

Strategy Monthly: Follow the Behavioral Science

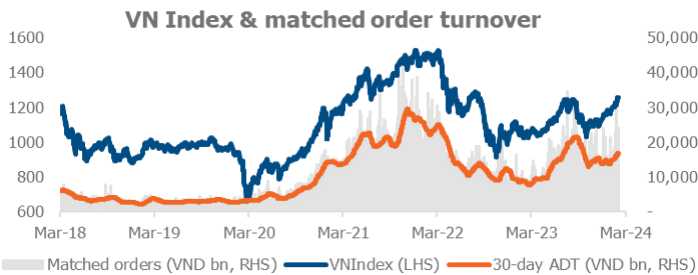
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Prospect theory takes over. Vietnam stocks exhibited the principles of loss aversion in March. The VNI traded up to a 19-month high intraday peak of 1294 at month-end – just four points below our 2024 target -- before softening in recent days. Our view is that this moderate correction after the market approached 1300 points shouldn't create undue concern, and the bull market that started in November 2022 remains intact. The VNI did not exceed our full-year target in 1Q24, but it is very likely to do so in the weeks ahead. We can live with that outcome, when and if it occurs. To quote Daniel Kahneman, "We have very little idea of how little we know."

Monthly Index Performance



- **VNINDEX:** 1284 (+2.5% MoM / +13.4% YTD / +20.6% YoY)
- **VHINDEX:** 243 (+3.0% MoM / +5.0 YTD / +16.9% YoY)
- **UPCOM Index:** 92 (+1.0% MoM / +5.2% YTD / +19.3% YoY)
- **Average daily turnover:** US\$1204mn (+27% MoM)
- **Foreigners net sold US\$455.7mn** in March.
- **VND:USD rate:** 24,791 (-58bp MoM / -211bp YTD / -5.32%YoY)

VN30 Components

Ticker	Closing price (VND K)	MoM chg	Cont to VN30 (MoM)	TTM PE (x)
ACB	28.5	1.8%	5%	7
BCM	64.9	2.5%	0%	30
BID	52.1	-1.7%	-1%	14
BVH	42.8	-0.3%	0%	19
CTG	35.6	0.0%	0%	10
FPT	116.5	6.9%	25%	23
GAS	80.2	3.6%	1%	15
GVR	33.2	15.9%	2%	52
HDB	24.1	3.4%	5%	7
HPG	30.3	-2.4%	-7%	26
MBB	25.4	5.2%	11%	6
MSN	74.2	5.4%	8%	259
MWG	51.1	10.6%	18%	447
PLX	37.3	4.0%	1%	17
POW	11.4	-2.1%	0%	25
SAB	56.7	-3.1%	-1%	18
SHB	11.4	-3.4%	-4%	6
SSB	22.1	-3.5%	-3%	15
SSI	38.5	4.1%	5%	25
STB	31.6	0.2%	0%	8
TCB	47.6	12.7%	37%	9
TPB	19.1	-3.8%	-3%	9
VCB	94.9	-2.5%	-5%	16
VHM	42.9	-1.3%	-2%	6
VIB	24.6	12.3%	10%	7
VIC	47.7	5.9%	9%	86
VJC	103.0	-0.1%	0%	141
VNM	67.6	-4.9%	-9%	18
VPB	19.8	-0.8%	-2%	13
VRE	25.9	-2.5%	-2%	13

Source: Bloomberg, Yuanta Vietnam. Price date: Mar 29, 2024

Fear of losses > joy of profits. The VNI's +2.5% MoM performance in March was the fifth straight monthly increase for the mainboard, which was up +13.6% YTD in 1Q24. At least some of the recent share price gains have been driven by the re-emergence of the emerging markets inclusion story – hopes are higher among local investors than foreigners, who stepped up their net selling in March. The correction of recent days illustrates that selling pressure at below 1300 may persist in the near term.

Heuristics are your best friend. A combination of fundamental & technical analysis may be the optimal approach to investing in Vietnam given the dominant roll of local traders in setting share prices. Momentum indicators remain broadly positive, with the VNI's 100-day MA crossing above the 200-day MA on March 28 and monthly ADT soaring to a 24-month high of US\$1.2bn. Small caps outperformed, despite the E/M story: March breadth was 66% positive among VNI members vs. 50% for the VN30.

Thinking Fast & Slow about Property: Most institutional portfolios are Overweight banks and Underweight property developers, an allocation that is in line with our recommendations. But the two sectors are essentially joined at the hip. Analyst Tam Nguyen's CIGARR model [update](#) (Mar 15), which analyzes the top-20 listed developers' operations, reveals some signs of bottoming out in the ongoing industry recession. Tam argues that the upcycle is inevitable, but he expects it to start only in 2H25 (p.20-26).

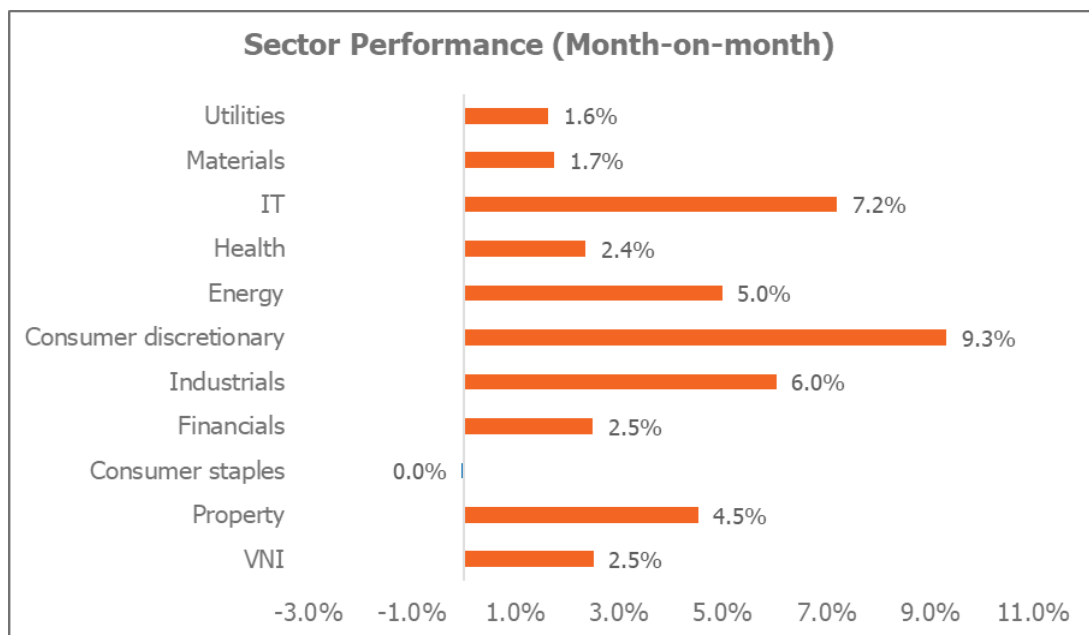
Macro: 1Q24 GDP expanded by +5.7%, which is impressive given the very weak credit growth in the quarter. As discussed, the post-COVID global inventory glut that pummeled export manufacturers in 2022-23 is now history, and the resulting recovery in external demand should help to drive full-year GDP growth to our forecast range of 6.0-6.5%. This may manifest in increased merchandise imports -- and potential headlines of "trade deficit" -- in 2Q, as factories gear up for 3Q-4Q shipments (p.37-47).

Yuanta Vietnam Coverage Universe

Sector	Company	Stock code	Market cap (USDm)	3-month ADT (USDm)	Yuanta Rating	Current price (VND)	Target price (VND)	Up (down) side	2024E Dividend yield	12-m TSR*
Banks	Asia Commercial Bank	ACB VN	4,465	12.8	BUY	28,500	28,510	0%	3.5%	4%
	BIDV	BID VN	11,980	3.8	HOLD-Underperform	52,100	37,963	-27%	0.0%	-27%
	HD Bank	HDB VN	2,812	6.0	BUY	24,100	22,390	-7%	4.1%	-3%
	MB Bank	MBB VN	5,417	21.0	BUY	25,400	25,260	-1%	2.0%	1%
	Sacombank	STB VN	2,403	25.3	HOLD-Underperform	31,600	33,575	6%	0.0%	6%
	Vietcombank	VCB VN	21,395	5.6	BUY	94,900	99,420	5%	0.8%	6%
	Vietnam Prosperity Bank	VPB VN	6,321	11.3	BUY	19,750	25,540	29%	5.1%	34%
Brokers	HCM City Securities	HCM VN	898	9.7	BUY	29,500	28,524	-3%	2.7%	-1%
	Saigon Securities	SSI VN	2,328	34.3	BUY	38,500	32,187	-16%	1.0%	-15%
	Viet Capital Securities	VCI VN	949	12.9	BUY	53,800	45,580	-15%	1.8%	-13%
	VNDirect Securities	VND VN	1,127	26.8	BUY	22,950	24,019	5%	2.0%	7%
Energy	PV POW	POW VN	1,077	2.8	BUY	11,400	16,877	48%	0.0%	48%
	PV NT2	NT2 VN	289	1.1	SELL	24,850	19,318	-22%	8.0%	-14%
	PCC1	PC1 VN	357	7.7	BUY	28,450	34,123	20%	0.0%	20%
Consumer	Masan Group	MSN VN	4,283	11.9	Suspended	74,200	N/A	N/A	0.0%	N/A
	Phu Nhuan Jewelry	PNJ VN	1,335	5.4	HOLD-Underperform	98,900	90,100	-9%	0.0%	-9%
	Digiworld	DGW VN	445	5.9	Suspended	66,100	N/A	N/A	0.0%	N/A
	FPT Digital Retail	FRT VN	857	3.7	BUY	156,000	100,600	-36%	0.6%	-35%
	Mobile World Group	MWG VN	3,014	19.2	BUY	51,100	59,300	16%	0.0%	16%
Oil & GAS	PV Drilling	PVD VN	725	7.0	BUY	32,350	38,259	18%	0.0%	18%
	Kinh Bac City	KBC VN	1,082	12.4	BUY	34,950	38,300	10%	0.0%	10%
Property	Dat Xanh Group	DXG VN	577	10.1	BUY	19,850	20,700	4%	0.0%	4%
	Khang Dien House	KDH VN	1,219	4.3	BUY	37,800	47,300	25%	0.0%	25%
	Nam Long	NLG VN	673	6.0	HOLD-Underperform	43,350	37,800	-13%	1.2%	-12%
	Novaland	NVL VN	1,357	17.4	Coverage Suspended	17,250	-	-	-	-
	Vinhomes	VHM VN	7,526	12.9	BUY	42,850	58,444	36%	0.0%	36%
	Vincom Retail	VRE VN	2,369	10.3	BUY	25,850	38,000	47%	0.0%	47%
	Transport	Airports Corp Vietnam	ACV VN	7,446	0.9	HOLD-Underperform	84,800	76,400	-10%	0.0%
Industrials	Dohaco	DHC VN	142	0.6	BUY	43,650	63,571	46%	8.2%	54%
	Biwase	BWE VN	350	0.3	BUY	45,000	70,902	58%	4.4%	62%
Technology	FPT Corporation	FPT VN	5,968	10.8	BUY	116,500	120,740	4%	1.7%	5%

*Notes: 1) TSR = Total shareholder return over the next 12 months inclusive of expected share price change and dividends. 2) 3-month ADT refers to matched orders and does not include put-through blocks. 3) Stock ratings and pricing data is as of close on Mar 29 2024

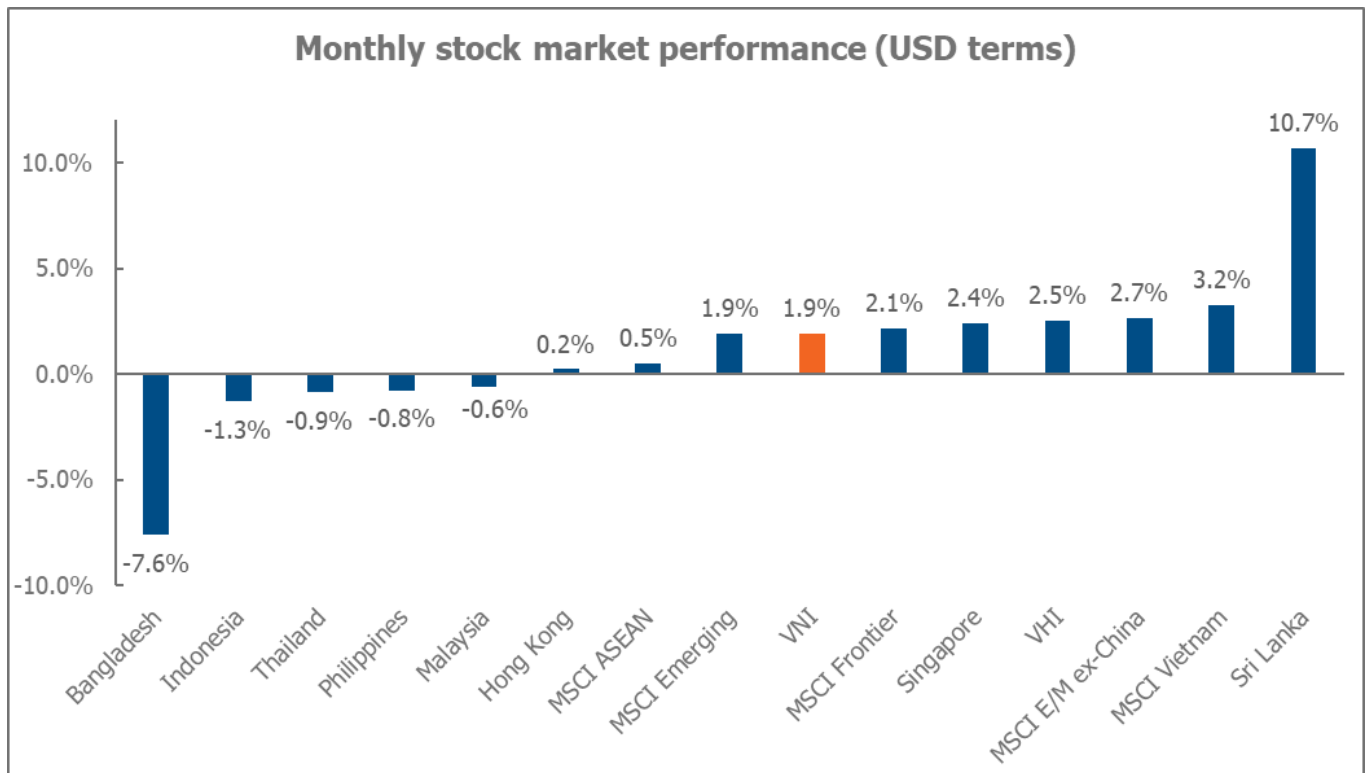
Source: Bloomberg, Yuanta Vietnam



Source: Bloomberg (Mar 29)

*We're blind to our blindness. We have very little idea of how little we know.
We're not designed to know how little we know.*

—Daniel Kahneman (1934-2024)

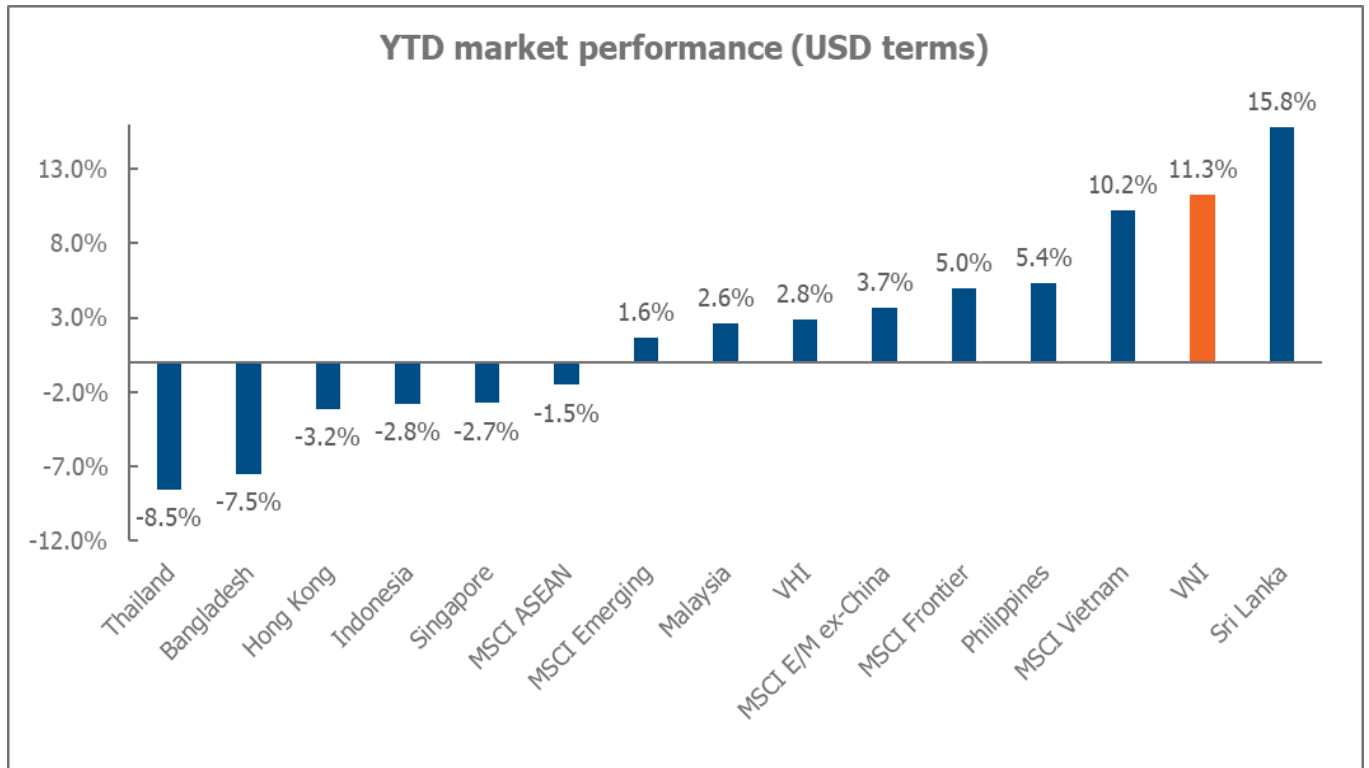


Source: Bloomberg (data is as of Mar 29)

Fundamentals vs. Technicals: Medium-term outlook remains solid

The VNI's +2.5% performance in March was its fifth straight monthly gain. Vietnam dong depreciation meant that the gain in USD terms was slightly lower at 1.9% MoM in March, ranking Vietnam in the middle of the regional pack at slightly behind the Frontier Markets Index (+2.1% MoM), of which it is the largest component. However, the MSCI Vietnam Index rallied by slightly more (+3.2% MoM) in USD terms, a somewhat counter-intuitive result that may be due to outperformance by a handful of the open-FOL heavyweights (e.g., VIC +6% MoM, MSN +5%, SSI +4%) during the month.

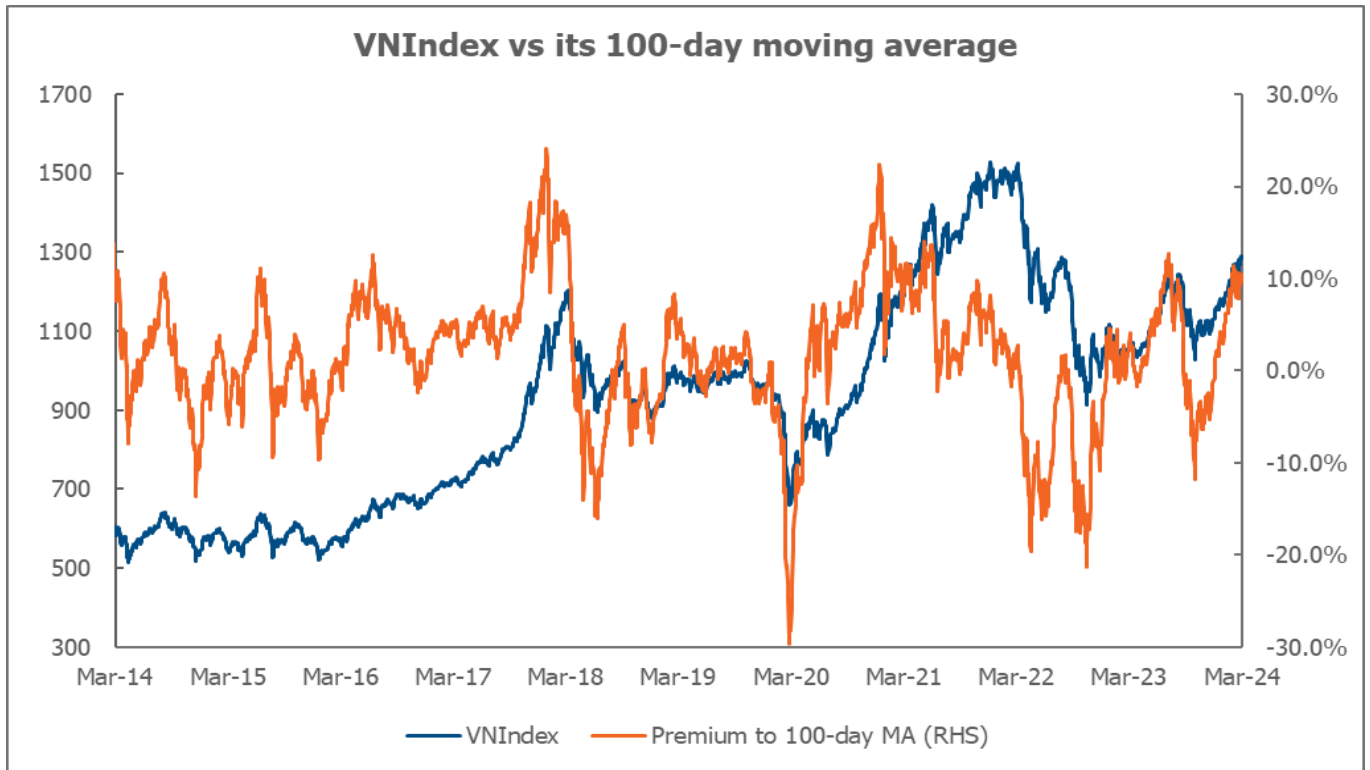
The mainboard's 1Q24 YTD performance was thus a gain of +13.4% YTD in LCY terms and 11.3% in US dollar terms. Vietnam thus remains well ahead of the pack in terms of YTD performance. This remains true as we (belatedly – sorry) go to publication of our Monthly Strategy Report on April 10. Vietnam has been in a bull market since November 2022, and our opinion is that the recent pullback is a moderate correction for a market that is very likely to trend higher going forward.



