average P/B ratio of 1.4x.

Moderated pre-tax profit growth of 9% forecast for 2024F due to management's decision to allocate higher-than-planned provisions, before rebounding to 18% in 2025F. We commend CTG's increased provisioning in 2024, particularly in the context of economic challenges caused by Storm No. 3, as this strengthens its capacity to lower credit costs starting in 2025.

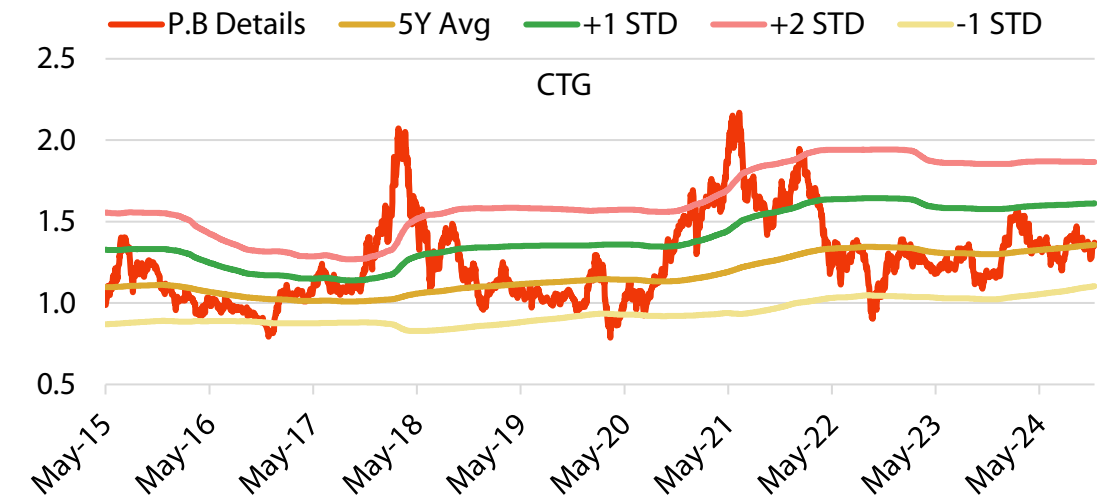
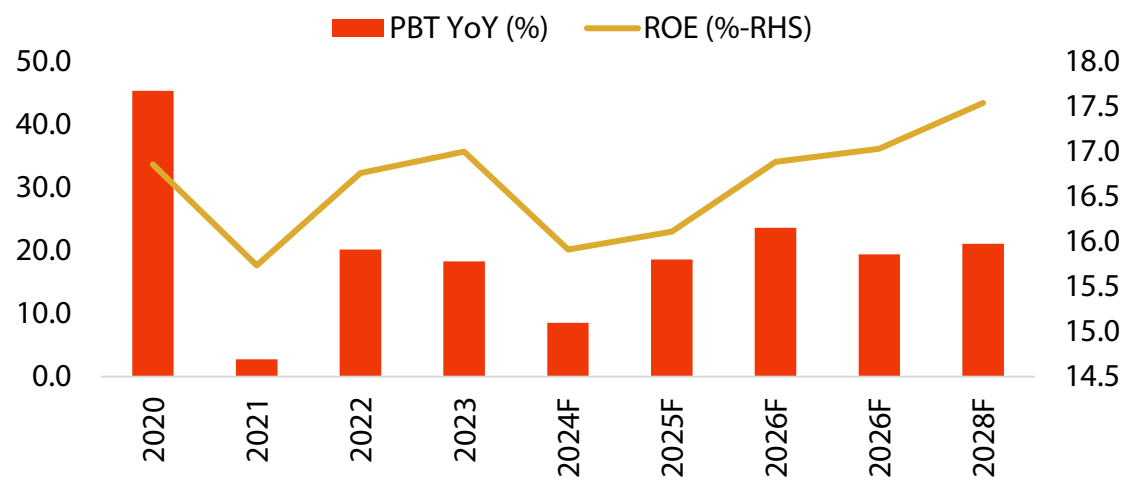
RISKS TO OUR CALL

- The clean-up cycle may take longer than anticipated, delaying income growth expectations and revaluation opportunities.

CTG's "clean-up" cycle should end after 2025, and we expect the asset quality to improve clearly afterward.



Valuation level is likely to be rerated in line with the improvement in asset quality and operating efficiency.

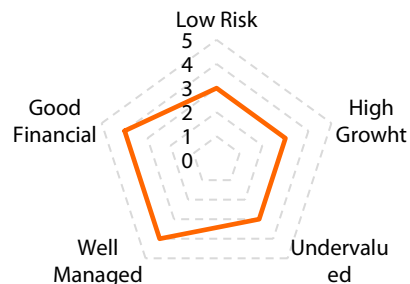
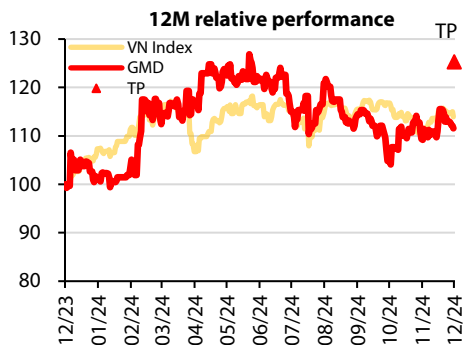


Source: CTG, VCB, BID, Bloomberg, RongViet Securities

ACCUMULATE: 12%

MP: 65,000

TP: 73,100



STOCK INFO

Sector
Market Cap (USD Mn)
Current Shares O/S (Mn shares)
3M Avg. Volume (K)
3M Avg. Trading Value (VND bn)
Remaining foreign room (%)
52-week range ('000 VND)

FINANCIALS

Industrial Goods & Services
1,057
414
1,027
66
0
57,32 - 74,78

	2023A	2024F	2025F
Revenue (VND bn)	3,846	4,694	4,621
NPATMI (VND bn)	2,222	1,688	1,270
ROA (%)	16.7	10.6	7.7
ROE (%)	32.3	16.2	12.1
EPS (VND)	7,333	3,752	2,823
Book Value (VND)	27,975	30,485	31,553
Cash dividend (VND)	-	1,200	-
P/E (x)	8.2	17.3	23.0
P/B (x)	2.1	2.1	2.1

INVESTMENT RATIONALES

The northern region faces challenges with the operation of Lach Huyen port berths 3&4, but the southern cluster is actively working to slow down the revenue decline in 2025

- **Nam Dinh Vu Port:** The throughput is expected to drop by 8% YoY in 2025 as it loses two service routes from MSC. This shipping line will shift its operations to Lach Huyen port berths 3&4 after signing a strategic partnership with Hai Phong port.
- **PIP and Binh Duong Ports:** These serve as a connecting point between the southern industrial zones and Vung Tau. The demand for exports to the US and European markets is forecasted to gradually improve in the second half of 2025, supporting growth for PIP and Binh Duong ports.

Profits from JVs are a solid pillar, contributing up to 60% to NPATMI

- **Gemalink:** Forecast growth of 4% YoY in 2025, lower than the overall industry growth rate, as this level has already exceeded the designed capacity by 25%. Additionally, changes in shipping alliances will not significantly affect Gemalink's market share since MSC is expected to replace Hapag-Lloyd on the Asia-Europe route.
- **SCS:** Operating effectively in the air cargo services, maintaining a very high net profit margin, over 60%. SCS is projected to contribute 20% to GMD's net profit in 2025.

The gross profit margin is narrowing due to increased depreciation costs from putting Nam Dinh Vu port phase 3 into operation and expanding the fleet

- Total additional depreciation costs are expected to rise by VND 200 bn in 2025 as GMD invests in three new vessels with a capacity of 1,800 TEU, valued at VND 2,200 bn, and Nam Dinh Vu port with a total investment of VND 2,800 bn is scheduled to commence operations in Q3-FY25.
- The gross profit margin decreases by 6 pps YoY as breakeven cannot be achieved yet while operations are ongoing amidst losing market share in the Hai Phong area.

RISKS TO OUR CALL

- Changes in shipping alliances and Lach Huyen ports 3-6 could lead to a greater reduction in throughput than expected.
- The GML project phase 2A continues to be postponed.

Forecast 2024E – 2025F

Unit: VND bn	2024	+/- YoY	2025	+/- YoY
Throughput ('000 TEU)	4,406	44%	4,433	1%
Nam Dinh Vu	1,305	18%	1,195	-8%
Binh Duong & PIP	1,317	41%	1,383	5%
Gemalink	1,785	76%	1,856	4%
Net revenue	4,694	22%	4,621	-2%
Handling	4,016	36%	3,943	-2%
Logistics	678	-25%	678	0%
COGS	2,613	26%	2,870	10%
Gross profit	2,080	17%	1,751	-16%
Gain/Loss from JVs	712	162%	739	4%
SG&A expenses	813	23%	801	-1%
Financial incomes	395	-80%	52	-87%
Financial expenses	123	-27%	109	-11%
PBT	2,251	-28%	1,631	-28%
NPATMI	1,688	-24%	1,270	-25%

Source: RongViet Securities

GMD's large CAPEX in 2025

Project	Total investment (VND bn)	Expected start time	Thời gian dự kiến hoàn thành	Design capacity (TEU/year)
Three new vessels	2,200	Q1-FY25	Q1-FY25	N/A
NDV phase 3	2,800	10/2024	Q3-FY25	600,000
GML 2A	3,825	Q2-FY25	Q2-FY26	600,000
Total	8,825			1,200,000

Source: GMD, RongViet Securities

SoTP valuation

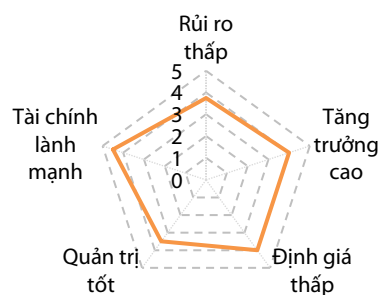
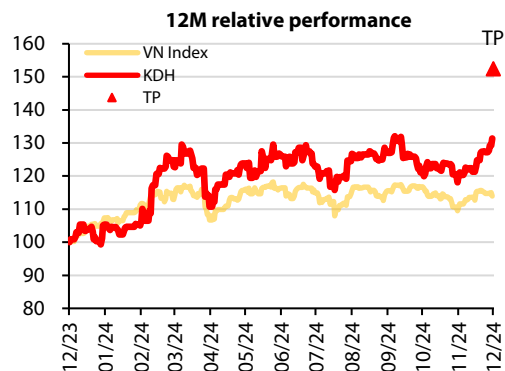
Segment	Method	Equity value	Ownership	Contribution
Port and Logistics	FCFF (WACC: 12%, Exit EV/EBITDA: 10x)	11,089		11,089
Logistics & Shipping JVs		31,618		18,064
SCSC	P/E (@15x)	8,377	36.6%	3,066
CJ GMD Logistics	P/E (@10x)	564	49.1%	277
CJ GMD Shipping	Book value	339	51.0%	173
Gemalink	FCFF (WACC: 10%, Exit EV/EBITDA: 15x)	22,338	65.1%	14,549
Other assets		1,789		1,118
Other investments	Book value	447	100%	447
Rubber (*)	Book value	1,342	100%	671
Total				30,271
No. share outstanding				414
Target price				73,100

Source: GMD, RongViet Securities, (*) 50% discount on value due to ineffective investment

ACCUMULATE: 15%

MP: 35,850

TP: 41,303



STOCK INFO

Sector	Real Estate
Market Cap (USD Mn)	1,424
Current Shares O/S (Mn shares)	1,011
3M Avg. Volume (K)	2,561
3M Avg. Trading Value (VND bn)	87
Remaining foreign room (%)	13
52-week range ('000 VND)	26,55 - 36,36

FINANCIALS

	2023	2024	2025
Revenue (VND bn)	2,093	4,523	4,440
NPATMI (VND bn)	717	1,058	885
ROA (%)	3.4	4.0	5.3
ROE (%)	6.2	6.8	8.3
EPS (VND)	831	979	819
Book Value (VND)	19,427	19,668	21,243
Cash dividend (VND)	-	-	-
P/E (x)	34.4	36.6	43.8
P/B (x)	1.5	1.8	1.7

INVESTMENT THESIS

Business prospects – Binh Trung Dong project cluster is ready to open for sale and record revenue in 2025

- As of December 2024, the project has almost completed ~85% of the construction schedule, is currently completing the infrastructure and applying for a sales license to be able to open for sale in Q1/2025. We expect the company to be able to sell 70% of the total project (~140 units) in 2025, with an estimated sales value of VND 6,320 billion. In the base scenario, we estimate that the handover rate will reach at least 40%, bringing in VND 3,611 billion in revenue for KDH in 2025.
- In addition, revenue in the year was also contributed by ~10% of the remaining products from The Privia project (expected to be completed in Q1/2025). Thereby, KDH's revenue in 2025 is estimated at VND 4,440 billion (equivalent to 2024).

