

June 11, 2025

VIETNAM FOCUS

2025 mid-year report

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[Summary] Vietnam's economy

Focus on internal drivers in an uncertain global landscape

- Vietnam's economy in 2025 is expected to be primarily driven by internal factors amid increasing global uncertainties, particularly from US reciprocal tariffs. Although external pressures have led to a downward revision of GDP growth consensus forecasts to 6%, the government maintains its ambitious targets of 8% GDP growth and US\$5,000 GDP per capita for 2025. **Vietnam's economic strategy centers on supportive policies, streamlining government operations, and fostering private sector growth.** We note that a sweeping economic policy framework was passed in May 2025 (9th NA meeting, Phase 1), with further discussions expected in June, indicating ongoing efforts to create a supportive business environment.
- **Public investment is targeted to reach 100% of the Prime Minister's 2025 goal (VND826tr, +30% YoY)**, with significant acceleration seen in 5M25 (VND199.3tr, +38.8% YoY).
- **Restoring the purchasing power will be focused, supported by government stimulus** (including VAT cuts, deferred taxes, and tourism promotion). In 5M25, retail sales grew +9.7% YoY, supported by strong service sectors, especially tourism.
- **Despite concerns about the negative effects of US trade policy, the 5M25 economic data remained intact**, with solid FDI inflows (disbursed FDI: +7.9% YoY; registered FDI: +51.2% YoY), exports (+14% YoY; trade surplus of US\$4.7bn), Manufacturing IIP (+10.8% YoY), and a higher PMI in May (49.8 points). Vietnam has been proactive in resolving the trade imbalance with the US, expected to help Vietnam negotiate a reciprocal tariff below the initial level of 46% announced by the US. **For the FDI attraction and Exports outlook, the main catalysts are: 1) Vietnam's action plan on harmonious and sustainable trade balances with major partners, diversified markets and export products; and 2) Vietnam's focus on infrastructure and electricity supply development, and supportive mechanism in science and technology, innovation.**
- **Credit growth (target: +16% YoY, 1Q25: +3.91% YTD or +17.9% YoY) plays an important role** in supporting domestic growth factors in 2025. The SBV aims to keep interest rates stable amid low inflation (CPI: +3.2% YoY in 5M25).

[Summary] Vietnam's stock market

Sectoral shifts and rebalancing

- **As we look towards 2H25, Vietnam's stock market holds promise, with the Real Estate sector likely to take the lead in the near term, buoyed by recent policy reforms and stabilizing conditions.** Yet, for a more enduring and widespread upward trend, it will be crucial for investment to flow into other key areas like Banking, Technology, and Retail. This mixed outlook is influenced by a combination of strong domestic growth initiatives and significant uncertainties arising from US monetary policy shifts and ongoing international trade discussions.
- Building on this perspective, it is important to recognize the supportive environment created by Vietnam's money market in 1H25. **The US\$/VND exchange rate stayed relatively steady, with a modest 2.5% rise since the beginning of the year, despite a weakening US dollar globally.** This stability helped boost lending and speed up government spending on infrastructure and other public projects, providing a solid foundation for economic growth. However, there are risks on the horizon. If inflows of foreign currency fall short of expectations, potentially due to unfavorable trade outcomes, there could be upward pressure on the exchange rate, which might stoke inflation and create economic challenges in the coming months.
- Turning to the global stage, the trade environment adds another layer of complexity. **A temporary easing of tensions between the US and China has reduced the immediate threat of escalating tariffs, but the situation remains delicate, with deeper strategic goals at play beyond simple trade balances.** For Vietnam, negotiations with the US are pivotal; although Vietnam has the potential to secure reductions to reciprocal tariff imposed by the US, stringent US demands regarding sourcing from China pose significant hurdles. The outcome of these negotiations, expected to continue beyond mid-June, will be crucial for sustaining long-term foreign direct investment inflows, a vital component for Vietnam's economic stability and growth.
- Reflecting these mixed signals, Vietnam's stock market saw considerable ups and downs in 1H25. **The main index, the VN-Index, recovered from an early setback caused by trade concerns and posted gains (May: +8.67% MoM; YTD: +5.2%); however, this growth was heavily driven by a few standout performers in the Vingroup family of companies.** Without their contribution, overall market progress was much more modest, raising concerns about the depth of the recovery. Trading activity remained high, although domestic institutions sold off significant holdings, and foreign investors showed inconsistent behavior — buying early in May, but selling later. This volatility highlights underlying caution among investors.
- In conclusion, while Vietnam is laying a strong foundation for growth through domestic policies aimed at boosting private businesses and consumer spending, the road ahead demands careful navigation. The stock market may see short-term gains led by Real Estate, but lasting progress towards higher levels, potentially around 1,400 points on the VN-Index, depends on broader sector participation to balance out risks of profit-taking in recently strong performers. The biggest challenges remain external, tied to the outcomes of trade talks with the US and their impact on foreign investment and currency stability. In a less optimistic scenario, we could see the market dip to test lower levels around 1,240 points in the third quarter if these uncertainties persist.

[Summary] Sector and stock recommendations

Banks: The sector is undergoing a necessary shift — from aggressive balance sheet growth toward more sustainable, quality-driven strategies — a recalibration essential for long-term resilience. Performance within the private banking group has become increasingly polarized. Banks with near-term catalysts — such as asset divestments or solid underlying fundamentals — have meaningfully outperformed. Amid diminishing marginal returns from balance sheet expansion, several banks have opted to increase cash payouts, reflecting a recalibration between supporting the broader economy and meeting shareholder expectations. Against this evolving backdrop, the current investment strategy focuses on banks such as TCB, MBB, VPB, and STB — selected based on a combination of strong capital buffers (which ensure resilience amid regulatory changes without undermining efficiency), stable growth outlooks, attractive dividend yields, and the presence of material non-recurring income drivers in the short to medium term.

IT: In 3M25, Vietnam's IT sector grew 20% YoY to VND19,020bn in revenue. Demand remains strong across key export markets—Japan, the U.S., and APAC—particularly in sectors accelerating digital adoption such as finance, manufacturing, and retail. However, early signs of deceleration are emerging in 1H25 following trade war tensions: by 4M25, FPT's signed global IT revenue slowed to +10.4% YoY to VND15tn—below its historical 20% pace. Investor sentiment cooled, with leading Vietnamese IT services stocks falling 20–30%, though valuations remain attractive (PEG: 0.9x–1x, vs. India: 2–3x).

Telecommunication: In 1Q25, Vietnam's telecommunications sector showed steady growth, with revenue reaching VND95tn, up 6% YoY. Major telecoms—Viettel, VNPT, and MobiFone—set modest revenue and profit targets for 2025, highlighting a strategic shift toward digital services. MobiFone, now under the Ministry of Public Security, expects strong digital platform growth (+22% YoY). New government policies, including a VND500tn credit package and the pilot of low-orbit satellite telecom services (e.g., SpaceX), are set to boost infrastructure and innovation.

Steel: Volumes came in strong, with 3M25 steel sales rising 21% YoY, driven by a sharp rebound in domestic demand (+44% YoY) that more than offset continued export weakness (-19% YoY). Overall, the sales mix remains tilted toward the domestic market (78% of total), reinforcing our view that Vietnam's steel growth in 2025 will be largely policy-led and internally driven. Meanwhile, input costs have softened as iron ore and coking coal prices declined. With China holding high inventories, input prices remain weak, supporting Vietnam's steel margins.

[Summary] Sector and stock recommendations

Petroleum: In the latest draft of the gasoline decree — the sixth proposal — a significant change has emerged: the state now allows the selling price to be fully anchored to market dynamics. All pricing components are determined and announced by individual wholesalers and distributors within their respective network systems (COCO and DODO), based on actual operational efficiencies rather than the base price quoted by MoIT. These changes provide a significant competitive advantage to market leaders PLX and OIL, which together control two-thirds of the market. They now enjoy “soft power” in pricing competition, rather than relying on the authorities' periodic price adjustments. In the short term, these developments are expected to partially offset disappointment from the 1Q25 results, which were affected by unfavorable pricing factors.

Electric Utilities: In 4M25, Vietnam’s electricity output reached 98.98bn kWh (+3% YoY), with hydropower showing strong growth (+28% YoY) while coal and gas declined. Renewable energy contributed 15% of total output, led by wind power (+12% YoY). Regulatory developments included revisions to Power Plan VIII, increasing investment targets significantly, and the issuance of a direct power purchase mechanism to promote renewable energy. Additionally, retail electricity prices rose 4.8% following new guidance from the Ministry of Industry and Trade.

Textile: In 2Q25, we expect Vietnam fiber and garment companies to perform well, as orders move out of China and customers rush to exploit the 90-day tariff pause. Garment companies should benefit first and are likely to record high growth rates, thanks to urgent garment orders. Meanwhile, we believe domestic fiber demand will maintain a steady growth rate corresponding to the growth in the weaving segment, which partially offsets the weakening demand in the Chinese market. In 2025 and beyond, we believe Vietnam textiles will gain from supply diversification and high US tariffs against Chinese textiles. Recommended garment stocks include MSH (confirmed orders through 2025) and TNG (full capacity through August). For fiber, STK is poised for high growth via its new Unitex factory, while PPH shows steady growth and aims to resolve real estate disputes.

TOP PICKS

Sector	Stock	Company	12M Target price (VND)	Upside
Banks	TCB	Vietnam Technological And Commercial JSB	32,200	7%
	VPB	Vietnam Prosperity JSCB	22,600	26%
	MBB	Military Commercial Joint Stock Bank	28,300	17%
	STB	Sai Gon Thuong Tin CJSB	46,000	7%
	VIB	Vietnam International Commercial JSB	22,400	25%
	ACB	Asia Commercial Joint Stock Bank	23,700	13%
	BID	JSCB for Investment and Development of Vietnam	42,300	20%
IT	FPT	FPT Corporation	134,820	16%
Telecommunication	CTR	Viettel Construction JSC	106,700	19%
Steel	HPG	Hoa Phat Group JSC	31,200	19%
	NKG	Nam Kim Steel JSC	16,000	23%
F&B	VNM	Vietnam Dairy Products JSC	79,100	43%
Retail	MWG	Mobile World Investment Corporation	72,000	17%
Petroleum	PLX	Vietnam National Petroleum Group	47,300	33%
	OIL	PetroVietnam Oil Corporation	11,900	13%
Electric Utilities	GEG	Gia Lai Electricity JSC	18,300	14%
	NT2	PetroVietnam Power Nhon Trach 2 JSC	21,300	18%
Textile	MSH	Song Hong Garment JSC	40,000	13%
	TNG	TNG Investment and Trading JSC	25,000	37%
	STK	Century Synthetic Fiber Corporation	31,200	16%
	PPH	Phong Phu Corporation	39,000	45%

Source: Mirae Asset Vietnam Research (closing prices on June 10, 2025)

Part I

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Macro and Strategy

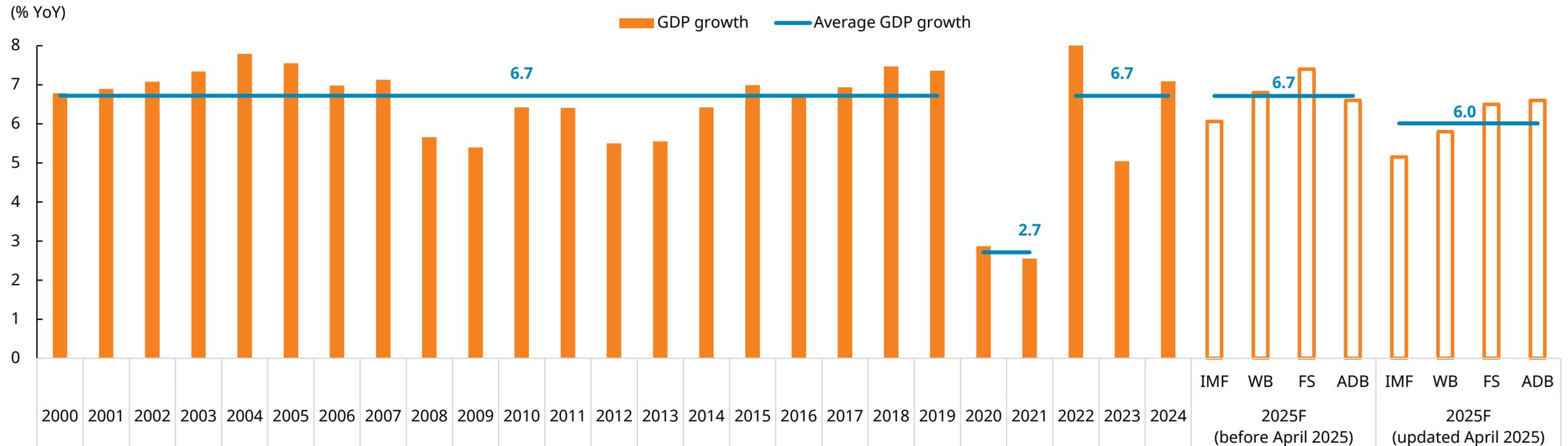


1.1. Vietnam's GDP growth

2025: Internal drivers to lead amid increasing external uncertainties

- Despite increasing external uncertainties, **Vietnam's government is determined to achieve its ambitious economic goals for 2025, including 8% YoY for GDP growth and US\$5,000 for GDP per capita. However, following the US reciprocal tariff announcement, 2025 GDP growth consensus forecasts have been revised downward to 6%** from the earlier 6.7% projection. On the downside, we will continue to monitor related risks emerging from high US reciprocal tariffs, which have directly impact on exports and manufacturing, and indirectly on domestic consumption.
- **Against this backdrop, we see that proactive in supportive policies, streamlining government operations, and fostering private sector growth are central to driving growth. Thus, the internal drivers lead the GDP growth:**
 - **Determination of the government to disburse 100% of public disbursement target of VND825.9tr (+20.9% compared with the 2024 target; +29.9% compared with the 2024 disbursement).** According to our estimates, public investment could account for 9–10% of GDP growth.
 - **Credit growth plays an important role in supporting domestic growth factors in 2025.** On top of that, the SBV will strive to maintain a low interest rate environment that supports business activities, thanks to Vietnam's well-managed inflation.
 - **Domestic consumption is the main contributor of GDP growth (of around 55%).** Thus, restoring the purchasing power will be focused.
 - **Proactive diplomatic engagement:** Action plan on harmonious and sustainable trade balances with major partners, diversified markets and export products.

Vietnam's GDP forecast update after US reciprocal announcement on April 2025: Global organizations revised 2025 Vietnam's GDP growth downward to 6%



Source: Mirae Asset Securities (Vietnam) Research compiled

1.1. Vietnam's GDP growth (cont'd.)

Key laws and policies that shaped Vietnam's economic landscape:

3Q24

- **Credit Institutions** (effective since July 2024): Creating a legal corridor to enhance a stable and transparent system of banking operations.
- **Real Estate Business, Housing, and Land Laws** (effective since Aug 2024): To enhance transparency, streamline processes, and improve the legal framework for real estate transactions.

8th NA meeting (Phase 1: October 21–November 13; Phase 2: 20–30 November, 2024)

- **The Law on Public-Private Partnership Investment, Law on Investment, Law on Planning, and Law on Bidding** (effective since January 15, 2025): Aims to improve the investment environment, simplify administrative procedures, and help shorten the implementation time for projects.

The 9th NA meeting (Phase 1: May 5–29; Phase 2: June 11–30, 2025)

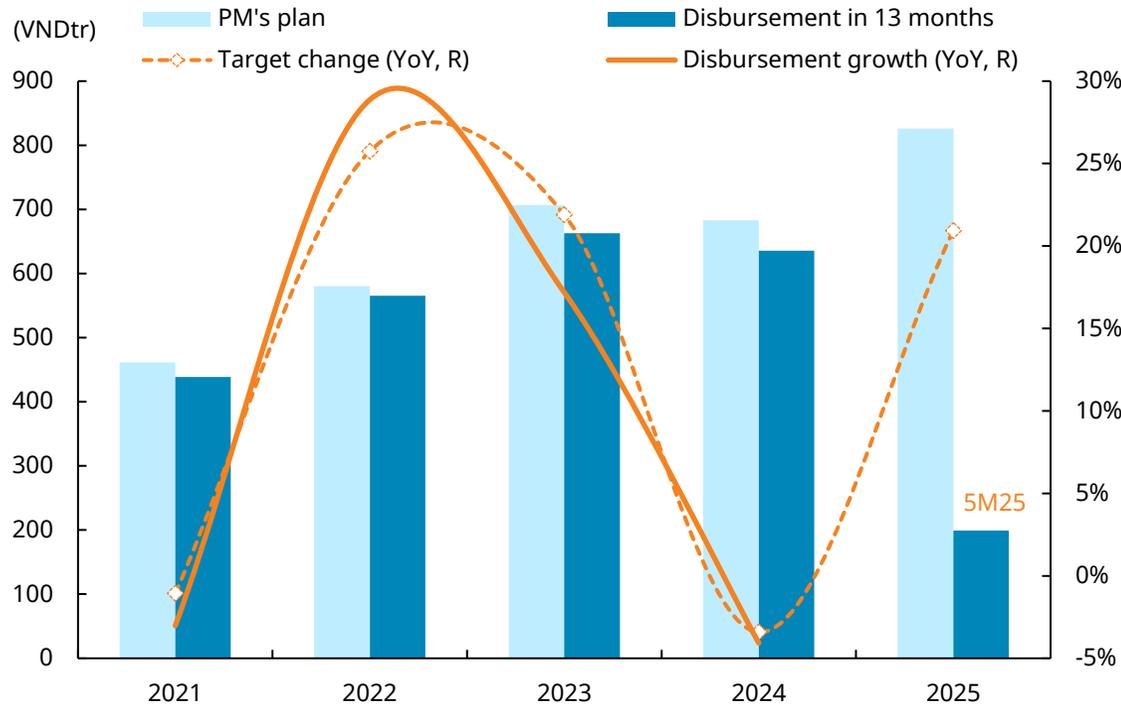
- **Resolution No. 198/2025/QH15** (effective since May 17, 2025): Special mechanisms and policies for **private economic development** (target of private economic contribution to 55–58% of GDP for 2030, from the current level of 50%).
- **Resolution No. 201/2025/QH15** (effective from June 1, 2025): Regulating the pilot implementation of a number of specific mechanisms and policies for the development of social housing; establish a National Housing Fund in June.
- Others:
 - **Law amending and supplementing a number of articles of the Law on Planning:** Supplements regulations on the order and procedures for adjusting planning for the 2021–2030 period to meet the requirements of rearranging provincial administrative units towards simplification and promoting decentralization and delegation of power;
 - **Law amending and supplementing a number of articles of the Law on Credit Institutions:** Decentralizing special lending authority; legalizing the provisions of Resolution 42 to handle bad debts more effectively; completing the mechanism for seizing secured assets;
 - The government proposes to reduce VAT by 2%p until December 31, 2026.

1.2. Public investment capital to be promoted going forward

Disbursement accelerated since April

- **Public disbursement going forward will serve as one of the key drivers in 2025, amid increasing uncertainties from external factors:**
 - Targeting to complete **the strategic infrastructure system: 3,000 km of expressways and over 1,000 km of coastal roads by 2025.**
 - **Focusing on key projects in 2025**, including sub-projects of Eastern North-South Expressway, HCMC Ring Road No.3, Hanoi Ring Road No. 4, Long Thanh International Airport.
 - **Efforts to disburse 100% of the target in 2025**, according to the Prime Minister: The 2025 target of public investment capital: VND825.9tr (+20.9% compared with the 2024 target; +29.9% compared with the 2024 disbursement). **In 5M25, the estimated disbursement of public investment capital accelerated to grow at a double-digit rate to reach VND199.3tr (+38.8% YoY), fulfilling 24% of the Prime Minister's plan.** Notably, the disbursement accelerated since April (May: +104% YoY; April: +57.2% YoY; March: +33.2% YoY).
- **Room for acceleration of the public investment in long run: Low public debt (37%, vs. ceiling of 60% of GDP); governmental reforms for efficiency; amendments to the Public Investment Law.**

Disbursement of public investment



Source: Mirae Asset Securities (Vietnam) Research; compiled from MOF

Public investment projects

Project	Total investment (US\$bn)	Timeline
Sub-projects of Eastern North-South Expressway	5.8	2023–2025
Long Thanh International Airport (phase 1)	4.5	2022–2026
HCMC Ring Road No.3	3	2023–2026
Hanoi Ring Road No. 4	3.4	2023–2026
Chau Doc - Can Tho - Soc Trang Expressway	1.8	2023–2026
Khanh Hoa - Buon Ma Thuat Expressway	0.9	2023–2026
Bien Hoa - Vung Tau Expressway	0.7	2023–2026
Hoa Binh - Moc Chau Expressway	0.4	2024–2028
North-South Expressway West, section Gia Nghia - Chon Thanh	1	2025–2026
HCMC - Moc Bai Expressway	0.8	2025–2027
Can Gio International Transshipment Port (7 phases)	4.5	2025–2030
HCMC Ring Road No. 4 (phase 1)	4.8	2026–2028
Lao Cai - Hanoi - Hai Phong Railway (connect with China)	11.6	2026–2030
Metro Ben Thanh - Tham Luong (HCMC)	1.9	2025–2035
Metro Nam Thang Long - Tran Hung Dao (Hanoi)	1.4	2025–2035
Hanoi Station - Hoang Mai (Hanoi)	1.6	2025–2035
North-South High-Speed Railway	61.35	2028–2035

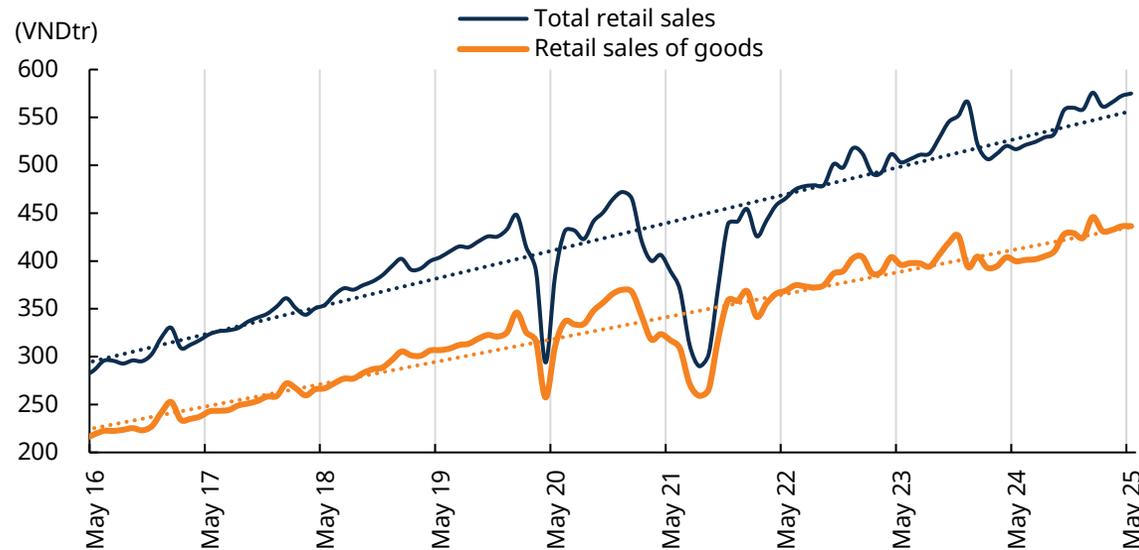
Source: Mirae Asset Securities (Vietnam) Research compiled

1.3. Retail sales to further recover

Consumption maintained a solid recovery

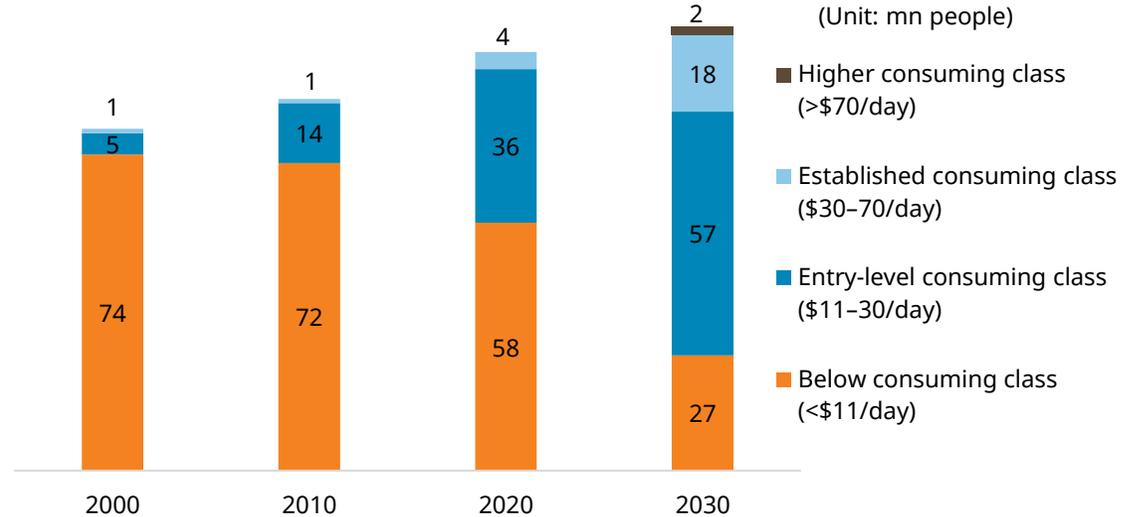
- **Consumption maintained a solid recovery (5M25: +9.7% YoY, May: +10.2% YoY)**, driven by continued recovery in tourism.
 - Retail sales of goods (accounting for 76.5% of total retail sales) remained solid (+8% YoY) in 5M25;
 - Retail sales of services (occupied 23.5% of the total) continued to be drivers of retail sales, with Accommodation & Catering Services (+15.2% YoY) and Travel Services (+24.7% YoY), and the recovery of tourism (9.2mn international arrivals; +21.3% YoY).
- **We maintain our expectations for further recovery in retail sales going forward**, driven by:
 - **Authorities being proactive in supportive policies:** On April 2, the government issued Decree 82/2025, extending the deadline for the payment of VAT, CIT, PIT, and land rent in 2025, effective from April 2 to December 31, 2025;
 - 2%p VAT reduction until end-June 2025; Research and propose expanding the scope of tax reduction and value-added tax reduction applicable in 2H25 and 2026;
 - **Research and propose a plan to support businesses and workers in industries and sectors affected by US tariff policies;**
 - **Stimulus policies to promote tourism and the ongoing recovery in tourism.** Vietnam recently proposed a 10-year golden visa to attract global talent and investors international experts, high-net-worth individuals, and skilled professionals;
 - **In the long term, Vietnam's consumer class is expected to continue to expand:** From 41% to 74% of the total population in the period 2020–2030, according to McKinsey Global Institute.
- Risks to watch: Slower-than-expected economic growth, due to impacts from the reciprocal tariffs may affect consumers' purchasing behavior.

Monthly retail sales returned above the 2016–2025 trendline



Note: Data for retail sales in May 2025 are estimated by the NSO and subject to revisions

Vietnam's population by income group (daily spending)



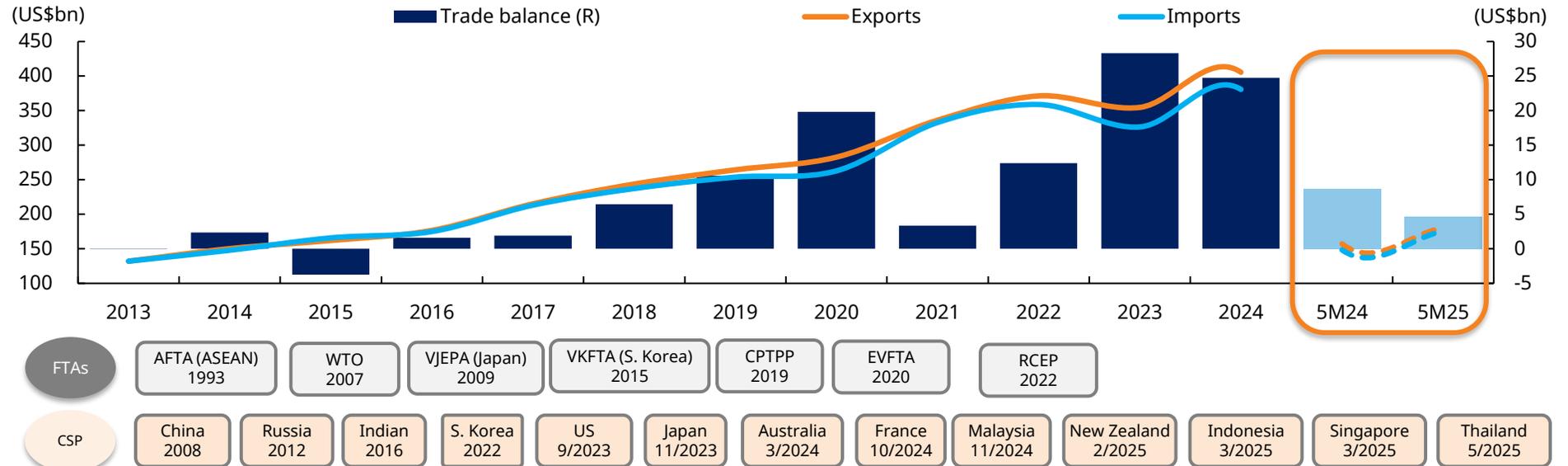
Source: Marketpro by WorldDataLabs; McKinsey Global Institute analysis

1.4. We maintain expectations for moderate export growth in 2025

Solid growth momentum in 5M25

- Vietnam's exports maintained a solid growth rate (+14% YoY) in 5M25, reaching US\$180.2bn**, with a trade surplus of US\$4.7bn.
 - Exports by country: Acceleration in exports to the US (5M25: +28.7% YoY; 2024: +23.2% YoY), Japan (5M25: +12.3% YoY; 2024: +5.7% YoY), S. Korea (5M25: +11.5% YoY; 2024: +9.2% YoY), and a slight recovery in exports to China (5M25: +4.9% YoY; 2024: +0.8% YoY);
 - Exports by product: Computers, electronics and their parts (+39.7% YoY), Textiles and garments (+12% YoY), and Footwear (+11.5% YoY).
- We maintain our expectation for moderate export growth in 2025:**
 - Continue to diversify markets, products, and supply chains.** Strengthen the network of global partners: signatory to 17 FTAs and Comprehensive Strategic Partnerships with 13 countries; also, the EU seeks to upgrade ties with Vietnam to comprehensive strategic partnership;
 - Vietnam has proactively implemented many measures to contribute to resolving the trade deficit between the two sides.**
- Vietnam's exports have faced increasing external uncertainties from Trump's policies**, as Vietnam has the fourth-largest deficit with the US and a relatively open economy. Vietnam's efforts to reduce tariffs and measures to balance the trade balance are expected to help Vietnam negotiate a reciprocal tax rate imposed by the US on Vietnam below the initially announced level of 46%. Thus far, the impact on Vietnam is insignificant, due to the broad-based tariff of an additional 10% application (effective from April 5). On a positive note, on the second round of negotiations (May 19–22, 2025), **the US appreciates Vietnam's goodwill and efforts in handling issues of US concerns and hopes that the two sides will continue to promote technical discussions to achieve results as soon as possible.**

Vietnam's monthly exports and imports



Source: Mirae Asset Securities (Vietnam) Research; compiled from Vietnam Customs figures

1.4. Exports: Increasing external uncertainties from Trump's policies

Vietnam has been proactive in resolving the trade imbalance with the US

US demand	Vietnam's concession
<p>Reduce tariff rates on US goods</p>	<p>Reduction of preferential import taxes (MFN) on certain items, effective from March 31: Some items of cars to 32% (from 45%–64%), Wood and Wood products to 5% (from 20%–25%); ethanol to 5% (from 10%); LNG to 2% (from 5%); and some fruits to 5% (from 8–12%); Vietnam reduced tariffs to 0% on most US corn and soybean products;</p> <p>Offered: Following the reciprocal announcement, the General Secretary proposed reducing tariffs on US imports to 0%.</p>
<p>Increase imports volume from the US</p>	<p>Offered: Vietnam has committed to purchasing US LNG, defense and security products.</p> <ul style="list-style-type: none"> ○ Expected value of the cooperation agreements is US\$90.3bn from 2025 onwards <ul style="list-style-type: none"> ● Aircraft procurement, aviation services, oil and gas exploitation, refined petroleum imports: US\$50.15bn; ● Negotiation and signing in the upcoming time: US\$36bn ○ June 2025: Signed 5 Memorandums of Understanding (MOUs) in Iowa with a total value of US\$800mn expected to be implemented over 3 years; and expected to sign MOUs to purchase more than US\$2bn worth of US agricultural, forestry and fishery products.
<p>Reduce non-trade barriers</p>	<p>Working on: The Vietnamese Ministry of Industry and Trade is considering removing trade barriers for US companies.</p>
<p>Stop rerouting Chinese exports</p>	<p>Urgently promulgate a Decree on strategic trade control; strengthen inspection and supervision of the origin of goods.</p>

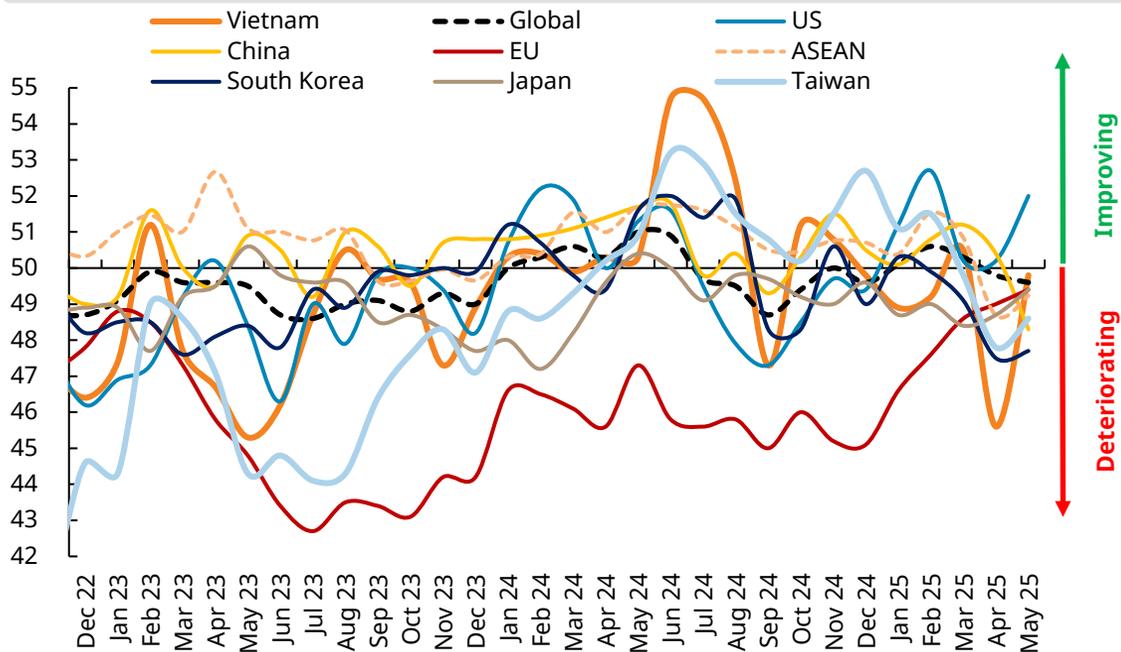
Source: Mirae Asset Securities (Vietnam) Research compiled

1.5. Industrial production to improve

Industrial production maintained its recovery path, with firms' sentiment improved in May amid more stable tariff policies

- **IIP maintained its improvement path in 5M25** (+8.8% YoY; 2024: +8.3% YoY), driven by continued recovery of Processing and Manufacturing (5M25: +10.8% YoY).
- **The S&P Global Vietnam Manufacturing PMI increased to just under the 50-point threshold to reach 49.8 point in May (from 45.6 in April), signaling a near-stabilization of business conditions in the sector.** New orders in the Vietnamese manufacturing sector declined again in May, largely due to reported impacts from US tariffs on export demand. However, production resumed growth, and overall business conditions remained relatively stable, with some firms noting improved clarity in tariff policies compared to April.
- **Vietnam's industrial production may hit by the reciprocal tariffs, especially export-oriented production. Amid the recent US-China tariff pause, May experienced a renewed expansion in output and improved business confidence. In addition, Vietnam's key supportive factors for the industrial production in 2025 are still intact,** including: 1) the expected expansion of supportive policies for production and business in 2025, as the Ministry of Finance continues to propose policies to exempt, reduce, and extend taxes, fees, charges, and land rents in 2025, helping to support the industrial production; and 2) in the long run, FDI attraction is expected to contribute to further improvement in Vietnam's manufacturing.
- **Key risks to our expectations:** 1) Increasing external uncertainties from Trump's policies will affect export-oriented manufacturing; and 2) slower-than-expected economic growth by Vietnam's main trading partners.

Manufacturing PMIs of Vietnam and its main trading partners



Vietnam's manufacturing PMI breakdown

Vietnam's manufacturing PMI	May 2025
PMI breakdown	49.8 points
• New orders (30%)	Continued to fall amid marked reduction in exports
• Output (25%)	Returned to growth
• Employment (20%)	Continued to decrease, with the slowest pace since last October
• Suppliers' delivery times (15%)	Lengthened slightly
• Stocks of purchases (10%)	Declined
Firms' sentiment/outlook	Business confidence improved in May amid more stable tariff policies. A number of respondents remained concerned about the potential impact of tariffs, meaning that business sentiment remained well below the series average.

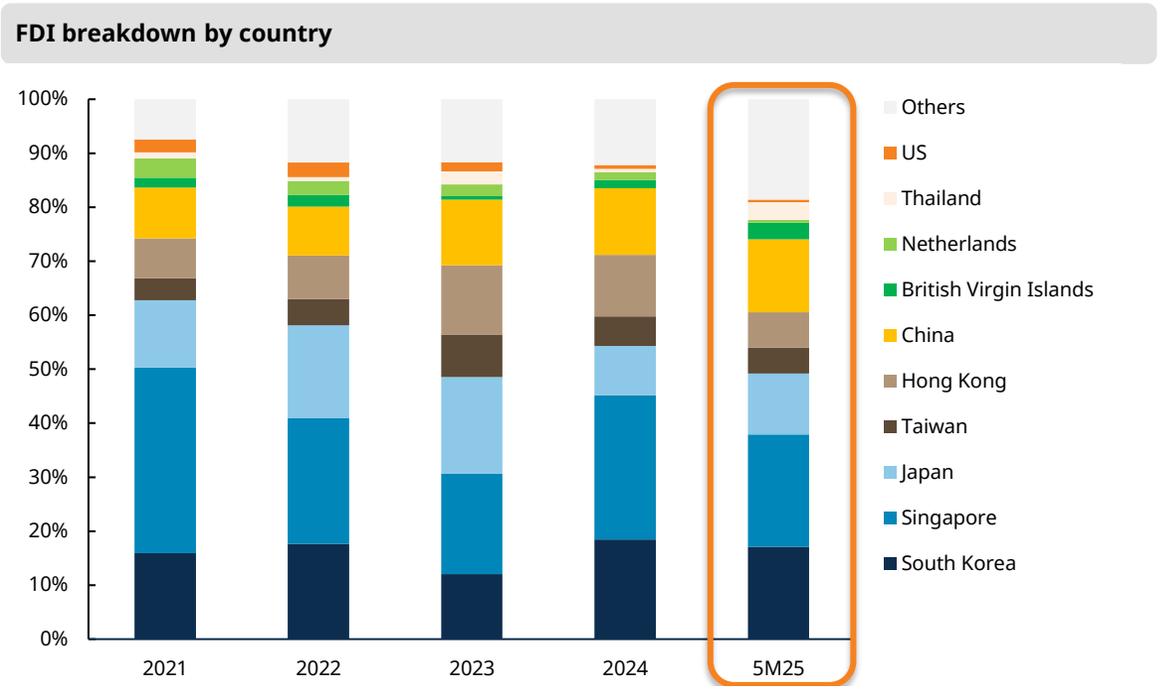
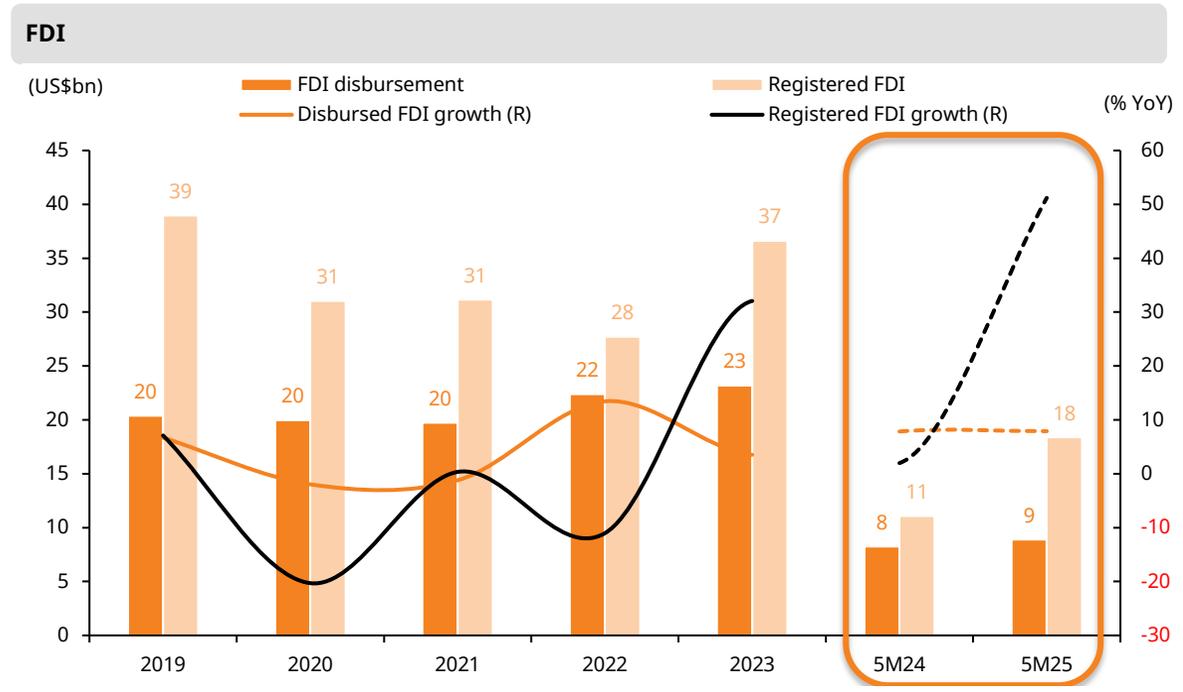
Source: Mirae Asset Securities (Vietnam) Research; compiled from S&P Global

Source: Mirae Asset Securities (Vietnam) Research; compiled from S&P Global

1.6. Vietnam's efforts to continue to attract FDI flows

FDI into Vietnam maintained its growth momentum in 5M25

- **FDI into Vietnam maintained its growth momentum in 5M25.**
 - **Disbursed capital: US\$8.9bn** (+7.9% YoY);
 - **Registered capital: US\$18.39bn** (+51.2% YoY):
 - Additionally registered FDI: US\$8.52bn (equivalent to 3.4 times of the figure in 5M24);
 - Capital contribution and share purchases: US\$2.86bn (+82.9% YoY);
 - Newly-registered FDI: US\$7.02bn (-13.2% YoY).
- **Vietnam's efforts to continue to attract FDI flows**, amid the implementation of the Global Minimum Tax and development of supply chain diversification, including focusing on infrastructure improvement and electricity supply, and establishment of the Investment Support Fund at end-2024, including support mechanism for businesses operating in the fields of science and technology, innovation — especially chips and semiconductors.
- **However, FDI flows may be cautious going forward**, in light of: 1) Countries considering investment opportunities in other countries more carefully, amid the uncertainty of US tariff policies; and 2) "reciprocal" tariff rates may reshuffle the competitiveness rankings of some countries based on labor cost.
- **Notable plans of FDI going forward:** 1) The CEO of Samsung Vietnam reaffirmed the company's commitment to expanding investments into AI, semiconductors, and digital transformation; and 2) US telecom giant Qualcomm wants to build its third largest research and development center in the world in Vietnam.