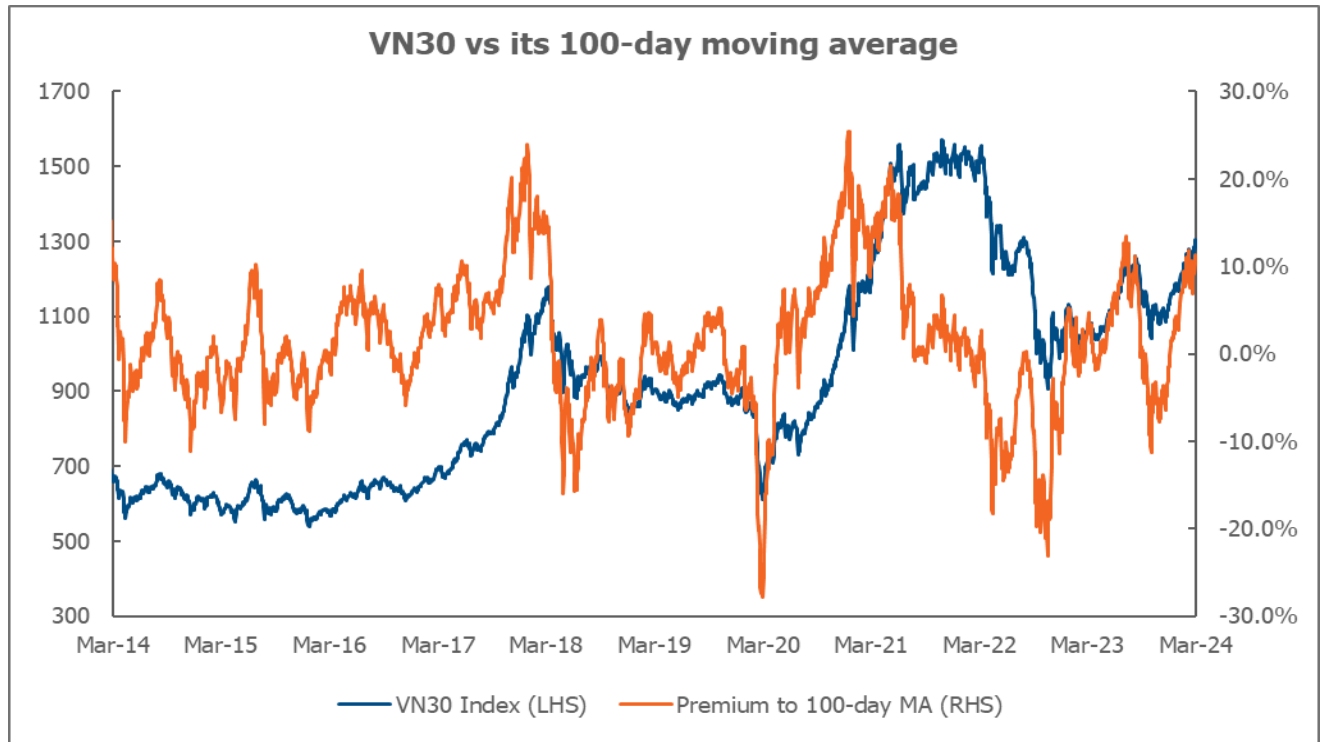
Source: Bloomberg (data is as of Mar 29)

Technicals remain medium-term bullish for momentum chasers. The last major medium-term moving average cross occurred on March 28, when the 100-day MA broke above the 200-day MA. This event was largely unheralded and failed to generate sufficient buyer interest to push the market up to our targeted 1298 – but the intraday peak of March (and YTD) was just 4 points below that level at 1294.

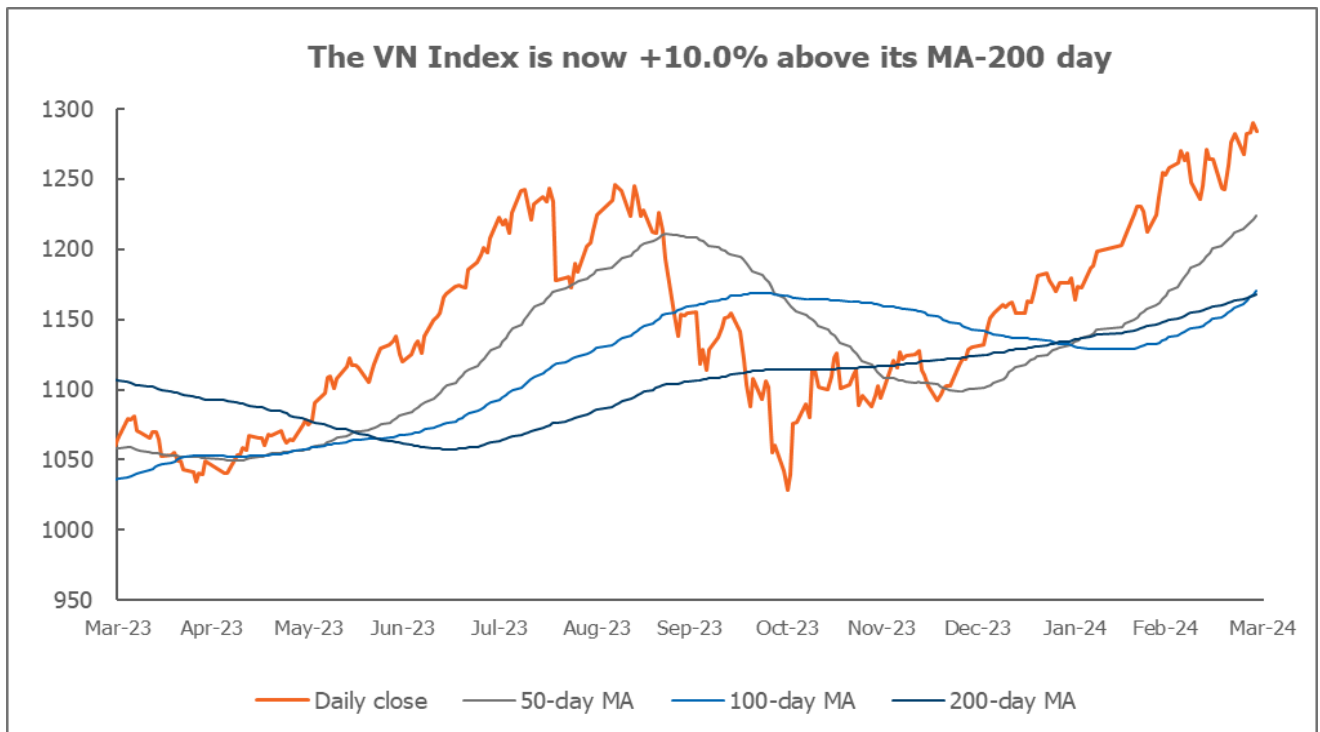
Our call for near-term caution last month was neither a hit nor a miss; ultimately the VNI managed to break through selling pressure at 1370-1380 but failed to sustain the breakout, resulting in relatively flat (albeit still-positive) Index performance in March.



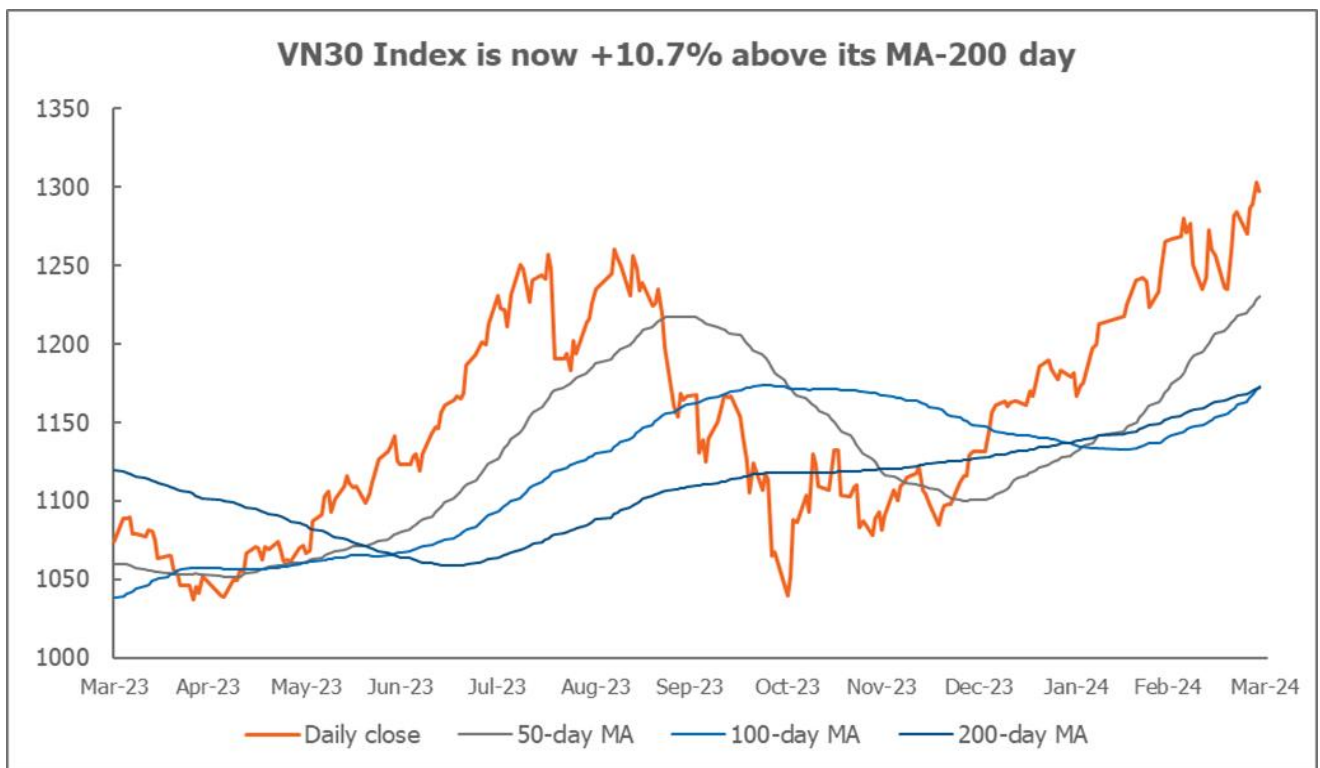
Source: Bloomberg, Yuanta Vietnam (data is as of Mar 29)



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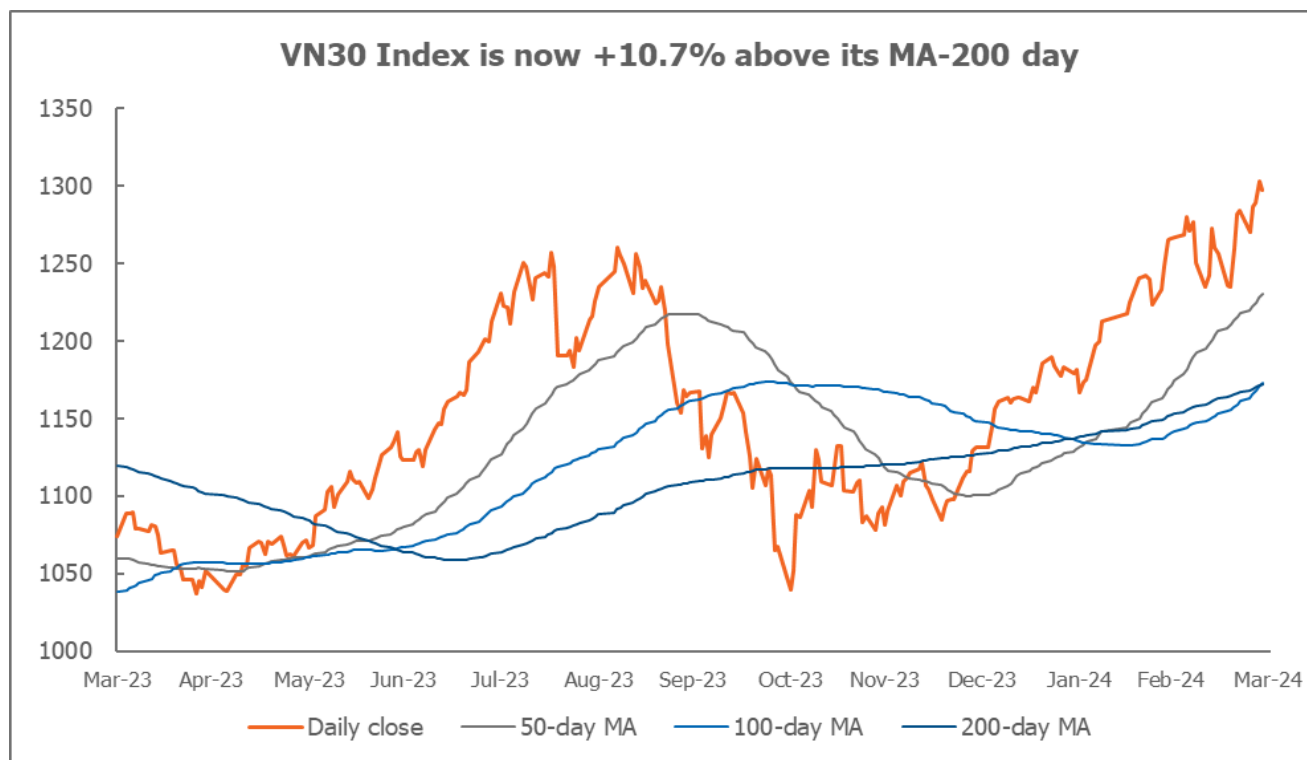
Stock market regulatory reform – The SSC wants to hear from you!

- **Latest draft circular from the SSC** appears aimed at the key regulatory barriers to emerging markets inclusion (see link below).
 - The target here appears to be in line with the prime minister’s speech in February, in which he outlined a target of seeing FTSE upgrade Vietnam to E/M status in 2025.
 - The draft circular appears to address some of the key concerns, including –
- ❖ 1) **The prefunding requirement**, at least for foreign investors, with brokers to be allowed to take on the risk of foreign client trade funding.
 - ❖ 2) **Issues related to settlements** – Details TBD, but the new trading system should at least provide a technical solution .
 - ❖ 3) **Fair treatment for foreign investors** – Our view is that this mainly focuses on the disclosure of financial information, while FOL restrictions are likely to remain in their current form for now.

“The State Securities Commission (SSC) collects opinions from entities, organizations, and individuals regarding the draft Circular amending and supplementing some articles of the Circulars regulating stock trading on the stock trading system; clearing and settlement of stock transactions; activities of securities companies; and disclosure of information on the stock market.”

“All opinions from entities, organizations, and individuals are requested to be sent to the State Securities Commission; Address: 164 Tran Quang Khai, Hoan Kiem, Hanoi; Email: phattrienthitruong@ssc.gov.vn; Phone: 024.39340750 - extension 1634.”

https://ssc.gov.vn/webcenter/portal/ssc/pages_r/l/chitit?dDocName=APPSSCGOVVN1620142897



Source: Bloomberg, Yuanta Vietnam (data is as of Mar 29)

Please see the following links for a revisit of our weekly strategy notes over the past month. A combination of use-or-lose annual leave and travel for marketing meant that several of this month's strategy reports were written by Binh Truong, Yuanta Vietnam's Deputy Head of Institutional Research.

Binh's views on the market may be even more bullish than mine are, and in any case it's always helpful to get a view from a domestic investor – foreigners (like me) have been relatively marginal players in the last two bull markets, and foreign flows haven't been a major driver of share prices since 2017-18.

- **A Double-Top Breakout – March 4**
Positive E/M-related messaging from the authorities on reform & market logistics.
<https://yuanta.com.vn/wp-content/uploads/2024/03/Weekly-Mar-4-2024.pdf>
- **Time for Some Tactical Caution – March 11**
Resistance at above 1270 suggests that stocks are not a one-way street.
<https://yuanta.com.vn/wp-content/uploads/2024/03/Weekly-Mar-11-2024.pdf>
- **All By Myself – March 18**
The VNI stands out as the region's best-performing index YTD in 2024.
<https://yuanta.com.vn/wp-content/uploads/2024/03/Weekly-Mar-18-2024.pdf>
- **Potential Fix for Prefunding: A Roadmap to E/M Upgrade – March 25**
New / renewed confidence that emerging markets upgrades may actually occur soon.
<https://yuanta.com.vn/wp-content/uploads/2024/03/20240323-Weekly-Report-1.pdf>
- **Ticking Up On Positive Macro – April 1**
The Q24 GDP print bolsters our argument for a recovery from the softness of 4Q22-3Q23.
<https://yuanta.com.vn/wp-content/uploads/2024/04/Weekly-Apr-1-2024.pdf>
- **Modest Correction Was Expected – April 8**
Selling pressure as the VNI approaches 1300 should not come as a big surprise.)
https://yuanta.com.vn/wp-content/uploads/2021/01/Bank-Sector_CAMEL-update_2024.pdf

Bonus! In case you missed it, see the following link to last month's Strategy Wrap titled "Liquidity Leaps Higher". <https://yuanta.com.vn/wp-content/uploads/2024/03/Yuanta-Vietnam-Monthly-Market-Round-Up-March-2024.pdf>

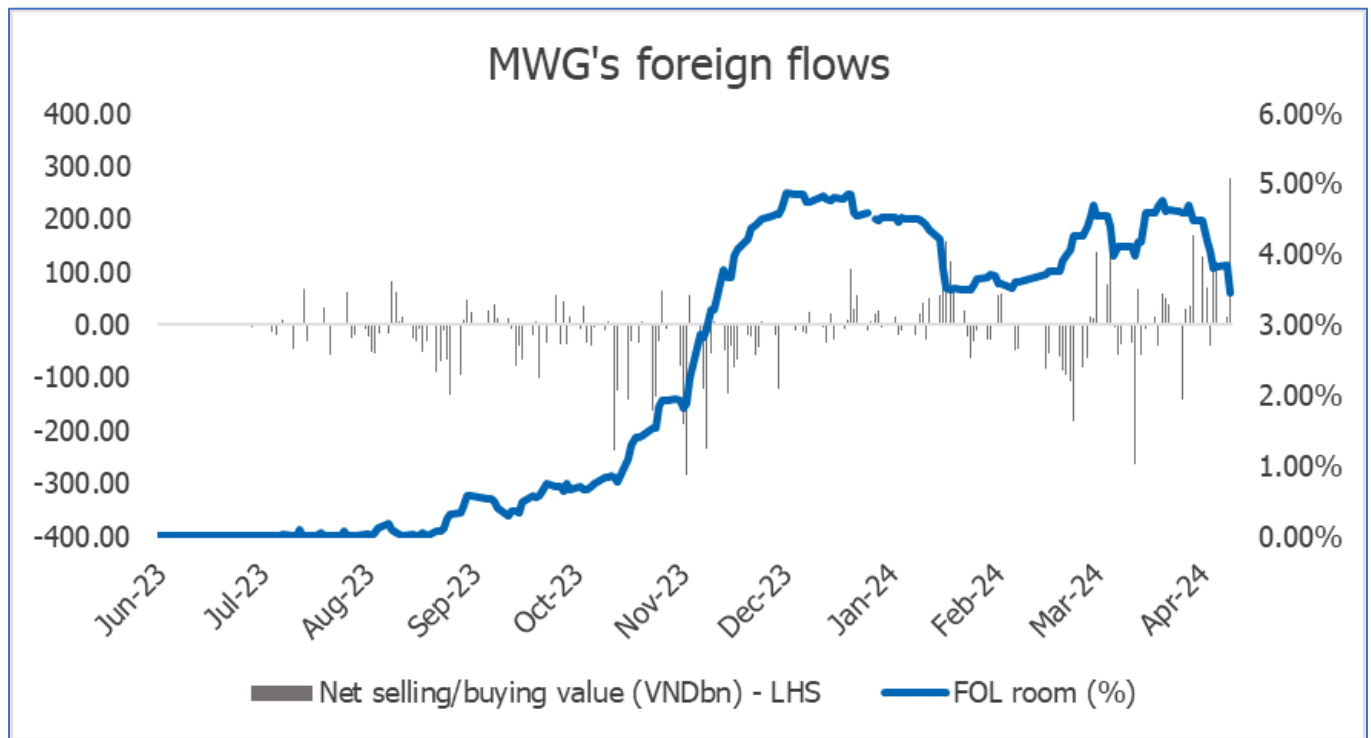
That note was published on March 7, which was much closer to our self-inflicted aspiration of publishing the Monthly Strategy Wrap within a few days of the monthly close than we have managed to achieve this time around (it's April 10 as I write). Please accept my apologies for the delay this month.

Mobile World (MWG VN) – Research Wins the Great Debate of March. However, we are very happy to highlight that the internal disagreement between YSVN Sales and Research regarding MWG (BUY) -- as discussed on pages 24-32 of last month's Strategy Wrap linked above ("*MWG: Research vs. Sales – Who will Win?*") -- has been resolved rather unequivocally in favor of Research, and especially Consumer Analyst Di Luu. There really isn't room for any further argument following MWG's +11% MoM share price performance in March.

This performance was driven by foreign net buying of US\$38 million of MWG shares since March 1. This renewed interest followed the company's improved sales results in 2M24, mainly fueled by the higher operating efficiencies of grocery chain BHX. Consolidated sales for MWG increased by +14% YoY in the first two months of 2024, reaching VND 21.6tn and fulfilling 17% of full-year sales guidance.

The results are in line with our view that BHX is the new growth driver, which is probably a Consensus view by now. But DMX also posted a marginal YoY sales improvement -- which was probably not expected by the Street -- on strengthened demand for home appliances.

Additionally, the return of CDH Investments as an investor with MWG likewise represents a key positive endorsement. The fund disclosed the purchase of a 10% stake in BHX in recent days, which is obviously separate from and additional to the foreign flows into MWG as illustrated in the chart below.



Source: FiinPro

We reiterate our BUY recommendation on MWG as discussed in analyst Di Luu's January 24 [initiation](#). Our screen still shows 50 million open-FOL shares -- so get 'em while you can.

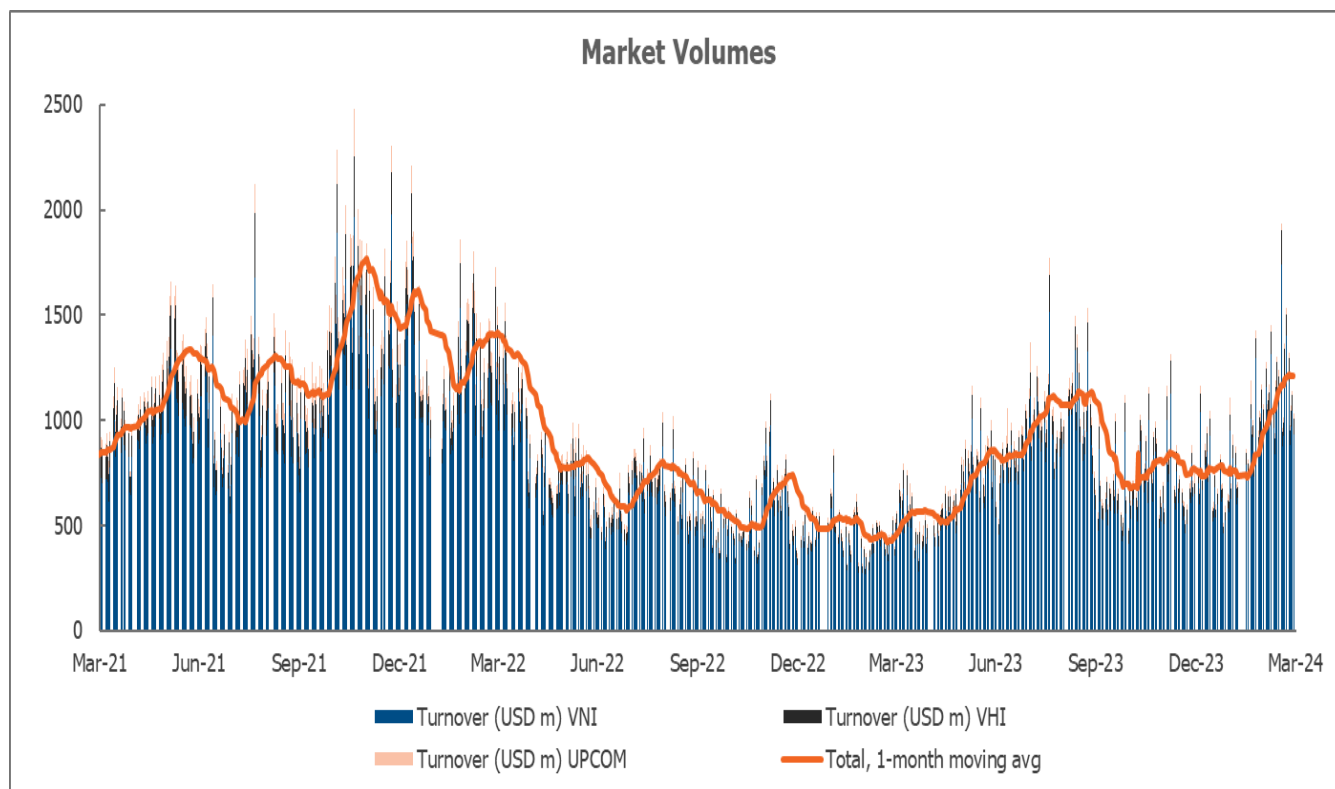
Stock market liquidity soared to a 24-month high in March

Average daily turnover in February reached US\$1,204 million, up by +27% MoM and the highest monthly ADT figure since March 2022. We continue to see increasing volumes in a bull market as a positive technical indicator.

