



CHỨNG KHOÁN GUOTAI JUNAN (VIỆT NAM)
GUOTAI JUNAN SECURITIES (VIETNAM)

REPORT

INVESTMENT STRATEGY

APRIL 2025

ESSENTIAL ACCUMULATION PERIOD



MARKET WATCHES ON STOCK MARKET UPGRADE PROGRESS

KEY HIGHLIGHTS:

- Market watches on stock market upgrade progress – p5
- Real estate wave remains vibrant around public investment and provinces merge themes – p7
- How will the banking sector perform after Q1? – p9
- Technology Stocks Undergo Correction Following a Period of Rapid Gains – Causes & implications – p10
- Investment opportunities from Q1 earning results – p12

RISKS & CHALLENGES:

- CONCERNS OVER TARIFF IMPACTS – P13
- EXCHANGE RATE PRESSURE EXPECTED TO RISE IN Q2 – P14
- GLOBAL ECONOMIC OUTLOOK

INVESTMENT STRATEGY:

The market has shown signs of correction since mid-March, driven by a gradual lack of supportive information. In an optimistic scenario, we believe this correction phase is necessary; however, it is unlikely to be overly “severe,” with the VNINDEX expected to maintain a solid price foundation above the 1,300 level, setting the stage for the next upward momentum. For now, the prospect of a market upgrade remains the most anticipated focal point for market participants. On the other hand, concerns over tariffs and exchange rate pressures are acting as headwinds, prompting caution among investors. In a pessimistic scenario, high tariffs and a sharp rise in exchange rates could potentially “erode” the upward momentum seen since the beginning of the year.

The most suitable strategy at this juncture is to closely monitor the latest developments regarding the impact of tariffs and exchange rates (early April). Additionally, selective accumulation of stocks or sectors with supportive catalysts can be considered, including those benefiting from the wave of Q1 earnings results, as well as banking and real estate stocks with strong fundamentals and attractive valuations (*further details in the report*).

Sources: GTJASVN Research

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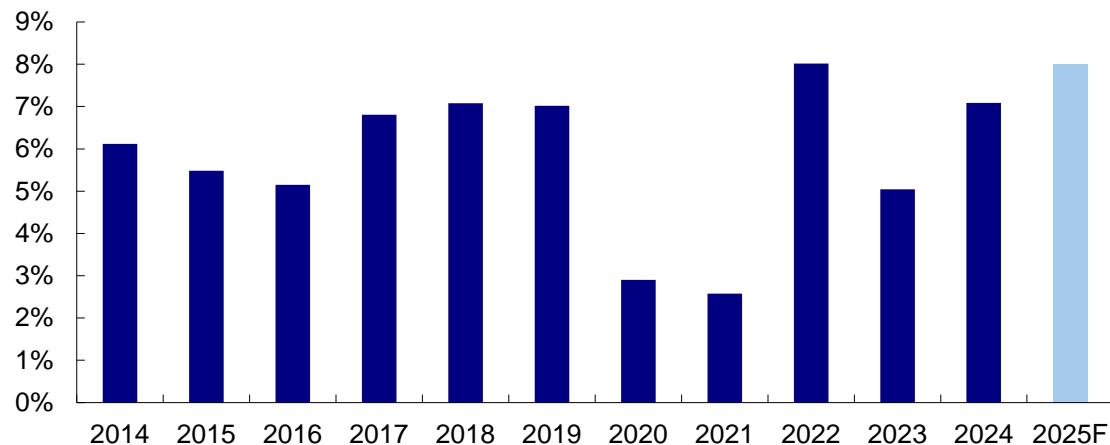
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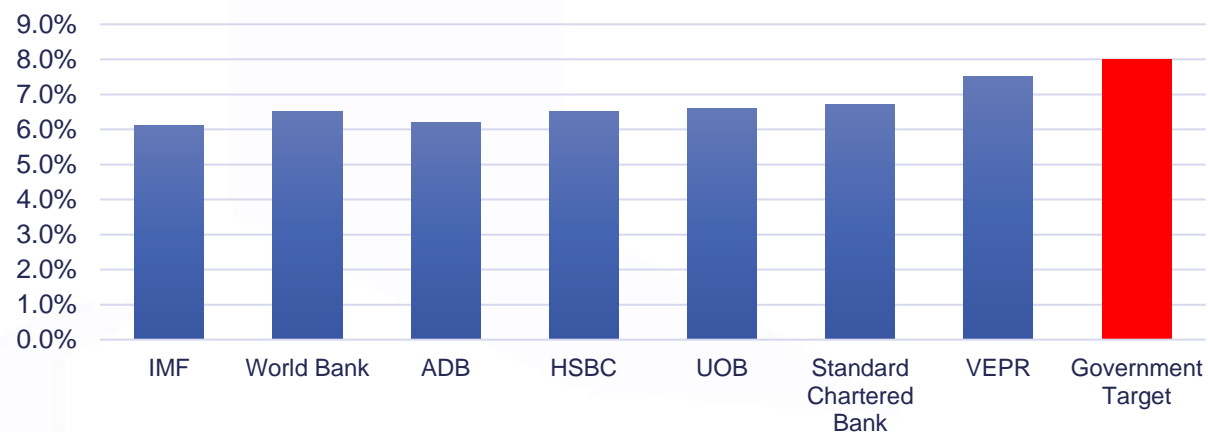