Source: Mirae Asset Securities (Vietnam) Research; compiled from NSO

Source: Mirae Asset Securities (Vietnam) Research; compiled from NSO

1.7. Inflation still well-controlled

Inflation still under control

- **Vietnam's inflation was still well-controlled in the first five months of the year** (5M25 average CPI: +3.2% YoY, core CPI: +3.1% YoY):
 - Easing CPI of Transportation (-4% YoY), Education (+0.8% YoY), and Telecommunications (-0.5% YoY) in 5M25;
 - Pressure from prices of Housing and construction materials (+5.4% YoY), Food and foodstuff (+3.8% YoY), and Healthcare (+14.1% YoY) in 5M25.
- **The government revised the 2025 CPI target upward to 4.5–5%**, following the higher GDP growth target of 8% YoY. We expect 2025 inflation to be kept under control, with the following catalysts:
 - Continued value-added tax (VAT) reduction of 2%p to 8% in 1H25;
 - Continued reduction in the environmental protection tax on gasoline and oil by 50% in 2025;
 - Research and propose expanding the scope of tax reduction and value-added tax reduction applicable in 2H25 and 2026;
 - The government issued Decree 82/2025, extending the deadline for the payment of VAT, CIT, PIT, and land rent, effective from April 2 to December 31, 2025;
 - Extending the deadline for payment of special consumption tax on domestically manufactured and assembled automobiles.
- **Factors that may put pressure on 2025 inflation:** 1) The mechanism for adjusting average retail electricity prices: The minimum average electricity price adjustment time is three months (from the latest electricity price adjustment); most recently on May 10, the retail electricity price increased by 4.8% compared with the current price; 2) acceleration in credit growth in 2025; and 3) Trump's tariffs.

Vietnam CPI breakdown

Inflation (% YoY)	Proportion	Trend	2024												2025					
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Average
CPI			3.4	4.0	4.0	4.4	4.4	4.3	4.4	3.5	2.6	2.9	2.8	2.9	3.6	2.9	3.1	3.1	3.2	3.2
Core CPI			2.7	3.0	2.8	2.8	2.7	2.6	2.6	2.5	2.5	2.7	2.8	2.9	3.1	2.9	3.1	3.1	3.3	3.1
Food and foodstuff	33.6%		2.3	4.2	4.0	4.3	4.5	4.7	4.3	3.7	3.9	4.4	4.1	3.9	4.4	3.1	3.8	4.1	3.7	3.8
Housing and construction materials	18.8%		6.4	4.9	4.9	6.0	5.3	5.6	5.6	5.0	4.4	4.2	5.1	5.2	4.9	5.1	5.3	5.7	6.1	5.4
Transportation	9.7%		1.6	2.6	2.7	4.2	5.6	3.0	4.4	-1.5	-5.3	-3.2	-3.3	-0.9	-0.4	-2.7	-4.1	-6.9	-5.7	-4.0
Household appliances	6.7%		1.1	1.3	1.2	1.4	1.3	1.2	1.2	1.1	1.2	1.3	1.4	1.5	1.7	1.5	1.6	1.6	1.6	1.6
Education	6.2%		8.4	8.6	10.1	8.3	8.1	8.0	8.0	7.1	1.2	-0.5	-0.8	-1.1	-1.0	-0.6	-0.3	2.8	3.0	0.8
Garment, footwear, hats	5.7%		1.4	1.6	1.6	1.8	1.7	1.5	1.3	1.2	1.2	1.1	1.1	1.2	1.3	1.0	1.2	1.1	1.1	1.2
Health care	5.4%		6.5	6.5	6.5	7.4	7.4	8.0	8.1	8.3	8.3	8.3	5.3	5.3	14.1	14.5	14.6	13.6	13.6	14.1
Culture, entertainment and tourism	4.6%		0.9	1.7	1.5	1.9	2.0	2.3	2.3	2.3	2.0	2.1	2.2	2.3	2.5	1.9	2.2	2.1	2.1	2.1
Telecommunications	3.1%		-1.4	-1.5	-1.5	-1.5	-1.4	-1.2	-1.1	-0.7	-0.4	-0.4	-0.6	-0.6	-0.7	-0.5	-0.5	-0.5	-0.2	-0.5
Beverage and cigarette	2.7%		1.7	2.6	2.6	2.6	2.6	2.6	2.5	2.4	2.3	2.3	2.3	2.4	2.7	2.0	2.0	2.1	2.1	2.2

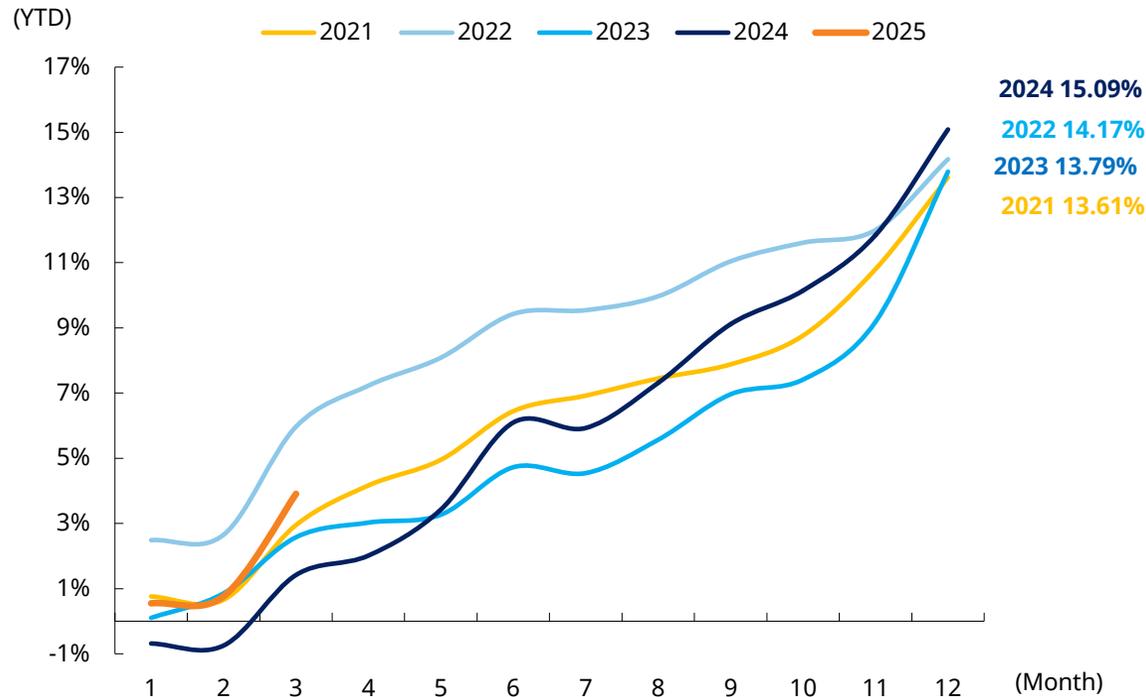
Source: Mirae Asset Securities (Vietnam) Research compiled data from NSO. The red and green spots in the graphs indicate the highest and the lowest values, respectively.
 Note: Core CPI is calculated by directly excluding 16 groups of food, fresh food, energy and prices governed by the government.

1.8. Credit growth to continue to accelerate

Credit growth plays an important role in supporting domestic growth factors in 2025

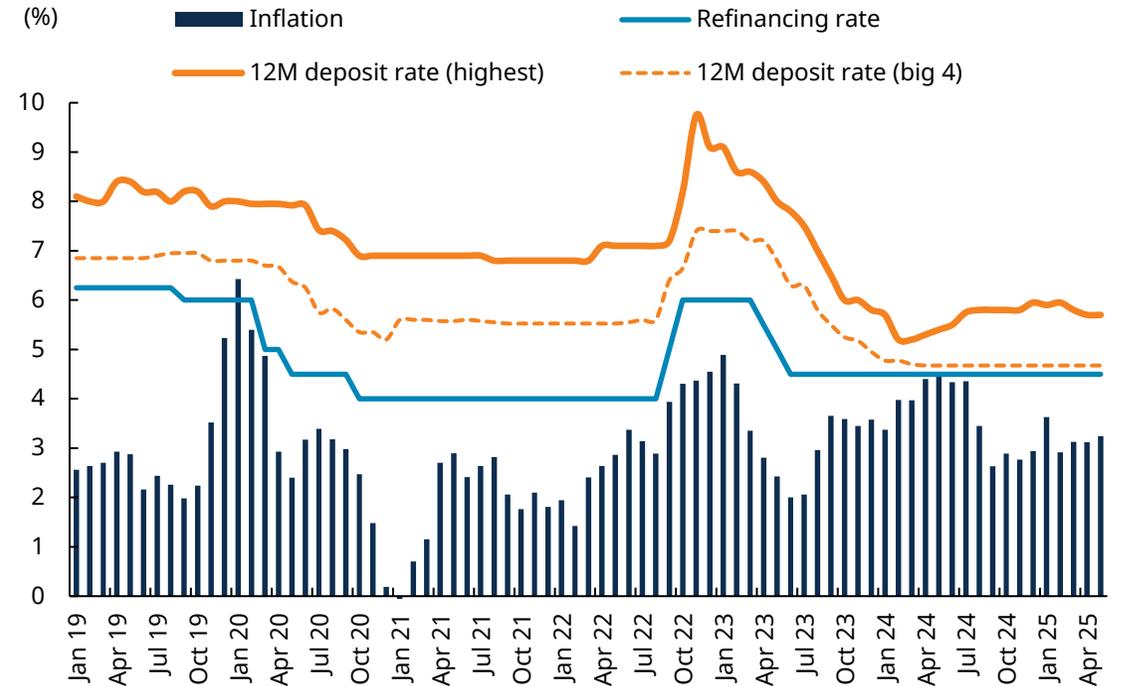
- **Credit growth target for 2025 of at least 16% YoY, in line with the high GDP growth target to 8% YoY.** In addition, the Government recently requires to research on assigning additional credit growth targets to banks. Amid increasing challenges from external drivers, credit growth plays an important role in supporting domestic growth factors in 2025, with the expectation of acceleration in public investment disbursement and further improvement in the Real Estate sector.
 - As of end-March 2025, **credit growth is 3.91% YTD (+17.9% YoY, versus +12.5% YoY as of end-March 2024).**
- **Key credit programs are currently focused**, namely: 1) a VND145tn package for social housing loans; and 2) the credit lending program for young people under 35 years old, with preferential interest rates that are 1–3% lower than normal interest rates; and 3) deploying a VND500tr credit package for lending to businesses investing in infrastructure and digital technology.
- **The SBV is striving to maintain a stable interest rate environment that supports business activities, thanks to Vietnam’s well-managed inflation** (5M25 average CPI: +3.2% YoY, core CPI: +3.1% YoY).

Credit growth target of 16% YoY for 2025



Source: Mirae Asset Securities (Vietnam) Research; compiled from SBV

Maintaining stable interest rate environment



Source: Mirae Asset Securities (Vietnam) Research; compiled from SBV

1.9. Money markets

Favorable conditions amid elevated uncertainties

- **The US\$/VND exchange rate continues to trend upward, with YTD appreciation of 2.5% despite a significant decline in the broader US dollar strength, as reflected by the DXY index since the start of the year.** Several factors contribute to this divergence, including the "Sell America" trend, where investors are losing confidence in holding US dollar-linked assets, such as equities, bonds, or simply maintaining US dollar positions through swap agreements and hedging instruments. Economic policy uncertainty, coupled with capital outflows via cross-currency swaps (CCS) — shifting from borrowing in low-interest currencies to investing in high-yield US assets like S&P 500 ETFs — has further fueled this movement. This divestment from low-yield currencies — such as the EUR, GBP, JPY, and TWD — has led to short-term appreciation of these local currencies. However, the US\$/VND rate remains largely unaffected by this trend, primarily because the cost of capital for the VND is not low relative to the US dollar.
- **As of June 2025, the swap rate between VND and US dollar in the interbank market remains neutral, hovering around zero across various tenors, signaling that exchange rate pressures are not yet significant.** This also indicates that the State Bank of Vietnam (SBV) has not shown an urgent need to intervene in the forex market at this juncture. Meanwhile, the SBV continues to support interbank liquidity by issuing reverse repurchase agreements (RRPs) at a fixed rate of 4%, with issuance volumes reaching VND100tn across maturities ranging from 7 to 91 days in May.
- **Looking ahead to the second half of 2025 (2H25), several factors warrant close attention. The US dollar appears relatively undervalued purely from an interest rate perspective compared with the EUR and GBP,** as the Federal Reserve maintains a cautious stance on rate cuts, with expectations of two to three reductions of 25 bps each in 2025. Concurrently, the SBV is pursuing an accommodative monetary policy to spur economic growth by sustaining a low-interest environment, supporting credit expansion targets while the domestic exchange rate benefits to some extent from the weakening US dollar strength as evidenced by the DXY index. Nevertheless, **risks to exchange rate stability and inflation could intensify if foreign currency inflows fall short of expectations, particularly under the influence of reciprocal tariff policies from the US, potentially disrupting Vietnam's balance of payments.**

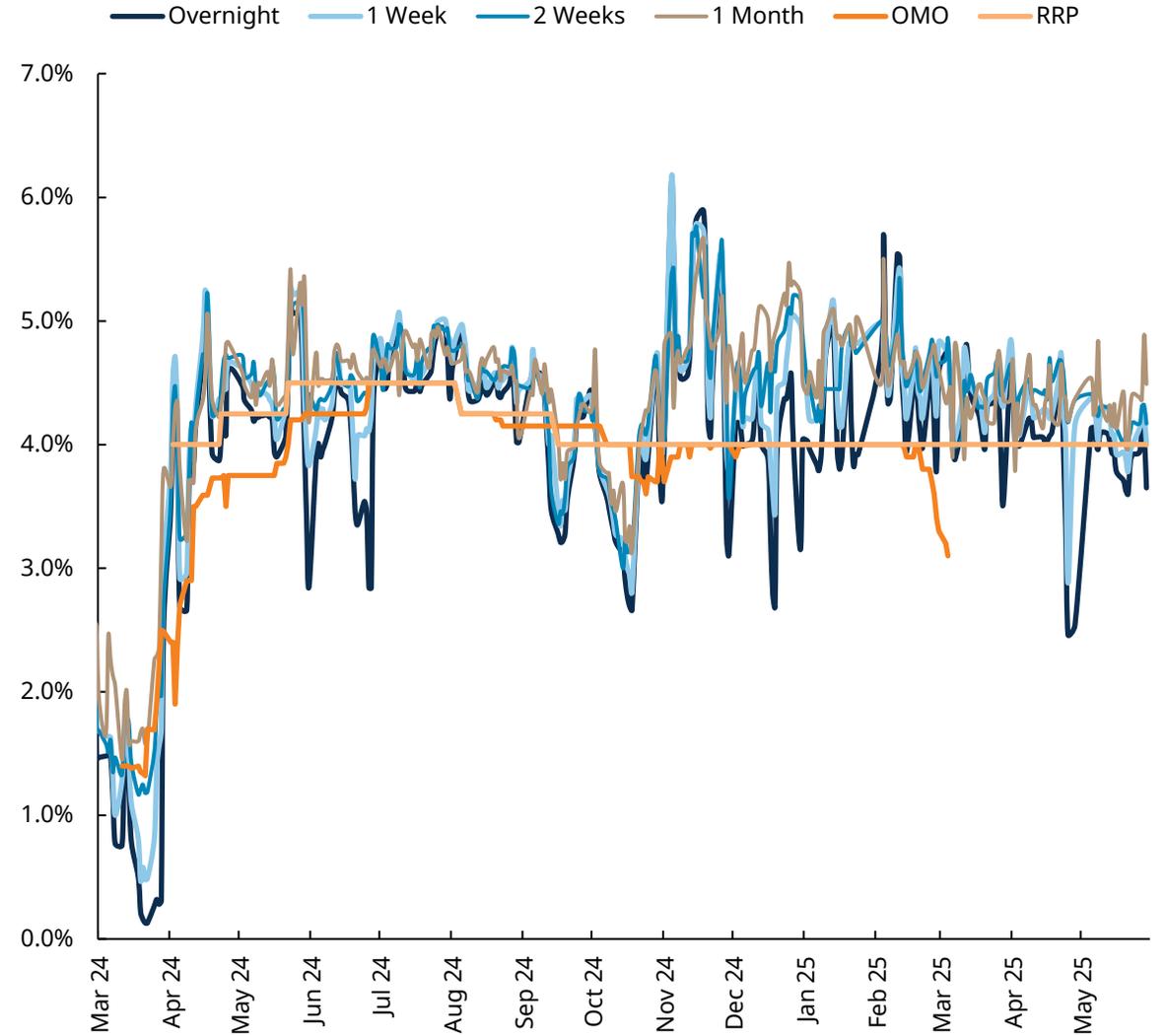
1.9. Money markets (cont'd.)

Correlation between DXY index and US\$/VND rate



Source: Mirae Asset Securities (Vietnam) Research, Bloomberg, FiinPro, SBV
 Note: Data updated as of May 30, 2025

Vietnam interbank interest rates

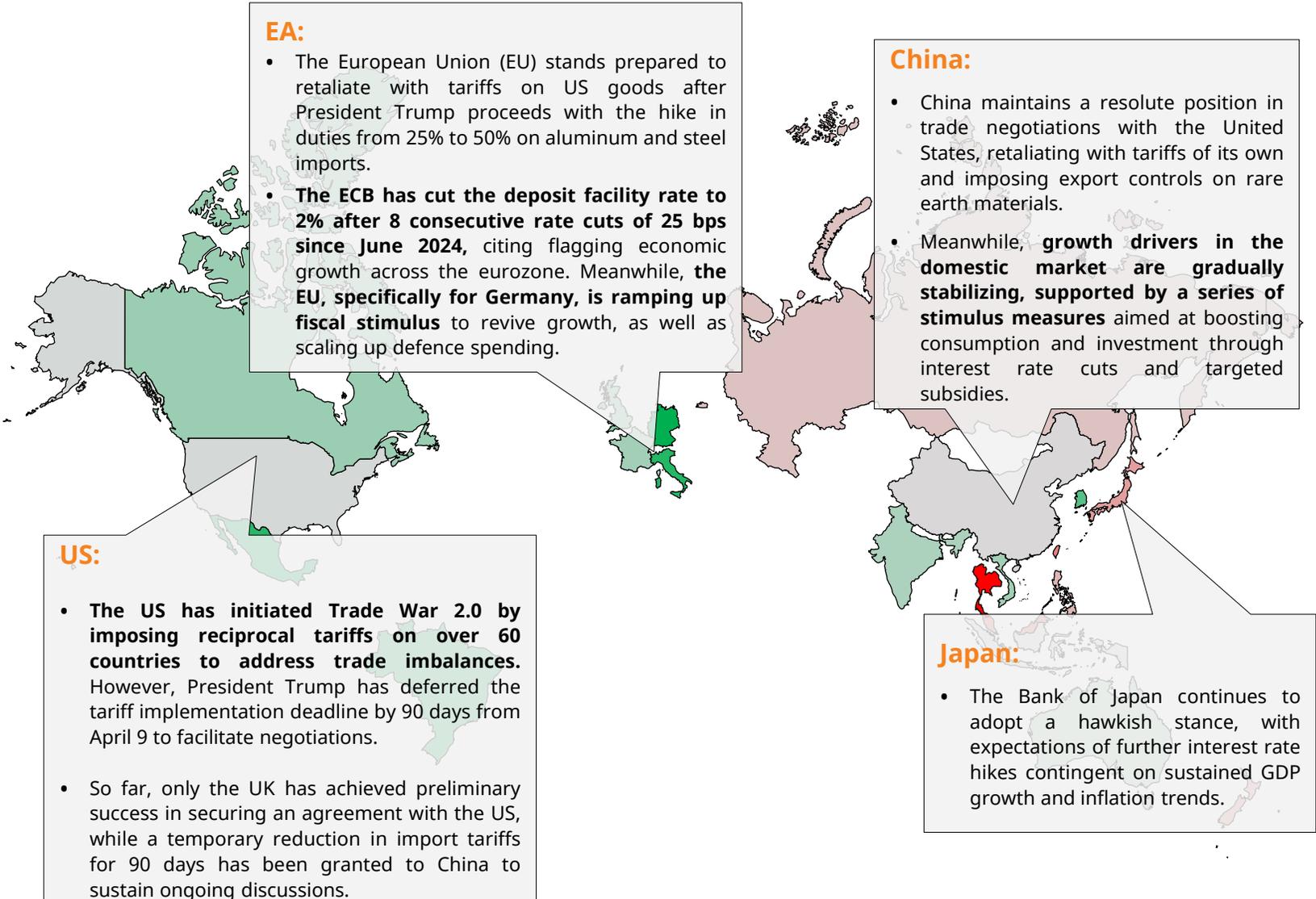


Source: Mirae Asset Securities (Vietnam) Research, SBV, FiinPro
 Note: Data updated as of May 30, 2025

2.1. Global themes

Country	Index	Last trade	May 2025	YTD
Vietnam	VN-Index	1,332.60	8.67%	5.20%
US	S&P 500	5,911.69	6.15%	0.51%
Canada	TSX	26,175.05	5.37%	5.85%
Japan	Nikkei 225	37,965.10	5.33%	-4.84%
China	SHCOMP	3,347.49	2.09%	-0.13%
Hong Kong	Hang Seng	23,289.77	5.29%	16.10%
Taiwan	TWSE	21,347.30	5.50%	-7.33%
S. Korea	KOSPI	2,697.67	5.52%	12.43%
India	SENSEX	81,451.01	1.51%	4.24%
Thailand	SET	1,149.18	-4.02%	-17.93%
Singapore	STI	3,894.61	1.62%	2.83%
Malaysia	FBMKLCI	1,508.35	-2.07%	-8.16%
Philippines	PSEi	6,341.53	-0.21%	-2.87%
UK	FTSE 100	8,772.38	3.27%	7.33%
France	CAC 40	7,751.89	2.08%	5.03%
Germany	DAX	23,997.48	6.67%	20.53%
Italy	IT 40	40,087.40	6.60%	17.26%
Australia	ASX 200	8,434.71	3.80%	3.38%
New Zealand	NZX 50	12,418.89	4.33%	-5.28%

Source: Mirae Asset Securities (Vietnam) Research, Bloomberg
 Note: Data updated as of May 30, 2025



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2.1. Global themes (cont'd.)

Update on Trade War: Dancing in the dark

- **The trade war initially aimed to address trade imbalances between the US and its partners, but we believe the deeper strategic intent extends beyond merely reducing deficits.** Structurally, the US holds a dominant advantage in optimizing societal resources to produce high-value-added goods while achieving trade surpluses through service exports. More critically, with the US dollar's status as the global reserve currency, the US can effectively export inflation over the long term. However, this strategy also fuels a ballooning national debt, as the Treasury funds the injection of US dollars into the international payment system. Despite concerns over fiscal imbalances and military spending across multiple fronts, which have inflated US public debt and raised fears of default or solvency risks among investors, the "exporting inflation" theory has partially demonstrated the system's resilience. The US can continuously expand the global US dollar supply, while other nations increase holdings of US Treasuries as liquid assets, easily convertible back to US dollars for international trade. Thus, the primary trigger for sell-offs of long-term US Treasuries is less about default risk and more reflective of expectations for a prolonged high-interest-rate environment ("higher-for-longer"). This stems from the Federal Reserve's challenging path to rate cuts amid inflationary pressures, despite recent data showing a notable cooldown (CPI at 2.3% YoY, PCE at 2.1% YoY and Core PCE at 2.5% YoY in April 2025 — the lowest since early-2021), which we believe current inflationary figures might not materialize the full impact of reciprocal tariffs starting from April. **In response, the Fed has intervened — through measures like Operation Twist — to suppress short-term yields below two years to offset recent surges in long term yields.**
- **Long-term bond yields, a key gauge of risk appetite among credit institutions and investment funds, remain elevated despite rate cuts by the Fed and ECB, signaling a shift in investor expectations regarding economic and inflation outlooks.** An indirect consequence of the trade war is the "Sell America" trend observed in April 2025, where investors offloaded US equities, bonds, and reduced US dollar holdings. With the US dollar weakening consistently and hitting a three-year low, this movement triggered a reversal in carry trade flows. Investors accessing US markets via mechanisms like cross-currency swaps have incurred significant losses, even when simply holding US dollars (with the DXY down 9% YTD), excluding further markdowns from revaluing equity and Treasury holdings on balance sheets.
- **Broadly, the US dollar's depreciation is also seen as a core US strategy to attract manufacturing capital back onshore.** A strategic report from President Trump's economic advisor, Stephen Mirran, once noted that the US dollar is overvalued and requires a significant decline to bolster competitiveness in drawing production capital. However, this goal remains ambiguous, as supply chain repositioning cannot occur swiftly, and the US lacks a clear edge in scale or labor costs compared with Asian economies. Additionally, **Trump has previously stated a reluctance for the US to outsource low-value goods like apparel and footwear, while offering tariff exemptions for electronics, appliances, and technology products. This creates a contradiction, as he continues to advocate for repatriating factories to the US, potentially focusing only on strategic sectors, like oil, or struggling domestic industries, such as automobiles and steel. This is partly evidenced by the policy to raise import tariffs on aluminum and steel from 25% to 50%, effective June 4, 2025.**

2.1. Global themes (cont'd.)

US policy paradox and prospects of a trade deal for Vietnam

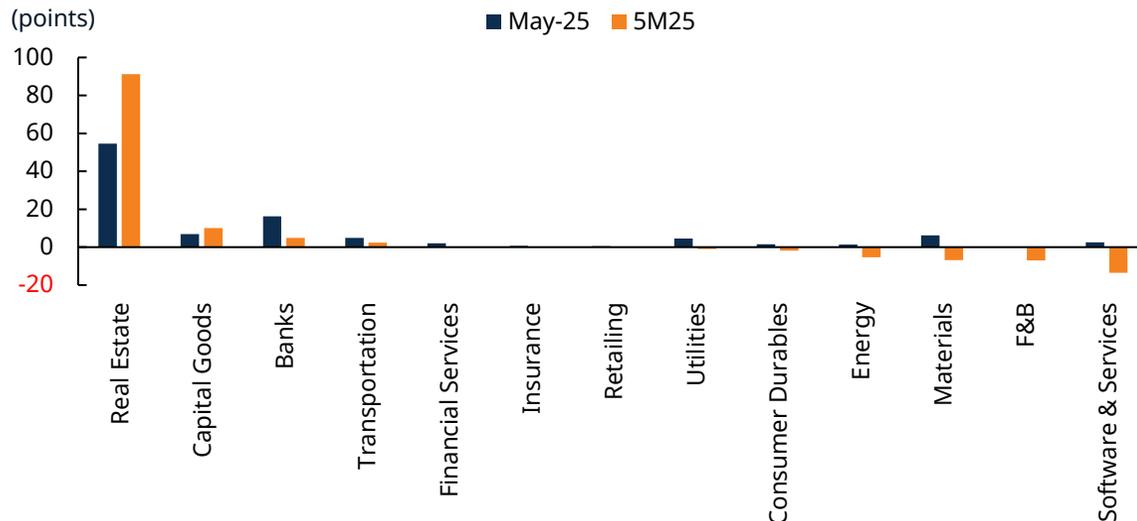
- **The urgency surrounding the US tariff suspension deadline has eased, thanks to a pivotal development between May 12–14, 2025.** A bilateral agreement for 90 days between the US and China resulted in a substantial reduction in tariffs: the US slashed rates on Chinese goods from a peak of nearly 145% to around 30%, while China reciprocated by cutting retaliatory tariffs and pausing certain new tax measures, although it maintained a 10% rate on select US products. Recent high-level discussions between the two nations have reaffirmed a commitment to resume negotiations, though the situation is widely characterized as a "fragile truce" with significant challenges looming ahead.
- With the exception of a trade agreement with the UK and a temporary tax reduction deal with China, **most nations have yet to secure a breakthrough in tariff negotiations with the US, despite the looming deadline for the suspension of reciprocal tariff measures being just over 30 days away.** In a parallel development, the US decision to maintain a relatively moderate effective tariff rate of 31.8% on Chinese goods (down from 103.6% before May 12, according to Fitch Ratings) has significantly complicated negotiations with Southeast Asian countries, particularly Vietnam. This creates a policy paradox for US tariff strategies: imposing tariffs on other Southeast Asian nations at levels equal to or higher than those applied to China risks reversing the flow of investment and manufacturing capital. Such a move could undermine the effectiveness of the "China + 1" supply chain diversification strategy, which gained traction in the wake of the initial Trade War 1.0 phase, and potentially incentivize manufacturers to return to China.
- **On a more positive note, Vietnam retains the potential to successfully negotiate a reduction in tariff rates from 46% to below the current effective tariff rate imposed by the US to China, alongside exemptions for electronic components and electrical equipment previously approved.** This could stabilize and sustain long-term FDI inflows from technology conglomerates. Nevertheless, other key Vietnamese export categories are expected to face significant hurdles during negotiations. Insights from recent rounds of talks reveal increasingly stringent demands from the US, particularly the insistence that Vietnamese manufacturers reduce reliance on raw materials sourced from China. While Vietnam has committed to tightening oversight and enforcing stricter rules of origin through Directive 09/CT-BCT to curb transshipment and re-export practices aimed at evading tariffs — especially by Chinese producers — the intricate economic ties and supply chain interdependencies among Vietnam, China, and the US are unlikely to be fully resolved within the next 30 days.
- **Currently, Vietnam is slated to participate in the third round of technical negotiations in mid-June 2025. However, we maintain a cautious outlook, given that the US has yet to fully articulate its strategic objectives and expectations as it embarks on Trade War 2.0.**

2.2. Vietnam's stock market

Vingroup leads market to new highs

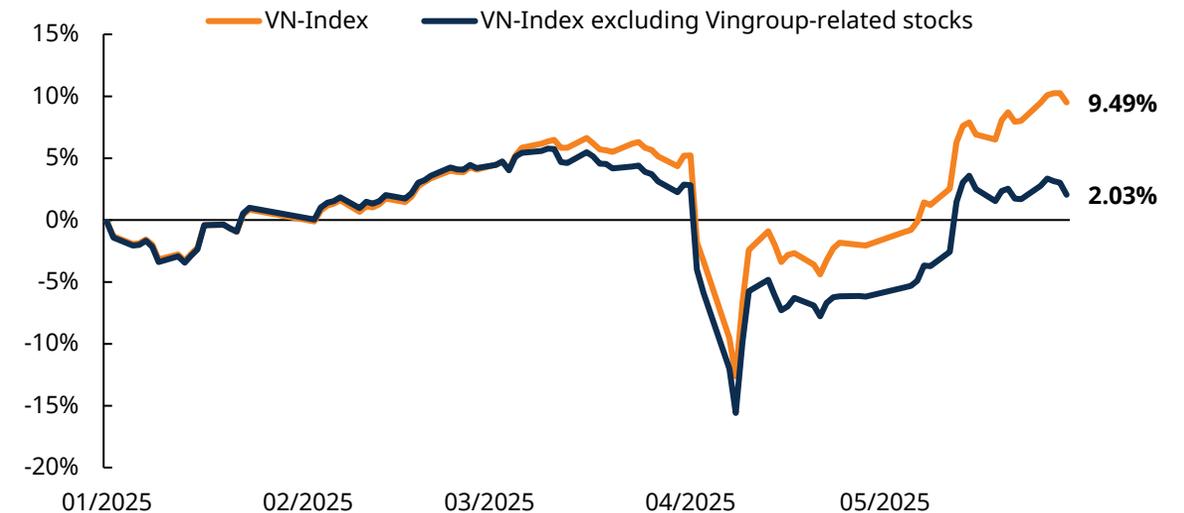
- Trading dynamics in 1H25 were significantly shaped by the election of President Trump, with markets experiencing persistent volatility driven by executive orders and accompanying statements pressuring allies, trade partners, and economic rivals. Against this backdrop, the Vietnamese market swiftly established a new base in April and accelerated in May, propelling the VN-Index to close at 1,332.6pts, up 8.67% MoM and 5.2% YTD, despite an earlier market crash (-18.76% between April 2 and April 9) triggered by tariff shocks. However, the **recovery across sectors was markedly uneven**, with disparities even among stocks within the same industry. Notably, if the outsized gains from Vingroup are excluded, the total market capitalization of the VN-Index would reflect a modest YTD increase of just 2%, compared with the current 9.49% gain in total market capitalization, which includes contributions from newly-listed stocks on HOSE.
- This uneven performance raises short-term concerns about potential profit-taking waves among retail investors** seeking to lock in gains after a staggering 100% rally in just two months across Vingroup-related stocks (VIC, VHM, and VRE). Such activity could push these stocks into a phase of re-accumulation as they establish higher equilibrium levels before resuming their medium- to long-term uptrend. More broadly, the absence of comparable growth catalysts in the near term poses a tangible risk to the overall market, particularly as heavyweight sectors, such as Banking, Technology, Retail, Securities, and Steel, have yet to fully recover to their price levels at the end of 1Q25. The exception lies in a handful of Banking stocks with unique, idiosyncratic narratives driving their performance.

Contributions of each sector to VN-Index rally



Source: Mirae Asset Securities (Vietnam) Research, Bloomberg
 Note: Data updated as of May 30, 2025

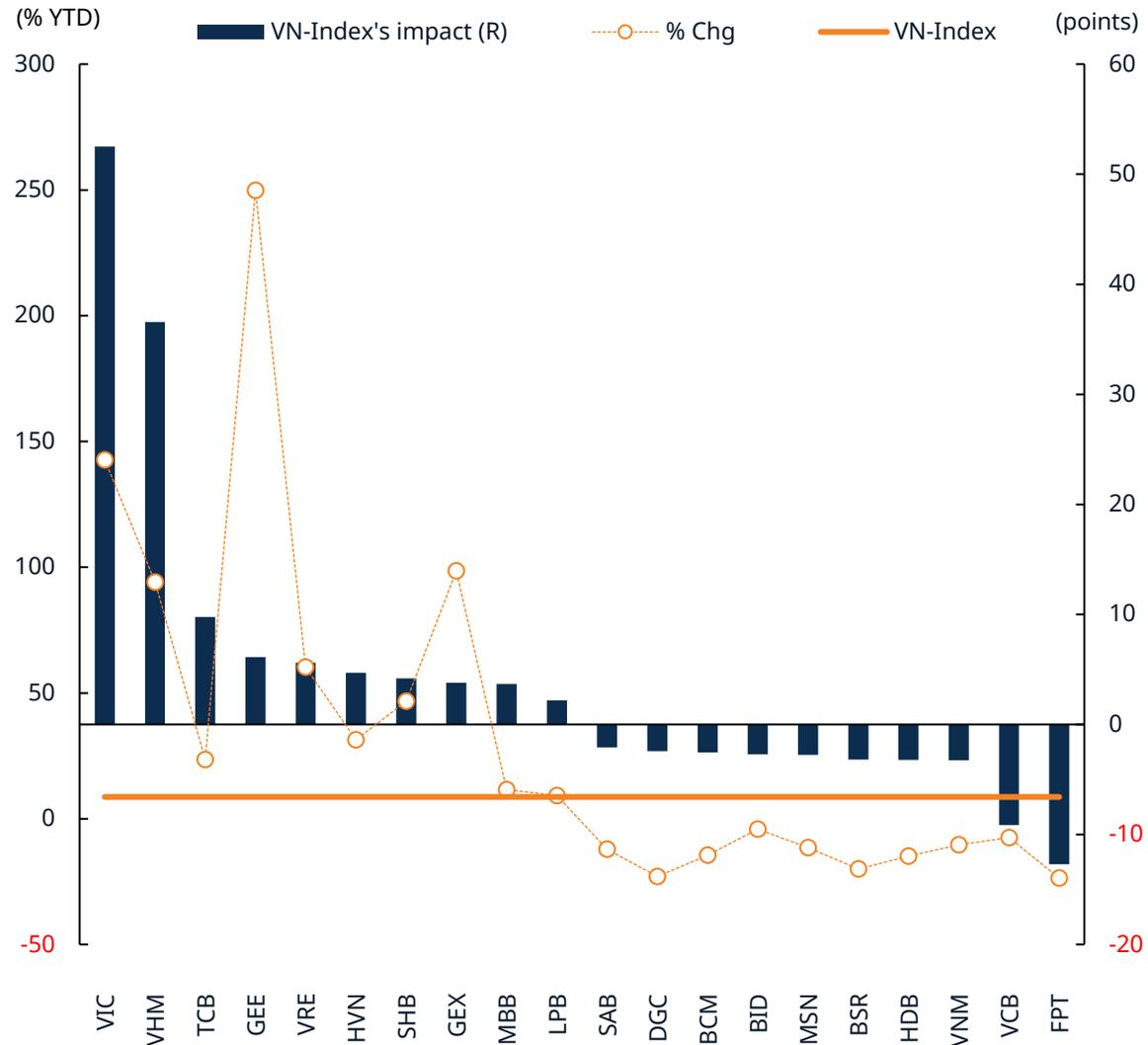
Changes in total market capitalization since start of the year



Source: Mirae Asset Securities (Vietnam) Research, Bloomberg
 Note: Data updated as of May 30, 2025

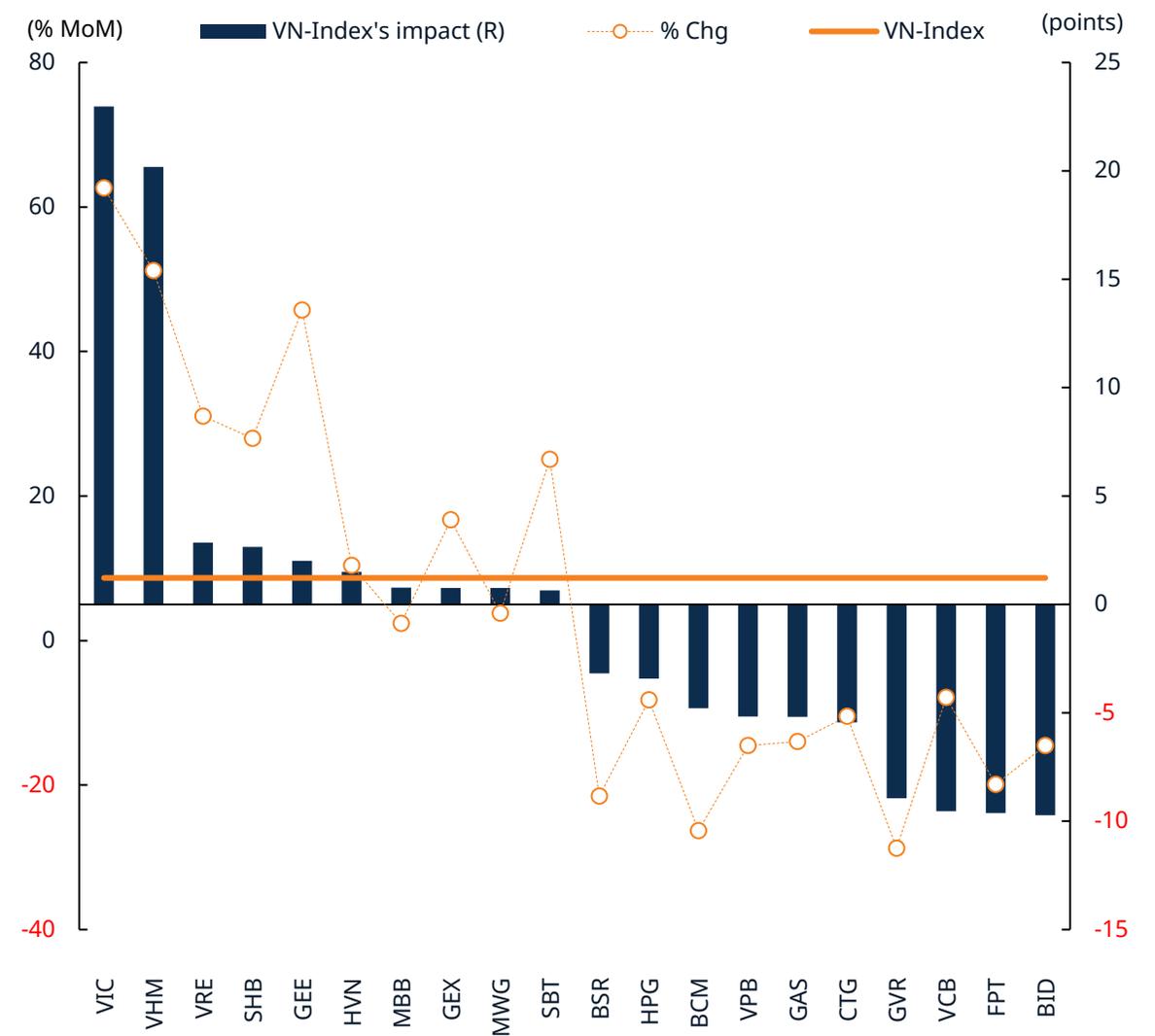
2.2. Vietnam's stock market (cont'd.)

