



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

INVESTMENT STRATEGY

AUGUST 2025 UPDATES

**WHICH CASH FLOW IS
DRIVING THE MARKET TO
NEW HIGHS?**

THE MARKET RISES THANKS TO CASH FLOW, AND FALLS DUE TO CASH FLOW

INVESTMENT STRATEGY

The stock market in recent months has significantly benefited from increased cash flow into the market, driven by the broader economic stimulus policies of the Government.

In the medium term, efforts to activate and amplify large-scale cash flows are key drivers supporting the stock market, alongside the prospect of a market upgrade. *In the short term*, we believe the stock market continues to be supported by several catalysts, *including foreign cash flow* (driven by the market upgrade) *and domestic investor cash flow* (with high levels of investor deposits held at securities companies' accounts).

However, liquidity and cash flow are highly sensitive to macroeconomic variables, particularly external factors (such as tariffs and Fed interest rates), making them more reactive. Consequently, *market corrections are inevitable when one of the primary cash flows participating in the market is impacted* (e.g., margin lending or withdrawals of investor funds to focus on business activities).

Stock Selection:

- **Growth Stocks:** Focus on themes aligned with national development strategies, such as public investment, banking, and real estate. Stocks expected to benefit from the market upgrade prospect include VCB, HPG, VHM, and VCI.
- **Defensive Stocks:** A portfolio of stocks offering high dividend yields.

	Catalyst	Ticker
Public investment	High public investment	VCG, CTD
Bank	High credit growth supports economic expansion (including public investment and the private sector)	VCB, TCB, CTG, BID, ACB, STB, HDB, MBB
Electricity	High electricity demand for industrial and residential consumption	QTP, PC1
Market upgrade	Stocks meeting the criteria for inclusion in index baskets after a market upgrade	VCB, HPG, VHM
Others	Stocks with strong fundamentals, returning to more reasonable price levels after a market correction	PVS, FPT

High cash dividend stocks

	Ticker	Exchange	Activities	Dividend yield	P/E TTM2025
Group 1	VEA	UPCOM	Auto	17%	7.08
	QNS	UPCOM	Soil milk and sugar	10%	7.41
	HTL	HOSE	Truck distribution	96%	13.28
	SMB	HOSE	Beer manufacturing	11%	6.71
Group 2	SED	HNX	Publishment	8%	4.22
	CLC	HOSE	Cigarette packaging	12%	8.87
	SLS	HNX	Sugar	15%	3.82
	TCW	UPCOM	Logistics	9%	6.58
	NET	HNX	Detergent	8%	8.36
Group 3	TLG	HOSE	Stationery	5%	9.2
	INN	HNX	Packaging print	6%	9.26

Sources: GTJASVN Research



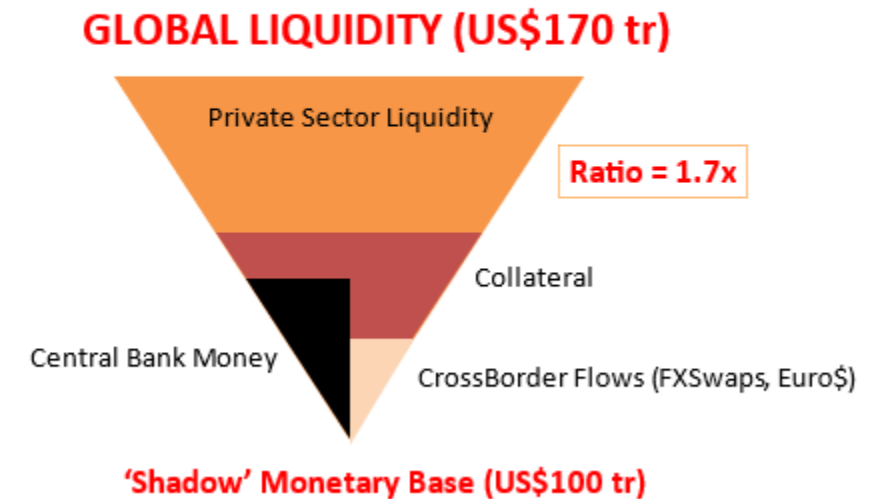
THE MARKET RISES THANKS TO CASH FLOW, AND FALLS DUE TO CASH FLOW