Forcing ourselves to consider technical indicators tears at the fiber of our CFA certificates, but we do it anyway. Why? Because c.85% of stock market transactions are attributable to domestic individuals and another c.8%-ish are prop traders. These folks look at charts, so we reckon it behooves us to do likewise.

At the risk of repeating ourselves, strong ADT is mostly supportive of a positive outlook for the market. Our dissembling use of the word “mostly” is because of the persistent trend of spiking volumes on down-days, which has been evident since the left side of the double-peak top in August 2023.

Daily turnover hit a two-year peak of US\$1.9bn on March 18, which admittedly wasn’t exactly a panic selloff (the VNI fell by -1.6% DoD that day) but was the second worst day for the mainboard in March. ADT was also higher than average at US\$1.5bn on March 8, which was the mainboard’s worst daily performance (of -1.7% DoD) during March. Average turnover was around 10% higher on the nine days that the VNI fell in March (US\$1.3bn) than it was on the 12 days that the VNI increased (US\$1.2bn).



Source: FiinPro, Bloomberg, Yuanta Vietnam (Mar 29)

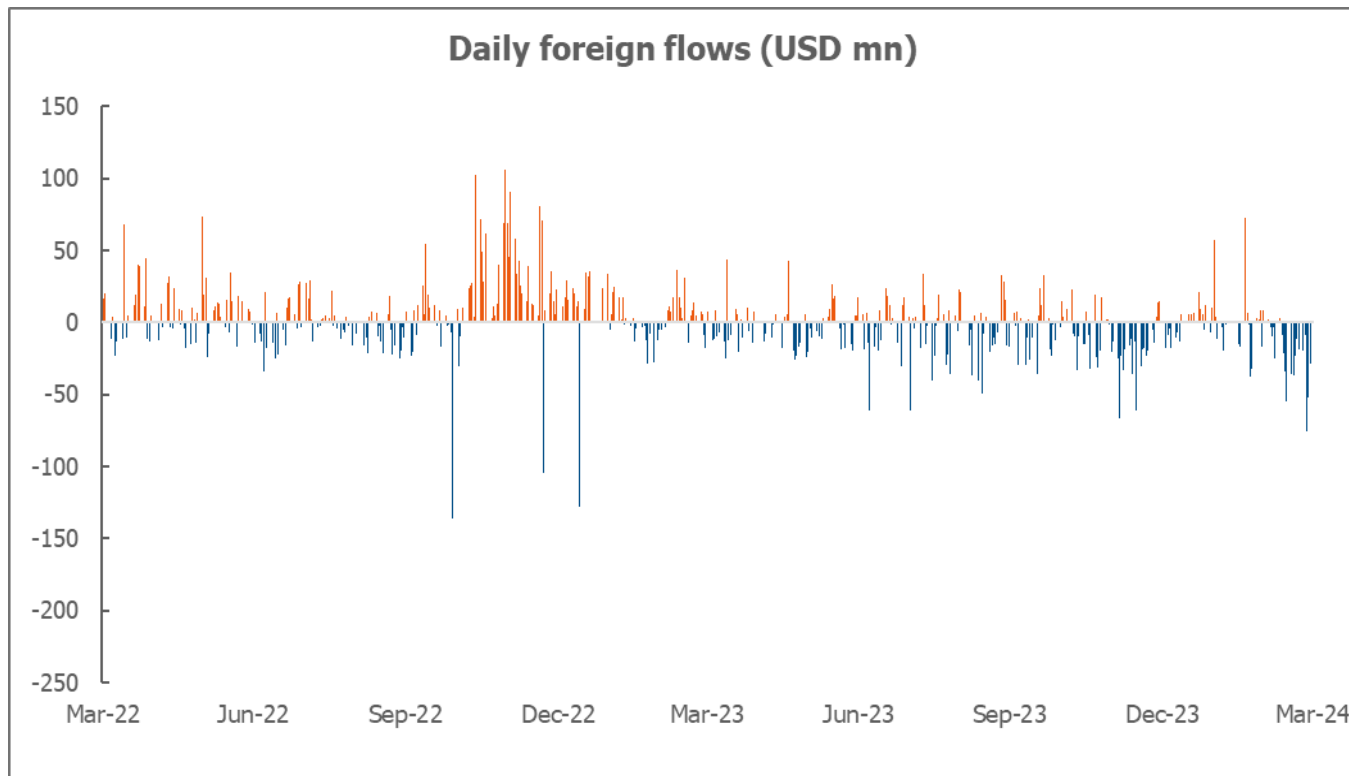
Foreigners were major net sellers during March. This is somewhat ironic given the re-emergence of the emerging markets upgrade narrative, which we think will continue to prompt local investors to front-run the expected inflows from foreign institutions.

Foreign net selling of Vietnamese stocks in March reached a total of US\$456 million, the highest monthly figure in our database since May 2021. That brings total foreign outflows in 1Q24 to US\$467 million.

Our take on these outflows is backed up by regional macro-strategist Johan Huang’s views as expressed in a week of marketing to Vietnam-based clients: the outflows from Vietnam equities reflect a broader, global trend in which Vietnam is just a bit player.

Emerging markets broadly are seeing outflows as global capital allocators shift away from the “Fed pivot” narrative – which, with humility, we never believed – and in favor of an increasing acceptance of the more probable higher-for-longer scenario for US rates. Expectations of higher USD rates feed through to expected US dollar strength, which is typically viewed as negative for emerging markets.

As such, the foreign selling is not a Vietnam-specific phenomenon, in our view. Having said that, the multi-year peak of foreign net selling in March is ironic given the renewed market confidence, which we increasingly share, for Vietnam to be upgraded to emerging markets status in the medium term.



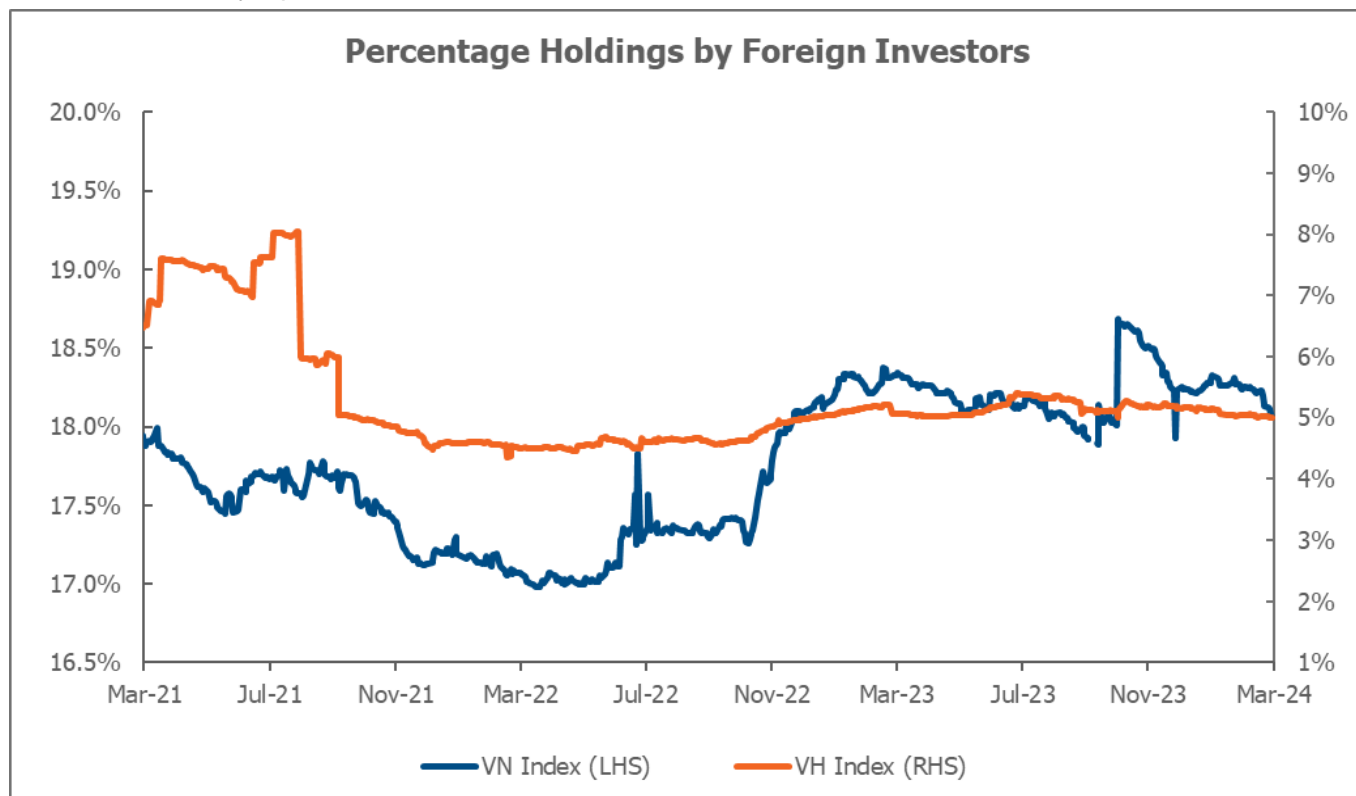
Source: FiinPro, Yuanta Vietnam (Mar 29)

Analysts often flatter institutional investors as being wise and stable allocators of long-term capital. The rather academic theory is that institutional investors provide a stabilizing influence on markets by buying low and selling high. Sell-side analysts like ourselves frequently promote the same argument, both to flatter our clients as well as to convince the authorities that greater institutional participation in the Vietnam market would be a good thing.

FINIs failed to live up to this ideal role in March, however. Foreigners were very procyclical net sellers of US\$25 million on March 8, the worst day of the month for the VNI (-1.7%), and net sold another US\$36 million on March 18 (when the VNI fell by -1.6% DoD). However, at least they were consistent: FINIs net sold on 18 of the 21 trading days of the month. That said, they were consistent in stepping up their selling orders when the market declined: average net selling per day was US\$27mn on the 9 down-days, whereas foreign net selling averaged US\$18mn on the 12 up-days.

The surge of net selling of March left foreign investors holding just 18.1% of the total number of listed shares on the HOSE as of the end of the month, a figure that has continued to trend down to just 17.9% as at April 9.

This figure is down from a recent peak of 18.5% as recently as end-January – a rather ironic trend in light of the expected inflows from an eventual emerging markets upgrade for Vietnam – and a distinct contrast to domestic proprietary traders, who have been increasing their holdings of Vietnam stocks both in March and early April.



Source: FiinPro, Yuanta Vietnam (Mar 29)

Domestic institutional investors net bought US\$43 million in March, after switching to net sellers in February. Again, this is a contrast to the surge in net selling by foreigners, although the amount of prop desk buying was dwarfed by the foreign net selling.

This means that prop desks increased their holdings of stock by US\$29 million in the first quarter of 2024, which we would say means a relatively neutral overall impact on the market overall in 1Q24.

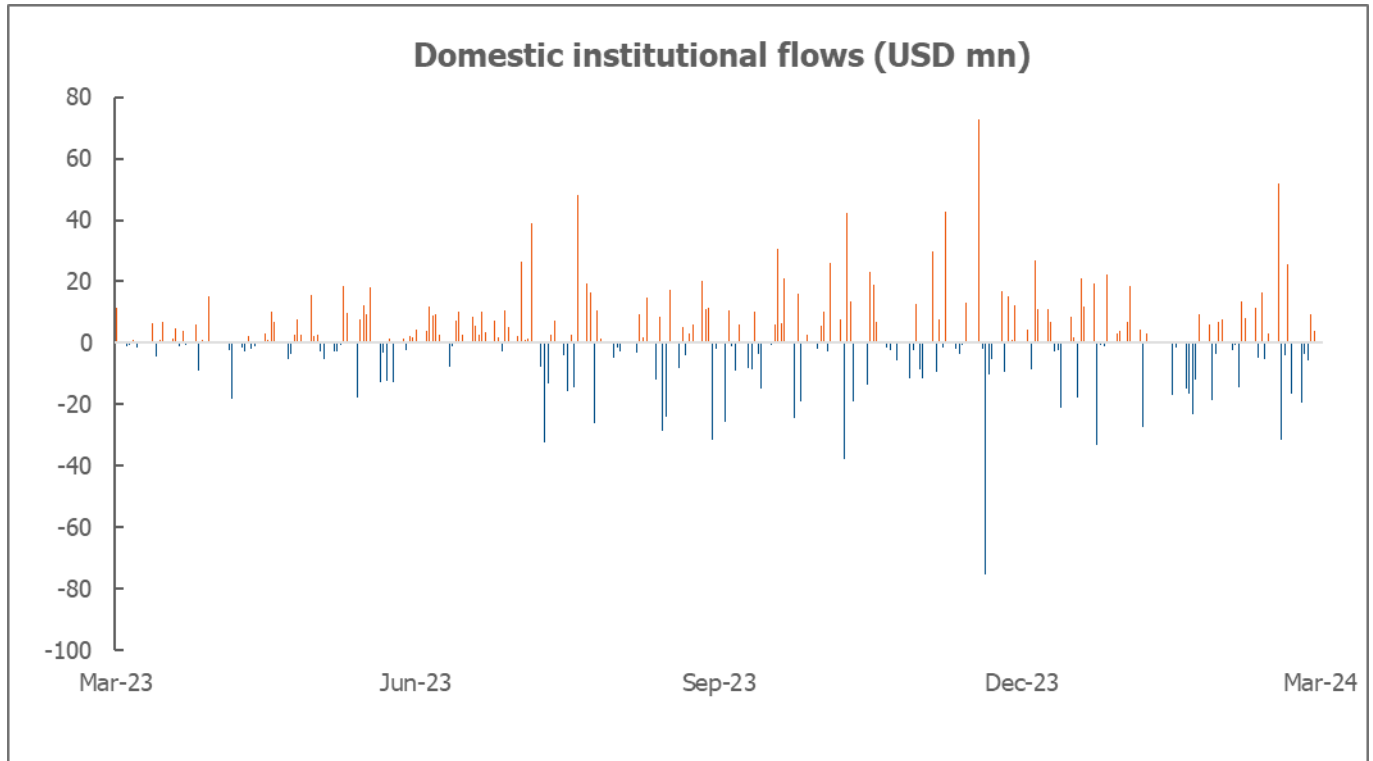
In sharp contrast to the wise, prudent, and long-term focused foreigners – who eagerly joined the crowd of sellers on the two big down-days of March -- proprietary traders were contracyclical net buyers during the market’s worst two days of the month. Prop desks net purchased US\$8 million on March 8, when the market dropped by -1.7% -- the worst day of the month for the index. On March 18, when the market fell by -1.6%, prop desks picked up a net US\$52 million of stocks, which is a year-to-date high.

Considering that foreign net selling was US\$36 million on March 8 and US\$25 million on March 18, Vietnam’s prop traders appear to be taking on the contracyclical stabilizing role that the textbooks say belongs to the wise-and-prudent foreign institutional funds. Or, to put it another way, prop traders appear to have been buying low and selling high.

Interestingly, prop traders net bought US\$67mn in the first three weeks of March before partially unwinding these positions (by about US\$32 million) in the last six trading sessions – just in time for the quarterly balance sheet close. But prop traders shifted back to net buying activities in early April.

Our sense is that domestic institutional traders are primarily short-term tacticians – which befits their role as proprietary traders – and may be tempted again to lighten up as the VNI reaches back toward 1300 points going forward.

Domestic institutional flows are a likely to remain a sizeable force in the market following widespread capital raising over the past several years. Brokers thus have plenty of balance sheet, are less inclined than previously to hold cash (given lower bank deposit rates), and are well-positioned to gain from their sense of the ebbs and flows of market momentum as we continue to navigate the ongoing bull market going forward.



Source: FiinPro, Bloomberg, Yuanta Vietnam (Mar 29)

Securities trading accounts reach 7.6 million at end-1Q24

According to the Vietnam Securities Depository, net new securities trading accounts increased by 402 thousand to reach 7.7 million in 1Q24. Momentum appears to be picking up the pace, as new accounts were 125k in January, 113k in February (which was obviously curtailed by the Tet holidays), and 164k in March.



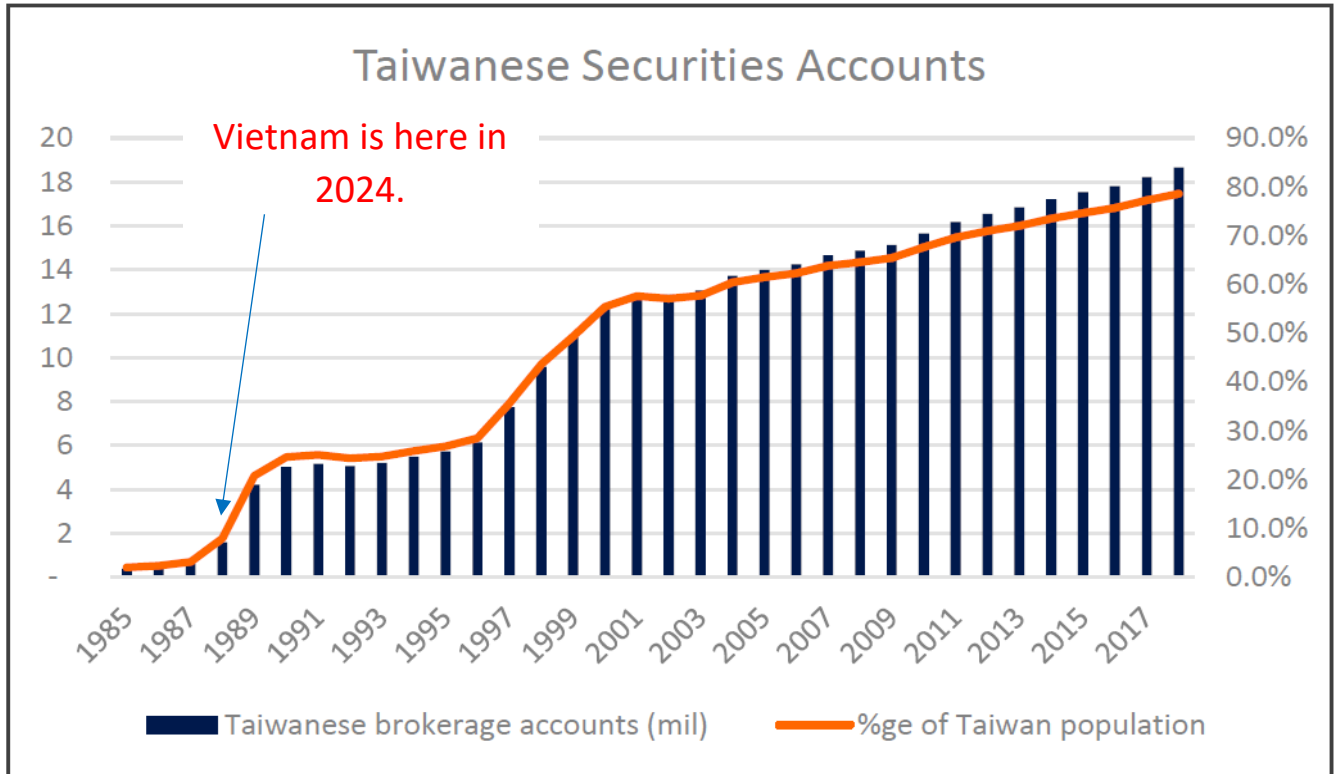
Source: Vietnam Securities Depository, Yuanta Vietnam

Domestic individual accounts thus reached 7.6 million at end-March, up by +6% YTD and +9% YoY. As illustrated in the chart above, a substantial number of fake / inactive accounts opened during the 2022 boom were closed down by regulatory order in 4Q23. Our understanding is that this activity was primarily focused among bank-related brokerages, where the KPI-efficient outcome was to open accounts for bank depositors that they may or may not have known about.

In any case, that effect appears to have been resolved and the historical peak in total (real and fake) accounts of 7.8 million, which was reached in September 2023, will likely be surpassed by the end of 2Q23.

This gives us another chance to trundle out what we believe to be our most plagiarized chart – the comparison of Vietnam trading accounts today with the growth trajectory that Taiwan’s stock market experienced in the latter half of the 1980s, a five-year period in which the TWSE returned 13x from top to bottom.

Vietnam's brokerage account penetration rate of 7.6% (an oversimplified ratio of total accounts divided by population) is equivalent to where Taiwan was in 1988, two years before the bubble popped. Perhaps even more relevant is the doubling in Taiwan's securities trading account that occurred in the four years of the late 1990s, which was precipitated by MSCI's inclusion of Taiwan in its emerging markets index. Does that sound familiar?



Source: TWSE, World Bank, Yuanta Vietnam

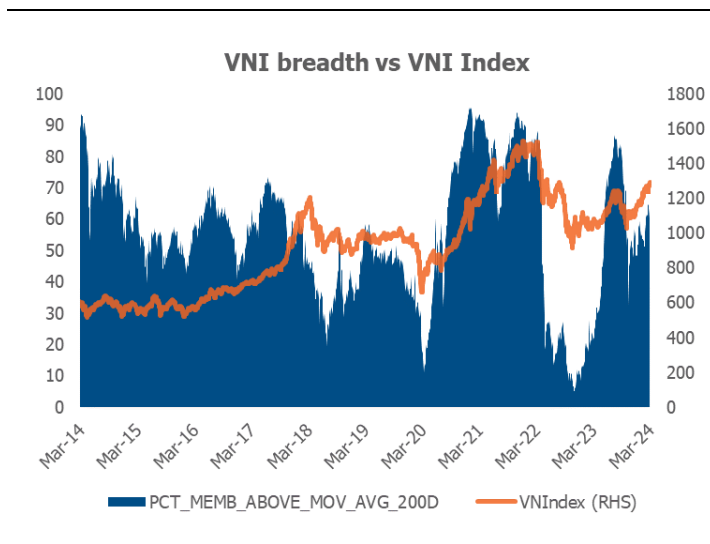
Monthly market breadth: Positive for the VNI, but neutral for the VN30

March breadth was weaker for the large caps than it was for the overall market. Breadth among the components of the VN30 Index – the main large-cap index – was decidedly neutral in March, with 15 gainers / 14 losers and one stock unchanged during March. By contrast, breadth on the mainboard VNI was more clearly positive, with 250 gainers (66% of all components) vs. 127 decliners during the month.

But YTD breadth remains highly positive across the board, which is not likely to come as a surprise given the overall market rise of +13.4% in 1Q24. Some 75% of VNI components were gainers in 1Q24 (290 gainers / 96 decliners), while breadth among the large caps was even more positive with 87% of VN30 constituents posting positive YTD returns (26 gainers / 4 losers) in 1Q24.