Top market leaders and laggards in VN-Index in 5M25



Source: Mirae Asset Securities (Vietnam) Research, Bloomberg
 Note: Data updated as of May 30, 2025

Top market leaders and laggards in VN-Index in May 2025



Source: Mirae Asset Securities (Vietnam) Research, Bloomberg
 Note: Data updated as of May 30, 2025

2.2. Vietnam's stock market (cont'd.)

Trading performance by sector as of May 2025																				
GICS industry group	Market Cap (VNDbn)	Weight	LTM market cap	Changes in market capitalization					NPATMI growth (YoY)							NPATMI growth (YoY)				
				1M	3M	6M	1Y	YTD	2019	2020	2021	2022	2023	2024	2025AGM	1Q24	2Q24	3Q24	4Q24	1Q25
Banks	2,108,985	36.8%		3.4%	-4.3%	2.6%	8.3%	0.3%	30.7%	16.2%	32.5%	35.8%	4.3%	18.8%	12.1%	10.0%	19.0%	16.7%	29.2%	13.3%
Real Estate	1,045,640	18.3%		29.1%	54.2%	59.2%	50.5%	59.0%	39.2%	-1.2%	9.5%	-2.0%	-7.7%	-2.2%	52.6%	-34.4%	-73.3%	48.3%	124.9%	27.1%
Materials	424,521	7%		6.9%	-11.2%	-6.2%	-14.2%	-6.3%	-6.1%	52.9%	116.1%	-47.6%	-41.5%	43.1%	6.1%	90.7%	84.3%	24.8%	7.4%	17.3%
F&B	388,304	6.8%		-0.1%	-6.2%	-8.4%	-10.4%	-7.5%	5.9%	-19.6%	34.0%	-11.3%	-24.3%	17.1%	9.7%	28.1%	1.2%	23.6%	21.9%	3.9%
Utilities	286,082	5.0%		7.4%	-2.4%	-2.6%	-12.6%	-1.8%	13.3%	-19.9%	12.5%	47.5%	-29.1%	-21.1%	-34.8%	-55.8%	-23.2%	69.2%	-28.8%	71.5%
Capital Goods	263,421	5%		12.8%	6.8%	21.2%	16.3%	18.4%	3.7%	6.3%	12.5%	-6.7%	-12.9%	41.0%	12.8%	30.3%	27.4%	9.1%	116.9%	3.9%
Transportation	253,777	4.4%		9.2%	5.6%	7.7%	8.5%	6.1%	-20.3%	-171.7%	-1.2%	10.9%	115.8%	1385.7%	2.3%	415.9%	137.8%	466.4%	576.2%	-11.1%
Financial Services	201,160	3.5%		4.7%	-6.5%	1.6%	-0.7%	0.2%	-23.2%	38.3%	151.3%	-54.9%	61.8%	14.0%	21.0%	91.6%	7.6%	2.1%	-18.1%	-5.1%
Software & Services	182,453	3.2%		7.2%	-16.6%	-19.2%	-1.5%	-23.2%	18.6%	12.3%	22.9%	21.0%	21.6%	20.5%	20.2%	22.5%	22.2%	17.5%	20.5%	21.6%
Consumer Services	161,659	2.8%		0.0%	-0.1%	0.0%	-0.2%	-0.1%	0.0%	-8.1%	-0.7%	6.0%	-78.7%	198.9%	-21.5%	3505.9%	43.2%	-55.7%	103.2%	-94.5%
Retailing	123,691	2.2%		1.7%	3.8%	1.6%	-1.9%	0.3%	20.1%	0.2%	41.0%	-8.2%	-93.2%	1101.7%	30.5%	710.1%	1534.4%	527.2%	589.6%	70.2%
Energy	120,422	2.1%		5.0%	-18.4%	-13.8%	-22.9%	-17.3%	-4.1%	-105.4%	2465.6%	62.8%	-23.5%	-56.2%	-15.8%	3.2%	-6.5%	-109.4%	-71.6%	-62.9%
Insurance	50,196	0.9%		7.1%	-9.2%	4.7%	7.5%	-0.4%	13.9%	28.5%	27.4%	-19.6%	22.9%	7.1%	8.3%	13.1%	7.0%	-1.0%	8.5%	18.1%
Consumer Durables & Apparel	49,653	0.9%		15.3%	-11.2%	-10.8%	-15.6%	-13.9%	3.7%	36.8%	13.5%	32.9%	-32.6%	26.3%	16.6%	7.5%	38.8%	34.2%	34.5%	7.1%
VN-Index	5,727,424	100%		8.43%	2.3%	6.9%	4.2%	2.3%	16.0%	-3.4%	41.8%	7.8%	-6.9%	18.1%	16.5%	12.4%	6.1%	21.9%	34.1%	10.3%

Source: Mirae Asset Securities (Vietnam) Research; compiled from Bloomberg and FiinPro data (as of May. 30, 2025); red and green spots in graphs indicate the lowest and the highest value, respectively;

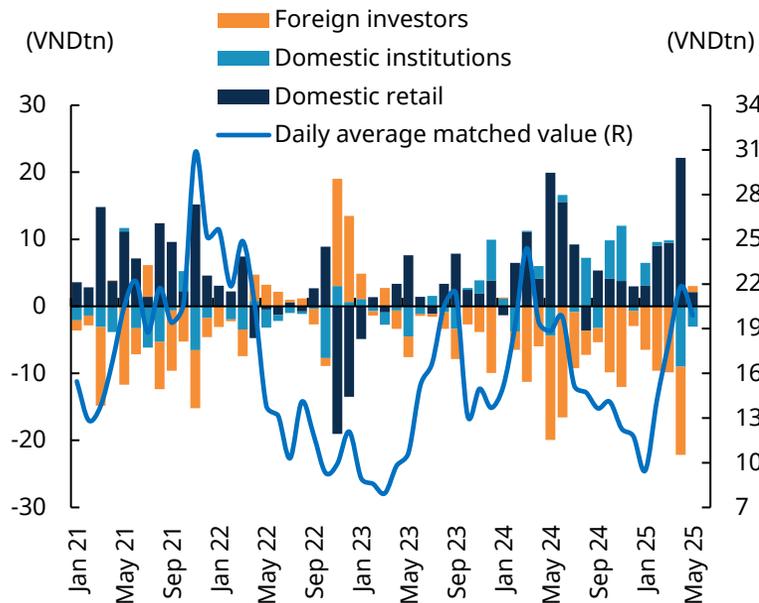
Note: net profit after tax and minority interests (NPATMI) is compiled from the financial statements of HOSE-listed companies

2.2. Vietnam's stock market (cont'd.)

Robust liquidity amid active capital reallocation between investor groups

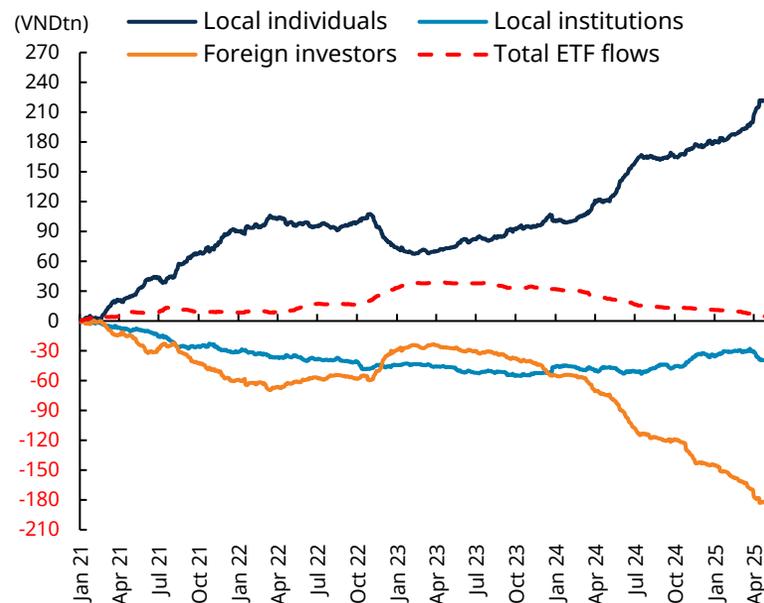
- Following a complete recovery from the early-April correction, buying momentum has started to diverge, with profit-taking pressures becoming evident and giving way to portfolio rebalancing activities among various investor groups. Market liquidity remains elevated, with average daily matched trading value reaching VND19.8tn in May 2025 (-9% MoM); QTD: VND20.8tn (+49.4% QoQ).
- Domestic institutional investors recorded net sales exceeding VND3tn in May**, pushing their YTD net outflow to VND7.58tn. Within this cohort, proprietary trading desks were significant net sellers, offloading VND4.3tn, with selling pressure broadly distributed across multiple sectors, including Banking (-VND905bn), Securities (-VND505bn), Real Estate (-VND388bn), and Construction (-VND146bn).
- Foreign investors turned net buyers in May, acquiring a net VND914bn**, thereby ending a 15-month streak of net selling (**2025 YTD: -VND38.43tn**). The bulk of their capital deployment occurred between May 5 and May 16, totaling approximately VND4.2tn, with a focus on sectors such as Banking, Real Estate, Materials, Technology, and Retail. However, this was followed by net sales of about VND3.3tn in the latter half of May, targeting the same groups.
- On a separate note, Exchange-Traded Funds (ETFs) experienced net outflows of over VND280bn in May, bringing YTD net withdrawal to VND6.9tn (equivalent to approximately US\$275mn) as of May 30. The majority of the redemption pressure stemmed from funds such as Fubon FTSE Vietnam (-VND245bn), Xtrackers FTSE Vietnam (-VND216bn), and DCVFM VN30 (-VND122bn). Conversely, certain ETFs saw notable inflows, including DCVFMVN Diamond (VND335bn).

Trading liquidity and net trading value by investor type



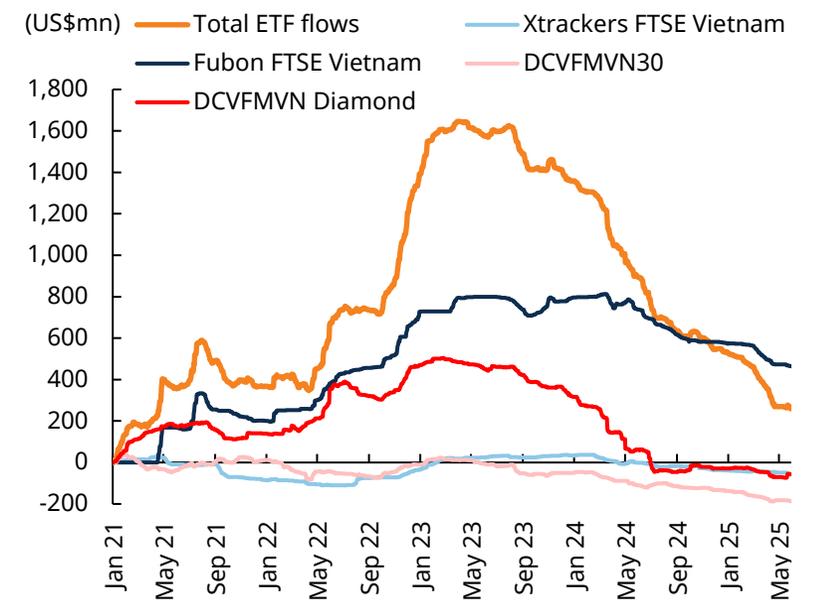
Source: Mirae Asset Securities (Vietnam) Research, FiinPro
Note: Data updated as of May 30, 2025

Cumulative inflows/outflows by investor type from 2021



Source: Mirae Asset Securities (Vietnam) Research, FiinPro
Note: Data updated as of May 30, 2025

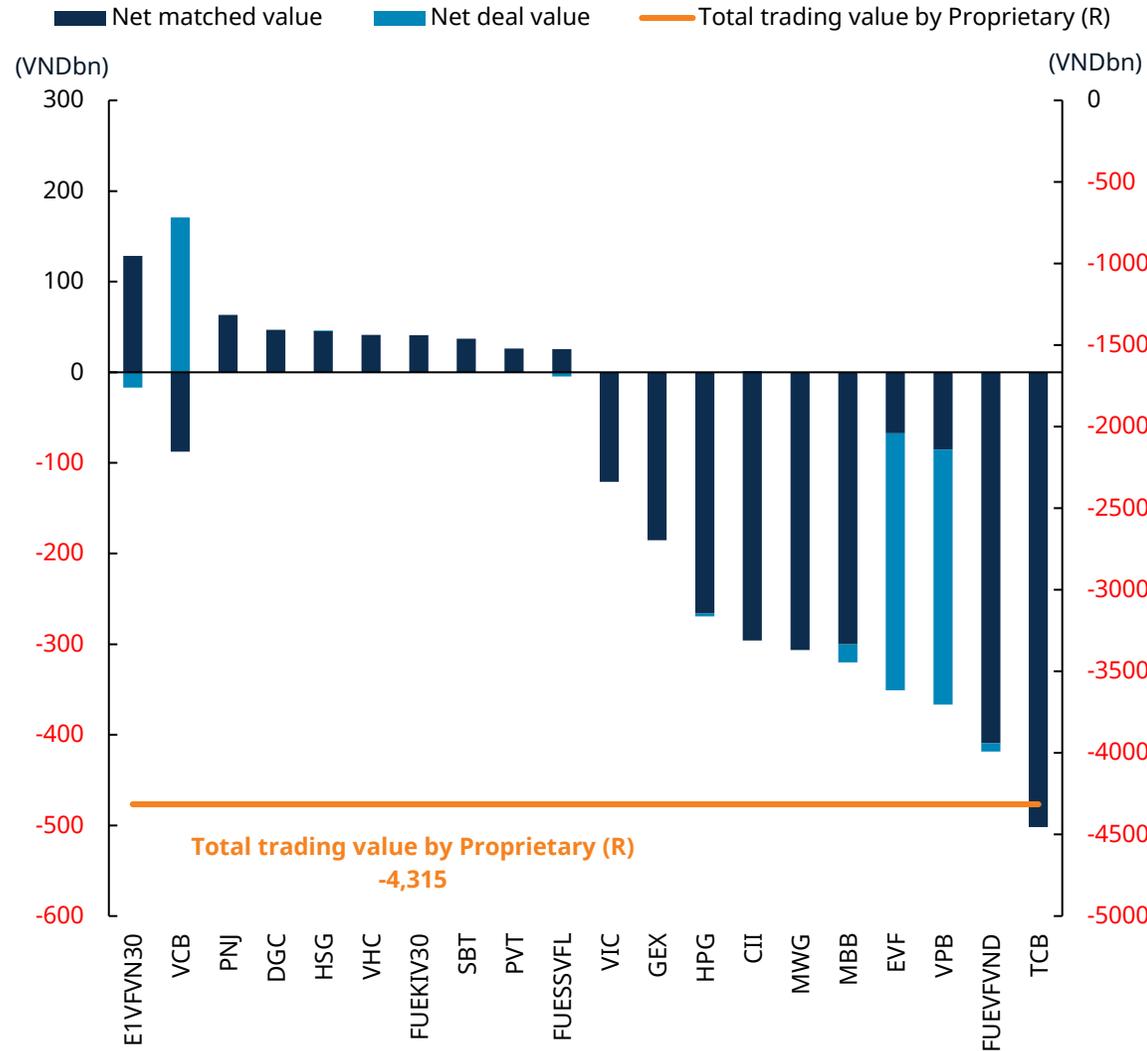
Cumulative net inflows/outflows by ETFs from 2021



Source: Mirae Asset Securities (Vietnam) Research, Bloomberg
Note: Data updated as of May 30, 2025

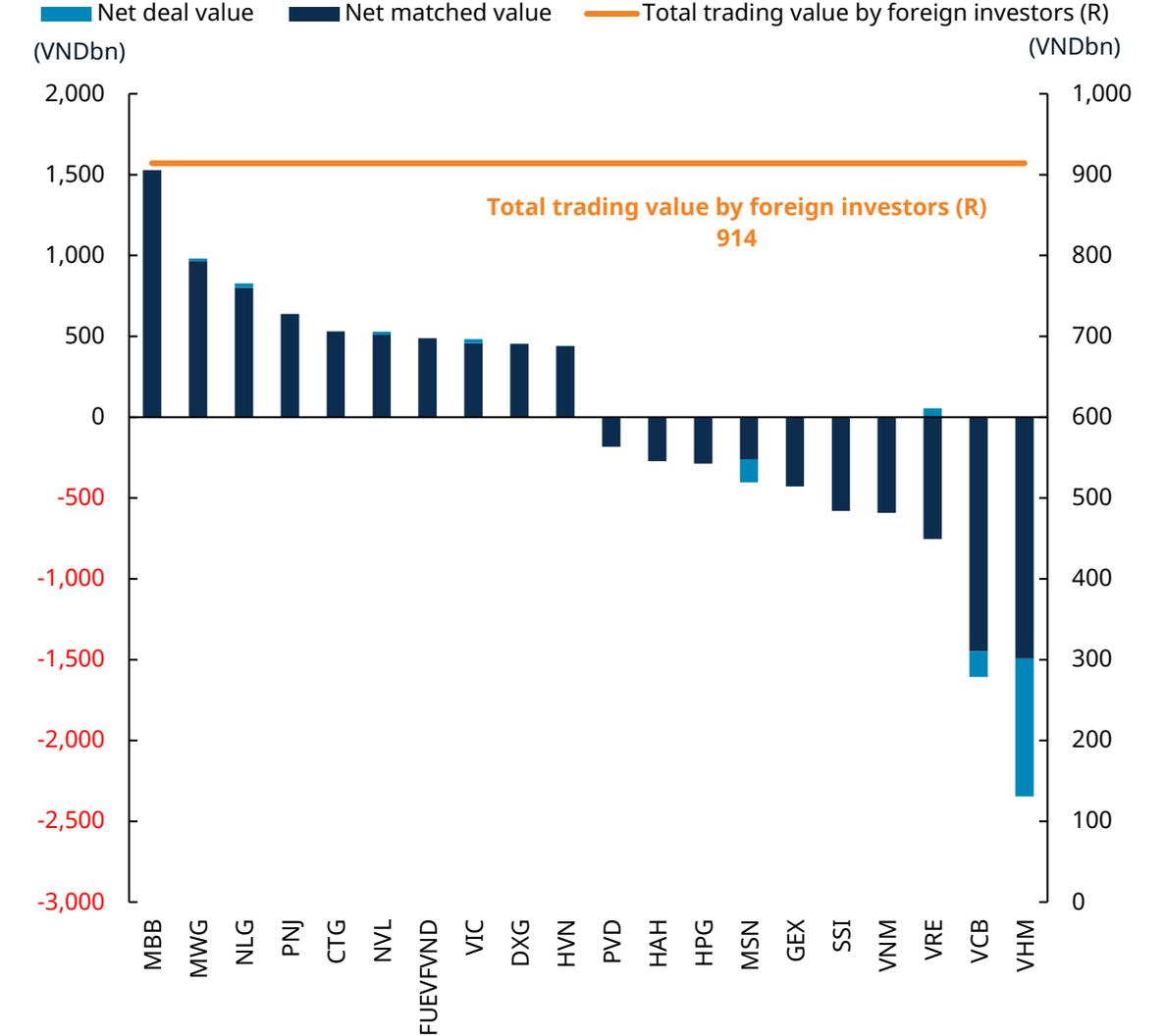
2.2. Vietnam's stock market (cont'd.)

Top 10 in net trading value from proprietary trading in May



Source: Mirae Asset Securities (Vietnam) Research, FiinPro
Note: Data updated as of May 30, 2025

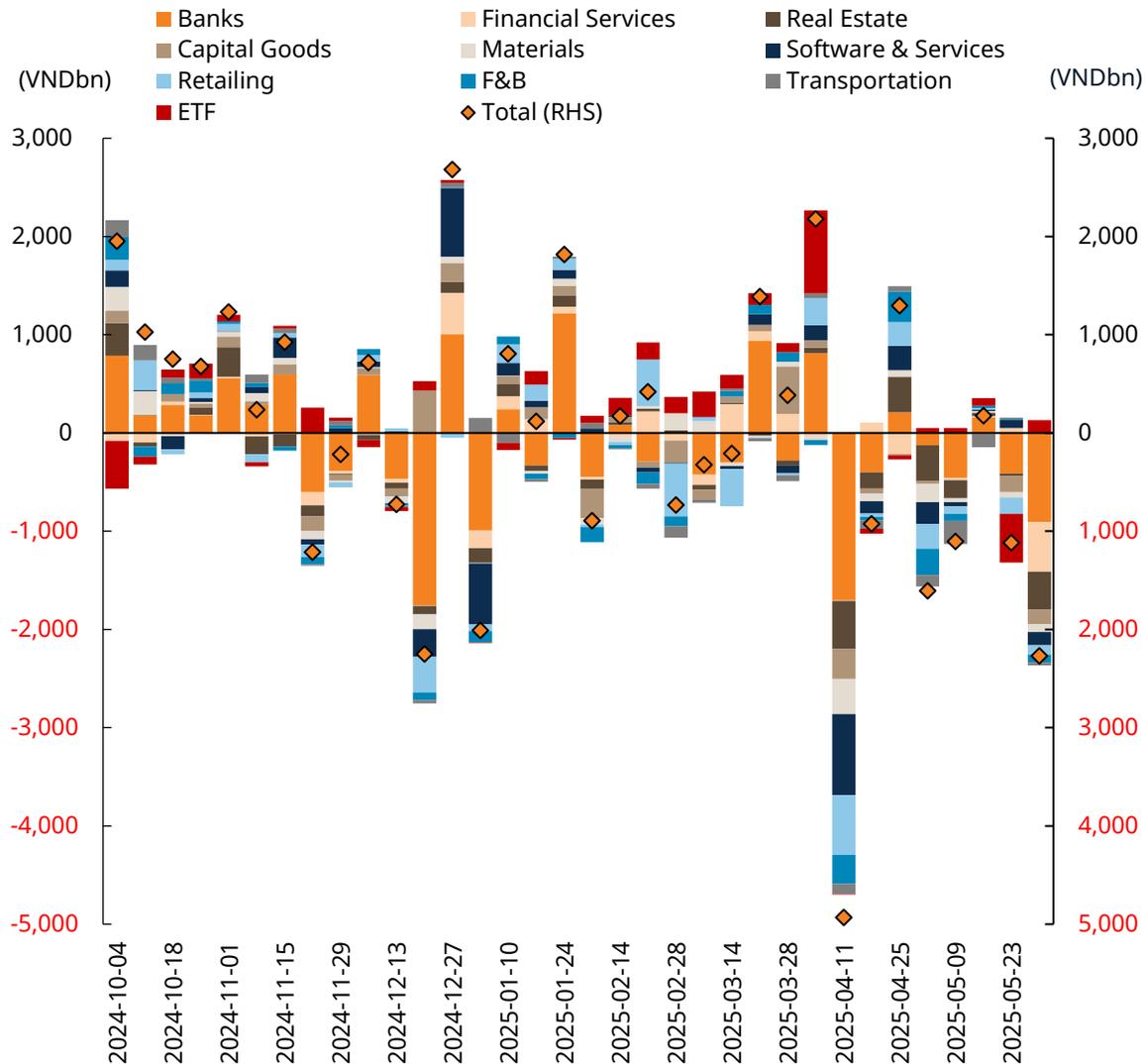
Top 10 in net trading value from foreign investors in May



Source: Mirae Asset Securities (Vietnam) Research, FiinPro
Note: Data updated as of May 30, 2025

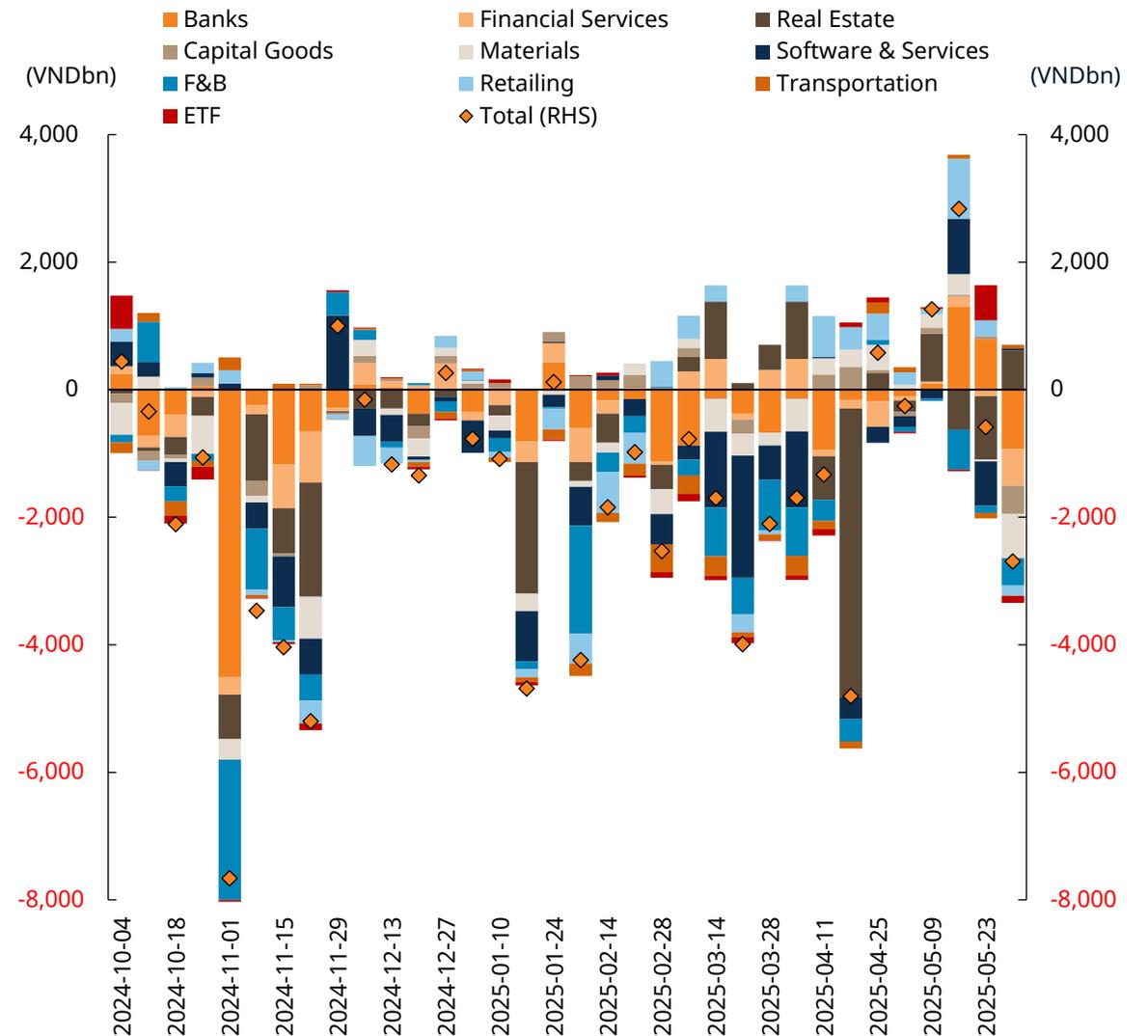
2.2. Vietnam's stock market (cont'd.)

Weekly money flows of prop trading desks



Source: Mirae Asset Securities (Vietnam) Research, FiinPro
Note: Data updated as of May 30, 2025

Weekly money flows of foreign investors



Source: Mirae Asset Securities (Vietnam) Research, FiinPro
Note: Data updated as of May 30, 2025

2.2. Vietnam's stock market (cont'd.)

Sectoral shifts and rebalancing

- **As we move into the 2H25, Vietnam's stock market shows potential for a rally, with the Real Estate sector expected to spearhead gains in the near term, supported by favorable legal reforms and stabilizing market conditions.** However, for a more sustainable and widespread uptrend, capital must rotate into other critical sectors, such as Banking, Technology, and Retail, to ensure broader market participation and resilience. This outlook is shaped by a blend of robust domestic growth initiatives and significant external uncertainties, particularly surrounding trade negotiations with the US.
- Underpinning Vietnam's economic aspirations are powerful domestic drivers aimed at achieving an ambitious 8% GDP growth target for 2025. The government has rolled out a strategic set of resolutions (57, 59, 66, and 68) that collectively aim to transform the economic landscape by accelerating private sector development, streamlining legal frameworks, and fostering a business-friendly environment. These resolutions are not mere policy statements; they represent a push to stimulate consumer spending, enhance credit availability, and ensure the complete rollout of public investment projects. This strategic pivot demonstrates Vietnam's commitment to economic resilience amid global volatility, positioning the nation as an emerging economic powerhouse with clear structural growth catalysts.
- **The Real Estate sector, in particular, stands to benefit significantly from these initiatives, with momentum building beyond major players like Vingroup.** Key legislative changes, including amendments to the Planning Law and the enactment of Resolution 42, are pivotal. Resolution 42, specifically, has introduced mechanisms to resolve bad debts and restructure struggling projects, providing a lifeline to both real estate developers and financial institutions. This has bolstered confidence in the sector by facilitating capital mobilization and easing land access for new developments, while also supporting banks through improved asset quality, as non-performing loans tied to real estate are addressed. Moreover, signs of recovery are evident in the corporate bond market, where — according to VIS Ratings — the pace of new payment delays has slowed since early-2024, and the proportion of overdue principal and interest relative to total outstanding bonds has stabilized as of June 2025. This trend signals a healing phase for the real estate market, indicating that the worst of the 2022–2023 crisis may be over, with companies now on firmer ground, as consumer demand and investment gradually rebound.
- While these domestic strengths provide a solid foundation, **Vietnam faces notable external challenges that could temper optimism.** The outcome of ongoing trade talks with the US remains a critical variable, as securing favorable tariff reductions is essential for maintaining long-term foreign direct investment inflows. A weaker US dollar, down to a three-year low due to global investor trends, has helped ease currency pressures in Vietnam, with the US\$/VND exchange rate appreciating by just 2.5% YTD in 1H25. This stability, coupled with the State Bank of Vietnam's measured approach to monetary policy — maintaining moderate interest rates and minimal intervention — has supported economic growth through credit expansion and public spending. However, if trade negotiations falter and foreign currency inflows weaken, Vietnam could face heightened exchange rate volatility and inflationary pressures, posing risks to this delicate balance. Additionally, the complexities of US trade strategies, which aim to counter China's influence while navigating alliances, add uncertainty, with potential delays in agreements extending beyond June 2025. In a less favorable scenario, these external pressures could trigger market corrections, possibly pushing the VN-Index to test lower support levels around 1,240 points in the third quarter.
- **In summary, while Vietnam's stock market is poised for near-term gains led by real estate, a lasting upward trajectory towards the 1,400-point mark on the VN-Index hinges on broader sector engagement to mitigate risks of profit-taking in recently strong performers.** Domestic policies are laying a robust groundwork for growth, yet the nation must navigate significant hurdles posed by global trade dynamics. The path ahead requires vigilance, as external outcomes will heavily influence Vietnam's ability to sustain its economic momentum and market stability.

Part II



Stock recommendations

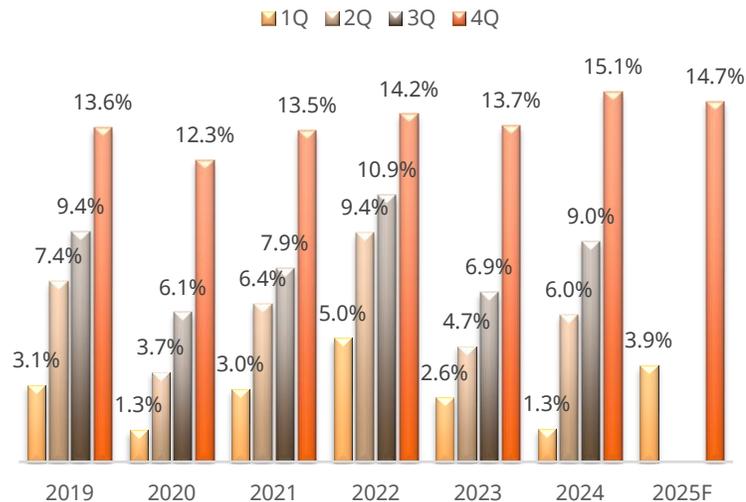


Banks - Quietly footing the bill

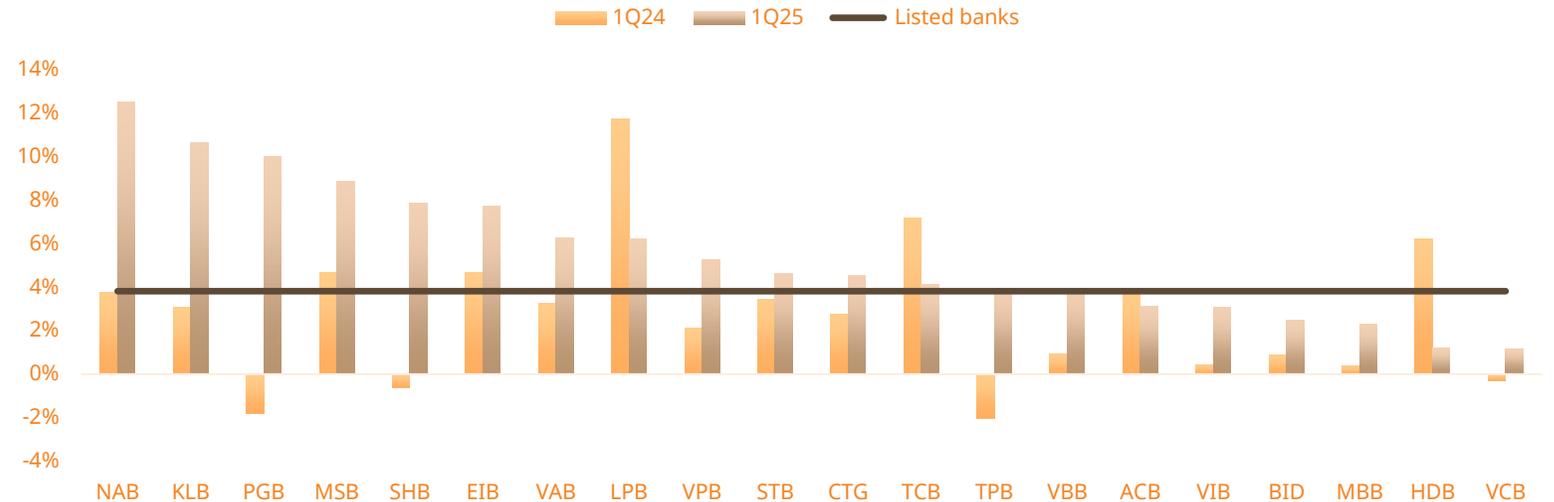
Passing the baton

- Vietnam's banking sector began 2025 on a relatively solid footing.** Credit growth reached 3.9% in 1Q25; one of the strongest 1Q performances in recent years and broadly in line with pre-COVID norms. This was underpinned by the early allocation of credit quotas, mostly around 16% across banks — a departure from the past, when such limits were often assigned late in the year. Notably, credit growth accelerated toward the end of 1Q, with figures rising from just 1.24% as of March 12 to 3.9% by month-end. While this late-quarter surge remains a familiar pattern, the momentum appeared more orderly and gradual than in previous cycles — raising the prospect that banks' earnings may now be spread more evenly across quarters, rather than being backloaded into year-end. On average, lending rates continued to edge lower, falling by an additional 2bps QoQ in 1Q25, providing further support to credit momentum.
- Looking ahead, credit growth for 2025 is projected to hover near 15%, consistent with earlier forecasts.** This outlook is shaped by several key assumptions: 1) 2024 already saw relatively strong credit expansion; 2) a portion of RE loans will be reformed toward mortgage rather than new credit demand; 3) lending for manufacturing and public investment is expected to remain moderate; and 4) ongoing policy uncertainty — both domestic and international — is likely to push most economic entities into a wait-and-see stance for much of the year.
- Business banking (BB) maintained strong momentum in 1Q25, as reflected loans structures.** Several major banks posted below-average credit growth relative to historical performance, signaling a cautious approach toward corporate disbursements. At the same time, retail banking (RB) saw support from increased activity in margin lending, particularly at banks with active brokerage arms, such as VPB, TCB, and ACB. While this segment may serve as a temporary lever for credit growth, its inherently low-yield nature — driven by the need for stable funding amid volatile margin demand, and short-term pressures, like intense competition and still-fragile demand — will likely weigh on overall yields, even as retail lending gains traction.
- RE credit demand remains fragile, but selective shifts by banks signal evolving strategies.** Some banks that had previously avoided exposure to “Realcom” — citing concentration risks — are now revisiting this stance. Subdued demand combined with high operating expenses of the private house mortgage have prompted banks to shift toward funding full-circle residential projects — from development through distribution to end-users. This shift implies that competition for upcoming projects lending — particularly in rate pricing — is expected to further intensify. Despite the possibility of a slight uptick in reference rates in 2H25, the initial fixed-rate period on mortgages remains appealing and could help revive demand.

YTD credit growth



Credit growth of listed banks



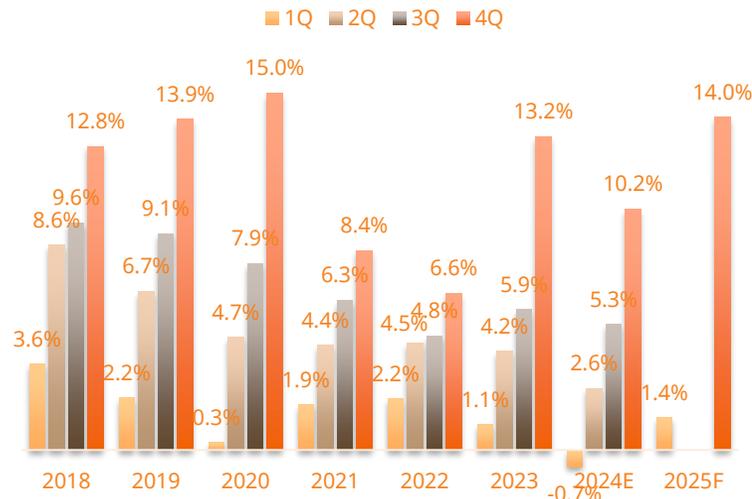
Sources: SBV, Company data, Bloomberg, Mirae Asset Vietnam

Banks - Quietly footing the bill (cont'd.)

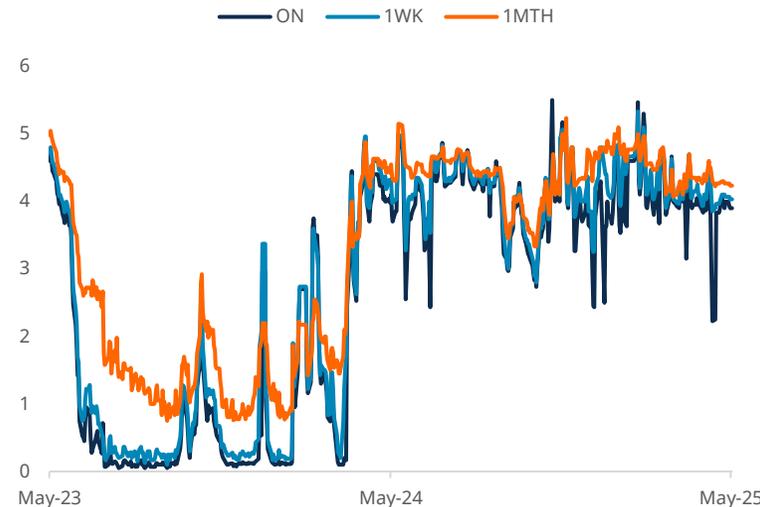
Hobson's choice

- Deposit growth still trails credit expansion, adding pressure on funding dilemma:** As of March 25, deposit growth remained misaligned with credit expansion, increasing by just 1.36% YTD — an improvement from the 0.76% contraction in the same period of 2024, yet still lagging behind credit growth of 2.5%. For listed banks specifically, customer deposits fared slightly better with a 2.4% increase, although still trailing the 3.7% YTD loan growth by end-1Q25. This divergence is not unexpected, given the current unappealing rate environment, which has long been expected to dampen deposit momentum in 1H25.
- Looking ahead to full-year 2025, banks are left with limited flexibility, as deposit growth — including via certificates of deposit — will likely need to increase in line with credit, potentially exceeding 14% under revised assumptions.** These include: 1) a recovery in real estate transactions amid rising price expectations and improved market sentiment, which should redirect capital flows back into the banking system; and 2) a modest upward adjustment in deposit rates, now widely expected at 20–40bps (down from previous estimates of 40–50bps), in order to support liquidity without placing undue strain on borrowing costs.
- Interbank rates have eased, but funding costs remain elevated amid external headwinds:** ST funding costs remained elevated, but showed signs of moderation in 2Q25. Interbank rates declined across most tenors, with the ON and 1W rates dropping by over 80bps to 3.9% and 4.03%, respectively. This decline partly alleviated ST funding pressure for banks. However, rates remained high relative to historical norms and were still notably above the 1M deposit rates offered by PJCBs, which stood above 3%. That said, interbank rates are unlikely to correct significantly in 2025, as the Fed is expected to maintain a “higher-for-longer” rate stance, despite some cooling in inflation. Consequently, tighter US dollar liquidity conditions are expected to persist, limiting Vietnam’s monetary flexibility in managing the exchange rate within the official 5% depreciation band set for 2025.
- Tariff risks add fuel to the fire of FX pressure:** The introduction of new tariffs has further dampened VN's growth outlook — particularly for a manufacturing- and export-driven economy. Moreover, it has added further volatility to US dollar supply-demand dynamics. Overall, ST exchange rate risks are set to intensify, even though long-term fundamentals remain relatively sound. Unfortunately, sentiment tends to deteriorate faster than it recovers — and when panic sets in, it often takes time to unwind.

