

| Snapshot | HOSE | HNX | UPCOM |
|------------------|---------|-------|-------|
| Close (pts) | 1,205.6 | 227.9 | 88.4 |
| 1 Day change (%) | 2.4% | 2.4% | 1.0% |
| 1 Month change | -5.9% | -5.7% | -2.8% |
| 1 Year change | 15.8% | 10.2% | 13.4% |

| | | | |
|---------------|-----|-----|-----|
| Value (US\$m) | 781 | 63 | 16 |
| Gainers | 301 | 145 | 181 |
| Losers | 53 | 40 | 88 |
| Unchanged | 41 | 130 | 600 |

Market Commentary

Market surges, led by tech

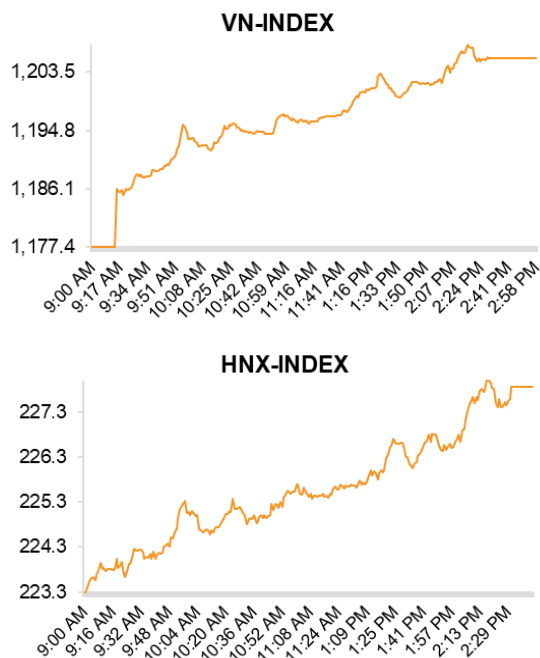
The VN-Index popped higher at the open and maintained its positive momentum throughout the rest of the trading day, with market closing at 1,205.6, up 2.4% (or 28.21 points). The HNX Index also jumped, enjoying a 2.35% increase to finish at 227.87.

Tech stocks (6.2%) surged today, including FPT (+6.95%), CMG (+5.84%), and ELC (+7.0%). This sharp increase was fueled by news of a comprehensive strategic partnership between FPT and Nvidia to boost AI research. FPT plans to invest US\$200 million to establish an AI factory, providing a cloud computing platform for AI research and development in Vietnam. The factory will feature supercomputing systems operating on Nvidia's latest technology.

All sectors rose today, including banks (+1.6%), real estate (+2.56%), food & beverage (1.3%), reflecting the overall market's positive sentiment. Financial services (4.2%) was the best performing sector, led by VND (+6.1%), SSI (+3.3%), VCI (+4.3%) and HCM (+4.9%).

VTP (+6.95%) hit its ceiling price today. VTP plans to reduce the shipping time between Nanning city and Hanoi to only 12 hours, thereby reducing 30% of logistics costs (thanks to cooperation between Viettel and Nanning city in the field of logistics and cross-border transportation recently), which will contribute to promoting trade between the two countries.

Other top performers today included CTG (+4.6%), GVR (+6.9%), HPG (+4.4%) and MWG (+5.0%). Conversely, top laggards included STG (-5.0%), QCG (-3.9%), PGI (-5.2%), VSH (-1.1%), and TRA (-2.2%).



Commentator(s):



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| 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 | 0.8% | 2.3% | 13.3 | 1.3 | 9.5% | NA | 55,789 | 2.1% | 0.0% | -0.5% | -4.8% |
| India | NSE500 Index | 0.4% | 6.7% | 26.9 | 4.0 | 14.9% | 1.1% | 10,927 | 7.2% | 0.0% | 0.1% | -1.7% |
| Indonesia | JCI Index | 0.9% | -1.4% | 16.9 | 2.1 | 8.2% | N/A | 602 | 7.0% | 0.4% | -2.2% | -7.3% |
| Singapore | FSTAS Index | 0.6% | 0.6% | 12.3 | 1.1 | 8.8% | 5.0% | 833 | 3.3% | 0.0% | -1.1% | -2.0% |
| Malaysia | FBME Index | 0.7% | 9.0% | 17.6 | 1.4 | 8.1% | 3.8% | 444 | 3.8% | 0.1% | -1.1% | -7.1% |
| Philippines | PCOMP Index | 0.5% | 1.1% | 10.8 | 1.2 | 11.1% | 3.0% | 90 | 5.8% | -0.1% | -2.0% | -3.1% |
| Thailand | SET Index | 0.3% | -3.9% | 17.2 | 1.3 | 7.7% | 3.4% | 1,018 | 2.5% | -0.2% | -1.8% | -7.2% |
| Vietnam | VN-Index | 2.4% | 6.7% | 15.6 | 1.7 | 11.8% | 1.7% | 817 | 2.1% | 0.1% | -2.6% | -7.6% |

Marco notes**Inside the SBV's move to raise repo rates**

Yesterday, the State Bank of Vietnam (SBV) lent nearly VND36tn (US\$1.4bn) to nine credit institutions through the OMO channel with a 14-day term and a repo interest rate of 4.25%/year. This session was the largest injection since the record-high VND42tn (US\$1.6bn) injection on January 24, 2017. In today's session (April 24), the SBV continued to inject more than VND25tn (US\$900mn) through OMO with the same term and interest rates as yesterday's session.

We believe there are two factors driving the rising repo rates. First, with peak payments and balances approaching, particularly near the upcoming five-day holiday, SBV's decision to inject liquidity at higher interest rates is a prudent measure to address the system's temporary cash flow needs. Second, the extension of the repo term from seven to 14 days justifies the increase. This step helps establish a higher interbank interest rate, which can indirectly alleviate exchange rate pressures. In essence, the longer borrowing period warrants a more attractive yield for lenders.

Overall, SBV's move to increase repo rates does not translate to an increase in policy rates, rumors of a rise in policy interest rates within the market since yesterday notwithstanding. Rather, this action aims to achieve two goals simultaneously. By injecting liquidity, the SBV addresses the system's liquidity needs, while the higher rates also help narrow the gap between USD and VND interest rates, ultimately easing pressure on the exchange rate.