As of end-March, 68% of VNI components were trading above their 200-day moving averages, up from 63% at end-February and 51.5% at end-January. However, this figure has since pulled back to 62% as of April 5. Compared to the recent (and in retrospect, overheated) peak level of 87% last August, today's level does not indicate any convincing sign of market overheating.

Monthly stock breadth: Negative on VN30 and positive the broader VNI



Source: Bloomberg, Yuanta Vietnam (Mar 29)

VN 30 breadth			
	WoW	MoM	YTD
Gainers	14	15	26
Losers	16	14	4

Source: Bloomberg (Mar 29)

VN Index breadth			
	WoW	MoM	YTD
Gainers	194	250	290
Losers	171	127	96

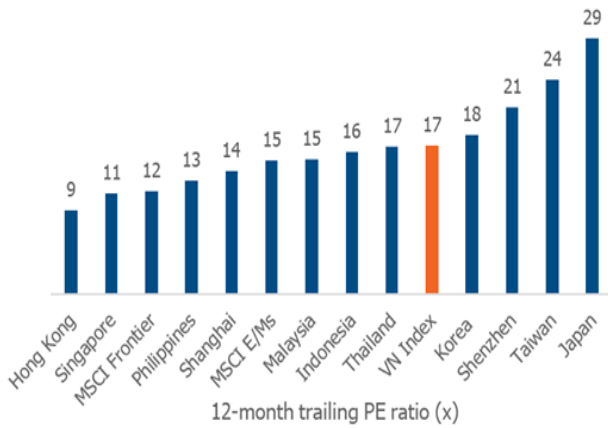
Source: Bloomberg (Mar 29)

Source: Bloomberg

Vietnam stocks are not as cheap vs. the region as they used to be, on trailing P/E basis...

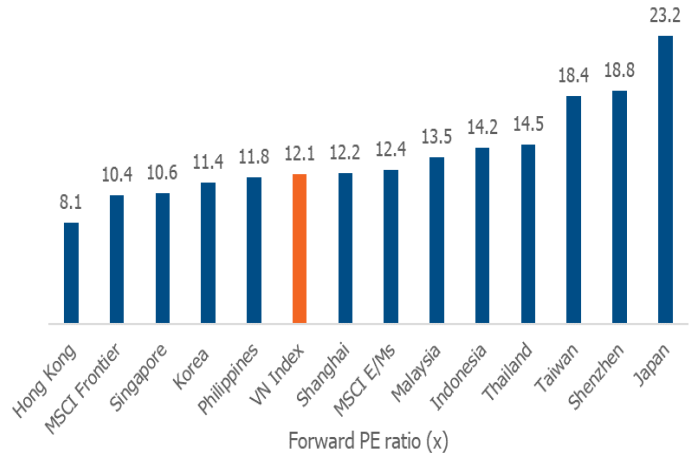
... but the 12.1x 2024E PE is inarguably cheap, even assuming that EPS expectations are too high.

Regional stock market: Trailing PE multiples



Source: Bloomberg, Yuanta Vietnam (Mar 29)

Regional stock market: 2024E PE multiples

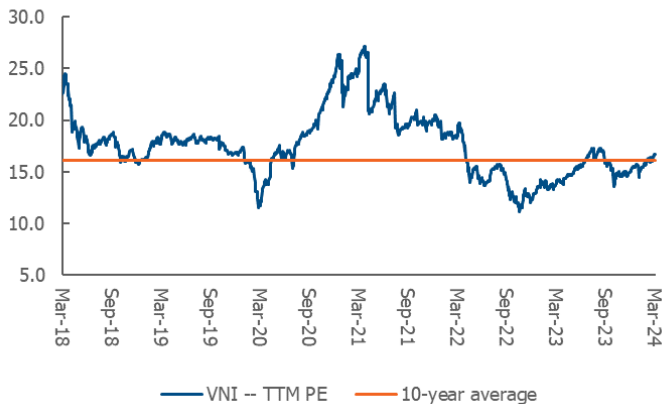


Source: Bloomberg (2024E consensus PE), Yuanta Vietnam (Mar 29)

The VNI's trailing PE ratio is close – but slightly above – its historical mean.

But the mainboard's 2024E PE is now 12.1x, based on Bloomberg consensus.

VNI -- Trailing PE ratio (x)



Source: Bloomberg, Yuanta Vietnam

VNI -- 2024E PE ratio (x)

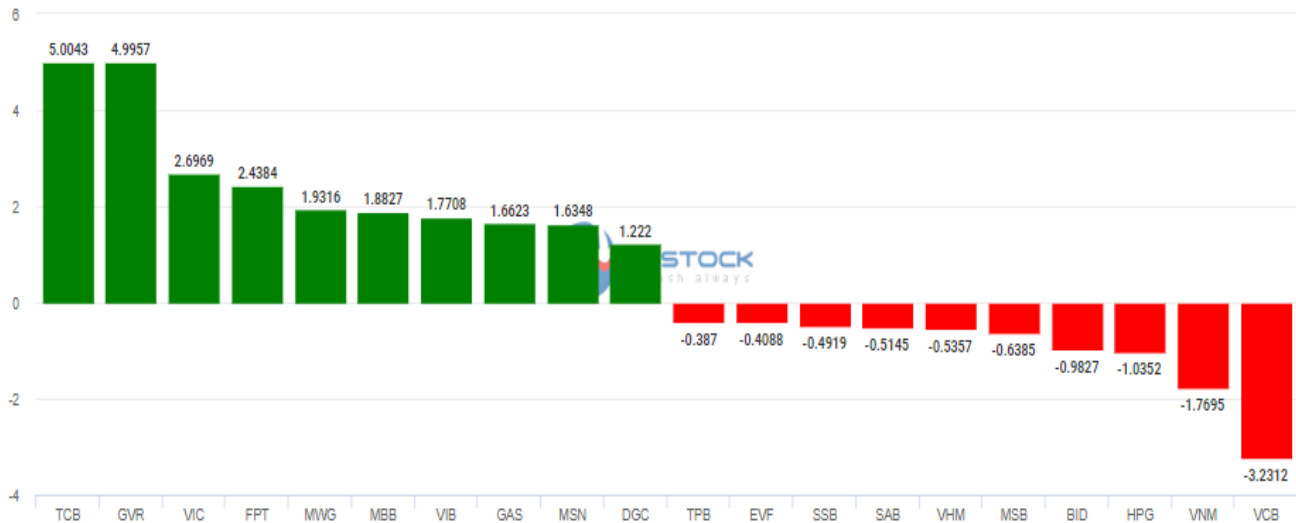


Source: Bloomberg (2024E consensus PE), Yuanta Vietnam

As go the banks, so goes the VNI. The three-listed SOE banks remain solid outperformers YTD but their stock prices took a breather in March. Market cap scale meant that VCB (-3% MoM) and BID (-2%) were among the biggest negative drivers of market performance in March, while CTG was flat during the month. Other big cap decliners included FINI favorites HPG (-2% MoM) and VNM (-5%).

The Vingroup trio had an interesting month. VIC was the only MoM gainer of the three stocks after announcing the [divestment](#) of a holding company with a 41.5% stake in Vincom Retail (VRE, BUY) as well as ownership interest in two of VIC's property developments. The announcement failed to generate sustained excitement for the blushing bride, VRE, which ended the month down -2.5% MoM and +11% YTD, underperforming the broader market. That was in sharp contrast to the proud and cash-hungry father's +6% MoM increase in March, but VIC is still up just +7% YTD. Meanwhile, sister firm VHM fell by -1.3% MoM in March and is down by 0.8% YTD.

Top stocks affect the market index VN-Index from 03/01/2024 to 03/31/2024



Source: Vietstock

VN30 large caps: Share price performance in Mar

Ticker	Closing price (VND K)	MoM chg	Contribution to VN30 Index performance in Mar	YTD chg	Contribution to VN30 Index performance in 3M24
ACB	28.5	1.8%	5%	19.2%	9%
BCM	64.9	2.5%	0%	3.2%	0%
BID	52.1	-1.7%	-1%	20.0%	1%
BVH	42.8	-0.3%	0%	8.2%	0%
CTG	35.6	0.0%	0%	31.2%	4%
FPT	116.5	6.9%	25%	21.2%	12%
GAS	80.2	3.6%	1%	6.2%	0%
GVR	33.2	15.9%	2%	56.4%	1%
HDB	24.1	3.4%	5%	18.7%	5%
HPG	30.3	-2.4%	-7%	8.2%	4%
MBB	25.4	5.2%	11%	36.2%	12%
MSN	74.2	5.4%	8%	10.7%	3%
MWG	51.1	10.6%	18%	19.4%	5%
PLX	37.3	4.0%	1%	8.1%	0%
POW	11.4	-2.1%	0%	1.3%	0%
SAB	56.7	-3.1%	-1%	-7.8%	0%
SHB	11.4	-3.4%	-4%	5.6%	1%
SSB	22.1	-3.5%	-3%	-7.5%	-1%
SSI	38.5	4.1%	5%	17.4%	3%
STB	31.6	0.2%	0%	13.1%	4%
TCB	47.6	12.7%	37%	49.5%	23%
TPB	19.1	-3.8%	-3%	9.8%	1%
VCB	94.9	-2.5%	-5%	18.2%	5%
VHM	42.9	-1.3%	-2%	-0.8%	0%
VIB	24.6	12.3%	10%	29.1%	4%
VIC	47.7	5.9%	9%	6.8%	2%
VJC	103.0	-0.1%	0%	-4.6%	-1%
VNM	67.6	-4.9%	-9%	1.3%	0%
VPB	19.8	-0.8%	-2%	2.9%	1%
VRE	25.9	-2.5%	-2%	10.9%	1%

Source: Bloomberg, Yuanta Vietnam, Pricing date: Mar 29 , 2024

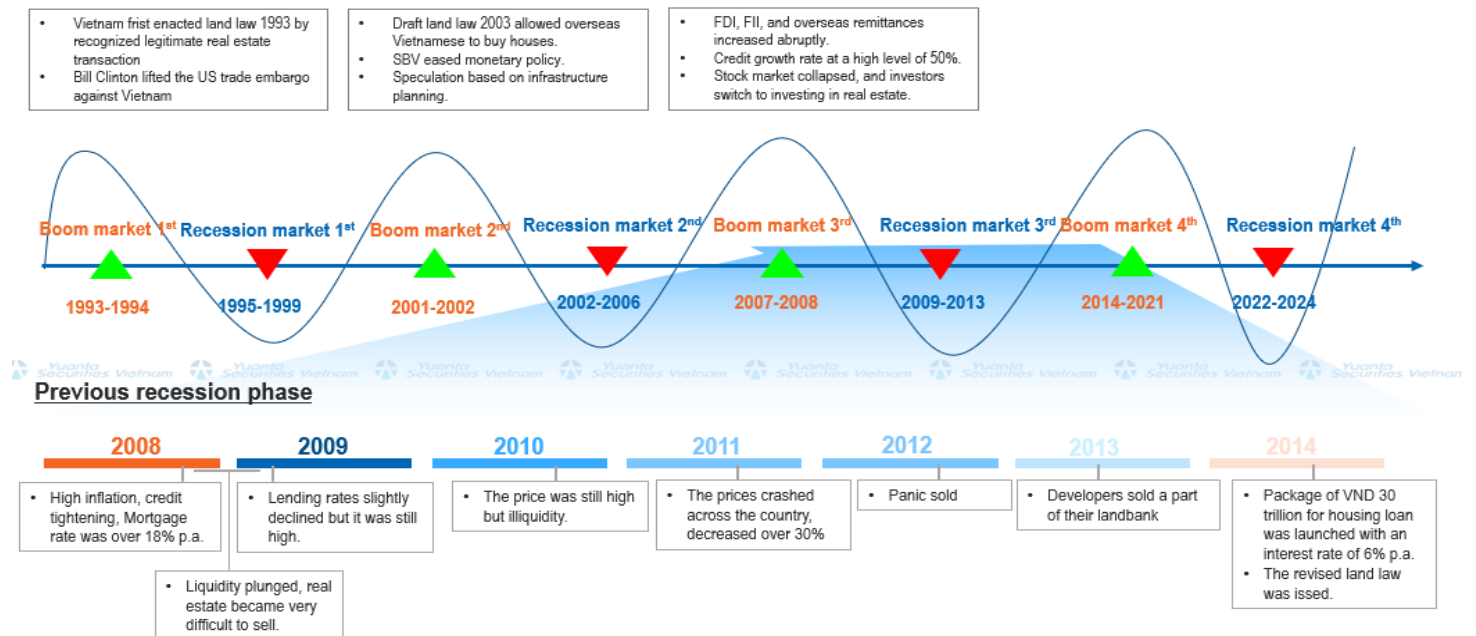
Property Developers: CIGARR Framework Update

Marginal improvements in 4Q23 presales & liquidity for the listed developers -- as revealed by analyst Tam Nguyen's proprietary CIGARR framework -- suggest that the worst is past for Vietnam's beleaguered property developers.

Vietnam Property Developers: CIGARR Framework Update					15 March 2024	
Yuanta Vietnam Residential Property Universe		What's new?			Our view	
Stock code	Price (VND k)	Target (VND k)	Rating	% ge up/downside	<ul style="list-style-type: none"> • Marginal improvements in presales & liquidity for the listed developers. • The 3 amended laws might benefit the sector but only take effect in Jan 2025. • The industry's recessionary phase is likely to be shorter than that of the previous cycle, but the property market remains in the doldrums in 2024. 	<ul style="list-style-type: none"> • The real estate market should enter a recovery phase from mid-2025 and onwards. • Effective land resource distribution policies will foster economic and property market growth. • We continue to favor high-quality developers with strong balance sheets and visible project launch pipelines. • Top picks: KDH (BUY) and VHM (BUY).
KDH VN	37.60	47.30	BUY	26%		
VHM VN	43.30	58.40	BUY	35%		
NLG VN	44.50	37.80	Hold-Underperform	-15%		
DXG VN	18.15	20.70	Hold-Outperform	14%		

We expect the recessionary phase of the property market cycle to be shorter than the last one was (i.e., 2008-13). Structurally strong housing demand and improved economic conditions imply an eventual cyclical recovery; but realistically, the market is likely to remain in the doldrums in 2024.

Looking back on the previous recession phase



However, the recently announced legal amendments should benefit the sector (and more specifically, the major players) after taking effect by Jan 2025. As such, we expect the next upcycle to kick off starting in 2H25.

Stick with quality. In this environment, we continue to favor high-quality developers with strong balance sheets and visible project launch pipelines, and our top picks in the sector are KDH (BUY) and VHM (BUY). We have also identified two speculative themes and several non-rated firms that may benefit -- but these stocks are high-risk and are only appropriate for investors with strong stomachs.

Key Highlights –

Updating our proprietary CIGARR analytical framework of the top-20 listed residential developers, which screens for six measures of financial strength and operational excellence.

Although intended as a quarterly snapshot of the largest property developers, we believe the value of this approach lies in its ability to identify developers that are demonstrating improvements in fundamental quality that may have been overlooked by the market—and that may be poised for share price outperformance.

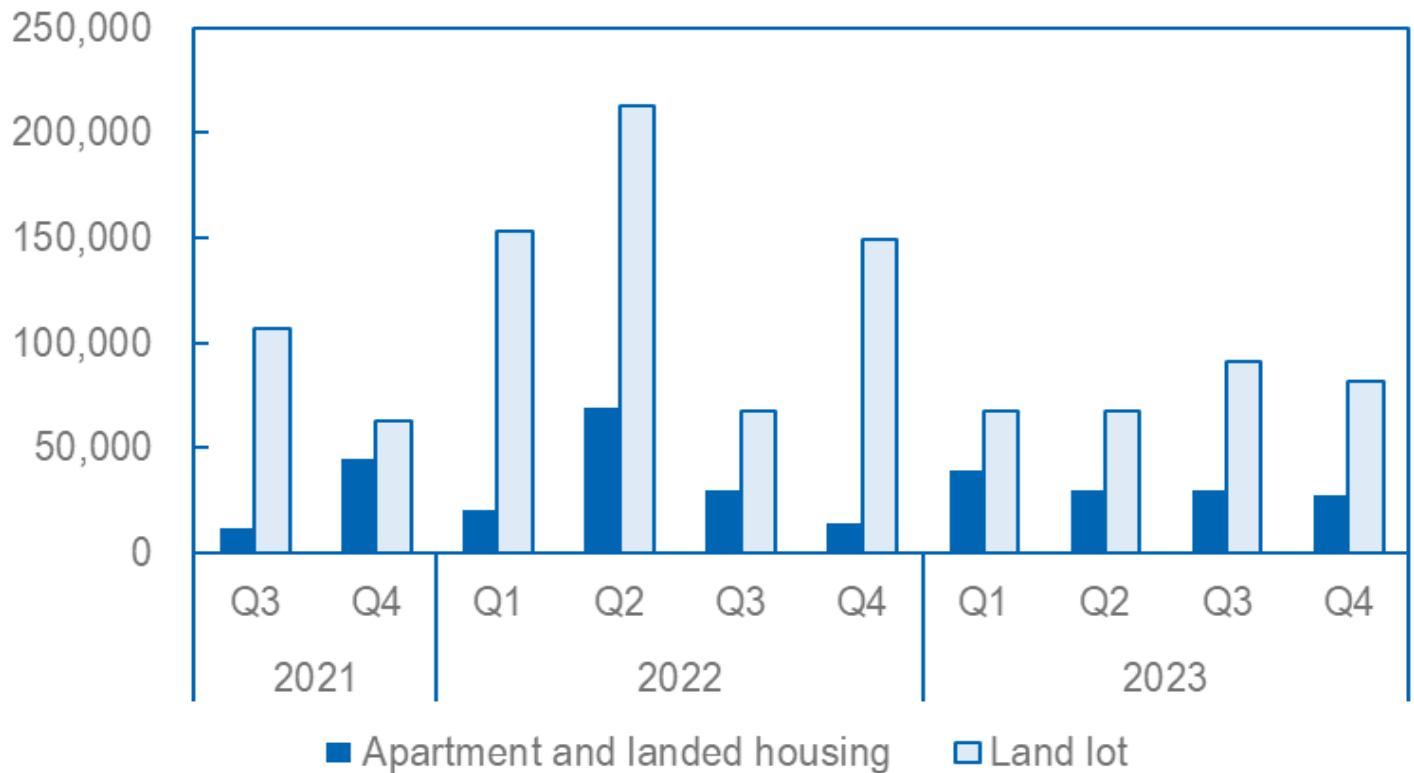
CIGARR scores -- 4Q22 vs. 3Q22

CIGARR_4Q23	AGG	CEO	DIG	DXG	HDC	HDG	HPX	IDJ	IJC	KDH	NBB	NLG	NTL	NVL	PDR	QCG	SCR	SJS	VHM	VPI	Total	
Capital efficiency	☆	☆	☆	☆	★	☆	☆	☆	★	☆	☆	☆	★	☆	☆	☆	☆	☆	☆	☆	☆	3
Increasing ASPs / Expanding gross margin	★	☆	☆	★	★	★	★	★	★	★	☆	☆	★	☆	★	☆	★	★	☆	★	★	13
Growth in PATMI	★	☆	★	★	☆	☆	☆	☆	☆	☆	☆	☆	★	☆	☆	☆	☆	★	★	★	★	7
Accelerating project development	☆	☆	★	☆	☆	☆	☆	☆	☆	★	☆	★	☆	★	★	☆	★	★	☆	★	★	8
Ramping up presales	★	☆	★	★	★	★	★	★	★	★	☆	★	★	★	☆	☆	★	★	★	★	★	9
Reasonable financial leverage	★	★	★	☆	☆	★	★	★	★	★	☆	★	★	☆	☆	☆	☆	☆	☆	★	★	9
Scores	●4	●1	●4	●2	●3	●2	●1	●2	●2	●4	●0	●3	●4	●2	●2	●0	●3	●3	●3	●4	●4	49
<hr/>																						
CIGARR_3Q23	AGG	CEO	DIG	DXG	HDC	HDG	HPX	IDJ	IJC	KDH	NBB	NLG	NTL	NVL	PDR	QCG	SCR	SJS	VHM	VPI	Total	
Capital efficiency	★	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	★	☆	☆	2
Increasing ASPs / Expanding gross margin	★	☆	★	☆	★	☆	★	★	★	★	☆	★	☆	☆	★	★	☆	★	★	★	☆	11
Growth in PATMI	☆	☆	☆	☆	☆	☆	☆	☆	☆	★	★	☆	☆	☆	☆	☆	☆	★	★	★	★	5
Accelerating project development	☆	★	☆	☆	☆	★	★	★	★	★	★	★	★	☆	☆	★	☆	☆	★	★	★	11
Ramping up presales	☆	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	10
Reasonable financial leverage	☆	★	☆	☆	☆	★	★	★	★	★	★	★	★	☆	☆	☆	☆	☆	☆	☆	☆	6
Scores	●2	●3	●2	●1	●1	●3	●3	●3	●2	●3	●3	●4	●2	●1	●1	●3	●0	●2	●4	●2	●2	45
<hr/>																						
CIGARR_4Q22	AGG	CEO	DIG	DXG	HDC	HDG	HPX	IDJ	IJC	KDH	NBB	NLG	NTL	NVL	PDR	QCG	SCR	SJS	VHM	VPI	Total	
Capital efficiency	☆	★	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	★	☆	☆	2
Increasing ASPs / Expanding gross margin	☆	★	☆	☆	☆	☆	☆	☆	☆	☆	☆	★	☆	☆	☆	☆	☆	☆	☆	☆	★	3
Growth in PATMI	☆	★	☆	☆	★	★	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	★	★	★	★	5
Accelerating project development	★	★	★	★	☆	☆	★	★	★	★	★	☆	☆	★	☆	★	☆	☆	★	★	★	11
Ramping up presales	★	☆	☆	★	☆	☆	★	★	★	★	☆	☆	☆	★	☆	★	☆	★	★	★	★	11
Reasonable financial leverage	★	★	☆	☆	☆	★	☆	★	☆	★	☆	★	★	☆	☆	★	☆	☆	★	☆	☆	9
Scores	●3	●5	●1	●2	●1	●2	●1	●3	●2	●2	●1	●2	●1	●2	●0	●3	●0	●3	●4	●3	●3	41

Source: Yuanta Vietnam

Real estate developers staged a modest recovery in 4Q23, as illustrated by improvements in various metrics within the CIGARR framework. Most notably, the improvement is evident in the +11% QoQ increase in 4Q23 presales value (ex. VHM). In addition, developer balance sheets have been supported by reduced borrowing costs and equity capital issuance by individual companies.

