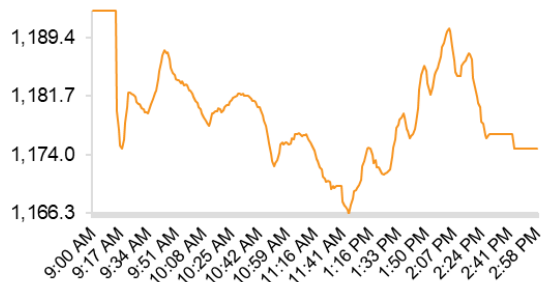


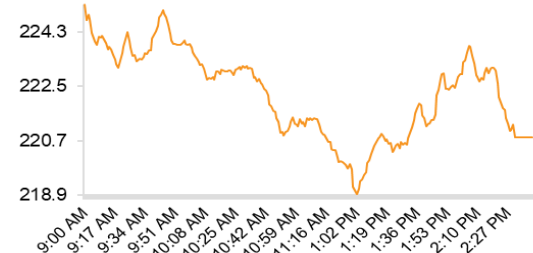
Snapshot	HOSE	HNX	UPCOM
Close (pts)	1,174.9	220.8	87.2
1 Day change (%)	-1.5%	-2.4%	-1.1%
1 Month change	-8.3%	-8.6%	-4.2%
1 Year change	12.7%	6.7%	11.8%

Value (US\$m)	751	67	24
Gainers	62	45	99
Losers	289	138	256
Unchanged	47	132	513

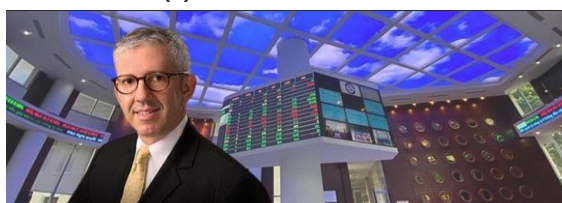
**VN-INDEX**



**HNX-INDEX**



**Commentator(s):**



**Barry Weisblatt – Head of Research**

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**Market Commentary**

**Oil prices, exchange rate weigh on market sentiment**

The VN-Index fell 1.52% (-18.16 points) with trading volume reaching more than VND22,500bn (US\$937.5bn). The HNX-Index lost 5.4 points (-2.39%), with its trading value reaching more than VND2,600bn (US\$108mn).

For the week, the market slumped amid a volatile macro environment. The VN-Index decreased 101.75 points (-7.79%) in just four trading days this week, the biggest weekly decline since May 2022 and wiping out all of the market's gains of February and March, as the market broke below the psychological level of 1,200. Market liquidity decreased by 15% this week from last week.

The index was also impacted by the trend of US stocks, as the Dow Jones Index is falling for a second week after hitting its all-time peak in March 2024, after data showed inflation in the US persists, reinforcing the Fed's cautious attitude in cutting interest rates. The 10-year US government bond yield reached its highest level in the past five months and is nearly equivalent to 2007 levels.

Brent oil prices decreased this week to US\$87.62/barrel, down from last week's peak (US\$90.3/barrel) but still near the highest level in six months. Concerns about interest rates and geopolitical tensions, the US re-imposition of sanctions on the Venezuelan and Iranian oil and gas industries is an important factor causing oil prices to rise. However, oil and gas stocks PVS (-10.7%), PVD (-10.67%), PVT (-6.2%), GAS (-5.90%) fell sharply this week, brought down by overall local market sentiment.

Since March 11 through today, the SBV has net withdrawn VND33,587bn through T-bills, bidding an interest rate of 3.73% today (vs 3.5% last week). T-bills have matured, causing the SBV to net inject VND79,463bn this week (vs VND51,283bn last week). The overnight interbank rate was 4% today (vs 3.5% last week), however the VND continues to weaken (-4.8% ytd). We believe that this T-bill issuance is an exploratory move by the SBV given that the issuance volume is not as large as in 2023 (the highest net absorption value is only VND171,000bn vs VND254,000bn in 2023). T-bill issuance is also the SVB's fastest and simplest solution to manage currency policy.

Financial services (-11.7%) were the largest loser this week, led by SSI (-11.6%), VND (-13.9%), HCM (-15.8%) and VIX (-16.4%). Banks (-4.7%) lost 32.46 points over the week, with BID (-9.5%) the largest market laggard, along with VIB (-7.9%), TCB (-6.1%), ACB (-5.0%) and MBB (-7.9%)

Export recovery in recent weeks was almost reflected in the prices of exporting enterprises from the end of March. On a positive note, TCM jumped to its ceiling during late ATC trading, after recording significantly improved business results in February. Revenue reached US\$10.9mn (+98.3% yoy), net profit rose to US\$667,000 (+118% yoy) in February. For 2M24, revenue reached US\$25.2mn (+120% yoy, 16% of guidance), and net profit was US\$1,652mn (+140 yoy, 24.7% of guidance). Regarding the order book, the company reached 86% of its 2Q24 order plan thanks to a recovery of demand in export markets.

Country	Index	1D Chg (%)	Ytd Chg (%)	P/E (x)	P/B (x)	ROE (%)	Dividend yield (%)	3M/ADTV (US\$m)	5Y LC Gov Bond Yield	LC/US\$ %dod	LC/US\$ %mom	LC/US\$ %yoy
China	Shanghai Index	-0.3%	3.0%	13.0	1.3	9.6%	NA	55,555	2.1%	0.0%	-0.6%	-4.9%
India	NSE500 Index	0.3%	4.9%	26.2	4.0	14.9%	1.1%	11,070	7.2%	0.1%	-0.5%	-1.5%
Indonesia	JCI Index	-1.1%	-2.6%	16.8	2.1	8.3%	N/A	593	7.0%	-0.5%	-3.3%	-7.9%
Singapore	FSTAS Index	-0.4%	-2.8%	11.9	1.0	8.8%	5.2%	817	3.3%	0.0%	-1.5%	-2.0%
Malaysia	FBME Index	-0.2%	7.1%	17.4	1.3	8.1%	3.9%	444	3.7%	0.0%	-1.0%	-7.2%
Philippines	PCOMP Index	-1.0%	-0.1%	10.8	1.2	11.4%	3.0%	90	5.8%	-0.7%	-2.9%	-2.4%
Thailand	SET Index	-2.1%	-5.9%	16.9	1.3	7.7%	3.5%	1,020	2.5%	-0.2%	-2.2%	-6.6%
<b>Vietnam</b>	<b>VN-Index</b>	<b>-1.5%</b>	<b>4.0%</b>	<b>15.8</b>	<b>1.7</b>	<b>11.8%</b>	<b>1.7%</b>	<b>810</b>	<b>2.1%</b>	<b>-0.2%</b>	<b>-2.6%</b>	<b>-7.5%</b>

