RONG VIET SECURITIES

MORNING News

RECOVERY EFFORTS

February 12, 2025

RECOMMENDED STOCK

TICKER: REE

ANALYST-PINBOARD

Update on OCB

MARKET AND TRADING STRATEGY

MARKET COMMENTARY

- The market quickly recovered after a sharp decline and the recovery effort was maintained until the end of the trading session. Liquidity decreased compared to the previous session but remained at a fairly good level, showing that cash flow is trying to absorb supply.
- With the effort to rise above the 1,267 point area, the support will likely continue in the next trading session and may help the market return to the 1,270 - 1,280 point area to continue the process of testing supply and demand. Supply and demand signals in this area will have a great impact on the next move of the market.

TRADING STRATEGY

- Investors need to observe the supply and demand developments at the resistance area to reassess the market status.
- Currently, investors can take advantage of the market recovery to take profits on stocks that have increased/recovered quickly to the resistance area or restructure the portfolio to minimize risks.
- On the short-term buying side, investors should prioritize some stocks that have recently improved and are near good support areas.

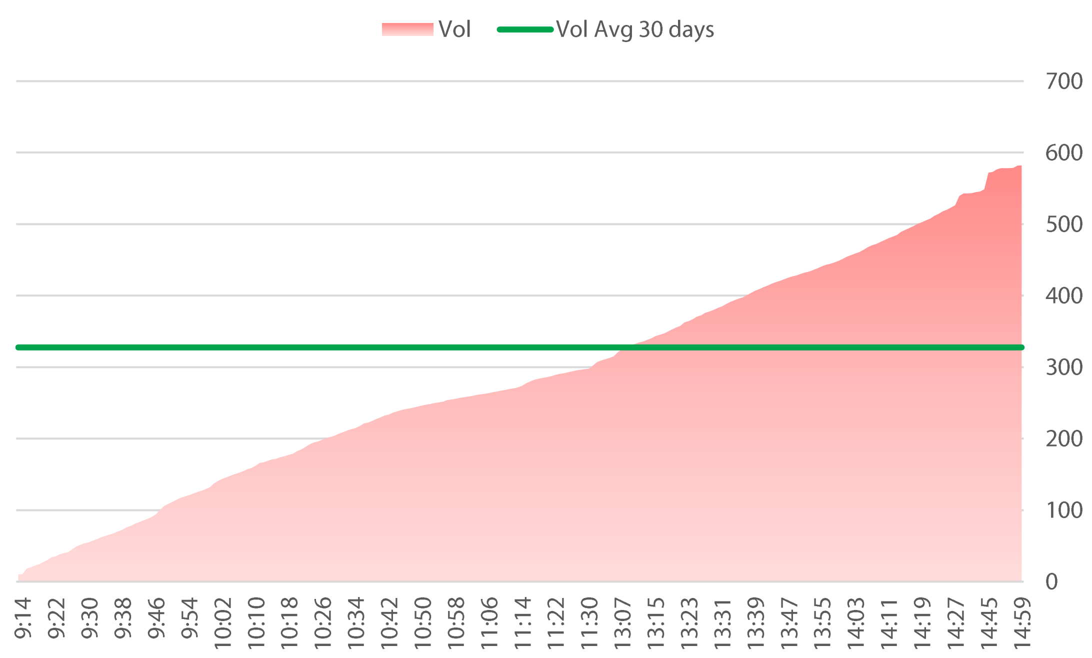
VN-INDEX TECHNICAL SIGNALS

TREND: SIDEWAY

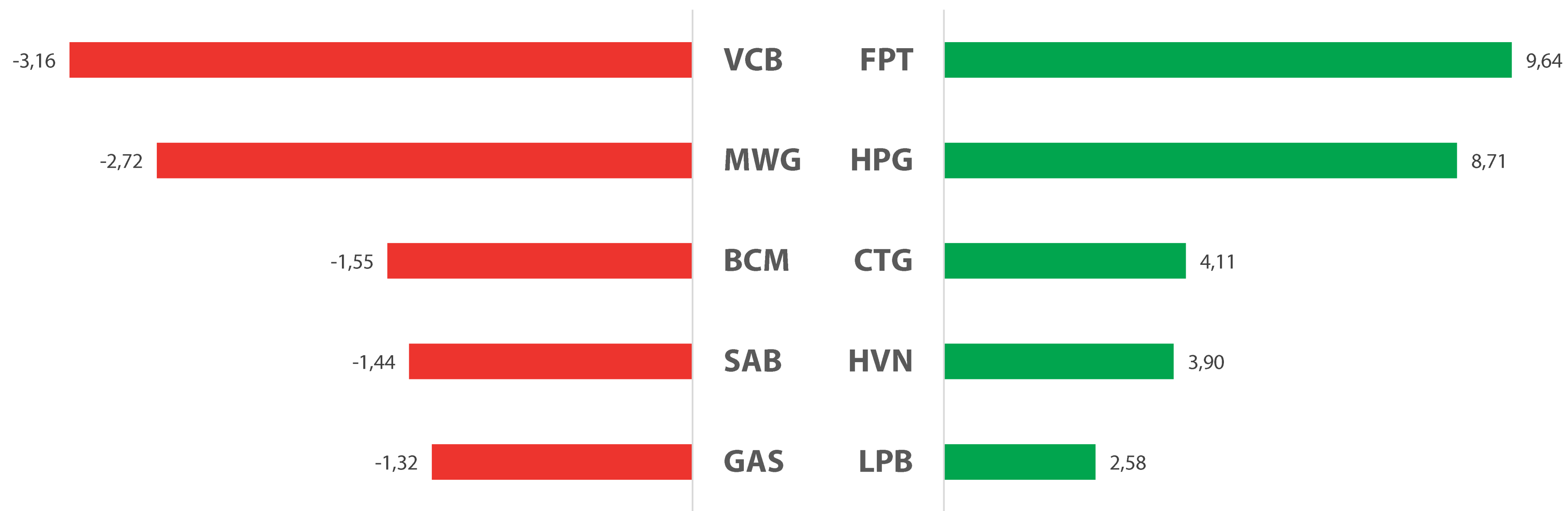
MARKET INFOGRAPHIC

February 11, 2025

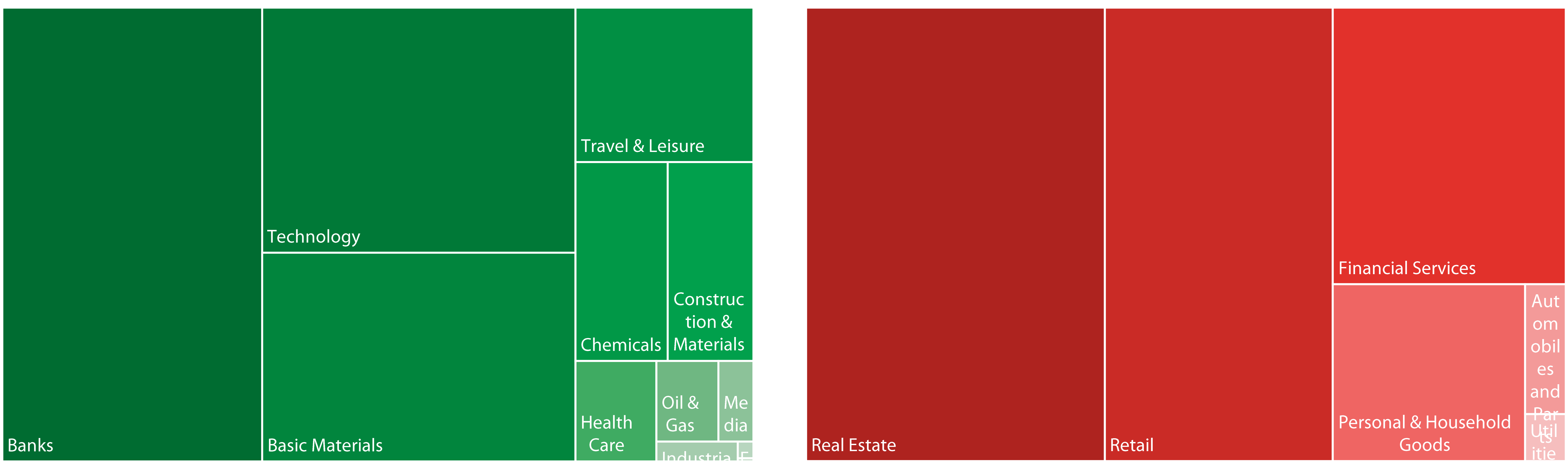
TRADING VOLUME (MILLION SHARES)