Business results 2025 – keep momentum stable

- In the baseline scenario, we expect KDH's business results in 2025 to continue to maintain a stable momentum when the company hands over the project cluster in Binh Trung Dong; gross profit margin improved at 61% due to the majority of low-rise product handovers.

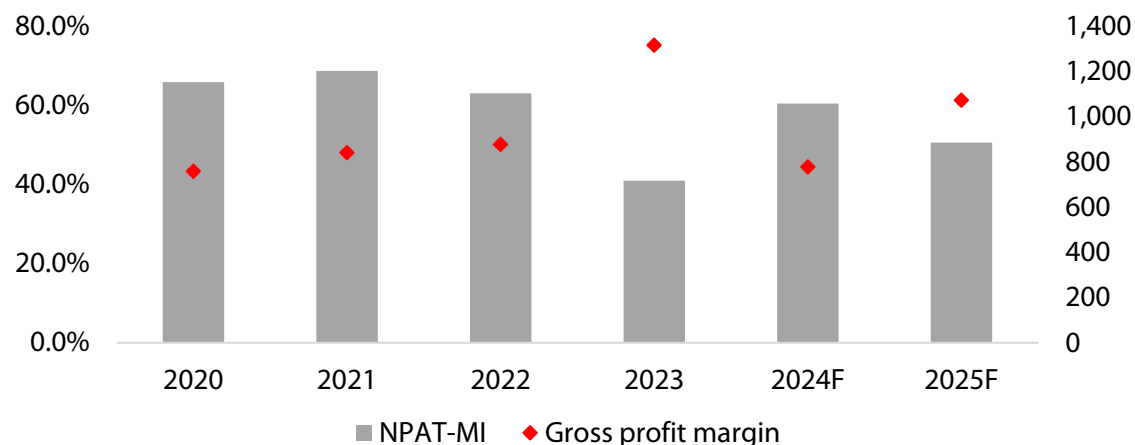
Binh Hung 11A project – Promising to bring cash flow to 2026

- We expect the Solina project phase 1 (13ha) to have a construction permit and start construction of the low-rise subdivision in the second half of 2025. With an estimated 484 low-rise products, the total sales value of the whole project can reach VND 12,584 billion, bringing relatively large cash flow to businesses in the period of 2026 and later. In addition, phase 2 (3ha) is expected to be able to complete compensation procedures, apply for land allocation and pay land use levy in 2026.

RISKS TO OUR CALL

- The project handover progress is faster than estimated.
- The progress of legal completion and the level of product absorption are lower than expected, affecting the future cash flow of the business.

Profit and profit margin of KDH in the period of 2020 - 2025

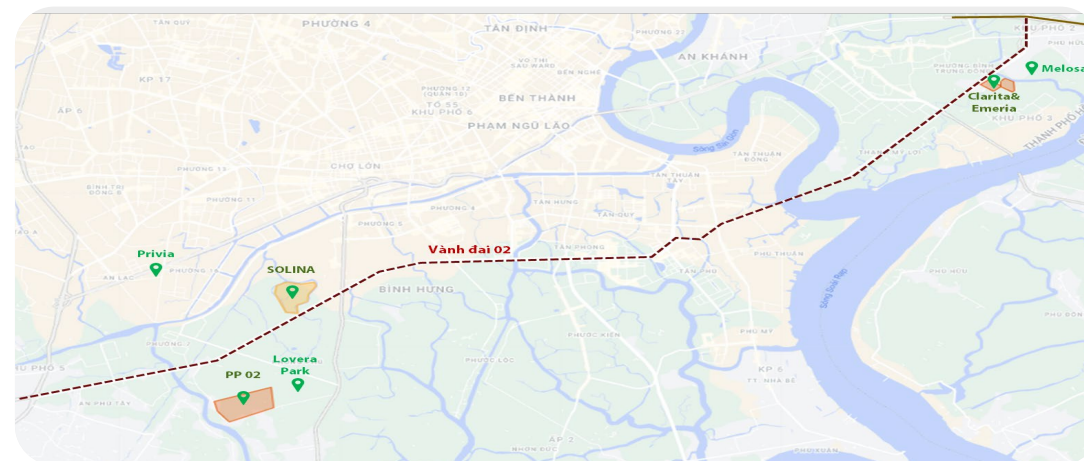


Binh Trung Dong project cluster – expected to open for sale and record revenue in 2025



Sources: KDH, RongViet Securities

KDH project expected to develop in the period of 2025-2026



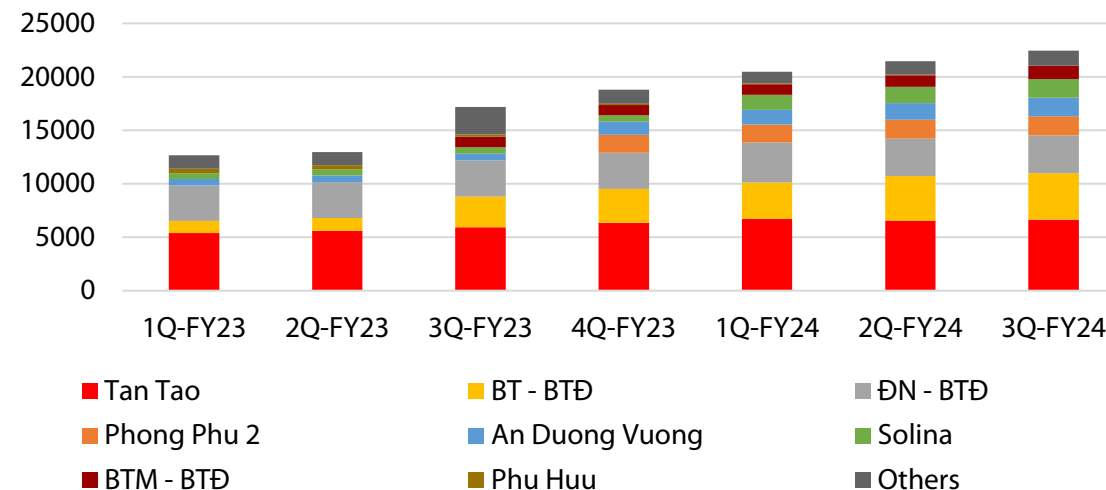
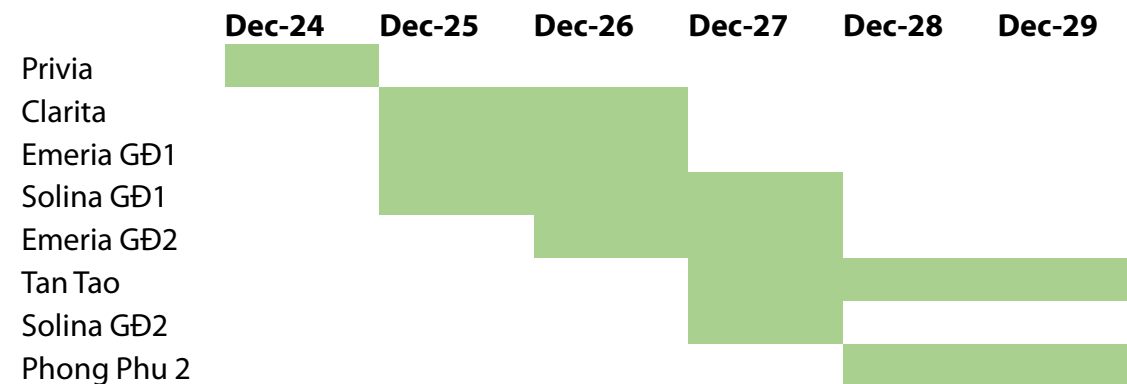
Solina Phase 1 project has completed land use levy, expected to be implemented in 2025



Sources: KDH, RongViet Securities

Summary of KDH valuation

Project	% Staked	Method	NPV (bn VND)
Classia	100%	DCF	124
Privia	100%	DCF	786
Binh Trung Moi - Binh Trung Dong	51%	DCF	1,800
Doan Nguyen - Binh Trung Dong	51%	DCF	1,896
Solina (GD1)	100%	DCF	4,845
Solina (GD2)	100%	DCF	571
Phong Phu 2	100%	DCF	6,673
Tan Tao mega township	100%	DCF	17,451
Le Minh Xuan IP expansion	51%	DCF	3,694
Binh Trung - Binh Trung East	100%	DCF	8,658
Others	100%	BV	1,416
Total			47,914
(+) Money and cash equivalents			3,295
(+) Financial Investment			0
(+) Others			(2,070)
(-) Debt			(7,808)
Net asset value			41,331
Number of shares outstanding (million shares)			1,001
Target price (VND/share)			41,300

Inventory value of KDH in the period of 2020 – 2023 (billion VND) – Binh Trung project cluster (Foresta) is expanded

Estimate of KDH's sales plan for the period 23-29


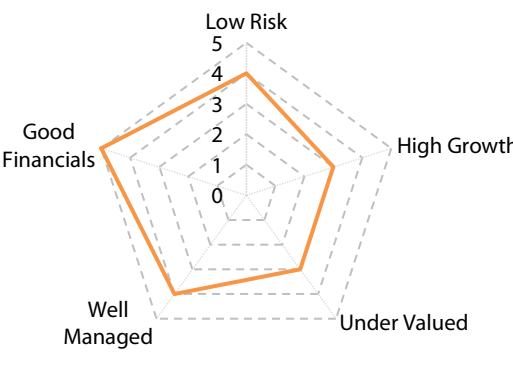
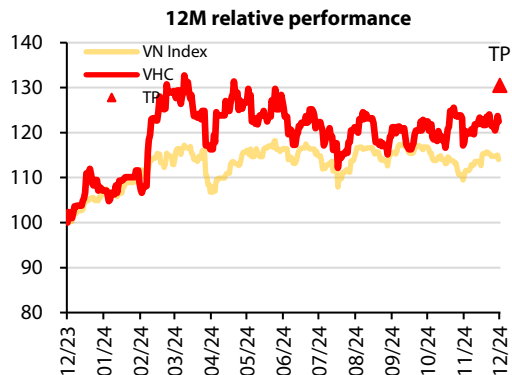
Sources: RongViet Securities estimated

Notes: BT-BTĐ (Binh Trung – Binh Trung Dong); DN – BTĐ (Doan Nguyen – Binh Trung Dong); BTM – BTĐ (Binh Trung Moi – Binh Trung Dong)

ACCUMULATE: 6%

MP: 73,300

TP: 78,000



STOCK INFO

Sector	Food & Beverage
Market Cap (USD Mn)	646
Current Shares O/S (Mn shares)	224
3M Avg. Volume (K)	697
3M Avg. Trading Value (VND bn)	51
Remaining foreign room (%)	72
52-week range ('000 VND)	61,33 - 82,2

FINANCIALS

	2023A	2024F	2025F
Revenue (VND bn)	10,039	12,506	14,047
NPATMI (VND bn)	897	1,198	1,601
ROA (%)	7.7	8.8	10.9
ROE (%)	10.7	12.2	14.5
EPS (VND)	4,880	5,336	7,131
Book Value (VND)	45,801	43,836	49,279
Cash dividend (VND)	2,000	2,000	2,000
P/E (x)	12.7	13.7	10.3
P/B (x)	1.4	1.7	1.5

INVESTMENT RATIONALES

Revenue Growth Continues Driven by Pangasius and C&G Segments

Revenue from the pangasius segment increased by 11.8% YoY, mainly due to capturing market share in the Tilapia segment in the US and maintaining a slight increase in selling price by 2.7% YoY. The current selling price of pangasius, being lower than other fish types, continues to provide a competitive advantage in the US.

