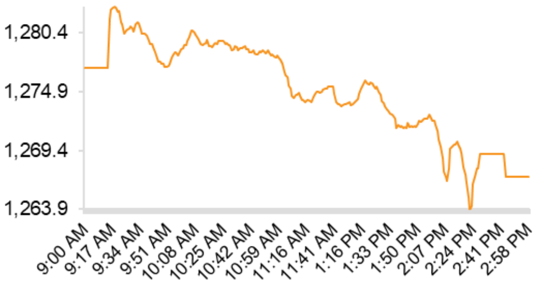
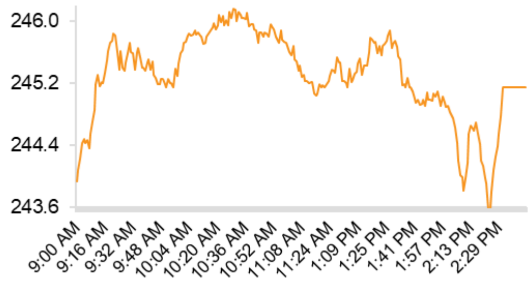
Snapshot	HOSE	HNX	UPCOM
Close (pts)	1,266.9	245.2	94.7
1 Day change (%)	-0.8%	0.8%	0.3%
1 Month change	6.4%	8.8%	7.6%
1 Year change	18.3%	13.5%	16.6%
Value (US$m)	1,102	109	111
Gainers	145	86	166
Losers	194	80	118
Unchanged	55	147	584

VN-INDEX



HNX-INDEX



MARKET COMMENTARY

Bank stocks lead market retreat after month-long rally

The VN-Index popped higher at the open on Wednesday by as much as 0.5% but sellers quickly stepped in to send the index downward the rest of the trading session to close down 0.8%, or 10.23 points, to 1,266.91. Before today's drop, the index had gained 8.8% since April 19. The HNX Index was in the green today with a 0.8% increase to 245.15.

Bank stocks tumbled 1.3% today after the SBV raised OMO rates by 0.25% pts to 4.5%. This comes after the SBV has recently injected nearly VND25tn (USD1bn) into the system, highlighting concerns about a potential liquidity squeeze. The SBV's recent actions appear contradictory as it has also been selling USD to curb exchange rate pressure via withdrawing VND from the system while simultaneously injecting VND and increasing OMO rates. In other words, while both policies aim to control the exchange rate, they seem to have conflicting effects on bank liquidity. Overall, banking stocks saw selling pressure upon growing fears of increasing mobilization costs today following the increase in OMO rates. Nearly every stock in the sector fell. VPB (-2.7%), CTG (-1.9%) and VIB (-1.8%) were among the top decliners while LPB (+2.0%) stood out as the lone gainer following the news we reported yesterday regarding its upcoming share issuance and the impact this could have to partially remove pressure on the bank to increase deposit rates.

Besides banks, other lagging sectors included basic resources (-1.4%), and insurance (-1.2%), led by HPG (-1.7%), and BVH (-1.1%).

FPT (+1.5%) stood out as one of today's top performers as investors expect FPT's business results to continue to grow in the near future and further possible cooperation between the country's technology corporations and NVIDIA.

BSR (+9.1%) had an impressive session today, buoyed by expectations of business growth, particularly its plans to move to HOSE and advance its project to upgrade and expand the Dung Quat Oil Refinery.

NLG (+2.3%) gained thanks to news that NLG was expected to sell 8.9 hectares of land at the Waterpoint Southgate project (near the Aquaria subdivision) to Aeon Mall. This sale is expected to enhance the quality of the ecosystem in the urban area as well as attract residents. It is projected to bring in revenue of USD50-60mn for NLG in 2Q24. Other stocks in the residential property sector also saw positive movements today, including DXG (+1.5%), VHM (+0.4%), and KDH (+0.3%).

Foreign investors had their fourth consecutive net selling session today with a net trading value of VND857bn (USD34mn), focusing on ABB (VND883bn, USD35mn), VHM (VND128bn, USD5.0mn) and VIC (VND114bn, USD4.5mn). On the contrary, NLG (VND62bn, USD2.4mn), HCM (VND49bn, USD1.9mn) and DBC (VND41bn, USD1.6mn) were mainly bought.