POSITIVE POLICY NEWS DRIVING ECONOMIC GROWTH SPARKS EARLY-YEAR RALLY

GDP Growth



2025 GDP Growth Forecast



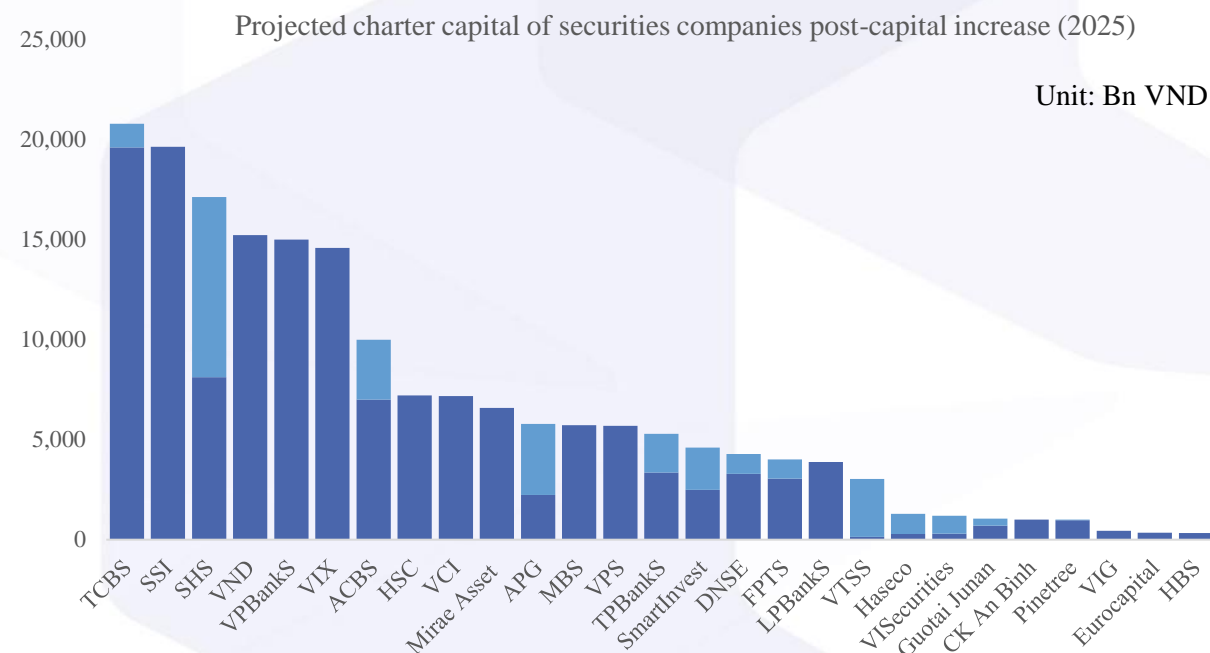
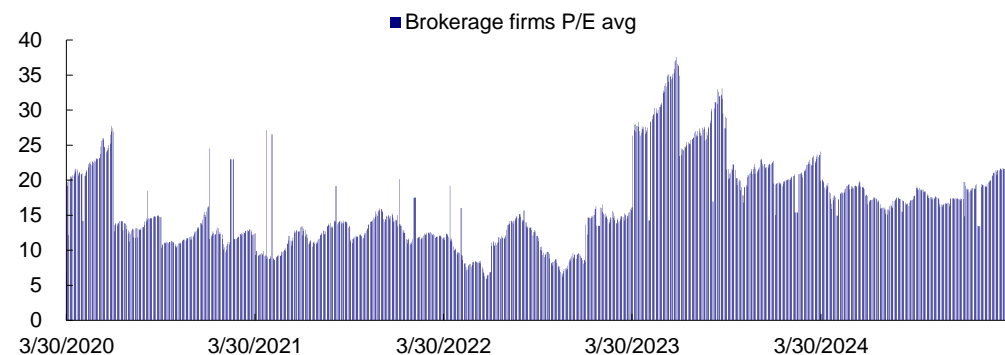
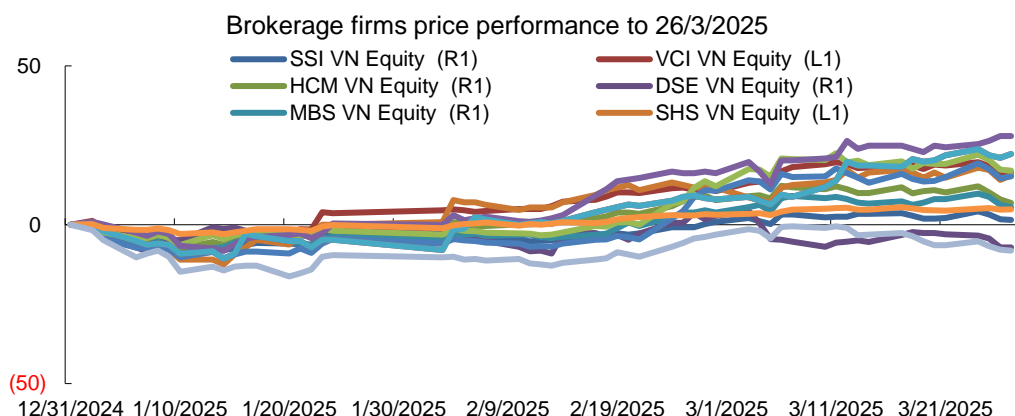
Sources: GTJASVN Research

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MARKET WATCHES ON THE KEY STOCK MARKET UPGRADE AREA

- Securities Firms Raise Capital Ahead of Potential Market Upgrade
- Upcoming FTSE announcement (April 9): Investors are eagerly awaiting FTSE’s detailed update on Vietnam’s progress and prospects for an upgrade in 2025.
- KRX system testing and Go-Live scheduled for May 5, a key milestone for market infrastructure improvements.
- Securities stocks surged early in the year, with valuations currently at elevated levels as investors price in positive market developments.