Commentator(s):**Hang Le – Analyst**Hang.lethu3@vndirect.com.vn

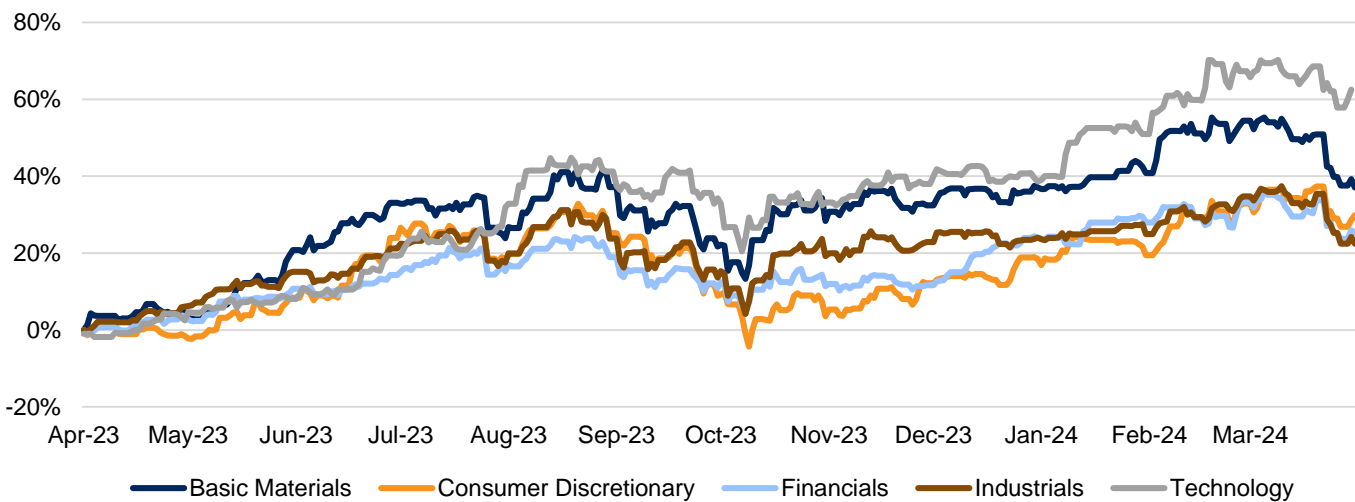
| Sectors (VNIndex) | Index Wgt (%) | Price 1D chg | P/E x | P/B x |
|------------------------|---------------|--------------|-------|-------|
| Consumer Discretionary | 3.5 | 3.5% | 246.1 | 4.1 |
| Consumer Staples | 8.3 | 1.8% | 77.1 | 3.2 |
| Energy | 1.5 | 1.6% | 19.5 | 1.5 |
| Financials | 44.9 | 1.9% | 12.5 | 1.9 |
| Health Care | 0.7 | 0.8% | 16.6 | 2.3 |
| Industrials | 8.5 | 2.7% | 72.3 | 2.7 |
| IT | 3.5 | 6.9% | 23.0 | 5.5 |
| Materials | 9.0 | 4.7% | 29.0 | 2.0 |
| Real Estate | 13.7 | 2.5% | 59.3 | 1.5 |
| Utilities | 6.0 | 0.8% | 19.4 | 2.2 |

Source: Bloomberg

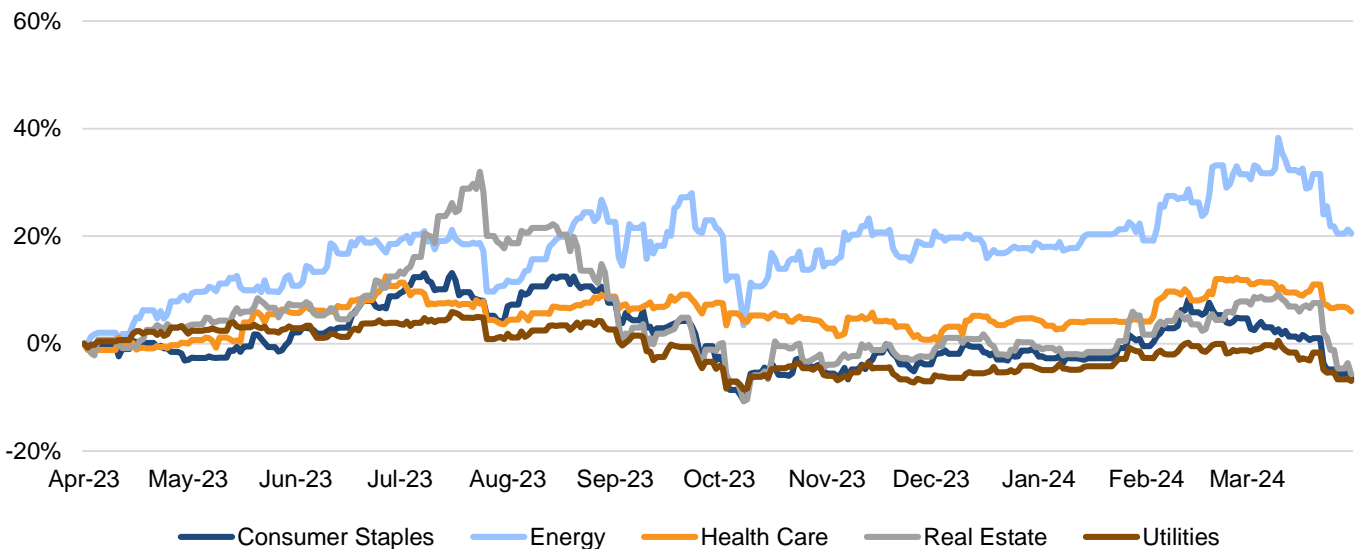
All sectors rose today, led by IT (+6.9%), Materials (+4.7%), and Consumer Discretionary (+3.5%). Top index movers included FPT (+7.0%), CTG (+4.6%), GVR (+6.9%), HPG (+4.4%), and MWG (+5.0%). Top index laggards consisted of STG (-5.0%), QCG (-3.9%), PGI (-5.2%), VSH (-1.1%), and TRA (-2.2%).

Foreigner's net bought on HOSE to the amount of VND722.1bn, and also net bought on HNX to the amount of VND60.4bn. They mainly bought HPG (VND220.3bn), MWG (VND189.6bn), and VND (VND110.7bn); and mainly sold FUEVFVND (VND1013.9bn), VCB (VND140.8bn), and MSB (VND98.9bn).

HSX TOP 5 ONE-YEAR PERFORMANCE



HSX BOTTOM 5 ONE-YEAR PERFORMANCE



AGM Note

TCB - Returning to a growth trajectory in FY24

We attended TCB's AGM. Here are our observations:

Managers expect earnings growth to recover in FY24

In TCB's FY24 business plan, managers expect FY24 pre-tax profit (PBT) to increase by 18.4% yoy to VND27,100bn (US\$106mn). PBT growth in FY24 is expected to be significantly higher than that of -10.5% yoy in FY23. Despite a positive earnings result, TCB set a neutral target for credit growth and its non-performing loan (NPL) ratio. TCB expects credit to grow 16.2% in FY24, lower than growth of 21.6% in FY23. In addition, the NPL ratio is expected to be lower than 1.5% in FY24 amid a current NPL of 1.2% (end-FY23).