Other top performers today included HVN (+3.0%), LPB (+2.0%), PDR (+3.9%) and MWG (+0.8%). Conversely, top laggards included VPB (-2.7%), VIC (-2.1%), CTG (-1.9%), HPG (-1.7%), and TCB (-1.7%).

Commentator(s):

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Country Peering	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	0.0%	6.2%	13.9	1.3	9.5%	2.7%	56,082	2.1%	0.0%	0.1%	-2.9%
India	NSE500 Index	0.2%	9.3%	25.5	4.1	16.0%	1.1%	10,851	7.1%	0.0%	0.1%	-0.5%
Indonesia	JCI Index	0.5%	-0.7%	18.6	2.0	15.8%	3.3%	654	6.9%	0.0%	1.5%	-6.9%
Singapore	FSTAS Index	-0.2%	0.9%	12.5	1.1	8.4%	5.1%	837	3.3%	-0.1%	1.0%	-0.1%
Malaysia	FBME Index	-0.3%	14.2%	18.5	1.4	8.1%	3.6%	503	3.7%	-0.2%	1.7%	-3.1%
Philippines	PCOMP Index	-0.3%	2.9%	11.3	1.2	10.6%	3.1%	90	5.8%	0.3%	-0.9%	-3.8%
Thailand	SET Index	-0.6%	-3.2%	16.2	1.2	6.9%	3.4%	1,064	2.5%	0.1%	1.9%	-5.2%
				-	-			-				
Vietnam	VN-Index	-0.8%	12.1%	16.0	1.8	12.1%	1.6%	820	2.0%	0.0%	-0.1%	-7.9%

22-May

Macro note

Deposit rates expected to bottom out; what's ahead?

Our May Econ Update report previously forecast that deposit rates had bottomed out, and we are seeing further data confirming our viewpoint. Since the beginning of May, the average deposit rates for three-month; six-month and 12-month tenors rose 0.1% pts, 0.07% pts and 0.06% pts, respectively. Additionally, Vietnam's five-year government bond yield, a key indicator for deposit rates, has jumped from 1.843% at the end of March to 2.167% on May 22.

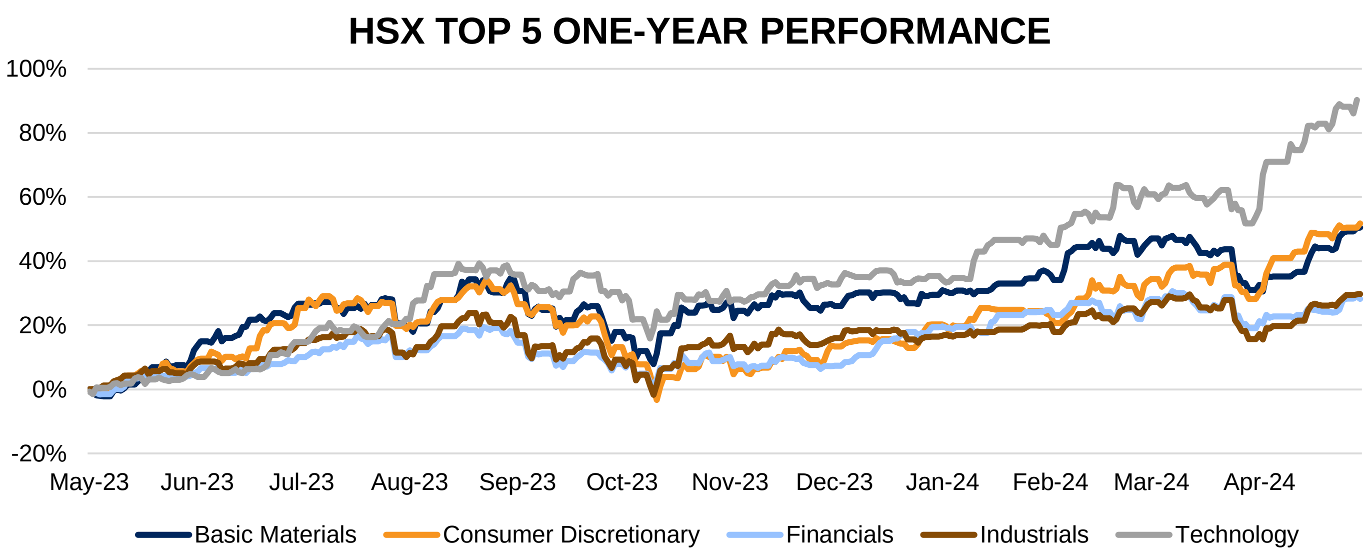
We believe the rise in deposit rates is being driven by a few key factors. First, banks are facing a shortage of liquidity, which is pushing overnight interbank interest rates to 4.01% as of May 22, reflecting accelerating capital mobilization needs. In addition, credit growth has also fallen short of expectations (reaching 1.6% YTD as of April 23 vs the 15% target) against a backdrop of limited liquidity with a high loan to deposit ratio (LDR) (above 80% for various banks) witnessed in nine of 25 listed banks. Interestingly, the rise in deposit rates is particularly higher for shorter terms (three and six months) compared to longer terms (12 months). This suggests a potential increase in demand for short-term loans by businesses, possibly to fund working capital. Hence, banks are likely raising deposit rates, especially for shorter tenors to meet this demand.