Sources: Bloomberg, FiiiproX, GTJASVN Research tổng hợp





...NONETHELESS, FOREIGN INVESTORS REMAIN ON THE SIDELINES.

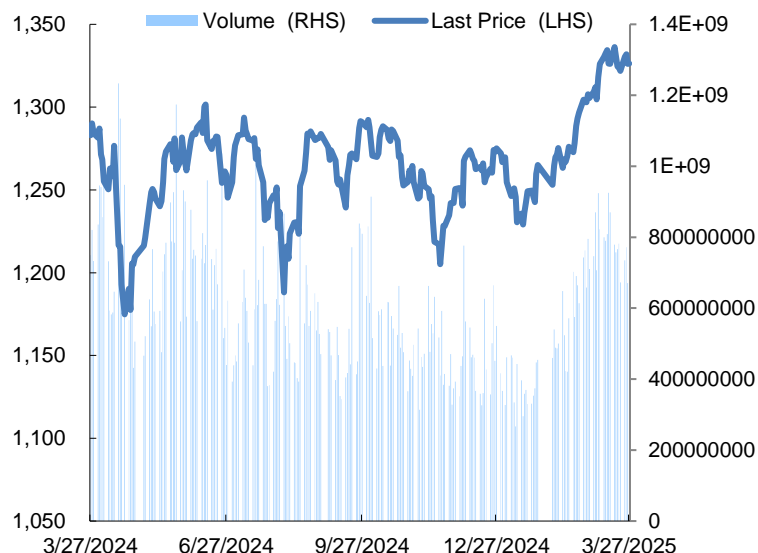
Liquidity surged: The average daily trading volume in March reached 788 million shares, doubling the January average, indicating a resurgence in market activity.

Foreign investors remain net sellers: Despite the recovery, foreign investors offloaded over VND 24 trillion in Q1 2025, continuing their net selling trend.

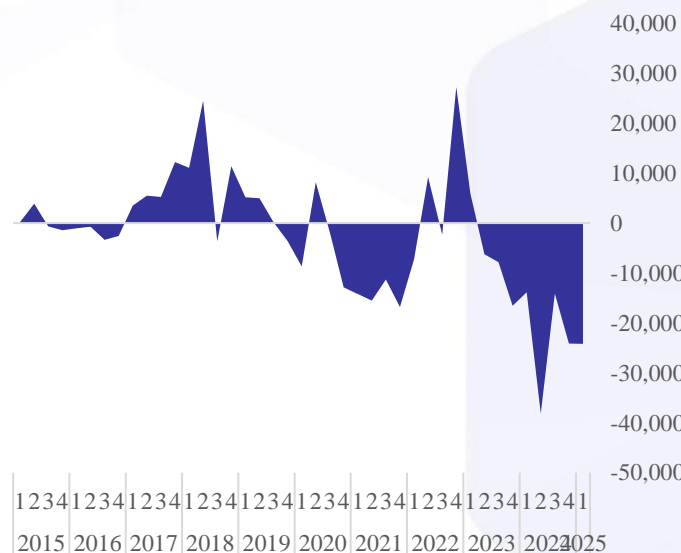
Sector rotation driving market gains: The banking, securities, and Vin-related stocks provided rotational support to the market throughout Q1, with Vin group stocks leading the most recent rally.

Tech stocks saw early gains but reversed: The IT sector, led by FPT, surged in early January but later declined, becoming one of the biggest drags on the market.

VNINDEX



Total net value by quarter (Bn VND)



Top 10 leaders



Top 10 laggards



Sources: Bloomberg, 26/3/2025, GTJASVN Research

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REAL ESTATE WAVE DRIVEN BY KEY PUBLIC INVESTMENTS AND PROVINCIAL CONSOLIDATION

- Provincial consolidation wave:** Proposals to merge provinces (e.g., Bình Dương and Bà Rịa - Vũng Tàu into Ho Chi Minh City, or Long An with Tây Ninh) are sparking speculation and high expectations in the real estate market. Such mergers could expand development space, optimize planning, and enhance the economic stature of emerging central areas.

Expectation

Land prices: Areas bordering Ho Chi Minh City (Bình Dương, Long An) or near seaports (Bà Rịa - Vũng Tàu) may experience a 20-50% increase in the short term.

Residential real estate: Housing demand in new administrative centers is expected to increase 15-30% from 2026, particularly in the apartment and town-house segments near industrial parks.