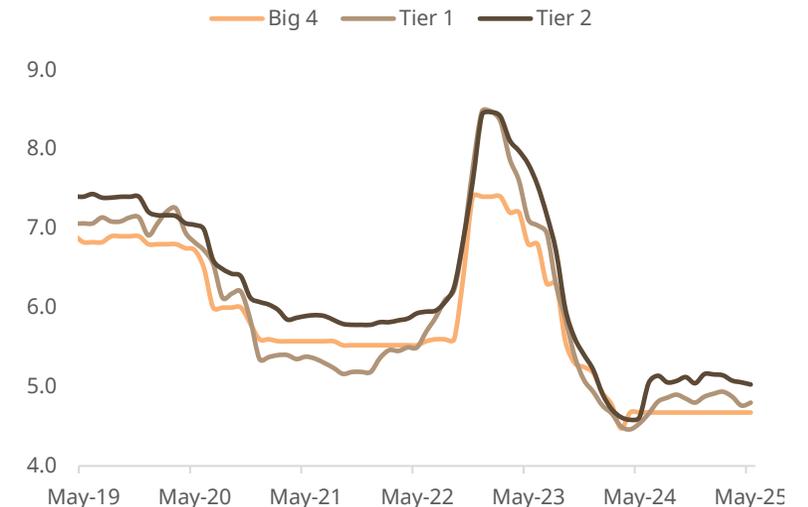
YTD deposit growth (2024 data as of 25 Dec.)



Interbank rates



Deposit rates (12M)

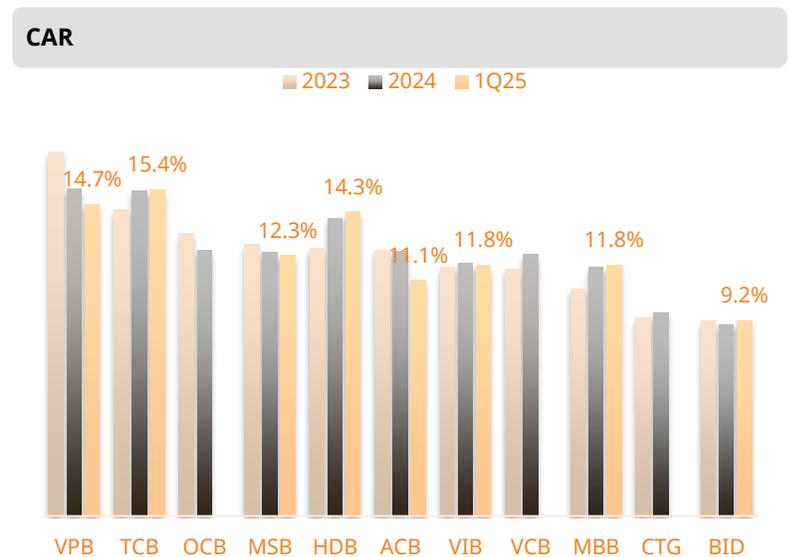
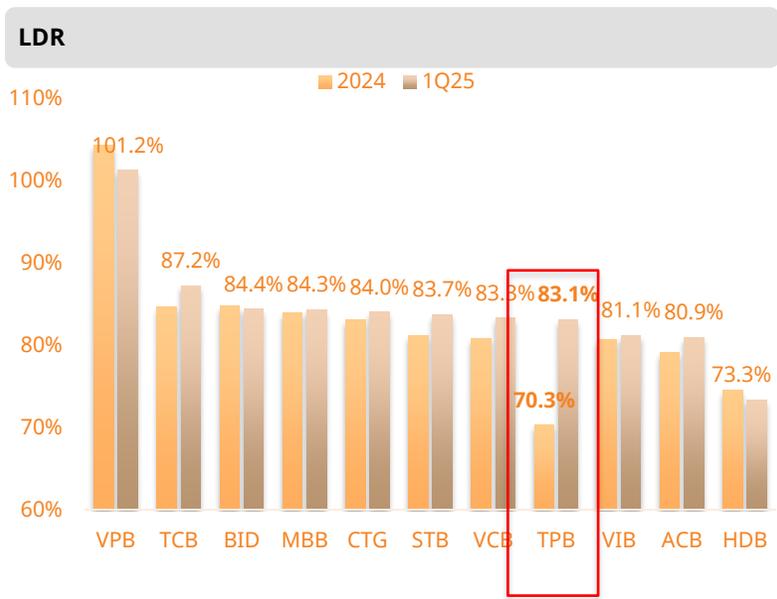
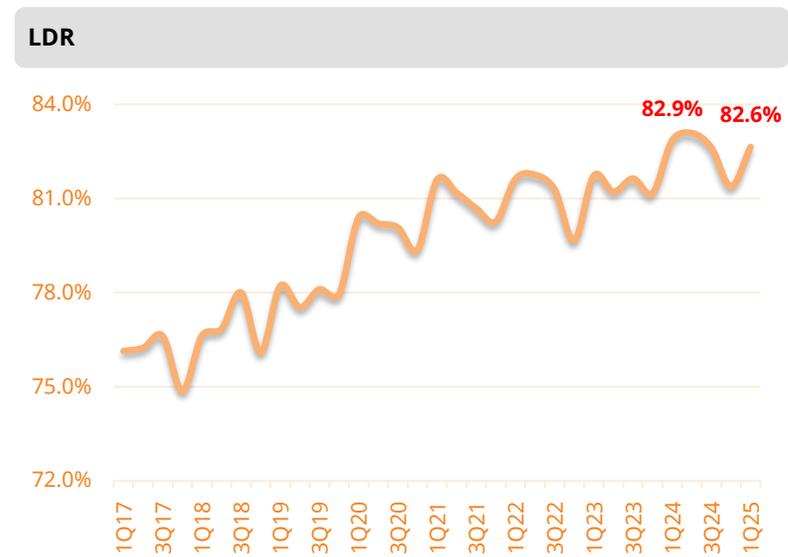


Sources: SBV, Bloomberg, Company data, Mirae Asset Vietnam

Banks - Quietly footing the bill (cont'd.)

Structural pressure

- The loan-to-deposit ratio (LDR) reversed its declining trend in 1Q25**, driven by the growth mismatch, as well as the impact of Cir.26/2022. This partially explains why large banks saw subdued credit expansion in the quarter, leaving more room for mid-sized lenders with relatively lower LDRs to grow. As of end-1Q25, the average LDR of listed banks stood at 82.6%, up 1.25%p QoQ. Historically, the LDR ceiling was raised from 80% to 85% in late-2019 as part of a broader effort to ease liquidity constraints and support credit-based growth. However, a further relaxation of this cap now appears structurally unsound in the long term, while the function of State Treasury deposits should be phased out in 2026. For top-tier banks, LDRs remain consistently high and continue to edge upward. This upward trend is unsustainable in the long term. Most banks are already planning to step up deposit mobilization in 2025, recognizing that while higher LDR usage may enhance profitability — especially from a shareholder return perspective — it comes at the expense of liquidity buffers. A case in point is TPBank, which recorded credit growth of nearly 4% QoQ in 1Q25, but saw a 4% decline in deposits, causing its LDR to spike significantly. The trade-off between growth and liquidity safety is becoming more pronounced, especially as the sector begins to run out of runway in terms of available buffers.
- Capital adequacy, as measured by the CAR, slightly declined across some banks in 1Q25.** While the deterioration is modest, several nuances warrant attention. The business banking segment, which posted stronger growth, carries lower risk weights, suggesting that RWA (Risk-Weighted Assets) expansion is outpacing Tier 1 capital accumulation. Meanwhile, reliance on Tier 2 capital — which carries an obligated cost — could increasingly weigh on profitability, posing a latent risk to capital stability.
- Liquidity risks remain manageable for now, but the side effects of prolonged, non-market interventions may begin to surface.** Compliance with regulatory ratios is becoming more of a formality, while the real systemic risk lies in potential tail events such as a bank run — especially as liquidity coverage ratios hover near minimum thresholds. In response, the 2024 Law on CIs has introduced mechanisms allowing the SBV to provide temporary liquidity support or authorize zero-interest emergency loans in special cases to prevent contagion. These tools, while necessary, underscore the limits of conventional metrics: even a healthy LDR and CAR cannot fully insulate the system in times of turbulence. Over time, repeated interventions may also fuel unwanted consequences — including market distortion and inflationary pressures.



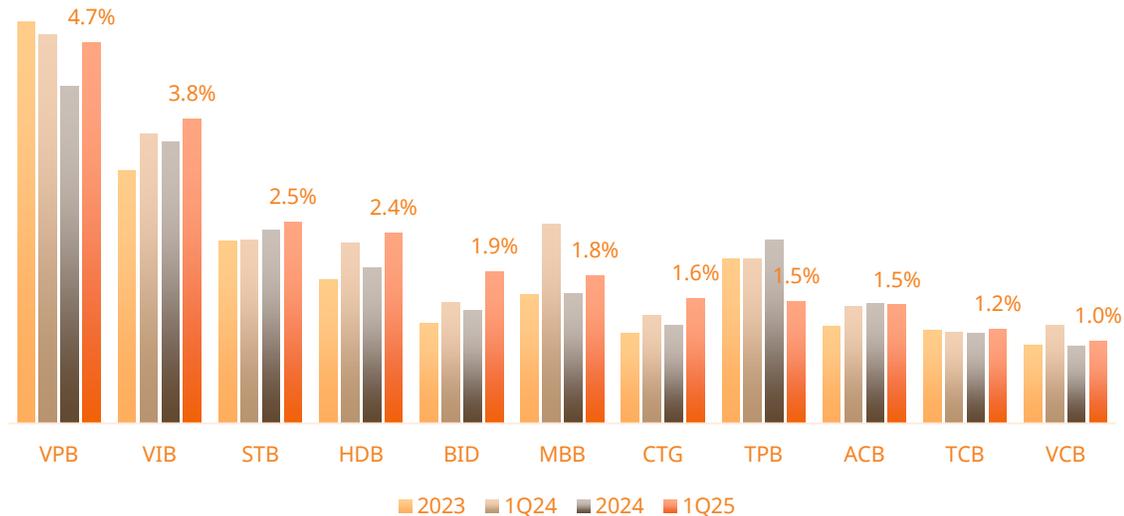
Sources: Company data, Mirae Asset Vietnam
 Note: the LDR cap applies only to parent banks, while consolidated figures may reflect higher ratios due to outstanding loans of subsidiaries

Banks - Quietly footing the bill (cont'd.)

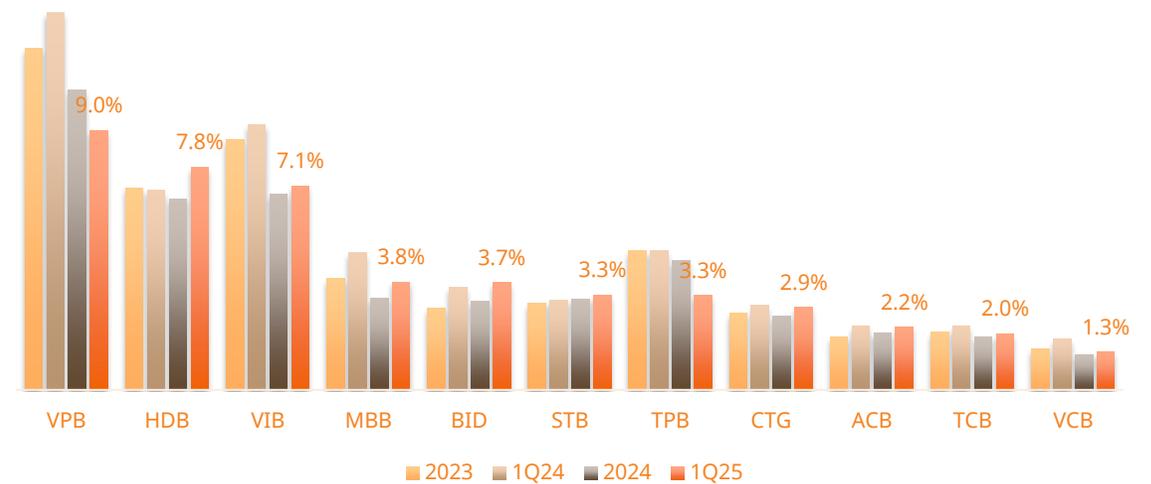
Not out of the blue

- Asset quality saw a slight deterioration in 1Q25, although the trend was largely anticipated and poses no immediate cause for concern.** Specifically, the NPL ratio of listed banks increased by 19bps QoQ. While the uptick is noteworthy, it remains below the rises observed in 1Q24 (+24bps) and 1Q23 (+32bps), reaffirming that the increase is partly attributable to seasonal effects. The gross NPL ratio (including group 2), rose by a milder 16bps QoQ. Particularly, the overall NPL uptick was skewed by a notable increase among the top six banks by total assets, including the three SOCBs. Given their strong retail banking performance in recent quarters, the rise in delinquencies is not unexpected. More importantly, these institutions continue to be shielded by ample capital and LLR buffers, as well as healthy assets, helping to absorb any credit shocks. Furthermore, the impact of the phasing out of the restructuring grace period under Cir.02/2023 is expected to continue, but remain manageable, with its influence likely to taper off by end-FY25. According to disclosures during 1Q25 earnings calls, restructured loan balances declined by up to 50% in 1Q25, with only around 10% transitioning into NPLs.
- The main risk to asset quality stems from heightened economic uncertainty related to proposed tariffs,** which could dampen business confidence and delay investment plans. That said, several mitigating factors are in place. Current interest rates remain supportive, and even with an expected 15–25bps hike in rate in 2H25, debt servicing conditions should stay manageable. In addition, any surge in mortgage disbursements during 2H25 is unlikely to immediately result in new delinquencies, thanks to the ultra-low introductory rates offered on many home loans. On the regulatory front, several positive developments are underway. The long-awaited codification of Dec.42/2017 and the implementation of Res.170 — which aims to resolve legally entangled RE projects with prior government approvals — are expected to reduce the emergence of NPLs, particularly from corporates and public sector-linked borrowers. These reforms could provide a medium-term tailwind for asset quality and also support a recovery in the property market. Still, the external environment warrants close monitoring. Although the eventual tariff levels may fall short of initial proposals, the uncertainty itself could prompt businesses to adopt a “wait-and-see” approach. In parallel, policy efforts to accelerate credit growth may inadvertently lead to misallocated capital or relaxed lending standards — a case of pushing on a string.

NPL



Gross NPL



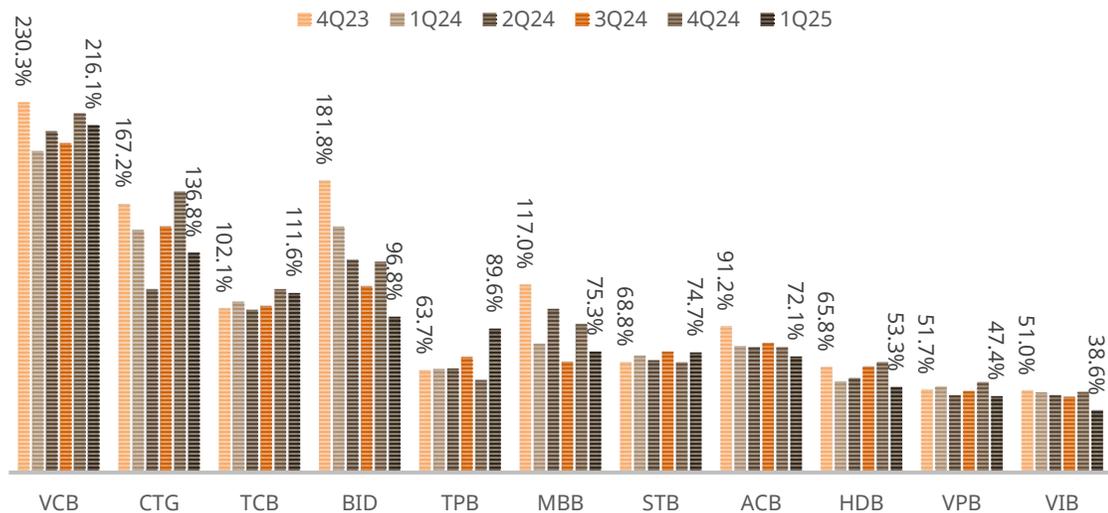
Sources: Company Data, Mirae Asset Vietnam

Banks - Quietly footing the bill (cont'd.)

Tailwinds of policy reform

- Loan loss reserves (LLR) declined modestly QoQ, but remain within recent ranges, posing no major concern.** The average NPL coverage ratio of listed banks fell by 9%p to 81%, similar to mid-2024 levels. The drop was largely driven by top-tier banks drawing on provision buffers to sustain positive YoY PBT, as their core income — mostly from NII — remains pressured by policy-driven lending incentives. Meanwhile, the rise in NPLs stemmed mainly from seasonal effects and the progressing expiration of Cir.02 — both temporary factors — easing concerns over structural deterioration. Despite the decline, coverage ratios at large banks remain elevated, while those with historically lower LLRs continue to maintain stable and adequate provisioning. This reflects their focus on retail lending, often backed by collateral with 50–60% LTVs (loan to value), allowing confidence in leaner provisioning. Looking ahead, Res. 42/2017 — soon to be formalized— should support asset recovery and reduce provisioning burdens.
- Margins remain under pressure in 1Q25,** with average NIM of listed banks declining by another 3bps QoQ, driven by addressed factors, such as heightened competition within the banking sector. Given the government's renewed emphasis on achieving high economic growth in 2025 and beyond, and with credit remaining a key growth engine, the sector may be settling into a “new normal” of thinner margins — a reflection of both diminishing risk premiums and a fading of previously favorable conditions.
- On the operating efficiency front, while banks continue to streamline operations to curb OPEX, short-term savings from headcount reductions may be partially offset by investments in digital infrastructure.** Consequently, no substantial improvement in the cost-to-income ratio (CIR) should be expected in the near term, with the metric edging down just 1bps QoQ. Instead, attention recently shifted toward the implementation of Res. 47, which holds longer-term implications for the sector's earnings structure. The strong recovery income seen in 2024 was likely fueled by progress in resolving legal bottlenecks and accelerating collateral enforcement processes. In all, Resolution 47 should be considered a structural stabilizer rather than a cyclical growth lever for bank income performance.

Loan loss reserve ratio (LLR)



Sources: Company data, Mirae Asset Vietnam

Yield vs. cost



Banks - Quietly footing the bill (cont'd.)

Outlook is clouding

- **Profitability performance among banks remained subdued.** Aggregate profit declined by 5% QoQ to slightly above VND82tr in 1Q25. On a YoY basis, earnings rose by a more promising 14.2% YoY. However, when measured against the 19.6% YoY growth in credit exposure and 3.8% YoY expansion in total assets, this improvement appears more modest. Balancing shareholder returns with the policy goal of supporting the broader economy remains a delicate balancing act.
- **Amid narrowing NIMs and subdued fee income, most banks under coverage are now facing a high base for non-core earnings set in 2024.** Even for banks with a relatively strong outlook in terms of income streams, public scrutiny remains a concern. As such, a more prudent approach has been observed, with some institutions opting to thicken their provision buffers, rather than fully recognize these gains in reported earnings — essentially, saving for a rainy day. This cautious stance has also been reflected in the conservative business plans for 2025, which, notably, were proposed prior to the announcement of the new tariff policy on so-called “Independence Day”. In this context, sustaining bottom-line growth will likely hinge on effective cost control and continued credit expansion. Accordingly, the earnings growth forecast for these banks has been revised downward from the previous 15–17% range to under 14%, as headwinds continue to mount.
- **Looking ahead, while growth opportunities persist, the era of easy profits appears to be behind us.** With the implementation of stricter capital requirement on the horizon and persistent short-term headwinds, profitability is unlikely to exhibit the robust and stable growth seen in previous years. Although market sentiment remains relatively buoyant amid discussions surrounding the proposed 46% tariff rate on Vietnamese-labelled products, it seems to overlook the fact that an additional 10% tariff has already taken effect — likely to weigh on consumer activity, at least in the near term.

1Q25 performance and 2025 plan

	PBT			Credit			NII	
	1Q25 (VNDbn)	1Q25 (YoY)	2025 plan (YoY)	1Q25 (YoY)	1Q25 (YTD)	2025 (P)	1Q25 (QoQ)	1Q25 (YoY)
ACB	4,597	-6.0%	9.5%	18.3%	3.1%	16.0%	-10.2%	-5.4%
BID	7,413	0.3%		17.3%	2.5%	16.0%	-10.8%	3.0%
CTG	6,823	9.9%		18.8%	4.5%	0.0%	-5.1%	2.0%
HDB	5,355	33.0%	26.6%	21.0%	1.2%	31.1%	-9.7%	3.5%
MBB	8,386	44.7%	10.0%	27.1%	2.3%	26.0%	4.9%	29.0%
STB	3,674	38.4%	14.5%	11.9%	4.6%	13.9%	12.5%	15.3%
TCB	7,236	-7.2%	14.4%	18.3%	4.1%	16.4%	-3.4%	-2.3%
VCB	10,860	1.3%	5.0%	15.6%	1.2%	16.3%	-1.1%	-2.8%
VIB	2,421	-3.2%	22.4%	24.7%	3.1%	22.2%	-8.3%	-14.2%
VPB	5,015	19.9%	26.3%	21.6%	5.2%	25.0%	1.2%	17.9%

Sources: Company data, Mirae Asset Vietnam

Incomes vs expenses of our coverage



Banks - Quietly footing the bill (cont'd.)

A test of resilience

- **As the banking system transitions toward stronger regulatory compliance, improving overall soundness may reduce the sector's equity risk charge.** However, it is premature to conclude whether this will lower cost of equity expectations in tandem with profitability trends. In the near term, subdued profitability should dampen investor sentiment, especially amid rising uncertainty that warrants a higher risk premium. While low interest rates currently support credit expansion, they simultaneously cap earnings potential. The sector is undergoing a necessary shift — from aggressive balance sheet growth toward more sustainable, quality-driven strategies — a recalibration essential for long-term resilience. It is also worth noting that many large banks have consistently delivered credit growth of around 20% in 2024 and are targeting similar levels for 2025. However, with a significant portion of short-term loans over these two years should have been rolled over into lower-margin in line with government support incentives, much of their credit portfolio has already been repriced — limiting the potential for upside surprises in earnings outlook over the foreseeable future.
- Given the shifting outlook, the performance of the banking sector — and its constituent groups — has begun to diverge from our initial expectation that capital would naturally flow into “safe choices” during turbulent times.
 - SOCBs have not significantly underperformed the overall market. However, their outlook appears notably weaker, both in the near and long term. This is largely due to their leading role in government-mandated economic support initiatives, which continues to weigh on operational efficiency — despite benefiting from favorable policy frameworks and funding support. Over longer term, structural capital constraints are expected to limit their upside potential, both in terms of fundamental growth and relative valuation benchmarks.
 - In contrast, performance within the private banking group has become increasingly polarized. Banks with near-term catalysts — such as asset divestments or solid underlying fundamentals — have managed to outperform meaningfully. Amid diminishing marginal returns from balance sheet expansion, several banks have opted to increase cash payouts, reflecting a recalibration between supporting the broader economy and meeting shareholder expectations. With capital buffers deemed less critical under current conditions, this approach reflects a shift toward capital efficiency.
 - Recent policy signals also suggest that the government is looking to share more of the burden with the banking system. Draft regulations aimed at diversifying funding sources for credit companies, piloting peer-to-peer lending, and promoting corporate bond issuance all point in this direction. Against this evolving backdrop, the current investment strategy focuses on banks such as TCB, MBB, VPB, and STB —selected based on a combination of strong capital buffers (which ensure resilience amid regulatory changes without undermining efficiency), stable growth outlooks, attractive dividend yields, and the presence of material non-recurring income drivers in the short to medium term.

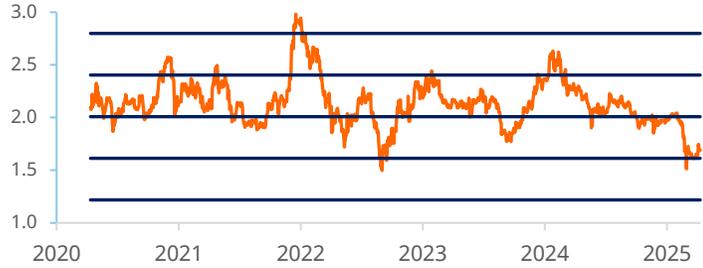
Current market cap, ROE, and trailing P/B (avg. P/B of 12 top banks: 1.34)



Sources: Bloomberg, Mirae Asset Vietnam

Banks - Quietly footing the bill (cont'd.)

BID



CTG



VCB



MBB



VPB



TCB



ACB



STB



HDB



Sources: Bloomberg, Mirae Asset Vietnam



All eyes on the catalyst

Nguyen Nguyen, nguyen.ndc@miraeasset.com.vn

(Maintain)	HOLD
Target price (VND, 12M)	32,200
Current price (06/10/25)	30,150
Expected return	7%

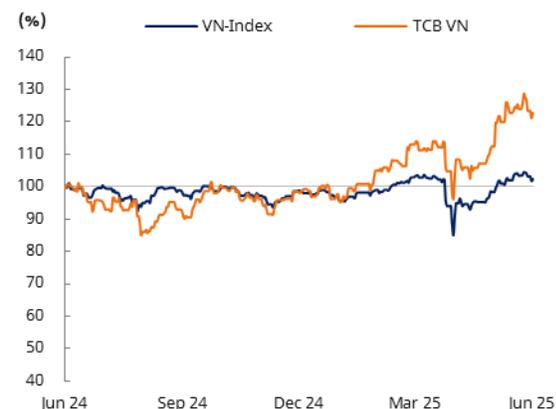
NPATMI (25F, VNDbn)	25,236
Market consensus (25F, VNDbn)	NA
EPS Growth (25F, %)	17
P/E (25F, x)	8.5

Market cap (VND bn)	213,005
Shares outstanding (mn)	7,065
Free float (%)	77.3
Foreign ownership (%)	22.5
52-week low (VND)	20,750
52-week high (VND)	31,900

(%)	1M	6M	12M
Absolute	9.2	24.3	23.3
Relative	5.2	20.3	21.1

Investment points -Measured credit expansion amid selective opportunities

- The recent rally has prompted a revision of both short- and medium-term expectations to better capture emerging investment opportunities. From a fundamental perspective, the bank's credit expansion continues to be underpinned by its integrated ecosystem. Despite criticism against TCB's concentration risk or potentially earnings-dilutive strategies, the fact that peers are attempting to emulate its approach speaks volumes about the underlying soundness of these strategies. This positions TCB as a front-runner among private banks—one that arguably deserves a valuation premium relative to its historical norms.
- On the one-off front, the stock has been buoyed by a strong catalyst stemming from the partial divestment of its brokerage subsidiary. However, a similar event appears unlikely in the foreseeable future. The primary objective of the divestment is to secure a strategic partner capable of advancing TCBS's already-superior technological platform—one that outpaces most local peers. Given global uncertainties, securing such a partner—one that can meet demands for a premium valuation, offer technological synergy, and support a deal of significant size—remains a tall order.
- That said, the precedent set by VPBank's divestment from FECredit provides a useful reference point. In VPB's case, the deal coincided with a period of abundant liquidity, which helped push P/B valuations significantly above +2 standard deviations—though, unsurprisingly, such levels later proved unsustainable, leading to a meaningful correction. Under current conditions both internal and external, it is likely that a significant portion of the proceeds from the TCBS divestment will be distributed to shareholders as a cash dividend, potentially boosting the dividend yield and providing upward momentum for the stock price. Importantly, no changes have been made to earnings forecasts, nor has the divestment been factored into the valuation model, due to the lack of quantifiable details at this stage.
- Nonetheless, the medium-term target benchmark has been revised upward, with the target price increased to 32,200 VND, reflecting a 1.4x P/B multiple—equivalent to the bank's 5-year historical average. Upside potential remains open, with room for a further re-rating to as high as 1.8x P/B (or 42,500 VND/share), contingent on greater clarity around the transaction. As with many one-off gains, investor sentiment can sometimes run ahead of fundamentals—a classic case of counting chickens before they hatch—but the potential impact on valuation warrants attention.



FY (31/12)	12/21	12/22	12/23	12/24	12/25F	12/26F
Net interest inc. (VNDbn)	26,699	30,290	27,691	35,508	41,695	48,344
Net non-interest inc. (VNDbn)	10,378	10,612	12,370	11,482	11,940	12,454
Operating profit (VNDbn)	23,238	25,568	22,888	27,538	32,260	39,143
NP (VNDbn)	18,038	20,150	18,148	21,523	25,236	30,620
EPS (VND)	5,138	5,729	5,152	3,046	3,567	4,321
ROE (%)	21.5	19.5	14.8	15.4	16.1	17.4
P/E (x)	5.0	4.5	5.0	8.4	8.5	7.0
P/B (x)	1.0	0.8	0.7	1.2	1.1	1.0
BVPS (VND)	26,505	32,248	37,368	20,940	23,333	26,447
Total assets (VNDbn)	568,811	699,033	849,482	978,799	1,128,532	1,305,068
Equity (VNDbn)	93,056	113,425	131,628	147,940	165,093	187,406

Source: Company data, Mirae Asset Vietnam Research



A soft gain

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(Maintain)	BUY
Target price (VND, 12M)	22,600
Current price (06/10/25)	18,000
Expected return	26%

NPATMI (25F, VNDbn)	20,423
Market consensus (25F, VNDbn)	NA
EPS Growth (25F, %)	29
P/E (25F, x)	6.5
Market cap (VND bn)	131,703
Shares outstanding (mn)	7,934
Free float (%)	91.8
Foreign ownership (%)	24.5
52-week low (VND)	15,150
52-week high (VND)	21,050
(%)	1M 6M 12M
Absolute	-4.9 -16.4 -9.8
Relative	-7.3 -14.7 -11.3

Investment highlights

- VPBank (VPB) delivered a relatively solid balance sheet performance in 1Q25, with total assets expanding by 7.6% YTD to approach VND1qa. On a consolidated basis — excluding receivables recently sold to GPBank (approximately VND20tr, in line with the mandatory transfer) — credit growth reached 5.2% YTD, significantly outperforming the system-wide growth of 3.9%. The primary driver of this momentum came from the parent bank, which posted 5.4% YTD growth, reaching VND663tr in credit. Loan growth was notably diversified, with less reliance on the RE segment compared to prior periods. Instead, significant expansion was observed across trading loans (+13.7% YTD), M&P (+12.4% YTD), and financial (+26.6% YTD). The mortgage portfolio also showed healthy growth of 6.2% YTD, nearing VND100tr. On the funding side, deposit mobilization rose 13.7% YTD, while debenture issuance—representing medium- to long-term funding—grew by 17.6%, signaling a favorable outlook for future loan disbursements. Taken together, these indicators support an upward revision to the bank's full-year 2025 credit growth forecast—from 23.8% to 25.8%—especially as several RE projects owned by VPB's clients have seen legal bottlenecks cleared and are now being restarted. In short, credit is on track to accelerate as conditions normalize.
- However, asset quality showed signs of deterioration. The consolidated NPL ratio increased by 50bps YTD to 4.74%, driven by a 19.1% rise in the absolute value of NPLs. As a result, the LLR ratio dropped nearly 9%p to 47.4%. Breaking it down, both the parent bank and its subsidiaries recorded new NPL formation of around VND3tr and VND2.5tr, respectively. Nevertheless, overall substandard debt (classified as Group 2–5) declined by 8.8% to approximately VND66tr, implying a progressive reclassification of existing problem loans rather than the emergence of fresh credit risks. This is also reflected in the sharp drop in the broad-based bad debt ratio from 10.45% (as of 2024) to 9.04%. Despite these mitigating factors, the persistently elevated NPL ratio may necessitate an uptick in provisioning to meet internal asset quality targets.
- On the earnings front, VPB continued to report strong profitability, with PBT rising nearly 20% YoY in 1Q25. The improvement was underpinned by NII, which grew 17.9% YoY, alongside a 5.9% YoY increase in non-interest income. Within the non-core segment, fee-based services underperformed (-24.8% YoY), largely due to changes in income recognition policies. In contrast, net other income rebounded strongly, particularly from recovery-related gains, which surged 95.3% and 129.4%, respectively. Operating costs and provisioning expenses also trended higher, up 11.8% and 15.9% YoY, respectively, raising concerns about cost efficiency going forward. On the brighter side, NIM improved slightly, up 5bps QoQ from 2024 to 5.99%, thanks to stable asset yields and lower funding costs. Notably, the recently launched “auto earnings” program (classified as term deposits) has helped ease deposit costs.
- Overall, VPB's performance presents a mixed bag, with downside factors outweighing the positives. Consequently, the bank's projected PBT for 2025 has been revised down by 3.1% compared to the most recent update. While 1Q25 loan growth and FY25 lending prospects remain positive, NIM expectations have been revised down by 10bps to 6.27%, reflecting weaker-than-expected recovery in consumer finance—most of the lending growth at subsidiaries stemmed from margin loans—and rising competitive pressure on mortgage yields. Credit cost projections were also raised from 2.9% to slightly above 3% for FY25. Additionally, the bank's medium- to long-term NIM outlook has been adjusted downward from 6.3–6.4% to 6.1–6.2%, in line with structural shifts in macro conditions dynamics.



FY (31/12)	12/21	12/22	12/23	12/24	12/25F	12/26F
Net interest inc. (VNDbn)	34,349	41,021	38,175	49,080	60,100	69,370
Net non-interest inc. (VNDbn)	9,953	16,776	11,569	13,175	14,281	14,833
Operating profit (VNDbn)	14,580	21,220	10,987	20,013	26,246	32,596
NP (VNDbn)	11,808	18,168	10,053	15,779	20,423	25,326
EPS (VND)	2,656	2,706	1,267	1,989	2,574	3,192
ROE (%)	17.0	19.1	8.3	11.0	13.1	14.5
P/E (x)	6.4	6.3	13.4	8.5	6.5	5.2
P/B (x)	1.0	1.2	1.0	1.0	0.9	0.8
BVPS (VND)	17,891	14,490	16,980	17,886	19,908	22,537
Total assets (VNDbn)	547,626	631,013	817,700	923,848	1,116,897	1,291,061
Equity (VNDbn)	86,451	103,502	139,947	147,275	163,803	185,305

Source: Company data, Mirae Asset Vietnam Research



Restructuring MBV, subsidiaries, and overseas branches

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(Maintain)	TRADING BUY
Target price (VND, 12M)	28,300
Current price (06/10/25)	24,250
Expected return	17%

NPATMI (25F, VNDbn)	25,185
Market consensus (25F, VNDbn)	N/A
EPS Growth (25F, %)	2.0
P/E (25F, x)	5.9

Market cap (VND bn)	142,793
Shares outstanding (mn)	6,103
Free float (%)	69
Foreign ownership (%)	22
52-week low (VND)	18,870
52-week high (VND)	25,000

(%)	1M	6M	12M
Absolute	-4.1	9.2	22.3
Relative	4.9	12.5	19.5

Investment highlights

1Q25 financials: MB delivered a record-high consolidated PBT of VND8,386bn (+44.7% YoY). Net interest income (NII) grew sharply (+29% YoY) driven by favorable NIM movement, while net fee income (NFI) rose notably (+30.7%), supported by insurance & other income. Net other income (NOI) normalized (+19.3%, -43.2% QoQ), following 4Q24 exceptional spike with income from the recovery of debt. OPEX and provisioning expenses grew to VND3,949bn (+12.4% YoY) and VND2,986bn (+10.3% YoY), respectively. The CIR improved to 25.78% (bank-only: 23.8%), supported by digital transformation efforts. Credit grew 2.31% YTD, with loan balances reaching VND798tr. However, the NPL ratio rose to 1.84% (from 1.62%), and the broad NPL ratio increased to 3.75% (from 3.19% in FY24), mainly due to rises in substandard debt (+35% YTD) and doubtful debts (+12.6% YTD). Total assets stood at over VND1.15tr, up 2.5% YTD. ROA and ROE remained high at 2.34% and 22.18%, respectively.

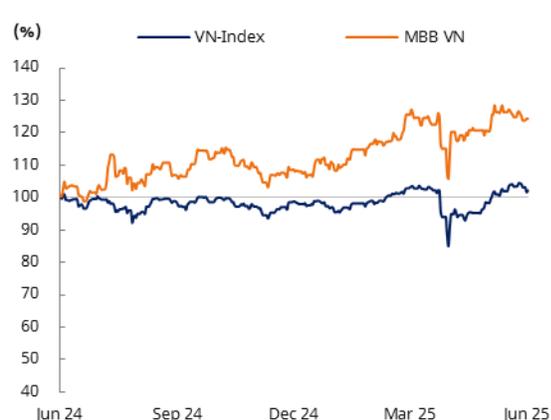
Restructuring of MBV: Under Decision 2301/QĐ-NHNN (October 17, 2024), MB became the sole owner of MBV (formerly OceanBank). The plan focuses on maintaining MBV's 101 branches across 19 provinces, resolving VND15.7tr in accumulated losses (end-2024), and transforming it into a digital bank. MBV reported VND46.2tr in assets, VND34.8tr in loans, and VND47tr in deposits. While MB now qualifies to raise its foreign ownership cap to 49%, the Chairman stated that it is currently not a priority.

Strengthening overseas structure and subsidiaries: MB is restructuring its affiliates to improve operational efficiency. MB Cambodia is transitioning into a joint venture or joint-stock company, with a potential divestment under consideration. The Chairman stated that a strategic partner is being sought for MB Cambodia. MCredit may be converted into a single-member LLC or joint-stock company, with an IPO under review to support growth and enhance transparency. MB Laos will be upgraded to a full subsidiary. Additionally, MB plans to expand operations into South Korea, Japan, China, Singapore, and Taiwan.

Buyback of treasury stock: At the April 26 AGM, MB's Board proposed repurchasing 100mn shares (~1.6% of charter capital). The Chairman emphasized that the buyback will not significantly impact MB's capital adequacy ratio (CAR).

Capital raising plan for long-term strategy: MB plans to increase its charter capital from VND61tr to a maximum of VND81.4tr. The capital increase includes a private placement of up to VND620bn and a stock dividend issuance of 32%, equivalent to approximately VND19.7tr. The total 2024 dividend ratio is expected to reach 35%, including 32% in stock and 3% in cash. This strategy is built on the strong 2024 performance, during which MB met or exceeded most key financial targets.

Revised forecast due to external headwinds: In light of U.S. tariffs affecting Vietnamese manufacturing, a slowdown in industrial real estate, cautious SME activity, and more conservative retail investor behavior, we have revised our forecasts downward. Net interest income (NII) has been adjusted from VND48.5tr (+17.9% YoY) to VND48.3tr (+17.3% YoY); net fee income (NFI) from VND4.92tr (+12.7% YoY) to VND4.86tr (+11.1% YoY); and pre-tax profit (PBT) from VND31.76tr (+10.2% YoY) to VND31.48tr (+9.2% YoY).



	FY (31/12)	FY22	FY23	FY24	FY25F	FY26F	FY27F
Net interest income (VNDbn)		36,023	38,684	41,152	48,263	57,583	68,206
Net non-interest inc. (VNDbn)		9,570	8,622	14,261	13,365	13,340	13,890
Operating profit (VNDbn)		22,729	26,306	28,829	31,482	35,479	40,320
Net Profit (VNDbn)		17,483	20,677	22,634	25,185	28,383	32,255
EPS (VND)		3,673	3,764	4,021	4,067	4,167	4,305
ROE (%)		24.6	23.5	21.2	20.0	19.3	18.5
P/E (x)		6.6	6.5	6.0	5.9	5.8	5.6
P/B (x)		1.5	1.4	1.2	1.1	1.0	1.0
Total assets (VNDbn)		728,532	944,954	1,128,801	1,409,792	1,728,627	2,119,186
Equity (VNDbn)		79,613	96,711	117,060	134,645	159,830	188,212
BVPS (VND)		16,727	17,604	20,794	21,743	23,464	25,118

Source: Company data, Mirae Asset Vietnam Research

Phong Phu IDZ and SBV's restructuring approval are the main catalysts

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(Update)	HOLD
Target price (VND, 12M)	46,000
Current price (06/10/25)	42,950
Expected return	7%

NPATMI (25F, VNDbn)	12,545
Market consensus (25F, VNDbn)	N/A
EPS Growth (25F, %)	13.1
P/E (25F, x)	7.1
Market cap (VNDbn)	77,482
Shares outstanding (mn)	1,885
Free float (%)	96.6
Foreign ownership (%)	21
52-week low (VND)	18,870
52-week high (VND)	25,000
(%)	1M 6M 12M
Absolute	1.1 25.9 46.8
Relative	-8.6 18.9 43.1

Investment highlights

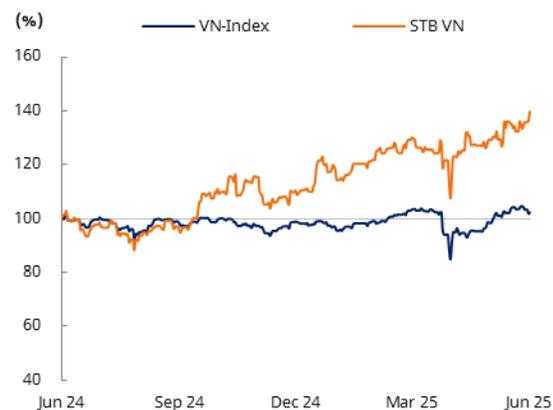
Earnings surged on sharply lower provisioning: In 1Q25, Sacombank reported a pre-tax profit of VND3,674bn (+38.4% YoY), equivalent to 25% of its full-year target of VND14,650bn. This was primarily driven by a sharp decline in credit provision to just VND195bn (-71.2% YoY). Net interest income rose 15% YoY to VND6,863bn, supported by a 9.3% increase in interest income versus a modest 3.8% rise in interest expenses. Net fee income grew 26% YoY to nearly VND728bn, bolstered by insurance and service-related fees. FX trading income held steady at VND308bn, while other income posted a VND103bn loss (vs. a VND16.3bn profit in 1Q24). Operating expenses increased 11% YoY to VND3,927bn, yet PPOP still rose 16% YoY to VND3,869bn. The cost-to-income ratio (CIR) improved to 50.4% (-1.2%p YoY).