TOP STOCKS CONTRIBUTING TO THE INDEX (%)



TOP SECTOR CONTRIBUTING TO THE INDEX (%)



Refrigeration Electrical Engineering Corporation

REE	HOSE
TARGET PRICE	
75,700 VND	

Recommendation - BUY	
Recommended Price (12/02/2025) (*)	66,700 – 67,500
Short-term Target Price 1	72,000
Expected Return 1 (at recommended time):	▲ 6.7% - 7.9%
Short-term Target Price 2	75,700
Expected Return 2 (at recommended time):	▲ 12.1% - 13.5%
Stop-loss	*64,400*

(Recommendation is made before the trading session)*

STOCK INFO

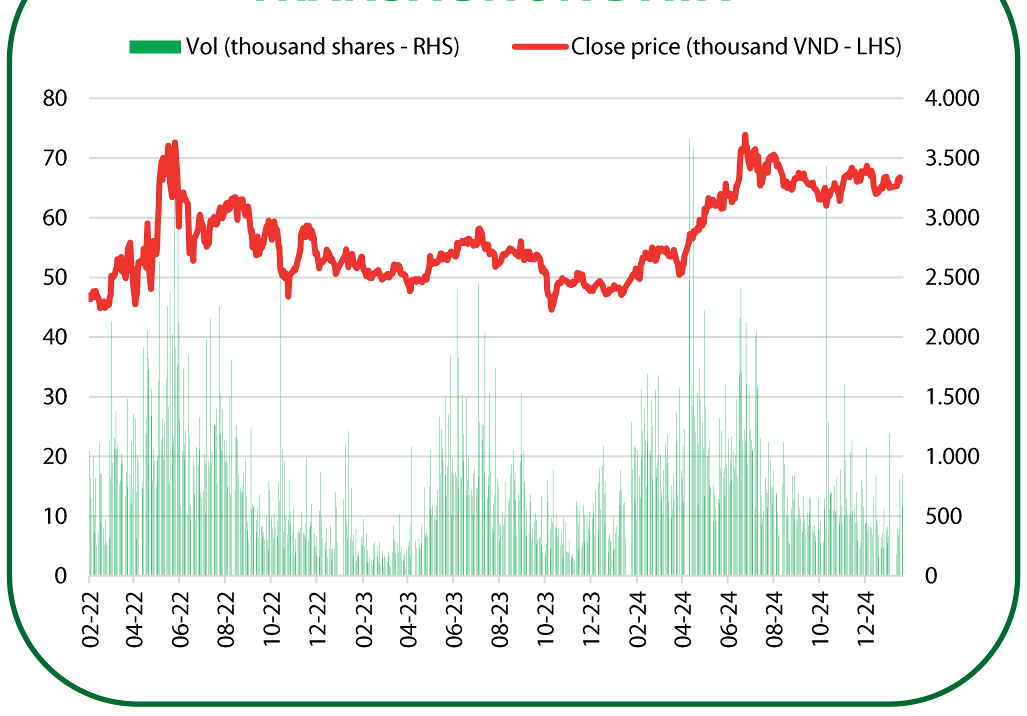
Sector	**Energy**
Market Cap ($ mn)	**31,464**
Current Shares O/S (mn shares)	**471**
3M Avg. Volume (K)	**1,472**
3M Avg. Trading Value (VND Bn)	**31.2**
Remaining foreign room (%)	**49.0**
52-week range ('000 VND)	**58.000-73.900**