Industrial and logistics real estate: Post-merger, larger provinces will facilitate planning new industrial parks, especially in suburban provinces like Bình Dương, Đồng Nai, and Long An. Lease rates for industrial zones and warehouses could rise 5-15% in these areas.

Stock picks

DIG

DIG owns a large land portfolio in Bà Rịa - Vũng Tàu, where strong price appreciation potential exists if merged with Ho Chi Minh City. Projects near Phú Mỹ and Nhơn Trạch ports will benefit from logistics and industrial trends.

NLG

With projects in Long An and Đồng Nai, NLG will benefit from population dispersion and urban development trends post-merger. Its mid-range housing segment aligns well with actual demand.

Sources: company, GTJASVN Research

...However, caution is needed amid speculative fervor without an infrastructure development foundation.

	Land reserve	Province	Projects	Overview
	32.2 ha	HCM	Gem Riverside (6.7ha) - on going	
DXG	92.2ha	Đồng Nai	Gem Sky World - on going	
	9.8ha (increasing)	Bình Dương	Opal Skyline, Opal Luxury, Park View, Park City (Currently finalizing legal procedures, expected to be implemented in 2025-2026)	Projects demonstrate promising prospects for active implementation.
	Thousands of other hectares	In Bà Rịa - Vũng Tàu, Quảng Ngãi, Quảng Nam, Long An, and Phú Quốc.		
	1,500ha	Vĩnh Phúc	Vinh Yen urban development project (still facing legal challenges and lacking complete 1:500 planning for the entire area). Expected revenue is projected for 2025-2026 upon completion of procedures.	
DIG	1,200	BRVT	Long Điền - Đại Phước: An eco and resort urban development project currently undergoing legal finalization and infrastructure development	Experiencing significant project delays and signs of insufficient implementation resources.
	170ha	Đồng Nai	Long Tân urban area, located near HCM's Ring Road 3, benefits from Long Thành Airport (though progress remains slow)	
	Total 5,000 ha	The remaining large land portfolio is primarily resort real estate in Phú Quốc, Bình Thuận, Lâm Đồng, and Quảng Nam		
	335ha	Long An	Waterpoint	
	215ha	Đồng Nai	Izumi City, Nam Long Đại Phước	
NLG	34.5ha	HCM	Mizuki, Akari City	All projects are progressing well, with high inventory levels and no legal issues. Significant revenues are expected in 2025-2026.
	43.8ha	Cần Thơ	Nam Long 2	



REAL ESTATE WAVE DRIVEN BY KEY PUBLIC INVESTMENTS AND PROVINCIAL CONSOLIDATION

Cần Giờ Superport Project: If implemented, the Cần Giờ Superport project will transform Ho Chi Minh City into an international logistics and trade hub, competing with major ports in the region, such as Singapore. This is expected to be a significant driver for the southern real estate market, particularly in Cần Giờ, Nhà Bè, and surrounding provinces.

Expectations

Logistics real estate: Strong demand for warehouses and distribution centers, especially in key industrial provinces such as Bình Dương and Đồng Nai. Industrial land rental prices could increase by 10-15%.

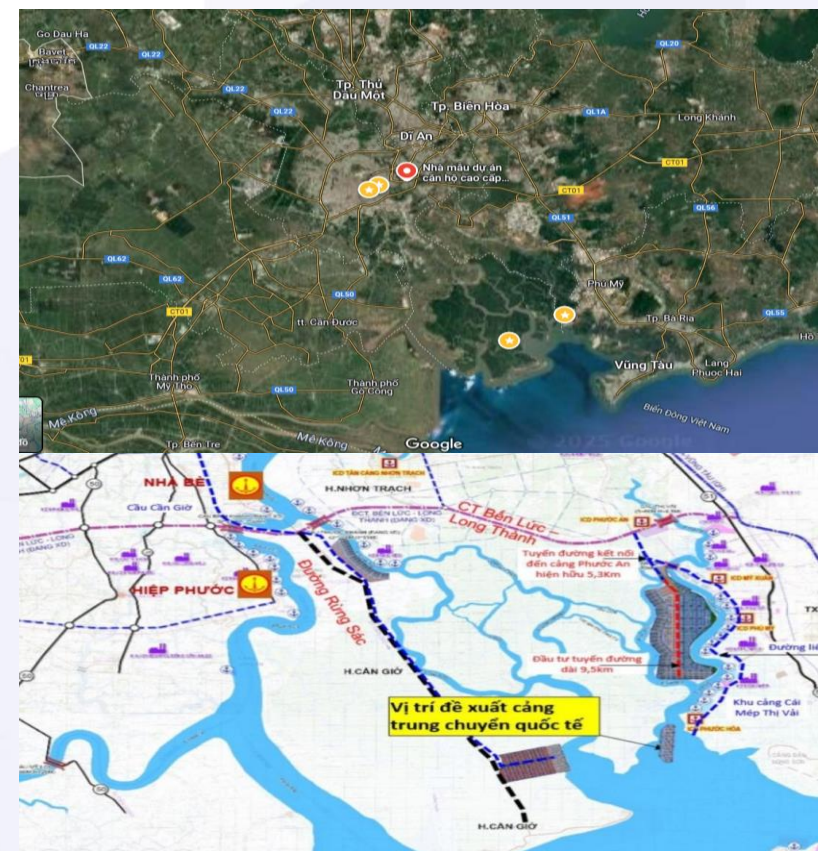
Industrial real estate: Expansion of industrial parks in Bình Dương and Đồng Nai, attracting new waves of export-focused FDI.