Fig 1: Total transactions in Vietnam

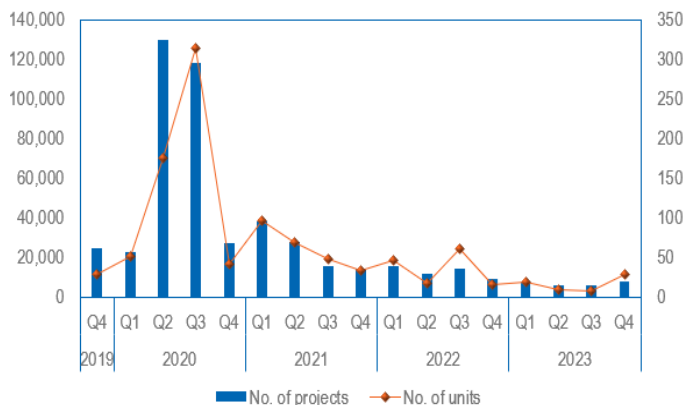


Source: MoC, Yuanta Vietnam

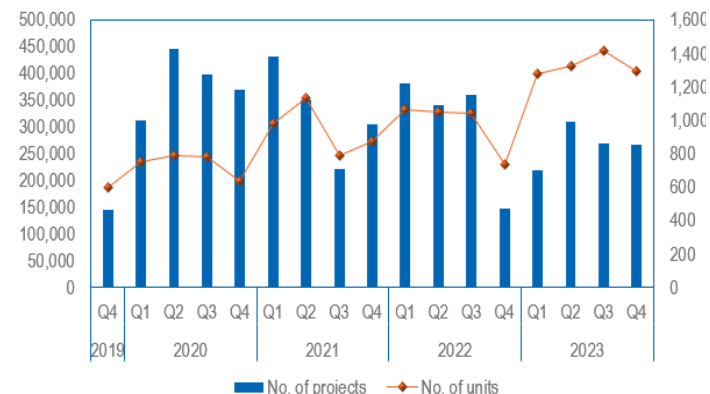
Administrative bottlenecks are gradually easing. Although most of the relevant legal amendments are only effective on Jan 1, 2025, the changes provide a clear message that the central government is focused on the administrative frictions confronting the industry, which typically emerge at local government levels. We expect a continued gradual easing of the administrative constraints in 2024, which should begin to alleviate the supply shortage this year. Following the promulgation of the amended laws next year, we anticipate that this trend will accelerate more significantly in 2H25.

A slight recovery in potential supply in 4Q23, with the emphasis on “slight”

No. projects obtains investment approvals



Ongoing Construction Projects



Source: MoC, Yuanta Vietnam

We expect the real estate market to transition into a recovery phase from mid-2025 onwards with increased market liquidity as a key indicator but pricing to lag the increase in transactions during the initial phase of this upcycle. We think that Vietnam's macroeconomic strengths over the next decade should lead to a shorter recession phase for the property market (i.e., three years, or 2022-2025) vs that of the previous cycle (five years, 2008-2013).

Crucial regulations on the Housing Law amendment

No.	Crucial regulations	Impacts on the development process	Details	YSVN's comments
1	Regulations on developing mixed-use housing projects.	Stage 1+2+4	<ul style="list-style-type: none"> Guidance on administrative processes, design standards, management, and usage. 	<ul style="list-style-type: none"> Adapting the current market trends, creating favorable conditions for the development of mixed-use projects.
2	Additional general requirements on housing development	Stage 4	<ul style="list-style-type: none"> Complying with fire prevention standards. 	<ul style="list-style-type: none"> Presently, this regulation poses a considerable challenge, as it (1) imposes a substantial hurdle for developers in completing administrative procedures necessary for acquiring the Pink Book for homebuyers and (2) substantially elevates the compliance costs associated with development projects.
		Stage 1	<ul style="list-style-type: none"> Prioritizing condominium project development in the first-tier urban areas. 	<ul style="list-style-type: none"> Condominiums are the main segment of supply in Tier 1 cities. Also, this regulation illustrates the relative scarcity of supply in first-tier urban areas.
		Stage 1	<ul style="list-style-type: none"> In the first-tier, second-tier, third-tier urban areas, developers must only build 	<ul style="list-style-type: none"> This regulation imposes a heightened capital requirement for the development of residential projects, serving to mitigate speculative

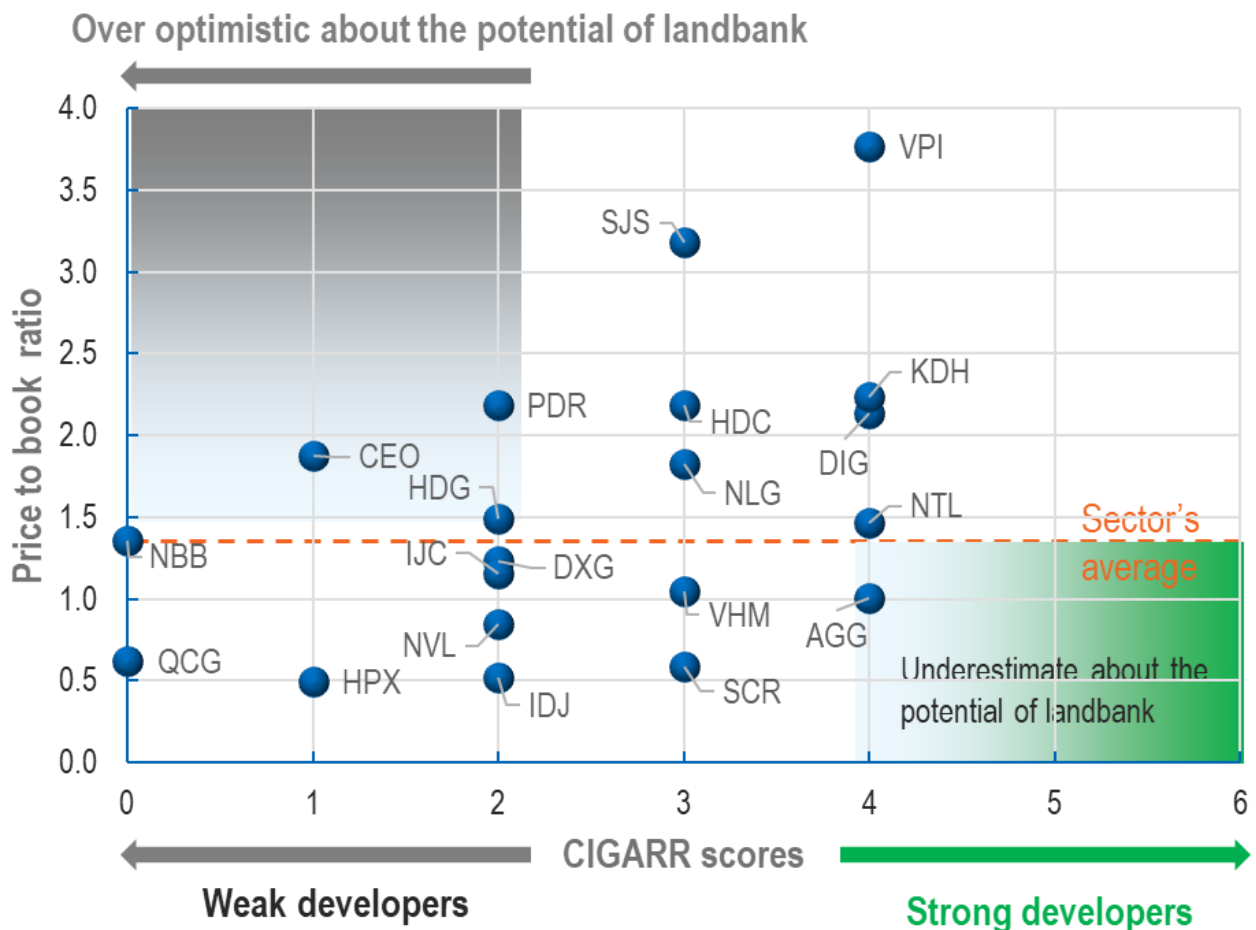
			houses to sell and are not allowed to sell land to homebuyers.	activities in the market – with a consequent reduction in speculative demand the likely result.
		Stage 1+4	<ul style="list-style-type: none"> • Removing two sublicences: • (1) Notifying sufficient documents for house handover, and • (2) Developer recognition 	<ul style="list-style-type: none"> • Reducing compliance costs. • Streamlining the administrative process.
3	Determining land source for housing development (i.e., how to acquire new landbank).	Stage 1	<ul style="list-style-type: none"> • A company is recognized as a developer by (1) winning the auction, (2) winning the bidding, or (3) owning the approved land for developing a housing project. 	<ul style="list-style-type: none"> • Clarity on the regulations for how developers should acquire new residential projects. • Clear regulations are both easier for authorities to implement and provide for less leeway in how they are applied.
4	Regulations on developing social housing projects (Article 76, 85,88,89)	Stage 1+2+4	<ul style="list-style-type: none"> • Preferential policies to promote social housing development: (1) Exemption from LUR fees and simplification of related procedures. (2) Net profit is still limited at 10% but developers can spend max 20% of project area to develop commercial housing. • Sales of social housing formed in the future do not require a bank warranty. • Expanding the eligibility criteria for entities interested in purchasing social housing. 	<ul style="list-style-type: none"> • Overall, the amended law provides more detailed instructions on how to implement social housing projects, both for developers and relevant officials. • The regulations should increase the economic incentive for residential property developers to implement social housing projects going forward. • Total net profit of social housing projects increases to a range of 15%-20% vs. the previous c.10% due to the addition of commercial housing attached to the social housing projects.
			<ul style="list-style-type: none"> • During the first 5 years after full payment, social housing buyers can only resell to the project's developer or sell to entities entitled to buy social housing, and such transactions entail a maximum selling price equal to the contract price. 	<ul style="list-style-type: none"> • This should curtail price increases and reduce speculative activities in social housing development. • The increased supply and stable pricing of social housing should also support price stability in the overall market.
			<ul style="list-style-type: none"> • Provincial People's Committees are authorized to require the developers of designated social housing projects to -- • (1) Develop 20% of the project's land area for social housing, or • 2) Pay a fee to the authorities equivalent to the land value of the project that is allocated to social housing, or 	<ul style="list-style-type: none"> • This regulation creates flexible options for developers. • However, the first option is applicable primarily to small projects only. • This is because if this option is selected, provincial authorities are mandated to designate a corresponding area for the purpose of developing social housing.

			<ul style="list-style-type: none"> (2) Allocate land for social housing in an alternative area outside the project. 	
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Source: Yuanta Vietnam

Stick with the quality developers with strong balance sheets & visible project launch pipelines. **Our top picks: [KDH \(BUY\)](#) & [VHM \(BUY\)](#)**, whereas we are cautious on [DXG \(HOLD-Outperform\)](#). In addition, **we downgrade NLG to HOLD-Underperform** ([previous rating](#): HOLD-Outperform) with publication of this note, with no change to our model -- this is purely a valuation call as the shares have risen above our fair value estimate.

Fig 2: Current P/B vs. 4Q23 CIGARR scores



Source: Yuanta Vietnam

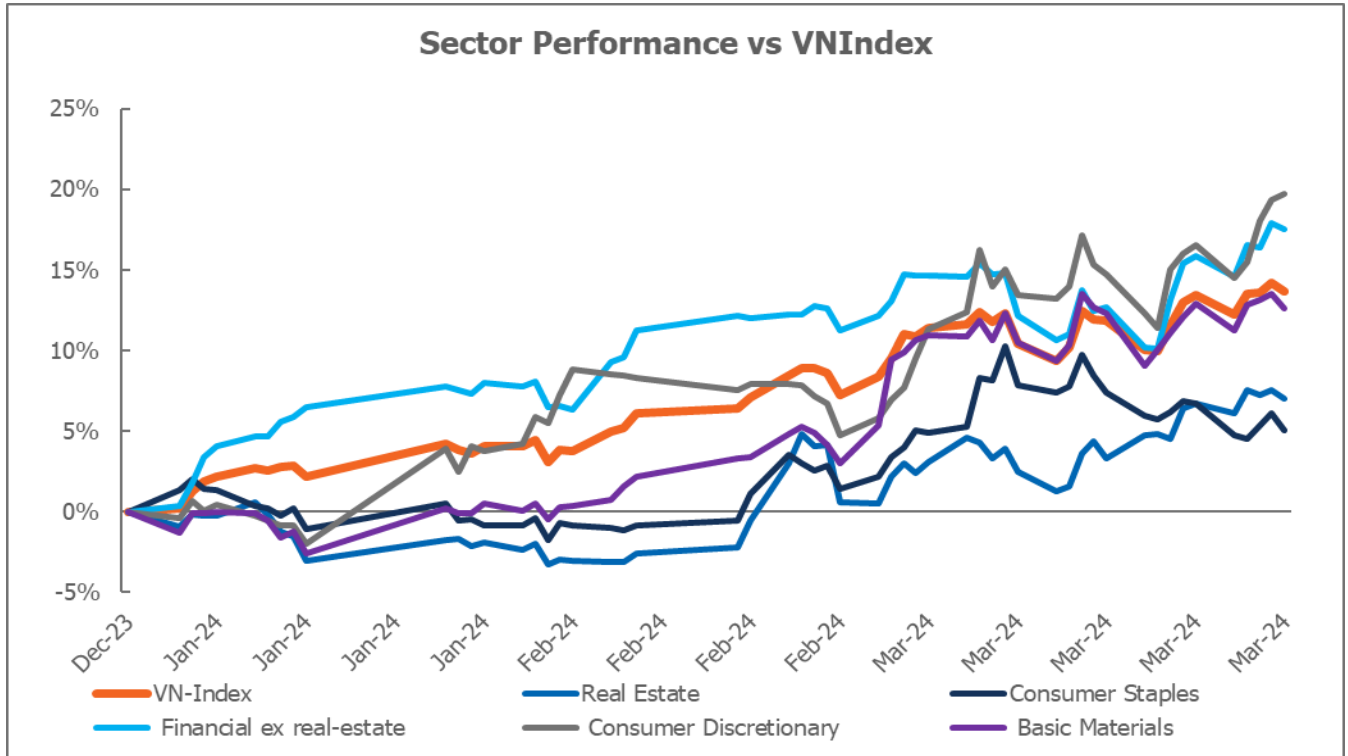
Two high-risk themes for investors with strong stomachs -- and (mostly) non-rated stocks:

(1) Timing -- AGG, DIG, & VPI: Keep track of these developers' actual presales performance as a share price catalyst.

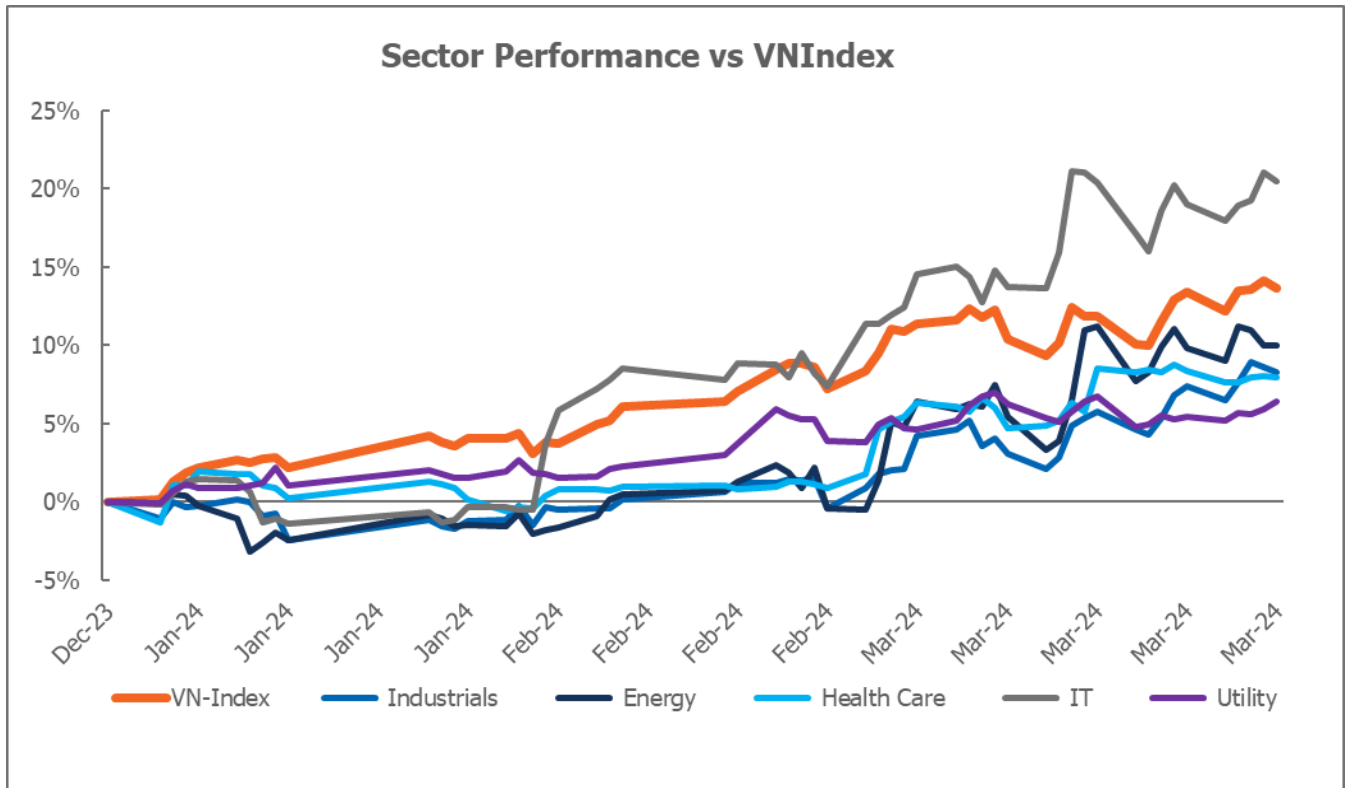
(2) High risk, high return -- DXG, SCR, & PDR: Upside for these stocks likely depends on their ability to obtain necessary approvals to launch prime projects.

Please see the link for the full report: <https://yuanta.com.vn/wp-content/uploads/2024/03/4Q23-CIGARR-update-Worst-is-past-but-upcycle-is-a-2H25-story-Edited-1.pdf>

Sector performance YTD



Source: Bloomberg (updated to Mar 29)

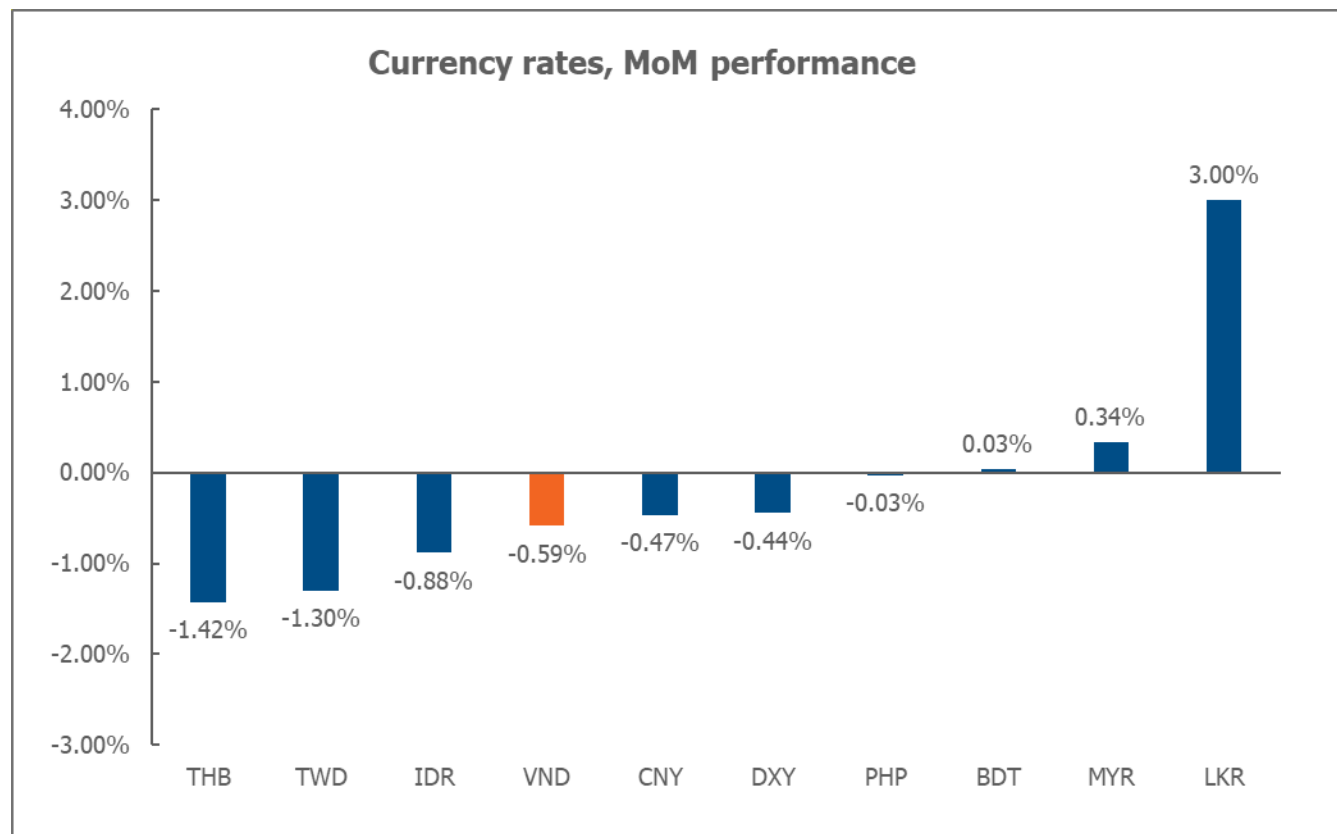


Source: Bloomberg (updated to Mar 29)

VND depreciation remains a key risk

The dong depreciated by another -59bps MoM against the USD in March. This trend is in line with softening in most regional peer currencies, with the exception of the Malaysian ringgit (which gained 0.3% MoM against the greenback) and substantially slower depreciation than that of the Thai baht (-1.4% MoM) and Indonesian rupiah (-0.9%).

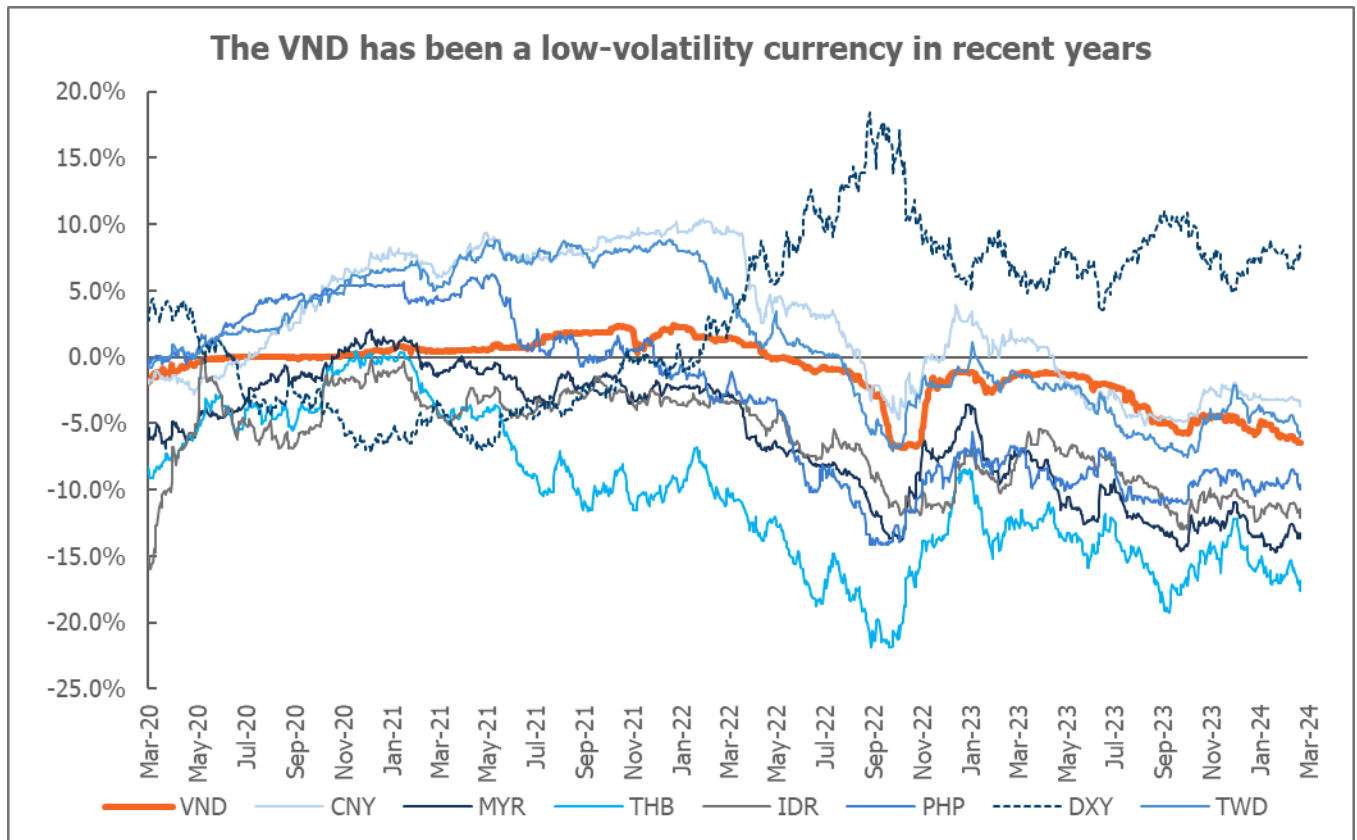
Clearly, this is a regional trend, and not specific to Vietnam. We believe the overall depreciation pressure is likely to persist given a combination of interest rate differentials (i.e., positive real returns of US government short-term debt) and a shift away from the widely held belief that the US Fed is set to pivot back to ZIRP despite the persistent inflationary pressures in the US and lack of economic need given the very strong economic conditions in the USA.