INVESTMENT THESIS

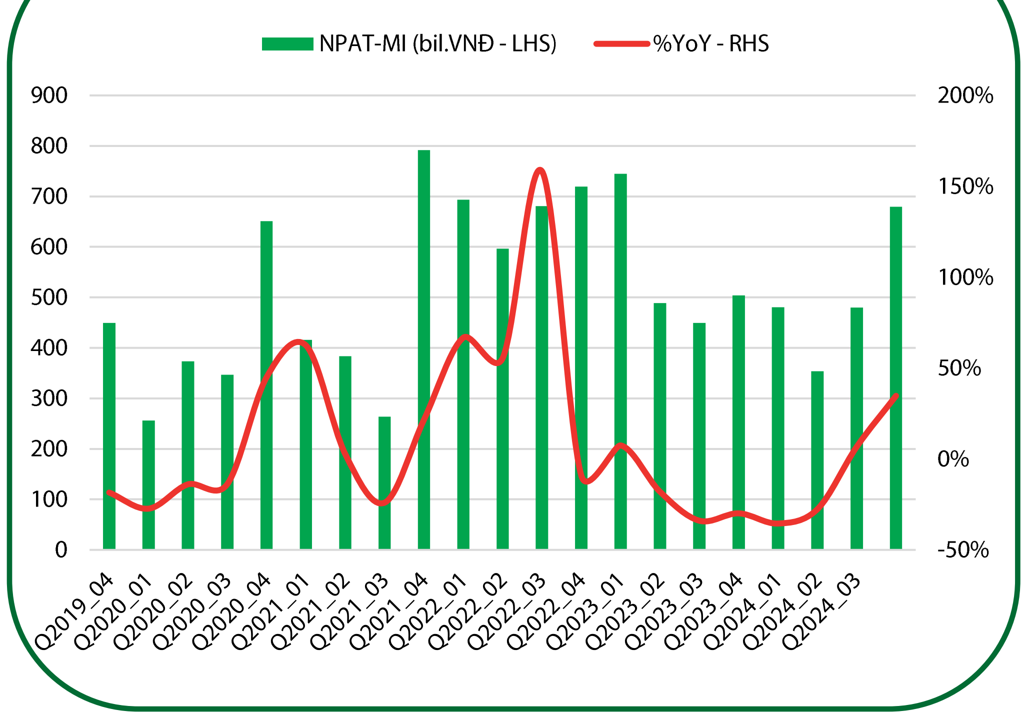
- REE reported 4Q24 revenue of VND 2,336 billion (+13% YoY) and NPAT of VND 599 billion (+9% YoY). For the full year 2024, revenue reached VND 8,395 billion (-2% YoY), while NPAT declined to VND 1,994 billion (-9% YoY), achieving 79% of the revenue target and 83% of the profit target. The weaker performance was mainly due to (1) unfavorable weather conditions impacting hydropower generation, (2) higher operating and depreciation costs, and (3) delays in the handover of The Light Square project.
- In 2025, REE is projected to achieve revenue of VND 9,951 billion (+19% YoY) and NPAT of VND 3,055 billion (+27% YoY), driven by: (1) Power segment: Revenue of VND 4,878 billion (+17% YoY), gross profit of VND 2,603 billion (+33% YoY), supported by a 13% YoY recovery in hydropower output and improved electricity prices. REE continues to expand capacity with Trà Khúc 2 (30MW), Thác Bà 2 (19MW), and Duyên Hải 2 wind farm (48MW), adding 8% to total capacity by 2026. (2) Real estate & office leasing: Growth driven by higher occupancy at E.town 6 and the scheduled handover of The Light Square project in 2025. (3) M&E segment: Strong backlog growth, particularly from the Long Thanh international airport project, with the backlog reaching VND 4,447 billion (+330% YoY) by year-end 2024.
- We maintain our **ACCUMULATE** recommendation with a target price of VND 84,300 per share, supported by a positive earnings growth outlook and a sustainable expansion strategy.