To achieve business targets, TCB has a new strategy of expanding credit as well as optimizing operational costs. On the one hand, the bank will diversify its credit book structure and participate in the consumer finance segment by launching the "Smart Credit" product. On the other hand, TCB will continue leveraging its technological strengths to optimize operational costs as well as drive Casa growth.

High cash dividend plan

TCB plans to pay a cash dividend after not doing so for a prolonged time. In particular, they will pay VND1,500 per share, equivalent to VND5,284bn (US\$206mn) and a dividend yield of 3.4%. The cash dividend is expected to be paid out in 2Q24 and 3Q24.

Doubling charter capital from equity sources

TCB plans to double its equity capital by issuing 3,522 shares with a face value of VND10,000 per share. After the issuance, FY24 charter capital of TCB will rise to VND70,450bn (US\$2,767mn) from VND35,225bn at end-FY23. The capital increase will include:

- Surplus of share capital: VND476bn (US\$19m)
- Undistributed retained earnings: VND10,567bn (US\$415m)
- Additional equity reserve fund: VND24,181bn (US\$950m)

TCBS actively captured market share in FY23

TCBS has gained brokerage market share by focusing on wealth management for the middle and upper classes. The two main advantages of TCBS are 1) leveraging the customer base from its parent bank and 2) an online trading platform spanning various products. TCBS can capitalize on the stable financial client base of its parent bank. Additionally, the strategy of free-trading cost to cross selling product is highly effective due to leveraging technology platforms to save costs. As the result, TCBS's brokerage market share rose to 7.55% at end-FY23 from 3.73% at end-FY22.

Please follow this link for the [full](#) report.

KDH - Legal clearances drive bright growth prospects

We attended KDH's AGM today. Here are our key takeaways.

Business Plan 2024

- Consolidated revenue: VND3,900bn (US\$153mn) (+86.8% yoy), largely driven by The Privia project, which will be primarily handed over in 4Q24. As a result, revenue for the first three quarters of 2024 will be weaker compared to previous year.

- Pre-sales: The Privia project sold out within three months of its launch in November 2023, generating big pre-sales for the entire year of 2023. In 2024, two low-rise projects (The Clarita, The Emeria) are expected to bring in impressive pre-sales.

- NPAT-MI: It reached VND790bn (US\$31.0mn) (+10.3% yoy) with a net profit margin of 20.3%, lower than the previous year due to The Privia project in the mid-range segment compared to the high-end townhouse segment of The Classia project, which achieved a margin of 34.3%.

Update Progress on Key Projects

- The Classiaa project: Sold and recorded handover revenue of 95% of project.

- The Privia project: Reached the topping-out stage, this project is expected to be a major revenue source in 2024.

- The Clarita and The Emeria projects: Land use fees have been paid and construction commenced in October 2023. The project is scheduled to be launched in 4Q24 and will provide 200 townhouses and 600 high-rise apartments to the market.

- Le Minh Xuan project: This project has been approved for investment by the Prime Minister and has a 1/500 master plan. Compensation and site clearance are in progress. The project is divided into three phases: Phase 1 (~89ha) is in the process of paying land rental fees and applying for construction permits; Phase 2, 3 (~20ha) are currently undergoing compensation and site clearance.

- Tan Tao project: This project has received investment approval from the Prime Minister and has 1/500 master plan approved. Compensation is currently underway in accordance with approved policies.

Other information

The sources of funds to meet the VND1,100bn (US\$43.2m) bond maturity obligation in Q2, Q3/2025 are: 1) KDH's abundant cash balance with cash and cash equivalents amounting to VND3,738bn (US\$147mn) at the end of 2023; 2) The Privia project, which will be handed over at 4Q24, will generate 25% of the contract value; 3) proceeds from launches of The Clarita and The Emeria projects at 4Q24; and 4) the LMX project can be exploited in 2025.

In addition, KDH plans to issue shares to strategic investors with an issuance value of up to VND3,000bn (US\$118mn) to repay debt and continue to develop land bank.

Please follow this link for the [full](#) report.

TPB - Aiming to reclaim profit growth in 2024

We attended TPB's AGM yesterday. Here are our observations.

Positive earnings guidance for FY24 after a difficult year

1Q24 preliminary profit before tax (PBT) increased by 3.6% yoy to VND1,829bn (US\$71.9mn). However, TPB has a relatively high profit growth plan for FY24 of 34.2%, aiming for a PBT target of VND7,500bn (US\$294.7mn). In our opinion, the earnings growth target is not ambitious, as the bank spent a huge amount of provision buffer to write off bad debt in FY23, thus provision expense will reduce significantly in FY24F. Management also stated that the target is achievable, and they plan to reduce provision expense by 49% yoy to VND2,000bn (US\$78.6mn).

TPB set guidance for FY24 business operations, including:

- Reaching 15 million customers by the end of 2024. At end-2023, the number of customers of TPB reached 12 million, increasing by 4 million.
- Pushing for non-interest income, focus on payment services and foreign exchange trading.
- Controlling asset quality and monitoring bad debt, aiming to maintain the NPL ratio under 2% (by the end of FY23, NPL ratio was at 1.52%).
- Focusing on increasing credit growth, targeting SME and individual customers. Reducing lending yields to support customers.

Planning to pay a cash dividend and increase charter capital

TPB management proposed to pay both a cash dividend and a stock dividend this year. TP Bank proposed a 5% cash dividend, equivalent to VND500 per share. The total dividend payout will be sourced from the bank's undistributed profit in 2023.

The bank plans to increase its charter capital through issuing stock dividends. TPB plans to issue over 440 million shares at a price of VND10,000 per share to existing shareholders from undistributed earnings. The issuance rate is 20%, meaning that for every 100 shares owned, shareholders will receive an additional 20 shares. As a result, the bank will increase its charter capital by an additional of VND4.4bn to VND26,419bn (US\$1.0bn).

Please follow this link for the [full](#) report.

PVD - Bright prospects for next two years

We attended PVD's AGM on April 24. We noted the following highlights.

Conservative guidance for 2024

PVD set a conservative plan for 2024 with revenue of VND6,200bn (US\$253mn; flat yoy) and pre-tax profit of VND440bn (US\$18mn; -33% yoy). However, management said that this plan was set from late-2023 and the company will likely exceed this plan thanks to the current positive market conditions. We also note that FY23 actual NPAT beat the company's guidance by 5.5 times.