Source: Bloomberg (updated to Mar 29)

The VND’s exchange rate vs. the dollar declined by -2.1% YTD in 1Q24 and -5.3% YoY as at end-March. This is well ahead of our previously published expectation for full-year depreciation of 2-3% -- and we think the depreciation pressure is likely to persist going forward.

For stock investors, the bigger risk of VND depreciation is not so much the VND itself but the potential for more strident actions to defend the currency on the part of the SBV. This could take the form of dramatically increased bills issuance, which would further reduce interbank liquidity and possibly impact share prices, the sale of FX reserves, or even higher policy rates. At the moment, we think the most likely scenario is a tolerance for further single-digit declines in the FX rate, with tactical open market operations to tighten up financial system liquidity as the most likely SBV moves.



Source: Bloomberg (updated to Mar 29)

We could make a high-conviction argument for why the VND should appreciate...

- 1) **An increasingly structural positive current account balance** in the years ahead.

Our view is that Vietnam’s position in the global supply chain should allow it to effectively capture a continuously increasing share of manufacturing value-add in the years ahead.

- 2) **Continued inflows of longer-term capital in the form of FDI and remittances.** FDI has remained a story beyond most economists’ expectations, but the diversification of manufacturing away from China should continue to drive this trend.

Meanwhile, remittances should continue, especially as overseas Vietnamese citizens are allowed to invest (directly) in property going forward.

- 3) **Ample FX reserves, especially relative to imports for the domestic economy.** Development economists typically apply a rule-of-thumb that a nation’s FX reserves should be the equivalent of c.3-4 months of total imports, and Vietnam typically skates along the edge of this guidance.

However, the measure itself is oversimplified given that two-thirds of merchandise imports comprise inputs for FDI manufacturers who largely target export markets. This implies that a 3-month total import coverage figure would be equivalent to more than 8 months of domestic imports for Vietnam, which appears very reasonably sufficient to our feeble brains.

- 4) **Lack of any credit-fueled domestic demand bubble** in the past decade. Readers may quibble with our take on the financial stability of the past decade given recent troubles in the property and corporate bond markets.

But the currency devaluation hangover of the previous crisis (2008-14) was preceded by the far wilder credit party of 2000-2008. By contrast, since the start of the recovery in 2014, the SBV has managed the financial system, and specifically the currency, for relative stability.

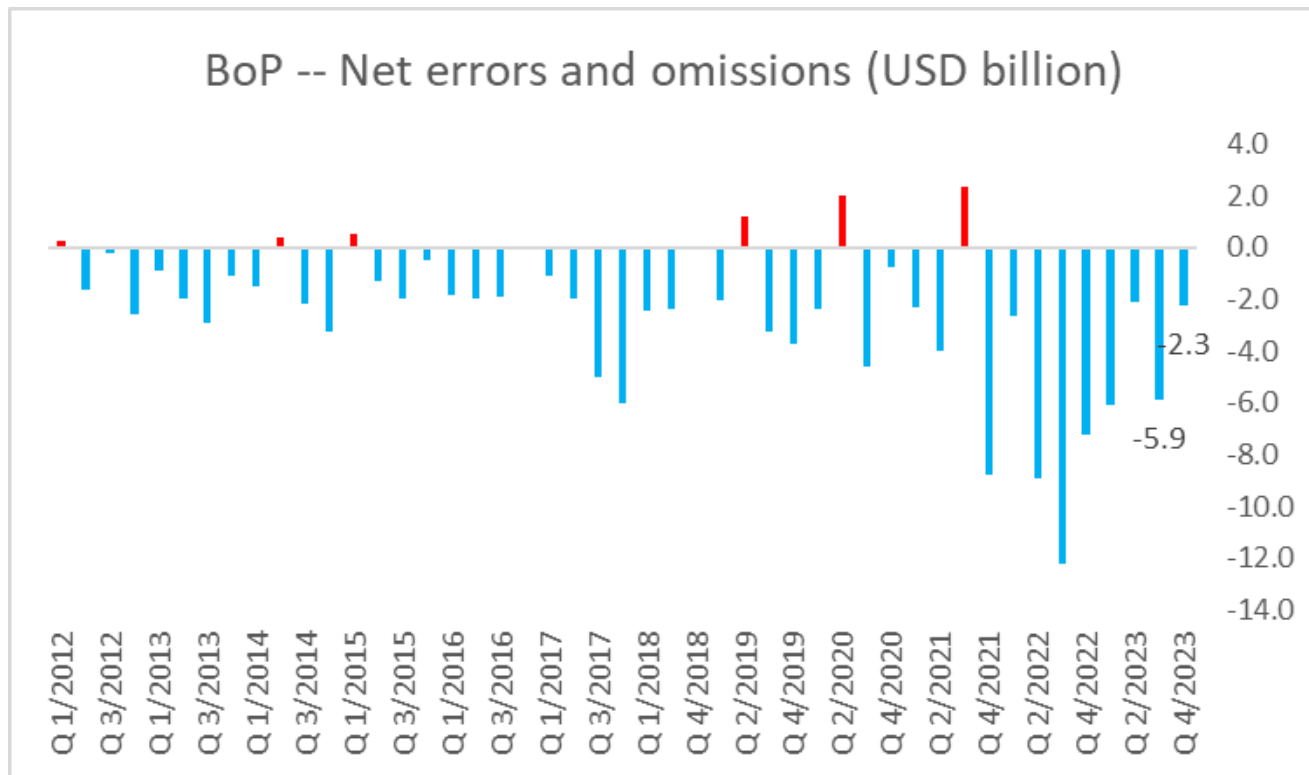
...But we're not gonna do that – we think the VND remains under pressure.

Despite these positive-seeming fundamental drivers, we expect the currency to continue to face depreciatory pressure vs. the US dollar going forward. This is to be expected given

- 1) The need to be cost competitive vs. more volatile regional countries,
- 2) Lack of political pressure from the US (at least, under the Biden administration) to allow the VND to appreciate given the overriding geopolitical concerns, and – most importantly,
- 3) The real interest rate differential, which we do NOT anticipate will disappear in 2024.

BOP data indicates a slowdown in capital flight in 4Q23. The latter factor is perhaps best represented by the “net errors and omissions” line in the official Balance of Payments data. As noted last week, the initial 3Q23 data indicated net outflows of a disconcertingly large US\$8.7bn, raising concerns (for us, at least) that the surge in unexplained outflows of 4Q21-1Q23 might be restarting.

However, the initial 3Q23 figure has since been revised down to US\$5.9bn, and the more recent data also indicates that net errors and omissions fell to a more normalized US\$2.3bn in 4Q23. The latter figure is thus in line with the 10-year average leading up to 3Q21.



Source: FiinPro, Yuanta Vietnam

As illustrated in the chart above, the “errors” outflows were exceptionally high in 2Q22-1Q23, a time in which certain individuals may have been *especially* incentivized to attempt to offshore their wealth. As a reminder, monetary policy was not the only action taken by the Vietnam government during this period – the prosecutors were also busy.

Capital leakage averaged US\$1.7bn per quarter in the ten years leading to 3Q21. But it suddenly popped to US\$8.8bn in 4Q21, reached a historical peak (so far) of US\$12.2bn in 3Q23, and as a result has averaged US\$7.1bn over the past 8 quarters.

We previously noted that the surge in net E&O outflows appeared to have coincided with some of the newsy elements of law enforcement *vis a vis* certain members of the property development community.

As such, we were gratified to see it appear to normalize at US\$2.1bn in outflows during 2Q23. However, the negative BOP entry in net E&O then surged again in 3Q23, to reach US\$8.7 billion, the fourth highest figure in our database.

Perhaps we attributed too much causation to the correlation of outflows vs. the timing of certain events involving allegations of alleged wrongdoings and the management takeover of the country’s fifth largest bank (by reported assets). It’s impossible to say.

The underlying drivers for this data are opaque by their very nature, but real rate differentials may be a factor. In any case, the data supports our argument that domestic capital flight (i.e., wealthy Vietnamese moving funds abroad, or at least out of the financial system) represent the greatest source of liquidity risk both for the system and the VND itself.

Curb market for USD cash now commands over 25,000 VN dong per dollar – a historical low (not high) for the VND. Notably, the charts above are based on official exchange rates of the various regional currencies, some of which are more actively managed than others. The official VND rate available at SOE bank VCB was 25,650 as of March 4. That represents a -3.5% decline since the start of the year, a measure of depreciation that is roughly twice that of the official rate’s c.-1.6% so far in 2024..

By contrast, the very active and relatively open curb market for purchasing US dollar cash with Vietnam dong burst through a historical high of 25,000 VND per dollar on February 15, the first day after the weeklong Tet holidays. The dong’s cash exchange rate went on to depreciate to as low as 25,670 (

It would be reasonable to assume that this reflects a desire to hold more supposedly “hard” currency, but we have seen this movie before and think the domestic gold price premium, which ended February at c.30% above the international price of gold, is also a key driver of demand for USD cash.

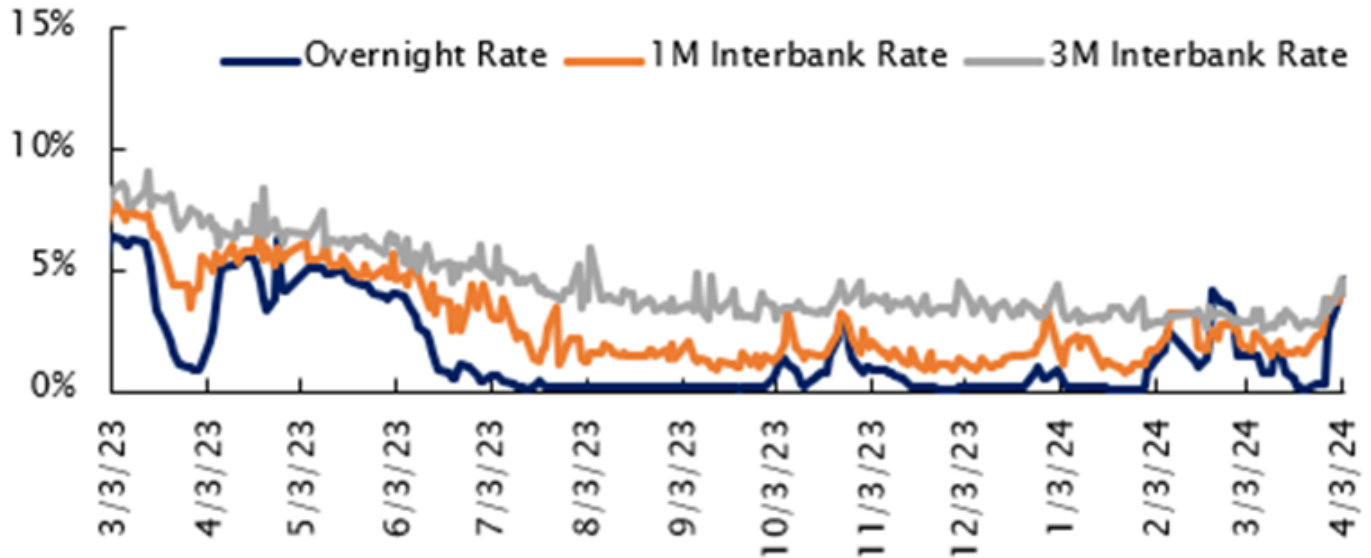
The 20% premium is probably sufficient incentive to reactivate the gold arbitrage trade, an operation that is best be carried out by cash. The charts below provide a visual of the historical relationships among local gold prices, international gold prices, and the demand for USD cash as reflected in the premium over the bank rate that VND-based buyers are willing to pay for USD cash. Yuanta clients who wish to access the underlying data behind this analysis are welcome to request it.

Bank system liquidity – Tight!

- The bank system’s liquidity tightened this week.
- The overnight rate jumped by +4.3ppt WoW to 4.59% per annum on Apr 3.
- The 1M interbank rate increased by +1.9ppt WoW to 4.30% per annum on Apr 3.
- The SBV withdrew VND172tn via T-Bills from Mar 11 to Apr 4, 2024.

- However, the T-Bills that issued from Mar 11 to Mar 15 will be matured next week, which means that the SBV will pump about VND75 tn back to the banking system next week.
- This should help ease pressure on the interbank rates.
- We believe that the SBV will stick with its easing monetary policy to support the economy.
- However, due to pressure on the USD/VND exchange rate, the SBV might continue to issue T-Bills or consider to sell USD.
- Additionally, with a rising demand for credit in the next quarters, the interbank rates might not decrease substantially.
- We anticipate the overnight rate to stay at around 2-3% in the coming time.

Interbank Rates

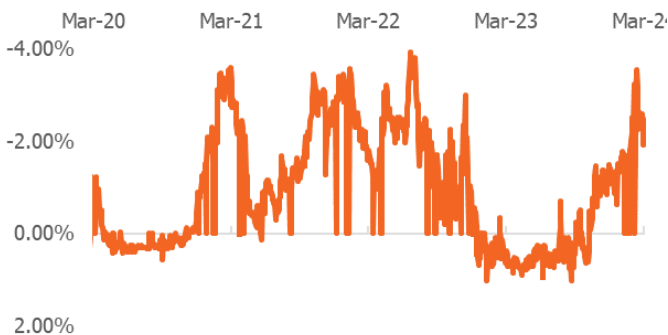


Source: SBV

Grey market US dollar cash premium has risen, signaling increased demand.

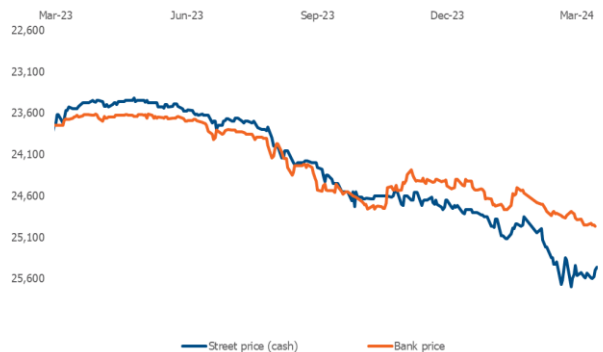
Both the bank and street VND rates have been declining over the past 10 months.

Cash rate vs bank rate for buying USD with VND



Source: FiinPro, Yuanta Vietnam. Bank data refers to VCB's published electronic selling price vs. the "free market" price for USD notes.

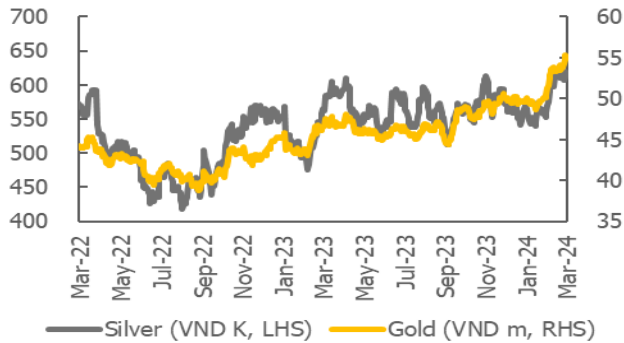
VND rates to buy USD



Source: FiinPro, Yuanta Vietnam

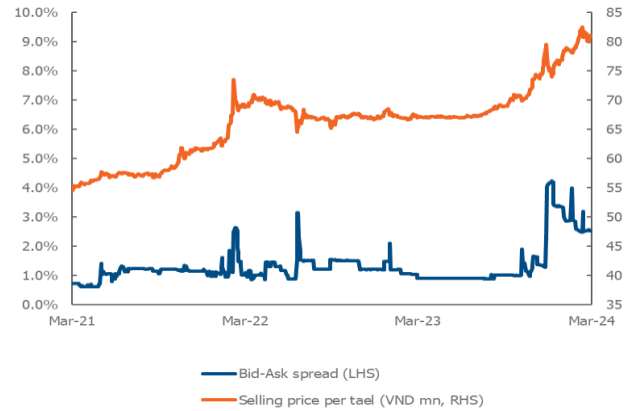
Global gold prices (priced in USD) have also increased, with bigger gains in VND terms.

Precious metals in VND terms



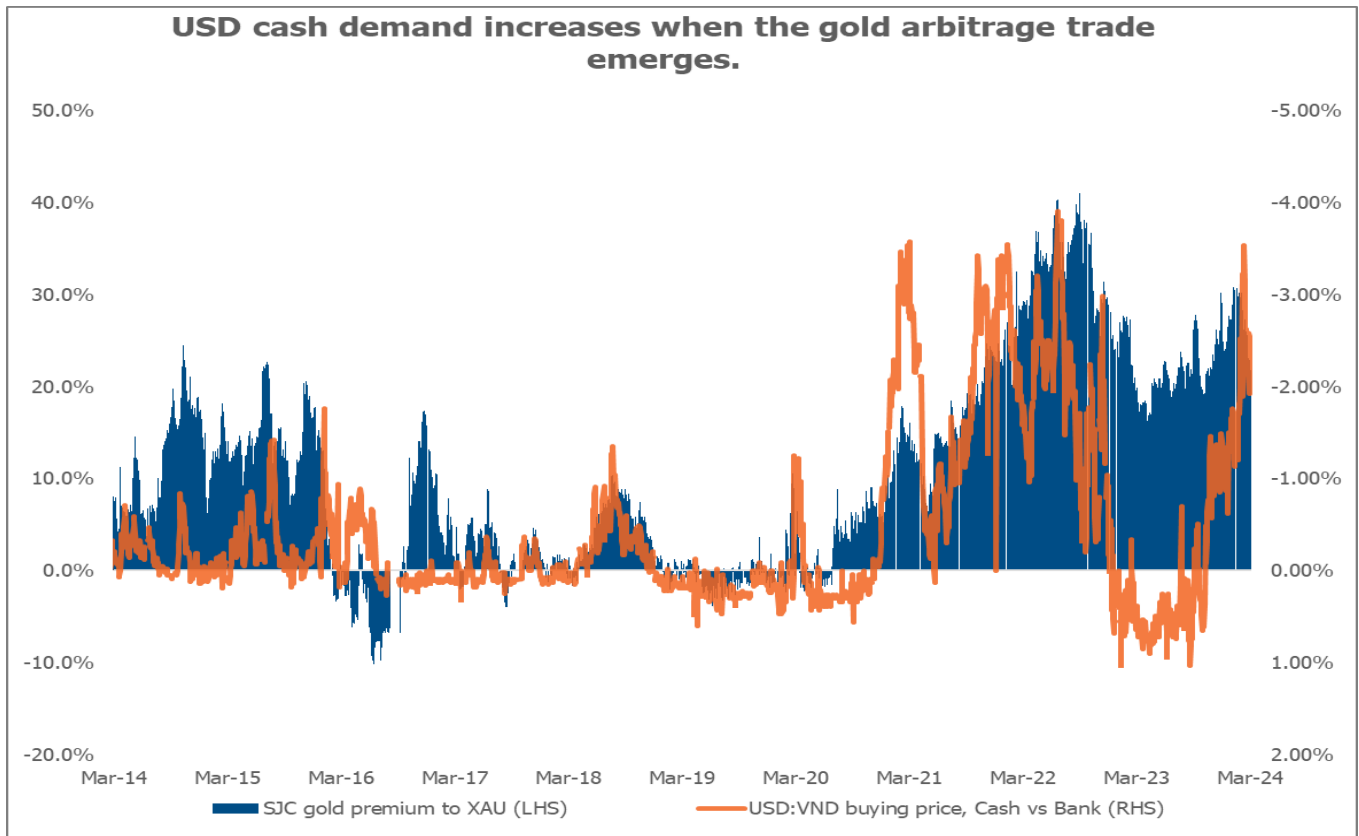
Source: FiinPro, Yuanta Vietnam. Bank data refers to VCB's published electronic selling price vs. the "free market" price for USD notes.

The SJC's official gold price reflects this trend, and bid-ask spreads have soared YTD.



Source: FiinPro, Yuanta Vietnam

USD cash demand increases when the gold arbitrage trade emerges.



Source: FiinPro, Bloomberg, Yuanta Vietnam (updated to Mar 29)

PNJ and the Gold market: An update (March 8)

- Consumer analyst Di Luu notes that both the SJC's gold price (domestic gold price) and spot gold price (global gold price) are climbing up to record highs.
- Global spot gold price has reached USD 2,158 per ounce (+5% YTD).
- SJC's gold price is ranging around VND 80 million per tael (+8% YTD) amid the low interest rates environment.