KEY FINANCIAL INDICATORS

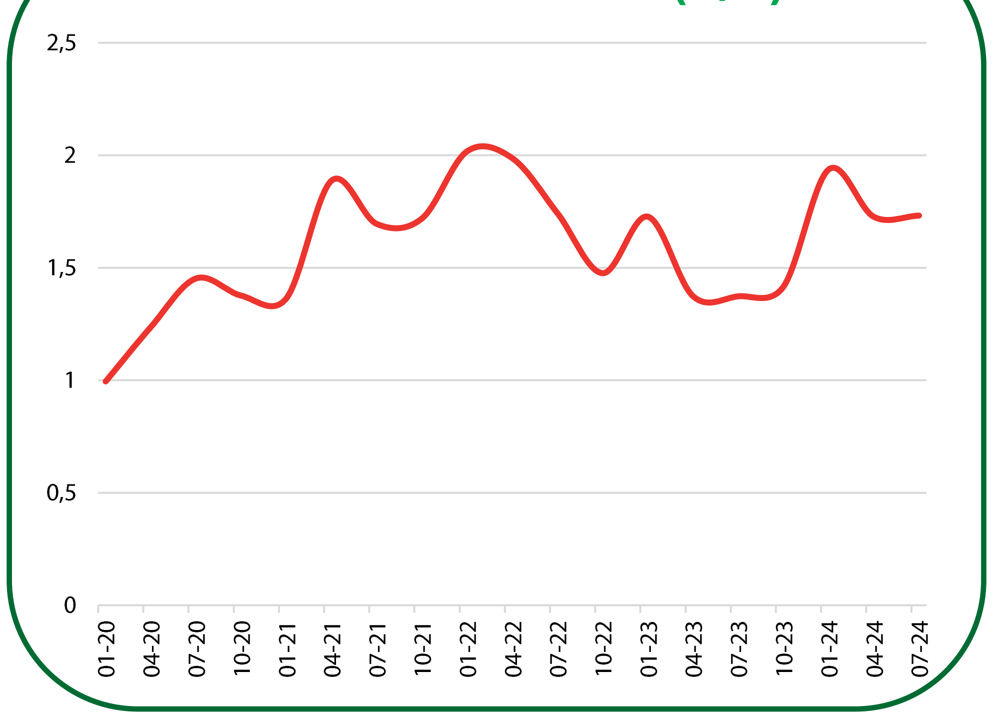
TRANSACTION DATA



NET PROFIT



Price to Book Value (P/B)



TECHNICAL VIEW

- After 2 times of support at the MA(200) area recently, REE has challenged the resistance area of 67 and is making efforts to overcome this resistance zone. At the same time, cash flow is also gradually increasing and absorbing supply, shown through the liquidity gradually increasing in the direction of REE's price increase. It is expected that REE will be supported at area 67 and have the opportunity to create an upward wave in the near future.
- Support : 66,000 VND.
- Resistance : 76,000 VND.

Ticker	Technical Analysis

CTR
Downtrend

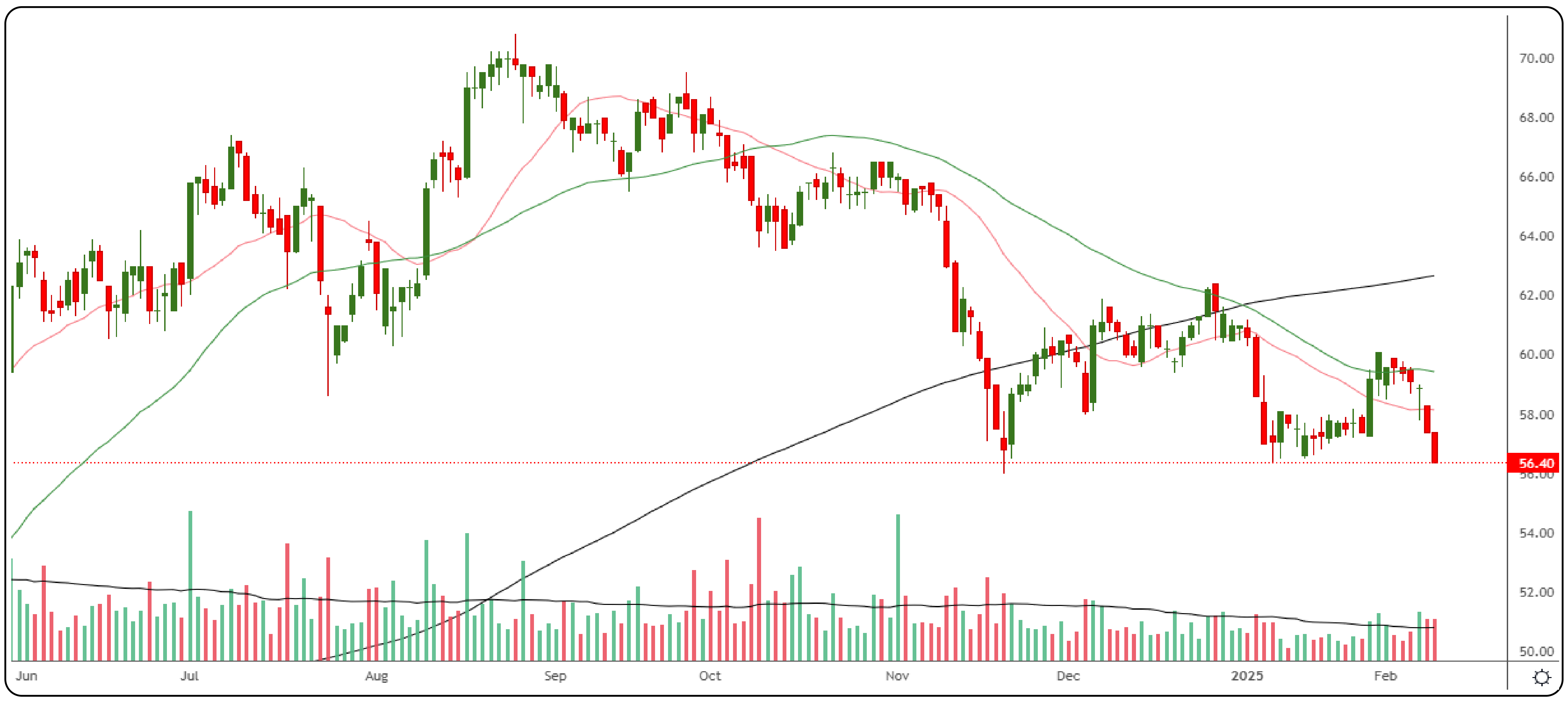
Support	Current Price	Resistance
112.0	123.0	126.0