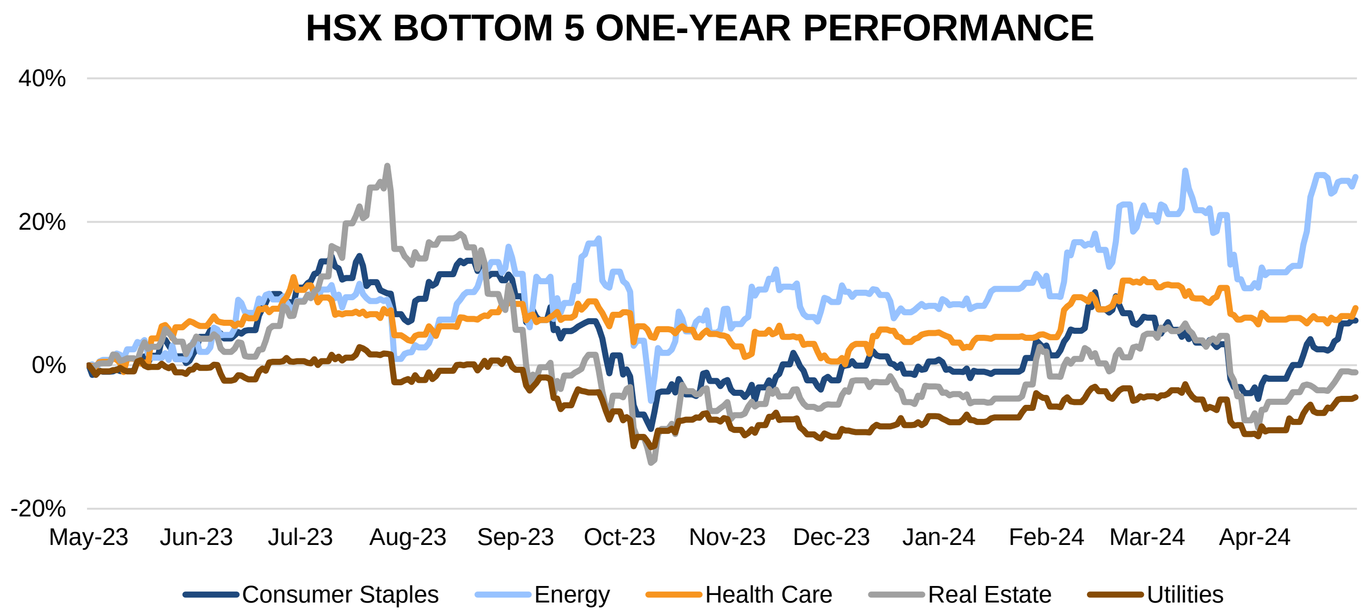
Overall, looking ahead to the rest of 2024, we anticipate an uptick in deposit rates amid growing optimism about economic recovery, yet we currently don't see any increase in lending interest rates.