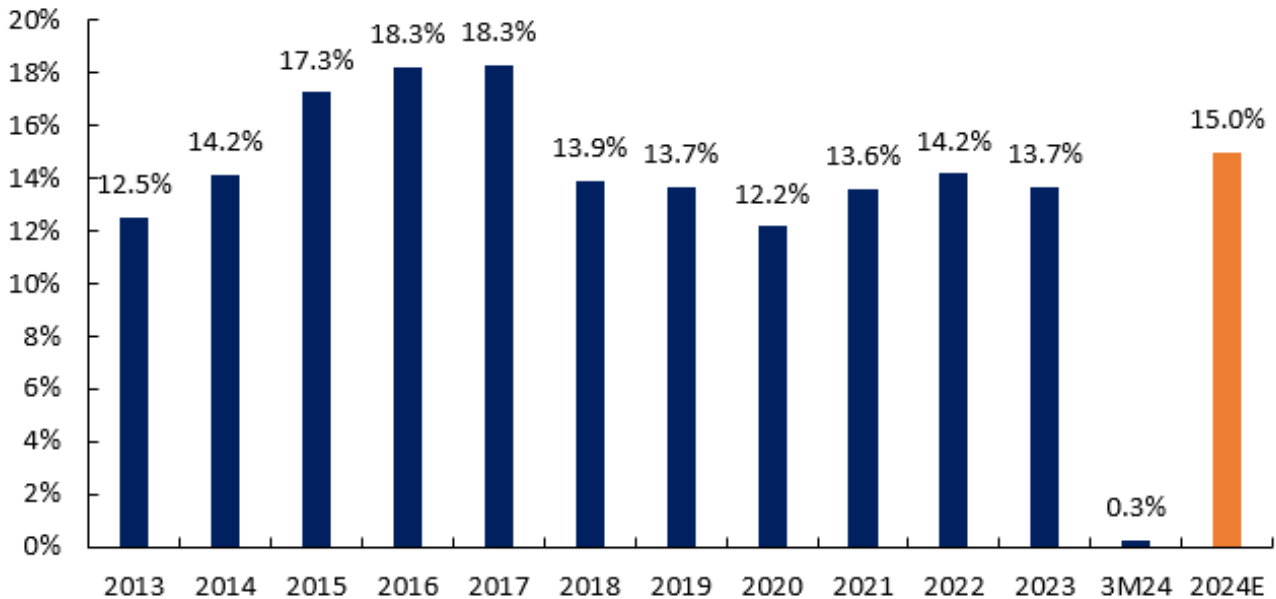
Source: FiinproX (data as of Mar 8, 2024)

- **The market is waiting for the adjustment of Decree 24/2012/NĐ-CP on gold business activities**, but this is likely to take time.
- Vietnam Gold Business Association (VGTA) expects the government to take action to increase the gold supply so as to narrow the c.40%-plus premium of domestic gold over the yellow metal's global price.
- **Impact from Decree amendment on PNJ? Not much**, in our view.
- Any amendments will largely impact the gold bar market, not the market for jewelry.
- PNJ's key operational segment is jewelry retail, where its selling prices are listed and do not fluctuate along with daily gold price changes.
- The record date for PNJ's first cash dividend payment for FY2023 and its 2024 AGM attendance is on Mar 18, 2024.
- Cash dividend (VND 10,000 per share) will be paid on Apr 12, 2024.
- The expected time for the AGM is from Apr 16 to Apr 30, 2024.
- Please see the link for more details: <https://yuanta.com.vn/wp-content/uploads/2024/01/PNJ-Express-note-Dec-2023.pdf>

Banks – Credit growth scratched out a positive number in 1Q24

- The sector’s credit growth rebounded in March.
- As of Mar 25, 2024, total credit growth stood at +0.26% YTD (compared to 1.99% YTD during the same period last year).
- This represents a reversal of the negative growth of -0.72% in the first two months of the year.

Credit growth



Source: FiinPro-X, SBV

Note: 2024E is the SBV's credit growth target

Consumer Finance – 2023 was tough, but not as bad as we thought

- 2023 was a tough one for unsecured consumer finance operations in Vietnam.
- But it wasn’t a complete disaster.
- For example, Thai lender SCB bought Home Credit Vietnam.
- Consumer credit growth was 11.3% YoY in 2023, down from 23.7% in 2022, according to FiinPro’s analysis.
- Note that this doesn’t include mortgages – it’s only loans for consumption at finance companies and commercial banks.

Figure 1: Market size and YoY growth (%) by outstanding loans for consumption purposes of commercial banks and FinCos

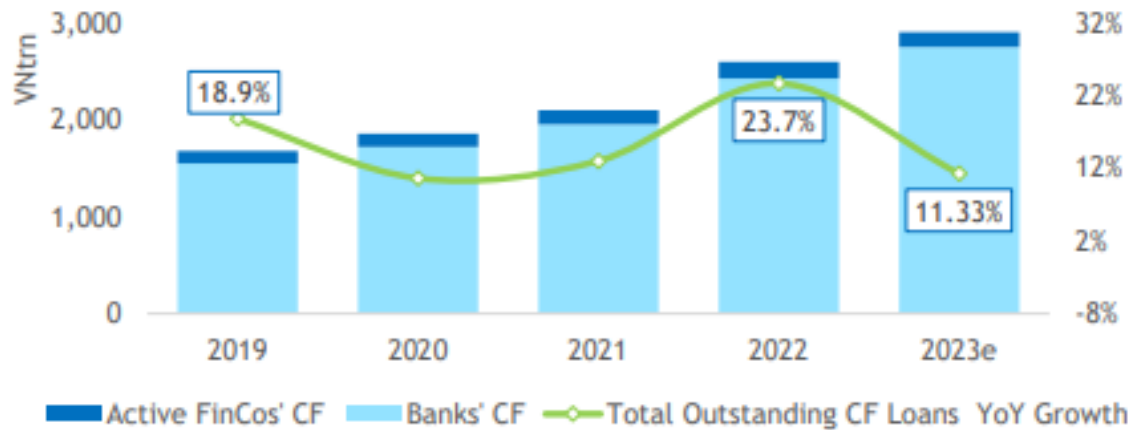
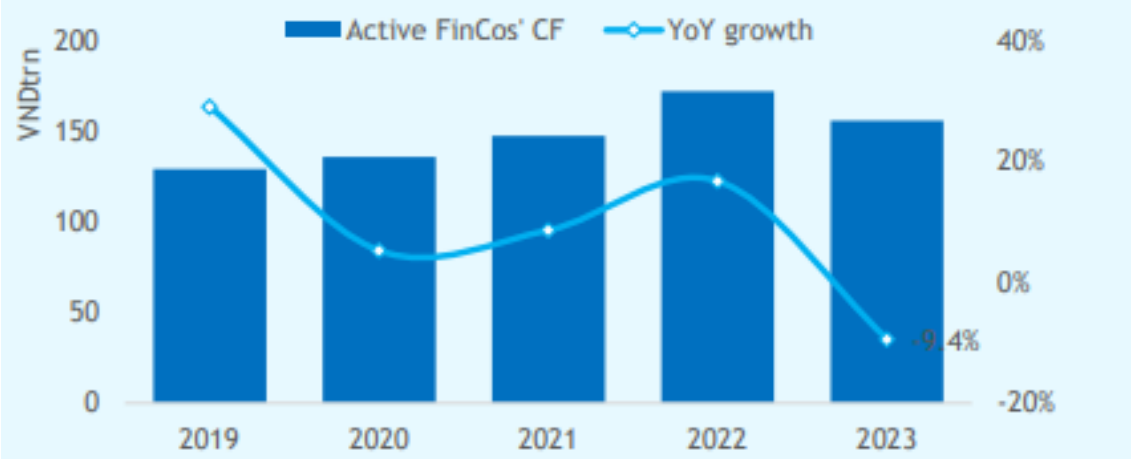


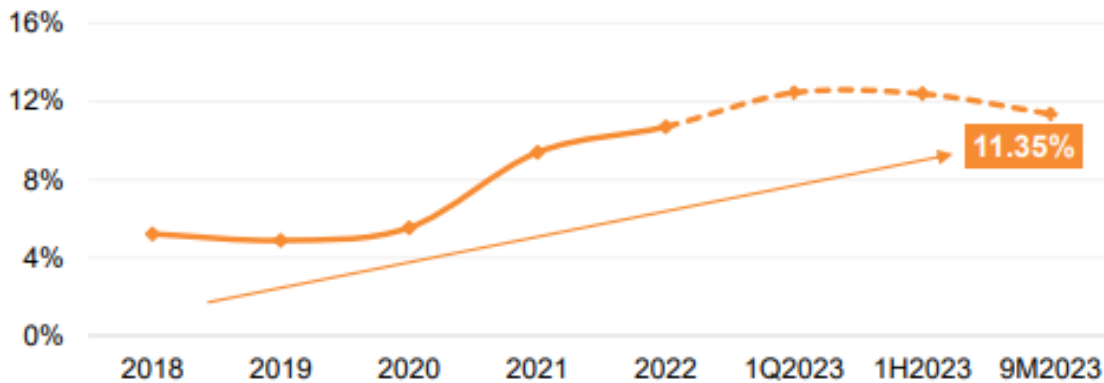
Figure 02: Market size of active FinCos (VNDtrn) and YoY Growth



Source: FiinGroup, SBV statistics, EUI. Figure 1 including housing/mortgage loans

- Interestingly, and somewhat surprisingly, NPLs in the consumer finance sub-sector appear to have declined toward yearend after peaking out at around 12% in 1Q23.

Figure 09: NPL ratio of active FinCos



Source: FiinGroup

Macro Update – The party is just getting started

--Binh Truong, Deputy Head of Research

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Highlights of the GSO macro data for 1Q24 – Economic growth underpinned by solid domestic and external demand.

- Preliminary 1Q24 GDP growth was +5.66% YoY, representing the highest 1Q growth since 2019.
- 1Q24 GDP growth was driven by manufacturing and services.
- We're assuming full-year GDP growth of 6.0-6.5%. We remain confident that this is achievable despite the slower run rate, so overall the 1Q24 results support our expectation.
- 1Q24 industrial production advanced, underpinned by solid domestic and export demand.
- The March manufacturing PMI dipped slightly below 50. However, manufacturers' confidence about the next year improved to an 18-month high.
- Domestic demand remained solid as retail sales of goods and services remained solid.
- Improved domestic demand is good news for retailers such as **MWG (BUY), FRT (BUY), and PNJ (HOLD-Underperform)**.
- External demand in 1Q24 expanded as merchandise exports grew by +19.2% YoY.
- Exports in March reached the second highest monthly total since August 2022, just behind that of January 2024 -- when retailers topped up shelves ahead of the Lunar New Year shutdown of suppliers.
- Inflation headwinds re-emerged as oil prices increased.
- The surging oil price is not all bad – We reiterated our **BUY recommendation on PVD** three weeks ago due to the strong oil price and Block B's medium-term kick-off.

1Q24 GDP growth +5.7% YoY on industrial & services output

Preliminary 1Q24 GDP growth was +5.66% YoY, representing the highest first quarter growth figure since 2019. Economic growth was driven primarily by industry & construction (accounting for 35.7% of 1Q24 GDP) and services (43.5%). Meanwhile, the agricultural, forestry, and fishery sector (11.8%) expanded at a more modest pace.

The industrial & construction sector posted 1Q24 growth of +6.28% YoY. As highlighted below, industrial & construction output was driven by manufacturing, which rose by +6.98% YoY.

Services output grew by +6.12% YoY in 1Q24. The GSO reported that service activities recovered strongly, driven by a recovery in tourism spending.

Meanwhile, agricultural, forestry, and fishery sector growth was +2.98% YoY.

In addition, the GSO reported that 1Q24 consumption increased by +4.93% YoY, while asset accumulation increased +4.69%; and net exports of goods and services rose by +49.7% YoY.

GDP growth was resilient despite the very low credit growth of 1Q23. Indeed, total credit actually declined slightly in Jan-Feb from yearend 2023, suggesting – unsurprisingly – that the sudden yearend surge in bank lending in 2023 may have been more about manager KPIs than real demand for credit.

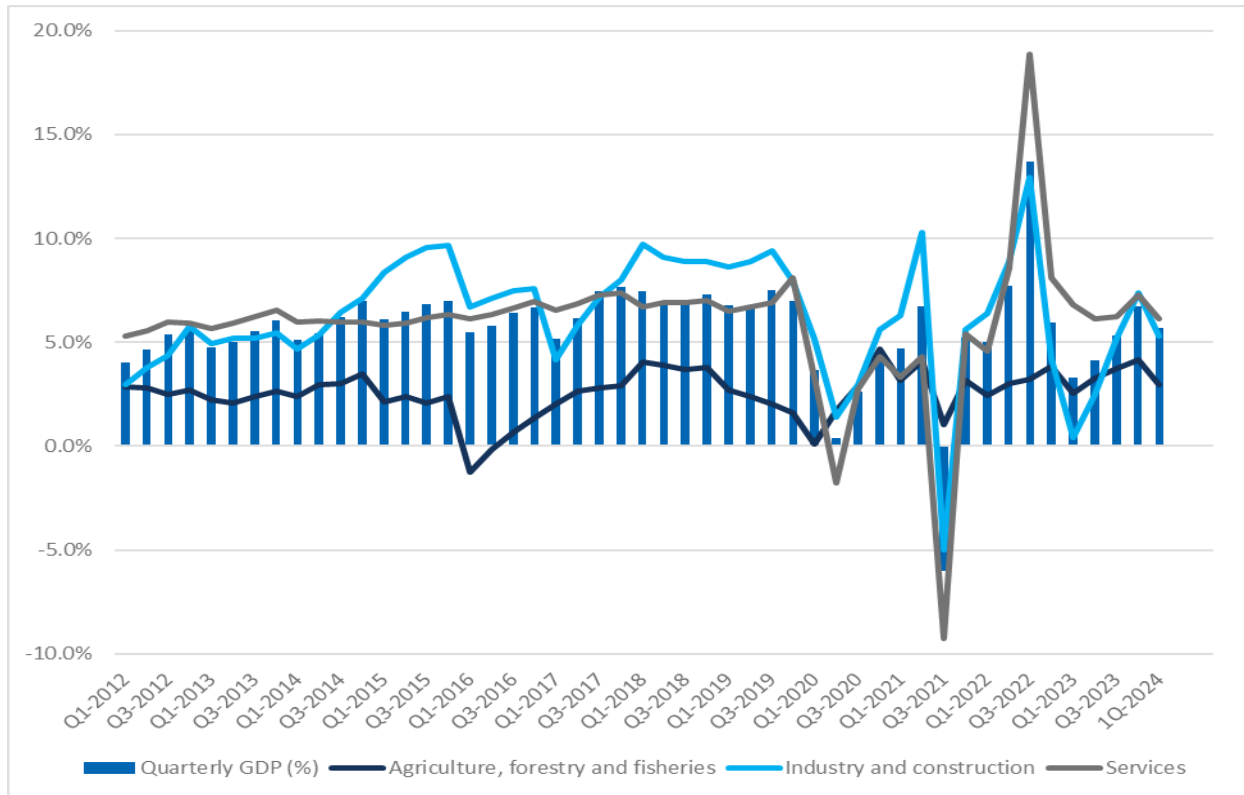
The 1Q24 GDP result bolsters our argument for a recovery off the very low growth of 4Q22-3Q23. **We're assuming full-year GDP growth of 6.0-6.5% in 2024**, and although the 1Q run rate is slightly below the low end of our expected range, we still think it to be achievable.

Our 2024E GDP projection is more bullish than those of the multilateral banks. The World Bank projects Vietnam's 2024 GDP growth at 5.5%, slightly higher than the IMF's forecast of 5.8%. However, both expect a reasonable recovery from 2023.

As a reminder, our more bullish GDP forecast is based on a recovery in global demand, which will boost export manufacturing and thus employment / consumer sentiment.

However, we are *not* factoring in a strong recovery in the domestic property cycle this year as we don't anticipate such an upswing until 2H 2025. For details, please see property analyst Tam Nguyen's sector report here: <https://yuanta.com.vn/wp-content/uploads/2024/03/4Q23-CIGARR-update-Worst-is-past-but-upcycle-is-a-2H25-story-Edited-1.pdf>

1Q24 GDP run rate was slightly below our 6.0-6.5% full-year growth assumption



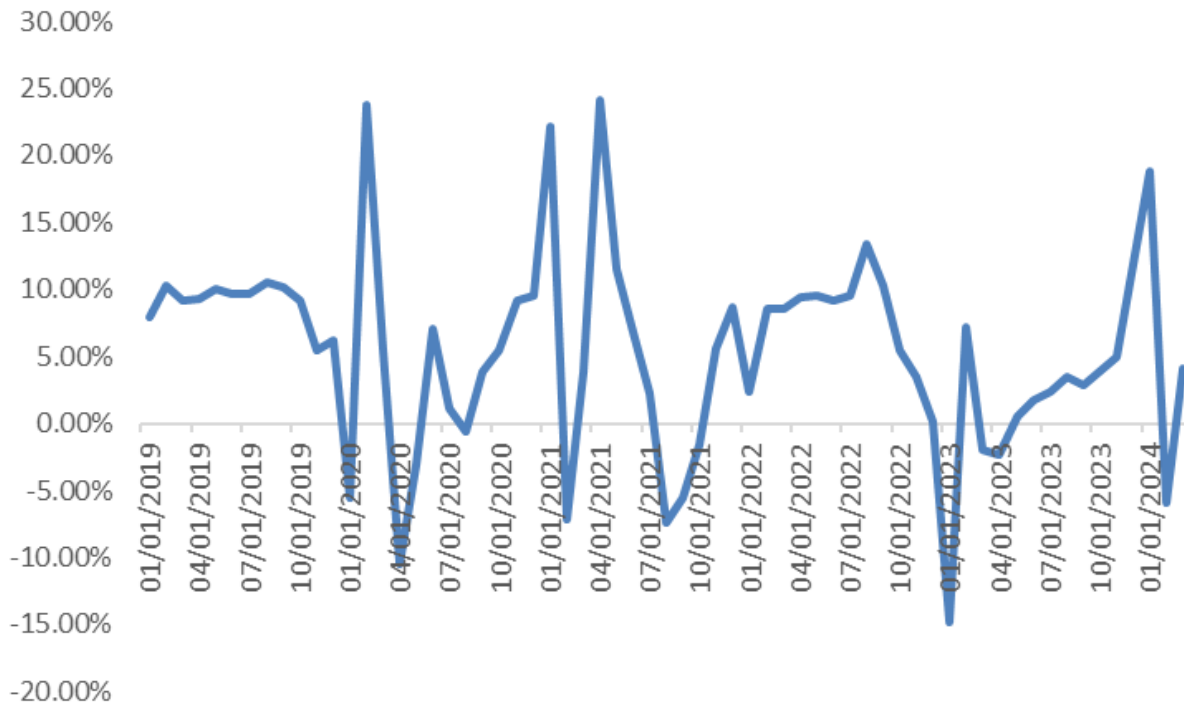
Source: GSO

Manufacturing is leading the growth in industrial output

The GSO's Industrial Production Index in 1Q24 continued to improve, with the estimated industry output increasing by +6.18% YoY (vs. a decline of -0.82% YoY in 1Q23), led by processing and manufacturing. Specifically:

- The processing and manufacturing sector posted an increase of +6.98% YoY (much improved from the 1Q23 decline of -0.37% YoY).
- Electricity production & distribution increased by +11.97% YoY (vs. the 1Q23 YoY decline of -0.32%).
- Output of the water supply, waste and wastewater management industry increased by +4.99% in 1Q24 (slightly below the +5.28% YoY increase in 1Q23).
- Mining production decreased by -5.84% YoY (slightly worse than the -5.6% YoY decline in 1Q23).

IIP resumed growth in March, following seasonally low production in February



Source: GSO

In terms of product mix, 1Q24 output expanded in several sectors. Notably, NPK mixed fertilizer increased by a whopping +23.1% YoY; steel bars and angles: +29.1%, Rolled steel: +24.1%, natural fibers-based fabric: +21.8%, gasoline and oil: +21.7%, urea fertilizer: +16.9%, sugar: +14%, chemical paint: +13.9%, and electricity production: +11.4%.

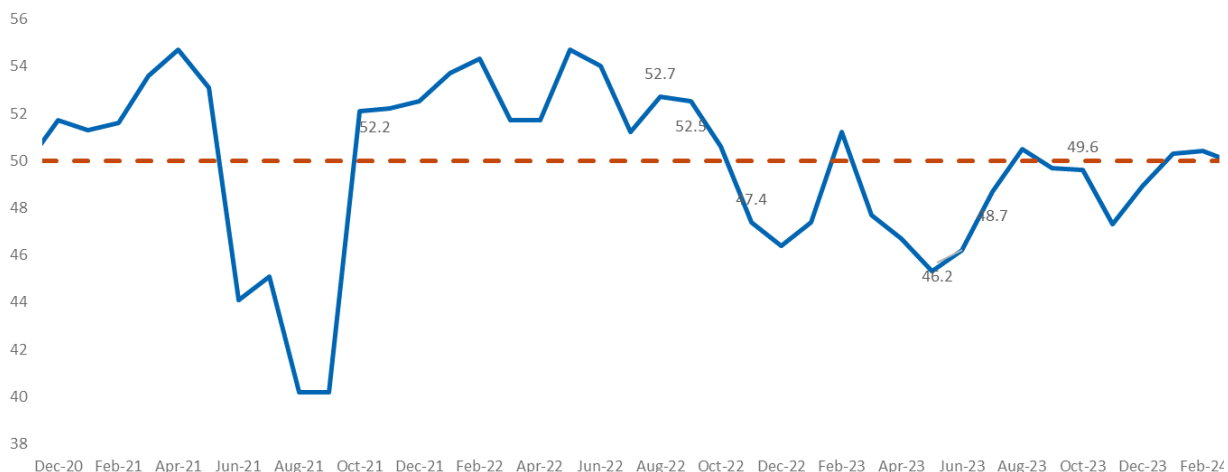
By contrast, production of a few products declined in 1Q24: Output of natural gas and mobile phones both decreased by -13.3% YoY, and output also declined for automobiles: -11.3% YoY, TVs: -11.1%, LPG: -11.0%, phone components: -5.3%, and motorbikes: -5.2%.

We believe that industrial production is on the way back to strong growth, backed by solid export demand amid the end of global inventory destocking, and we expect this to continue over the long term, as evidenced by continued strength in FDI for manufacturing.

Manufacturing PMI: A minor dip in March, but confidence hit an 18-month high

Manufacturing conditions were nearly unchanged in March following two consecutive months of expansion. Specifically, the PMI in March edged down into contraction territory at 49.9, slightly below 50.4 in February and 50.2 in January. Both output and new orders declined in March, but business confidence for the next 12 months hit an 18-month high. As such, manufacturers increased hiring at a faster pace than in recent months.

Manufacturing expanded further in February



Source: GSO

New orders dipped despite discounts to secure sales, signaling softening demand in March. New export orders also fell, which respondents attribute to competitive pressures and geopolitical issues. The VND depreciated less than other regional currencies, which we also believe likely impacted new orders. Manufacturers scaled back production of intermediate goods, whereas they increased production of consumer and capital merchandise.

Survey respondents are increasingly confident that production will increase over the year ahead. Their level of confidence in March was the strongest in 18 months. Respondents are largely of the view that global inventories have normalized, demand is set to pick up, and thus their manufacturing output will expand, with additional support from upcoming new product launches.

International trade: 1Q24 surplus of US\$5.8bn

The blended trade balance reached US\$5.77bn in 1Q24 as the sum of the merchandise trade surplus of US\$8.1bn and services trade deficit of US\$2.33bn.

Vietnam macro enthusiasts need to be aware the GSO's trade data released at the end of most months only includes merchandise trade. So, for example, the February monthly "trade surplus" as quoted by most media and macroeconomic pundits completely ignores their own efforts – services – as an economic activity. As such, the full picture regarding international trade (and thus, the current account) only emerges on a quarterly basis. So we're gratified to see the solid overall trade surplus of 1Q24, which was a key driver of GDP growth.