Revenue from the C&G segment is expected to rise by 17.9% YoY, driven by a 15% YoY increase in production volume (equivalent to a 65% utilization rate of the 5,000-ton capacity) while selling prices edge up by 2% YoY. The production volume increase is attributed to

- VHC planning to operate its full 5,000 ton capacity in 2025 and further expand capacity from 5,000 tons to 7,000 tons during 2025–2027, leveraging unused fish skin resources.
- This export volume remains modest, accounting for only 0.1% of global C&G imports.

Gross Margin Improvement Over Time:

- The 2025 gross margin is projected to improve by 300bps YoY, primarily due to a 3% YoY decrease in raw fish prices, driven by a 4% YoY decline in soybean prices, while selling prices increase slightly by 2.7% YoY.
- During 2026–2028, the C&G segment and the Sa Giang segment, both of which have higher gross margins than pangasius, are expected to drive gross margin growth as their contribution to total revenue gradually increases.

RISKS TO OUR CALL

- Import tariffs in the US are expected to affect the company's business performance.
- Gross margin declines as higher export volumes result in increased reliance on external raw fish procurement.

	2020	2021	2022	2023	2024F	2025F	2026F	2027F	2028F
Export value (Million USD)	208	264	369	242	266	296	317	335	348
YoY		27%	40%	-34%	10%	11%	7%	6%	4%
Export volume (Thousand tons)	73	85	89	74	93	101	106	110	112
YoY		17%	5%	-16%	25%	8%	5%	4%	2%
Pangasius price (USD/kg)	2.9	3.1	4.1	3.3	2.8	2.9	3.0	3.0	3.1
YoY		8%	33%	-21%	-13%	3%	2%	2%	2%

Source: VHC, Agromonitor, RongViet Securities

- Export volumes increased due to gaining market share in Tilapia and marine fish.
- The inventory-to-revenue ratio for F&B in the U.S. remains at an average level.
- Selling prices are expected to rise slightly next year and remain stable in line with the 2% annual inflation rate starting from 2026.

Financial metrics table of VHC

Ending	FY2021	FY2022	FY2023	FY2024F	FY2025F	FY2026F
Revenue (billion VND)	9,060	13,464	10,076	12,506	14,047	15,212
<i>Pangasius</i>	6,054	8,633	5,776	6,521	7,293	7,853
<i>Collagen</i>	642	885	724	959	1,131	1,275
<i>Sa Giang</i>	384	444	455	802	891	967
<i>Others</i>	1,981	3,502	3,121	4,224	4,732	5,117
YoY (%)						
<i>Revenue</i>	28.66%	46.13%	-24.17%	24.65%	12.32%	8.30%
<i>NPAT-MI</i>	52.78%	79.64%	-53.50%	30.42%	33.64%	16.95%
Profitability ratio (%)						
<i>Gross profit margin</i>	19.39%	22.49%	14.88%	15.18%	18.14%	19.34%
<i>NPAT-MI margin</i>	12.14%	14.93%	9.15%	9.58%	11.40%	12.31%
<i>ROE</i>	18.68%	25.67%	10.69%	12.17%	14.47%	14.93%
Leverage ratio (%)						
<i>Total debt/Equity</i>	32.66%	33.57%	28.06%	26.23%	22.76%	18.27%

Source: RongViet Securities

Combining the two methods, **long-term DCF and short-term SoTP**, with an equal weighting of 50:50, the target stock price for VHC over the next year is **determined to be 78,000 VND/share**.

Target price

Method	Portion	
FCFF	50%	85,412
SoTP	50%	70,661
Target price (round)		78,000
P/E target (2025)		10.9
Upside		+6.4%

Source: RongViet Securities

Long-term valuation as FCFF method

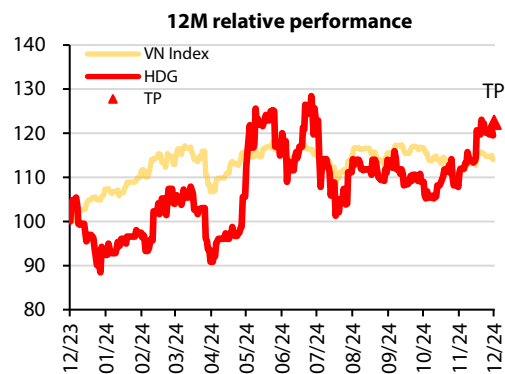
	Exit EV/EBITDA					
		5.3	6.3	7.3	8.3	9.3
WACC	9%	77,314	87,030	96,746	106,462	116,178
	11%	72,765	81,798	90,830	99,863	108,896
	13%	68,595	77,004	85,412	93,820	102,229
	15%	64,767	72,604	80,441	88,278	96,115
	17%	61,247	68,561	75,874	83,187	90,500

Source: RongViet Securities

NEUTRAL: 2%

MP: 30,200

TP: 30,900



STOCK INFO

Sector	Real Estate
Market Cap (USD Mn)	399
Current Shares O/S (Mn shares)	336
3M Avg. Volume (K)	3,459
3M Avg. Trading Value (VND bn)	100
Remaining foreign room (%)	30
52-week range ('000 VND)	22,32 - 33

FINANCIALS

	2023A	2024F	2025F
Revenue (VND bn)	2,882	2,485	2,986
NPATMI (VND bn)	712	762	1,025
ROA (%)	4.8	6.2	7.6
ROE (%)	11.6	12.0	14.4
EPS (VND)	2,327	2,186	2,939
Book Value (VND)	19,635	19,036	21,524
Cash dividend (VND)	-	500	500
P/E (x)	10.8	13.8	10.3
P/B (x)	1.3	1.6	1.4

INVESTMENT THESIS

Business Outlook in 2025: Positive results from key business activities

- Energy: according to ENSO's forecast, the La Nina phase is expected to last until the first half of 2025, before switching to the Neutral/El Nino phase. Therefore, we expect that the output of hydropower plants will continue to record positive results in 2025, with hydropower output expected to reach 1.28 billion Kwh (+10%YoY); thereby, the total output of HDG's power plants can reach 1.56 billion Kwh (+8% YoY).
- Residential real estate: With the prospect of recovery of the real estate market in Tier I cities, we believe that phase 03 of the Charm Villa project (~110 low-rise units) can be opened for sale in 2025 with a relatively good absorption rate (~40% of the total products and expected sales value of VND 900 billion). Revenue and gross profit from real estate are expected to reach VND 545 billion (+200%YoY, when the company can hand over products in 2025) and VND 381 billion (+200%YoY), respectively.
- In summary, HDG's revenue and gross profit in 2025 are expected to reach VND 2,986 billion (+20%YoY) and VND 2,072 billion (+20%YoY), respectively. Along with the company's restructuring of loans to help interest expenses decrease slightly and reach VND 450 billion (-5% YoY), profit after profit – the parent company of the enterprise can reach VND 1,045 billion (+34% YoY).

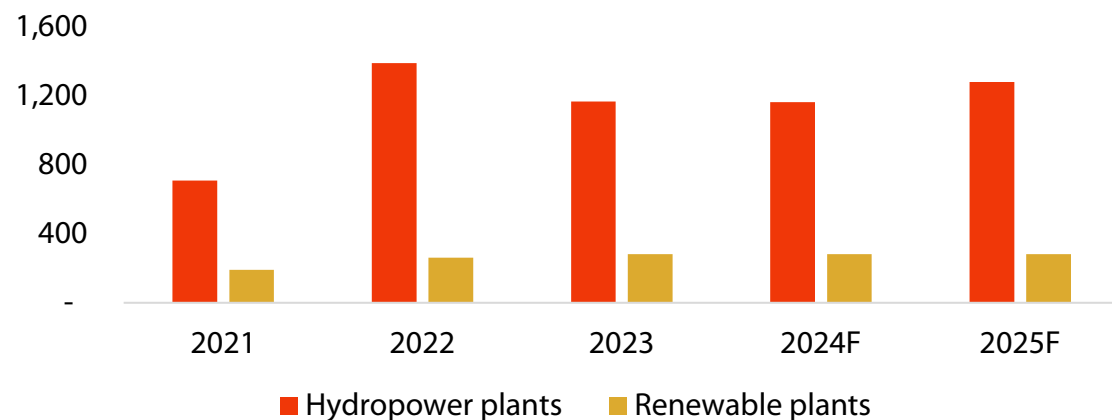
Policy Movement – Restarting Potential Projects

- With the pilot implementation of commercial housing projects through land use rights with other land approved in 2024, we believe that the Green Lane project (District 8, Ho Chi Minh City). Ho Chi Minh City) will be on the list to be piloted (with the project still in Decision 4151/QD-UBND/2021 on the housing development plan of Ho Chi Minh City for the period of 2021-2025), through which the project can issue construction permits and conduct investment in the period of 2026 onwards. For renewable energy projects, we believe that it is necessary to monitor the bidding mechanism and negotiate electricity prices (Decree 115/2024/ND-CP) before including it in the pricing model.

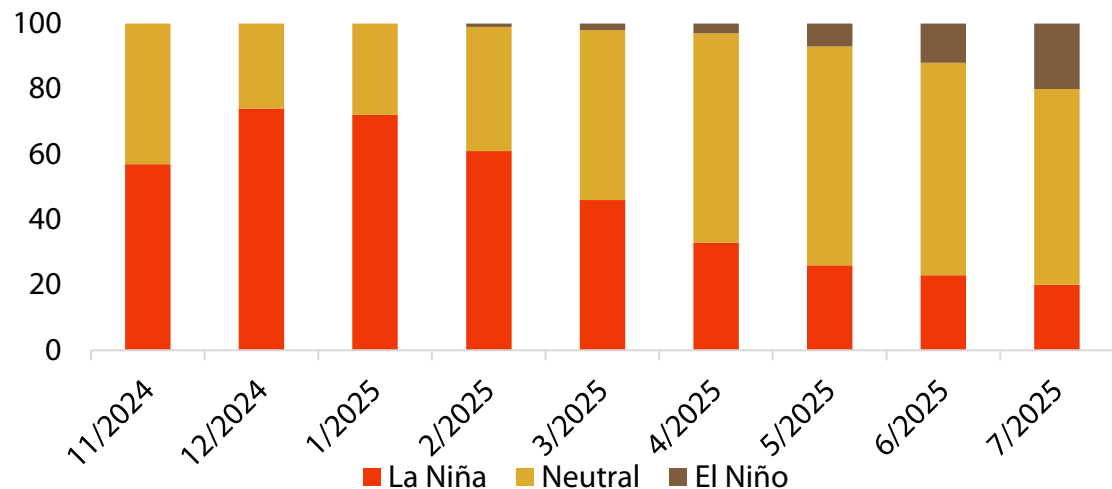
RISKS TO OUR CALL

- Delays in the legal completion of projects can have a negative impact on the company's future cash flow.
- El Nino phase arrives earlier than expected, affecting the electricity output of businesses

HDG's electricity output in the 2021-2025 period



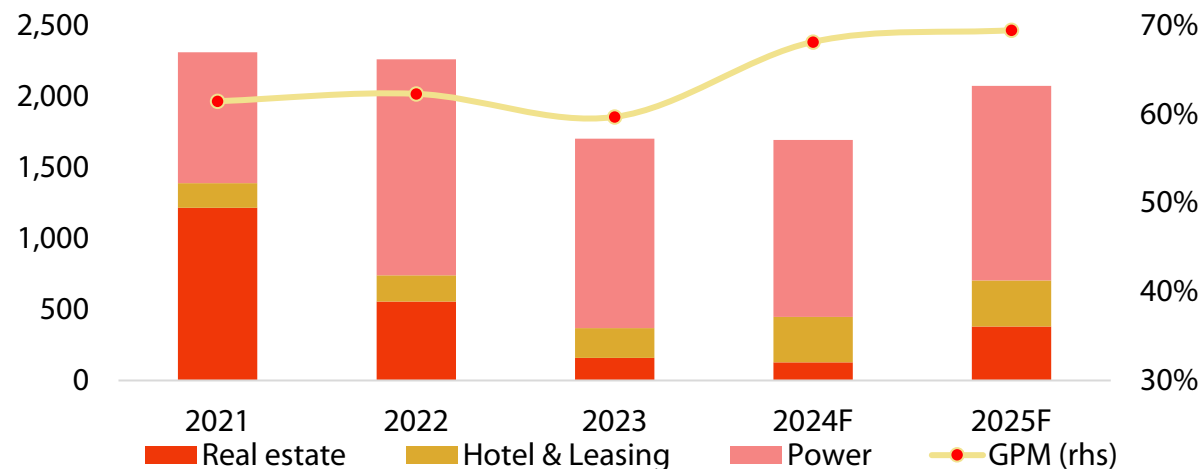
ENSO's forecast (%) – La Nina phase is expected to last until 1H2025



Progress of the company's real estate projects.