Residential and tourism real estate: The port project is expected to boost tourism and residential developments, particularly in coastal areas. Land prices in prime locations could increase by 10-30% (to \$500-700 per sqm).

Stock picks

DXG: DXG owns various projects in Ho Chi Minh City, Đồng Nai, and Long An, areas expected to benefit from the Cần Giờ Superport. Additionally, DXG holds land near the project area, making it a beneficiary of the logistics and trade expansion.

SIP: Owns Tân Uyên Industrial Park (Bình Dương), a key logistics and industrial hub. SIP is well-positioned to benefit from rising warehouse demand as logistics infrastructure develops around the new port.



Sources: Sở GTVT TPHCM, GTJASVN Research



HOW BANK STOCKS PERFORM AFTER Q1 RALLY

Following the conclusion of the seasonal uptrend in Q1, driven by positive developments in credit growth prospects and supportive policies from the State Bank, banking stocks are now poised for a phase of consolidation. (Seven banking stocks reached all-time highs in Q1, with an average price increase of 8.2% at the peak of Q1.)

Post-Q1, the outlook for stocks within the banking sector is expected to diverge, depending on individual banks' business performance. According to the latest updates, in Q1, top-tier commercial joint-stock banks continued to sustain strong profit growth at double-digit levels (e.g., TCB, MBB, STB, ACB). The State-Owned Banks (SOBs) group recorded moderate growth, while several smaller banks faced pressures from non-performing loans, with OCB and TPB being notable examples.

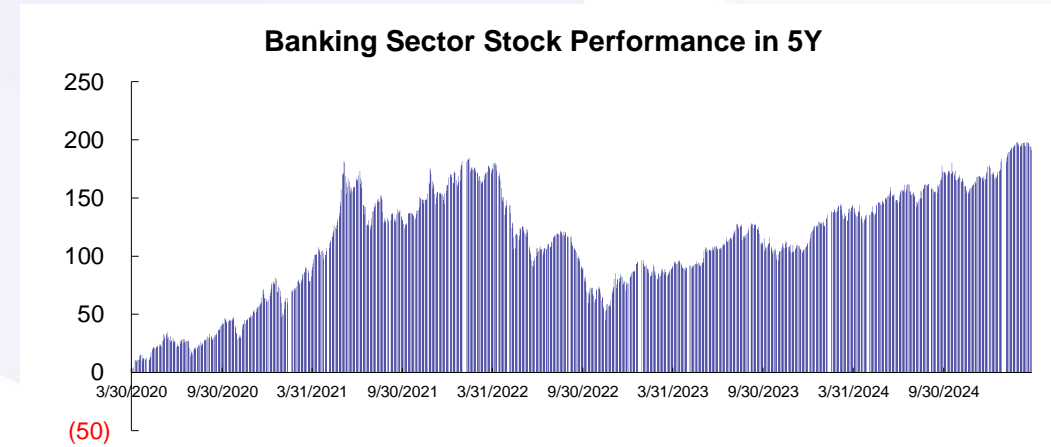
Credit growth in the banking sector has shown a more positive trend compared to 2024 (as of March 12, 2025, credit growth reached 1.24% year-to-date, surpassing the 0.26% year-to-date growth recorded in the same period last year). However, the profit outlook for banks remains under significant pressure due to elevated Cost of Funds (COF), despite recent downward adjustments, and low lending rates.

Certain banks have the opportunity to increase foreign ownership limits to 49% (e.g., HDB, MBB, VPB), in line with the latest circular concerning credit institutions taking over weaker entities, which allows for an expanded foreign ownership cap for such institutions.

The outlook for banking stocks will hinge on two scenarios:

- **No Market Upgrade:** Stocks are expected to consolidate, with performance largely dependent on individual business results (KQKD).
- **Stock Market Upgrade:** Stocks within the VN30 group are likely to experience a positive uptrend, with the upward momentum spreading across the entire sector.

Stock Recommendations: MBB, VCB, CTG.