The Liquidity Framework

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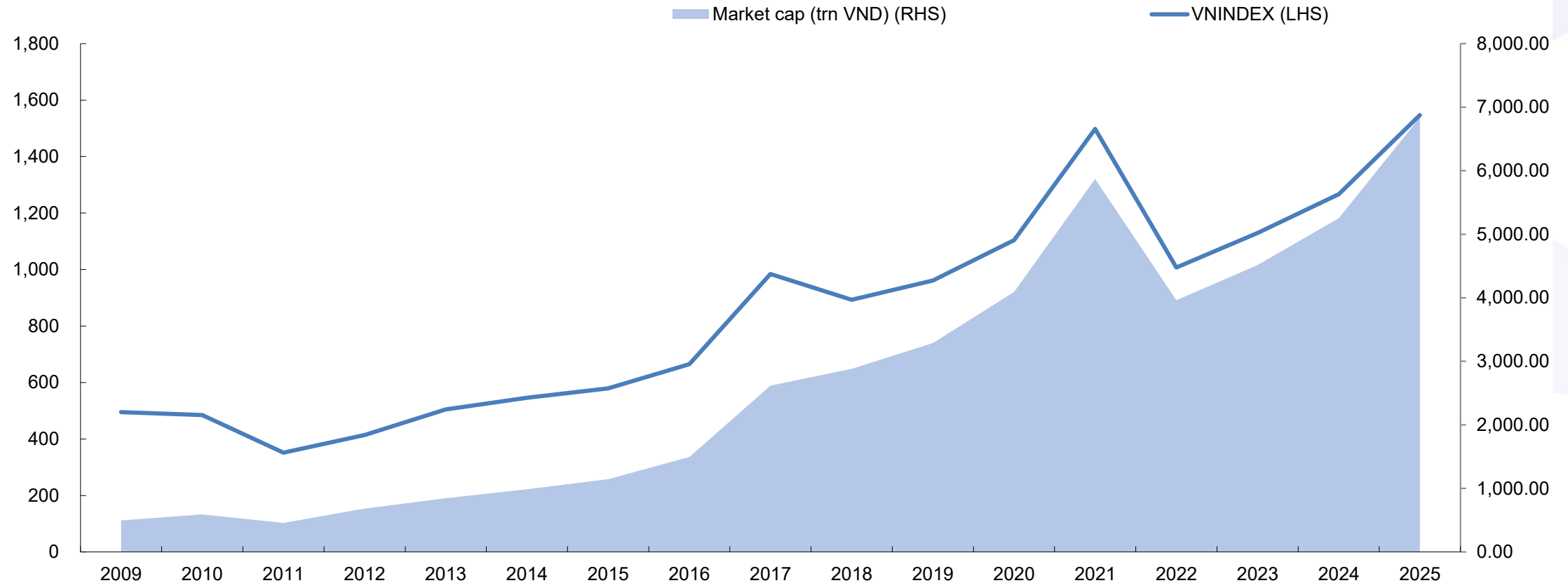