Project	Area (ha)	Product	Location	Current Status
Charm Villas	30	Villas/townhouses/ Shophouses	Hoai Duc, HN	Complete construction for the whole project. Phase 3 is expected to open for sale in early 2025
Green Lane	2,3	Apartment	District 8, HCMC	Carrying out procedures for obtaining a construction license, expected to be able to open for sale in 2026
Minh Long	2,7	Townhouse/Apartments	Thu Duc, HCMC	Carrying out procedures for changing the land use purpose to residential land

HDG's gross profit in the period of 2021-2025 (billion VND)



Sources: ENSO, HDG, RongViet Securities.

HDG stock valuation results

Project	Method	NPV (bn VND)
Charm Villa	DCF	1,045
Green Lane	DCF	1,391
Other projects	BV	982
Rental buildings (IBIS, Airport,...)	DCF	2,073
Existing power plants	DCF	5,017
Total		10,509
(+) Money & Cash Equivalent		130
(+) Financial Investment		713
(+) Others		0
(-) Debt		-964
Net asset value		10,388
Number of shares outstanding (mn shares)		306
Target price		30,900

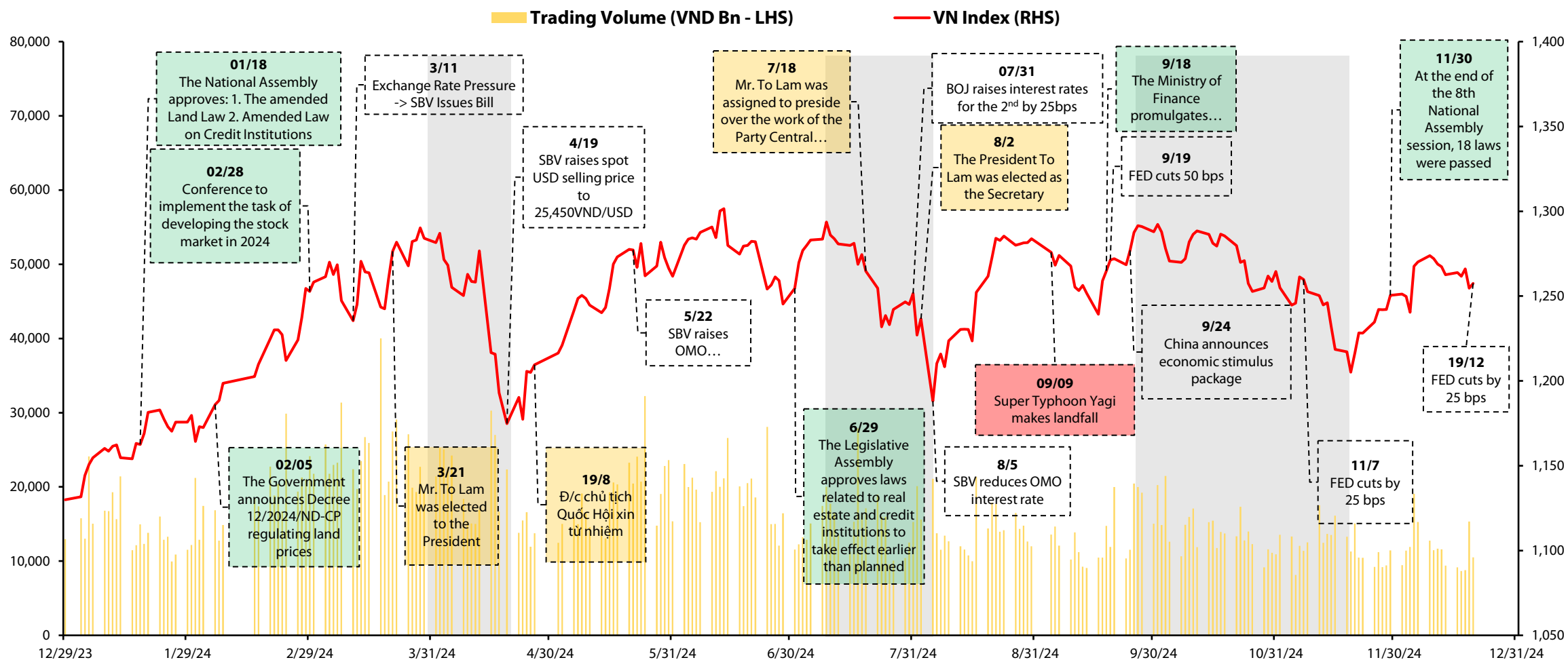
Source: HDG, GGmap, Rong Viet Securities

Location and current status of Green Lane project (District 8, HCMC)



APPENDIX

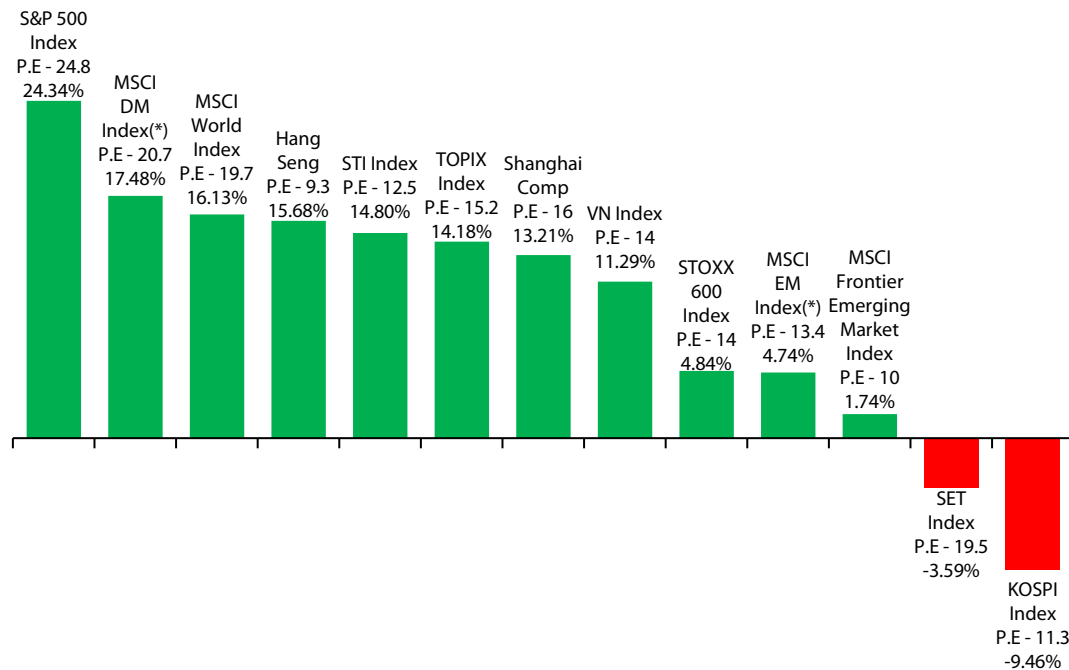
VN Index and major events in 2024



Source: Bloomberg, RongViet Securities Compiled

 Events related to the policy environment
 Events related to personnel changes in the central government
 Incidents related to the money market
 Natural disasters

VN Index recorded an increase of 11.29% since the beginning of the year, ranking in the 51% percentile in the 12-month annual yield distribution and outperforming the MSCI Frontier Index



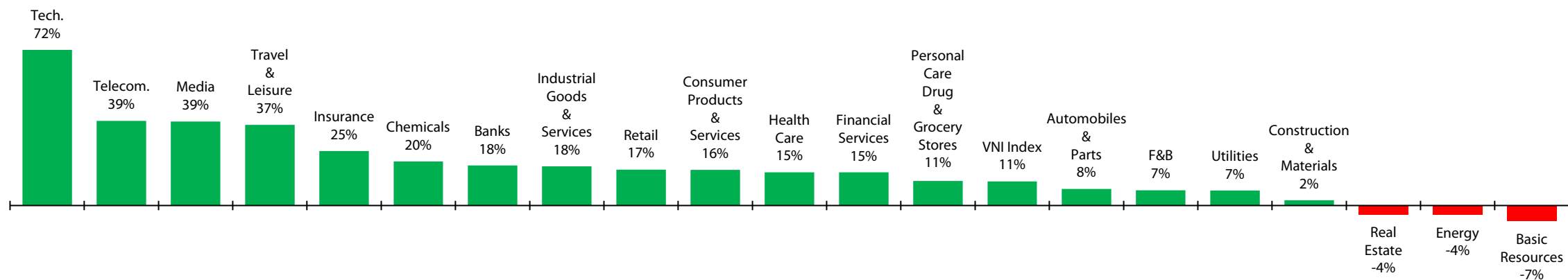
Source: Bloomberg, RongViet Securities. Data as of 12/20/2024.
(*DM: Developed Market
EM: Emerging Market

Market liquidity, although declining towards the end of the year, still recorded an increase of 22% over the same period.

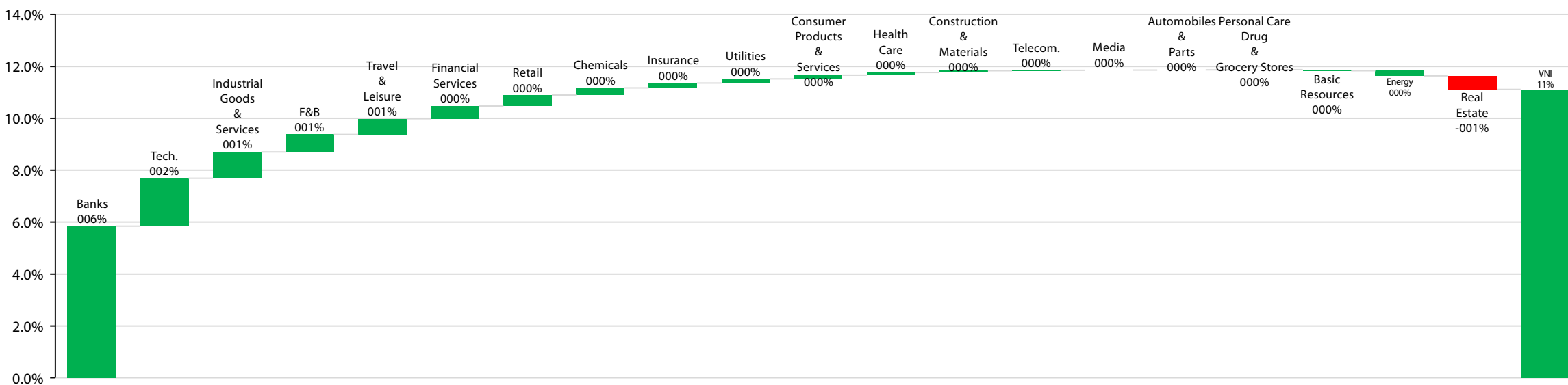
	VN Index	Upcom	HNX Index
2024	16,457	748	1,321
2023	13,478	588	1,540
2022	15,366	937	1,771
2021	20,027	1,502	2,910
2020	5,208	310	597
2019	2,925	203	321
2018	4,253	268	717
2017	3,446	147	574
2016	1,993	58	448
2015	1,668	33	457
2014	1,888	17	824
2013	875	1	304

Source: Bloomberg, RongViet Securities. Data as of 12/20/2024.