Sources: Bloomberg (26/3/2025), GTJASVN Research

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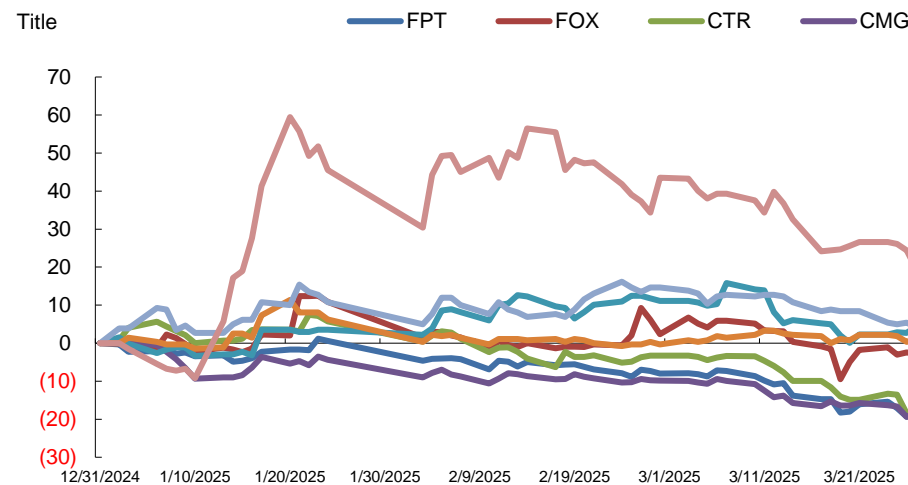
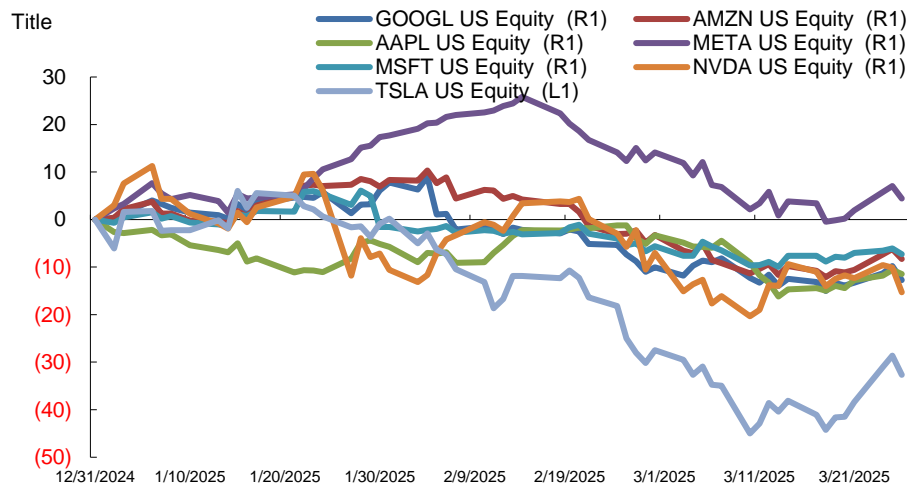
Technology Stocks Undergo Correction Following a Period of Rapid Gains

Technology Stocks Adjust Following the Launch of Deepseek in Late January

The rapid development of the technology and chip industry in China is driving down the cost of the global value chain, particularly in the mature technology chip segment. While this benefits consumers, it poses challenges for other businesses. Global technology companies are expected to intensify innovation, diversify their supply chains, and accept lower profit margins amid fierce competition and complexities arising from geopolitical tensions.

Market Sentiment - Correction After a Period of Rapid Gains: In line with global trends, Vietnamese technology stocks exhibited exceptional growth in 2024, accompanied by relatively high valuations (averaging 30x, comparable to the valuations of major global technology stocks). Globally, technology stocks have also undergone a correction since Q1, driven by concerns over the impact of China’s technological advancements on the value chain, alongside profit-taking and investor caution amid fears of a recession and the impact of rising interest rates on business operations.

Stock price trends of MAG7 and Vietnamese ICT stocks in Q1/2025



The performance of Vietnam’s ICT stocks, including FPT, CTR, and CMG, has declined by 18% year-to-date. The current P/E valuation ranges between 21x and 22x.

Sources: Bloomberg (27/3/2025) GTJASVN Research



Technology Stocks Undergo Correction Following a Period of Rapid Gains

The Rapid Growth of Chinese Technology and Chip Companies Significantly Impacts the Global Technology Value Chain, Including Vietnamese Tech Firms Like FPT

- **Rising Competition in Low-Cost Segments and Software Outsourcing:** The swift advancement of Chinese technology companies, particularly in the production of mature technology chips (28nm and above) and low-cost technology services, is creating substantial competitive pressure in the international market. Companies such as Huawei, SMIC, and GigaDevice are offering cost-effective solutions, especially in software outsourcing and hardware manufacturing—areas traditionally dominated by FPT. FPT, with its IT services export segment accounting for a significant portion of its revenue (overseas market revenue in 2024 reached VND 30,953 billion, up 27.4%), now faces intense competition from Chinese rivals, particularly in key markets such as Japan, the U.S., and Europe. Should China continue to expand its low-cost software outsourcing capabilities, FPT risks losing market share in price-sensitive customer segments, compelling the company to adjust its strategy to maintain its competitive edge.
- **China's Growth Drives Global Demand for Tech Talent While Increasing Labor Costs** in the IT Sector: Vietnam, which has historically benefited from low-cost labor, is now at risk of losing this advantage as Chinese companies attract regional talent. However, FPT holds a strategic advantage through its internal education system (FPT University), which enables the company to train a high-quality workforce in-house, reducing reliance on the external labor market.

Technology Demand as a Long-Term Trend: We believe that the technology stock group continues to have strong growth momentum, driven by sustained demand for technology solutions. The current market correction, with prices adjusting to more reasonable valuation levels, may present an opportunity for investors.

GTJAS Recommendations: FPT, DGC, CTR.