Asset growth remained stable, though NPLs edged up: As of 1Q25, total assets reached VND757,093bn (+1.2% YTD). Customer loans grew 5% to VND564,327bn, while deposits rose 3% to VND585,569bn. The NPL ratio increased slightly from 2.4% in FY24 to 2.51%, with total NPLs at VND14,150bn (+24% YoY). Substandard loans stayed flat at 0.5%; loss loans increased to 1.8% (+50bps YoY), while special mention loans dipped slightly to 0.8% (-6bps YoY).

Change in leadership: On May 27, 2025, CEO Nguyen Duc Thach Diem resigned and remains as Permanent Vice Chairwoman. Mr. Nguyen Thanh Nhung—former Vietbank CEO and Eximbank Deputy CEO—was appointed Acting CEO, bringing over 30 years of banking experience to lead Sacombank into its next phase.

Restructuring progress: STB has completed 13 of 14 restructuring tasks, with only the legacy debt linked to Mr. Tram Be remaining. From 2017–2024, the bank recovered VND25,612bn out of VND35,400bn total principal (including VND23,363bn in principal and VND2,249bn in interest). The remaining VND12,037bn includes VND10,538bn sold to VAMC and VND1,454bn in repo/receivables, all fully provisioned. Additionally, 604.9mn STB shares (32% of capital) remain pledged as collateral with a book value of VND6,611bn.

Regarding the Phong Phu Industrial Park debt, Sacombank recovered over VND1,587bn in 2024, which has been used to reduce NPLs and book provisions. The bank expects to recover an additional 30–40% (VND2,380bn - VND3,173bn) in 2025 and fully resolve this debt by 2026.



FY (31/12)	FY22	FY23	FY24	FY25F	FY26F	FY27F
Net interest income (VNDbn)	17,147	22,072	24,532	28,896	33,378	41,072
Net non-interest inc. (VNDbn)	8,994	4,101	4,145	8,270	9,554	7,244
Profit before tax (VNDbn)	6,339	9,595	12,720	15,819	19,318	22,379
Net Profit (VNDbn)	5,041	7,719	10,087	12,545	15,319	17,747
EPS (VND)	2,447	3,747	4,896	5,536	6,145	6,472
ROE (%)	13.8	18.3	20.0	20.5	20.3	19.3
P/E (x)	16.1	10.5	8.1	7.1	6.4	6.1
P/B (x)	2.1	1.8	1.5	1.3	1.2	1.1
Total assets (VNDbn)	591,908	674,390	748,095	866,581	995,845	1,144,292
Equity (VNDbn)	38,627	45,734	54,972	67,655	82,974	100,721
BVPS (VND)	18,750	22,199	26,683	29,854	33,286	36,732

Source: Company data, Mirae Asset Vietnam Research



Rethinking the playbook

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(Maintain)	BUY
Target price (VND, 12M)	22,400
Current price (06/10/25)	17,900
Expected return	25%

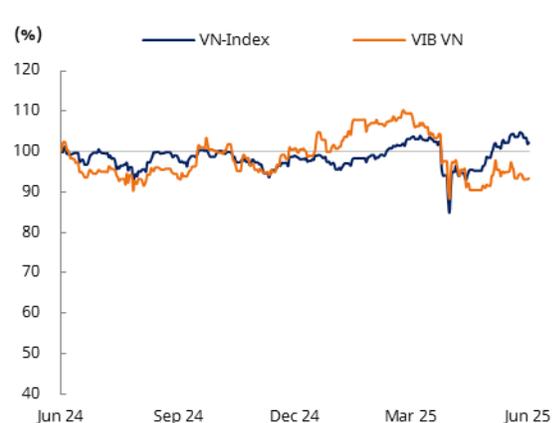
NPATMI (25F, VNDbn)	8,424
Market consensus (25F, VNDbn)	NA
EPS Growth (25F, %)	15
P/E (25F, x)	6.6

Market cap (VND bn)	53,326
Shares outstanding (mn)	2,979
Free float (%)	63.6
Foreign ownership (%)	5.0
52-week low (VND)	16,300
52-week high (VND)	21,400

(%)	1M	6M	12M
Absolute	2.0	-6.3	-7.1
Relative	-1.8	-10.1	-9.0

Investment points

- Vietnam International Bank (VIB) recorded a marginal increase in total assets in 1Q25, reaching nearly VND496tr (+0.5% YTD). The structure of IEA showed a shift toward higher-yielding components, with customer lending rising by 3.4% YTD to over VND329tr, accounting for 66% of total assets. In contrast, interbank loans and investment portfolios declined by 1.8% and 3.1%, respectively. Within the loan portfolio, noteworthy quarterly increases were observed in segments such as wholesale & retail trade (+22.8%), financial services (+27.9%), and particularly real estate business lending (+24.9%), which now comprises approximately 2.1% of total outstanding loans. This shift reflects a necessary strategic adjustment, given VIB's historical concentration in a few key segments—an approach that has limited both portfolio diversification and earnings stability.
- The auto loan segment—once a major growth driver—was facing saturation, with rising competition from the EV space, a subsegment where VIB holds limited competitive edge. Meanwhile, core personal lending products such as home restoration loans and secured refinancing have recently encountered both competitive headwinds and subdued demand. Against this backdrop, product and customer base diversification becomes imperative. Although yield spreads may not match the elevated levels of 2021–2023, the pursuit of broader, more stable income streams is expected to underpin long-term sustainability—a necessary trade-off in the bank's recalibration of its operating model.
- Asset quality showed signs of mild deterioration, in line with broader sector trends, though not to an alarming extent. Both NPL and gross NPL ratios rose by 28bps QoQ, reaching 3.79% and 7.1%, respectively, while the LLR fell to just over 40%. However, a more constructive outlook is emerging for VIB, particularly in anticipation of the upcoming formalization of Res.47/2017. This could prove advantageous given VIB's portfolio structure, which includes a high number of small-sized loans—thus potentially lowering dispute-related costs and provisioning needs. As of 2024, provisioning represented 23% of VIB's operating income, compared to 20% at peer banks. Potential NPLs (restructured loans), remained limited at around 0.1% (VND256bn) as of 1Q25. Moreover, with a relatively high-risk lending strategy, the fact that most loans are collateralized could serve as a buffer against unexpected losses—a built-in cushion, so to speak.
- Growth prospects in 2025 appear to be underpinned by internal levers. Credit expansion is projected to exceed 23%, slightly above the 2024 pace of 21.5%, supported by: (1) a still-modest share of corporate lending, (2) reduced competition as larger banks grapple with regulatory compliance constraints, (3) policy tailwinds aimed at bolstering domestic demand, and (4) ample headroom under VIB's liquidity safety ratios for further disbursement. NIM is expected to improve modestly to over 4% in 2025 (+6bps YoY), supported by a funding base increasingly skewed toward lower-cost sources. Following the success of its youth-focused brand campaign “Anh trai say hi,” VIB introduced a high-yield savings product targeting demand deposits. As a result, CASA (including this balance) rose to 21% (+2%p YTD; +4%p YoY), reinforcing its low-cost funding advantage.



FY (31/12)	12/21	12/22	12/23	12/24	12/25F	12/26F
Net interest inc. (VNDbn)	11,816	14,963	18,484	16,750	20,479	24,872
Net non-interest inc. (VNDbn)	3,075	3,095	3,676	3,819	3,824	5,004
Operating profit (VNDbn)	8,011	10,581	10,704	9,004	10,528	14,802
NP (VNDbn)	6,410	8,469	8,563	7,204	8,424	11,843
EPS (VND)	4,127	4,018	3,376	2,418	2,786	3,911
ROE (%)	30.3	29.7	24.3	18.1	18.3	21.2
P/E (x)	4.4	4.5	5.4	7.5	6.6	4.7
P/B (x)	1.2	1.2	1.2	1.3	1.1	0.9
BVPS (VND)	15,640	15,492	14,956	14,052	16,574	20,382
Total assets (VNDbn)	309,517	342,799	409,881	493,158	580,142	685,265
Equity (VNDbn)	24,291	32,651	37,940	41,862	50,117	61,724

Source: Company data, Mirae Asset Vietnam Research



Off to a shaky start

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(Maintain)	TRADING BUY
Target price (VND, 12M)	23,700
Current price (06/10/25)	20,950
Expected return	13%

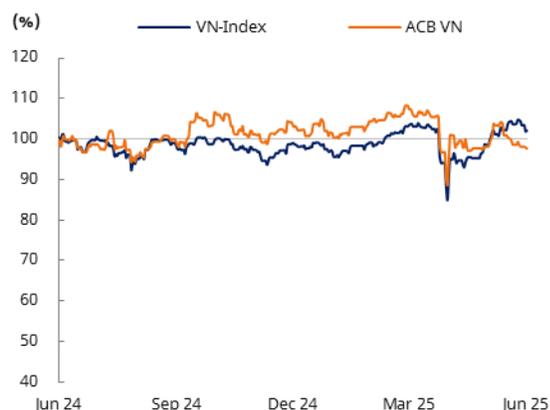
NPATMI (25F, VNDbn)	18,359
Market consensus (25F, VNDbn)	NA
EPS Growth (25F, %)	9.3
P/E (25F, x)	5.8

Market cap (VND bn)	107,613
Shares outstanding (mn)	5,137
Free float (%)	82.9
Foreign ownership (%)	26.0
52-week low (VND)	18,043
52-week high (VND)	23,304

(%)	1M	6M	12M
Absolute	-0.2	-4.8	-1.3
Relative	-4.1	-8.6	-3.2

Investment highlights - A cautious start to the year with earnings and balance sheet under pressure

- ACB had a somewhat shaky start to 2025, with underwhelming performance in both earnings and balance sheet growth. Total assets rose by 3.2% QoQ to VND891.7tn, while credit growth lagged slightly behind at 3.1% QoQ—underperforming the sector's average. In contrast, the bank saw stronger momentum in interbank assets and its investment portfolio, which expanded by 9.7% and 7.4% QoQ, respectively. The shift in asset allocation was partly strategic, as the interbank market offered relatively attractive yields during the period. This helped offset the declining share of loan balances within IEAs. Notably, within the loan mix, retail lending posted a slightly better pace of growth at 3.4% QoQ in 1Q25. As a result, despite the shift in asset composition, asset yields inched up by 2bps QoQ, though remained significantly lower YoY (-125bps).
- Asset quality showed early signs of deterioration. While reported NPL ratio edged down marginally by 1bps, gross NPLs rose by 22bps QoQ to 2.18%. The LLR ratio dropped notably from 76.6% to 70.8% in 1Q25. In addition to elevated standard loan ratios weighing on near-term asset quality, recent tariff hikes on goods (essential ones)—mostly affecting the southern region—pose potential headwinds, as approximately 95% of ACB's credit portfolio is concentrated in this geography.
- PBT declined by 6% YoY in 1Q25 to VND4,597bn, following a 5.1% contraction in the same period last year. The decline was mainly attributable to a 5.4% drop in NII, which is concerning given that credit volume grew 18.3% YoY. Consequently, TTM NIM narrowed by 44bps YoY and 12bps QoQ to 3.46%, driven by a combination of lower retail banking contribution, declining lending yields, and rising funding costs. Provisioning also surged by 22.2% YoY, adding further pressure to the bottom line. Accordingly, full-year PBT has been revised down to nearly VND23tn, representing a 1.6% cut from the latest forecast, and now aligns with the bank's 2025 plan. The downward revision is primarily due to a projected 5.9% decline in NII—underpinned by lower NIM—versus previous expectations of a flat NIM trajectory. This reflects both lower-than-expected loan yields and recent adjustments to ACB's lending rate markup amid intensifying competition and policy-driven interest rate cuts. On the brighter side, NOI is now expected to rise 4.4%, supported by improving recovery income. Additionally, operating expenses and provisioning forecasts have been trimmed by 6.9% and 20.6%, respectively. Notably, with limited upside in core income—especially NII—asset quality may continue to soften in the absence of sufficient provisioning buffers. In this context, recovery income will likely act as the key swing factor for bottom-line resilience.
- Long-term ROE forecast has been revised down from 19% to 17%, reflecting increasing pressure from top-tier banks that are stepping up competition in ACB's key strongholds, particularly in southern Vietnam. While ACB's traditional banking model has supported asset quality and mitigated concentration risks, its lack of innovation and product diversification limits its potential for breakout growth. In other words, the bank appears to be cruising at a steady pace, but with limited acceleration in sight.



FY (31/12)	12/21	12/22	12/23	12/24	12/25F	12/26F
Net interest inc. (VNDbn)	18,945	23,534	24,960	27,795	30,491	35,729
Net non-interest inc. (VNDbn)	4,619	5,257	7,787	5,720	6,483	7,135
Operating profit (VNDbn)	11,998	17,114	20,068	21,006	22,939	26,152
NP (VNDbn)	9,603	13,688	16,045	16,790	18,359	20,931
EPS (VND)	3,555	4,053	4,131	3,759	4,110	4,686
ROE (%)	23.9	26.5	24.8	21.7	20.7	21.0
P/E (x)	6.8	6.0	5.9	7.5	5.8	5.1
P/B (x)	2.4	1.4	1.3	1.5	1.3	1.2
BVPS (VND)	10,101	17,303	18,269	18,685	21,095	23,573
Total assets (VNDbn)	527,770	607,939	718,795	864,006	991,446	1,178,753
Equity (VNDbn)	44,901	58,439	70,956	83,462	94,223	105,290

Source: Company data, Mirae Asset Vietnam Research

JSCB for Investment and Development of Vietnam (BID VN)

Banks



Downside absorbed

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(Maintain)	BUY
Target price (VND, 12M)	42,300
Current price (06/10/25)	35,300
Expected return	20%

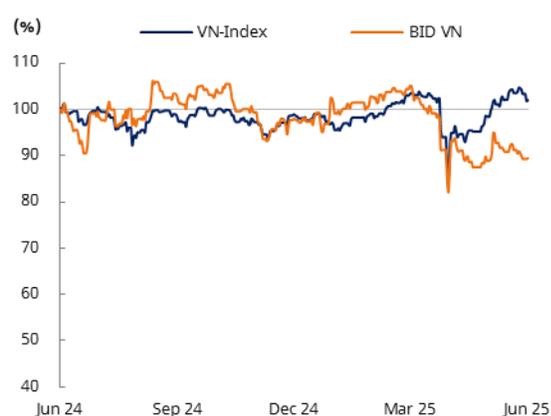
NPATMI (25F, VNDbn)	25,639
Market consensus (25F, VNDbn)	NA
EPS Growth (25F, %)	-10%
P/E (25F, x)	10.3

Market cap (VND bn)	247,854
Shares outstanding (mn)	7,021
Free float (%)	20.4
Foreign ownership (%)	17.6
52-week low (VND)	31,200
52-week high (VND)	42,727

(%)	1M	6M	12M
Absolute	-1.3	-3.9	3.7
Relative	-2.7	-2.7	-7.0

Investment points

- BID's total assets reached nearly VND2.86qa in 1Q25 (+3.5% YTD), though growth was uneven across asset classes. Interbank lending rose significantly by 22.5% to VND243tr, while investment securities and credit growth subdued, increasing only 1.4% and 2.5% to VND294.7tr and VND2.1qa, respectively. Retail lending performed slightly better (+3.4%), with notable momentum in the SME segment (+6.5%). However, overall loan yields continued to decline by approximately 3bps YTD, mainly due to interest rate support programs. While a marginal uptick in NPL had been anticipated—given the bank's strategic shift toward retail clients—the actual increase was steeper than expected. NPLs rose 48bps to 1.89% while special mention loans also increased to 1.85% (+19bps QoQ). Accordingly, the LLR dropped below 100% for the first time in years, to approximately 97%. In light of this deterioration, the projected NPL ratio has been revised upward to 1.6%, alongside a 6.2% increase in provisioning, pushing the credit cost ratio to around 1.22%.
- On the funding side, deposit mobilization was sluggish, growing just 1.2% YTD to VND1.98qa—falling well short of loan growth. Consequently, the bank leaned more heavily on wholesale funding sources, including borrowings from the SBV and other Cis (+12.7%) as well as debenture issuance (+5.5%). BID also successfully raised over VND4.7tr in equity through its first private placement, partially mitigating margin pressure. Nevertheless, NIM still slipped 9bps to 2.33%, consistent with accommodative low-rate direction. Looking ahead, NIM is expected to recover by 30bps in 2025, supported by multiple drivers: 1) Loans yields—especially from mortgage loans—are expected to normalize in 2H25, as disbursements ramped up from 4Q23 (+22.3% by 1Q25), and most promotional interest periods last 1–2 years; 2) Improving asset quality may reduce yield drag; 3) Reduced reliance on interbank funding, as upcoming private placements provide more long-term capital, and interbank rates also show signs of cooling; and 4) Continued headroom for retail loan growth, with the recent 1Q25 slowdown in mortgage disbursement (+1.3%) largely attributed to seasonal factors.
- 1Q25 Pre-tax profit remained flat YoY at around VND6tr but dropped significantly QoQ (-20.3%), mainly due to underperformance in core income streams. Net interest income declined by 10.8% QoQ, while net fee income fell by 21.7% QoQ, both coming in below expectations. As a result, forecasts for these two streams have been revised down by 3.6% and 4.5%, respectively, bringing the 2025 pre-tax profit forecast to VND32.6tr (+3.9% YoY).
- Given the more muted profit outlook, the target price for BID has been revised downward from VND46,000 to VND 42,300. That said, the recent market correction has driven the stock's valuation toward multi-year lows. With much of the short-term pressure should already be priced in, this may present a window for long-term accumulation.



FY (31/12)	12/21	12/22	12/23	12/24	12/25F	12/26F
Net interest inc. (VNDbn)	46,823	56,070	56,136	58,008	74,524	82,459
Net non-interest inc. (VNDbn)	15,483	13,222	16,533	22,607	18,654	19,796
Operating profit (VNDbn)	13,548	23,009	27,650	31,383	32,606	35,520
NP (VNDbn)	10,540	18,159	21,552	24,658	25,639	27,972
EPS (VND)	2,321	3,590	4,006	3,915	3,507	3,826
ROE (%)	12.7	19.1	19.0	18.4	16.4	15.7
P/E (x)	17.8	9.9	11.5	11.8	10.3	9.4
P/B (x)	2.2	1.7	2.0	2.0	1.8	1.6
BVPS (VND)	17,066	20,597	21,563	20,951	22,995	25,851
Total assets (VNDbn)	1,761,696	2,120,609	2,300,914	2,760,693	3,061,733	3,438,900
Equity (VNDbn)	86,329	104,190	122,917	144,512	168,128	189,007

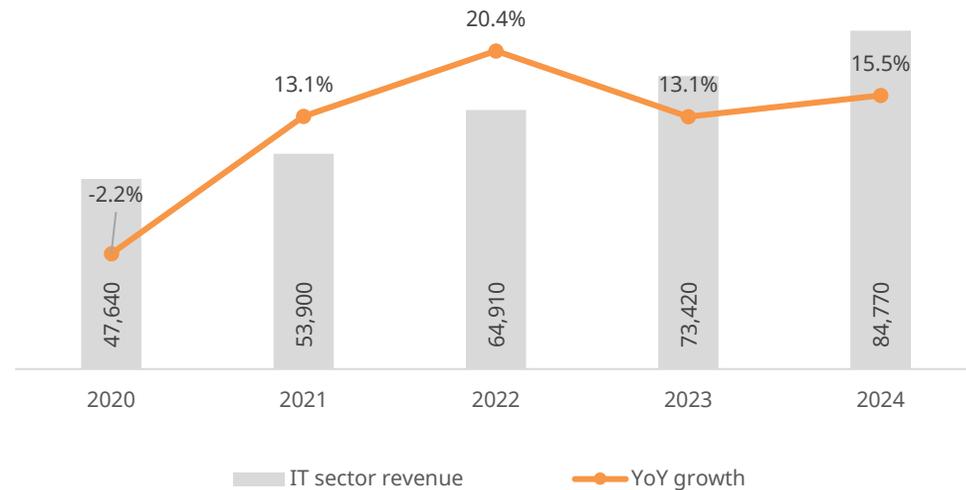
Source: Company data, Mirae Asset Vietnam Research

IT – Valuation reset opens new opportunities

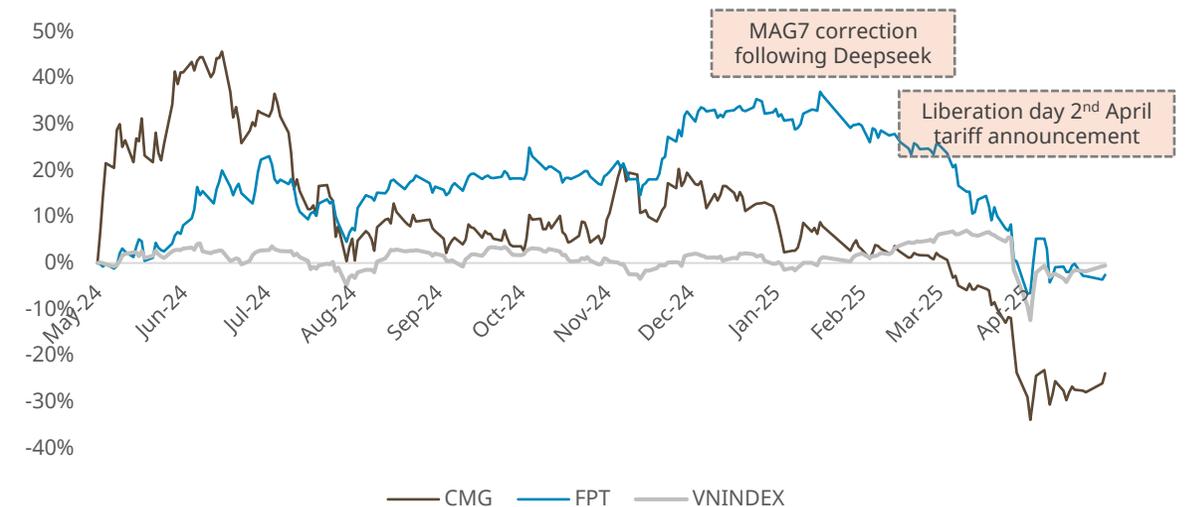
Valuation cooled despite solid profit

- Performance:** In 3M25, Vietnam's IT sector posted revenue of VND19,020 bn, marking a solid 20% YoY growth. Gross margin improved to 32.4%, up from 31.9% in 2024, supported by easing inflation and disciplined cost control. The industry continues to deliver resilient double-digit growth, underpinned by a strengthening talent base and proactive government support. Demand remains strong across key export markets—Japan, the U.S., and APAC—particularly in sectors accelerating digital adoption such as finance, manufacturing, and retail. As clients increasingly pivot to cloud, automation, and AI, Vietnamese IT firms are well-positioned to capture this transformation. FPT, the sector's leading player, grew nearly 20% in 2024 (US\$2.17bn revenue) and maintained momentum in 1Q25, with global IT services up 17% YoY, including a robust 30% from Japan in 1Q25. CMG is similarly focused on Japan, targeting the market to contribute 50% of foreign revenue by 2028. However, early signs of deceleration are emerging in 1H25 following trade war tensions: by 4M25, FPT's signed global IT revenue slowed to +10.4% YoY to VND15tn—below its historical 20% pace—while the overall IT segment recorded +15% YoY, reflecting a cautious stance in IT spending.
- Valuation:** On January 7, 2025, Nvidia plunged 17% (US\$593bn), while semiconductor, power, and AI-related stocks collectively lost over US\$1tn in the U.S. market. The release of DeepSeek intensified concerns over stretched AI valuations and spending. Tariff escalations in April 2025 added to uncertainty. For Vietnam—whose IT sector is export-driven and globally integrated—disruptions in global electronics supply chains have dampened overall sentiment. Despite being insulated from direct tariffs, leading Vietnamese IT services stocks saw a 20–30% pullback, as investors priced in a cooler growth outlook. Despite this, FPT and CMG's PEG ratios stand in the range of 0.9x–1x (India: 2–3x), indicating competitive valuation.
- Vietnam IT players are evolving beyond low-cost outsourcing toward vertical specialization** (e.g., FPT in insurance/automotive, CMG in telecom/cloud security). While the market remains fragmented, leading players are rapidly building moats and moving up the value chain. In March, FPT signed a cooperation deal with Pertamina, Indonesia's state oil group, to co-develop AI solutions in energy, during General Secretary To Lam's state visit. Separately, Sumitomo Corporation and SBI Holdings established a strategic partnership and joint venture with FPT to provide AI services in Japan's financial industry.

Vietnam's IT industry revenue growth (FPT contributing 80% of listed equities' revenue)



Global IT stocks corrected sharply after the DeepSeek news and tariff shocks



Sources: FiinPro, Mirae Asset Securities (Vietnam) Research

IT – Valuation reset opens new opportunities

Favorable policies to tech industry

- Government policy & financing support:** Vietnam has made technology central to its growth strategy. Resolution 57-NQ/TW (Dec 2024) labels science, innovation, and digital transformation “decisive” growth drivers. To spur adoption, the state is extending credit, land, and tax breaks. In Mar 2025, it launched a VND500tr (US\$20bn) credit line via 21 banks, offering long-term, low-cost loans for digital-infra projects such as data centers and broadband. The country has attracted 174 semiconductor FDI projects worth nearly US\$11.6bn (incl. 50 IC-design firms) and approved 10 national IT parks (Da Nang, Hoa Lac, Thu Duc), targeting 16–20 parks by 2030.
- AI-driven infrastructure:** Data centers now split into compute and cloud-storage segments, each with distinct power and scale needs. Vietnam is entering a crucial build-out phase. Key players—Viettel, CMC, FPT, VNPT, VNG—are expanding fast. Existing data centers built: Viettel (14 sites, ~87 MW), FPT (4, ~30 MW), VNPT (8, ~38 MW). Viettel’s 2025-2030 roadmap adds 11 hyperscale facilities, lifting capacity to 400 MW; CMC will invest US\$500mn in Vietnam and Japan by 2028.
- Infrastructure costs remain favorable:** According to Cushman & Wakefield report, Vietnam’s data-center build cost runs US\$5.4–8.4mn per MW, averaging US\$6.9mn (+3.5% YoY). That average is just above Taiwan (US\$6.4mn) but below mainland China (US\$7.1mn), Thailand (US\$7.6mn), Indonesia (US\$8.7mn), and Malaysia (US\$9mn). However, bottlenecks remain: AI-ready data centers consume 2–5x more energy than conventional ones, raising grid capacity concerns. Without timely grid upgrades and stable energy source, power may become the sector’s biggest limiting factor. According to KPMG, the APAC region stands out as one of the fastest-growing regions, with a 13.1% CAGR in data center capacity from 2025 to 2030 (North America: 9.2%, EU: 5.3%).
- On the connectivity front,** Viettel plans to deploy US\$1.2bn into 5G infrastructure, supporting MIC’s goal of nationwide coverage by 2030. While 5G is not yet a direct earnings driver, it is critical infrastructure for enabling low-latency AI applications in sectors such as logistics, healthcare, and smart manufacturing. MIC is also reviewing the release of 6GHz spectrum, which could unlock further growth in IoT and cybersecurity—areas where Vietnam’s IT firms are still in the early stages of capability development.

List of policies supporting technological movement in Vietnam

Policy / Directive	Time of Enactment	Focus
Resolution 57/NQ-TW	2024	Vietnam targets Top 3 in ASEAN for AI R&D in 2030, TFP (Total Factor Productivity) at 55% of GDP growth, and 2% of GDP for R&D.
Decision No. 749/QD-TTg (National Digital Transformation Program)	2020	Raise digital economy share to ~20% of GDP by 2025, 30% by 2030; boost e-gov, e-commerce, fintech adoption.
Decision 127/QD-TTg (AI Strategy)	2021	Develop 10 leading AI brands; set up 3 national AI innovation centers; expand AI research funding, training.
Decision No. 1017/QD-TTg (HR development program for the semiconductor industry)	2024	Develop by 50,000 semiconductor personnel (42,000 engineers, 7,500 master’s, 500 PhDs) across the full value chain by 2030
5G & Connectivity Roadmap (MIC)	2024 (updated)	Achieve 100% nationwide 5G coverage by 2030; Viettel investment ~US\$1.2 bn; explore 1,200 MHz of 6GHz spectrum for Wi-Fi.

Recent data centers openings (2022-2025)

Operator	Date of Opening	Location	Capacity / Scale	Focus
FPT Telecom (District 9 DC)	~2025 (planned)	D9, HCMC	10,000 m ² , 3,600 racks (planned)	FPT Cloud, colocation, enterprise hosting
Viettel IDC (Hoa Lac DC)	2024	Hoa Lac, Hanoi	21,000 m ² , 2,400 racks, 30 MW	AI, cloud, colocation, disaster recovery
VNPT IDC (Hoa Lac DC)	Oct 2023	Hoa Lac, Hanoi	23,000 m ² , 2,000 racks	Cloud, colocation, government services
CMC Telecom (Tan Thuan DC)	Apr 2022	Tan Thuan, HCMC	10,000 m ² , 1,200 racks, 10 MW	Carrier-neutral colocation, cloud
MobiFone (Node 3 HCMC)	~2022	Thu Duc, HCMC	~9 MW (HCMC)	Telecom cloud, enterprise hosting
STT GDC & VNG (Tan Thuan DC)	Phase 1: 2021; JV: 2024	Tan Thuan, HCMC	12,400 m ² , 410 racks (phase 1); 1,600 planned	Hyperscale, cloud, content platforms

Sources: Mirae Asset Securities (Vietnam) Research

Expansion with joint venture strategy

Quan Ton, quan.td@miraeasset.com.vn



(Maintain)	TRADING BUY
Target price (VND, 12M)	134,820
Current price (06/10/25)	115,900
Expected return	16%

NPATMI (25F, VNDbn)	9,329
Market consensus (25F, VNDbn)	N/A
EPS Growth (25F, %)	20.8
P/E (25F, x)	18.1

Market cap (VNDbn)	162,875
Shares outstanding (mn)	1,471
Free float (%)	77.9
Foreign ownership (%)	41.5
52-week low (VND)	95,565
52-week high (VND)	156,000

(%)	1M	6M	12M
Absolute	5.5	-13.0	-2.6
Relative	-2.8	-19.9	-5.0

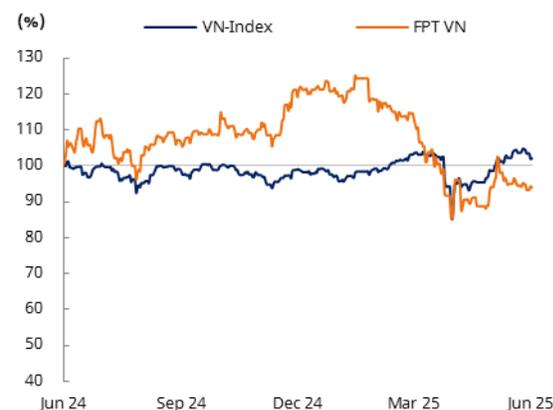
Investment points

Overview: Established in 1988, FPT's main businesses are software, information and system integration, telecommunications, and education. As a global technology company, FPT operates 178 headquarters, offices, and branches across 26 countries and territories, with technology infrastructure spanning 59 of Vietnam's 63 provinces and cities. FPT is also one of Vietnam's leading telecom and internet service providers. The company was equitized in 2002 and listed on the HOSE in 2006.

4M25 update: FPT recorded revenue of VND21.6tn (+13.5% YoY, slightly down from +13.9% YoY in 3M25). While profit before tax (PBT) rose faster at 17.9% YoY (+19.4% YoY in 3M25), driven by operational leverage and stable telecom performance, the deceleration in topline growth calls for closer monitoring.

- The technology segment (61% of revenue, 45% of PBT) —grew just 14.1% YoY in 4M25, slowing from 17% in 3M25 as trade-war headwinds emerged late 1Q25. Digital-transformation services (DX services) stayed robust, jumping 25 % YoY to VND4.85tr. Conversely, newly signed global IT contracts—a leading demand indicator—rose only 10.4 % YoY to VND15.4 tr, pointing to more cautious client spending and potentially softer growth ahead.
- The education and investment segment (11% of revenue, 22% of PBT) posted a modest 4.1% revenue growth. However, PBT still rose 15.8% YoY. FPT Education Company Limited has proposed a 9.2 ha education complex in Nghe An, with a total investment of VND383bn, targeting over 6,600 students annually, and is seeking provincial approval for land allocation.
- Meanwhile, the telecommunications segment (28% of revenue, 33% of PBT) maintained solid performance, with 15% revenue growth and 19.2% PBT growth, aided by package optimization and a stable subscriber base.

Progress in semiconductor business: The Da Nang People's Council officially recognized FPT Corporation and Marvell Vietnam Technology Company Limited as strategic partners in semiconductors and artificial intelligence (AI) during its 23rd special session on April 26, 2025. Both companies have committed to supporting the city in software/hardware development, talent training, and related initiatives for at least five years. FPT plans to establish an office in Da Nang Software Park, while Marvell Vietnam—a subsidiary of U.S.-based Marvell Technology, Inc.—is the first foreign-invested enterprise to be officially recognized as a strategic partner in this initiative.



	FY (31/12)	FY22	FY23	FY24	FY25F	FY26F	FY27F
Revenue (VNDbn)		44,010	52,618	62,849	74,366	87,616	103,029
OP (VNDbn)		6,795	8,452	10,508	12,122	14,106	16,485
OP margin (%)		15.4	16.1	16.7	16.3	16.1	16.0
EBITDA (VNDbn)		8,628	10,738	13,044	14,521	17,073	19,708
NPATMI (VNDbn)		5,310	6,465	7,857	9,329	10,806	12,769
EPS (VND)		4,420	4,648	4,877	5,892	6,825	8,065
ROE (%)		27.2	28.1	28.7	28.5	27.7	27.5
P/E (x)		23.7	22.5	21.5	18.1	15.6	13.2
P/B (x)		6.0	5.8	5.7	4.7	4.0	3.3
Total assets (VNDbn)		51,650	60,283	72,000	83,110	94,472	108,281
Equity (VNDbn)		21,046	24,974	29,794	35,641	42,414	50,418

Source: Company data, Mirae Asset Vietnam Research

Telecommunication – Accelerating digital transformation

Accelerating digital transformation

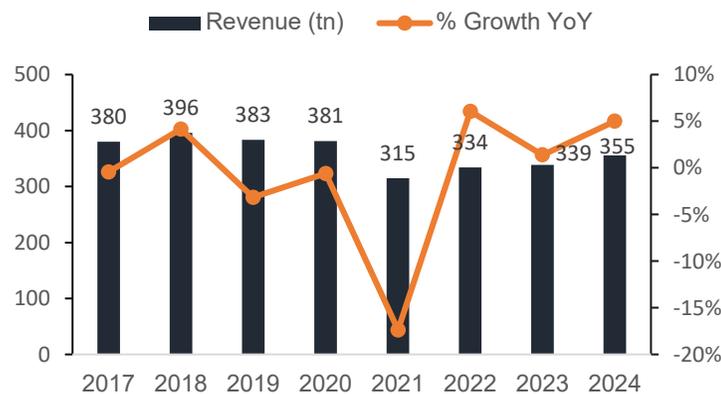
According to the General Statistics Office report, telecommunications revenue at 1Q25 is estimated at VND95tn, up 6% YoY. **2025 business guidance of telecom enterprises:**

- Viettel: maintains leadership in the industry and endorses the provision of digital transformation services and comprehensive cybersecurity solutions for the Government, ministries, and major enterprise clients. Viettel targets consolidated revenue of VND203tn (+7.3% YoY) and pre-tax profit of VND51tn (+2.5% YoY) in 2025.
- VNPT: sets a consolidated revenue target of VND62,344tn (+6% YoY) and a pre-tax profit of VND6,565tn (+8% YoY) in 2025.
- MobiFone: targets revenue of VND24,787bn (+0.16% YoY) and pre-tax profit of VND2,191bn (+7% YoY) in 2025. Revenue from digital platforms/digital solutions is expected to show the highest growth at 22% compared to the 2024 plan.

Key regulations and updates in the telecommunications industry in 2025 include:

- Following Official Dispatch No. 223/TTg-ĐMDN issued in February 2025, the right to represent state capital ownership at MobiFone was officially transferred to the Ministry of Public Security.
- Commercial banks have agreed with the Government to participate in a VND500tn (~US\$20tn) preferential credit package to support businesses in the infrastructure and digital technology sectors. The package offers interest rates at least 1% lower than market rates and a minimum loan term of two years.
- Deputy Prime Minister Nguyen Chi Dung issued Decision No. 659/QĐ-TTg allowing a controlled pilot deployment of telecommunications services using low-orbit satellite technology by Space Exploration Technologies Corporation (SpaceX). The pilot services to be rolled out nationwide include: 1) Fixed satellite services (Internet access), 2) Mobile satellite services (Internet access at sea and on airplanes).

Annual telecom industry revenue (VNDtn)



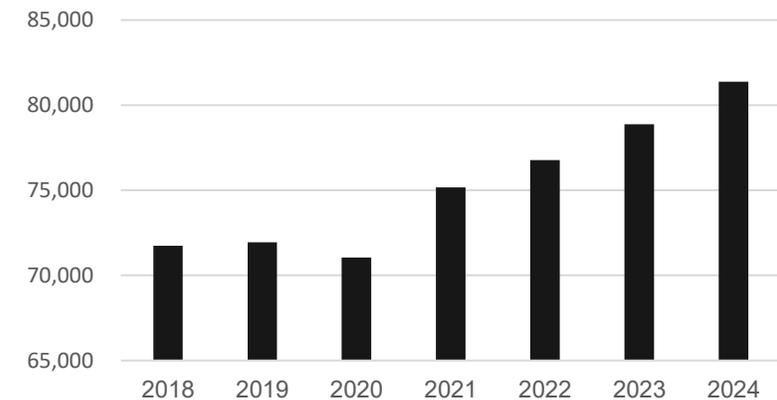
Sources: General Statistic Office, Mirae Asset Vietnam Research

Quarterly telecom industry revenue (VNDtn)



Sources: MIC, Mirae Asset Vietnam Research

Contribution to GDP of Telecom industry (VNDbn)



Sources: Ministry of Science and Technology, Mirae Asset Vietnam Research

Stable operation amid trade tension

Sang Ho, sang.hh@miraesasset.com.vn

(Maintain)	TRADING BUY
Target price (VND, 12M)	106,700
Current price (06/10/25)	90,000
Expected return	19%

NPATMI (25F, VNDbn)	611
Market consensus (25F, VNDbn)	N/A
EPS Growth (25F, %)	13
P/E (25F, x)	17
Market cap (VND bn)	10,295
Shares outstanding (mn)	114
Free float (%)	29.0
Foreign ownership (%)	8.6
52-week low (VND)	73,900
52-week high (VND)	162,000
(%)	1M 6M 12M
Absolute	-3.8 -26.4 -32.1
Relative	-7.4 -29.9 -33.8

Investment points

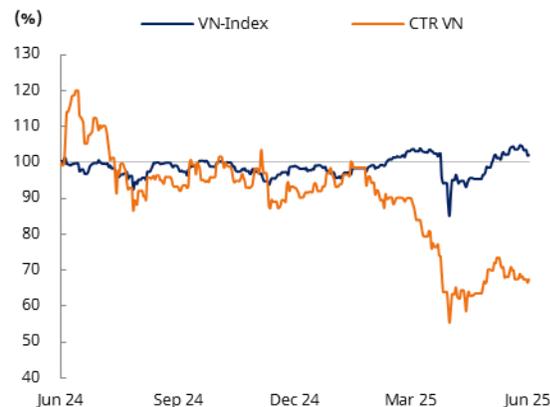
4M25 business results: CTR posted cumulative revenue of VND3,824bn (+7% YoY), while PBT rose modestly by 7% YoY to VND210bn. Viettel-related subsidiaries remained key clients, contributing 64% of CTR's total revenue.

- Infrastructure leasing: Although it accounted for only 7% of total revenue, this segment recorded the highest growth, reaching VND268bn (+48% YoY). As of 4M25, CTR operated 10,470 BTSs, an increase of 120 stations QoQ, maintaining its leadership in Vietnam's TowerCo operations.
- Network operations: continued to be the main revenue contributor, posting VND1,928bn (+2% YoY), or 50% of total revenue. Construction: The second largest revenue contributor reported revenue of VND1,133bn (+7% YoY), accounting for 30% of total revenue. As of 4M25, CTR secured contracts worth VND74bn for B2B projects and VND188bn for B2C and SME projects.
- IT integrated solutions and Technical services: These segments recorded revenue of VND478bn (+6% YoY). In the technical services segment, two contracts were signed for the operation and maintenance of solar power systems for BCG Group and the Yamaha factory.