Performance of industry groups since the beginning of 2024



Contribution of industry groups to the return of the overall market in 2024



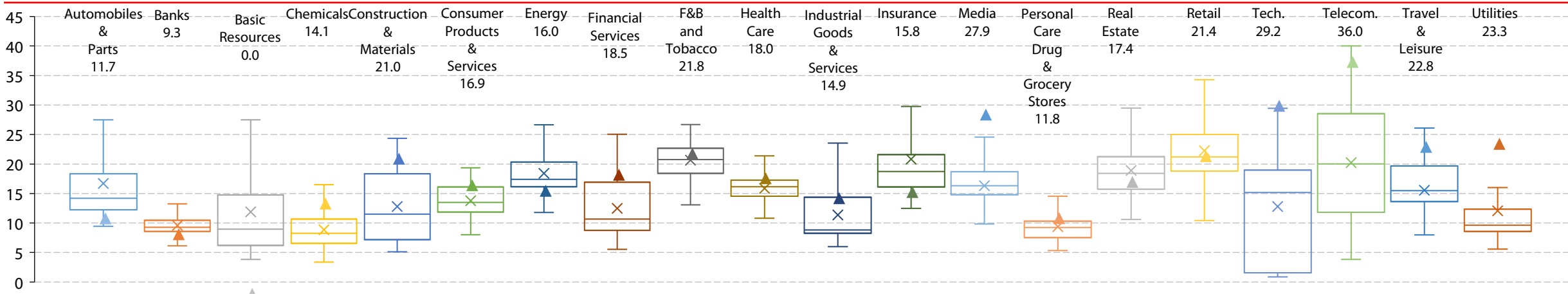
Source: Bloomberg, RongViet Securities. The group of stocks is classified by ICB standard tier 2 industry.

The banking group attracts flow significantly, in addition to the prominent names in the year including, technology, retail, consumption, Travel and Leisure, and media.

VND Billion/session	Average Liquidity per Session											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Banks	54	86	183	102	341	1,015	443	1,633	5,285	2,727	2,419	3,558
Real Estate	161	365	225	521	553	802	481	958	4,142	3,116	3,005	2,899
Financial Services	30	157	137	81	150	236	75	224	1,987	1,413	2,035	2,166
Industrial Goods and Services	91	189	120	229	289	413	255	690	2,369	1,741	1,460	1,723
Food, Beverage and Tobacco	97	211	212	374	370	504	299	656	1,655	1,408	1,104	1,556
Construction and Materials	89	152	186	195	287	183	132	285	897	1,121	1,068	894
Retail	1	10	11	29	203	175	160	231	467	493	459	839
Technology	12	51	42	41	72	85	79	121	281	250	225	730
Chemicals	22	41	31	28	68	41	22	124	476	783	441	631
Basic Resources	38	44	25	116	147	89	44	176	804	548	505	443
Energy	54	91	62	68	146	180	128	167	440	369	217	281
Consumer Products and Services	13	40	51	66	69	88	84	116	265	254	162	272
Utilities	48	43	53	43	30	28	82	120	332	333	161	181
Travel and Leisure	1	3	1	21	86	131	116	84	140	125	93	152
Health Care	10	19	56	39	63	33	21	32	195	77	38	48
Insurance	21	21	24	24	23	22	20	48	114	116	39	42
Automobiles and Parts	48	34	10	30	17	13	9	17	65	23	9	38
Media						4	6	2	10	11	4	18
Telecommunications	0	0	0	0	0	0	0	1	9	5	1	2
Personal Care, Drug and Grocery Stores	1	0	1	4	2	1	1	5	4	1	0	2
VN Index	875	1,888	1,668	1,993	3,446	4,253	2,925	5,208	20,027	15,366	13,478	16,457

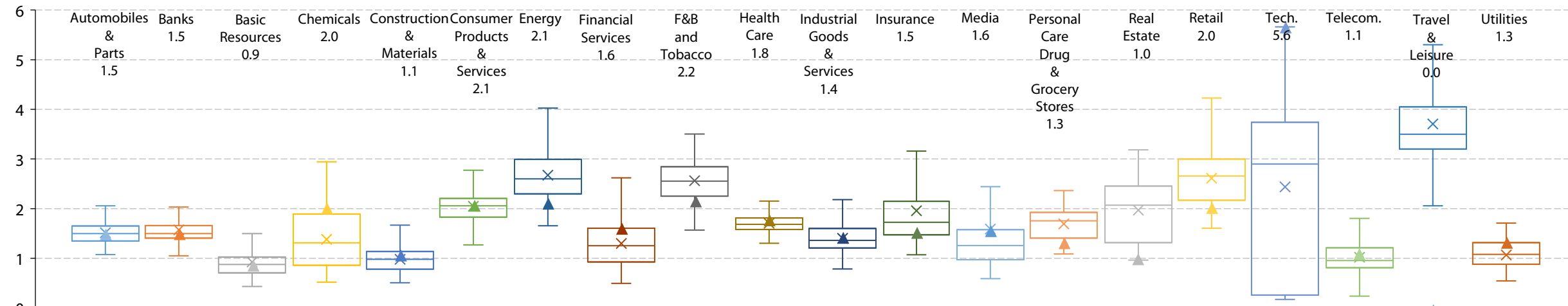
Source: Bloomberg, RongViet Securities. Data as of 12/20/2024.

P/E by Industry (2019-2024)



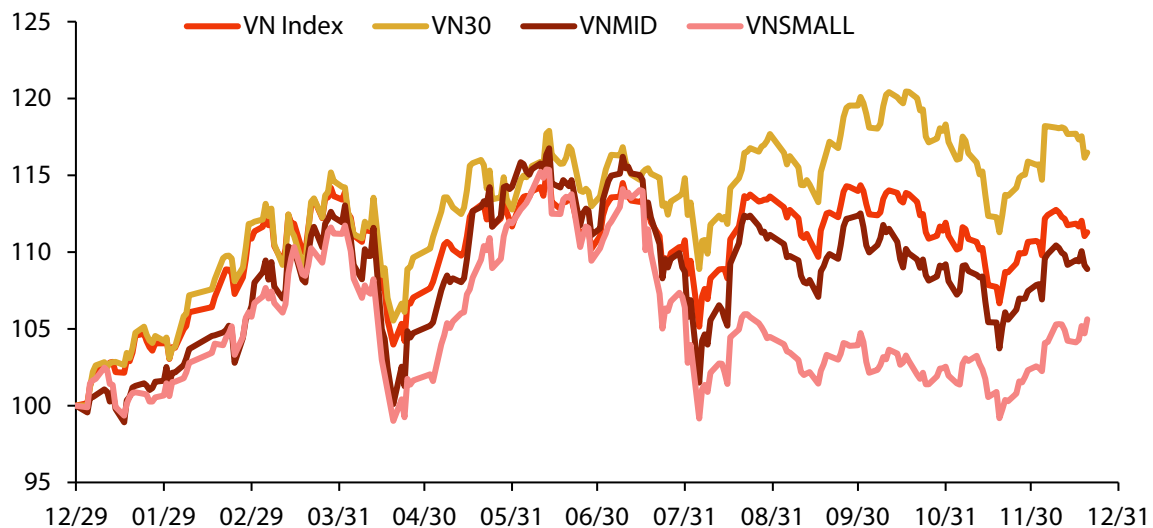
X: 5-year average P/E, ▲: Current P/E
 Source: Bloomberg, RongViet Securities. Data as of 12/20/2024.

P/B by industry (2019-2024)



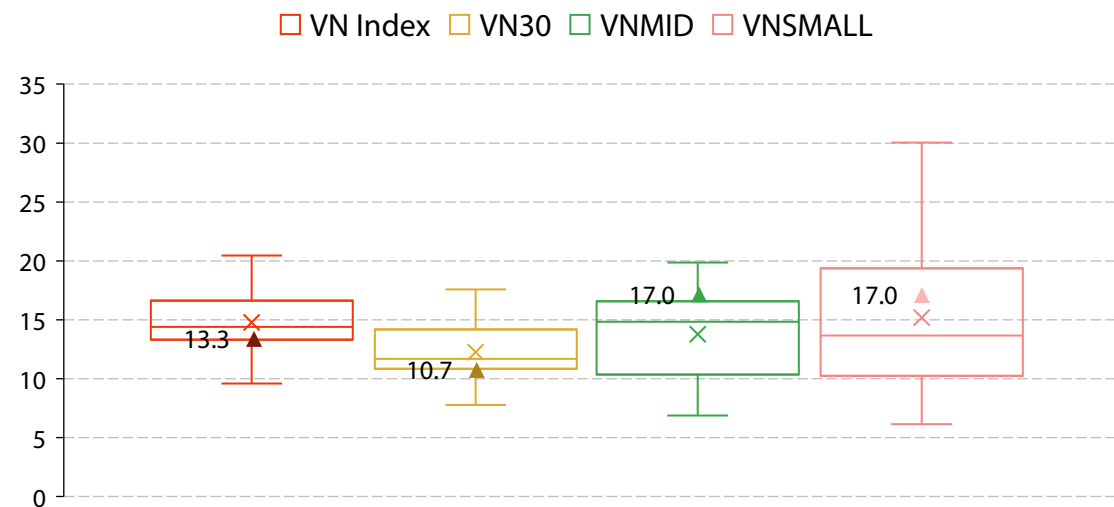
X: 5-year average P/B, ▲: Current P/B
 Source: Bloomberg, RongViet Securities. Data as of 12/20/2024.

VN30 Index leads the market's upward momentum



Source: Bloomberg, RongViet Securities. Data as of 12/20/2024.

P/E by capitalization group (2019-2024)



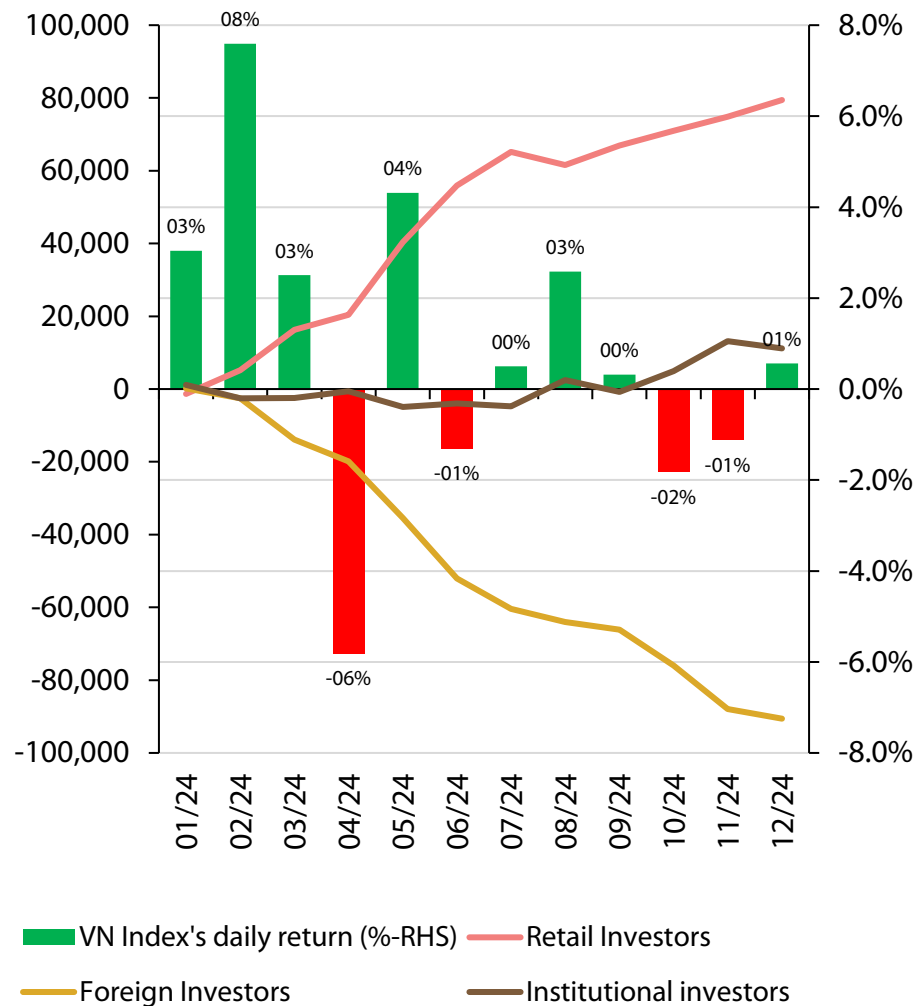
X: 5-year average P/E, ▲: Current P/E
Source: Bloomberg, RongViet Securities. Data as of 12/20/2024.