Sources: GTJASVN Research

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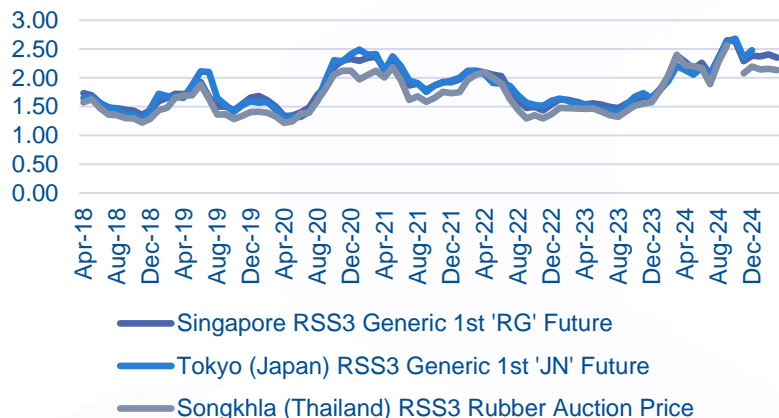


Q1 EARNING RESULTS WAVE

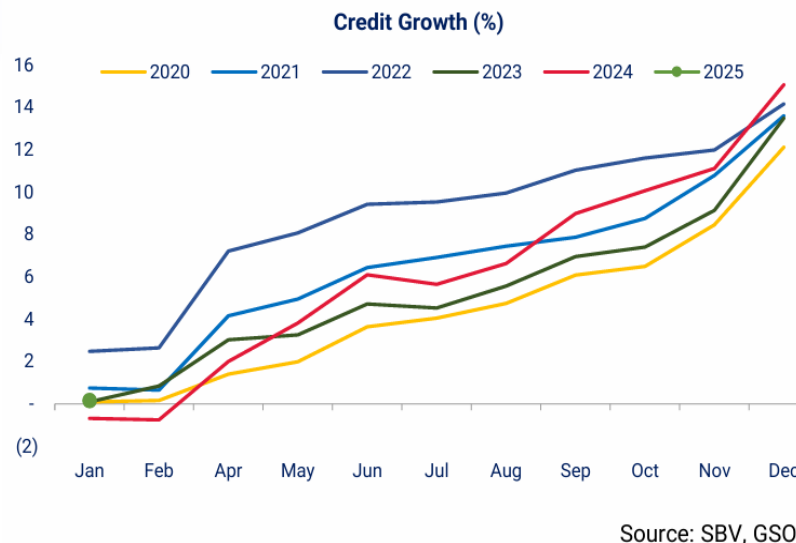
Sector Expected to Achieve Positive Operating Results: Banking, Rubber, and Food.

Rubber stocks and rubber-integrated industrial real estate benefit from surging rubber prices, with the average rubber price in Q1/2025 up over 13% year-on-year.

Natural rubber prices continue to climb due to supply shortages (in a deficit cycle expected to conclude in 2028).



Banks profit expected to rise by an average of about 10%-12%yoy. Credit growth reached 1.24% YTD by mid-March, compared to a 0.26% increase during the same period in 2024. However, note the divergence among banks.



Food and livestock sectors, such as DBC, benefit from rising feeder pig prices. After cooling off at the end of last year, domestic feeder pig prices rebounded and anchored at levels over 40% year-on-year.

Monthly global average pig prices. (EUR/mton)



Sources: VBMA, Bloomberg, GTJASVN Research





TARIFF IMPACTS AND MULTIFACETED EFFECTS ON MARKETS AND INDUSTRIES

Trade policy of President Trump: Expected 10% tariff on all Vietnamese imports starting April 2, 2025

Industries most affected are those with significant export volumes to the U.S. and a history of trade disputes.

Trump 2.0 Tariff Policy

Date	Contry/Area	Tarrif rate	Scope
4/3/2025	China	20%	All imports
4/3/2025	Canada, Mexico	25%; 10% for energy from Canada and 10% for potash (down from 25%)	Goods under USMCA
12/3/2025	Importing countries	25%	Steel, aluminum
2/4/2025	EU	25%	All imports
2/4/2025	Importing countries	25%	Car, Chip, Pharmaceuticals

Economic Impact: Potential GDP Decline of 0.5% - 1%

The proposed 10% tariff on Vietnamese imports will inevitably reduce export volumes to the U.S., a key market that accounted for 25% of Vietnam’s total exports in 2024. In a worst-case scenario, prolonged tariff enforcement could shrink Vietnam’s GDP by 0.5% - 1% by 2025, driven by declining exports and disruptions in supply chains.

Additionally, pressure on the VND may increase due to lower USD inflows from exports. These factors could lead to job losses and reduced income for workers in export-driven industries.

On the other hand, Vietnam is likely to accelerate trade diversification strategies, strengthening commercial relations with China, the EU, ASEAN, and other partners under agreements such as CPTPP and RCEP.

There are also expectations that both businesses and the Vietnamese government will implement measures to mitigate the tariff impact. In recent discussions, Vietnam has considered lowering LNG import tariffs from 5% to 2% and reducing duties on automobiles from 45%-64% to around 32%. Additionally, Starlink’s investment in Vietnam remains on track, and tax adjustments may be introduced for key U.S. export products, including agricultural goods, apples, and wood products (typically taxed at 5%-10% under MFN rates).