Although the stock has turned green again, this rebound is not strong enough to negate the bearish trend established by the previous gap down. However, the low trading volume in this session suggests that selling pressure has eased, potentially opening up a short-term recovery opportunity in the next session to retest the gap area around 126. Investors can take advantage of this short-term rebound to exit positions and minimize risks in stocks that have lost their uptrend.

MWG
Downtrend

Support	Current Price	Resistance
52.0	56.4	61.0

After MWG's recovery range gradually narrowed during multiple tests of the 57 support area, this level has lost its reliability. As a result, today's decline led to a breakdown below this support. The session's lowest close, coupled with trading volume remaining above the MA 20, indicates that sellers are gaining control, potentially extending the downtrend toward the next support around 52.



HIGHLIGHT POINTS

OCB – Q4/2024 PBT exceeded expectations due to solid credit growth and unexpected expansion of NIM

(Trang To – trang.th@vdsc.com.vn**)**

- Q4/24 PBT exceeded VND 1.4 trillion, showing solid growth based on the low base of the previous quarter and the same period in 2023 (+230% QoQ and +550% YoY) thanks to the following drivers: (1) NII: Credit growth surged in Q4, reaching 19.5% YTD (Q3/24: 13.5% YTD), and NIM (Q) expanded significantly by 60 bps QoQ to 4.0%; (2) NFI increased by 133% QoQ and 37% YoY; (3) Provision expenses decreased by -25% QoQ and -17% YoY.
- Full-year 2024 PBT reached VND 4 trillion, still down 3% YoY as OCB aggressively increased risk provisions and faced higher operating expenses, rising by 39% and 20% YoY, respectively. Additionally, investment securities trading activity, which had previously contributed significantly to OCB's income, faced challenges in 2024 (-130% YoY) as government bond yields trended upward throughout the year.
- Compared to our previous 2024 forecast, strong credit growth of 19.5% (2024F: 18%) and a sharp rise in NIM to 3.5% (2024F: 3.1%) were the main factors driving PBT beyond expectations (+26% vs. 2024F). Moreover, corporate advisory fee income surged in Q4/24 (+133% QoQ and +37% YoY), which was an unexpected factor that led to stronger-than-expected NFI.
- Asset quality has not shown positive changes, with net NPL formation in Q4/24 remaining flat compared to the previous quarter (VND 1.1 trillion). The balance of debt with unresolved collateral remained nearly unchanged, and NPL ratio (including debt with unresolved collateral) stood at 4.0%, down 10 bps QoQ. The credit cost ratio in Q4/24 was 0.4%, decreasing from Q3/24 (0.6%) and still lower than the net NPL formation ratio, leading to a continued decline in the NPL coverage ratio to 38%.
- We estimate that OCB's current market price (VND 11,400 as of February 11, 2024) corresponds to an adjusted P/B ratio (discounting for on-balance-sheet NPLs and unresolved collateralized debt) of 1.0x, implying that the current price has largely reflected OCB's asset quality risks and limited downside risk. The 2025 forecast and target price for OCB are under review and will be updated in the upcoming report.