Market liquidity by capital group – cash flow returns to the large-cap group in 2024, the small and medium-sized group improves slightly

VND Billion/session	Average Liquidity per Session											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
VN30	474	990	861	1,026	1,555	2,441	1,718	2,762	9,358	5,650	4,993	7,214
VNMID				466	906	923	711	1,451	6,004	6,435	6,400	6,980
VNSMALL				336	322	282	276	610	2,783	2,413	1,576	1,715
VN Index	875	1,888	1,668	1,993	3,446	4,253	2,925	5,208	20,027	15,366	13,478	16,457

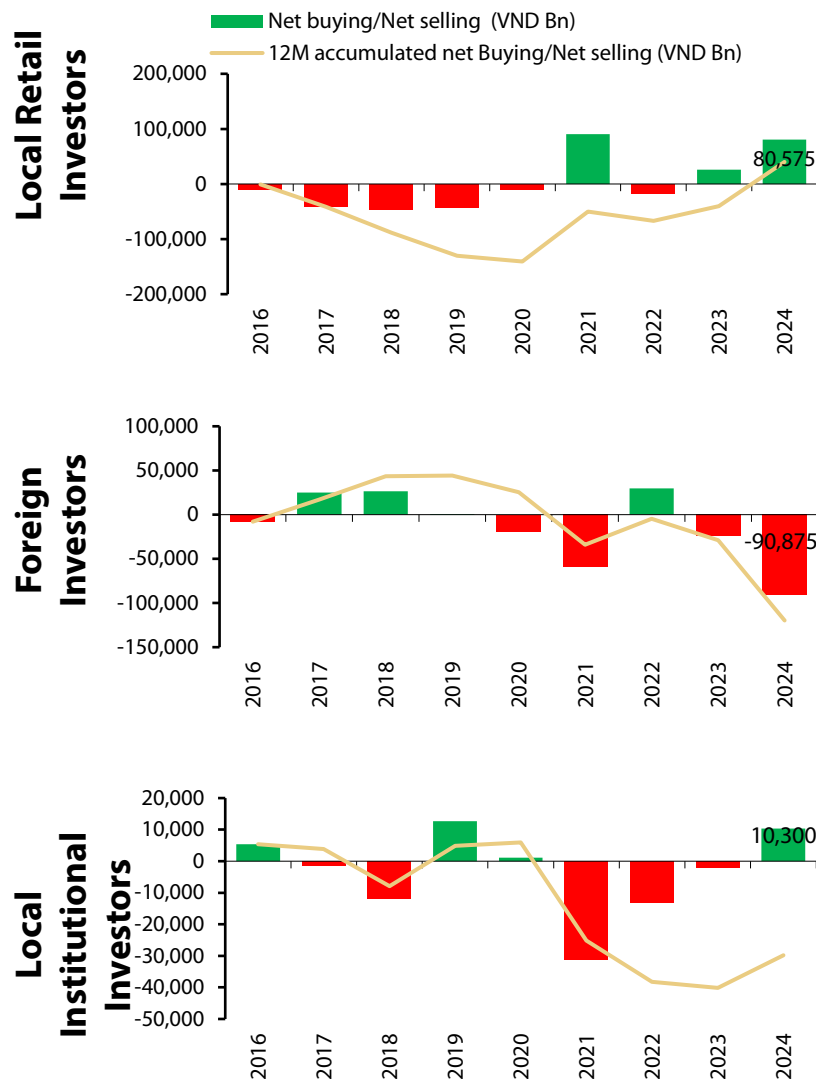
Source: Bloomberg, RongViet Securities. Data as of 12/20/2024.

Individual investors weigh selling pressure from foreign investors in 2024

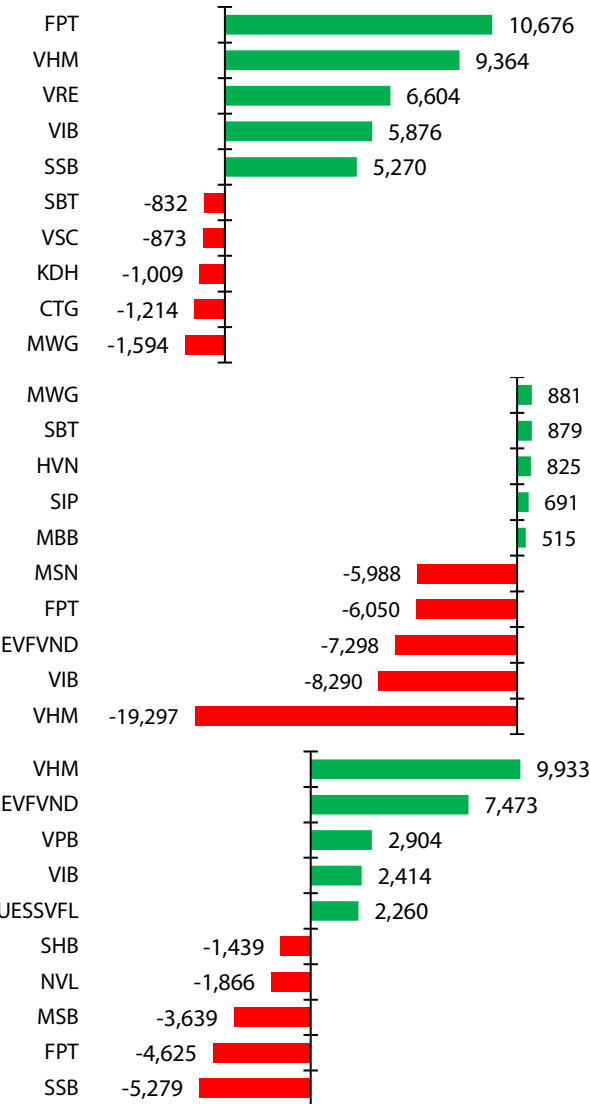


Source: Fiin, RongViet Securities. Data as of 12/20/2024.

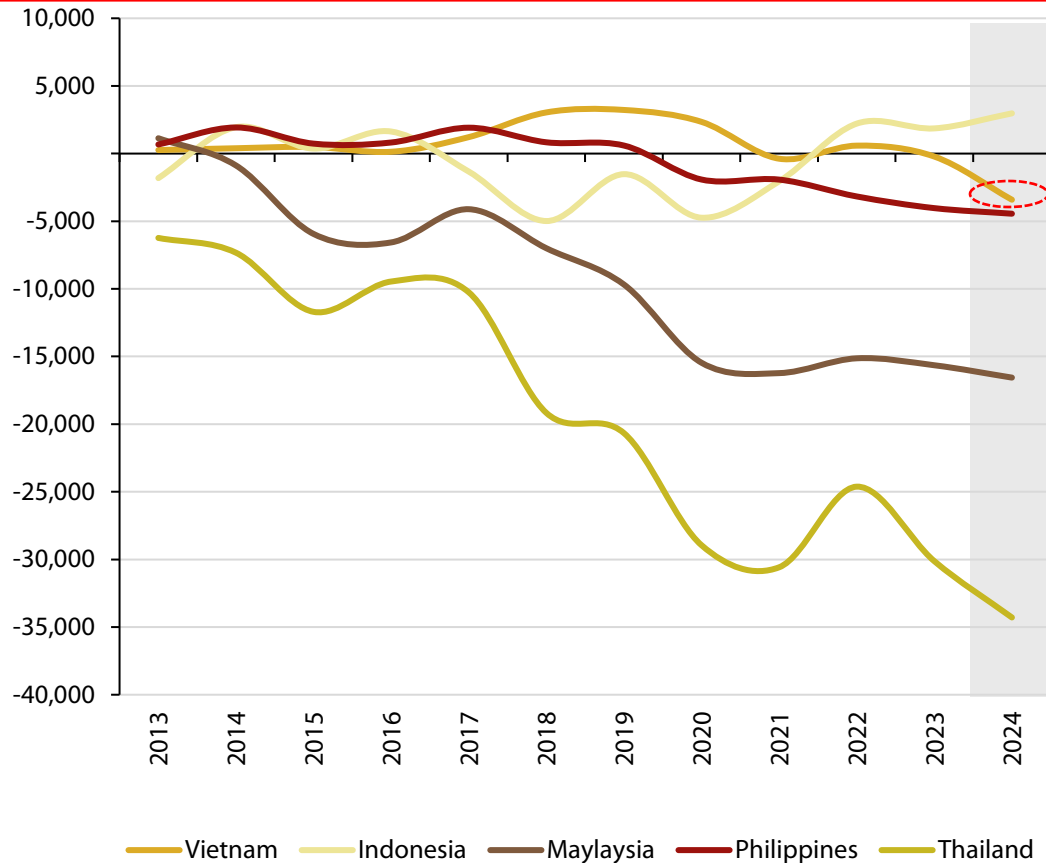
Cumulative Net Buying/Selling Value (16-24)



Top trading stocks (VND Billion)

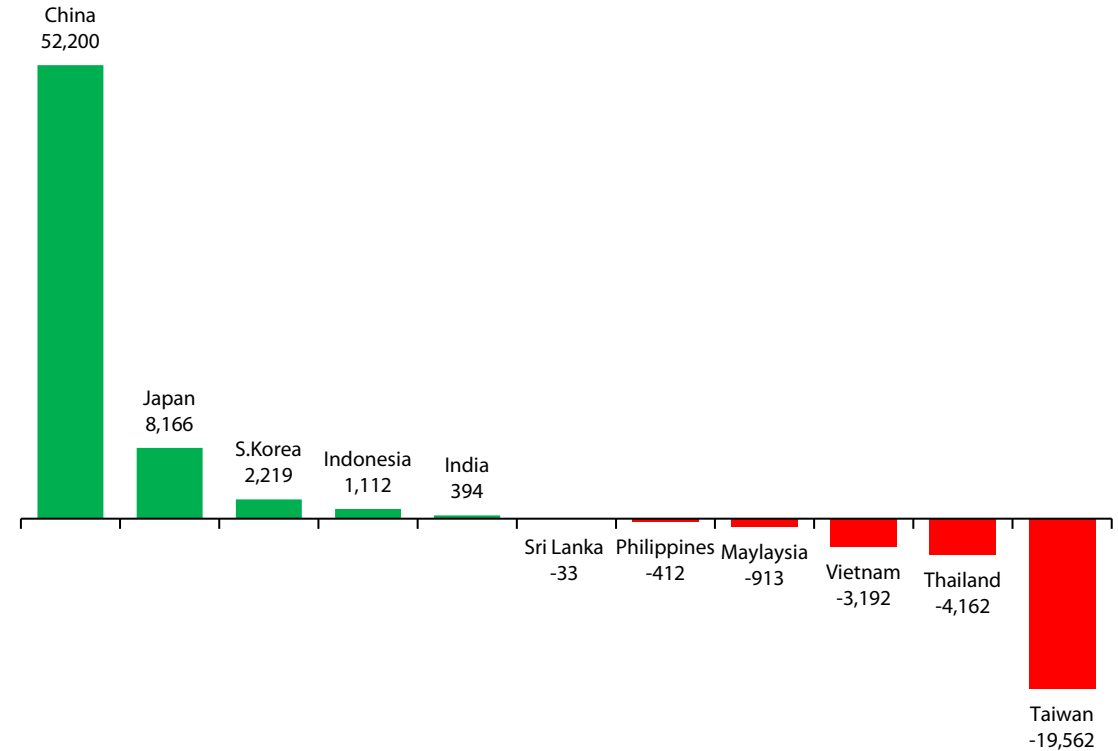


Accumulated net capital inflows (million USD) of foreign investors (2013-2024)



Source: Bloomberg, RongViet Securities. Data as of 12/20/2024.