For 1Q24 preliminary results, PVD estimates revenue of VND1,700bn (US\$69.4bn; +38% yoy) and pre-tax profit of VND200bn (US\$8.2m; +217% yoy).

Busy drilling schedule in the next two years

Currently, PVD has signed contracts for its four JU rigs until end-2025, with one JU rig (PVD III) with a contract through 2028. PVD will also mobilise two hired rigs to serve for domestic customers (one rig from April 1 to end-2024, one rig from August 14 to October 23).

Southeast Asia (SEA) JU market outlook remains positive

PVD's management said that the JU market outlook in SEA will likely be positive in coming years as demand grows while JU supply is limited. Many big oil companies such as Petronas (Malaysia), Pertamina (Indonesia) or PTTEP (Thailand) have set long-term investment plans, leading to higher demand for long-term drilling contracts. Furthermore, Vietnam's market will also accelerate from 2H24 onward with increasing drilling demand from some key O&G development projects, such as Dai Hung Phase 3 (from August 2024), Kinh Ngu Trang (from late-2024), Lac Da Vang (from 3Q25) and especially Block B (from late-2025 or early-2026).

Aiming to invest in one JU rig in 2024

PVD is doing a Feasibility Study (FS) to invest in one JU rig this year with estimated capex of VND2,115bn (US\$90mn). Management believes this is an ideal time to invest in a new rig thanks to the current market conditions. For long-term plan toward 2030, the company plans to invest in two new JU rigs in through self-invested or joint ventures.

Saudi Aramco's pause in expansion has minor impact on PVD's business

According to management, Saudi Aramco's pause in expansion is only short-term (pause is for 12 months) and direct impact is on premium JU rig supply (with day rate range in US\$150,000-170,000 at this time), not PVD's segment (around US\$120,000).

Please follow this link for the [full](#) report.

Earning Flashes

TCB - Extending growth momentum [In-line]

TOI accelerated due to NIM expansion

1Q24 TOI surged 31.8% yoy to VND12,262bn (US\$482m), accelerating for two quarter in a row, attributed to both net interest income (NII) and non-interest income (Non-II).

NII grew robustly 30.2% yoy in 1Q24 vs just 11.4% yoy in 4Q23, thanks to: 1) impressive growth of the loan book; and 2) NIM expansion. TCB recorded strong 1Q24 loan growth of 20.2% yoy (+7.8% qoq), driven mainly by corporate demand for loan restructurings. 1Q24 NIM also expanded YoY for the first time since 4Q22, rising 0.3% pts YoY.

NIM expansion resulted from: 1) higher net interest spread; and 2) lower funding cost (COF). TCB's COF slumped 1.6% pts yoy (-0.8% pts qoq) in 1Q24 due to: 1) the lower interest rate environment; and 2) a significantly higher CASA ratio (1Q24: 40.5%, 1Q23: 32.0%) thanks to the Auto earnings product. Furthermore, net interest rate spread rose 0.5% pts yoy, given the slower decrease of AY (-1.2% pts yoy) amid high corporate credit demand.

The strong surge of TOI also benefitted from 4Q23 Non-II, which rose 35.7% yoy. The increase of Non-II was driven by net gain from divest investment of securities of VND1,073bn (US\$42m) in 1Q24 (vs net loss of VND31bn in S1Q23).

Technological advantage optimized operating costs

TCB has used technological advantages to optimize its operating costs. As a result, CIR fell to 26.5% in 1Q24, significantly lower than its 5-year average of 32.7% and also the sector average of 34.1%. Coupled with a strong surge of TOI, Operating profit before provisioning (PPOP) rose robustly by 46.4% yoy, extending upward momentum from 4Q23.

Asset quality requires further monitoring

In 1Q24, although TCB NPL ratio stayed flat around 1.2% thanks to the loan growth (+7.8% qoq) and LLR rose to 106.1% from 102.1% in 4Q23. There is some concern because the group 2 to total loans ratio inched up to 1.1% at end-1Q24 from 0.9% at end-4Q23 and NPL formation rose 20.4% qoq in 1Q24.

Amid asset quality still rose some concerns, credit cost of TCB inched down 0.4% pts qoq to 0.9% in 1Q24. Thus, provision expense rose 126.5% yoy (-25.9% qoq). Altogether, Pre-tax profit of TCB rose 38.7% yoy to VND7,802bn (US\$306m), extending positive growth momentum since 4Q23. The rise of earnings also pushed ROAE to increase to 15.5% in 1Q24 from 14.7% at 4Q23.

Read the full report: [HERE](#)

FPT - Strong growth momentum sustained [In-Line]**FPT's 2024 results: Strong growth momentum sustained, consistent with our projection**

FPT's net revenue rose 20.6% yoy to VND14,093bn (US\$575mn) in 1Q24, mostly thanks to strong performances from technology and education segments (+23.8% yoy and +53.5% yoy, respectively), while telecom segment revenue posted moderate growth of 5.9% yoy. As a result, FPT reported 1Q24 net profit growth of 19.4% yoy to VND2,160bn (US\$88mn), fulfilling 100.5% of our forecasts.

Global IT Services segment shows strong growth

1Q24 revenue from the global IT services sector continued to grow, with a notable increase of 28.8%. This growth was primarily driven by rising investment in IT services from Japan (+33.5%) and the APAC region (+32.9%). Income generated from Digital Transformation surged to VND2,956bn (US\$120.7m), representing a significant 36% yoy rise, mainly propelled by Cloud Computing, AI/Data Analytics, Product Engineering, and other factors. Total signed revenue amounted to VND9,818bn (US\$401mn), marking a slight decrease of 3.3% yoy, primarily due to FPT's intensified efforts in securing new contracts toward the end of 2023. In 1Q24, FPT sustained its momentum by securing numerous substantial contracts from international markets, clinching 15 major deals valued at US\$5 million or more each - a remarkable 2.5-fold increase compared to the corresponding period last year - with a strong focus on the Japanese and APAC markets.

Telecom services maintained sustainable expansion

Telecommunications services maintained their upward trend, reaching revenue of VND3,885bn (US\$159mn), marking a 5.1% yoy increase, and PBT of VND805bn (US\$32.9mn), an 11.4% yoy rise.

Education sector expands its presence in provinces

The Education sector sustained consistent revenue growth, expanding by 26% yoy to reach VND1,776bn (US\$72.5mn) in the first quarter of 2024. FPT recently completed its FPT Education Complex project in Thanh Hoa and obtained the Investment Certificate for another Education Complex in Hue, which strengthens FPT's nationwide footprint.