**Marco notes**

**SBV to sell USD on spot market**

The State Bank of Vietnam (SBV) announced new steps to stabilize the foreign exchange market during a press conference on 1Q24 banking performance. Mr. Pham Chi Quang, head of the Monetary Policy Department, stated the SBV will directly sell foreign currency to banks via the spot market to help increase their foreign currency holdings. These sales will occur at an exchange rate of VND25,450. Following SBV's announcement, the market responded favorably with foreign currency transactions dropping below the intervention level.

As of today, the VND has depreciated 4.8% ytd while it fell 4.2% in 2023. A weakening local currency not only puts pressure on inflation but also on businesses borrowing and paying in USD as well as foreign capital flows in the market. There are several solutions to rein in the undesirable impacts of a weaker Vietnamese currency, including: 1) increasing the exchange rate ceiling via increasing the central exchange rate or expanding the FX band; 2) selling USD either through spot or FW contracts; or 3) raising interest rates (depending on the situation, SBV will enact different solutions).

At the moment, SBV has incorporated several measures to rein in the FX pressure, including increasing the central exchange rate as well as selling USD through the spot market. While a central rate adjustment offers greater flexibility for SBV, selling USD through the spot market, when compared to FW contracts, injects dollars into the system immediately. This direct intervention has a quicker impact on dampening the USD demand.

However, every coin has two sides, as supplying an amount of USD immediately also means that 1) a corresponding amount of VND will be withdrawn from the system, potentially causing a liquidity crunch, pushing the interbank interest rate even higher; and 2) foreign exchange reserves may exceed the IMF's recommended threshold of eight to 12 weeks of imports (currently Vietnam's foreign exchange reserves reach about US\$95bn, equivalent to approximately 3.4 months of 2023's import turnover).

Regarding the first issue, we believe that along with selling USD in the spot market, the SBV will reduce the withdrawal amount via the OMO channel, and at the same time, inject VND back into the market through previously issued bills, thereby offsetting the effect of selling USD on the spot market. As for the second issue, it is irrefutable that foreign reserves will be reduced when the SBV sells USD via spot. In a positive scenario, if the exchange rate cools down as the SBV expects, the SBV can buy back USD at an easing FX rate in the future. However, in a negative scenario, upside risks for USD such as world gold price movements, buoyed by heightening geopolitical risks or DXY movement, mainly shored up by the Fed's monetary policy, will be critical factors that should be examined in the coming time.

Overall, given the recent depreciation of the VND against the USD, SBV's decision to sell USD through the spot market, in our opinion, appears to be a well-timed measure and is likely to have a swift impact on reducing foreign exchange pressure.

**Commentator(s):**



**Hang Le – Analyst**

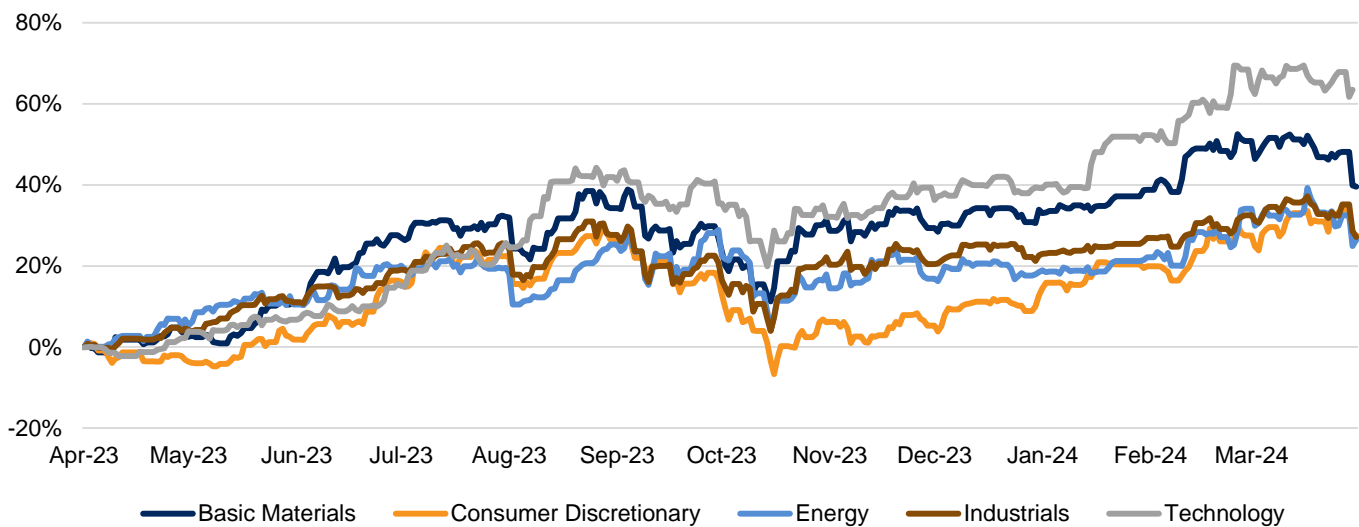
[Hang.lethu3@vndirect.com.vn](mailto:Hang.lethu3@vndirect.com.vn)