2025 AGM update:

- CTR targets 2025 revenue of VND13,968bn (+10% YoY), pre-tax profit of VND721bn (+7% YoY), and NPAT of VND563bn (+5% YoY). ROA and ROE are expected to decline to 7.2% and 24.7%, respectively, from 7.7% and 28.3% in 2024. The company is investing in underground cable infrastructure along the North-South expressway, with a projected revenue contribution of VND200-500bn+/year, depending on lessee demand and the expansion of underground fiber routes into major cities.
- For the 2025-2030 period, CTR targets 10-15% annual revenue growth. Revenue is projected to reach VND25,000-30,000bn (+15% YoY) by 2030 under a challenging scenario, with profit expected to grow 10% YoY. By 2030, the company plans to operate 20,000-30,000 BTSs for lease, generating VND2,000-2,500bn in infrastructure leasing revenue (with a gross margin of 15-20%). Network operations are expected to maintain 3-5% margins, while construction and IT solutions will operate at ~5% margins. Construction is expected to remain the core revenue driver through 2030.

FY25 projection: For FY25, we project that CTR will achieve revenue of VND14,419bn (+14% YoY) and net profit of VND611bn (+14% YoY). Our assumptions are as follows: 1) We anticipate approximately 13% YoY growth in the construction segment in FY25-FY26, driven by increased investment in 5G infrastructure. 2) Network operations are expected to grow by around 14% YoY, supported by both existing and newly signed agreements for tower network operations in domestic and international markets. 3) TowerCo is forecast to experience the fastest revenue growth among CTR's core businesses, with an expected growth rate of 40% YoY and a gross profit margin of approximately 25%.



FY (31/12)	2022	2023	2024	2025F	2026F	2027F
Revenue (VNDbn)	9,370	11,370	12,610	14,419	16,492	18,849
OP (VNDbn)	552	654	716	783	890	1,006
OP margin (%)	5.9%	5.8%	5.7%	5.4%	5.4%	5.3%
NPATMI (VNDbn)	443	525	538	611	691	826
EPS (VND)	3,872	4,510	4,705	5,339	6,045	7,219
ROE (%)	30.2%	28.6%	27.9%	30.1%	28.8%	28.8%
P/E (x)	15.6x	23.9x	21.3x	17.0x	15.6x	13.x
P/B (x)	3.8x	6.5x	7.7x	5.6x	4.7x	3.9x
Total assets (VNDbn)	6,041	6,991	7,106	8,574	9,484	10,404
Equity (VNDbn)	1,625	1,997	1,865	2,198	2,605	3,136

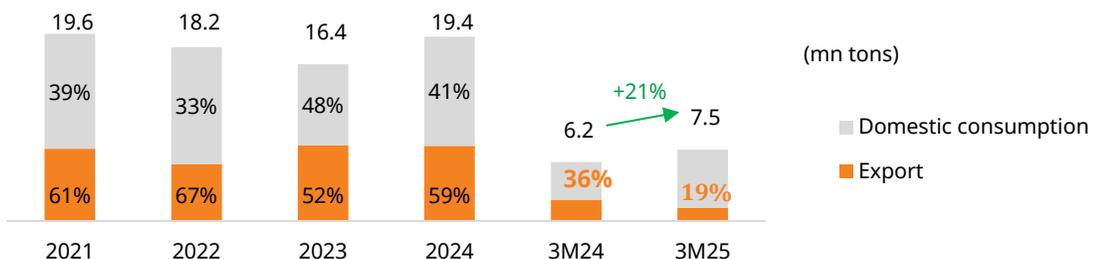
Source: Company data, Mirae Asset Vietnam Research

Steel – Cycle is slower, not over

Volume surprise eases trade friction concerns

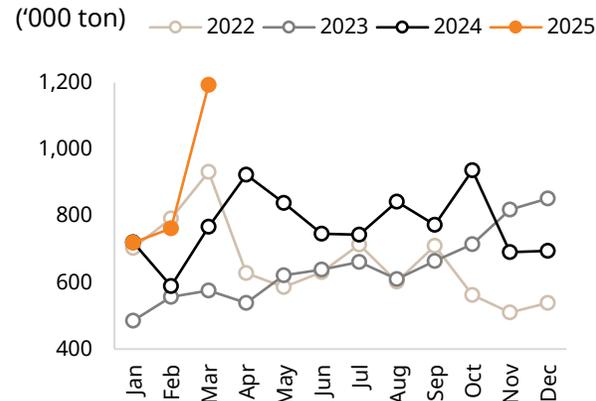
- **Volumes came in strong**, with 3M25 steel sales rose 21% YoY, driven by a sharp rebound in domestic demand (+44% YoY) that more than offset continued export weakness (-19% YoY). Construction steel led the gains, up 45% YoY, with domestic volumes surging 61% YoY amid recovering infrastructure and residential activity. HRC followed with a 12% increase, though growth was skewed toward domestic consumption (+51% YoY) as exports fell 54%, reflecting ongoing trade headwinds.
- **Overall, the sales mix remains tilted toward the domestic market (78% of total)**, reinforcing our view that Vietnam’s steel growth in 2025 will be largely policy-led and internally driven. However, weak export volumes, especially in higher-margin segments (coated steel) remain a drag on profitability, especially for export-oriented producers.
- **Company-wise, HPG reported 2.68mn tons of steel sales in 1Q25 (+29% YoY, +15% QoQ), driven by the ramp-up of Dung Quat 2 following its March commissioning.** HRC sales rose to ~1mn tons (+25% YoY, +54% QoQ), with all incremental output fully absorbed. While the US imposed a 52% provisional AD duty on HPG’s HRC exports (effective April 4), direct exposure is limited as HPG exported just 10%/20% of its HRC/construction steel volumes in 1Q25 and less than 2% to the US market. We view the strong domestic absorption as a key offset to global trade risks and HPG remains on track to meet its FY25 HRC growth target of +35% YoY.
- **For NKG**, galvanized steel volumes declined 9.9% YoY in 3M25 to 205.4kt, as a 44.0% plunge in exports outweighed a strong recovery in domestic sales (+96.4% YoY). The mix shift is aligned with 4Q24, with domestic sales now comprising over 50% of total volume—versus ~33% a year ago as exports order weaken follow rising trade barrier.

Sector volumes sales



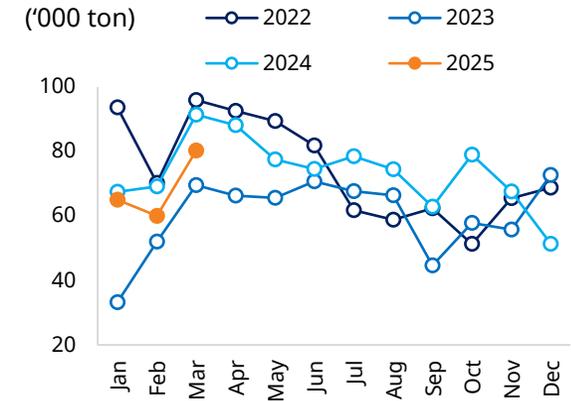
Local producer sales	Mn tons	3M25	%QoQ	%YoY
Construction steel	Total	3.07	3%	45%
	Domestic consumption	2.62	2%	61%
	Export	0.45	7%	-8%
HRC	Total	2.59	21%	12%
	Domestic consumption	2.20	31%	51%
	Export	0.39	-16%	-54%
Steel pipe	Total	0.63	-10%	32%
	Domestic consumption	0.54	-12%	31%
	Export	0.09	3%	38%
Galvanized steel	Total	1.20	-8%	-5%
	Domestic consumption	0.73	3%	49%
	Export	0.47	-21%	-39%
Grand total		7.49	5%	21%

HPG month volume sales



('000 ton)	3M25	% YoY
Construction steel	1,246	30.4%
HRC	1,009	25.4%
Billet	138	57.8%
Steel pipe	184	40.4%
Gal. steel	97	-0.6%
Total	2,675	28.8%

NKG month volume sales



('000 ton)	3M25	% YoY
Exports	96.7	-44.0%
Domestic sales	108.7	96.4%
Total	205.4	-9.9%

Sources: Company data, VSA, Mirae Asset Research

Steel – Cycle is slower, not over (cont'd.)

With slow ASP recovery, companies' margin trajectories are likely to diverge

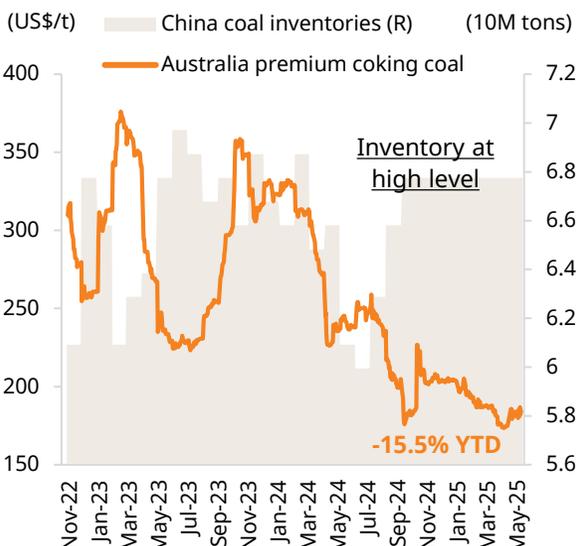
- **Vietnam HRC prices remained range-bound at 2025 lows.** Despite the lack of momentum, local prices are now trading approximately 30% below post-tax Chinese imports—a sharp reversal from the prior year, when China served as the primary price anchor. Most recently, Hoa Phat Group (HPG) and Formosa have cut HRC selling prices by US\$8/t and US\$12/t, respectively, for June shipment, reflecting the MoM decline in SHFE HRC futures.
- **Iron ore and coking coal prices continued to weaken in May 2025,** reflecting muted steel demand and elevated raw material inventories in China. SGX 62% Fe futures have declined toward US\$100/t, while Dalian coking coal has settled around US\$182/t. According to S&P Global, both commodities are expected to remain under pressure, with 2025 averages seen at US\$98.2/t for iron ore (-2% from current levels) and US\$204/t FOB Australia for coking coal (+12.1% from current levels, +2% YTD).
- **Taken together, we expect steel spread expansion to continue for HPG.** Our price tracker indicates that elevated inventories in China have led to softer input prices, while domestic HRC prices in Vietnam have stabilized following the provisional anti-dumping ruling. Together, these factors have driven a significant expansion in steel spreads, with current gross profit per ton reaching US\$82.6 (equivalent to a 16.8% gross margin). This substantial improvement is expected to support margin realization for HPG through 9M25. While HPG and Formosa may delay price hikes to prioritize volume growth, the current 30% discount to post-tax Chinese imports leaves room for price volatility.
- **In this environment, we anticipate a lower margin profile for downstream players.** Margin risks are expected to remain elevated due to: 1) a pivot to lower margin domestic sales as exports slow, and 2) rising HRC input costs, with domestic prices rebounding from a large discount to imports. Although HRC bottomed in 1Q25, margin compression is already evident at names like NKG and HSG, which are likely to face further pressure as HRC prices rise.

Iron ore & China inventory

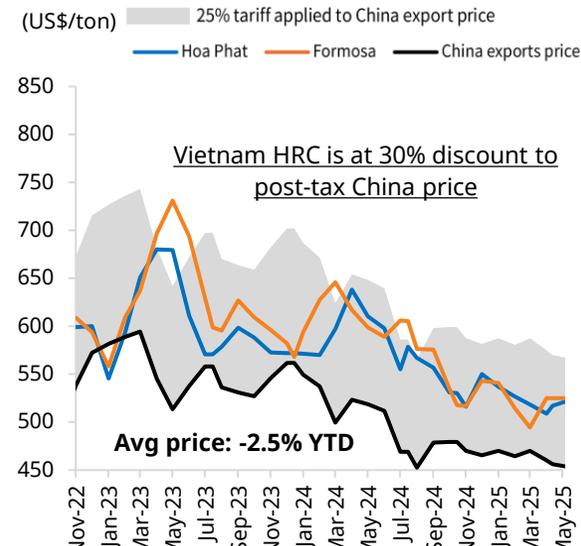


Sources: Company data, Bloomberg, Mirae Asset Research

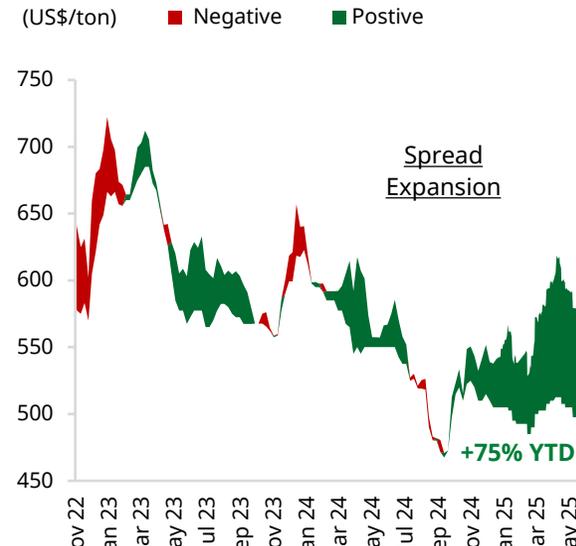
Coking coal & China inventory



HRC price in local market



Estimated Vietnam steel input/output spread





Building local formula for growth

Nguyen Nguyen, nguyen.nhb@miraeeasset.com.vn

(Maintain)	TRADING BUY
Target price (VND, 12M)	31,200
Current price (06/10/25)	26,250
Expected return	19%

NPATMI (25F, VNDbn)	16,338
Market consensus (25F, VNDbn)	NA
EPS Growth (25F, %)	46
P/E (25F, x)	10.1

Market cap (VND bn)	168,221
Shares outstanding (mn)	6,396
Free float (%)	59.0
Foreign ownership (%)	21.7
52-week low (VND)	21,300
52-week high (VND)	29,950

(%)	1M	6M	12M
Absolute	2.3	-4.5	-10.4
Relative	-1.3	-8.2	-12.2

Investment highlights

Strong performance across key metrics. The company reported an upbeat 1Q25, with revenue reaching VND37.6tn (+9% QoQ / +22% YoY) and net profit of VND3.3tn (+19% QoQ / +17% YoY). The gain in 1Q was largely driven by the steel segment, supported by stronger volumes (2.68mn tons, +29% YoY, +15% QoQ). Dung Quat 2 began contributing output in March 2025, lifting HRC sales to ~1mn tons (+25% YoY, +54% QoQ). While average realization was lower (VND13.2mn/ton; -3.8% QoQ), unit operating profit grew by 5.8% QoQ, thanks to lower unit costs. In addition, average iron ore and coking coal prices fell by 5% and 16% QoQ, respectively. The soft price realizations were anticipated, as HPG proactively adjusted pricing in response to seasonal weakness and 5Y-low domestic HRC prices in March 2025.

On trade policy, HPG was hit with a 52% provisional anti-dumping (AD) duty by the US (announced on April 4, 2025), compounding broader global trade headwinds. Although this limits HPG's access to higher-priced markets (US HRC is currently trading at a 30% premium to local prices), we see a minimal direct impact on HPG's sales. During the 2025 AGM, management reiterated its long-term target of maintaining exports at around 20% of total sales (vs. 31% in FY24, which was viewed as a temporary pivot). As of 1Q25, HPG exported only 10% of its HRC volume and 20% of its rebar volume, respectively. Encouragingly, all incremental HRC output from Dung Quat 2 has been fully absorbed, with no inventory build-up. Given robust domestic demand, we believe the company remains on track to achieve its 35% YoY HRC volume growth target in FY25.

Projection: 1Q25 results were in line with our expectations for margin expansion, and the company's guidance also indicates a back-loaded earnings trajectory for the remainder of the year (VND11.7tn; +27.9% YoY). Heading into 2Q, we believe HPG is likely to benefit from: 1) Sustained strong performance in volume sales and pricing, supported by the effective AD duty on Chinese imports; 2) Continued improvement in profitability, as margins normalize under the current favorable input/output spread; and 3) Potential upside from better-than-expected operations at Dung Quat 2. We are now projecting FY25 revenue at VND170,336bn (+22.7% YoY) and net profit at VND16,338bn (+35.9% YoY).

Valuation: We maintain our valuation at 1.52x FY25F P/B, pegged to regional peers. Based on the updated FY25F BVPS of VND20,478, we revise our target price to VND31,200 (from VND32,000).



FY (31/12)	2022	2023F	2024F	2025F	2026F	2027F
Revenue (VNDbn)	141,409	118,953	138,855	170,336	188,605	217,758
OP (VNDbn)	13,078	9,669	14,615	14,253	15,265	21,371
OP margin (%)	9.2	8.1	10.5	10.6	10.7	11.8
NPATMI (VNDbn)	8,484	6,835	12,021	16,338	18,185	23,096
EPS (VND)	1,320	1,005	1,751	2,554	2,843	3,611
ROE (%)	9.0	6.5	10.3	13.3	13.1	15
P/E (x)	12.4	25.3	15.2	10.1	9.0	7.1
P/B (x)	1.1	1.6	1.5	1.2	1.1	1.0
Total assets (VNDbn)	170,336	187,783	224,490	252,375	256,319	268,300
Equity (VNDbn)	96,007	102,836	114,648	130,985	145,972	162,672

Source: Company data, Mirae Asset Vietnam Research



Runway remains elusive

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(Maintain)	BUY
Target price (VND, 12M)	16,000
Current price (06/10/25)	13,000
Expected return	23%

NPATMI (25F, VNDbn)	428
Market consensus (25F, VNDbn)	NA
EPS Growth (25F, %)	-33
P/E (25F, x)	13.4

Market cap (VND bn)	5,818
Shares outstanding (mn)	448
Free float (%)	69.4
Foreign ownership (%)	5.2
52-week low (VND)	11,050
52-week high (VND)	21,189

(%)	1M	6M	12M
Absolute	5.3	-14.0	-37.0
Relative	1.5	-17.7	-38.9

Investment highlights

Revenue declined on lower volumes. NKG reported a disappointing 1Q25, with revenue falling to VND4,090bn (-8% QoQ / -23% YoY), mainly driven by a 12% QoQ / 19% YoY drop in sales volume. Export revenue fell sharply to VND2,125bn (-12% QoQ / -43% YoY), accounting for just 52% of total sales, versus 70% in 1Q24. This steep decline reflects the continued impact of US anti-dumping duties on CORE steel, which took effect in 4Q24. As noted at the 2025 AGM, NKG suspended shipments to the US in September 2024. Meanwhile, domestic revenue came in at VND1,983bn (-4% QoQ / +23% YoY). Net profit fell 56% YoY to VND65.4bn and 78% YoY to VND33bn after excluding non-operating items.

ASP recovered, while margin remained under pressure. Average selling price (ASP) recovered to VND19.9mn/ton in 1Q25, up 3.5% QoQ, suggesting a potential price bottom. We believe pricing has begun to rebound, as producers pass through input cost inflation to the domestic market. Management has guided for FY25 volume of 1.05mn tons and revenue of VND23tn, implying a full-year ASP of VND21.9mn/ton—approximately 10% above 1Q25 levels.

Projection: Given recent sector developments, we adopt a more cautious stance. We lower our FY25F revenue and net profit forecasts by 3.4% and 21.3%, respectively, to reflect weaker volume assumptions and a reduced export contribution (to 50% from 77%). These revisions result in a 1.79ppt cut to operating margin. Overall, revenue and profit are now projected to grow +2.5%/-5.5% YoY in FY25F, placing our EPS estimate 24% below consensus.

Valuation: We revise our valuation multiple to 0.9x FY25F P/B (from 1.0x) to reflect the weaker growth outlook. Valuation has de-rated meaningfully, with NKG now trading well below -1 SD of its 5Y EV/EBITDA and P/BV averages. We maintain our BUY rating and lower our target price to VND16,000 (from VND17,400).



FY (31/12)	2022	2023F	2024F	2025F	2026F	2027F
Revenue (VNDbn)	23,071	18,596	20,609	21,120	26,052	34,774
OP (VNDbn)	93	373	694	735	978	1,667
OP margin (%)	0.4	2.0	3.4	3.5	3.8	4.8
NPATMI (VNDbn)	(125)	117	453	428	604	820
EPS (VND)	(369)	278	1,434	957	1,349	1,832
ROE (%)	(2.3)	2.1	8.0	6.2	7.3	9.2
P/E (x)	#N/A	69.0	10.1	13.4	9.5	7
P/B (x)	0.6	1.2	0.8	0.7	0.7	0.6
Total assets (VNDbn)	13,461	12,235	13,519	16,601	22,369	23,246
Equity (VNDbn)	5,320	5,423	5,871	8,552	9,357	11,659

Source: Company data, Mirae Asset Vietnam Research

Overseas revenue kept growing

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(Maintain)	BUY
Target price (VND, 12M)	79,100
Current price (06/10/25)	55,200
Expected return	43%

NPATMI (25F, VNDbn)	9,414
Market consensus (25F, VNDbn)	10,071
EPS Growth (25F, %)	0.8
P/E (25F, x)	15.1

Market cap (VND bn)	117,038
Shares outstanding (mn)	2,090
Free float (%)	35.2
Foreign ownership (%)	NA
52-week low (VND)	51,400
52-week high (VND)	76,200

(%)	1M	6M	12M
Absolute	-1.1	-11.9	-16.4
Relative	-7.4	-18.5	-18.2

Investment points

Viet Nam Dairy Products JSC (VNM VN) is the leading dairy corporation in Vietnam, with the largest domestic market share in the liquid milk segment and second largest market share in the formula milk segment. VNM currently operates 15 farms in the Indochina region and is the major buyer of fresh milk from exclusive farmers with total cows of nearly 130,000. VNM also has a wide distribution system of over 200,000 points of sale throughout the country, which provides the corporation with a solid competitive advantage over peers. In addition, VNM's recent moves to penetrate abroad markets via M&A deals and joint venture has positive signals. We believe that VNM is a worthy investment, as the dominant corporation in Vietnam dairy market.

Business updates: VNM recorded a significant decline in revenue in 1Q25 due to a drop in domestic sales. The company's total revenue reached VND12,965.4bn (-8.2% YoY) in 1Q25. Of which, domestic revenue amounted to VND10,010.1bn (-12.9% YoY), while overseas revenue continued to grow steadily, reaching VND2,924.4bn (+11.8% YoY). According to VNM, domestic revenue is expected to recover and grow in 2Q25 after the company completes the restructuring of its domestic distribution system. In 1Q25, VNM's gross margin narrowed to 40.2% (1Q24: 41.8%), and gross profit totaled VND5,210.5bn (-11.8% YoY). SG&A expenses continued to increase as the company has been actively restructuring its distribution network. As a result, VNM's operating profit and NPAT in 1Q25 reached VND1,950.5bn (-28.2% YoY) and VND1,587.3bn (-28.1% YoY), respectively.

2025 forecast: We maintain our view that overseas markets will become VNM's key growth driver. Due to sluggish domestic demand, we believe domestic revenue will grow by only 2% YoY, mainly driven by price increases. Meanwhile, we forecast overseas revenue growth at 10% YoY (FY24: +12.6% YoY), amid ongoing international tensions. We forecast VNM's total revenue in 2025 to reach VND64,156bn (+3.8% YoY). With most of our cost assumptions unchanged, we project the company's NPAT at VND9,509bn (+0.6% YoY).

Valuation: We applied the discounted Free Cash Flow to the Firm (FCFF) method with the following key assumptions: 1) a required rate of return of 11%; and 2) a terminal growth rate of 3% after 2034. Accordingly, we maintain our target price for VNM at VND79,100 (dividend-adjusted) and reiterate our Buy rating. The company usually pays VND3,500-4,000 in cash dividends per share, offering a 6-7% dividend yield.

Key risks: We believe the key risks to our rating and valuation include: 1) the elimination of Vietnam's milk import tariffs, increasing domestic competition; 2) fluctuations in input prices; and 3) changes in VNM's M&A or investment strategies.



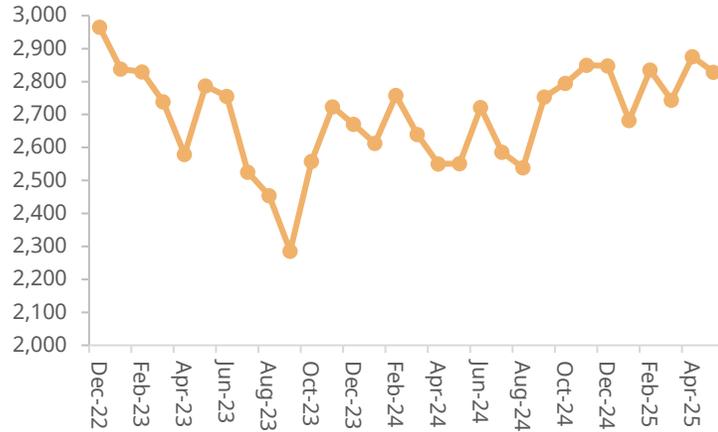
FY (31/12)	2022	2023	2024	2025F	2026F	2027F
Revenue (VNDbn)	60,075	60,479	61,824	64,156	66,671	69,340
OP (VNDbn)	10,491	10,904	11,594	11,596	12,521	13,168
OP margin (%)	17.5	18	18.8	18.1	18.8	19.0
Pre-tax income (VNDbn)	10,496	10,968	11,600	11,596	12,521	13,168
NPATMI (VNDbn)	8,516	8,874	9,392	9,414	10,165	10,690
EPS (VND)	3,632	3,796	4,022	4,054	4,377	4,603
ROE (%)	25	26.6	26.6	25.8	26.7	26.6
P/E (x)	24.1	17.8	15.8	15.1	14.0	13.3
P/B (x)	3.8	4.4	4.1	3.8	3.6	3.4
Total assets (VNDbn)	48,483	52,673	55,049	53,481	55,664	58,434
Equity (VNDbn)	32,817	35,026	36,174	37,427	39,363	41,777

Source: Company data, Mirae Asset Vietnam Research

Vietnam Dairy Products JSC (VNM VN)

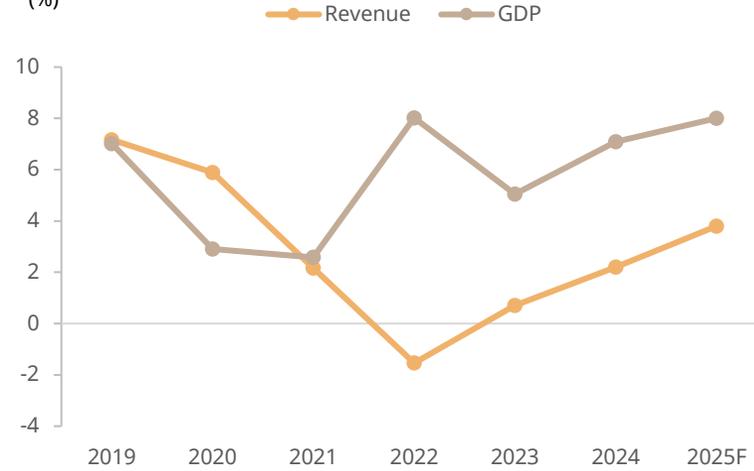
Milk powder price

(US\$/MT)



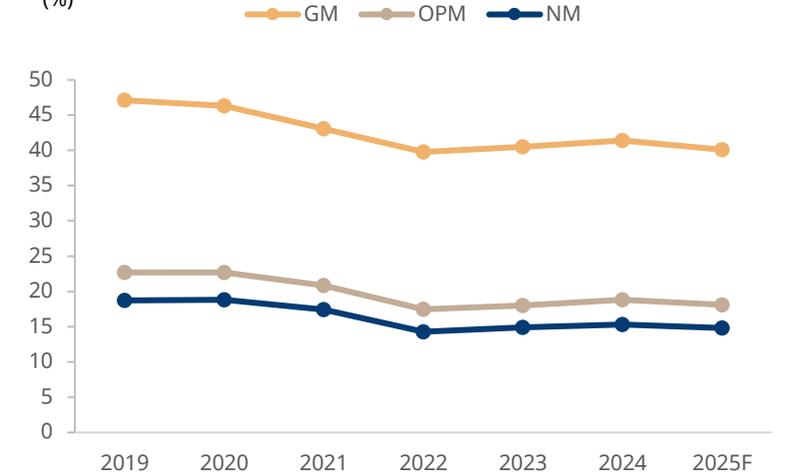
VNM's yearly revenue growth vs. Vietnam GDP

(%)



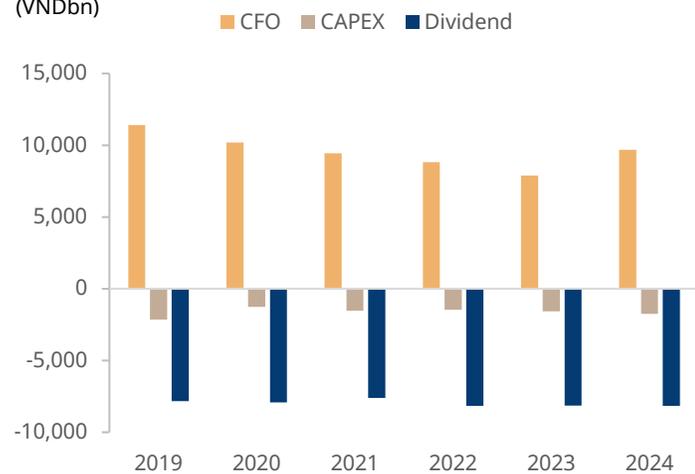
VNM's profit margins

(%)



VNM's CFO, CAPEX & Dividend

(VNDbn)



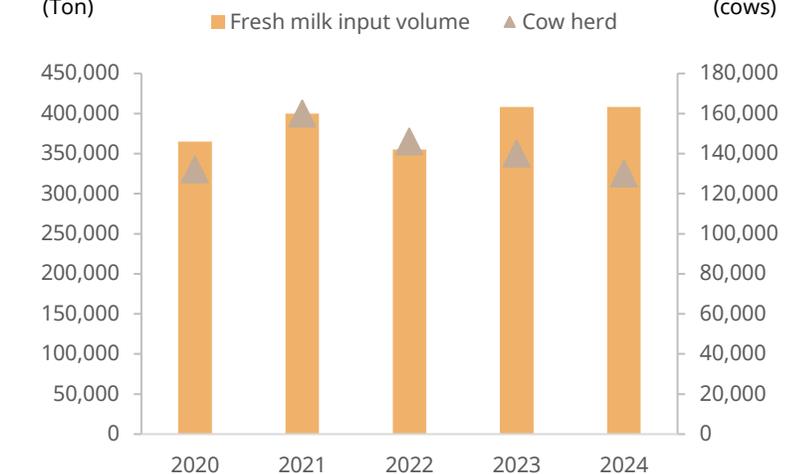
VNM's Dupont analysis

(VNDbn)



VNM's cows & fresh milk input volume

(Ton)



Source: Global Dairy Trade, Company data, Mirae Asset Vietnam Research



Scaling starts, standing strong

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(Maintain)	TRADING BUY
Target price (VND, 12M)	72,000
Current price (06/10/25)	61,500
Expected return	17%

NPATMI (25F, VNDbn)	4,952
Market consensus (25F, VNDbn)	5,253
EPS Growth (25F, %)	31.4
P/E (25F, x)	18.4

Market cap (VND bn)	94,948
Shares outstanding (mn)	1,479
Free float (%)	82.9
Foreign ownership (%)	47.9
52-week low (VND)	45,750
52-week high (VND)	70,800

(%)	1M	6M	12M
Absolute	9.2	8.8	3.5
Relative	0.6	1.8	0.9

Investment highlights

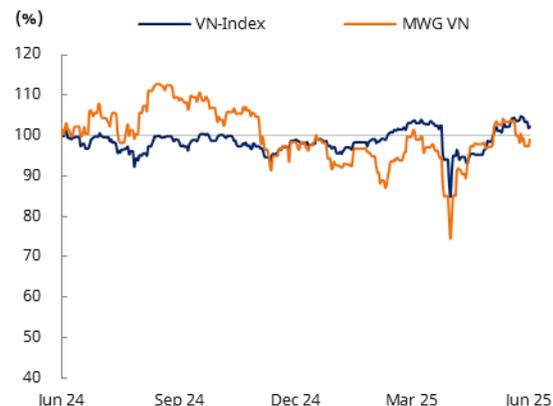
Mobile World Investment Corporation (MWG VN) is one of Vietnam's largest multi-format retailer, operating across three segments: ICT & consumer electronics (TGDD&DMX), grocery (BHX), and adjacent businesses (An Khang pharmacy, AVAKids, and the EraBlue joint venture in Indonesia). Upon completing major store rationalization in 2024, MWG is entering a new growth phase with gradual profit recovery driven by 1) *TGDD&DMX resilient in mature market*: In spite of market saturation, MWG acted early on restructuring (closing 300+ stores by FY24) resulting in improved store efficiency and 7.3% YoY sales growth, despite a 6.8% drop in store count in FY24. We expect topline to grow at a 5.9% CAGR (2025–27F), driven by continued share consolidation and improving store efficiency; 2) *BHX unlocks expansion phase*: As a frontrunner in modern grocery, BHX is well-positioned to challenge traditional wet markets with its affordable fresh food strategy. With profitability achieved from 3Q24, BHX is projected to achieve 17.7% revenue CAGR (2025–27F) driven by new store opening and sustained store efficiency; 3) *Tariff headwinds present, but fundamentals hold*: US tariff uncertainty may weigh on discretionary demand, especially ICT. However, domestic stimulus (VAT cuts, credit growth, and low interest rates) partly supports private consumption.

Business updates: In 1Q25, MWG recorded revenue of VND36.1tn (+15% YoY), achieving 24% of its FY25 guidance. TGDD & DMX remained resilient with sales of VND24.2tn (+14% YoY), supported by a +15% YoY improvement in monthly sales per store. BHX posted strong momentum with revenue of VND11.0tn (+20% YoY). Consolidated NPAT reached VND1.5tn (+71% YoY), although BHX's contribution remained modest at VND22bn, accounting for only 4% of its full-year profit guidance. In April 2025, TGDD & DMX revenue moderated to VND8.3tn (+3% YoY), but store-level productivity continued to improve, reaching VND2.7bn/store/month (+11% YoY), with minimal net closures (-5 stores YTD) following the completion of 2024's rationalization. BHX led growth with revenue of VND3.9tn (+22% YoY), driven by 359 new store openings YTD, nearly reaching the FY25 target of 400. However, monthly sales per store declined to VND1.9bn (-3% YoY), reflecting softer demand in the Central region, where 50% of new stores are concentrated.

2025 forecast: We forecast total revenue to grow at a 10.2% CAGR over FY25–27F. In FY25, NPATMI is expected to reach VND4,953bn (+32.8% YoY), returning to the FY21 peak. This growth is driven by 11.5% top-line expansion, strong financial income (~VND1,000bn), and minimal store closure costs.

Valuation: We maintain our target price for MWG at VND72,000, based on the discounted free cash flow to the firm (FCFF) method. Despite a +40% rebound from its post-tariff low, the stock remains a compelling value opportunity, supported by solid fundamentals, ongoing efficiency gains, and multi-format growth potential amid a challenging macroeconomic backdrop.

Key risks: 1) Softened consumer demand in the discretionary ICT segment due to macro uncertainties; 2) Rising competitive pressure from e-commerce platforms, intensifying price competition in ICT retail; 3) Slower-than-expected sales ramp-up in new BHX stores, especially in weaker consumption regions.

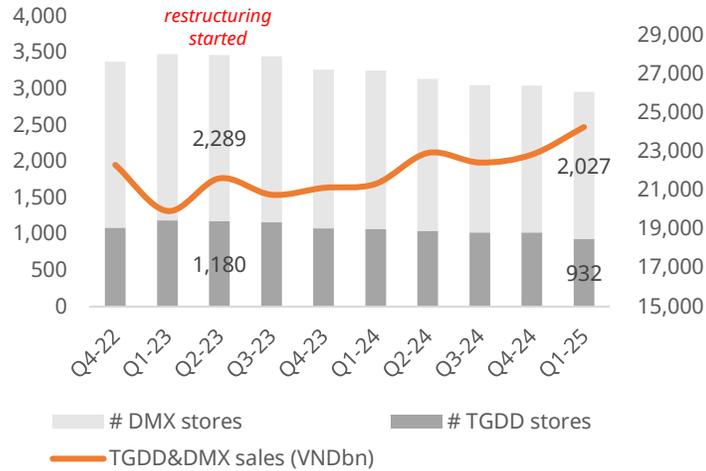


FY (31/12)	2022	2023	2024	2025F	2026F	2027F
Revenue (VNDbn)	133,405	118,280	134,341	150,992	167,175	183,120
OP (VNDbn)	6,624	328	4,032	5,393	6,585	7,940
OP margin (%)	4.97	0.28	3.00	3.57	3.94	4.34
Pre-tax income (VNDbn)	6,056	690	4,870	6,399	7,691	9,170
NPATMI (VNDbn)	4,100	168	3,722	4,953	5,955	7,102
EPS (VND)	2,802	115	2,547	3,347	4,024	4,799
ROE (%)	17.1	0.7	13.2	15.2	15.8	16.3
P/E (x)	22.9	560.0	25.2	18.4	16.0	13.4
P/B (x)	3.9	4.0	3.3	2.9	2.5	2.2
Total assets (VNDbn)	55,834	60,111	70,438	80,975	92,922	106,223
Equity (VNDbn)	23,933	23,360	28,122	32,537	37,626	43,570

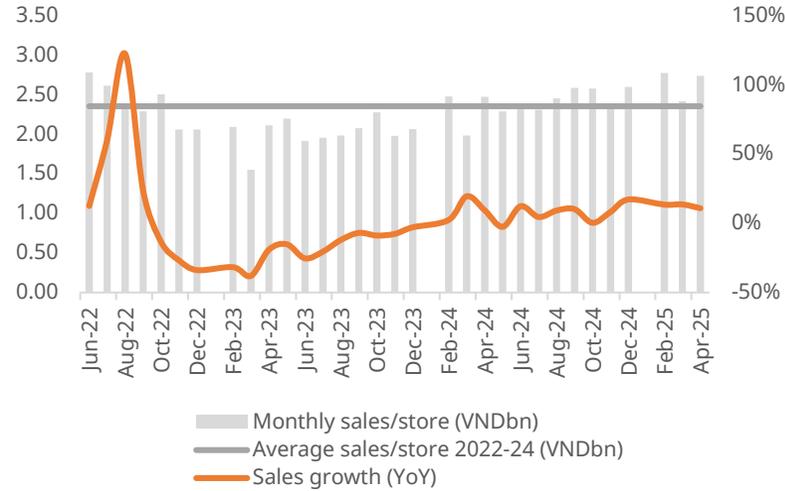
Source: Company data, Mirae Asset Vietnam Research

Mobile World Investment Corporation (MWG VN)

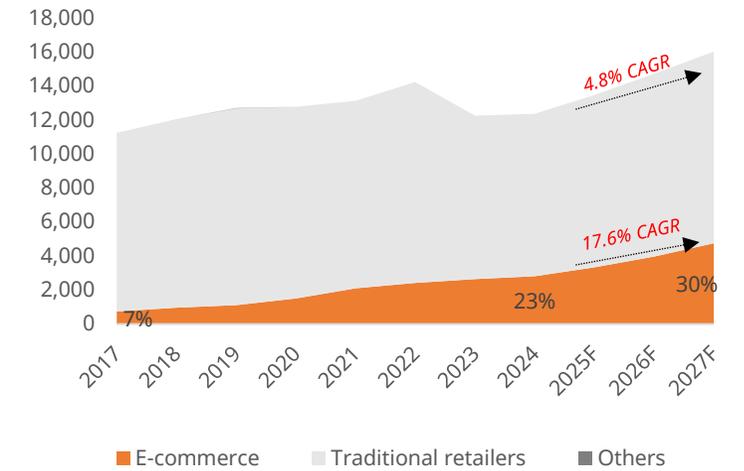
TGDD&DMX store count and combined sales



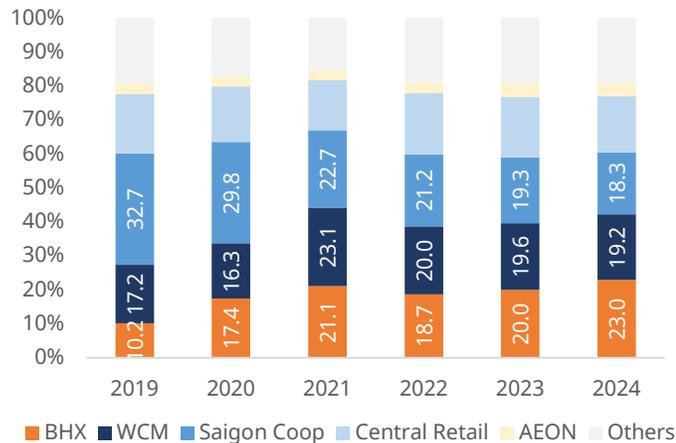
TGDD&DMX monthly revenue per store



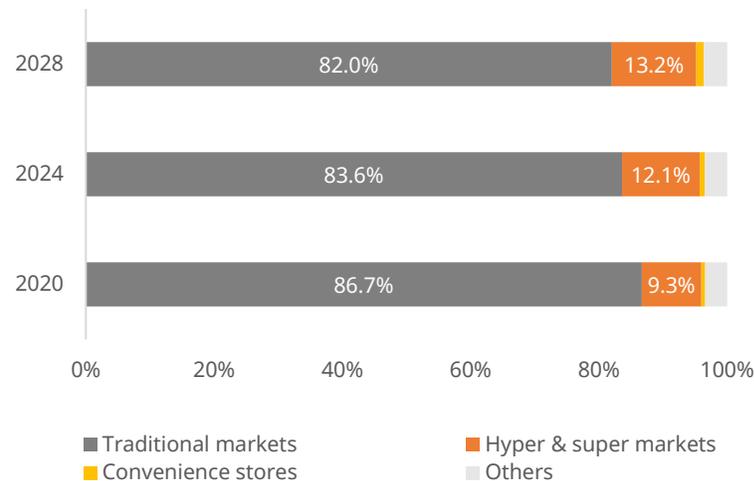
Intense e-commerce competition may cap ICT segment growth



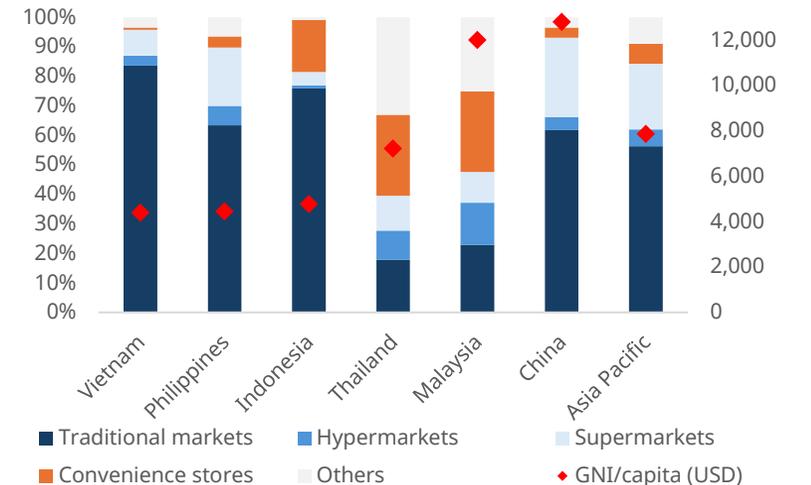
Company shares of modern grocery retailers



Vietnam's grocery retail shift: Traditional to Modern



Vietnam's modern grocery retail remains under-penetrated



Source: Euromonitor, Company data, Mirae Asset Vietnam Research

Petroleum – The comprehensive change in gasoline regulation

The latest proposal unveils a comprehensive shift toward a market-driven pricing framework

In the latest draft of the gasoline decree – the sixth proposal – a significant change has emerged: the state enables the selling price to be fully anchored to market dynamics. The general pricing formula still includes sourcing costs, operating costs, and profit, as in previous drafts. However, all pricing components are now determined and announced by individual wholesalers and distributors within their network systems (COCO and DODO), based on actual operational efficiencies, rather than relying on the base price quoted by the MoIT. Notably, previous proposals had only allowed partial price liberalization, with several components still regulated under defined conditions.