Read the full report: [HERE](#)

PHR - Net profit drops on lack of one-off gain [Missed]**1Q24 results: Net profit decreases on lack of one-off gain**

PHR reported 1Q24 revenue edged down by 1.0% yoy to VND323bn (US\$12.7mn) due to revenue from two main business segments, rubber and industrial property, slightly decreasing by 3.4%/3.0% yoy, respectively. This result completed 21.1% of our full-year revenue forecast. Thanks to an increase in rubber prices compared to the same period a year ago, 1Q24 gross profit margin expanded 8.3% pts yoy to 22.4%, helping gross profit surge by 56.7% yoy. However, net financial income decreasing by 27% yoy, coupled with no one-off gain from land compensation as in 1Q23 (VND200bn/US\$7.9mn), led 1Q24 net profit to fall by 67.9% yoy to VND73bn (US\$2.9mn), and complete 11.5% of the full-year forecast.

Rubber, wood segment: Decline in volume offsets selling price increase

In 1Q24, rubber prices witnessed a sharp increase thanks to the recovery of the auto and tire production market and limited supply due to heavy rain in Thailand. According to the General Department of Customs, on average in the first three months of the year, export rubber prices increased by 5.3% yoy. Despite benefiting from this, PHR still recorded a decrease of 3.4% yoy in rubber, wood revenue to VND298bn (US\$11.7mn). We believe that this is due to lower rubber consumption output compared to the same period a year earlier.

Insignificant other income as leasing activities at VSIP III IP were not as good as expected

In addition to the lack of land compensation, as took place in 1Q23, PHR recorded insignificant other income in 1Q24 due to not recording any profit from VSIP III (PHR is received 20% of gross profit on the land area handed over to VSIP to deploy VSIP III IP). We expect leasing activities at VSIP III to be more active in the coming quarters in the context that the occupancy rate of IPs in Binh Duong is at a high level, helping other income improve.

Read the full report: [HERE](#)

| | |
|--------------------|---------------------|
| Current Price | VND21,400 |
| 52Wk High/Low | VND24,600/VND16,666 |
| Target Price | VND29,700 |
| Previous TP | VND25,900 |
| TP vs Consensus | 8.6% |
| Upside | 38.8% |
| Dividend Yield | 5.4% |
| Total stock return | 44.2% |

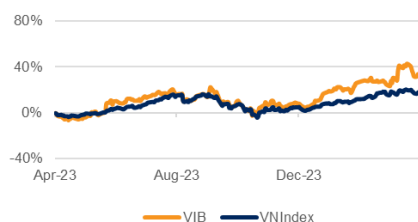
| | |
|-----------------------|--------------------------|
| Growth rating | Positive |
| Value rating | Neutral |
| ST Technical Analysis | Positive |

| | |
|--------------------|------------|
| Market Cap | US\$2.49bn |
| 3m Avg daily value | US\$4.67mn |
| Avail Foreign Room | US\$0mn |
| Outstanding Shares | 2,537mn |
| Fully diluted O/S | 2,537mn |

| | VIB | Peers | VNI |
|-------------|-------|-------|-------|
| P/E TTM | 6.2x | 7.3x | 13.8x |
| P/B Current | 1.5x | 1.3x | 1.7x |
| ROA | 2.3% | 2.0% | 3.1% |
| ROE | 23.4% | 20.8% | 15.5% |

*as of 4/23/2024

Share Price performance



| Share price (%) | 1M | 3M | 12M |
|-------------------|--------|------|-------|
| VIB | -10.4% | 3.4% | 32.8% |
| Relative to index | -8.1% | 0.0% | 12.9% |

Ownership

| | |
|--------------------------------|-------|
| Chairman & related parties | 19.5% |
| Commonwealth Bank of Australia | 20.0% |
| Others | 60.5% |

Business Description

VIB Commercial JSB (VIB) is a leading commercial bank in Vietnam, with a focus on retail customers, mortgage and auto loans. The bank has a network of over 179 branches and 298 ATMs across the country, and serves over 4.5 million customers.

Coverage Universe Update

VIB Commercial JSB (VIB) – Update - ADD (+44.2%)

- We maintain our ADD rating with upside of 38.8%. We raise our TP by 14.7% while share price has increased 12.3% since our last report.
- We raise our TP given lower cost of equity and 18.2% higher BVPS in FY24 compared to FY23.
- The forward P/B of 1.3x in FY24, lower than the banking sector five-year average P/B of 1.5x, undervalues the FY24F's ROEA of 24.3%.

Financial Highlights

- 4Q23 TOI rose 24.7% yoy to VND5,842bn (US\$237mn), lower than that of 30.2% yoy in 3Q23, attributable mainly to Non-II growth of 94.6% yoy to VND1,509bn (US\$61mn).
- 4Q23 pre-tax profit (PBT) declined 14% yoy due to VIB's significant provisioning (+379% yoy) to manage the risk of bad debt.
- We forecast FY24 NP to rise 17.5% on strong credit growth and lower provisioning, which should support a 24.3% ROE

Investment Thesis

Strategy to reduce NPLs via write-offs and to build up provision buffer has strengthened the balance sheet

VIB's credit cost rose to 2.7%/2.6% in 3Q23/4Q23 while LLR increased significantly from 39% in 2Q23 to 51% in 4Q23. We believe this is due to VIB's tactical strategy to improve asset quality via write-offs (reducing NPLs) and provisioning (building up provision buffers). We believe this trend will reverse because we see less pressure for provisioning in FY24 as the LLR is currently 51% - equal to its three-year average of 51%. Coupled with better asset quality in FY24, we expect credit costs to fall to 1.3% from 1.94% in FY23.

We see less provisioning pressure this year given asset quality improvement

We believe the trend of improved asset quality will extend into 2024 because: 1) lower COF will create conditions for VIB to continue reducing lending rates; and 2) client income will improve as Vietnam's economy recovers. We expect the NPL ratio to decrease 0.3% pts yoy to 2.9% and LLR to strengthen to 51.9% by YE24.

Economic recovery will support loan growth, especially to large corporates as recovery of retail demand will support credit growth

We expect credit growth to reach 14.9% in FY24, higher than that of 14.2% in FY23, as a result of large-corporate loan growth (+20% yoy) and retail loan growth (+14% yoy). The large-corporate loans will be driven by the business outlook. Retail loans will grow at a slower pace due to the slow recovery of mortgage loans (52% of the retail book) expected in 2H24.