Sectors (VNIndex)	Index Wgt (%)	Price 1D chg	P/E x	P/B x
Consumer Discretionary	3.4	-1.3%	222.1	3.8
Consumer Staples	8.5	-0.9%	76.5	3.2
Energy	1.6	-1.5%	19.5	1.5
Financials	44.8	-0.9%	12.3	1.9
Health Care	0.8	-1.5%	16.7	2.3
Industrials	8.5	-2.1%	70.4	2.6
IT	3.3	-2.7%	23.5	5.2
Materials	8.9	-1.6%	30.0	1.9
Real Estate	13.9	-3.2%	59.8	1.5
Utilities	6.2	-0.8%	16.9	2.2

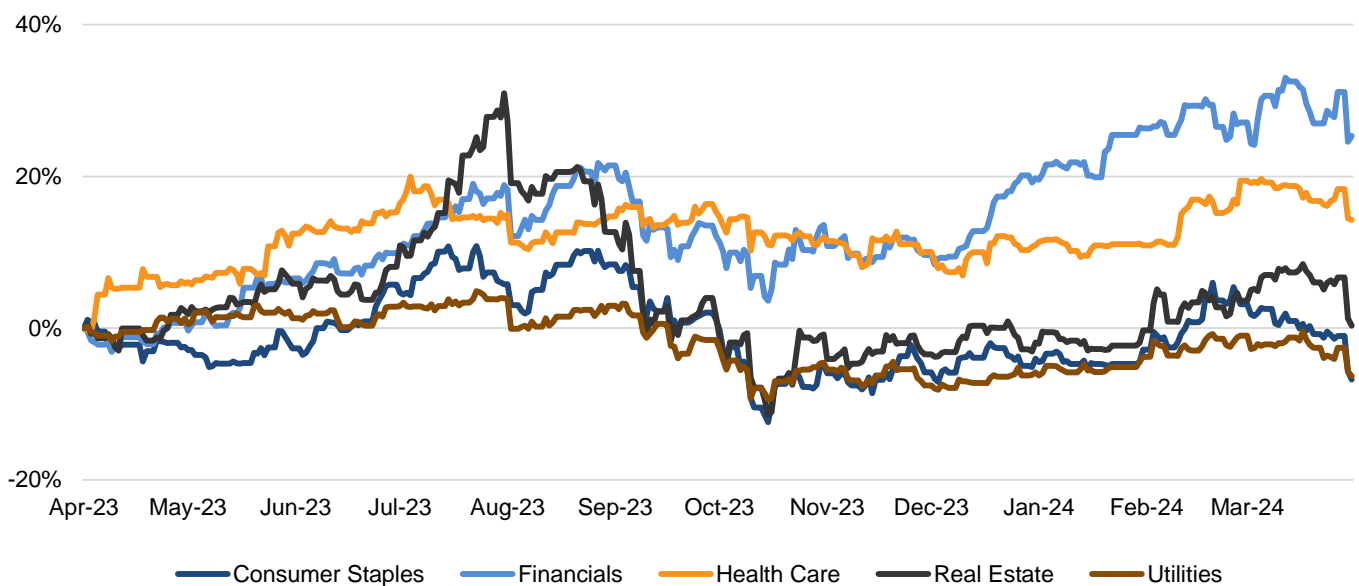
Source: Bloomberg

All sectors lost ground today, led by Real Estate (-3.2%), IT (-2.7%), and Industrials (-2.1%), Top index movers included BID (+0.5%), MSB (+1.9%), QCG (+6.9%), TCM (+6.9%), and VCF (+3.8%). Top index laggards consisted of VIC (-5.3%), CTG (-3.4%), FPT (-2.5%), BCM (-5.0%), and GVR (-1.9%).

### HSX TOP 5 ONE-YEAR PERFORMANCE



### HSX BOTTOM 5 ONE-YEAR PERFORMANCE



## Initiation

### **SSI – HOLD rating - Growth factors already priced in**

- We initiate coverage with a Hold rating with a target price of VND36,500 and a 2.7% dividend yield.
- SSI is a leading securities firm with a balanced business model. It is particularly strong in the margin lending and prop trading segments.
- The current P/B of 2.46x is higher than its five-year average. However, we target 2.7x, which is 30% higher than the industry's average P/B ratio +1 standard deviation (2.08x) due to the premiums for its business model.

### **Financial Highlights**

Total Operating Income (TOI) reached VND7,158bn (USD\$292mn) in 2023, up 13% YoY, with an average annual growth rate of about 18.3%.

Gross profit margin in 2023 reached 66%, equivalent to a gross profit of VND4,723bn (USD\$193mn), the highest in the past five years.

ROAE in 2023 reached 10.1%, an improvement over the previous year (9.3%) but still lower than the five-year average (13%). We expect ROAE to reach 11.2%/14.9% in 2024/25, respectively.

### **Investment Thesis**

#### **Business performance is a long-term stock price driver**

SSI, like most securities companies, has a current P/B at or above the five-year average. This suggests profit growth and profitability metrics improvement in the coming years will make SSI more attractive to investors. SSI's 2023 ROE of 10.1% was higher than the previous year (9.3%) and the industry average (7.9%).

We believe SSI's ROE will continue to increase in 2024/25, reaching 11.8% and 14.6%, respectively, surpassing its five-year average (13.3%). Achieving SSI's 2024 business performance plan is feasible due to: 1) the prospects of upgrading the Vietnamese stock market; and 2) its ability to raise capital to expand scale.

#### **Prospects for capital increase will support stock price in 2024**

In addition to its business performance, we expect the early completion of SSI's capital increase plan to support the stock's momentum in 2024. This will create expectations of better business performance for SSI this year and in the coming years, as proprietary trading and margin lending activities will require abundant capital to expand scale during the next market growth phase.

#### **A balanced business model but heavily reliant on proprietary trading**

SSI's business model is similar to other companies in the industry, but it has a better balance between retail and institutional clients (leaning more toward retail). SSI can maintain a stable ROE over many years (although not outstanding compared to competitors), despite constantly expanding capital.