Additionally, the draft highlights to maintain the provisions of Decree 80/2023 by continuing to allow cross-trading among distributors and the retailers could diversify from variety sources – a practice that had been prohibited in the last five versions. Authorities had previously argued that such transactions distorted actual sales volumes and inflated discounts due to speculative activities involving multiple intermediaries. To address this non-market behavior, the new version introduces a requirement for all wholesalers and distributors to connect with the MoIT and report volume data across the entire supply chain — from import to final sale.

These initiatives provide significant competitive advantages to market leaders PLX and OIL, who together dominate two-thirds of the market. They now enjoy “soft power” in pricing competition, rather than relying on the authorities' periodic price adjustments.

In the short term, these developments are expected to offset some of the disappointment from 1Q25 results, which were affected by unfavorable pricing factors. In addition, we expect that the application will deliver a higher bottom line growth for both entities, especially OIL. Currently, OIL is prioritizing volume over margin, accepting lower gross profits to expand its market share. This strategy has unintentionally established a low baseline for earnings — its gross profit per liter stands at just one-third of PLX's. From 2021 to 2024, OIL's market share increased significantly from 15% to 22%, whereas PLX experienced a more modest rise from 43% to 47%

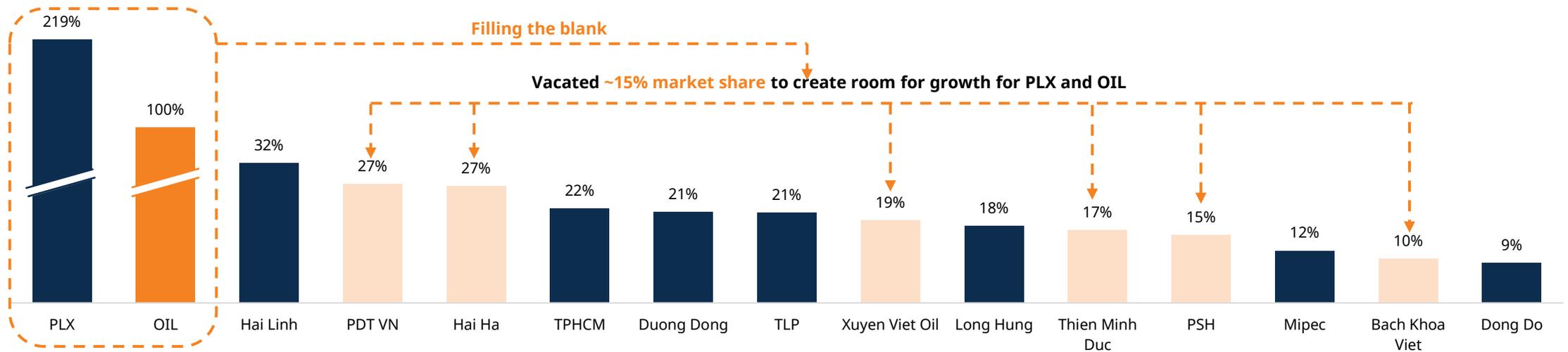
Key pricing elements within different regulatory frameworks

	Decree 83/2014	Decree 95/2021	Decree 80/2023	6th draft
Formula price	Imported price + related taxes and fee	Weighted average price between domestic and imported components		Sourcing cost + incurred operating cost + self-defined profit
Global price	Determined by MoIT at adjustment day			Determined by actual cost of inventory at adjustment day
Imported cost	Half-yearly review		Quarterly review	
Imposed tax	Based on taxable price			
Price stabilization fund	Managed by trader, regulated under MoF supervision			Fully managed by state
(Regulated) Operating cost	Fixed at VND600-1,250	Review by annum	Review by annum (VND430-1,140 in 2024)	Review by weekly based on incurred costs
(Regulated) Profit	Fixed at VND300			Determined by wholesaler or distributor
Adjustment cycle	Minimum 15-day upward trend, maximum 10-day downward trend	10 days (the 1st, 11th and 21st of every month)	7 days (every Thursday)	
Limit on traders may be sourced	One		Three	Enable traders to purchase across each other
Required day in inventory	30 days supply	20 days supply		

Source: Authority, Mirae Asset Vietnam Research

Petroleum – The comprehensive change in gasoline regulation (cont'd.)

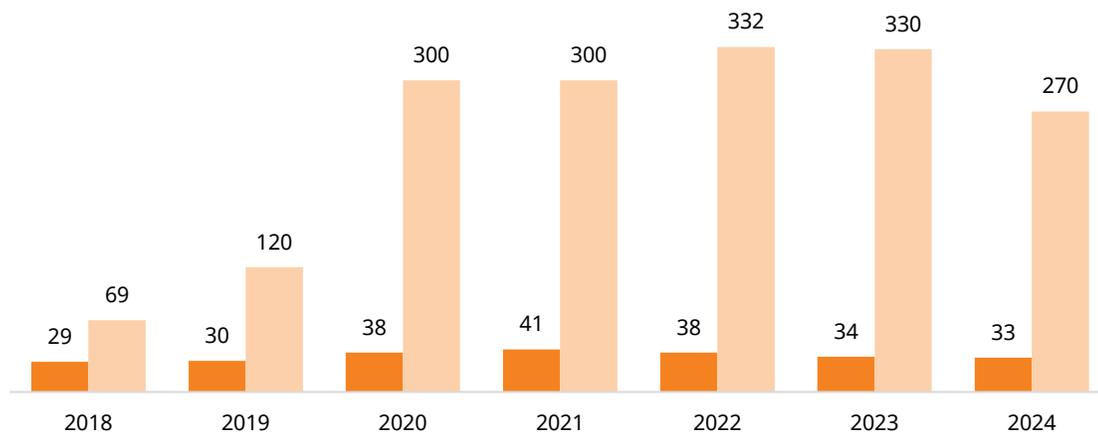
Gasoline revenue (>VND5,000bn) of major wholesalers vs. OIL (2019 Pre-pandemic baseline)



Source: PLX, OIL, Public media, Mirae Asset Vietnam Research

Significant change in regulatory environment rearranges participants, resulting in a notable supply gap ...

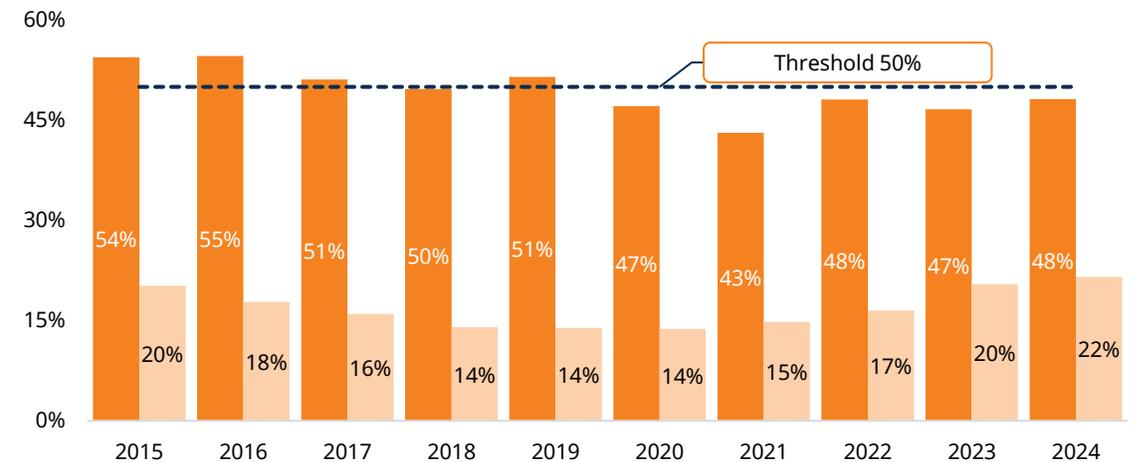
Wholesalers Distributors



Source: MoIT, PLX, public media, Mirae Asset Vietnam Research

... OIL's swift response to the supply gap is evident in its rising market share

PLX OIL

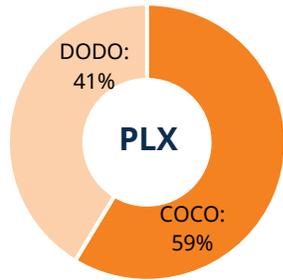


Source: PLX, OIL, Mirae Asset Vietnam Research

Petroleum - The comprehensive change in gasoline regulation (cont'd.)

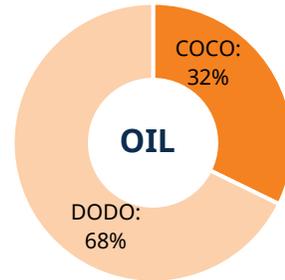
PLX and OIL have taken distinctly different strategic paths, leading to divergent earnings expectations

Gross profit per liter
~VND1,500



Volume per store
~2,300 tons

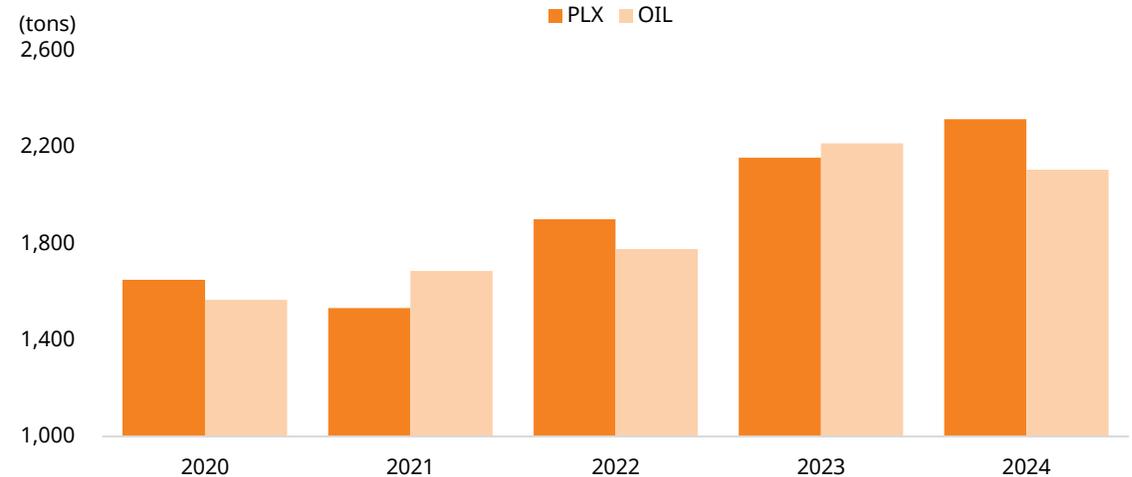
Gross profit per liter
~VND500



Volume per store
~2,100 tons

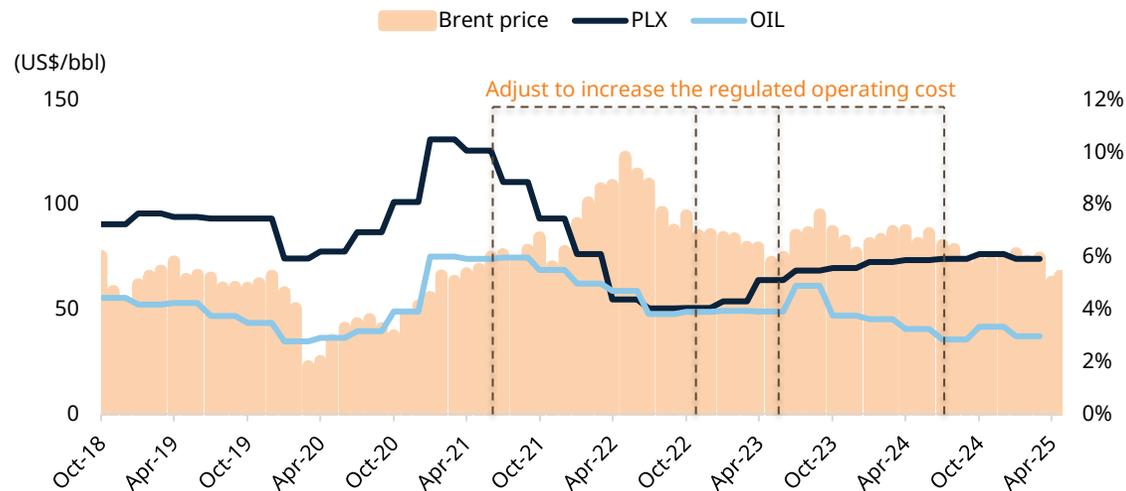
Source: PLX, OIL, Mirae Asset Vietnam Research. Data as of 2024

The increase in per-store sales volume helps mitigate some of the rising operating costs



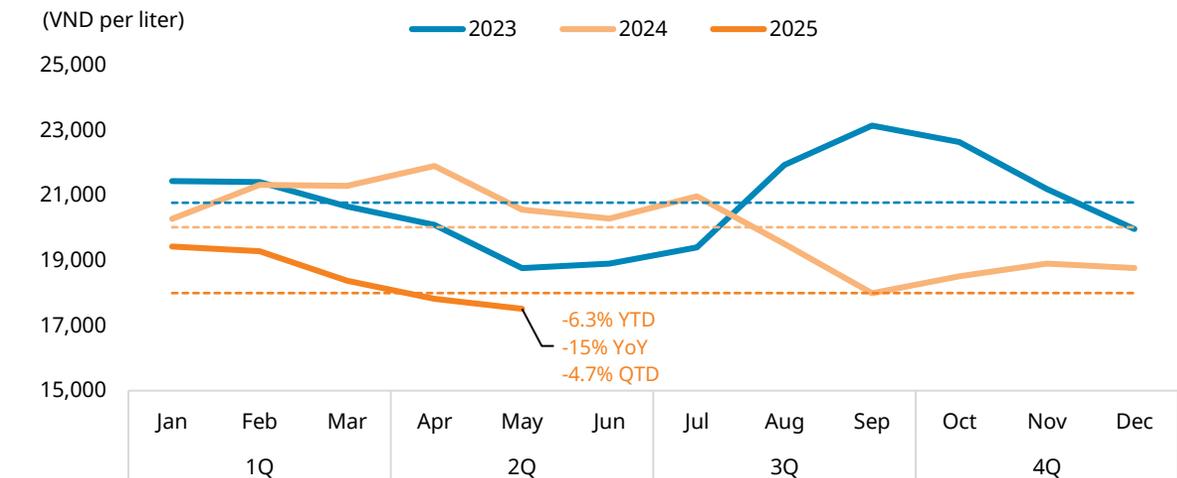
Source: PLX, OIL, Mirae Asset Vietnam Research

Brent movement versus PLX & OIL's aggregate gross margin



Source: Bloomberg, Mirae Asset Vietnam Research

A 6.3% YTD decline in retail prices may lead to a disappointing 2Q25 outcome



Source: Authority, Mirae Asset Vietnam Research



The 6th draft to settle the disappointed 1Q25 result

Duy Nguyen, duy.nk@miraeasset.com.vn

(Maintain)	BUY
Target price (VND, 12M)	47,300
Current price (06/10/25)	35,500
Expected return	33%

NPATMI (25F, VNDbn)	3,153
Market consensus (25F, VNDbn)	N/A
EPS Growth (25F, %)	9.1
P/E (25F, x)	14
Market cap (VND bn)	42,755
Shares outstanding (mn)	1,271
Free float (%)	86.7
Foreign ownership (%)	17.7
52-week low (VND)	30,950
52-week high (VND)	51,700
(%)	1M 6M 12M
Absolute	-5.7 -16.2 -6.5
Relative	-8.2 -14.5 -8.1

Investment highlights

A conservative master plan to face headwinds: In 2025, PLX targets petroleum sales volume of 17mn m³, up 8% versus actual performance in 2024 and 31% higher than the previous guideline. This organic growth aligns with the nation's petroleum demand projected at 8% by the Ministry of Industry and Trade (MoIT), and our forecast of 8.4% for domestic needs. According to management, revenue and profit before tax (PBT) are guided to decrease by 13% and 19% YoY, to VND248,000bn and VND3,200bn respectively. These figures are lower than our forecast, representing 89% and 72% of our expectations. The weaker revenue and profit guidance for 2025 is primarily attributed to the declining oil price outlook. Notably, based on actual results over the past three years, PLX has consistently outperformed its initial guidance, with revenue exceeding 63%, 44%, and 51%, and PBT achieving 74%, 122%, and 137% of the planned figures, respectively. Therefore, we maintain our latest forecasts, pending the release of the audited consolidated financial statements for 1H25 to conduct a comprehensive review of the projections.

A sharp oil drop to affect earnings: PLX's 1Q25 results were significantly impacted by a dramatic decline in oil prices amid an intensifying trade war. This negative development nearly wiped out 90% of net profit YoY, with the company reporting only VND133bn, while revenue fell 9.6% YoY to VND67,890bn. In 1Q25, the oil price fell to US\$67/bbl (-13% YTD), directly affecting the cost of goods sold and resulting in a higher inventory write-down provision of VND261bn. Additionally, although the higher regulated cost implemented in July 2024 provided some profit cushion, it has not fully offset rising sourcing and operational expenses. Despite the unfavorable oil price environment, domestic petroleum sales remained resilient. Domestic sales volume in 1Q25 grew by 3.6% YoY to 2.7mn m³, accounting for 23% of our full-year forecast.

The 6th draft to settle the disappointed 1Q25 result: In late April, the MoIT released the sixth draft of a new petroleum decree, which amends and revises Decrees 83/2014, 95/2021, and 80/2023. Notably, the draft eliminates the ceiling price mechanism emphasized in previous drafts and replaces it with a market-based pricing framework. Under this new mechanism, traders will be allowed to set prices based on actual supply and demand dynamics, without being constrained by regulated cost components. This shift is expected to enhance pricing flexibility and may present an upside risk to PLX's performance, especially considering its underwhelming 1Q25 results.

Projection: For FY25, we forecast revenue to decline slightly to VND278,024bn (-2.1% YoY). Despite this top-line moderation, net profit is expected to continue its upward trajectory for the third consecutive fiscal year, reaching VND3,153bn (+9.1% YoY). We maintain a positive outlook for the FY25–30 period, projecting a CAGR of 5.2% for revenue and 13.5% for net profit. These projections reflect PLX's improving profitability profile and growing operational efficiency.



FY (31/12)	2022	2023	2024	2025F	2026F	2027F
Revenue (VNDbn)	304,064	273,979	284,017	278,024	293,573	309,171
OP (VNDbn)	997	2,175	2,793	3,005	3,705	4,359
OP margin (%)	0.3	0.8	1.0	1.1	1.3	1.4
NP (VNDbn)	1,450	2,834	2,890	3,153	3,726	4,236
EPS (VND)	1,122	2,190	2,233	2,437	2,879	3,274
ROE (%)	7	11	11	11	13	14
P/E (x)	27	15	17	14	12	10
P/B (x)	2	2	2	2	2	2
Total assets (VNDbn)	74,476	79,676	81,275	84,337	88,615	93,116
Equity (VNDbn)	27,783	29,202	29,308	30,822	32,974	35,696

Source: Company data, Mirae Asset Vietnam Research



Leading the market share race

Duy Nguyen, duy.nk@miraeasset.com.vn

(Maintain)	TRADING BUY
Target price (VND, 12M)	11,900
Current price (06/10/25)	10,500
Expected return	13%

NPATMI (25F, VNDbn)	494
Market consensus (25F, VNDbn)	NA
EPS Growth (25F, %)	20
P/E (25F, x)	21.1

Market cap (VND bn)	10,859
Shares outstanding (mn)	1,034
Free float (%)	19.5
Foreign ownership (%)	5.9
52-week low (VND)	8,100
52-week high (VND)	16,100

(%)	1M	6M	12M
Absolute	5.0	-11.8	-9.5
Relative	1.1	-15.6	-11.5

Investment highlights

External factors affecting 1Q25 performance: In a volatile cost environment, OIL's profit-for-growth trade-off may prove risky. This risk was evident in both 4Q24 and 1Q25, as unfavorable input costs squeezed earnings. In 1Q25, gross margin declined significantly by 217bps QoQ and 294bps YoY, resulting in a consolidated operating loss of VND31bn. In fact, losses in the gasoline segment were likely much higher, excluding the mitigating effect of the international trading segment, which delivered a double-digit top-line gain YoY in 1Q25. Fortunately, aggregate net profit still showed a slight gain of VND28bn (-88% YoY; -55% QoQ), supported by contributions from financial activities. However, with new regulations expected to be approved in the near term, we anticipate that OIL will pass negative input cost fluctuations directly to end-users rather than absorbing them. Furthermore, prioritizing retail channel expansion is expected to improve the overall gross margin, with COCO's share forecast to reach 26.8% in FY25 (+100bps YoY).

Aggressive revocation of licenses provides opportunity to fill empty market share: Over the past three years, regulatory tightening has reduced the number of petroleum wholesalers from 38 to 33 and distributors from 332 to 270, setting the stage for a more concentrated and competitive market. We expect the vacated market share to trigger a race, led by financially-solid player OIL. It has responded by prioritizing volume over margin, accepting lower gross profit to expand its market position. Since 2021, we see it has added 573 DODO (+48%) and 227 COCO (+37%) stations. Alongside an extended footprint, sales efficiency has significantly improved with volume per store rising from 1,686 tons in 2021 to 2,104 tons in 2024 (+24.8%).

Civil aviation fuel race as potential upside risk: In January 2025, OIL got a license to supply jet fuel, officially becoming the fifth trader in this segment. According to management, OIL intends to commence operations in 1H26, with an initial goal volume of 0.4mn tons — equivalent to approximately 10% of the current market — and aims to scale up to 2mn tons by 2031. We view this plan as feasible, given the strong alignment with Vietjet Aviation JSC (VJC VN) — Vietnam's largest low-cost carrier, which accounts for 44% of domestic and 51% of international air passengers, and also holds a 4.8% interest in OIL. In the past, the jet fuel segment had a double-digit growth with a CAGR of 17% during 2017-2019 and 15% during 2022-2024, respectively.

Projection: For FY25, we expect a modest reduction in revenue to VND122,565bn (-1.5% YoY), impacted by a 10% lower forecast pricing factor, despite organic growth continuing for the fifth consecutive year, at 8.7% YoY. In contrast to disappointing top-line results, we expect net profit to improve to VND494bn (+20.2% YoY), supported by improved margin management and a favorable cost structure. Looking ahead, we have a positive outlook for the FY25-30 period, projecting a CAGR of 5.8% for revenue and 18.9% for net profit.



FY (31/12)	2022	2023	2024	2025F	2026F	2027F
Revenue (VNDbn)	104,214	102,663	124,460	122,565	129,835	137,495
OP (VNDbn)	655	226	288	295	357	498
OP margin (%)	0.6	0.2	0.2	0.2	0.3	0.4
EBITDA (VNDbn)	1,011	640	623	739	755	907
NPATMI (VNDbn)	651	563	411	494	558	681
EPS (VND)	630	544	397	478	539	659
ROE (%)	6.4	5.5	4.2	4.8	5.2	6.2
P/E (x)	12.1	18.1	30.2	21.1	18.7	15.3
P/B (x)	0.8	1.0	1.2	1.0	1.0	0.9
Total assets (VNDbn)	28,810	38,839	41,734	41,941	42,636	43,797
Equity (VNDbn)	11,327	11,393	11,448	11,744	12,111	12,618

Source: Company data, Mirae Asset Vietnam Research

Electric Utilities – Power sector transformation to power economic growth

Power sector transformation to power economic growth

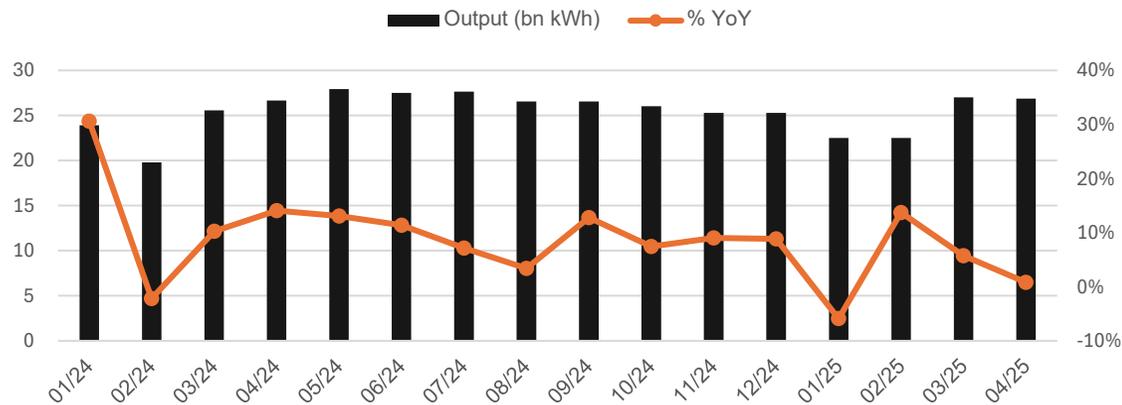
The total system's electricity production and import output in April reached 26.85bn kWh (+1% YoY). Cumulatively, in 4M25, total system output reached 98.98bn kWh (+3% YoY), comprising:

- Hydropower: 18.5bn kWh (+28% YoY), accounting for 19%.
- Coal-fired thermal power: 56.6bn kWh (-1% YoY), accounting for 57%.
- Gas turbines: 6.9bn kWh (-19% YoY), accounting for 7%.
- Renewable energy: 15.2bn kWh (+4% YoY), accounting for 15%, including: 1) Solar power: 9.31bn kWh (+1% YoY), 2) Wind power: 5.37bn kWh (+12% YoY).
- Imported electricity: 1.72bn kWh (+10% YoY), accounting for 2%.

Key regulations and developments in the electricity sector in 2025 include:

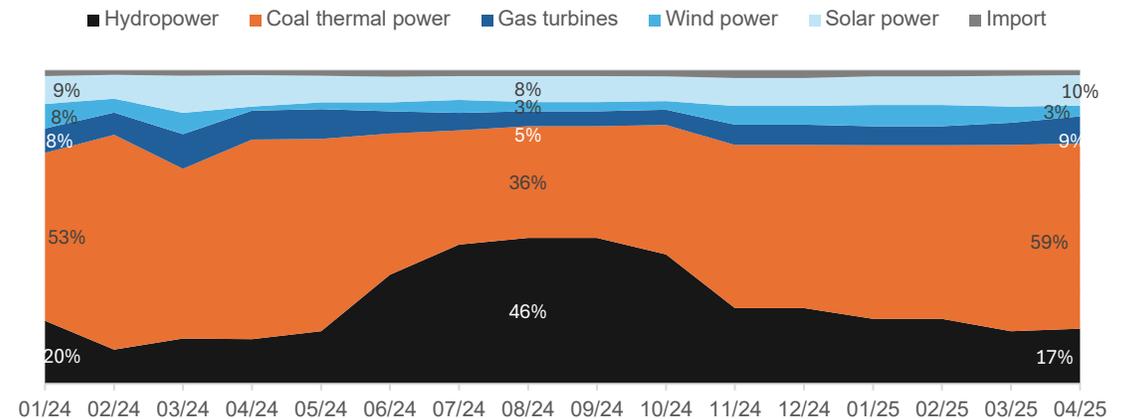
- **Power development plan revisions:** Notice No. 60/TB-VPCP (February 2025) revises Power Plan VIII, projecting US\$136bn in total electricity investment for 2026–2030 (US\$27bn/year, +75% vs. the previous plan), and US\$699bn for 2031–2050 (US\$35bn/year), with power sources accounting for 86% of the cost.
- **New direct power purchase mechanism:** Decree No. 57/2025/ND-CP (March 3, 2025) enables direct electricity transactions between renewable energy producers and large consumers via: 1) Private grid connection, 2) The national grid.
- **Electricity price adjustment:** The Ministry of Industry and Trade issued Decision No. 1279/QD-BCT (May 2025), regulating electricity prices. EVN announced that the average retail electricity price would increase from VND2,103.11 to VND2,204.07 per kWh (excluding VAT), equivalent to a 4.8% increase.

Monthly system's electricity output



Sources: EVN, Mirae Asset Vietnam Research

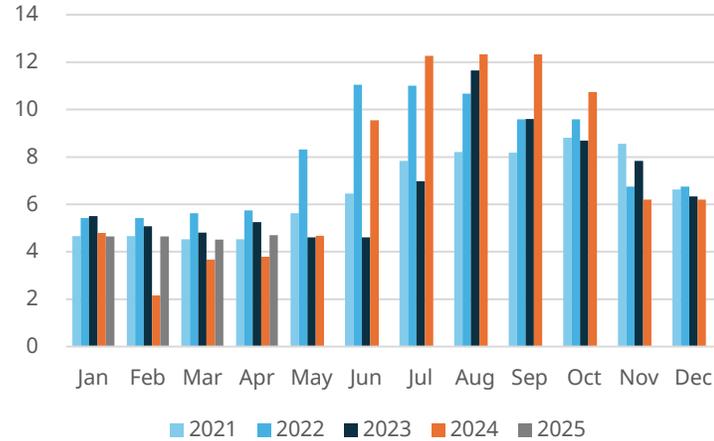
% Monthly electricity output by source



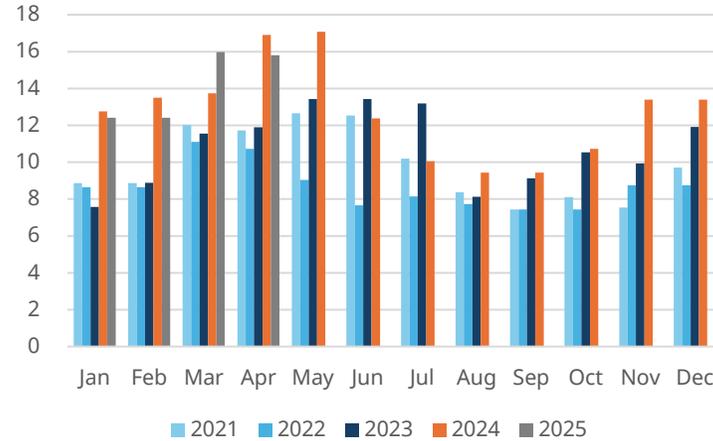
Sources: EVN, Mirae Asset Vietnam Research

Electric Utilities - Monthly electricity output by source

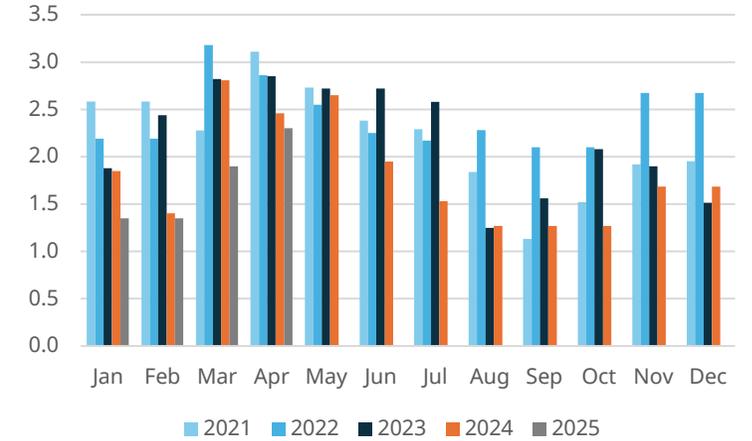
Hydropower electricity generation (bn kWh)



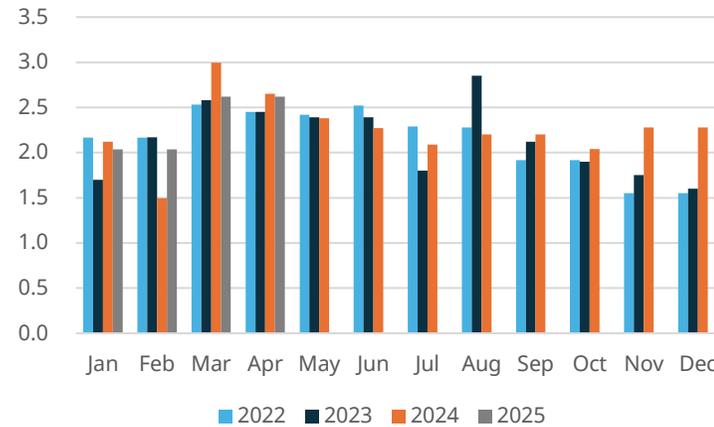
Coal power electricity generation (bn kWh)



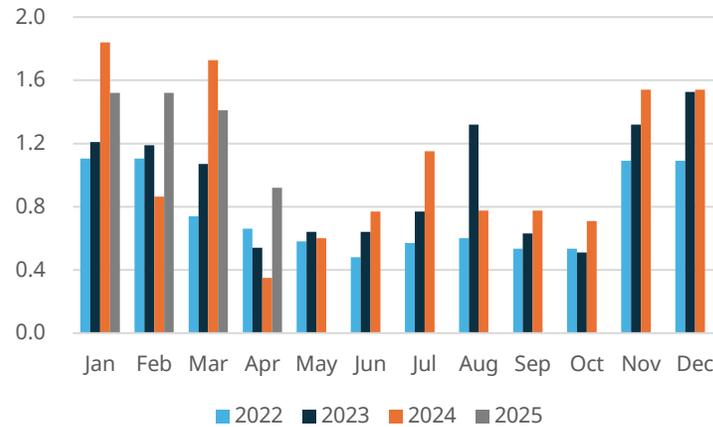
Gas turbine electricity generation (bn kWh)



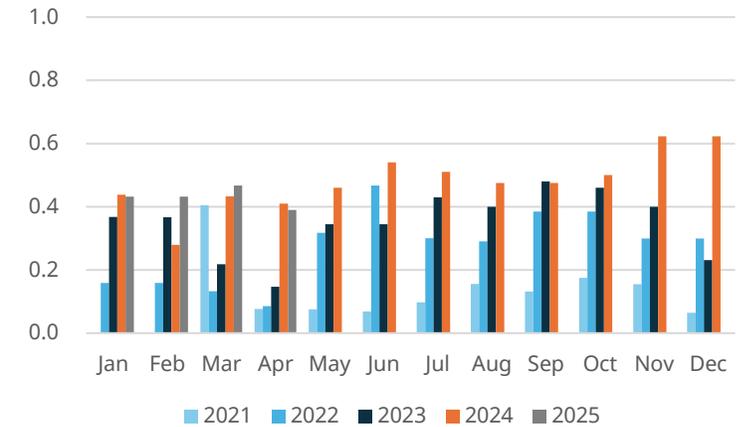
Solar electricity generation (bn kWh)



Wind electricity generation (bn kWh)



Imported electricity (bn kWh)



Source: EVN, Mirae Asset Vietnam Research



Robust growth in 2025

Sang Ho, sang.hh@miraeasset.com.vn

(Maintain)	TRADING BUY
Target price (VND, 12M)	18,300
Current price (06/10/25)	16,050
Expected return	14%

NPATMI (25F, VNDbn)	646
Market consensus (25F, VNDbn)	n/a
EPS Growth (25F, %)	461
P/E (25F, x)	12

Market cap (VND bn)	5,751
Shares outstanding (mn)	358
Free float (%)	35.5
Foreign ownership (%)	53.8
52-week low (VND)	10,450
52-week high (VND)	17,450

(%)	1M	6M	12M
Absolute	3.9	44.6	16.2
Relative	0.0	40.7	14.2

Investment points

Overview: Gia Lai Electricity JSC (GEC) established in June 1989, is a leading renewable energy enterprise in Vietnam. Headquartered in Pleiku City, Gia Lai Province, GEC specializes in the generation, transmission, and distribution of electricity, with a focus on renewable energy sources such as hydroelectric, solar, and wind power.

1Q25 business results:

- In 1Q25, GEG's consolidated revenue reached VND1,113bn (+51% YoY), while NPATMI posted VND378bn (+322% YoY). For electricity sales activities, this segment accounted for 99% of total consolidated revenue. Total electricity output and revenue reached 329mn kWh (-18% YoY) and VND1,099bn (+49% YoY), respectively.
- The wind power business contributed 205mn kWh (-26% YoY), equivalent to VND822bn (+84% YoY) in revenue. The increase in wind energy revenue was due to: 1) the TPD1 Wind Power Plant's official electricity selling price of VND1,813kWh (99.8% of the ceiling price), compared with VND906kWh (50% of ceiling price) in the previous period; and 2) retroactive payment during the May 31, 2023–February 28, 2025 period. Solar power recorded nearly 92mn kWh (-9% YoY) in output and VND209bn (-7% YoY) in revenue. Hydropower plant output was 33mn kWh (+17% YoY), equivalent to VND66bn (+5% YoY) in revenue.
- At the bottom, despite the drop in financial income to VND8bn (-16% YoY), a 24% YoY decline in interest expense (equivalent to VND187bn) led to impressive NPAT of VND613bn (+385% YoY). As of 1Q25, total interest-bearing debt was VND9,066bn, a drop of 9% YoY or 1% QoQ

2025 business plan: GEG's projected output in 2025 is 1,376bn kWh (+2% YoY). Wind power revenue in 2025 is expected to reach VND1,722bn, up VND664bn from 2024. GEG estimates the retroactive payment from EVN for TPD1 project at approximately VND397bn in 2025, and forecasts consolidated revenue at VND3,400bn (+46% YoY), pre-tax profit at VND777bn (+328% YoY), and NPAT at VND687bn (+647% YoY). The BoD has approved plans to divest GEG's 25.1% stake (13.4mn shares) in Truong Phu Hydropower JSC. The minimum transfer price is set at VND36bn/MW, with around VND218bn in expected proceeds and approximately VND120bn in pre-tax profit

FY25 projection: Total projected electricity output of 1,374mn kWh in 2025 (+2% YoY), including 372mn kWh (-3% YoY) from solar, 653mn kWh (+1% YoY) from wind, and 348mn kWh (+10% YoY) from hydropower, thanks to favourable weather forecasts. Revenue is projected at VND3,247bn (+40% YoY) and NPATMI at VND646bn (+463% YoY), including VND397bn from retroactive payment for the TPD1 wind power project and profit from divesting 25% of Truong Phu Hydropower JSC).



FY (12/31)	FY21	FY22	FY23	FY24	FY25F	FY26F
Revenue (VNDbn)	1,381	2,093	2,163	2,325	3,247	2,752
OP (VNDbn)	653	851	961	938	1,445	1,225
OP margin (%)	47%	41%	44%	40%	45%	45%
NPATMI (VNDbn)	283	316	137	115	646	473
EPS (VND)	892	818	338	272	1,523	1,083
ROE (%)	8.8%	8.2%	3.2%	2.6%	10.6%	7.2%
P/E (x)	17.0	16.1	40.8	47.7	12.1	17.0
P/B (x)	1.4	1.4	1.5	1.4	1.5	1.4
Total assets (VNDbn)	12,473	17,118	16,132	15,172	16,083	16,438
Equity (VNDbn)	3,738	5,630	5,767	5,763	6,376	6,773

Source: Company data, Mirae Asset Vietnam Research



Positive results expected in 2Q25

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(Maintain)	TRADING BUY
Target price (VND, 12M)	21,300
Current price (06/10/25)	18,100
Expected return	18%

NPAT (25F, VNDbn)	200
Market consensus (25F, VNDbn)	n/a
EPS Growth (25F, %)	166
P/E (25F, x)	27.5

Market cap (VND bn)	5,211
Shares outstanding (mn)	288
Free float (%)	32.3
Foreign ownership (%)	12.3
52-week low (VND)	16,000
52-week high (VND)	23,400

(%)	1M	6M	12M
Absolute	-3.2	-9.3	-21.6
Relative	-7.1	-13.1	-23.6

Investment points

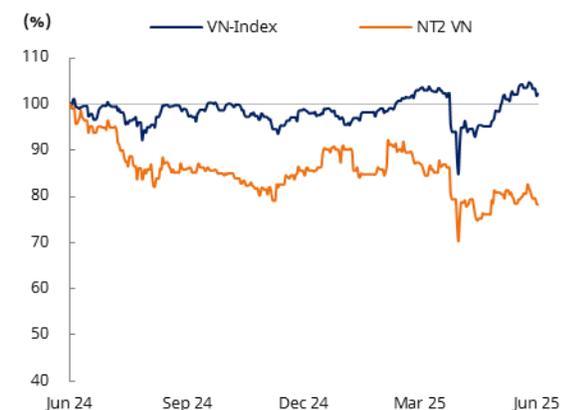
Overview: PetroVietnam Power Nhon Trach 2 JSC (NT2) was established in 2007 to invest in and construct the Nhon Trach 2 Thermal Power Plant, with a designed capacity of 750MW. NT2 has been listed and traded on the Ho Chi Minh Stock Exchange (HOSE) since June 2015.