The Structure of Global Liquidity





VNINDEX SURGES TO NEW HIGHS WITH EXPLOSIVE LIQUIDITY



Sources: FiinproX, GTJASVN Research, dữ liệu ngày 5/8/2025

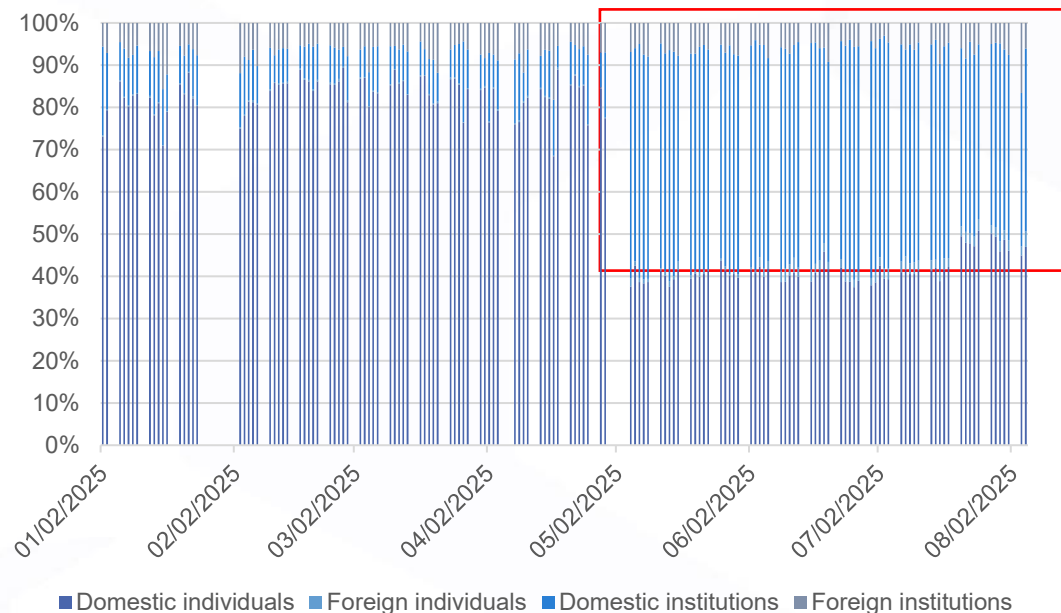
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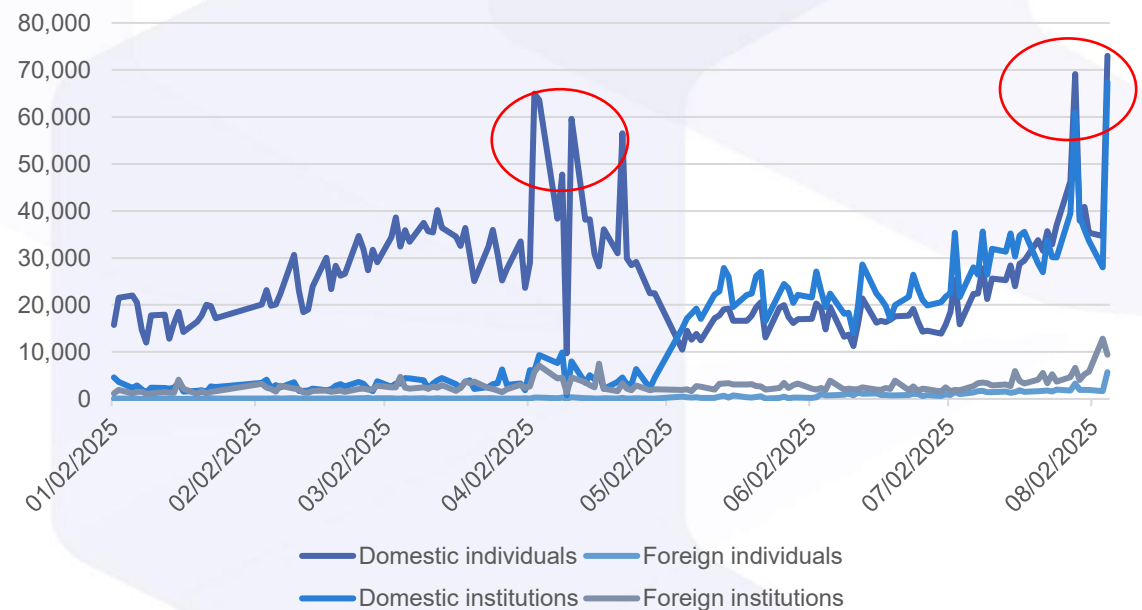
WHICH CASH FLOW IS DRIVING THE MARKET TO NEW HIGHS?

- Observing the recent market participant dynamics, a significant shift in trading structure can be noted, with the **prominence of domestic institutional investors**.
- The cash flow from domestic institutional investors has surged since early May, currently accounting for approximately 40% of the total trading value across the system.
- Domestic cash flow (from both individual and institutional investors) has been driving the VNINDEX's upward trend thus far. Specifically, the rally since early May has been led by domestic institutional cash flow, with the upward momentum subsequently spreading as other investor classes join in.