Read the full report: [HERE](#)

### Earning Flashes

#### **SCS - Higher international volume fuels revenue growth - [In-line]**

- SCS handled 58,432 tonnes of cargo, an increase of 34.3% yoy, achieving 24.4% of our full-year forecast.
- In 1Q24, NPAT-MI rose to VND147bn (US\$5.9mn), representing 23.9% of our full-year forecast.
- We maintain our TP at VND95,000 as 1Q24 results were in-line as expected.

#### **Enhanced cargo volume boosts revenue**

In 1Q24, SCS's operational volume surge, which translated into a substantial rise in revenue. The company managed 58,431 tonnes of cargo, marking 34.3% yoy growth and achieving 24.4% of our forecast. International cargo accounted for 42,631 tonnes, surging by 38.9% due to Qatar Airways' contributions in the early months of 2024. Consequently, SCS's net revenue soared to VND213bn (US\$8.5mn), up 38.9% yoy and fulfilling 23.1% of our forecast.

#### **The increased share of international cargo...**

SCS's gross margin reached an impressive 79.1% in the first quarter, up 3.4% pts from the previous year. This improvement was primarily driven by heightened global demand witnessed during this period. Our estimation indicates that the average selling price (ASP) for cargo services stood at VND3.7mn (US\$148) per tonne, registering an increase of 8.6%/10.1% compared to 1Q23 and 4Q23, respectively.

#### **...coupled with reduced expenses, led to improved margins in the first quarter**

Despite a higher workload in 3M24, SCS effectively managed its COGS and SG&A at VND44.5bn/VND13.9bn (US\$1.8mn/US\$600,000), respectively, reflecting modest increases of 13.1%/12.5% yoy. As a result, the company's gross and operating margins for the first quarter were 79.1% and 72.5%, respectively, both showing an increase of 3.4% pts and 4.5% pts yoy. Therefore, SCS reported a net profit of VND147bn (US\$5.9mn), maintaining a net margin slightly above 69%.

#### **Maintain our ADD rating amid in-line results and attractive dividend yield of 6.4%**

According to the company, SCS is set to distribute a 2023 dividend of VND5,000/share in cash, which corresponds to a yield of 6.4%. Given that SCS's 1Q24 results are consistent with our latest report, we maintain our ADD rating with a TP of VND95,000/share.

Read the full report: [HERE](#)



**SZC - 1Q24 earnings grow off low base [Missed]**

- Net profit was 5.5x higher than the same period a year earlier to reach VND65bn (US\$2.6mn) from a low base in 1Q23.
- 1Q24 revenue and net profit completed 14.9%/13.6% of our full-year forecasts, respectively.
- We see downward pressure on our target price of VND40,500, which we will update after further review.

**1Q24 results: growth off low 1Q23 base**

SZC announced 1Q24 earnings showing revenue surged 238% yoy to VND214bn (US\$8.4mn) on a strong contribution from the IP business. Net profit was 5.5x higher than the same period a year earlier at VND65bn (US\$2.6mn) from a low base in 1Q23. These results, respectively, complete 14.9%/13.6% of our revenue/net profit forecasts. Gross profit margin (GPM) decreased 8.2% pts vs 1Q23 as residential property (the highest GPM segment) plunged -89.3% yoy. However, lower SG&A expenses (-2.2% yoy) along with improved net financial income supported profit before tax to jump 466% yoy.

**IP business continued to perform well, in-line with our forecast**

1Q24 IP revenue was 7.3x higher than a low base in 1Q23, reaching VN194bn (US\$7.6mn). We estimate SZC handed over around 9-10ha of IP land in 1Q24, well in-line with our expectation with IP revenue completing 22.1% of our forecast. We believe that leasing activities in Chau Duc IP will meet our expectation thanks to: 1) BR-VT is attracting investors as the surrounding infrastructure system is increasingly upgraded; and 2) rental prices are competitive with other IPs in the area.

**Slower than expected handing of property offsets IP business**

In contrast to the positive results of the IP segment, residential property revenue reached just VND2bn (US\$100,000), down 89.3% yoy and far below our expectation. We believe that this poor result is due to the timing in scheduled handovers.

**1Q24 business results in-line with the company's full-year plan**

In 2024, SZC expects revenue of VND881bn (US\$35mn, +7.7% yoy), of which the two main segments, IP and residential property, are expected to contribute VND626bn (US\$25mn) and VND119bn (US\$5mn), respectively. The target for net profit is VND228bn (US\$9mn, +4.2% yoy). Thus, in 1Q24, the company completed 24.3% and 28.5% of its revenue and profit plan for the whole year, respectively.

Read the full report: [HERE](#)

## **VFS US - EV deliveries secure revenue growth**

We attended VinFast's 1Q24 earnings call and present our observations from the meeting and the company's recent activities as follows.

### **EV deliveries continued to drive strong yoy growth in revenue**

1Q24 revenue reached VND7,264bn (US\$303mn), +270% yoy and -30% qoq. Of this amount, vehicles sales were VND6,493bn (US\$271mn), accounting for 89.4% of total revenue, +324% yoy and -31.6% qoq.

In terms of deliveries, VinFast delivered 9,689 EVs and 6,632 E-scooters, of which, nearly 5,038 EVs and 1,592 E-scooters were sold to GSM. According to Kelly Blue Book, VinFast sold 927 EVs in the US during 1Q24 (vs 110 units in 1Q23).

The qoq decrease in deliveries was due to low season and Lunar New Year in Vietnam (deliveries in 1Q2023 were ~5% of FY23 total deliveries).

1Q24 gross loss improved by 13.3% qoq as the cost of vehicles sold decelerated due to lower sales volumes in low season, and rose 6.5% yoy due to a higher proportion of EV's cost in total COGS.

Accordingly, net loss landed at -VND14,819bn (-US\$617mn), narrowing by 4.4% qoq but 3.5% higher than 1Q23.

### **Ongoing progress in expansion of distribution and charging network**

By end of March, 2024, VinFast had 119 showrooms globally, including company-owned and dealer showrooms.

During 1Q24, VFS signed agreements with 10 more dealers in the US, for a total 16 dealership agreements in this market. Two of the dealers have recorded sales in 1Q while the rest are expected to open for sales in the second quarter. The current 80+ effective dealer applications will support VFS to increase its points of sales this year.