*If you are interested in this content, please click on the **link** to view more details.*

RONG VIET SECURITIES

RECOMMENDATIONS STATISTICS

Date	Ticker	Current Price	Entry Price	Short-term Target Price 1	Short-term Target Price 2	Stop-loss	Exit Price	Gain/ Loss	Status	Change of VN-Index (*)
10/02	VCB	91.90	92.20	99.00	109.00	89.40		-0.3%		-0.5%
10/02	DDV	18.70	18.20	20.70	22.50	16.90		2.7%		-0.5%
06/02	DPM	34.70	35.20	38.50	43.00	32.90		-1.4%		-0.1%
05/02	BID	40.45	39.60	42.50	45.50	37.30		2.1%		0.3%
04/02	LCG	10.75	10.50	11.80	13.00	9.80		2.4%		1.2%
22/01	CTG	40.70	37.30	40.00	43.50	35.40		9.1%		1.8%
20/01	CTR	123.00	128.00	137.00	147.00	120.70		-3.9%		1.7%
15/01	BCM	70.10	69.20	73.00	84.00	62.80		1.3%		2.6%
09/01	VCG	20.85	18.00	21.00	23.00	17.30		15.8%		1.4%
03/01	VIB	20.65	19.50	21.30	23.50	18.40		5.9%		-0.1%
02/01	VCB	91.90	91.50	99.00	109.00	87.80		0.4%		0.1%
26/12	HT1	12.30	11.90	13.00	14.50	11.20		3.4%		-0.4%
Average performance (QTD)								3.0%		-0.2%

(*) Change of VN-Index (calculated from Recommendation date to position closing date) is the basis for comparing recommendation effectiveness.

Vietnam events

Date	Events
06/02/2025	Announcement of Vietnam's economic data February 2024
11/02/2025	MSCI announces new portfolio
13/02/2025	Publication of PPI (Producer Price Index)
20/02/2025	Expiry date of VN30F2502 futures contract
28/02/2025	MSCI-related ETFs restructure portfolio

Global events

Date	Countries	Events
04/02/2025	U.S	JOLTS Job Openings
06/02/2025	U.K	BOE Monetary Policy Report
06/02/2025	EU	Retail Sales m/m
07/02/2025	U.S	Nonfarm Payroll
12/02/2025	U.S	CPI m/m, y/y
13/02/2025	U.S	PPI m/m
13/02/2025	U.K	GDP m/m
14/02/2025	U.S	Retail Sales m/m
19/02/2025	U.K	CPI y/y
19/02/2025	China	China house prices y/y
20/02/2025	U.S	FOMC Meeting Minutes
20/02/2025	U.K	Retail Sales m/m
20/02/2025	China	Announcement on Loan Prime Rate
24/02/2025	EU	Final CPI y/y
27/02/2025	EU	ECB Monetary Policy Meeting Accounts
28/02/2025	U.S	PCE m/m
28/02/2025	U.S	Prelim GDP q/q

RONGVIET RECENT REPORTS

COMPANY REPORTS	Issued Date	Recommend	Target Price
TNG - Upside potential is limited as high-growth phase ends	Dec 02nd 2024	Accumulate – 1 year	26,700
VHC - Export volume remains the key driver of growth momentum	Nov 18th 2024	Observe – 1 year	73,300
GDA - Attractive Valuation & Potential from New Factory	Nov 01st 2024	Buy – 1 year	38,700
FRT - Heading to the future with health care platform	Oct 31st 2024	Observe – 1 year	n/a
MWG – Back on the growth race in the medium term by Bach Hoa Xanh	Oct 21st 2024	Neutral – 1 year	63,700
Please find more information at https://www.vdsc.com.vn/en/research/company			

FUND CERTIFICATES INFORMATION

Fund name	Trading Day	Subscription Fee (% of trading value)	Redemption Fee (% of trading value)	NAV per unit at valuation date	NAV per unit last valuation date	Change in NAV
DFVN-CAF	17/11/2020	0% - 0.20%	0% - 0.20%	10,773	10,738	0.33%
ENF	19/11/2020	0% - 3%	0%	21,868	21,433	2.03%
MBBF	10/02/2020	0%- 0.5%	0%-1%	11,567	11,462	0.92%
MBVF	12/11/2020	0%	0%-1.4%	16,483	16,326	0.96%
VF1	25/11/2020	0% - 0.6%	0% - 3%	46,218	46,303	-0.18%
VF4	25/11/2020	0% - 0.6%	0% - 3%	18,901	18,945	-0.23%
VFB	19/11/2020	0% - 0.6%	0% - 3%	20,557	20,529	0.13%