P/B remains attractive due to outlook for high ROE

The current 1.5x P/B is 20% higher than the sector average of 1.3x, equal to a four-year average premium of 16%. However, it is justified by high FY24 forecast ROE of 24.3%, which is the second highest in the sector and well above the sector's 20.8% average. The planned VND1,250/share cash dividend is also attractive.

Please follow this link for the [full](#) report.

Economic update

Economic update - Moderate recovery in 1Q24

Vietnam's economy recorded moderate growth in 1Q24

Vietnam's GDP grew by 5.66% yoy in 1Q24, the highest 1Q growth rate during 2020-2024. This result is not so outstanding when looking at the very low base of 1Q23 (+3.41% yoy). Vietnam's economic expansion was moderate in 1Q24 but still on track with the government's GDP target of 6.0-6.5% for 2024. The Industry & Construction segment rebounded to 6.3% yoy growth compared to a contraction in 1Q23. We forecast Vietnam's GDP to increase 6.1% yoy (+/-0.2% pts) in 2Q24F, a slight improvement over Q1. We maintain our forecast for 2024 GDP growth at 6.3%.

Robust 1Q24 trade activities act as crucial engines for growth

According to Vietnam Customs, Vietnam's export turnover rose by 13.1% yoy and 36.3% mom to US\$33.7bn in March. The rise in export turnover in March indicates increasing trade activity after the Lunar New Year holiday. For 1Q24, Vietnam's export value rose 16.8% yoy to US\$92.9bn. Imports also increased, rising 14.0% YoY to US\$85.1bn. The end result was a US\$7.8bn goods trade surplus in 1Q24, +52.9% higher than the trade surplus in 1Q23.

FX pressure persisted

As of April 19, the US dollar DXY soared to 106.15 (+2.2% mom), while the USD/VND rate has risen to VND25,445 (+2.8% mom; +4.8% ytd). The significant increase in the exchange rate forced the SBV to intervene. On April 19, the State Bank said it had started selling USD to commercial banks with negative foreign currency positions at a price of VND25,450 (spot sale). We estimate Vietnam's current foreign exchange reserves are about US\$94bn, equivalent to 3.4 months of imports (slightly higher than the IMF's recommendation of 12-14 weeks of imports). Therefore, there is room to sell foreign currency reserves to stabilize exchange rates, but it is not abundant. Therefore, although the DXY may ease when the Fed decides to pivot, exchange rates are still a notable risk and need to be closely monitored until late-3Q24.

Deposit interest rates may have bottomed out

Deposit interest rates may have bottomed out but are unlikely to bounce back significantly, at least in the next quarter, due to moderate economic recovery and credit growth. Furthermore, the SBV net injected through OMO in recent trading sessions when credit demand recovered in March. This move avoided causing a lack of liquidity in the banking system. It also helps maintain interbank interest rates at reasonable levels, without much increase, while ensuring exchange rate support and avoiding putting upward pressure on deposit and lending interest rates. As for lending interest rates, there is still room for further reduction thanks to the decline in capital costs of commercial banks after the reduction in deposit interest rates from late 2023 to early 2024.

Read the full report: [HERE](#)

Commodity Prices

| Energy | % dod | % mom | % yoy |
|--------------------|-------|-------|--------|
| WTI | -0.7% | 2.6% | 5.1% |
| Brent Crude | -0.6% | 2.9% | 6.2% |
| JKM LNG | -1.7% | 12.7% | -1.2% |
| Henry Hub LNG | -2.5% | 5.4% | -16.4% |
| NW Thermal Coal | -3.0% | 5.5% | -27.7% |
| Singapore Platt FO | 0.0% | 7.3% | 6.6% |

| Precious Metals | % dod | % mom | % yoy |
|-------------------|-------|-------|--------|
| Gold | -0.5% | 7.2% | 16.4% |
| Domestic SJC Gold | 1.9% | 2.5% | 24.2% |
| Silver | -0.7% | 10.0% | 7.3% |
| Platinum | -0.9% | 1.7% | -19.1% |

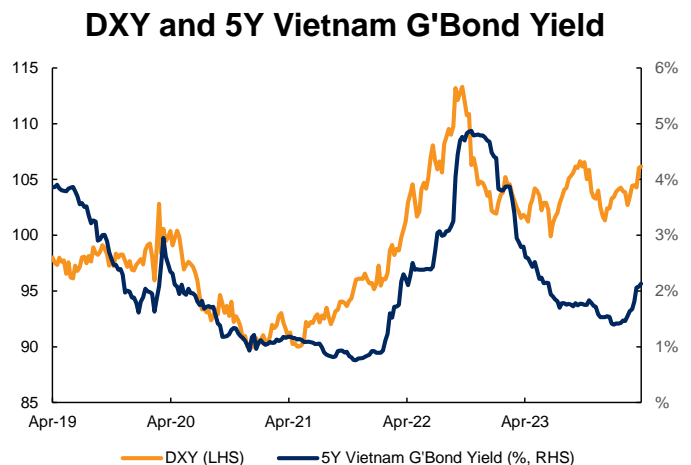
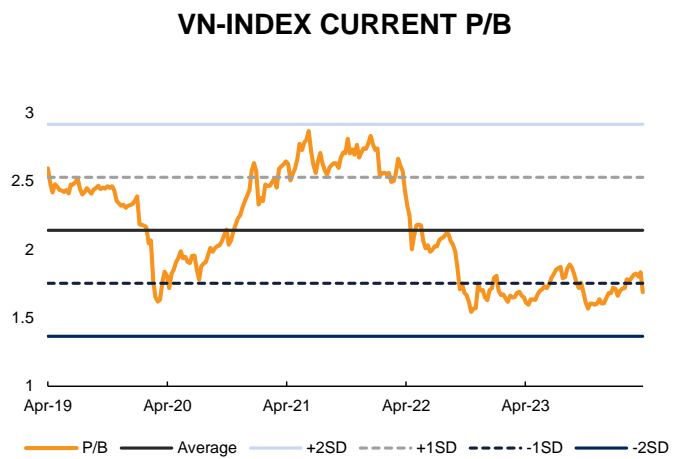
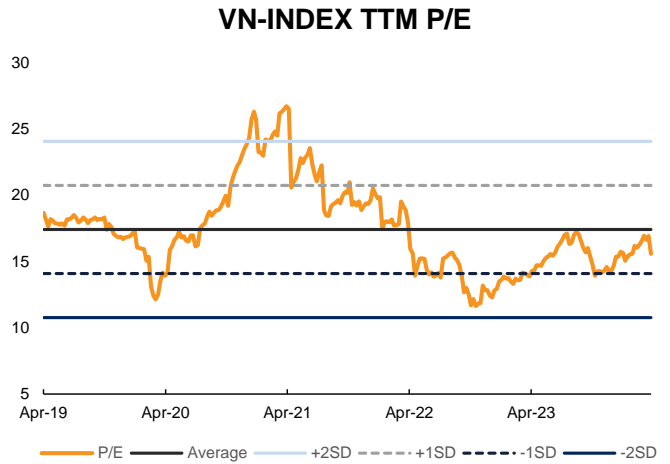
| Base Metals | % dod | % mom | % yoy |
|-------------|-------|-------|--------|
| Tungsten | 1.5% | 8.1% | 3.1% |
| Copper | 0.5% | 11.5% | 12.7% |
| Aluminum | -3.5% | 12.2% | 7.2% |
| Nickel | -3.8% | 10.5% | -22.6% |
| Zinc | NA | 5.5% | 2.5% |
| Lead | NA | NA | NA |
| Steel | 0.1% | -3.9% | -5.5% |
| Iron Ore | NA | 6.4% | 9.4% |