Sectors (VNIndex)	Index Wgt (%)	Price 1D chg	P/E x	P/B x
Consumer Discretionary	3.7	0.2%	57.2	4.3
Consumer Staples	8.4	-1.3%	99.0	3.3
Energy	1.6	-0.2%	17.6	1.6
Financials	43.4	-1.2%	11.9	1.9
Health Care	0.7	-0.1%	17.2	2.3
Industrials	8.9	-0.3%	41.4	2.8
IT	3.9	1.2%	26.6	6.2
Materials	9.4	-1.1%	28.7	2.1
Real Estate	13.7	-0.4%	40.0	1.6
Utilities	5.9	0.0%	20.6	2.3

Source: Bloomberg

IT (+1.2%), Consumer Discretionary (+0.2%), and Utilities (+0.0%) rose, while Consumer Staples (-1.3%), Financials (-1.2%), and Materials (-1.1%) lost ground today. Top index movers included FPT (+1.5%), HVN (+3.0%), LPB (+2.0%), PDR (+3.9%), and MWG (+0.8%). Top index laggards consisted of VPB (-2.7%), VIC (-2.1%), CTG (-1.9%), HPG (-1.7%), and TCB (-1.7%).





SECTOR COVERAGE

Analyst note

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Vietnam's power surge: Boon for coal, but mild shortage looms

National power consumption has surged beyond expectation. 1Q24 saw a 12% jump YoY to 69.3 billion kWh, exceeding the planned 9% growth set by EVN at the beginning of the year. This marks the highest increase in recent years.

The Ministry of Industry and Trade (MoIT) has even projected a strong 13% spike in power consumption during the upcoming dry season (May to July). The North is expected to experience a steeper increase, with demand rising by a record 17% YoY.

This surge is benefiting coal-fired power plants, followed by renewable energy plants. Gas-fired plants, on the other hand, have seen weak output since 4Q23 due to a lack of cheap gas supply, resulting in lower prioritization for mobilization by EVN. Additionally, hydropower plants delivered lower YoY 1Q24 results (from an already low base) as they are in water-saving mode.

All coal-fired power plants reported strong results in 1Q24. The high electricity demand backdrop suggests continued strong performance from coal-fired power companies like QTP and PPC in the coming quarters. However, there are a few factors to consider:

- Running at maximum capacity can lead to technical problems and increased operational expenses for the plants.

- To improve its own financial situation (as it faces significant losses), EVN has implemented two measures that negatively impacted coal-fired power companies' profitability: 1) A lower Qc ratio for thermal power plants, which affects their profit margins; and 2) a reduced CGM ceiling price for 2024, leading to lower average selling prices for the electricity it generates.

EVN's proactive measures, including actively stockpiling coal and conserving hydropower resources since the beginning of the year, suggest a milder power shortage during the upcoming peak season compared to last year, in my opinion.

Commodity Prices

Energy	% dod	% mom	% yoy
WTI	0.0%	-6.0%	8.1%
Brent Crude	-1.0%	-5.7%	8.0%
JKM LNG	3.4%	12.1%	40.6%
Henry Hub LNG	-0.5%	14.5%	19.1%
NW Thermal Coal	-0.4%	75.5%	5.9%
Singapore Platt FO	0.4%	2.3%	17.8%

Precious Metals	% dod	% mom	% yoy
Gold	-0.2%	3.8%	22.4%
Domestic SJC Gold	0.6%	8.8%	33.8%
Silver	0.5%	17.6%	35.1%
Platinum	-0.2%	14.8%	-1.7%