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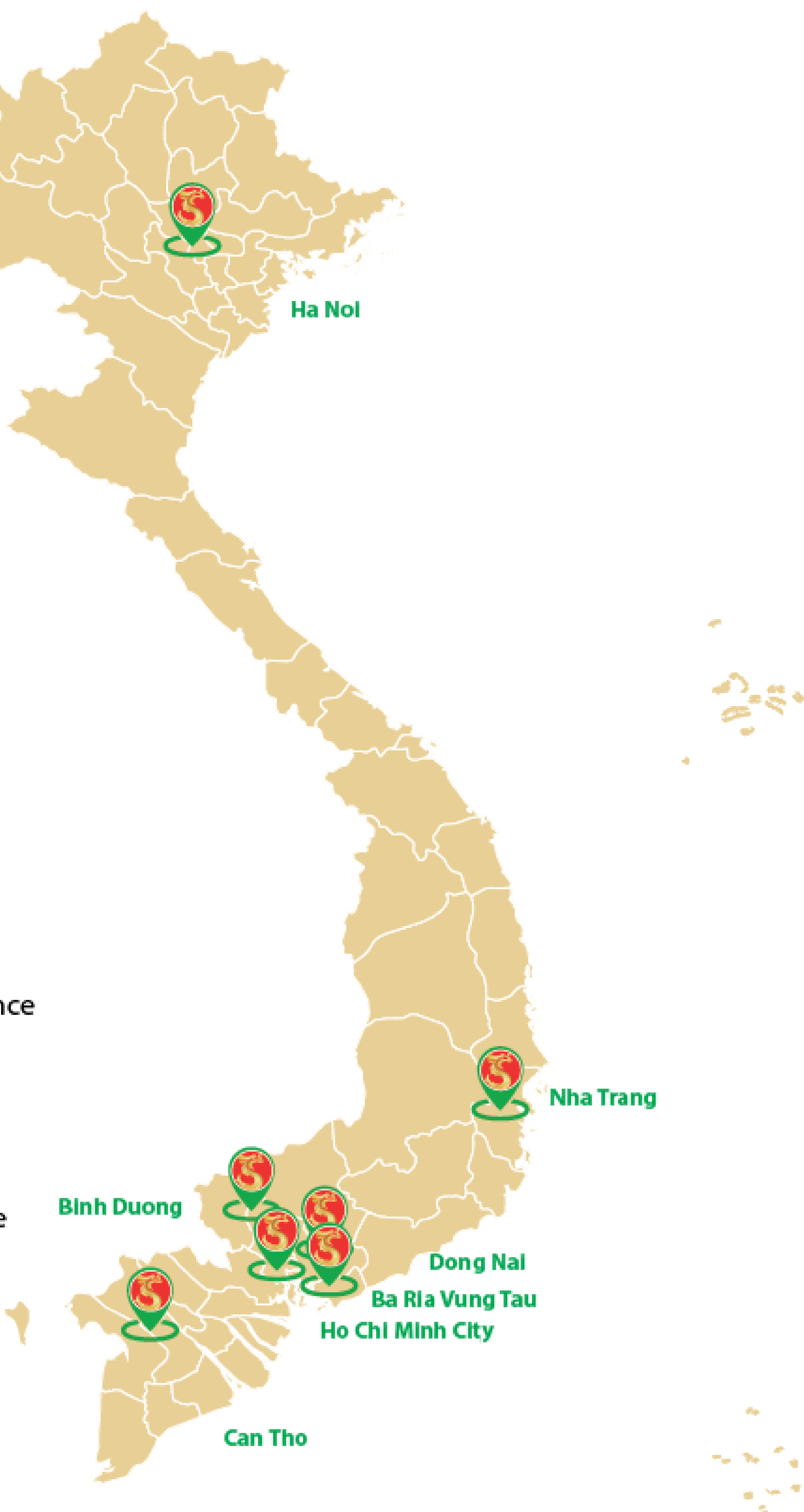

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