| Agriculture | % dod | % mom | % yoy |
|------------------|-------|--------|--------|
| Rice | -0.7% | 9.9% | 12.5% |
| Coffee (Arabica) | -3.1% | 21.4% | 15.6% |
| Sugar | -0.5% | -9.3% | -23.5% |
| Cocoa | 2.4% | 21.2% | 238.3% |
| Palm Oil | -0.7% | -4.0% | NA |
| Cotton | 0.2% | -12.4% | 2.3% |
| Dry Milk Powder | -0.1% | -5.2% | -16.5% |
| Wheat | -0.6% | 4.9% | -9.6% |
| Soybean | 0.0% | -2.1% | -20.4% |
| Cashew s | NA | -22.9% | -35.7% |
| Rubber | -1.2% | -5.7% | 52.4% |
| Urea | NA | NA | NA |

| Livestock | % dod | % mom | % yoy |
|-----------|-------|-------|-------|
| Live Hogs | 1.9% | 16.6% | 28.0% |
| Cattle | -0.3% | -2.2% | 5.4% |

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 |
|------------------------------|--------------------|-----------------|----------------------|---------------------|-----------------------------|------------------------------|--------------------|-------------|-------------|---------|----------------------|
| AVIATION | | | | | | | | | | | |
| ACV | 7,099 | 1.2 | 3,340 | 82,900 | 108,300 | 30.6% | 0.0% | 25.0 | 3.6 | 18% | ADD |
| VJC | 2,205 | 4.0 | 279 | 103,500 | 120,100 | 16.0% | 0.0% | NA | 3.7 | 2% | HOLD |
| Simple Avg | 4,652 | 2.6 | 1,810 | | | 23.3% | 0.0% | 25.0 | | | |
| CONSTRUCTION | | | | | | | | | | | |
| CTD | 257 | 5.6 | 11 | 65,400 | 79,300 | 21.3% | 0.0% | 34.4 | 0.8 | #VALUE! | ADD |
| HHV | 206 | 4.1 | 99 | 12,750 | 16,000 | 25.5% | 0.0% | 13.9 | 0.6 | 4% | HOLD |
| Simple Avg | 232 | 4.8 | 55 | | | 23.4% | 0.0% | 24.2 | | | |
| CONSUMER | | | | | | | | | | | |
| BAF | 155 | 3.2 | 78 | 27,450 | 29,200 | 6.4% | 0.0% | 149.4 | 2.1 | 1% | HOLD |
| DGW | 386 | 5.5 | 107 | 58,700 | 57,600 | -1.0% | 0.9% | 27.2 | 3.8 | 14% | ADD |
| MWG | 3,008 | 12.8 | 112 | 52,300 | 48,500 | -6.3% | 1.0% | 459.9 | 3.3 | 1% | HOLD |
| PNJ | 1,241 | 6.7 | 0 | 94,300 | 114,400 | 23.1% | 1.8% | 16.2 | 3.0 | 20% | ADD |
| QNS | 640 | 1.3 | 230 | 45,600 | 62,400 | 43.3% | 6.4% | 6.4 | 1.6 | 27% | ADD |
| VHC | 657 | 2.5 | 455 | 74,400 | 68,000 | -6.1% | 2.5% | 17.8 | 2.0 | 12% | ADD |
| VNM | 5,262 | 10.1 | 2,698 | 64,000 | 83,900 | 37.1% | 6.0% | 16.9 | 4.2 | 26% | ADD |
| Simple Avg | 1,621 | 6.0 | 526 | | | 13.8% | 2.7% | 99.1 | | | |
| FINANCIALS | | | | | | | | | | | |
| ACB | 4,133 | 12.8 | 0 | 27,050 | 27,000 | 4.6% | 0.0% | 6.5 | 1.5 | 25% | ADD |
| CTG | 6,961 | 12.3 | 191 | 32,950 | 34,200 | 3.8% | 0.0% | 8.9 | 1.4 | 17% | ADD |
| HDB | 2,567 | 7.5 | 10 | 22,400 | 22,100 | -1.3% | 0.0% | 6.4 | 1.5 | 25% | ADD |
| LPB | 2,118 | 4.2 | 57 | 21,050 | 15,700 | -25.4% | 0.0% | 7.8 | 1.5 | 21% | HOLD |
| MBB | 4,690 | 21.6 | 0 | 22,550 | 31,700 | 42.5% | 1.9% | 5.8 | 1.2 | 23% | ADD |
| SSI | 2,103 | NA | NA | 35,650 | 36,500 | 5.0% | 2.6% | 23.3 | 2.3 | 10% | HOLD |
| TCB | 6,513 | 15.2 | 0 | 47,000 | 50,600 | 7.7% | 0.0% | 8.4 | 1.2 | 16% | ADD |
| TPB | 1,559 | 9.8 | 22 | 18,000 | 26,800 | 48.9% | 0.0% | 8.9 | 1.2 | 14% | HOLD |
| VCB | 19,920 | 5.7 | 1,369 | 90,600 | 92,100 | 31.0% | 0.0% | 15.3 | 3.1 | 22% | ADD |
| VIB | 2,136 | 5.3 | 0 | 21,400 | 29,700 | 44.2% | 5.4% | 6.4 | 1.4 | 24% | ADD |
| VPB | 5,805 | 12.7 | 142 | 18,600 | 25,700 | 38.2% | 0.0% | 12.8 | 1.1 | 9% | ADD |
| Simple Avg | 5,319 | 10.7 | 179 | | | 18.1% | 0.9% | 10.1 | | | |
| GARMENT & TEXTILE | | | | | | | | | | | |
| MSH | 127 | 0.2 | 58 | 43,000 | 46,200 | 12.8% | 5.3% | 13.2 | 2.0 | 15% | HOLD |
| Simple Avg | 127 | 0.2 | 58 | | | 12.8% | 5.3% | 13.2 | | | |
| INDUSTRIALS | | | | | | | | | | | |