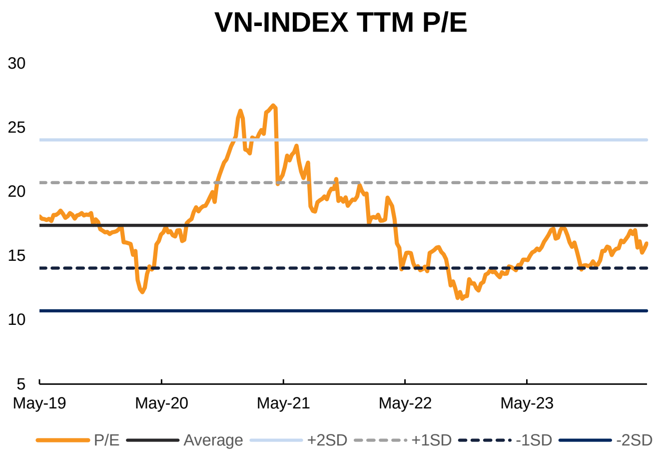
Base Metals	% dod	% mom	% yoy
Tungsten	0.0%	9.1%	10.1%
Copper	-2.5%	11.5%	35.8%
Aluminum	3.8%	1.6%	18.7%
Nickel	-1.5%	10.0%	-0.4%
Zinc	NA	9.3%	20.5%
Lead	NA	NA	NA
Steel	0.2%	3.3%	2.0%
Iron Ore	NA	1.0%	13.9%

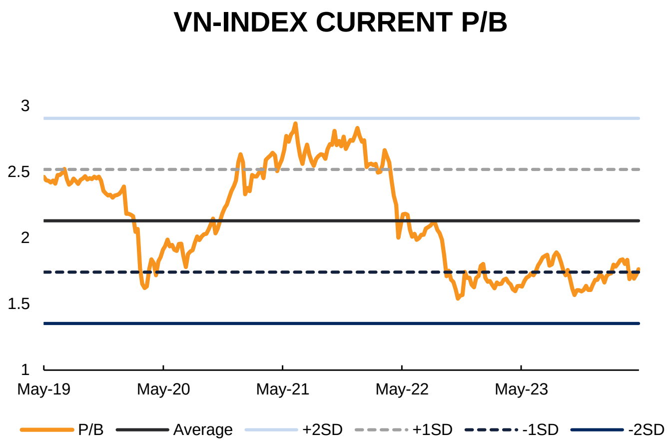
Agriculture	% dod	% mom	% yoy
Rice	0.1%	-1.9%	10.5%
Coffee (Arabica)	1.4%	-4.9%	16.4%
Sugar	-0.2%	-6.5%	-28.7%
Cocoa	0.0%	-33.8%	144.7%
Palm Oil	-1.4%	-0.4%	NA
Cotton	2.3%	-2.4%	-8.4%
Dry Milk Powder	-0.2%	20.0%	15.4%
Wheat	1.8%	24.5%	17.1%
Soybean	0.3%	6.8%	-7.5%
Cashews	NA	0.0%	-32.5%
Rubber	0.4%	-1.8%	57.8%
Urea	NA	NA	NA

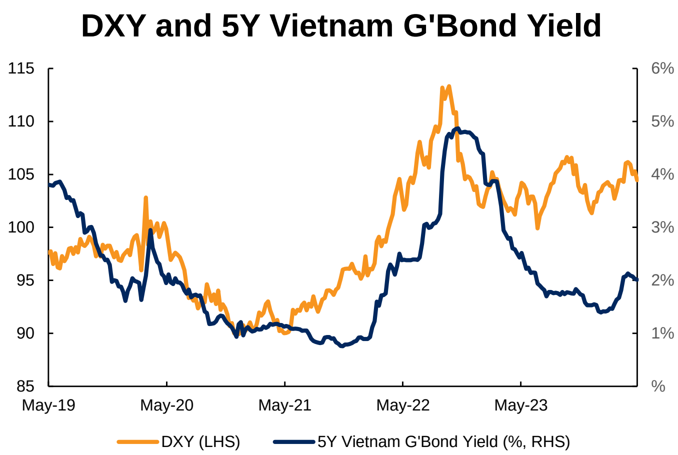
Livestock	% dod	% mom	% yoy
Live Hogs	-0.5%	0.2%	16.1%
Cattle	0.8%	0.8%	10.4%