4M25 business results:

- Total electricity output and contractual output (Qc) in April reached 258mn kWh (-34% YoY) and 311mn kWh (+23% YoY), respectively, generating net sales of VND629bn (-20% YoY). In 4M25, NT2 posted total electricity output of 852mn kWh (+56% YoY), equivalent to 25% of the company's annual plan, and Qc of 940mn kWh, compared to just 255mn kWh in 4M24. Alpha (%Qc) remained elevated at 110%. Net sales in 4M25 are estimated at VND2,056bn (+96% YoY), and we expect 2Q25 business results to remain profitable.
- The average selling price was estimated at VND2,415kWh (+25% YoY), while the average gas price was estimated at USD9.53/MMBTU (+2% YoY) in 4M25.

2025 business plan: NT2 plans to generate a total output of 3,467mn kWh (+26% YoY), equivalent to VND8,211bn (+38% YoY) in net sales. At the bottom, the company is expected to achieve VND309bn (+198% YoY) in pre-tax profit and VND278bn (+236% YoY) in NPAT. To support this performance, NT2 will utilize approximately 581mn cubic meters of natural gas and 85k cubic meters of oil.

FY25 projection: We project total output of 3,292mn kWh (+20% YoY) and assigned Qc of 2,798mn kWh (+26 YoY). We expect total output to fall short of the company's plan due to favourable hydropower conditions, leading EVN to reduce gas power mobilization as well as the lack of domestic gas supply to continue. On the other hand, NT2 could still benefit from the Phu My 2.2 and 3 gas-fired thermal power plants shifting their focus to LNG utilization, following the expiration of the BOT contract. In addition, NT2 is scheduled to make only a minor overhaul in July 2025. As a result, we forecast VND7,262bn in net sales and VND200bn in NPAT (up 22% and 142% YoY, respectively).



FY (12/31)	FY22	FY23	FY24	FY25F	FY26F	FY27F
Revenue (VNDbn)	8,788	6,386	5,944	7,262	7,481	7,707
OP (VNDbn)	950	441	(30)	153	232	316
OP margin (%)	11%	7%	-0.5%	2.1%	3.1%	4.1%
NPAT (VNDbn)	883	473	83	200	290	385
EPS (VND)	3,069	1,722	251	669	967	1,284
ROE (%)	20.0%	11.05%	1.7%	4.7%	6.9%	8.9%
P/E (x)	8.37	15.36	79.4x	27.5x	22.1x	16.6x
P/B (x)	1.60	1.75	1.4x	1.5x	1.4x	1.4x
Total assets (VNDbn)	7,445	8,451	8,698	7,984	7,482	7,709
Equity (VNDbn)	4,614	4,336	4,189	4,180	4,257	4,425

Source: Company data, Mirae Asset Vietnam Research

Textile - Preparing for negotiation results

Industry rating

- We maintain our Neutral rating for Vietnam Textile Industry amid interwoven negative and positive macro factors. In our view, Vietnam-US negotiation results are by now undoubtedly of the utmost importance in gauging the mid- and long-term prospects of Vietnam textiles. The recent tariff war between China and the US and the 90-day tariff pause for Vietnam are currently the key drivers of Vietnam textiles. Different kinds of conflict arise among Vietnam textile rivals bringing somewhat support for Vietnam textile industry. We believe the garment segment will record-high growth in 2Q25, while domestic fiber demand is likely to grow gradually to offset Chinese market demand.

Key developments

- **Garment segment accelerates, while fiber remains sluggish:** In 4M25, two major segments in Vietnam textiles saw mixed developments. Textile products enjoyed impressive growth in export value, at 12.8% YoY. Notably, in April when the US government announced new tariffs against trade partners, textile products saw a higher-than-average YTD growth rate, at 17.7% YoY. In terms of market share, at end-April, the share of Vietnam garments in key markets remained steady: the US (18.8%; 2024: 18.9%); Japan (18.7%; 2024: 17.9%); and South Korea (30.4%; 2024: 29.2%). Generally, in key markets, Chinese textile products continued to lose share to rivals like Vietnam, and this trend accelerated in 4M25, as tensions between China and the US escalated. Moreover, market share reductions of Chinese products in Japan and Korea may also result from increasing controls against trans-shipment and tariff avoidance activities of Chinese companies amid trade negotiations between the US and their trade partners. Along with export growth, domestic garment production signalled a strong condition that IIP and employment maintained continuous growth from the beginning of this year (textile production saw one or two narrowing months in 1Q25, due to low season and the Tet holiday). In addition, fabric input imports maintained healthy growth of 8.5% YoY (correlating to the growth rates of exports and production) in 4M25, which is a supportive signal.

Meanwhile, fiber exports fell by a modest 1.2% YoY in 4M25. Fiber export value to China was estimated at US\$0.63bn (-7.3% YoY) in 4M25 and accounted for 45.3% (2024: 47.7%) of total exports. Also, fiber exports to South Korea saw a decline of 18.7% YoY, reaching US\$0.13bn. The negative trend in exports were offset somewhat, as the domestic weaving segment continued to grow; the weaving IIP and employment indexes saw increases of 10.5% YoY and 6.9% YoY, respectively, which suggests growth in domestic fiber demand.

- **Conflict after conflict:** In 4M25, global tensions not only continued, but escalated, with the recent escalation between India and Pakistan over the disputed Kashmir region. With both countries deploying missiles and fighter aircraft, the clash may escalate to a much more serious conflict. Both countries possess nuclear weapons, which poses a threat to regional stability. In addition, the Russia-Ukraine peace talks have seen negligible progress, with the Trump administration seemingly losing patience. One positive is that the Houthis in Yemen announced a halt to attacks on non-Israeli vessels in the Red Sea area, although Israel's siege of Gaza continues.
- **Tariffs drain confidence:** The US tariffs hit the already-low consumer confidence, as the US consumer confidence index slipped to its lowest level in two years, at around 52.2 points in April. Also, consumer confidence in other key markets decreased right after the announcement of tariffs. Revenue of some key brands, like Nike, Gap, and H&M began to narrow in 1Q25, while inventory-to-sale ratios increased in general. Recently, some brands have asked for tariff exemption to avoid an “existential threat”, which may bode well for textile exporters like Vietnam in negotiations.

Recently, the US and China have agreed to slash tariffs by 115% for 90 days, which seems positive at first glance. However, we believe that the move may prove to be no more than a “halftime break”, unless some real deals are struck. Negotiations between the US and most other trade partners have so far borne no real results, except for those with the UK, and the baseline 10% tariffs are likely to be maintained no matter the results of negotiations. The Vietnamese government has been very active in negotiations, with the target of lower tariffs, and Vietnam is one of six trade partners prioritized for negotiating. The two countries' teams had a “productive” meeting on May 7.

Textile - Preparing for negotiation results (cont'd.)

Prospects and risks

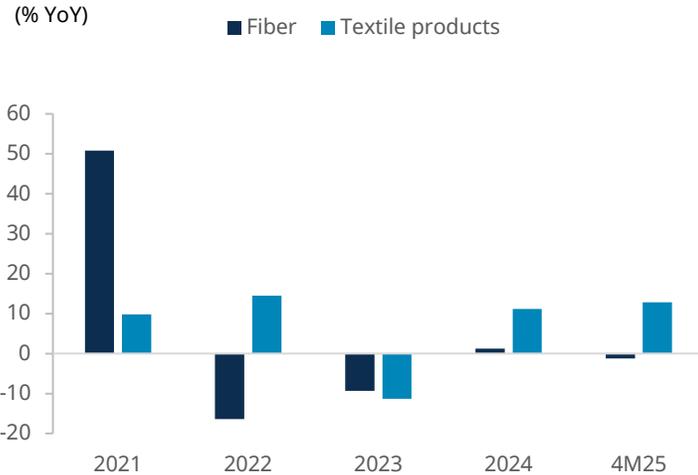
- **Tariff negotiation expectations:** A “productive” meeting is a positive start for Vietnam in the quest for lower tariffs. However, as a reminder, the baseline 10% tariffs are unlikely to be negotiable, and Vietnam indeed has a large trade surplus with the US (2024: over US\$123bn), which cannot be neutralized over a short period. We believe the most effective tool for Vietnam to balance trade is increased purchases of US products. However, with about US\$79bn in foreign exchange reserves (according to the IMF, updated to Jan. 25), versus the 4M25 average monthly import value of US\$34bn, there is not much room for spending. Lowering Vietnam’s tariffs on US products will have little effect on reducing the trade imbalance, as current average tariffs are only 9.4% and demand for US goods is not high enough. Thus, we expect the maximum level of tariffs to be much higher than 10% (with some possible exemptions). There would also some requirements for origin of goods in order to subdue trans-shipment and re-labelling activities.
- **Haven amid conflicts:** Although the expected US tariffs are likely high, we believe the key edge for Vietnam’s textile industry in the US market now lies in comparative advantages against rivals:
 - China, the largest textile exporter to the US, is locked in a trade war with the US, with both countries having imposed punishingly high tariffs against each other. Even with a 90-day pause with substantial tariff reductions from both sides, it is unlikely that Chinese products will be able to retake market share, and we believe the downward trend will continue, which benefits Vietnam textiles somewhat. We believe the exodus out of China should accelerate as demand for diversification increases.
 - Bangladesh textile recently saw improvements in the US market share, at 7.4% in 1Q25 (2024: 7.0%). However, the country’s political tensions remain, with continued mass arrests and mob violence. In addition, the ongoing internal conflict in Myanmar could affect Bangladesh’s border stability. This instability poses risks to the country’s textile manufacturing.
 - India and Pakistan, two of the top 10 textile exporters, are now at risk of an open conflict. Although both sides had confirmed a ceasefire after the US intervened, tensions remain high. If recent skirmishes escalate to a war between the two countries, infrastructure and manufacturing facilities, like seaports, power grid, and highways would become inevitable targets. Moreover, customer confidence would decline, and orders would likely shift out of these countries.
- **Prospects in other key markets:** As difficulties arise in the US market, due to tariffs, we believe competition in other key markets will inevitably increase. Fortunately, Vietnam has been signing many FTAs, which enable textile exports via low tariffs and duties, and thus bring some comparative advantages. In detail, among Asian rivals, Bangladesh and Pakistan have not signed FTAs with Japan and South Korea and their textile exports are subject to tariffs. For the EU market, from this year, customs duties on Vietnam-originating textile products shall be removed, according to EVFTA.

Investment recommendation

- In 2Q25, we expect Vietnam fiber and garment companies to perform well, as orders move out of China and customers rush to exploit the 90-day tariff pause. Garment companies should benefit first and are likely to record high growth rates, thanks to urgent garment orders. Meanwhile, we believe domestic fiber demand will maintain a steady growth rate corresponding to the growth in the weaving segment, which partially offsets the weakening demand in the Chinese market. In 2025 and beyond, we believe Vietnam textiles will gain from supply diversification and high US tariffs against Chinese textiles.
- **Garment companies:** We recommend Song Hong Garment JSC (MSH VN) and TNG Investment and Trading JSC (TNG VN) at this time. MSH confirms orders until end-2025, while TNG will operate at full capacity until August. Both companies recorded growth in labor size – a sign of expansion. By now, we believe a high proportion of US revenue may no longer be a disadvantage for MSH, while TNG’s diversified customer portfolio should bring flexibility.
- **Fiber companies:** Our choices in the fiber segment are Century Synthetic Fiber Corporation (STK VN) and Phong Phu Corporation (PPH VN). We expect STK to record high growth rates this year, thanks to the Unitex factory becoming operational. Meanwhile, in addition to steady growth in its sewing thread (via cooperation with the Coats Group) and towel businesses, we expect PPH to resolve disputes in its cooperative real estate project with Sagri.

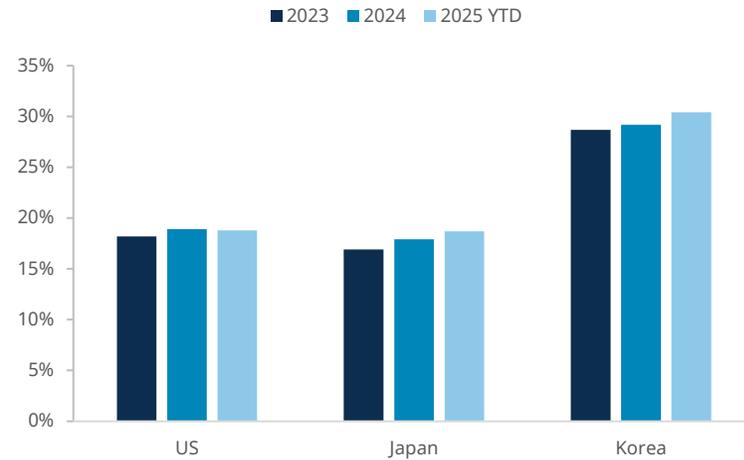
Textile - Prospects and risks

Vietnam textile export value growth



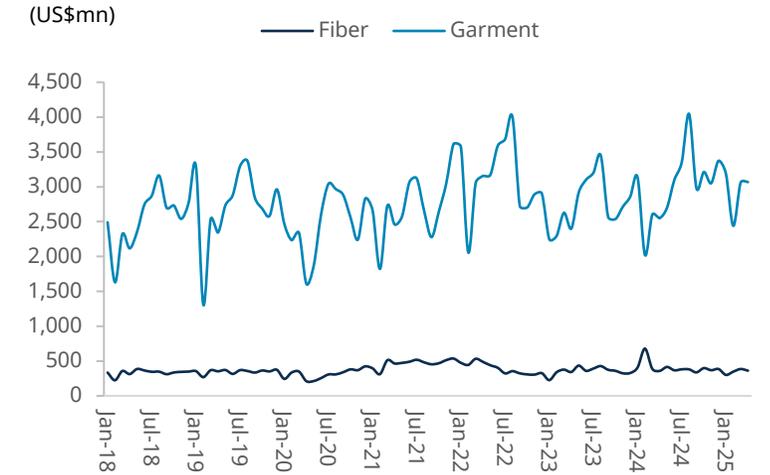
Source: GSO, Mirae Asset Vietnam Research

Vietnam garment market share in some major markets



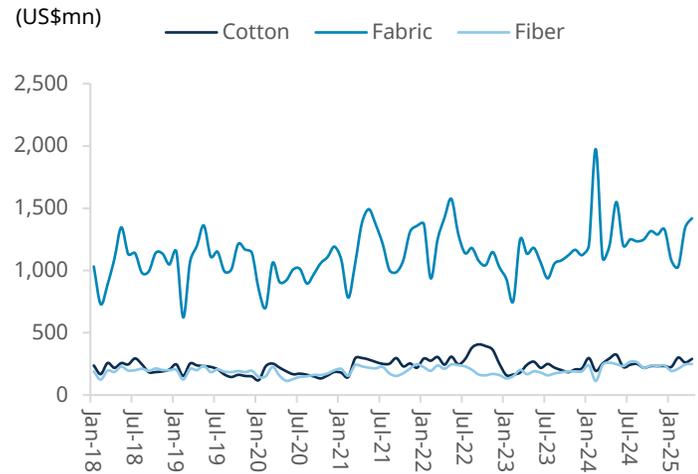
Source: Country statistics, Mirae Asset Vietnam Research

Monthly Vietnam textile exports



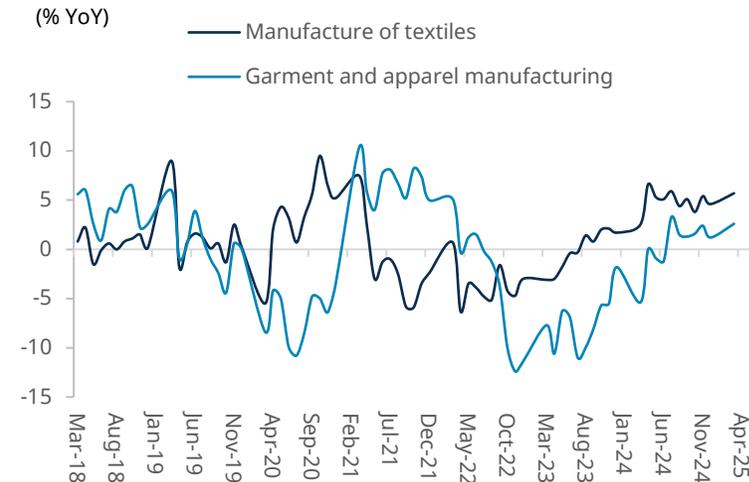
Source: GSO, Mirae Asset Vietnam Research

Monthly Vietnam textile input imports



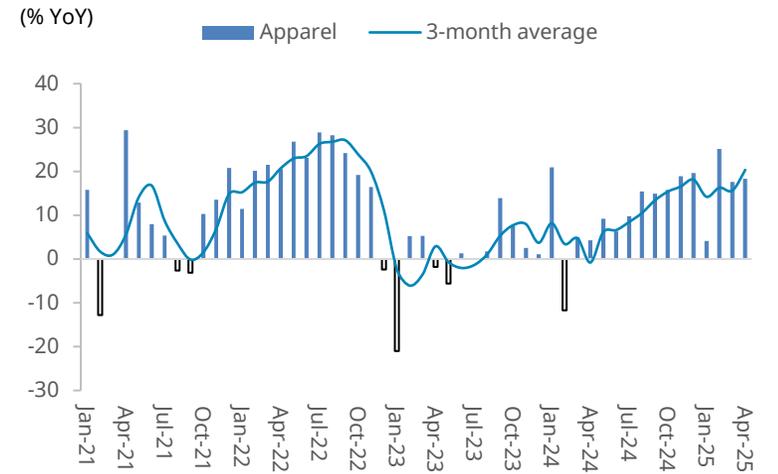
Source: GSO, Mirae Asset Vietnam Research

China textile production volume growth



Source: Bloomberg, Mirae Asset Vietnam Research

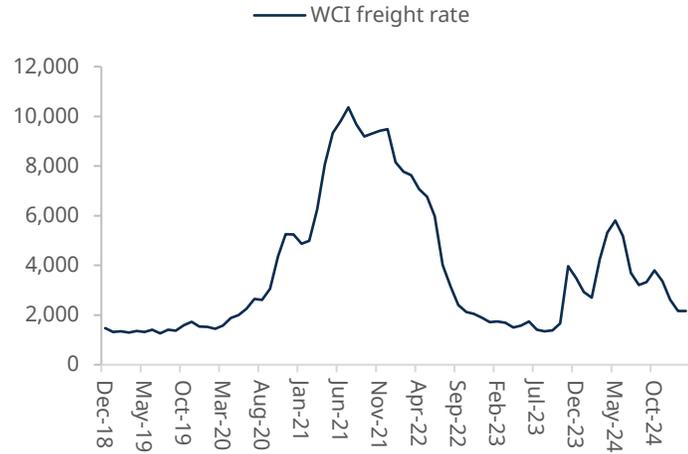
Vietnam garment IIP



Source: GSO, Mirae Asset Vietnam Research

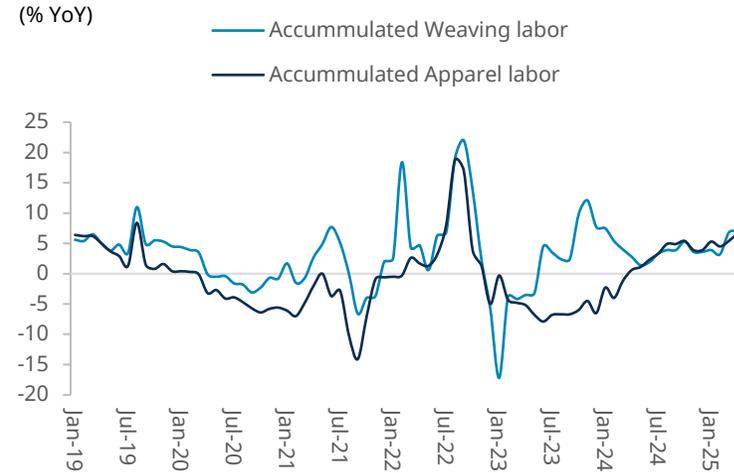
Textile - Prospects and risks (cont'd.)

Shipping rate indexes



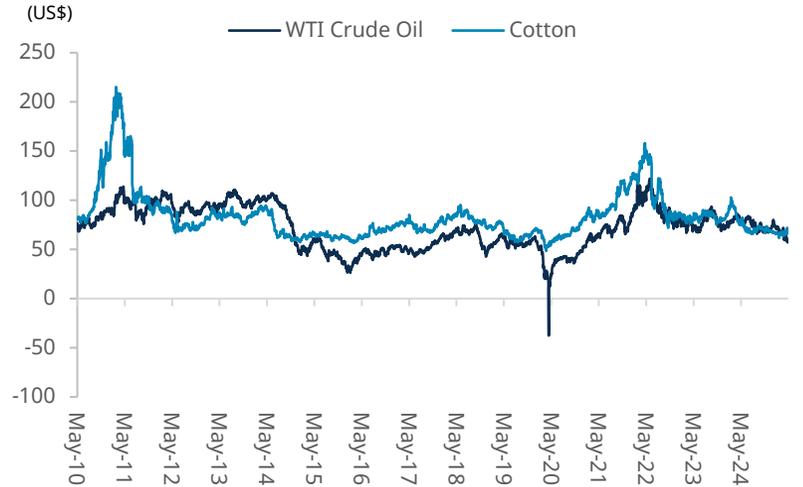
Source: Bloomberg, Mirae Asset Vietnam Research

Vietnam textile labor employment index



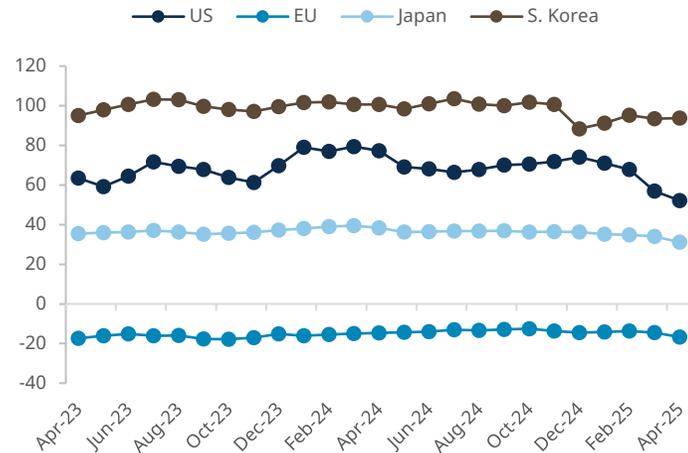
Source: GSO, Mirae Asset Vietnam Research

Textile input price



Source: Bloomberg, Mirae Asset Vietnam Research

Consumer confidence indexes



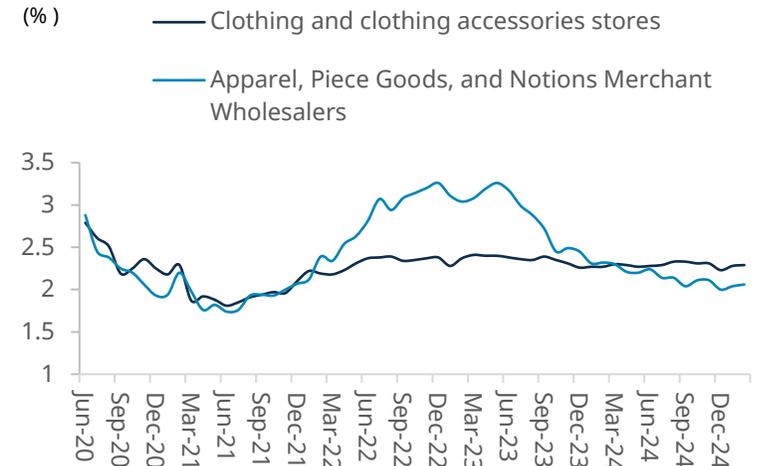
Source: Country statistics, Mirae Asset Vietnam Research

Average garment import price in US



Source: OTEXA, Mirae Asset Vietnam Research

US textile inventory/sales ratio



Source: Bloomberg, Mirae Asset Vietnam Research



Excellent performance in 1Q25

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(Maintain)	TRADING BUY
Target price (VND, 12M)	40,000
Current price (06/10/25)	35,300
Expected return	13%

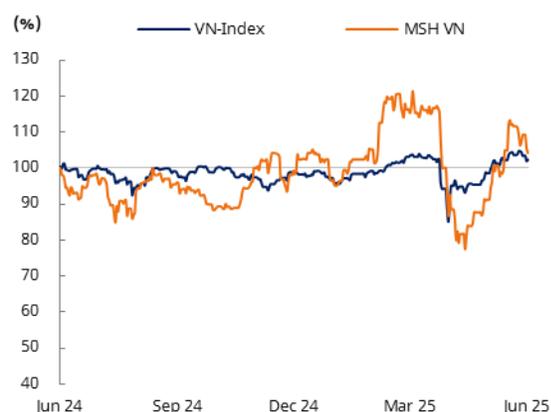
NPATMI (25F, VNDbn)	419
Market consensus (25F, VNDbn)	354
EPS Growth (25F, %)	-39
P/E (25F, x)	11

Market cap (VND bn)	3,972
Shares outstanding (mn)	113
Free float (%)	49.3
Foreign ownership (%)	3.9
52-week low (VND)	25,167
52-week high (VND)	41,867

(%)	1M	6M	12M
Absolute	14.4	0.5	4.4
Relative	10.5	-3.4	2.5

Investment points

- Investment thesis:** Song Hong Garment JSC (MSH VN) is a highly profitable garment company located in Northern Vietnam. MSH operates more than 20 manufacturing workshops in Nam Dinh province, Vietnam, that are well-positioned logistically, with key product lines comprising CMT and FOB export garments (major revenue proportion). MSH boasts a solid customer portfolio concentrated on the US market, including Walmart, Nike, Target, and Haddad Brands. The company also boasts a well-known brand in the domestic blanket-sheet-pillow and mattress market.
- Business updates:** MSH recorded a jump in business in 1Q25, with revenue up 34.5% to VND1,036.2bn. Gross margin also widened to 18.4% (1Q24: 12.4%) and gross profit doubled to VND191.1bn. In the quarter, financial expenses increased to VND21.7bn (1Q24: VND10.3bn), mainly due to foreign exchange losses. In addition, administrative costs increased 68.6% YoY, with employee costs rising to VND48.7bn (1Q24: VND23.9bn). As a result, MSH's 1Q25 operating profit reached VND110.4bn (+75.8% YoY). The company's NPAT increased 82.8% YoY to VND87.2bn. In 1Q25, MSH saw its labor force increase to 11,540 (end-2024: 11,383), which we view as a positive sign of business expansion.
- 2025 forecast:** In 2025, we expect the new Song Hong Xuan Truong factory to become operational, which will increase MSH's total capacity. We expect MSH's total labor size to increase slowly in 2025 and reach around 12,500 (end-2024: 11,383). On the other hand, as Bangladesh political unrest continues and the US-China tariff war escalates, we believe MSH will still receive abundant textile product orders this year, especially FOB orders. We forecast the company's revenue at VND5,500bn (+4.1% YoY). We expect MSH to be able to maintain a high gross margin, although expenses may rise, due to global uncertainties. We forecast MSH's NPAT at VND455.7bn (+3.6% YoY).
- Valuation:** We used the discounted free cash flow to the firm (FCFF) method to determine the fair value of MSH stock. With a required rate of return of 13% and assuming 0% long-term growth after 2035. We maintain our target price at VND40,000.
- Key risks:** The main risks to our rating and valuation are wage competition with other employers in Northern Vietnam, amid increasing new FDI investment; input dependence on key suppliers in China; and VND/US\$ ratio fluctuations.



FY (31/12)	FY22	FY23	FY24	FY25F	FY26F	FY27F
Revenue (VNDbn)	5,523	4,542	5,280	5,500	5,850	6,210
OP (VNDbn)	446	305	560	570	617	708
OP margin (%)	8.1	6.7	10.6	10.4	10.6	11.4
Pre-tax income (VNDbn)	439	307	544	570	617	708
NPATMI (VNDbn)	375	245	413	419	454	521
EPS (VND)	4,998	3,260	5,499	3,353	3,635	4,169
ROE (%)	21	13.9	22.8	21.1	20.6	21.1
P/E (x)	6.6	12	9.0	11.0	10.2	8.9
P/B (x)	1.5	1.8	2.0	2.1	1.9	1.6
Total assets (VNDbn)	3,294	3,453	4,523	4,130	4,380	4,694
Equity (VNDbn)	1,719	1,810	2,056	2,272	2,524	2,838

Source: Company data, Mirae Asset Vietnam Research

Maintaining steady growth

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(Maintain)	BUY
Target price (VND, 12M)	25,000
Current price (06/10/25)	18,300
Expected return	37%

NPATMI (25F, VNDbn)	345
Market consensus (25F, VNDbn)	NA
EPS Growth (25F, %)	-3.8
P/E (25F, x)	7.2

Market cap (VND bn)	2,084
Shares outstanding (mn)	123
Free float (%)	51.3
Foreign ownership (%)	NA
52-week low (VND)	14,100
52-week high (VND)	29,000

(%)	1M	6M	12M
Absolute	5.6	-29.8	-27.7
Relative	-0.7	-36.3	-29.5

Investment points

- Investment thesis:** TNG Investment and Trading JSC (TNG VN) is a fast-growing garment company and one of Vietnam's top garment exporters. The company has a diversified customer portfolio from many key Vietnam textile export markets, such as the US, EU, and Canada. TNG's key business is CMT garment production, with key products including jackets, feather products, clothes, and sportswear. TNG has over 300 manufacturing lines in 18 branches, based in Thai Nguyen province, Vietnam. In addition, the company conducts industrial zone business with the Son Cam IZ project.
- Business updates:** In 1Q25, TNG maintained a steady growth rate that revenue increased 11.6% YoY to VND1,510.6bn. Gross margin widened and gross profit increased 12.9% to VND229.8bn. In the quarter, administration increased 23.3% YoY to VND105.9bn. TNG's operating profit and NPAT reached VND53.7bn (flat YoY) and VND53.5bn (+1.3% YoY), respectively.
- 2025 forecast:** In 2025, despite threats from the US reciprocal tariffs and potential weakening of demand in key markets as a result of trade tensions, we maintain our positive view about TNG's business, based on the following: 1) TNG's customer portfolio is still quite diverse, although the US market accounts for nearly half; 2) Vietnam's rivals, like China and Bangladesh, still face their own difficulties beside tariff problems, with China locked in a tense trade war with the US after imposing retaliatory tariffs; 3) Vietnam's government has made efforts to ease the Vietnam-US trade imbalance, in the hope that incoming tariffs would be lower; and 4) Trump's administration recently announced a 90-day pause on reciprocal tariffs on trade partners, which will hugely benefit Vietnam garments — at least in 2Q25 — as orders would rise dramatically for tariff avoidance. We forecast TNG's average number of employees and productivity at around 20,000 and VND400mn, respectively, this year. Thus, we forecast 2025 revenue at VND8,000bn (+4.5% YoY). Costs may rise slightly, due to inflation. We forecast operating profit and NPAT at VND421.5bn (+5.1% YoY) and VND345.7bn (+9.8% YoY), respectively.
- Valuation:** We used the discounted free cash flow to the firm (FCFF) method to determine the fair value of TNG stock. With a required rate of return of 13% and assuming 0% long-term growth after 2035. Thus, we maintain our target price of VND25,000 per share for TNG. The company usually pays VND800-1,200 in cash dividends per share, offering a 4-7% dividend yield.
- Key risks:** Overly exploited leverage, wage competition, input dependence on main providers from China, and VND/US\$ ratio fluctuations are key risks to our rating and valuation.



FY (31/12)	FY22	FY23	FY24	FY25F	FY26F	FY27F
Revenue (VNDbn)	6,778	7,096	7,656	8,000	8,505	9,020
OP (VNDbn)	371	300	401	421	468	539
OP margin (%)	5.5	4.2	5.2	5.3	5.5	6.0
Pre-tax income (VNDbn)	358	279	390	421	468	539
NPATMI (VNDbn)	292	226	315	345	384	442
EPS (VND)	2,780	1,988	2,568	2,468	2,743	3,157
ROE (%)	18.0	12.1	16.8	18.0	18.9	20.0
P/E (x)	6.0	10.0	7.9	7.2	6.5	5.6
P/B (x)	1.1	1.3	1.4	1.1	1.0	0.9
Total assets (VNDbn)	5,440	5,251	5,817	5,472	5,669	5,832
Equity (VNDbn)	1,790	1,861	1,892	1,950	2,102	2,305

Source: Company data, Mirae Asset Vietnam Research



Strong recovery in 1Q25

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(Maintain)	TRADING BUY
Target price (VND, 12M)	31,200
Current price (06/10/25)	27,000
Expected return	16%

NPATMI (25F, VNDbn)	319
Market consensus (25F, VNDbn)	NA
EPS Growth (25F, %)	1,438
P/E (25F, x)	13.4

Market cap (VND bn)	2,372
Shares outstanding (mn)	97
Free float (%)	61.2
Foreign ownership (%)	16.7
52-week low (VND)	18,750
52-week high (VND)	36,600

(%)	1M	6M	12M
Absolute	15.8	0.4	-18.2
Relative	9.5	-6.1	-20.0

Investment points

- Investment thesis:** Century Synthetic Fiber Corp (STK VN) is a textile company that concentrates on polyester filament products. The company's main products are virgin and recycled DTY, FDY, and POY. STK currently operates two spinning factories, located in HCMC and Dong Nai province, with a total capacity of 63,000 tons/annum. Moreover, STK is the only company in the ASEAN area that enjoys strategic cooperation with Unifi Inc. to develop high-value and recycled filaments. As recycled and man-made filaments are becoming increasingly popular in the textile world, we believe STK is on the right path to success.
- Business updates:** STK business recorded strong recovery in 1Q25 when revenue increased 41.7% YoY to VND376.4bn. Gross profit jumped to VND78.2bn (+142.1% YoY) and gross margin widened to 20.7% (1Q24: 12.2%). In the quarter, expenses saw little change, as operating profit reached VND48.5bn (1Q24: VND1.1bn), while NPAT reached VND35.6bn (1Q24: VND0.7bn).
- 2025 forecast:** As the Unitex factory construction becomes operational this year, we expect STK's total production volume to increase significantly, to 52,000 tons. In detail, we forecast recent factory and Unitex volume to reach 32,000 tons (+41.5% YoY) and 20,000 tons (55% maximum capacity), respectively. Due to recent global trade uncertainties, we expect the average selling price to be maintained at around US\$2,100/ton. Thus, we forecast STK's revenue at VND2,806.4bn (+131.8% YoY). Financial and SG&A expenses should rise, as the new factory is put into operation. We forecast operating profit and NPAT at VND362.8bn (FY24: VND26bn) and VND319.3bn (FY24: VND12bn), respectively.
- Valuation:** We used the free cashflow to the firm (FCFF) method to evaluate STK shares, with the following main assumptions: 1) A required rate of return on equity of 13%; and 2) long-term growth rate of 2% after 2033. Thus, we maintain our Buy rating and target price of VND31,200.
- Key risks:** VND/US\$ ratio fluctuations, textile and garment demand in key export markets, oil and PET price fluctuations are key risks to our rating and valuation



FY (31/12)	FY22	FY23	FY24	FY25F	FY26F	FY27F
Revenue (VNDbn)	2,117	1,426	1,210	2,806	2,860	2,914
OP (VNDbn)	271	89	26	363	385	394
OP margin (%)	12.8	6.2	2.1	12.9	13.4	13.5
Pre-tax income (VNDbn)	269	91	19	363	385	394
NPATMI (VNDbn)	242	87	12	319	338	347
EPS (VND)	3,341	1,003	130	1,999	2,119	2,172
ROE (%)	17.3	5.5	0.8	15.9	13.4	12.5
P/E (x)	9.1	25.7	56.7	13.4	12.6	12.3
P/B (x)	1.5	1.5	1.5	1.8	1.6	1.5
Total assets (VNDbn)	2,125	2,975	3,811	4,350	4,359	4,521
Equity (VNDbn)	1,541	1,628	1,629	2,398	2,640	2,892

Source: Company data, Mirae Asset Vietnam Research



Keeping up the good work

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(Maintain)	BUY
Target price (VND, 12M)	39,000
Current price (06/10/25)	26,900
Expected return	45%

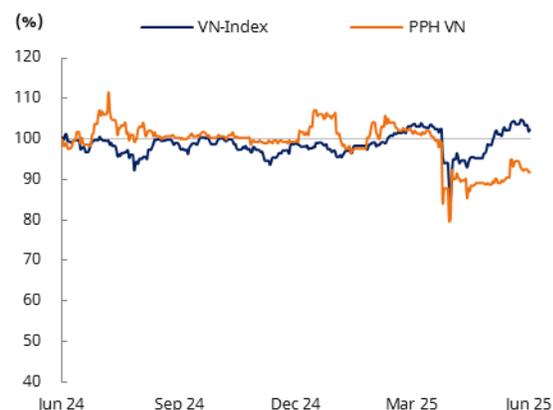
NPATMI (25F, VNDbn)	367
Market consensus (25F, VNDbn)	NA
EPS Growth (25F, %)	-0.7
P/E (25F, x)	5.9

Market cap (VND bn)	1,964
Shares outstanding (mn)	75
Free float (%)	30.0
Foreign ownership (%)	NA
52-week low (VND)	22,500
52-week high (VND)	33,900

(%)	1M	6M	12M
Absolute	0.0	-9.6	-5.4
Relative	-6.3	-16.2	-7.2

Investment points

- Investment thesis:** Phong Phu Corporation (PPH VN) is a textile producer in Southern Vietnam. After undergoing restructuring, PPH currently focuses on two segments: Yarn and home textile products. PPH has a solid advantage in the fiber segment, thanks to its cooperation with Coats (through Coats Phong Phu Ltd. and PPH is the only Vietnamese company providing sewing thread yarn for Coats globally). PPH is also increasing its towel capacity and widening its home textile product portfolio. With its strong position, we believe that PPH will be able to not only maintain profitability, but also to prosper going forward.
- Business updates:** In 1Q25, PPH business continued growing when revenue increased 20.5% YoY to VND594.5bn. Gross margin maintained at 20% and gross profit reached VND119bn (+21.1% YoY). Profits from associates increased slightly to VND89.5bn (+4.5% YoY). Meanwhile, SG&A expenses rose 18.8% YoY to VND80bn. Thus, PPH's 1Q25 operating profit and NPAT reached VND114bn (+13.4% YoY) and VND113.3bn (+13.4% YoY), respectively.
- 2025 forecast:** In 2024, PPH recorded an increase in labor force, which we view as a sign of capacity expansion. As PPH has been restructuring, we assume the company's labor force will not change much, or only slowly increase, over the years. We also believe productivity will improve steadily, thanks to the cooperation with Coats, as well as PPH's lean structure, which focuses on profitable segments. In 2025, we forecast PPH's revenue at VND2,251.2bn (+0.6% YoY). Profits from Coats Phong Phu associate will continue to play a key role in the company's operating profits. With low-income tax rate, we forecast PPH's 2025 NPAT at VND374.3bn (+0.5% YoY).
- Valuation:** We used the discounted free cashflow to the firm (FCFF) method to determine PPH's intrinsic value, making some key assumptions: A required rate of return of 15%; a long-term growth rate after 2035 of 0%; and the assumption that PPH will slowly increase its labor force and productivity over the years. We maintain our Buy rating and target price of VND39,000/share for PPH.
- Key risks:** Cooperation with Coats group, and fluctuation in global demand and input prices are the main risks to our rating and valuation.



FY (31/12)	FY22	FY23	FY24	FY25F	FY26F	FY27F
Revenue (VNDbn)	1,746	1,755	2,238	2,251	2,303	2,366
OP (VNDbn)	479	325	379	378	390	407
OP margin (%)	27.5	18.5	16.9	16.8	16.9	17.2
Pre-tax income (VNDbn)	480	320	384	378	390	407
NPATMI (VNDbn)	472	311	373	367	378	395
EPS (VND)	5,946	3,865	4,507	4,421	4,558	4,756
ROE (%)	26.1	16.5	20.5	19.7	19.1	18.7
P/E (x)	3.4	6.4	6.9	5.9	5.7	5.5
P/B (x)	0.8	1.1	1.2	1.0	1.0	0.9
Total assets (VNDbn)	3,419	3,539	3,579	3,777	3,879	4,000
Equity (VNDbn)	1,784	1,778	1,884	1,959	2,081	2,219

Source: Company data, Mirae Asset Vietnam Research

APPENDIX

Stock Ratings		Industry Ratings	
Buy	: Relative performance of 20% or greater	Overweight	: Fundamentals are favorable or improving
Trading Buy	: Relative performance of 10% or greater, but with volatility	Neutral	: Fundamentals are steady without any material changes
Hold	: Relative performance of -10% and 10%	Underweight	: Fundamentals are unfavorable or worsening
Sell	: Relative performance of -10%		

Ratings and Target Price History (Share price (→), Target price (⇨), Not covered (■), Buy (▲), Trading Buy (▣), Hold (●), Sell (◆))

* Our investment rating is a guide to the relative return of the stock versus the market over the next 12 months.

* Although it is not part of the official ratings at Mirae Asset Securities (Vietnam) JSC, we may call a trading opportunity in case there is a technical or short-term material development.

* The target price was determined by the research analyst through valuation methods discussed in this report, in part based on the analyst's estimate of future earnings.

* The achievement of the target price may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

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