As VFS considers Asia to be one of its key markets, five dealership agreements were signed with Indonesian partners. The first VinFast store in this market was opened on April 2, starting with the sale of the right-hand drive VF e34.

The total number of charging points reached 850,000 points (+50,000 points within 1Q), including company-owned points in Vietnam and partner charging networks in North America and Europe.

CEO Vuong established V-Green to support VinFast's charging business

In March 2024, Mr. Pham Nhat Vuong established V-Green, which will provide EV charging infrastructure and management services to VinFast's customers, as well as engaging third-party charging station in key markets overseas.

### **Confident 2024 plan**

- VinFast maintains its FY24 delivery target at 100,000 EVs.
- The company expects to start delivering the VF9 in the US in Q2-Q3, after that will be the VF7 in Q3-Q4.
- The under-development VF3 is targeted to start delivery in Vietnam in 2024 and overseas in 2025.

Read the full report: [HERE](#)

## Bond market report 1Q24

### **Corporate bond market remains sluggish**

- > The issuance of corporate bonds has been sluggish since Decree 08 expired > Redemption of bonds before maturity has slowed
- > The private issuance of corporate bonds may continue to slowdown if there is no support policy to replace Decree 08
- > Vietnam government bond yields have bottomed out and started to rise

### **Issuance of corporate bonds has been sluggish since Decree 08 expired**

According to our consolidated data, there were 24 successful domestic corporate bond issuances in 1Q24, with a total issuance value of approximately VND27,801bn (US\$1.12bn), a decrease of 82.3% qoq and 5.1% yoy. 18 of these issuances had a total value of VND15,110bn (US\$604mn), accounting for 54.4% of the total issuance value. Additionally, there were six public offerings with a total issuance value of VND12,691bn (US\$508mn), making up 45.6% of the total issuance value.

Private issuance of corporate bonds declined significantly in 1Q24 by 89.5% qoq and 40.5% yoy. We believe that the expiration of Decree 08 (in effect until 12/31/2023) is one of the main reasons behind the sluggishness. Decree 08 rolled back some restrictive provisions of Decree 65 and allowed for restructuring of bonds under certain circumstances. After it expired, the provisions in Decree 65, including regulations on professional securities investors and mandatory enforcement of credit ratings, significantly affected private issuance activities.

### **Redemption of bonds before maturity has slowed**

The total value of redeemed bonds before maturity in 1Q24 reached over VND22,960bn (US\$918mn), decreasing 66% qoq and decreasing 37.3% yoy. After experiencing a significant increase in 2Q23, the pace of redemption of bonds before maturity is showing a decreasing trend (data compiled based on information released by HNX as of April 8, 2024). The real estate sector executed the most redeemed bonds before maturity in 1Q24, with a total value of VND8,230bn (US\$329mn), accounting for 35.8% of the total value of redeemed bonds before maturity in 1Q24.

### **Private issuance of corporate bonds may continue to slow if there is no support policy to replace Decree 08**

The private issuance of corporate bonds may continue to slow in 2Q24 given that the provisions in Decree 65, including the regulations regarding professional securities investors and the mandatory implementation of credit ratings, are in force. We believe that applying these regulations is necessary to enhance quality for the stability and sustainable development of the corporate bond market in the long term. However, we also suggest that the government should explore and implement additional supportive policies to replace Decree 08, which has expired. These policies can help support and promote the sustainable recovery of the corporate bond market.

### **Vietnam government bond yields have bottomed out and started to rise**

The bid-winning yields, after bottoming out at the end of January 2024, have started to rise across most maturities. Currently, the bid-winning yield for 10-year bonds has increased to 2.42%, an increase of 22 basis points (bpts) compared to the end of 2023 and an increase of 27 bpts from the low point reached at the end of January 2024. The bid-winning yield for 15-year bonds has increased to 2.59%, an increase of 19 bpts compared to the end of 2023 and an increase of 24 bpts from the low point reached at the end of January 2024. Similar to the bid-winning yields, the secondary market government bond yields have also turned upwards after hitting a bottom at the end of January 2024.

Read the full report: [HERE](#)



## AGM notes

### **LPB - Bright growth prospects for FY24**

- LPB's preliminary 1Q24 profit before tax (PBT) increased 84.36% yoy to VND2,886bn (US\$113mn) and its credit growth reached 11.7% ytd.
- In FY24, LPB plans to reach credit growth of 15.9% and PBT growth of 49.2% to VND10,500bn (US\$413mn)

We attended LPB's AGM yesterday, here are our observations.

### **1Q24 earnings result outperformed thanks to robust credit growth and a sharp rise in non-interest income**

LPB reported credit growth in 1Q24 reached 11.71%, a relatively high level compared to overall credit system growth of 0.26%. To achieve this result, the bank focused on accelerating credit growth in the early months of the year. Additionally, net fee income increased by 2.6 times compared to the same period in 2023. The bank managed costs effectively, with the cost-to-income ratio (CIR) decreasing by 6.13% points from the beginning of the year to 30.7%.

### **Management gave ambitious guidance for FY24**

LPB plans for FY24 profit before tax of VND10,500bn, an increase of 49.2% yoy. The bank plans to expand its credit by 15.9% yoy and total assets by 11.6% yoy. Management has outlined several directions to achieve this ambitious goal as follows.

- Focusing on retail lending, targeting customers in rural and tier 2 cities.
- Increasing non-interest income by aggressively cross-selling products such as payment services, insurance, and foreign exchange trading.
- Controlling non-performing loans (NPLs) to reduce its NPL ratio to 0.9%.
- Increasing CASA to reduce the cost of funds, lending support to NIM while still reducing lending rates.

The bank has stated that there are no plans to distribute cash dividends for at least the next three years. Regarding increasing charter capital in 2024, the bank plans to issue 800 million shares to existing shareholders. The expected timeframe for implementation is 2024-2025.