| 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 |
|-----------------------------|--------------------|-----------------|----------------------|---------------------|-----------------------------|------------------------------|--------------------|-------------|-------------|-----|----------------------|
| BCM | 2,129 | 2.3 | 1,270 | 52,300 | 99,000 | 90.9% | 1.6% | 23.8 | 2.9 | 14% | ADD |
| GMD | 978 | 4.3 | 0 | 81,300 | 90,200 | 14.3% | 3.4% | 11.3 | 2.9 | 28% | ADD |
| HAH | 169 | 4.9 | 48 | 40,800 | 46,400 | 16.2% | 2.4% | 12.3 | 1.6 | 14% | ADD |
| IDC | 706 | 5.3 | 216 | 54,400 | 63,900 | 22.1% | 4.6% | 12.9 | 3.6 | 28% | ADD |
| KBC | 891 | 11.1 | 280 | 29,500 | 40,000 | 35.6% | 0.0% | 11.1 | 1.2 | 12% | ADD |
| PHR | 299 | 1.2 | 107 | 56,000 | 53,700 | 1.3% | 5.4% | 12.2 | 2.1 | 18% | ADD |
| PTB | 171 | 0.9 | 2 | 65,000 | 62,900 | -1.7% | 1.5% | 15.1 | 1.6 | 11% | HOLD |
| SCS | 295 | 0.3 | 11 | 79,000 | 95,000 | 26.6% | 6.3% | 14.0 | 5.3 | 37% | ADD |
| SZC | 282 | 3.1 | 51 | 39,850 | 40,500 | 5.7% | 4.0% | 23.5 | 2.4 | 12% | HOLD |
| VTP | 354 | 3.2 | 181 | 73,900 | 93,300 | 28.3% | 2.1% | 27.9 | 5.7 | 26% | HOLD |
| Simple Avg | 627 | 3.7 | 217 | | | 23.9% | 3.1% | 16.4 | | | |
| MATERIALS | | | | | | | | | | | |
| DGC | 1,738 | 11.9 | 538 | 116,300 | 110,400 | -1.1% | 3.9% | 15.7 | 3.6 | 25% | ADD |
| HPG | 6,588 | 31.2 | 1,663 | 28,800 | 41,000 | 42.4% | 0.0% | NA | 1.6 | 7% | ADD |
| HSG | 476 | 10.7 | 151 | 19,650 | 34,000 | 73.0% | 0.0% | NA | 1.1 | 8% | ADD |
| NKG | 231 | 9.0 | 92 | 22,350 | 35,000 | 56.6% | 0.0% | NA | 1.1 | 2% | ADD |
| Simple Avg | 2,258 | 15.7 | 611 | | | 42.7% | 1.0% | 15.7 | | | |
| OIL & GAS | | | | | | | | | | | |
| BSR | 2,232 | 4.2 | 1,122 | 18,300 | 24,600 | 38.4% | 4.0% | 6.6 | 1.0 | 16% | ADD |
| GAS | 6,740 | 3.4 | 3,410 | 74,600 | 83,500 | 16.0% | 4.0% | 14.3 | 2.7 | 19% | HOLD |
| PLX | 1,762 | 1.5 | 48 | 35,250 | 44,300 | 29.0% | 3.4% | 16.0 | 1.7 | 11% | ADD |
| PVD | 660 | 6.4 | 196 | 30,200 | 36,800 | 21.9% | 0.0% | 33.8 | 1.1 | 4% | ADD |
| PVS | 739 | 7.7 | 228 | 39,300 | 46,500 | 20.9% | 2.6% | 18.3 | 1.5 | 8% | ADD |
| PVT | 350 | 4.2 | 131 | 25,000 | 30,100 | 24.4% | 4.0% | 9.5 | 1.3 | 15% | ADD |
| Simple Avg | 2,081 | 4.5 | 856 | | | 25.1% | 3.0% | 16.4 | | | |
| POWER | | | | | | | | | | | |
| NT2 | 244 | 1.0 | 101 | 21,550 | 27,100 | 32.7% | 6.9% | 100.9 | 1.6 | 1% | HOLD |
| POW | 981 | 2.8 | 476 | 10,650 | 15,600 | 46.5% | 0.0% | 24.0 | 0.8 | 3% | ADD |
| Simple Avg | 613 | 1.9 | 288 | | | 39.6% | 3.5% | 62.5 | | | |
| POWER & PROPERTY | | | | | | | | | | | |
| HDG | 318 | 3.0 | 116 | 26,400 | 33,700 | 31.7% | 4.0% | 12.1 | 1.4 | 12% | ADD |
| PC1 | 315 | 8.9 | 150 | 25,750 | 33,000 | 28.7% | 0.6% | 63.5 | 1.5 | 2% | ADD |
| REE | 970 | 1.9 | 0 | 60,300 | 77,100 | 29.5% | 1.6% | 11.3 | 1.4 | 13% | ADD |
| Simple Avg | 534 | 4.6 | 89 | | | 30.0% | 2.1% | 29.0 | | | |
| PROPERTY | | | | | | | | | | | |

| 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 |
|-------------------|--------------------|-----------------|----------------------|---------------------|-----------------------------|------------------------------|--------------------|-------------|-------------|-----|----------------------|
| DXG | 469 | 9.0 | 170 | 16,550 | 22,100 | 33.5% | 0.0% | 64.1 | 1.1 | 2% | HOLD |
| KDH | 1,086 | 4.1 | 130 | 34,550 | 39,400 | 14.0% | 0.0% | 40.9 | 2.1 | 5% | ADD |
| NLG | 583 | 5.6 | 20 | 38,500 | 40,400 | 6.9% | 2.0% | 31.9 | 1.6 | 5% | HOLD |
| VHM | 6,955 | 16.6 | 2,081 | 40,600 | 90,000 | 124.0% | 2.3% | 5.3 | 1.0 | 21% | ADD |
| VRE | 2,016 | 10.1 | 465 | 22,550 | 33,200 | 47.2% | 0.0% | 11.6 | 1.4 | 12% | ADD |
| Simple Avg | 2,222 | 9.1 | 573 | | | 45.1% | 0.9% | 30.8 | | | |
| TECHNOLOGY | | | | | | | | | | | |
| FPT | 6,000 | 13.8 | 0 | 120,100 | 117,300 | -0.6% | 1.7% | 22.5 | 5.7 | 27% | ADD |

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