	Export Value (Bn USD)	Industry Impact
Electronics	30	Vietnamese manufacturers will face heightened competition in the U.S. market, potentially losing market share to competitors like Mexico, India, and Malaysia. The tariff may drive companies like Apple and Intel to reconsider their supply chains.
Textiles & Garments	25	The sector, reliant on the U.S. market, may see production shifts to other low-cost regions like Bangladesh. Some firms could face increased costs due to supply chain adjustments.
Footwear	15	Vietnam currently holds over 50% of the U.S. footwear import market. However, with tariffs, buyers may shift orders to Indonesia or Bangladesh.
Seafood	4	The seafood industry has previously faced tariff and anti-dumping measures from the U.S. This tariff hike could further impact Vietnam’s exports, potentially reducing its U.S. market share.
Wood & Furniture	5	The sector is already under pressure from U.S. anti-dumping investigations since 2022 and may face further decline in exports.

Sources: GTJASVN Research

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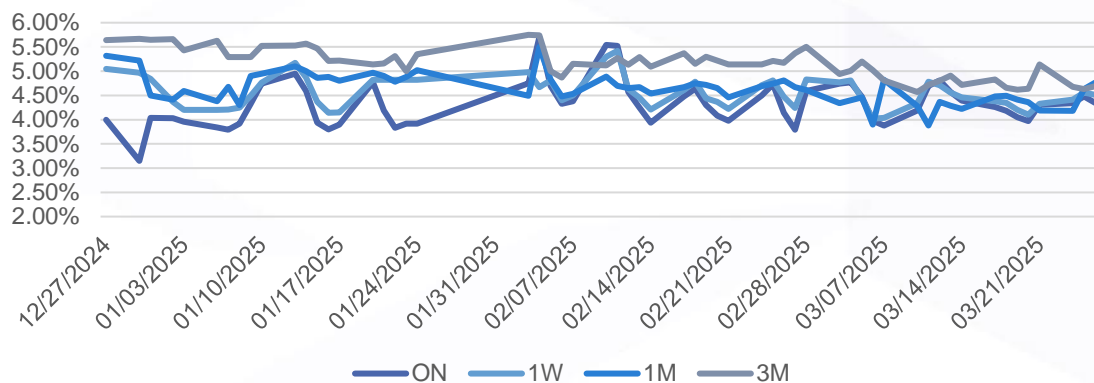




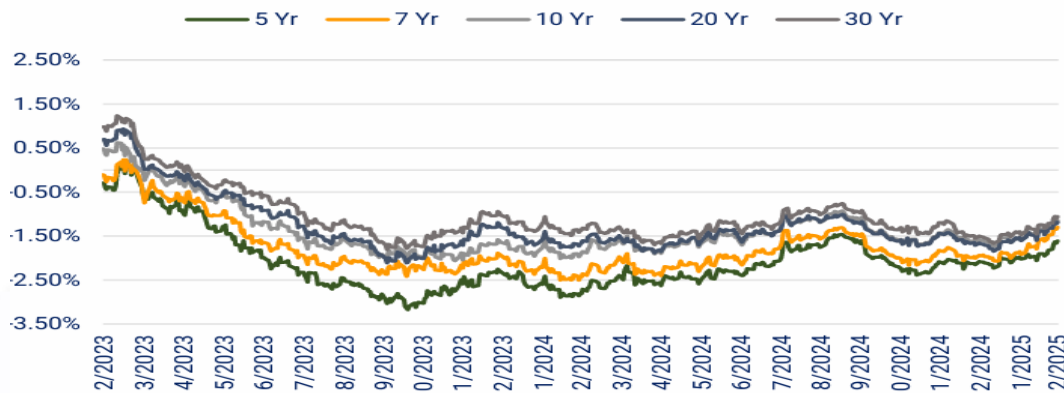
MACROECONOMY: EXCHANGE RATES AND INTEREST RATES REMAIN KEY CONCERNS

The VND is expected to continue depreciating, with pressure likely to intensify in early Q2 as FDI enterprises typically repatriate profits during this period. Additionally, the DXY index has been rebounding in recent weeks, signaling a stronger U.S. dollar, which could further weigh on the VND.

Interbank rate



VN-US yield spread

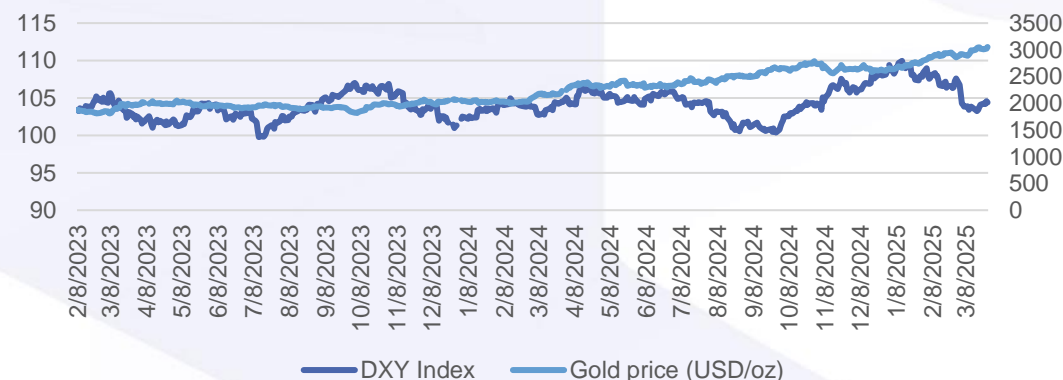


Source: USDT, VBMA

USDVND



Developments in DXY and Gold Prices



Sources: Bloomberg, VBMA, GTJASVN Research

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