Trading value breakdown by investor types



Total trading value (buy + sell)

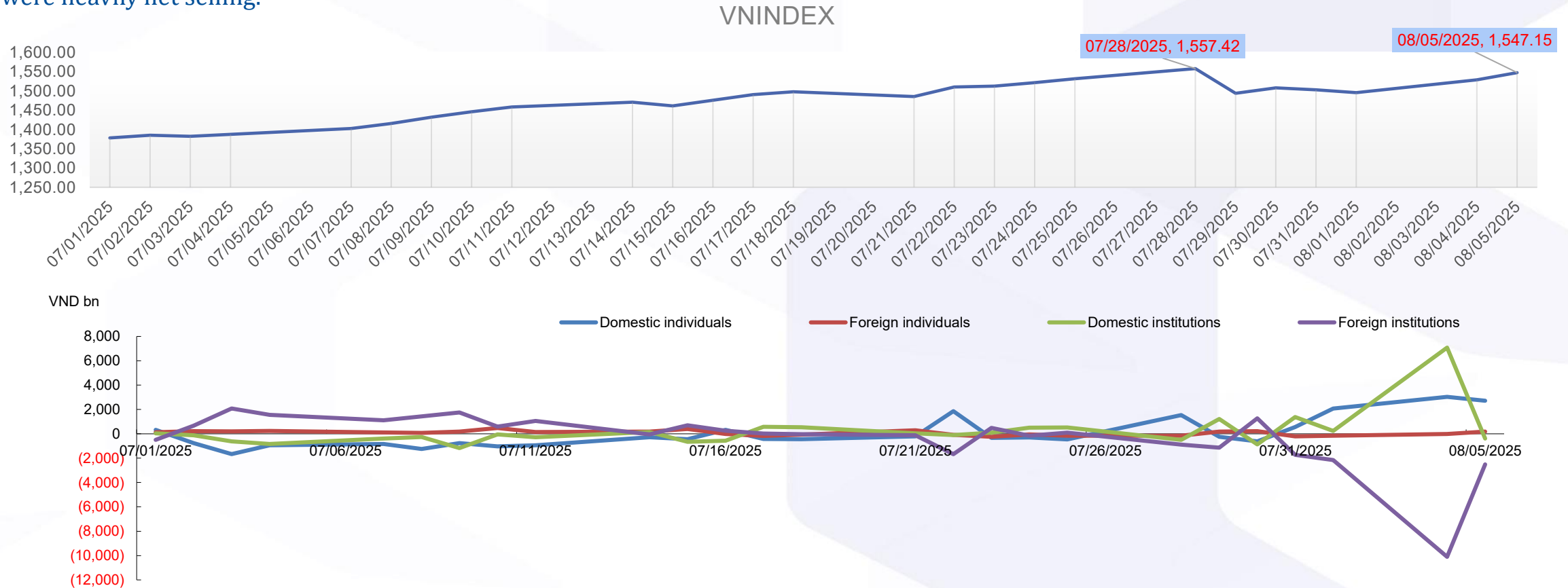


Sources: FiinproX, Bloomberg, GTJASVN Research



WHICH CASH FLOW IS DRIVING THE MARKET TO NEW HIGHS?

- By the end of June, market liquidity was around 20 trillion VND per session, but it has now surged to an average of 48 trillion VND per session in the first 4 trading sessions of August (as of August 5). Observing the behavior of different investor groups, it can be noted that during sessions when the VNINDEX reached higher peaks, domestic cash flow was net buying, while foreign investors, particularly foreign institutions, were heavily net selling.