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	Recom-mendation
AVIATION											
ACV	8,387	1.4	3,927	98,100	108,300	10.4%	0.0%	29.6	4.2	18%	ADD
VJC	2,321	3.9	313	109,100	120,100	10.1%	0.0%	NA	3.7	4%	HOLD
Simple Avg	**5,354**	**2.6**	**2,120**			**10.2%**	**0.0%**	**29.6**			
CONSTRUCTION											
CTD	282	4.9	11	71,800	79,300	10.4%	0.0%	25.2	0.8	3%	ADD
HHV	214	4.3	88	13,250	16,000	20.8%	0.0%	13.9	0.6	4%	HOLD
Simple Avg	**248**	**4.6**	**50**			**15.6%**	**0.0%**	**19.6**			
CONSUMER											
BAF	207	4.9	101	22,250	20,200	-9.2%	0.0%	33.5	2.4	7%	HOLD
DGW	419	6.2	105	63,800	57,600	-8.9%	0.8%	28.6	4.0	14%	ADD
MWG	3,503	12.8	112	61,000	48,500	-19.7%	0.8%	85.2	3.5	4%	HOLD
PNJ	1,289	7.6	0	98,100	114,400	18.4%	1.8%	16.9	3.1	20%	ADD
QNS	687	1.3	231	49,000	62,400	33.3%	6.0%	6.8	1.7	27%	ADD
VHC	669	3.2	461	75,900	68,000	-8.0%	2.4%	18.6	1.8	11%	ADD
VNM	5,401	11.5	2,662	65,800	81,000	29.0%	5.9%	16.7	4.3	26%	ADD
Simple Avg	**1,739**	**6.8**	**525**			**5.0%**	**2.5%**	**29.5**			
FINANCIALS											
ACB	4,264	19.4	0	27,950	27,000	1.3%	0.0%	6.9	1.5	23%	ADD
CTG	6,960	13.3	210	33,000	34,200	3.6%	0.0%	8.8	1.4	17%	ADD
HDB	2,785	9.2	42	24,350	22,100	-9.2%	0.0%	6.3	1.5	26%	ADD
LPB	2,335	10.2	94	23,250	15,700	-32.5%	0.0%	8.6	1.6	21%	HOLD
MBB	4,817	24.4	2	23,200	31,700	38.5%	1.9%	6.0	1.2	23%	ADD
SSI	2,160	NA	NA	36,450	36,500	2.7%	2.5%	21.4	2.3	11%	HOLD
TCB	6,419	22.5	13	46,400	50,600	9.1%	0.0%	8.3	1.2	16%	ADD
TPB	1,569	9.0	19	18,150	26,800	47.7%	0.0%	8.9	1.2	13%	HOLD
VCB	19,909	5.7	1,315	90,700	92,100	30.9%	0.0%	15.5	2.9	21%	ADD
VIB	2,212	7.7	0	22,200	29,700	39.0%	5.2%	6.7	1.5	24%	ADD
VPB	5,702	15.6	157	18,300	25,700	40.4%	0.0%	12.0	1.1	9%	ADD
Simple Avg	**5,376**	**13.7**	**185**			**15.6%**	**0.9%**	**10.0**			
GARMENT & TEXTIILE											
MSH	151	0.4	66	51,100	46,200	-5.1%	4.5%	14.6	2.3	16%	HOLD
TCM	191	0.3	55	52,500	42,300	-19.4%	0.0%	39.1	2.4	6%	HOLD
Simple Avg	**171**	**0**	**61**			**-12.3%**	**2.3%**	**26.9**			
INDUSTRIALS											
BCM	2,565	0.0	0	63,100	99,000	58.2%	1.3%	28.3	3.5	14%	ADD