Net capital inflows (million USD) in 2024 of foreign investors in Asia – Indonesia are a unique phenomenon of the ASEAN region in the year



Source: Bloomberg, RongViet Securities. Data as of 12/20/2024.

Ticker	Exchange	Market cap (USD mn)	Target price (VND)	Closed price @ 12/20/24 (VND)	Return	Recommendation	2024E		2025F		Cur.	PE	Cur.	Div Yield (%)	+/- Price 1y (%)	3-month avg. daily turnover (USD thousand)	Foreign remaining room (%)
							+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)	PE (x)	PE 2024F (x)	PB (x)				
LHG	HOSE	72	54,000	36,400	48%	Buy	4.5	1.9	41.2	41.7	9.2	7.6	1.1	5.2	24.2	178	31.0
KBC	HOSE	832	40,600	27,600	47%	Buy	-30.2	-66.4	81.1	315.9	47.4	7.5	1.1	0.0	-12.4	5,373	30.1
GDA	UPCOM	122	38,700	27,100	43%	Buy	9.3	37.7	3.6	7.4	11.0	7.4	0.9	3.7	14.8	190	30.2
PVD	HOSE	522	33,200	23,900	39%	Buy	31.9	22.4	1.6	-4.9	22.6	19.5	0.8	0.0	-14.6	3,358	38.6
HPG	HOSE	6,709	35,800	26,700	34%	Buy	19.4	80.7	33.6	65.5	14.3	8.4	1.5	0.0	8.0	20,970	27.3
BID	HOSE	10,402	50,500	38,388	32%	Buy	2.4	10.0	16.4	15.0	11.3	9.7	2.0	0.0	12.5	3,872	10.8
ACB	HOSE	4,352	32,500	24,800	31%	Buy	3.7	4.3	13.7	17.0	6.8	5.7	1.4	4.0	22.9	6,919	0.0
VSC	HOSE	178	19,800	15,800	25%	Buy	24.6	64.9	7.3	11.5	18.7	19.5	1.1	0.0	-14.0	1,864	46.7
NTC	UPCOM	197	262,000	209,200	25%	Buy	9.3	-16.4	150.1	8.7	16.8	18.4	5.2	1.9	12.7	94	0.0
REE	HOSE	1,253	84,300	67,700	25%	Buy	-5.1	-17.2	14.0	34.0	17.7	13.1	1.8	1.5	38.3	1,611	0.0
PVT	HOSE	389	34,600	27,800	24%	Buy	25.6	25.8	12.6	10.4	11.4	7.3	1.3	1.1	15.6	1,976	36.5
DPR	HOSE	130	47,100	38,000	24%	Buy	2.9	31.3	12.7	5.3	13.3	11.5	1.3	7.9	29.7	569	45.0
PVS	HNX	642	42,300	34,200	24%	Buy	17.3	7.9	68.2	36.3	15.2	10.8	1.2	2.0	-10.9	3,516	29.4
HSG	HOSE	457	23,000	18,750	23%	Buy	24.1	1,599.1	10.3	64.4	23.4	13.9	1.1	2.7	-12.8	5,484	39.5
POW	HOSE	1,122	14,400	12,200	18%	Accumulate	3.5	16.2	43.2	-29.2	18.6	33.5	0.9	0.0	8.0	2,727	45.2
VPB	HOSE	5,891	22,300	18,900	18%	Accumulate	18.1	46.2	12.2	17.1	11.4	8.7	1.1	5.3	3.6	15,368	4.9
VIB	HOSE	2,218	22,300	18,950	18%	Accumulate	-7.2	-16.5	19.4	21.8	7.9	6.5	1.4	5.3	18.6	7,919	0.0
HAH	HOSE	235	58,000	49,300	18%	Accumulate	43.9	41.3	11.1	37.7	15.2	8.0	2.0	0.0	52.4	4,670	16.5
VCB	HOSE	20,310	108,100	92,500	17%	Accumulate	3.8	7.6	12.6	17.9	15.9	12.3	2.7	0.0	14.1	5,119	6.9
GEG	HOSE	162	13,400	11,500	17%	Accumulate	8.7	30.4	2.2	60.8	84.5	14.3	1.1	0.0	-8.9	154	5.3
PC1	HOSE	320	26,500	22,800	16%	Accumulate	23.0	255.7	-4.7	6.6	19.2	15.7	1.5	0.0	-5.7	1,444	36.9
CTG	HOSE	7,626	41,950	36,150	16%	Accumulate	13.2	11.1	13.1	18.6	9.0	7.4	1.4	0.0	36.2	8,109	3.1
MBB	HOSE	5,003	27,800	24,000	16%	Accumulate	13.9	7.2	17.1	7.1	5.9	5.4	1.2	2.1	32.2	9,302	0.0
KDH	HOSE	1,424	41,303	35,850	15%	Accumulate	116.0	47.5	-1.8	-16.4	69.1	41.0	2.1	0.0	32.3	3,415	13.3
SIP	HOSE	698	97,000	84,400	15%	Accumulate	13.6	19.0	9.8	7.1	18.2	15.0	4.2	1.2	67.3	1,701	45.0
HDB	HOSE	3,213	26,800	23,400	15%	Accumulate	24.1	33.2	9.0	13.2	6.3	5.4	1.6	4.3	49.4	8,702	2.6
NKG	HOSE	259	16,700	14,750	13%	Accumulate	6.0	368.1	4.3	2.3	11.0	11.7	0.9	0.0	-21.1	3,320	25.0
GMD	HOSE	1,057	73,100	65,000	12%	Accumulate	22.1	-24.0	-1.6	-24.8	25.4	21.2	2.6	3.1	11.4	2,715	0.3
TCB	HOSE	6,606	26,500	23,800	11%	Accumulate	20.0	17.1	11.2	14.2	7.4	7.0	1.2	4.2	56.8	12,064	0.0
SCS	HOSE	297	88,700	79,700	11%	Accumulate	41.9	40.1	6.6	-6.3	11.6	11.6	5.2	8.8	19.8	852	9.2
NT2	HOSE	226	22,100	19,950	11%	Accumulate	-9.4	-88.2	1.4	112.5	26.1	42.6	1.4	7.5	-15.6	171	35.5

Ticker	Exchange	Market cap (USD mn)	Target price (VND)	Closed price @ 12/20/24 (VND)	Return	Recommendation	2024E		2025F		Cur.	PE	Cur.	Div Yield (%)	+/- Price 1y (%)	3-month avg. daily turnover (USD thousand)	Foreign remaining room (%)
							+/- Rev. (%)	+/- NPAT (%)	+/- Rev. (%)	+/- NPAT (%)	PE (x)	2024F (x)	PB (x)				
OCB	HOSE	1,036	11,500	10,700	7%	Accumulate	-5.1	-39.5	17.8	34.1	17.0	7.8	0.9	0.0	-2.7	1,988	2.8
IDC	HNX	727	60,100	56,100	7%	Accumulate	27.4	57.4	-3.3	9.1	8.4	7.7	3.5	7.1	10.4	2,273	26.4
FMC	HOSE	120	50,000	46,900	7%	Accumulate	39.8	1.5	11.5	33.2	11.1	8.2	1.5	4.3	4.0	81	19.1
VHC	HOSE	646	78,000	73,300	6%	Accumulate	24.6	33.6	12.3	33.6	17.8	10.3	1.9	0.0	22.7	2,018	71.5
DPM	HOSE	540	37,000	35,100	5%	Accumulate	0.8	43.6	-1.4	61.6	21.1	11.1	1.2	5.7	7.3	3,639	40.1
MWG	HOSE	3,480	63,700	60,600	5%	Accumulate	13.4	2,165.2	10.3	13.6	25.2	20.5	3.3	0.8	42.9	18,262	2.9
NLG	HOSE	549	37,999	36,350	5%	Neutral	69.7	-64.2	41.0	92.0	443.5	42.1	1.5	0.0	-0.4	2,070	3.6
MSN	HOSE	3,972	73,000	70,300	4%	Neutral	6.6	408.0	-1.5	40.6	86.2	33.8	3.4	0.0	10.0	15,554	23.9
VNM	HOSE	5,337	66,900	65,000	3%	Neutral	3.5	9.9	5.4	1.8	15.7	13.7	4.3	5.4	-4.6	6,388	48.5
BFC	HOSE	86	39,400	38,300	3%	Neutral	1.5	146.7	0.0	-4.6	7.6	6.3	1.8	3.9	62.3	896	48.1
QNS	UPCOM	734	52,100	50,800	3%	Neutral	4.6	2.7	1.4	-3.0	7.1	8.6	1.8	7.9	12.1	657	35.4
MSH	HOSE	156	54,200	52,900	2%	Neutral	14.1	52.5	5.5	-20.9	11.7	13.5	2.1	3.8	44.9	400	44.3
HDG	HOSE	399	30,900	30,200	2%	Neutral	-13.8	7.1	20.2	34.5	15.8	9.9	1.6	1.7	19.7	3,753	30.0
TNG	HNX	127	26,700	26,300	2%	Neutral	7.8	39.9	4.7	6.4	11.4	9.9	1.7	3.0	42.7	1,928	31.9
PPC	HOSE	143	11,500	11,350	1%	Neutral	17.5	-23.2	-0.8	4.6	10.6	10.5	0.8	18.9	-24.1	111	40.0
FPT	HOSE	8,640	151,000	149,500	1%	Neutral	17.4	21.8	21.0	24.8	29.2	22.4	7.4	1.3	81.5	21,659	3.3
PNJ	HOSE	1,288	96,008	97,000	-1%	Neutral	14.3	3.4	-13.4	9.0	16.0	14.7	3.1	2.1	20.8	2,917	0.0
BMP	HOSE	402	118,500	125,000	-5%	Reduce	-1.7	0.1	5.1	3.6	10.1	9.5	3.5	9.2	35.3	1,188	16.2
DRC	HOSE	137	27,900	29,450	-5%	Reduce	9.5	2.4	14.3	13.1	13.1	12.3	1.8	5.1	21.7	664	39.9
HAX	HOSE	73	16,100	17,250	-7%	Reduce	34.9	313.4	9.2	2.8	16.9	12.6	1.6	4.1	39.2	479	30.3
ACV	UPCOM	10,596	113,400	123,900	-8%	Reduce	-0.2	9.8	9.4	8.7	37.3	26.4	5.4	0.0	98.9	1,112	45.4
IMP	HOSE	292	43,700	48,300	-10%	Reduce	13.6	11.0	13.5	16.1	30.0	19.3	3.5	2.2	85.8	290	25.7
FRT	HOSE	985	163,727	184,000	-11%	Reduce	26.9	-212.2	24.9	86.0	237.4	34.8	13.9	0.0	81.3	3,107	12.6
STK	HOSE	93	21,600	24,600	-12%	Reduce	-15.5	-82.6	19.8	305.9	40.1	38.5	1.4	0.0	-4.7	31	83.5
ELC	HOSE	91	24,300	27,950	-13%	Reduce	4.2	-1.9	-3.4	-8.7	44.3	33.7	2.4	0.0	47.5	620	45.7
TCM	HOSE	192	41,000	48,050	-15%	Reduce	15.3	113.0	5.1	3.6	23.6	16.8	2.2	1.0	28.3	3,576	0.4
DBD	HOSE	220	51,000	59,800	-15%	Reduce	5.9	9.9	9.9	10.5	22.4	17.1	3.4	0.0	37.2	895	0.0
DGW	HOSE	356	23,800	41,350	-42%	Sell	19.5	19.8	8.4	13.9	22.3	18.8	3.2	2.4	4.4	2,035	28.2
HND	UPCOM	255	Under review	13,000	Under review	Under review	-0.6	32.8	2.8	11.2	14.7	10.5	1.1	11.9	-7.8	6	49.0
PHR	HOSE	286	Under review	53,800	Under review	Under review	29.7	5.1	-8.6	61.9	18.9	6.9	1.9	1.9	12.9	375	31.0