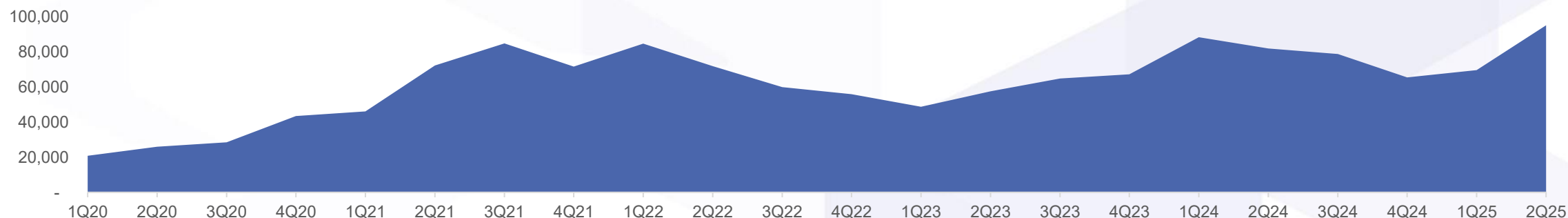
Sources: FiinproX, GTJASVN Research



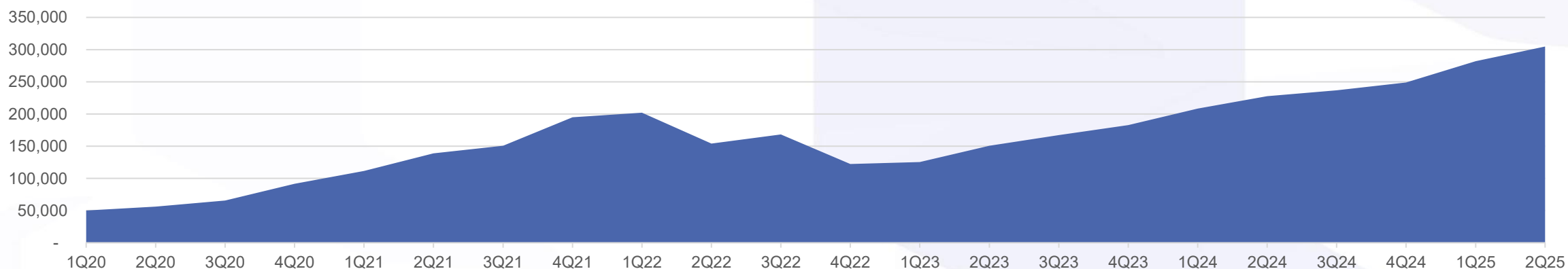
WHICH CASH FLOW IS DRIVING THE MARKET TO NEW HIGHS?

- There remains a substantial amount of cash awaiting market entry, with over 95 trillion VND in investor deposits held at securities companies as of the end of Q2 2025.
- Meanwhile, in the short term, the momentum from margin lending cash flow faces challenges. As of the end of Q2, the total margin lending balance across the system was approximately 300 trillion VND and is estimated to have risen further in July, during a period when the broader market consistently surged.

Investor deposits for stock trading peaks in Q2.2025



New peak of margin lending



Sources: FiinproX, GTJASVN Research

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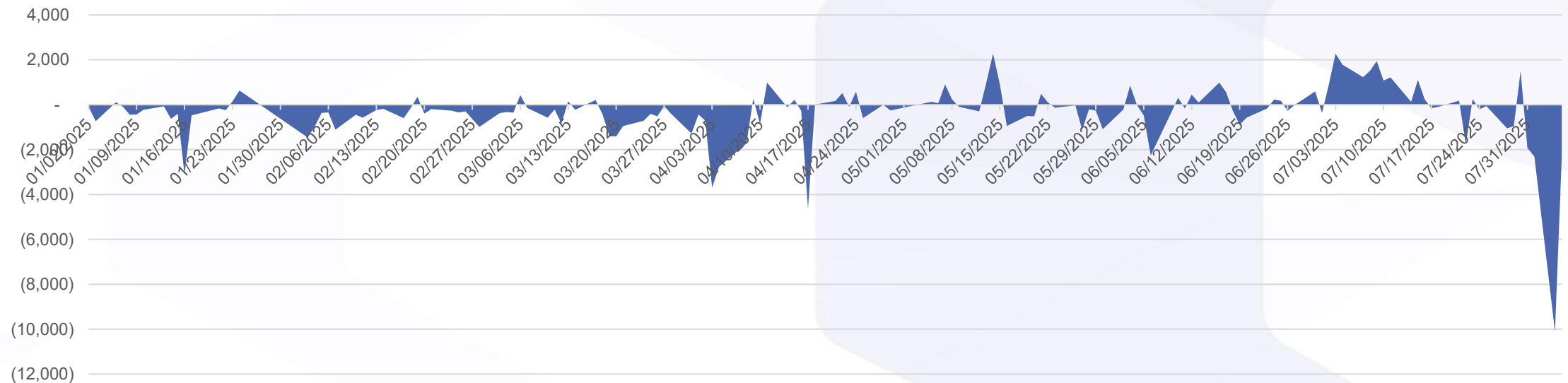


WHICH CASH FLOW IS DRIVING THE MARKET TO NEW HIGHS?