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	Recom-mendation
BMP	374	1.1	57	115,500	126,00	19.8%	10.4%	11.1	3.3	34%	ADD
GMD	1,024	6.1	12	84,000	90,200	10.8%	3.4%	10.1	2.8	31%	ADD
HAH	179	4.9	47	43,150	46,400	9.8%	2.3%	15.6	1.7	11%	ADD
IDC	824	5.5	211	63,600	63,900	4.4%	3.9%	10.8	4.1	38%	ADD
KBC	935	12.4	250	31,000	40,000	29.0%	0.0%	23.7	1.3	6%	ADD
PHR	318	1.5	98	59,800	53,700	-5.2%	5.0%	17.4	2.2	13%	ADD
PTB	182	1.4	0	69,400	62,900	-7.9%	1.4%	14.7	1.7	12%	HOLD
SCS	337	0.5	14	90,300	95,000	10.7%	5.5%	16.0	6.0	37%	ADD
SZC	299	3.1	52	42,350	40,500	-0.6%	3.8%	25.0	2.5	12%	HOLD
VTP	387	5.2	167	81,000	93,300	17.1%	1.9%	32.0	6.0	20%	HOLD
Simple Avg	**675**	**3.8**	**82**		**126,00**	**13.3%**	**3.6%**	**18.6**			
MATERIALS											
DGC	1,878	14.9	551	125,900	110,400	-8.7%	3.6%	17.0	3.9	25%	ADD
HPG	7,148	31.4	1,731	31,300	41,000	31.0%	0.0%	NA	1.7	9%	ADD
HSG	531	9.7	154	21,950	34,000	54.9%	0.0%	NA	1.2	8%	ADD
NKG	257	8.5	93	24,900	35,000	40.6%	0.0%	NA	1.2	6%	ADD
Simple Avg	**2,454**	**16.1**	**632**			**29.4%**	**0.9%**	**17.0**			
OIL & GAS											
BSR	2,630	5.1	1,171	21,600	24,600	17.3%	3.4%	7.7	1.2	16%	ADD
GAS	6,910	3.6	3,206	76,600	83,500	12.9%	3.9%	15.8	2.6	17%	HOLD
PLX	1,881	2.0	45	37,700	44,300	20.6%	3.1%	14.7	1.8	13%	ADD
PVD	710	8.5	217	32,500	36,800	13.3%	0.0%	31.0	1.2	5%	HOLD
PVS	845	12.5	237	45,000	46,500	5.6%	2.2%	19.3	1.6	9%	ADD
PVT	405	4.7	142	29,000	30,100	7.2%	3.4%	10.5	1.5	15%	ADD
Simple Avg	**2,230**	**6.1**	**836**			**12.8%**	**2.7%**	**16.5**			
POWER											
NT2	250	0.9	92	22,150	27,100	29.1%	6.7%	103.7	1.6	1%	HOLD
POW	1,044	3.0	474	11,350	15,600	37.4%	0.0%	34.0	0.8	3%	ADD
Simple Avg	**647**	**2.0**	**283**			**33.3%**	**3.4%**	**68.9**			
POWER & PROPERTY											
HDG	396	3.3	122	32,950	33,700	5.5%	3.2%	17.3	1.6	10%	ADD
PC1	341	6.2	149	27,950	33,000	18.6%	0.5%	46.9	1.7	4%	ADD
REE	1,093	3.2	0	59,200	67,000	14.9%	1.7%	14.5	1.6	12%	ADD
Simple Avg	**610**	**4.2**	**90**			**13.0%**	**1.8%**	**26.2**			
PROPERTY											
DXG	495	10.6	148	17,500	22,100	26.3%	0.0%	38.7	1.2	3%	HOLD
KDH	1,149	5.6	117	36,600	39,400	7.7%	0.0%	54.0	2.2	4%	ADD

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	Recom-mendation
NLG	682	6.6	8	45,100	40,400	-8.7%	1.7%	45.5	1.9	4%	HOLD
VHM	6,900	18.1	2,214	40,350	90,000	125.4%	2.3%	7.9	1.0	14%	ADD
VRE	2,066	10.1	431	23,150	33,200	43.4%	0.0%	11.8	1.4	12%	ADD
Simple Avg	**2,258**	**10.2**	**583**			**38.8%**	**0.8%**	**31.6**			
TECHNOLOGY											
FPT	6,883	18.8	0	138,000	117,300	-13.5%	1.5%	25.9	6.5	27%	ADD

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