Source: RongViet Securities Compiled

No.	Sectors	Tickers	FY24 Earnings Growth	FY25 Earnings Growth	Median P/E F	Median P/B F	Median ROE 2025	2025 Earnings Growth Driver Factors
1	Basic Resources	GDA, HPG, HSG, DPR, STK, BMP, NKG, PHR	58%	57%	10.5	1.2	10.6	<ul style="list-style-type: none"> Textile Yar: Recovery from a low baseline. Steel: Profit growth is mainly driven by HPG, with 2025 expected profit reaching VND 20 trillion (+66% YoY). Plastic: Revenue and profit growth is modest (5%), mainly due to expectations of a recovery in domestic production. Rubber: The trend of high rubber prices is expected to be sustained amid ongoing supply shortages.
2	Real Estate	LHG, KBC, NTC, KDH, SIP, IDC, NLG, HDG	-4%	43%	12.5	1.6	14.2	<ul style="list-style-type: none"> Residential Real Estate: The primary supply is expected to recover (continuing the recovery trend in Hanoi's market and more positively in Ho Chi Minh City's market). Transaction volume is expected to be positive, given that interest rates remain low and policies from the Law are improving the quality of developers and protecting homebuyers. Selling prices are expected to grow by 5-7%. Industrial Real Estate: With the resolution of bottlenecks (investment approval, land clearance, and payment for land use rights, etc.), industrial parks are expected to see positive revenue from leasing land. Software Export: Continues to grow steadily, with an average growth rate of 10-15% per year, driven by the global demand for digital transformation investments from businesses. This service is primarily reflected through FPT's software export revenue, which has seen a 17% YoY growth in new contracts, mainly driven by Japanese clients. Smart Transportation: The government plans to implement toll collection on approximately 12 sections of highways it has invested in starting from May 2025, which will increase the demand for smart transportation systems, including monitoring, operation, load control, and electronic toll collection systems. Telecommunications: In 2025, FPT will begin integrating AI-related services from Nvidia into its data center systems, adding approximately 80-100 million USD to revenue with an expected high EBITDA margin of around 50%. This sector is projected to see a high compound annual growth rate (CAGR) of over 30% from now until 2030.
3	Technology	FPT, ELC	22%	24%	28.0	3.8	15.7	<ul style="list-style-type: none"> For drilling activities, in addition to stable profits guaranteed by contracts signed through the end of 2025, the profit growth drivers for companies in this sector will come from two factors: 1) successful investment in new rigs, and 2) the ability to expand the well drilling technical services segment. For oil and gas construction/engineering companies, profits are expected to grow significantly due to a large mechanical and construction (M&C) backlog, driven by key oil and gas projects such as Block B, Su Tu Trang, and Lac Da Vang. Additionally, offshore wind projects are expected to be a long-term growth driver for these companies. Credit growth is expected to be favorable and more substantial due to (1) strong economic growth policies from the government and the State Bank of Vietnam (SBV), and (2) low interest rates stimulating credit demand from businesses, with retail credit waiting for more positive signals from non-essential spending demand. Net Interest Margin (NIM) is projected to face pressure from two sides, as deposit interest rates may increase by 30-50bps, while competition over lending rates remains ongoing. The expiration of TT02 could lead to an increase in on-balance-sheet bad debts, but the extent of this increase is expected to be limited and manageable, as these banks have already made sufficient additional provisioning.
4	Energy	PVD, PVS	13%	20%	15.2	1.0	7.3	<ul style="list-style-type: none"> For drilling activities, in addition to stable profits guaranteed by contracts signed through the end of 2025, the profit growth drivers for companies in this sector will come from two factors: 1) successful investment in new rigs, and 2) the ability to expand the well drilling technical services segment. For oil and gas construction/engineering companies, profits are expected to grow significantly due to a large mechanical and construction (M&C) backlog, driven by key oil and gas projects such as Block B, Su Tu Trang, and Lac Da Vang. Additionally, offshore wind projects are expected to be a long-term growth driver for these companies. Credit growth is expected to be favorable and more substantial due to (1) strong economic growth policies from the government and the State Bank of Vietnam (SBV), and (2) low interest rates stimulating credit demand from businesses, with retail credit waiting for more positive signals from non-essential spending demand. Net Interest Margin (NIM) is projected to face pressure from two sides, as deposit interest rates may increase by 30-50bps, while competition over lending rates remains ongoing. The expiration of TT02 could lead to an increase in on-balance-sheet bad debts, but the extent of this increase is expected to be limited and manageable, as these banks have already made sufficient additional provisioning.
5	Banks	BID, VPB, VIB, MBB, CTG, ACB, TCB, VCB, HDB, OCB	11%	18%	7.2	1.1	18.7	<ul style="list-style-type: none"> For drilling activities, in addition to stable profits guaranteed by contracts signed through the end of 2025, the profit growth drivers for companies in this sector will come from two factors: 1) successful investment in new rigs, and 2) the ability to expand the well drilling technical services segment. For oil and gas construction/engineering companies, profits are expected to grow significantly due to a large mechanical and construction (M&C) backlog, driven by key oil and gas projects such as Block B, Su Tu Trang, and Lac Da Vang. Additionally, offshore wind projects are expected to be a long-term growth driver for these companies. Credit growth is expected to be favorable and more substantial due to (1) strong economic growth policies from the government and the State Bank of Vietnam (SBV), and (2) low interest rates stimulating credit demand from businesses, with retail credit waiting for more positive signals from non-essential spending demand. Net Interest Margin (NIM) is projected to face pressure from two sides, as deposit interest rates may increase by 30-50bps, while competition over lending rates remains ongoing. The expiration of TT02 could lead to an increase in on-balance-sheet bad debts, but the extent of this increase is expected to be limited and manageable, as these banks have already made sufficient additional provisioning.

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No.	Sectors	Tickers	FY24 Earnings Growth	FY25 Earnings Growth	Median P/E F	Median P/B F	Median ROE 2025	2025 Earnings Growth Driver Factors
6	Retail	MWG, PNJ, HAX, FRT, DGW	211%	16%	18.8	2.2	15.3	<ul style="list-style-type: none"> After a strong triple-digit recovery from the 2023 bottom, the retail sector will continue its recovery into 2025, supported by macroeconomic factors such as the real estate sector, investment – production – export, and monetary policy impacts. These factors will contribute to a gradually improving overall picture for the retail industry each quarter. Additionally, new trends in the sector, such as the shift from traditional to modern consumer habits, a focus on affordable products that meet value-for-money needs, will continue to influence growth differentiation among companies in 2025. Positive growth directions include MWG with BHX, FRT with Long Châu, and HAX with MG cars, while negative growth trends are seen in DGW, MWG with The gioi Di Dong, DMX, FRT with FPT Shop, and HAX with Mercedes-Benz. In the 2025 context mentioned above, retail companies will also differentiate in their business strategies, but overall, they will all aim to ensure absolute profit, whether their business models are in a saturation phase or still growing.
7	Chemicals	DPM, BFC	82%	14%	8.7	1.3	16.6	<ul style="list-style-type: none"> The fertilizer sector's growth is mainly driven by improved gross margins while revenue remains stable. The margin improvement is attributed to the faster decline in input gas prices compared to selling prices and benefiting partially from VAT tax (except for companies dealing with NPK fertilizers). Revenue stability is supported by a slight improvement in consumption volume, which helps mitigate the decline in selling prices. The volume improvement is due to favorable weather conditions in the domestic market and competitive pricing in international markets, supported by VAT tax laws that create incentives for price reductions. Export volume is expected to return to the levels seen in 2021-2022, driven by increased exports to the South Korean market.
8	Automobiles and Parts	DRC	2%	13%	12.3	1.6	13.4	<ul style="list-style-type: none"> Maximizing the capacity of the TBR (Truck and Bus Radial) tire factory with a focus on exports (especially to the US, benefiting from the anti-dumping tariff on Thai TBR tires starting in 2025) comes amid continued domestic uncertainty, as strong competition from cheap Chinese tires persists.
9	Utilities	GEG, POW, NT2, REE, HND, PPC	-11%	13%	13.7	1.0	7.6	<ul style="list-style-type: none"> Revenue growth for hydropower companies is driven by two key factors: (1) favorable weather conditions leading to higher utilization rates, projected at 32% for 2025F, and (2) an expected 3% YoY increase in the average FMP price, underpinned by EVN's anticipated 5% YoY retail electricity price hike in 2025F, which is likely to raise the market electricity price ceiling for hydropower producers. In contrast, revenue prospects for gas-fired power companies (excluding POW with LNG-based power) appear less favorable, due to declining natural gas supply in the Southeast region, which has been revised downward from an estimated 2.61 billion sm³/day to 2.06 billion sm³/day.
10	Health Care	IMP, DBD	4%	12%	18.2	2.8	16.4	<ul style="list-style-type: none"> Beyond the sector's general growth drivers—supported by an aging population, rising incomes, and heightened health awareness post-COVID-19—the growth of the two companies under our analysis primarily stems from increased capacity at their new production facilities. DBD benefits from the ramp-up of its new oral cancer drug production lines, while IMP leverages full-year high-capacity operations at its IMP4 plant in 2025.

Source: RongViet Securities Compiled

No.	Sectors	Tickers	FY24 Earnings Growth	FY25 Earnings Growth	Median P/E F	Median P/B F	Median ROE 2025	2025 Earnings Growth Driver Factors
11	F&B	VNM, MSN, FMC, QNS, VHC	23%	9%	10.3	1.9	14.5	<ul style="list-style-type: none"> Food & Beverage: The sector has entered a saturation phase, with single-digit growth driven by limited market share expansion, as major players are too large to achieve significant growth. For 2025, leading companies are expected to record low single-digit revenue growth. On profit margin trends, aggressive discounting and advertising spending by major players to maintain high market share, combined with unfavorable commodity price trends (e.g., raw milk powder for VNM, sugar for QNS), indicate limited potential for margin expansion in 2025. Fishery: The fish segment is expected to grow as market share for tilapia increases, alongside improved gross margins driven by lower soybean input costs and a recovery in selling prices from a low base. Shrimp: The shrimp sector is poised to sustain growth by capturing Thailand's market share in value-added shrimp products due to competitive pricing and Indonesia's share through high-quality shrimp exports benefiting from anti-dumping tax refunds expected in Q3 2025.
12	Construction and Materials	PC1	247%	7%	15.7	1.3	8.0	<ul style="list-style-type: none"> The demand for investment in the electricity industry has returned to support the PC1 backlog. However, the profit in 2025 is stable due to the good business performance of the power and real estate segments, partly affected by the business performance of the mineral exploitation segment. The power construction and installation segment can sign many contracts in 2025, and will be reflected in the business performance in 2026, because (1) the new Electricity Law will promote the progress of investment in power sources and the privatization of transmission lines of 220 kv or less from 2025; in our judgment in the previous update, and (2) the partnership with Western Pacific brings many other values, including contracts for the construction of industrial park infrastructure for Western Pacific.
13	Industrial Goods and Services	VSC, SCS, HAH, PVT, GMD, ACV	8%	4%	15.5	1.8	14.8	<ul style="list-style-type: none"> Sea Ports: The sector is expected to maintain double-digit growth in volume driven by strong import-export demand. However, river port operators in Hải Phòng may experience slow or negative growth due to market share erosion with the operation of Lach Huyen Port. Maritime Transport: Companies are expanding their fleets, and high charter rates are supporting revenue growth and margin expansion. Aviation Services: Passenger and cargo volumes are projected to maintain positive growth momentum, driving revenue growth for aviation companies. Oil Transportation: Companies expanding their fleets amid favorable oil transportation freight rates serve as the key driver for revenue and profit growth
14	Consumer Products and Services	TNG, MSH, TCM	61%	-5%	13.5	2.0	14.1	<ul style="list-style-type: none"> Revenue is expected to maintain single-digit positive growth, supported by (1) recovering consumer demand for apparel in 2H2025 as central banks' accommodative monetary policies take effect, and (2) the continued shift of fashion brands from the U.S. and Europe away from China. However, total profit for companies under our coverage is projected to decline, driven by (1) the absence of foreign exchange gains and (2) margin compression due to rising costs at the Xuan Truong 2 factory.

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