### **Planning a rebrand**

The bank has proposed changing its name from Lien Viet Post JSCB to Loc Phat JSCB. Loc Phat means bringing luck and wealth to customers, which aligns with the bank's customer-centric direction. We believe that rebranding without the phrase "post bank" is necessary, especially since major shareholder Vietnam Post plans to divest from LPB

Read the full report: [HERE](#)

### **MBB - Asset quality still a puzzle in FY24 outlook**

- MBB said 1Q24 revenue was around VND12,000bn and NI was about VND5,800bn.
- In FY24, MBB plans credit growth of above 15% yoy and ROE of merely 22%.
- MBB targets to maintain FY24 NPL ratio below 2% as banking industry faces challenges.

We attended MBB's AGM today, here are our observations.

#### **Positive 1Q24 earnings result**

MBB's 1Q24 revenue reached VND12,000bn (US471mn) and NI was VND5,800bn (US227mn), 7% higher than our forecast (VND5,300bn).

#### **MBB is first private bank to hit total assets of VND1 quadrillion.**

MBB plans to increase total asset 13% yoy in FY24 to reach VND1,000tn (US39bn) and become the first private bank (excluding four SOCBs) to hit this level. This will be bolstered by credit growth above the credit quota (more than 15%) and intact NIM in FY24. Management has outlined several paths to achieve this ambitious goal as follows.

- Expanding credit by focusing on retail lending, especially the manufacturing sector, individual mortgages and car loans.
- Keeping NIM intact by maintaining high CASA of around 40%.
- Increasing fee income by 20-25% in FY24, boosting PBT by 6-8% and ROE to 22%.
- Optimizing costs to reduce CIR to <30% in FY24 by applying more technology.

#### **Asset quality is a puzzle due to economic uncertainty**

MBB plans to maintain its NPL ratio of equal or below 2% in FY24. From MBB's perspective, there will be several challenges that the banking system has to cope with in FY24. First, Vietnamese borrowing needs have been weaker than expected as 1Q24 credit growth was only 0.26%, implying a weak recovery of the Vietnamese economy. Second, a large volume of bonds (around VND360,000bn /US\$14bn) will mature in FY24, leading to uncertainty about FY24 bad debts in the banking system in general, and MBB in particular. The bad debt ratio is expected to increase in the banking sector, leading to higher provision costs and lower profits for the banking system.

#### **Share issuance plan for 2024**

The bank plans to raise its capital via various channels:

- The bank will issue 19.24 million shares via ESOP in FY24.
- The bank also plans to sell 62 million shares through private placement in FY24

In addition, MBB will pay a total dividend of 20%, in which 15% is stock dividend and 5% is cash dividend in FY24 from 2023 earnings.

Read the full report: [HERE](#)

**Commodity Prices**

Energy	%dod	%mom	%yoy
WTI	-0.5%	4.8%	5.1%
Brent Crude	-0.5%	4.9%	5.7%
JKM LNG	4.2%	39.4%	1.8%
Henry Hub LNG	7.9%	25.7%	-11.7%
NW Thermal Coal	-1.4%	0.7%	-25.7%
Singapore Platt FO	0.9%	8.0%	4.5%

Precious Metals	%dod	%mom	%yoy
Gold	-0.3%	10.2%	19.5%
Domestic SJC Gold	0.5%	3.9%	23.6%
Silver	0.7%	13.4%	13.9%
Platinum	-0.6%	2.2%	-7.7%

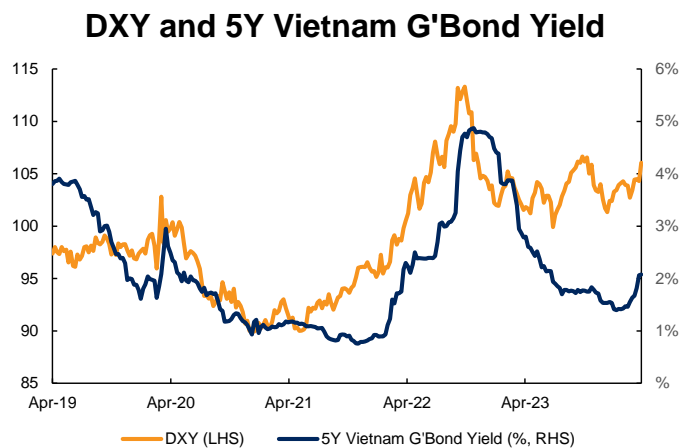
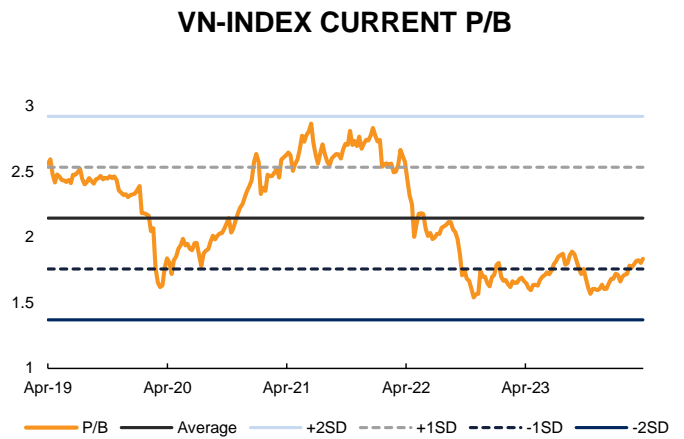
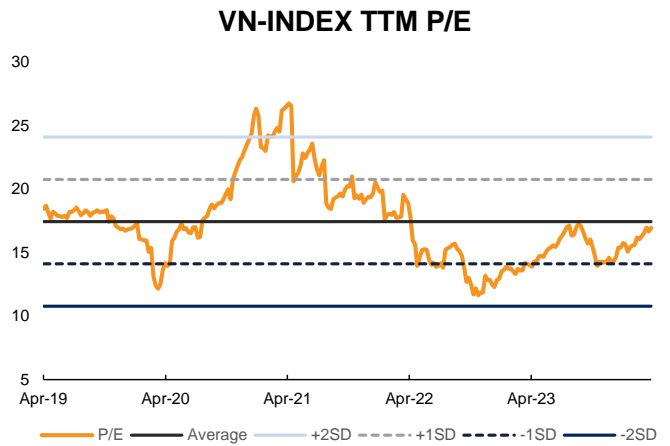
Base Metals	%dod	%mom	%yoy
Tungsten	0.0%	4.8%	0.6%
Copper	0.8%	5.5%	6.7%
Aluminum	0.2%	13.9%	7.6%
Nickel	-0.7%	-1.7%	-26.8%
Zinc	NA	4.9%	0.1%
Lead	NA	NA	NA
Steel	0.1%	-6.1%	-10.2%
Iron Ore	NA	8.7%	-4.9%