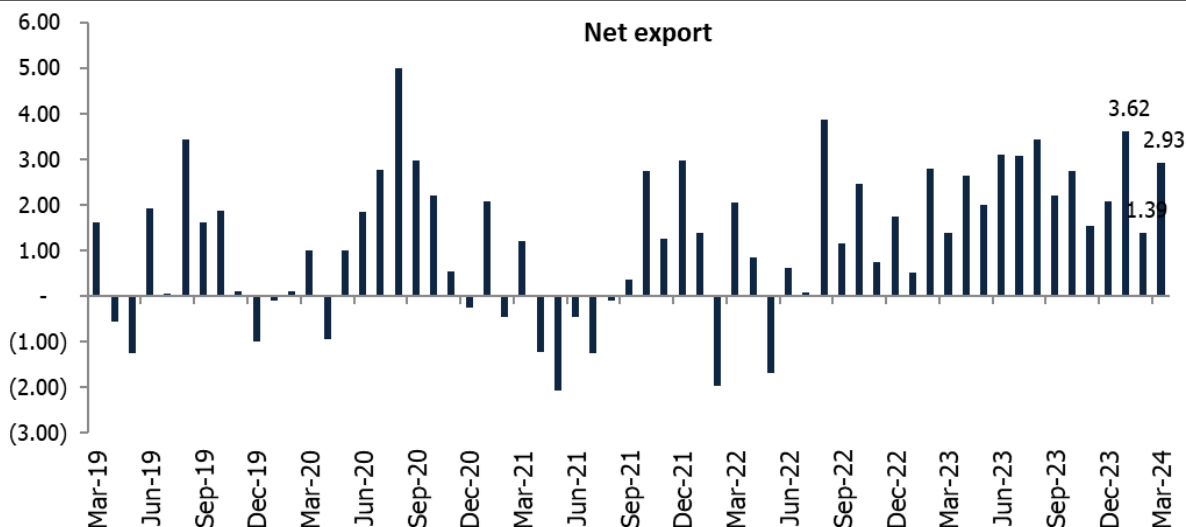
Global inventory replenishment is likely to be the key catalyst for merchandise exports going forward. The trade surplus should also support the VND, or at least limit its depreciation, in our view.

Monthly goods imports may outgrow exports in 2Q24 as manufacturers gear up to meet 2H24 seasonal demand for exports, but given that around two-thirds of imports are attributable to FDI manufacturers (whose target markets are external, not Vietnam), any "trade deficit" in April-May should be read as a positive signal for overall manufacturing activity in 2024.

Vietnam recorded a USD2.9bn merchandise net export in March as the net result of USD 34.01 bn in goods exports (+37.8% MoM / +14.5% YoY) and USD 31.08bn in merchandise imports (+33.4% MoM / +9.7% YoY). Export turnover in March was the second highest single month since August 2022, just behind that of January 2024, confirming that the serious inventory troubles of the past 18 months are now history.

This brought 1Q24 merchandise net exports to USD 8.1bn (vs. last year's USD 4.9bn) driven by exports of USD 93.1bn (+17.0% YoY) and imports of USD 85bn (+13.9% YoY). As discussed, we believe that the export growth is driven by global inventory replenishment.

Vietnam recorded a merchandise trade surplus of USD 28bn in 2023

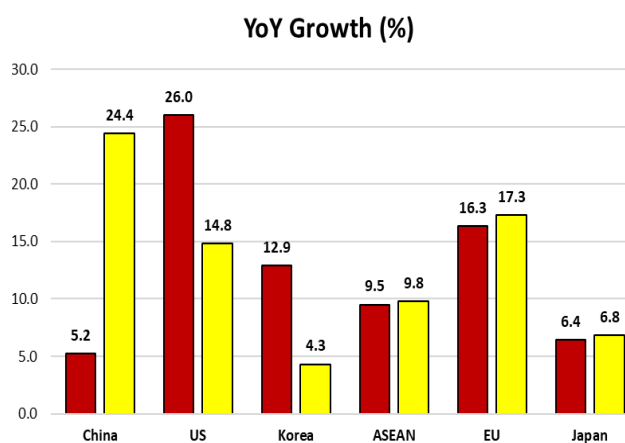
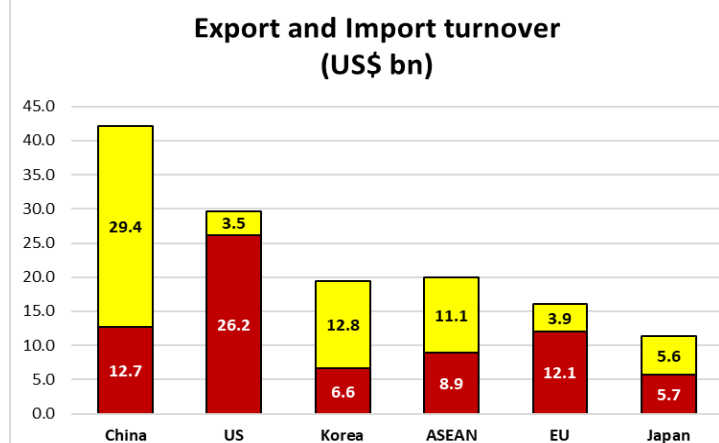


Source: GSO

US remains the largest export market in 1Q24 – which is not exactly a shocker. Merchandise exports to the USA rose by 26% YoY to reach US\$26bn, for a merchandise trade surplus of US\$22.7bn with the United States. The corollary to the US trade surplus is that Vietnam's merchandise trade deficit of US\$16.7bn with China. Gross merchandise imports from China were US\$29.4bn (+24.4% YoY) in 1Q24.

1Q24 Trade by country (yellow: Imports, red: Exports)

1Q24 trade growth by country (% YoY)



Source: GSO

Source: GSO

Four products posted 1Q24 turnover of greater than USD 5bn, accounting for 52.7% of total merchandise exports. Unlike last year, most of the major export items this year exhibited strong growth.

Largest export items in 1Q24

	Estimated 1Q24 export turnover (USD mn)	% YoY growth
Above USD1bn export turnover		
Electronic goods, computers, and parts	15,693	30.3
Mobile phones and parts	14,713	9.7
Machinery, instrument, accessory	10,876	10.2
Textiles and garments	7,757	7.9

Source: GSO

Imports are also recovering, which is a positive indicator of future export growth. This is because roughly two-thirds of merchandise imports comprise production inputs for export manufacturers. Two items saw import turnover exceed USD10bn in 3M24, accounting for 76.1% of total imports. Both items also posted double-digit percentage YoY growth.

Electronics, computers and parts remain the largest import products in 1Q24

	Estimated 1Q24 import turnover (USD mn)	1Q24 growth... (% YoY)
Above USD1bn import turnover		
Electronics, computers, and parts	23,941	23.6
Machinery, instruments, and accessories	10,312	12.1

Source: GSO

Services trade deficit in 1Q24 reached US\$2.33 billion, broken down by US\$8.0bn in services imports (+26.8% YoY) and US\$5.67 billion in services exports (+24.7% YoY).

Transportation services imports reached US\$3.43 billion (+22.5% YoY); while tourism imports reached US\$2.35 billion (+67.3%).

Services exports were likewise driven by incoming tourists (US\$3.15 billion, +45.8% YoY) and transportation service exports (US\$1.35 billion, +3.8% YoY).

FDI disbursements reached a five-year high in 1Q24

State investment was sluggish in 1Q24 – a seasonal effect, in our view. We have fielded a few questions on this as potentially being a red flag vis a vis recent events, but we don't believe that any such link exists between public investment and the well-reported events. In our view, slow disbursements in the first quarter is in line with normal seasonality.

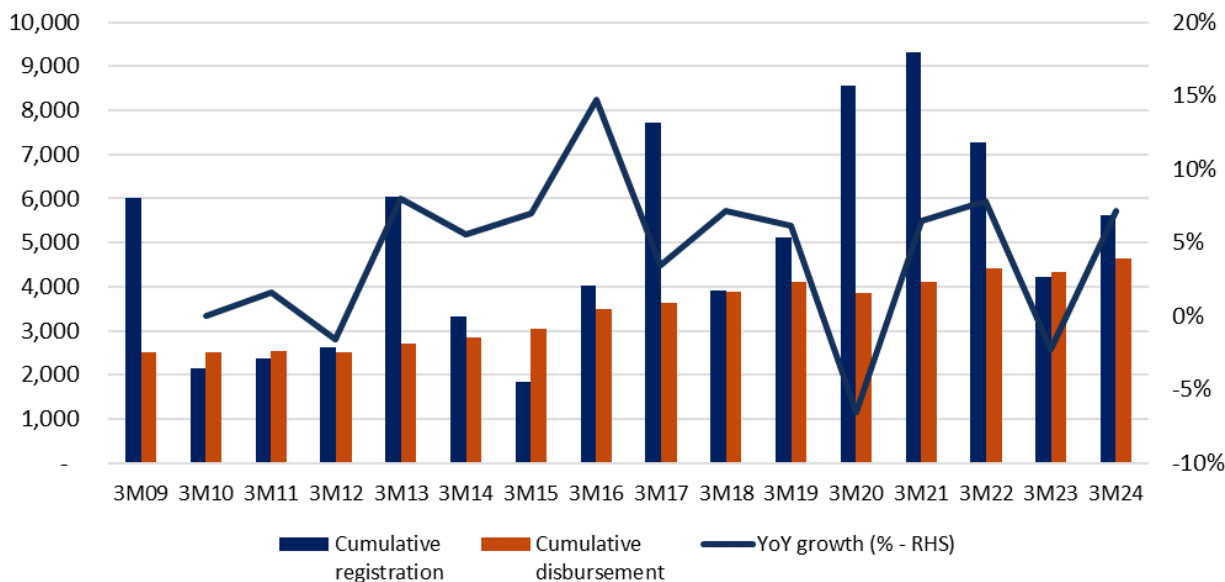
Specifically, public investment in 1Q24 reached VND97.7trillion, which only fulfilled 13.9% of the government's full-year target. This was up by +3.7% YoY, representing positive growth – but admittedly it was slower growth than the +18.0% YoY expansion in State investment in 1Q23.

However, the prior year figure was actually a bit lower than that of 1Q24 when measured as a percentage of the full-year 2023 budget allocation (i.e., 13.0%). Moreover, the 1Q23 growth came off an extremely low base of 1Q22, which was still impacted by the COVID disruptions.

The slowing YoY growth comps should be read in that context, rather than as a sign of reduced momentum on the part of State investment allocation, in our view. Budgeted public investment this year is set at VND664 tn, +14.5% YoY compared to actual disbursements in 2023.

Disbursed FDI in 1Q24 reached USD 4.63bn, up +7.1% YoY, the highest first-quarter growth rate in the past five years. Manufacturing accounted for 78% of total 1Q24 disbursed FDI, or USD3.61bn. Property accounted for 9.9% of the FDI mix (USD460mn); while gas, hot water, steam, and air-conditioning FDI (USD198mn) accounted for 4.3% of total disbursed FDI in 1Q24.

FDI soared in 1Q24: Disbursements +7.1% YoY, Pledged FDI +33.1% YoY



Source: GSO

Pledged FDI looks even more promising than disbursements in 1Q24. Registered FDI surged by +33.1% YoY to USD5.7bn. Specifically, newly registered FDI reached USD4.77bn, up by an impressive +23.4% YoY.

The surge in interest in new projects -- among manufacturers in particular -- indicates that future disbursements are likely to remain strong. This is positive news for industrial property developers such as KBC VN (BUY – covered by property analyst Tam Nguyen).

Domestic demand remains solid

Retail sales of goods and services in 1Q24 reached VND 1,537 trillion, up by +8.2% YoY. Retail sales growth momentum has been gaining steam in each month this year, illustrated by YoY growth of +8.1% YoY in January, +8.5% YoY in February, and +9.2% YoY in March.

Blended retail sales were underpinned by hospitality and catering services revenue, which grew by +14% YoY to reach VND174.8tn (11.4% of total retail sales) in 1Q24 -- driven by the ongoing recovery in international visitor arrivals. Notably, the GSO reported the number of international arrivals to Vietnam reached 1.5 million persons in *February*, up +1.3% MoM and +64.1% YoY.

As consumers shopped for Tet, merchandise receipts rose by +7.0% YoY in 1Q24 to reach VND1,190tn, representing 77.4% of total retail sales.

Retail sales growth picked up impressively in March



Source: GSO

The combination of loosening monetary policy (falling interest rates) and fiscal policy (-2ppt VAT in 1H24) should continue to support retail spending going forward. **Strong retail sales are good news for retailers such as MWG (BUY), FRT (BUY), and PNJ (Hold-UPF).**

Inflation headwinds are re-emerging despite eased CPI in March

According to the GSO, inflation eased in March as CPI slid by -0.23% MoM and up by +3.97% YoY, slightly below the annual target maximum of 4.5%. Seven out of the 11 items in the CPI basket posted decreased prices in March following the Tet holiday month (which was February this year), when prices typically rise. Specifically, prices of --

- **Food and foodstuff (33.56% of the CPI basket) slid by -0.76% MoM**, grain -0.42% MoM, food -1.19% MoM.
- **Transport (9.67% of the basket) prices slid by -0.03% MoM** as public transportation fares dropped by -5.76% due to sluggish demand.

- **Education (6.17% of the basket) fell by -0.29%** as education services slid by -0.34%, in line with Decision 97/2023/NĐ-CP, which was intended to stabilize tuition fees.
- **Beverages and tobacco (5.7% of the basket) slid by -0.07% MoM** as demand decreased seasonally after Tet.
- **Entertainment (4.55% of the basket) inched down -0.12% MoM** as demand likewise slid sequentially following Tet in February.
- **Telecom (3.14% of the basket) slid by -0.01% MoM** as mobile phone retailers launched promotional campaigns and price cuts on old models.

By contrast, just two of the 11 items in the CPI basket posted reduced increases in February:

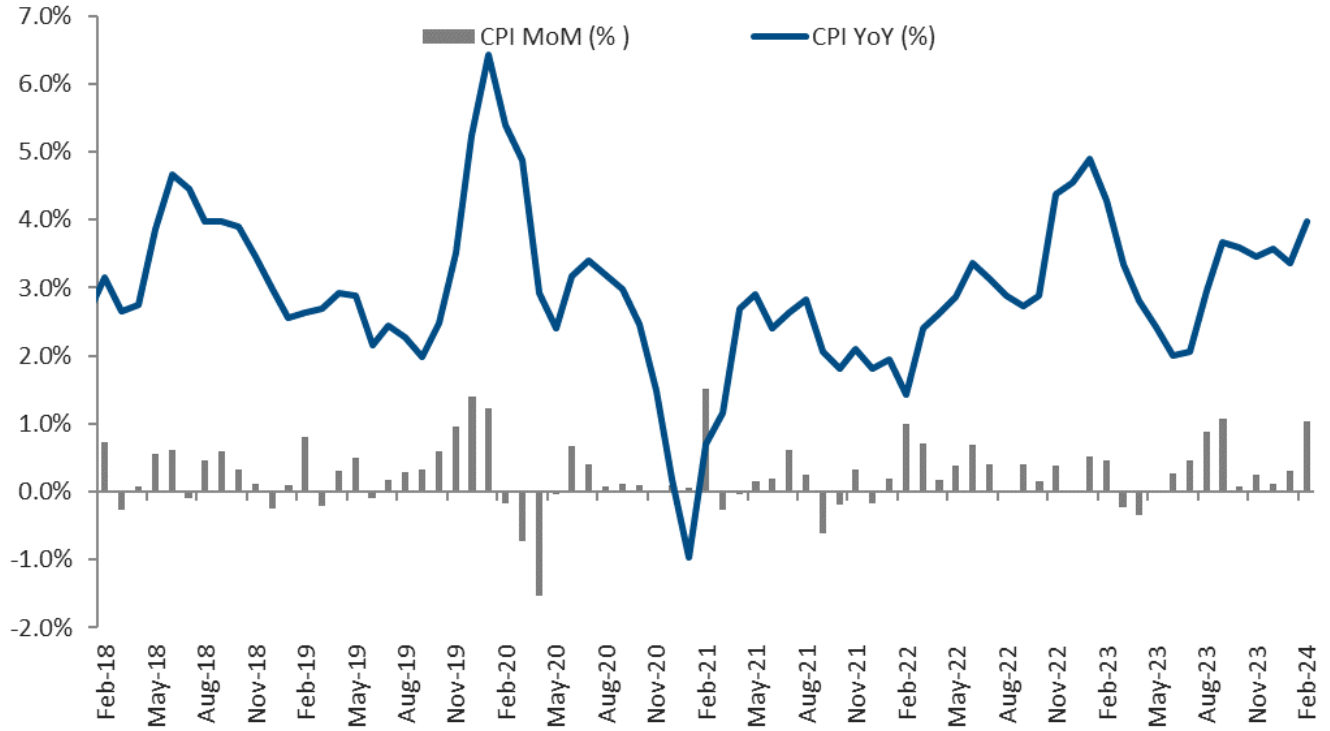
- **Housing equipment and appliances (6.74% of the basket) rose by +0.01% MoM** as house appliance prices increased. The latter is interesting given the moderate recovery in sales reported by MWG at its electronics appliance retail chain, Dien May Xanh.

We think inflation could re-emerge as a headwind going forward as oil prices and logistics costs are picking up, while the VND exchange rate has been under depreciation pressure vs. the US dollar. This should eventually be reflected in consumer prices.

Specifically, oil prices (Brent) exceeded \$89 per barrel (+8.6% MoM, +4.9% YoY), and manufacturer respondents in the PMI survey have reported increases in logistics costs due to the situation in the Red Sea.

Clearly, higher fossil fuel, energy, and overall logistics prices are not positive news overall. However, we continue to see investment opportunities in O&G companies. **We reiterate BUY on PVD**, which remains our top pick for the O&G sector. Please find our latest report on PVD titled “It’s just the beginning of an upcycle” at the following link: <https://yuanta.com.vn/wp-content/uploads/2024/03/20240226-PVD-update-edited-2.pdf>

Consumer price inflation could re-emerge as a macro headwind



Source: GSO

Yuanta Universe: Valuations and ratings

Sector	Stock Code	PER (x)			EPS Growth (%)			PEG (x)			PBV (x)			ROE (%)			ROA (%)		
		2022A	2023E	2024E	2022A	2023E	2024E	2022A	2023E	2024E	2022A	2023E	2024E	2022A	2023E	2024E	2022A	2023E	2024E
Banks	ACB VN	7.1	7.2	5.8	43.2	(1.2)	24.0	0.2	n/a	0.2	1.6	1.6	1.3	26.2	23.9	24.4	2.4	2.4	2.6
	BID VN	16.7	14.3	11.9	81.0	16.9	19.6	0.2	0.8	0.6	2.5	2.1	1.9	16.6	16.3	16.7	0.9	1.0	1.1
	HDB VN	7.8	7.5	5.7	28.2	5.0	30.1	0.3	1.5	0.2	1.6	1.6	1.3	22.2	22.0	23.8	2.1	2.2	2.3
	MBB VN	7.0	7.0	5.6	16.0	(0.3)	25.9	0.4	n/a	0.2	1.5	1.4	1.2	24.3	22.4	23.1	2.7	2.6	2.9
	STB VN	11.8	9.0	5.5	63.8	32.0	63.7	0.2	0.3	0.1	1.5	1.3	1.1	13.8	15.8	21.4	0.9	1.2	1.7
	VCB VN	16.3	16.0	11.7	39.9	2.1	36.4	0.4	7.8	0.3	3.3	3.2	2.6	22.5	22.1	24.4	1.9	1.9	2.3
	VPB VN	7.3	8.1	6.1	54.0	(9.9)	31.5	0.1	n/a	0.2	1.4	1.3	1.1	19.1	15.3	18.1	2.9	2.1	2.4
Brokers	HCM VN	15.8	18.1	16.5	(32.8)	(12.7)	9.5	n/a	n/a	1.7	1.7	1.7	1.6	11.2	10.3	10.2	4.3	5.2	5.1
	SSI VN	25.9	17.1	16.0	(56.1)	51.3	6.7	n/a	0.3	2.4	2.6	2.3	2.1	12.2	14.2	13.6	4.3	6.3	6.3
	VCI VN	27.5	23.0	20.3	(55.7)	19.5	13.2	n/a	1.2	1.5	3.6	3.3	3.0	13.4	15.3	15.9	6.0	6.9	7.2
	VND VN	26.2	16.4	16.3	(65.1)	59.3	1.0	n/a	0.3	16.0	2.1	1.9	1.8	10.0	12.8	12.1	3.0	4.6	4.4
Energy	PVD VN	(156.3)	31.1	14.5	n/a	n/a	113.9	n/a	n/a	0.1	1.3	1.2	1.2	n/a	4.2	8.8	n/a	2.7	5.7
	NT2 VN	13.4	8.1	10.5	(14.6)	65.5	(23.0)	n/a	0.1	n/a	1.9	1.9	n/a	15.9	17.5	17.7	9.6	10.4	10.6
	PC1 VN	14.9	7.5	7.1	(31.9)	97.5	5.5	n/a	0.1	1.3	1.1	0.9	n/a	13.7	14.2	13.1	4.8	5.9	6.5
Consumer	MSN VN				20.9	4.2	-	n/a	n/a	n/a	1.6	1.4	n/a	15.2	13.7	-	8.9	8.2	-
	PNJ VN	18.9	17.9	16.0	25.5	5.5	12.1	0.7	3.3	1.3	2.9	3.3	2.5	21.4	20.1	22.4	15.1	15.2	15.9
	DGW VN	12.4			17.8		-	0.7	n/a	n/a	2.6	2.6	n/a	18.4	18.4	-	7.1	7.1	-
	FRT VN	47.3	(61.5)	46.7	(12.0)	(177.0)	(231.7)	n/a	n/a	n/a	9.0	12.4	n/a	19.4	(19.1)	25.9	3.8	(2.5)	3.7
	MWG VN	18.2	444.7	21.4	(17.4)	(95.9)	1,979	n/a	n/a	0.0	3.1	3.2	n/a	17.1	0.7	13.0	7.3	0.3	5.7
Oil & GAS	POW VN	14.9	10.6	9.7	5.6	40.0	10.0	2.7	0.3	1.0	0.9	0.9	n/a	5.9	7.6	7.8	3.5	4.7	4.8
Property	KBC VN	6.2	4.5		91.0	40.0	-	0.1	0.1	n/a	1.3	1.1	n/a	22.0	26.0	-	10.0	12.0	-
	DXG VN	55.9	68.7		(81.7)	(18.6)	114.7	n/a	n/a	0.3	1.3	1.3	n/a	3.9	1.1	3.7	1.8	0.5	1.9
	KDH VN	24.6	42.0	22.4	(18.0)	(42.0)	87.0	n/a	n/a	0.3	2.3	2.2	2.1	10.0	5.0	9.0	6.0	3.0	5.0
	NLG VN	32.2	28.4	29.7	(57.0)	13.0	(4.0)	n/a	2.2	n/a	1.9	1.8	1.7	6.0	7.0	5.0	3.0	3.0	3.0
	NVL VN	-	-	-	18.3	53.3	-	-	-	n/a	-	-	-	10.6	14.8	-	2.4	3.4	-
	VHM VN	6.5	6.2	7.4	(20.0)	(1.0)	(16.0)	n/a	n/a	n/a	1.3	1.1	0.9	21.0	19.0	14.0	10.0	9.0	7.0
	VRE VN	21.2	14.2	14.3	111.4	48.7	(0.5)	0.2	0.3	n/a	1.8	1.7	1.5	8.7	12.2	11.0	6.9	9.5	8.7
Transport	ACV VN				-	-	-	n/a	n/a	n/a	3.5	3.2	n/a	11.0	12.6	-	5.2	5.3	-
Industrials	DHC VN	8.1	6.1	4.1	(22.1)	32.2	47.3	n/a	0.2	0.1	1.5	1.4	n/a	22.0	23.9	30.8	20.6	10.1	15.2
	BWE VN	11.5	9.2	6.5	17.0	24.9	41.7	0.7	0.4	0.2	1.9	1.7	n/a	18.8	20.6	25.5	8.6	10.6	14.7
Technology	FPT VN	30.5	25.0	19.2	22.9	22.0	30.5	1.3	1.1	0.6	5.8	5.1	4.3	22.7	23.9	15.3	10.1	11.6	13.3

Stock ratings and pricing data is as of close on Mar 29 2024

Source: Bloomberg, Yuanta Vietnam

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SELL: We have a negative outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors reduce their position.

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