Agriculture	%dod	%mom	%yoy
Rice	0.6%	3.7%	6.6%
Coffee (Arabica)	2.4%	32.6%	20.6%
Sugar	-1.6%	-12.7%	-20.9%
Cocoa	1.1%	29.1%	244.8%
Palm Oil	-1.5%	-2.7%	NA
Cotton	-0.4%	-13.8%	-2.8%
Dry Milk Powder	0.1%	-5.8%	-16.9%
Wheat	0.8%	4.8%	-20.5%
Soybean	0.0%	-4.4%	-24.5%
Cashews	NA	-22.9%	-35.7%
Rubber	0.3%	-7.6%	59.7%
Urea	NA	NA	NA

Livestock	%dod	%mom	%yoy
Live Hogs	0.4%	9.0%	32.0%
Cattle	0.7%	-3.1%	3.9%

Source: Bloomberg

**Market Value Drivers**



**VNDS RESEARCH COVERAGE SUMMARY**

Ticker	Market cap (US\$m)	3M ADTV (US\$m)	Foreign Room (US\$m)	Closing price (VND)	Adjusted target price (VND)	Total shareholder return (%)	Dividend yield (%)	TTM P/E	Current P/B	ROE	Recommendation
<b>AVIATION</b>											
ACV	7,331	1.2	3,344	85,500	108,300	26.7%	0.0%	25.8	3.7	18%	<a href="#">ADD</a>
VJC	2,206	4.0	279	103,400	120,100	16.2%	0.0%	NA	3.7	2%	<a href="#">HOLD</a>
<b>Simple Avg</b>	<b>4,768</b>	<b>2.6</b>	<b>1,812</b>			<b>21.4%</b>	<b>0.0%</b>	<b>25.8</b>			
<b>CONSTRUCTION</b>											
CTD	252	5.6	11	64,000	79,300	23.9%	0.0%	33.8	0.8	2%	<a href="#">ADD</a>
HHV	213	4.1	99	13,150	16,000	21.7%	0.0%	14.4	0.6	4%	<a href="#">HOLD</a>
<b>Simple Avg</b>	<b>233</b>	<b>4.9</b>	<b>55</b>			<b>22.8%</b>	<b>0.0%</b>	<b>24.1</b>			
<b>CONSUMER</b>											
BAF	148	3.2	78	26,200	29,200	11.5%	0.0%	142.6	2.0	1%	<a href="#">HOLD</a>
DGW	366	5.5	108	55,600	57,600	4.5%	0.9%	25.7	3.6	14%	<a href="#">ADD</a>
MWG	2,845	12.8	112	49,400	48,500	-0.8%	1.0%	434.4	3.1	1%	<a href="#">HOLD</a>
PNJ	1,219	6.7	0	92,500	114,400	25.5%	1.9%	15.9	3.1	22%	<a href="#">ADD</a>
QNS	647	1.3	230	46,000	62,400	42.0%	6.4%	6.4	1.6	27%	<a href="#">ADD</a>
VHC	619	2.5	456	70,000	68,000	-0.2%	2.6%	16.8	1.9	12%	<a href="#">ADD</a>
VNM	5,284	10.1	2,701	64,200	83,900	36.7%	6.0%	16.9	4.2	26%	<a href="#">ADD</a>
<b>Simple Avg</b>	<b>1,590</b>	<b>6.0</b>	<b>526</b>			<b>17.0%</b>	<b>2.7%</b>	<b>94.1</b>			
<b>FINANCIALS</b>											
ACB	4,092	12.8	0	26,750	27,000	5.8%	0.0%	6.5	1.5	25%	<a href="#">ADD</a>
CTG	6,916	12.3	191	32,700	34,200	4.6%	0.0%	8.8	1.4	17%	<a href="#">ADD</a>
HDB	2,620	7.5	10	23,000	22,100	-3.9%	0.0%	6.6	1.5	25%	<a href="#">ADD</a>
LPB	2,025	4.2	57	20,100	15,700	-21.9%	0.0%	8.6	1.5	19%	<a href="#">HOLD</a>
MBB	4,810	21.6	0	23,100	31,700	39.1%	1.9%	5.8	1.3	25%	<a href="#">ADD</a>
TCB	6,222	15.2	0	44,850	50,600	12.8%	0.0%	8.8	1.2	15%	<a href="#">ADD</a>
TPB	1,474	9.8	22	17,000	26,800	57.6%	0.0%	8.4	1.1	14%	<a href="#">HOLD</a>
VCB	19,921	5.7	1,370	90,500	92,100	31.2%	0.0%	15.3	3.1	22%	<a href="#">ADD</a>
VIB	2,148	5.4	0	21,500	25,900	30.4%	9.9%	6.4	1.4	24%	<a href="#">ADD</a>
VPB	5,671	12.7	142	18,150	25,700	41.6%	0.0%	12.5	1.1	9%	<a href="#">ADD</a>
<b>Simple Avg</b>	<b>5,590</b>	<b>10.7</b>	<b>179</b>			<b>19.7%</b>	<b>1.2%</b>	<b>8.8</b>			
<b>GARMENT &amp; TEXTILE</b>											
MSH	124	0.2	58	42,100	46,200	15.2%	5.5%	12.9	1.9	15%	<a href="#">HOLD</a>
<b>Simple Avg</b>	<b>124</b>	<b>0.2</b>	<b>58</b>			<b>15.2%</b>	<b>5.5%</b>	<b>12.9</b>			
<b>INDUSTRIALS</b>											
BCM	2,213	2.3	1,272	54,300	99,000	83.8%	1.5%	24.7	3.0	14%	<a href="#">ADD</a>
GMD	970	4.3	0	80,500	90,200	15.4%	3.4%	11.2	2.9	28%	<a href="#">ADD</a>

Ticker	Market cap (US\$m)	3M ADTV (US\$m)	Foreign Room (US\$m)	Closing price (VND)	Adjusted target price (VND)	Total shareholder return (%)	Dividend yield (%)	TTM P/E	Current P/B	ROE	Recommendation
HAH	159	4.9	48	38,350	46,400	23.6%	2.6%	11.6	1.5	14%	<a href="#">ADD</a>
IDC	708	5.3	216	54,500	63,900	21.8%	4.6%	12.9	3.6	28%	<a href="#">ADD</a>
KBC	892	11.1	280	29,500	40,000	35.6%	0.0%	11.1	1.2	12%	<a href="#">ADD</a>
PHR	290	1.2	108	54,300	53,700	4.4%	5.5%	11.9	2.0	18%	<a href="#">ADD</a>
PTB	161	0.9	2	61,200	62,900	4.4%	1.6%	14.2	1.5	11%	<a href="#">HOLD</a>
SCS	293	0.3	11	78,300	95,000	27.7%	6.4%	14.8	5.8	38%	<a href="#">ADD</a>
SZC	278	3.1	51	39,200	40,500	7.4%	4.1%	27.7	3.3	13%	<a href="#">HOLD</a>
VTP	327	3.2	181	68,200	93,300	39.1%	2.3%	25.7	5.3	26%	<a href="#">HOLD</a>
<b>Simple Avg</b>	<b>629</b>	<b>3.7</b>	<b>217</b>			<b>26.3%</b>	<b>3.2%</b>	<b>16.6</b>			
<b>MATERIALS</b>											
DGC	1,662	11.9	539	111,100	110,400	3.5%	4.1%	14.5	3.6	26%	<a href="#">ADD</a>
HPG	6,412	31.2	1,665	28,000	41,000	46.4%	0.0%	NA	1.6	7%	<a href="#">ADD</a>
HSG	485	10.7	151	20,000	34,000	70.0%	0.0%	NA	1.1	8%	<a href="#">ADD</a>
NKG	238	9.0	93	23,000	35,000	52.2%	0.0%	NA	1.1	2%	<a href="#">ADD</a>
<b>Simple Avg</b>	<b>2,199</b>	<b>15.7</b>	<b>612</b>			<b>43.0%</b>	<b>1.0%</b>	<b>14.5</b>			
<b>OIL &amp; GAS</b>											
BSR	2,271	4.2	1,123	18,600	24,600	36.2%	4.0%	6.7	1.0	16%	<a href="#">ADD</a>
GAS	6,793	3.4	3,414	75,100	83,500	15.2%	4.0%	14.4	2.7	19%	<a href="#">HOLD</a>
PLX	1,766	1.5	48	35,300	44,300	28.8%	3.4%	16.0	1.7	11%	<a href="#">ADD</a>
PVD	643	6.4	196	29,350	36,800	25.4%	0.0%	32.9	1.1	4%	<a href="#">ADD</a>
PVS	727	7.7	229	38,600	46,500	23.1%	2.6%	18.0	1.4	8%	<a href="#">ADD</a>
PVT	346	4.2	131	24,700	30,100	25.9%	4.0%	9.4	1.3	15%	<a href="#">ADD</a>
<b>Simple Avg</b>	<b>2,091</b>	<b>4.6</b>	<b>857</b>			<b>25.8%</b>	<b>3.0%</b>	<b>16.2</b>			
<b>POWER</b>											
NT2	245	1.0	101	21,650	27,100	32.1%	6.9%	14.0	1.4	10%	<a href="#">HOLD</a>
POW	1,010	2.8	476	10,950	15,600	42.5%	0.0%	24.7	0.8	3%	<a href="#">ADD</a>
<b>Simple Avg</b>	<b>628</b>	<b>1.9</b>	<b>289</b>			<b>37.3%</b>	<b>3.4%</b>	<b>19.3</b>			
<b>POWER &amp; PROPERTY</b>											
HDG	313	3.1	116	26,000	33,700	33.7%	4.1%	12.0	1.3	12%	<a href="#">ADD</a>
PC1	318	8.9	150	25,950	33,000	27.7%	0.6%	64.0	1.6	2%	<a href="#">ADD</a>
REE	966	1.9	0	60,000	76,000	29.8%	3.1%	11.2	1.4	13%	<a href="#">HOLD</a>
<b>Simple Avg</b>	<b>532</b>	<b>4.6</b>	<b>89</b>			<b>30.4%</b>	<b>2.6%</b>	<b>29.1</b>			
<b>PROPERTY</b>											
DXG	474	9.0	170	16,700	22,100	32.3%	0.0%	64.7	1.1	2%	<a href="#">HOLD</a>
KDH	1,070	4.1	130	34,000	39,400	15.9%	0.0%	40.2	2.0	5%	<a href="#">ADD</a>



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NLG	576	5.6	20	38,000	40,400	8.3%	2.0%	31.5	1.6	5%	<a href="#">HOLD</a>
VHM	7,168	16.7	2,084	41,800	90,000	117.5%	2.2%	5.5	1.0	21%	<a href="#">ADD</a>
VRE	1,969	10.2	465	22,000	33,200	50.9%	0.0%	11.3	1.3	12%	<a href="#">ADD</a>
<b>Simple Avg</b>	<b>2,251</b>	<b>9.1</b>	<b>574</b>			<b>45.0%</b>	<b>0.8%</b>	<b>30.6</b>			
<b>TECHNOLOGY</b>											
FPT	5,592	13.8	0	111,800	117,300	6.8%	1.9%	21.9	5.7	28%	<a href="#">ADD</a>

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