Market upgrade and foreign inflows

- Despite net buying activity in the first two weeks of July, foreign cash flow has intensified selling in recent days (a significant portion related to strategic investment deals), pushing the total net selling value since the beginning of the year to over 45 trillion VND. In the near term, the market is placing high expectations on the prospect of a stock market upgrade to emerging market status by FTSE in the September review, with anticipated short-term inflows of 300–500 million USD. This is considered a major catalyst to boost market liquidity and the main index. Among these, large-cap stocks with available foreign ownership room, meeting criteria such as VCB, VHM, HPG, are expected to be included in the FTSE EM index basket, stimulating passive cash flow from investment funds.

Net (buy-sell) of foreign investors



Sources: FiinproX, Bloomberg, GTJASVN Research

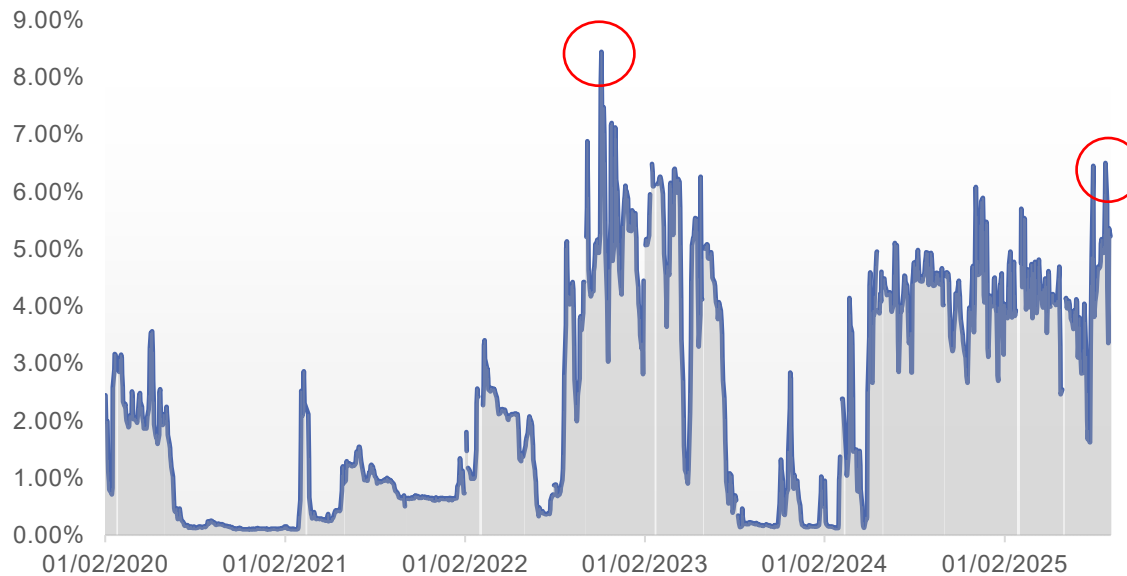
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INVESTORS ARE SENSITIVE TO INFORMATION, ANY NEGATIVE NEWS COULD TRIGGER A SHORT-TERM SELLOFF

- In addition to the risk of elevated margin lending cash flow at securities companies, which could trigger a short-term sell-off, we highlight a more significant systemic risk. Amid an easing monetary policy and rapid credit expansion into the economy (+9.64% year-to-date), stimulating investment cash flow (including into the stock market) in the short term, the gap between credit and deposit mobilization in the system is increasingly widening, reaching over 1.3 quadrillion VND. In recent days, the rising short-term interbank market interest rates are also a factor that investors should closely monitor.

Interbank rate ON



FX USD/VND (VCB Sell)

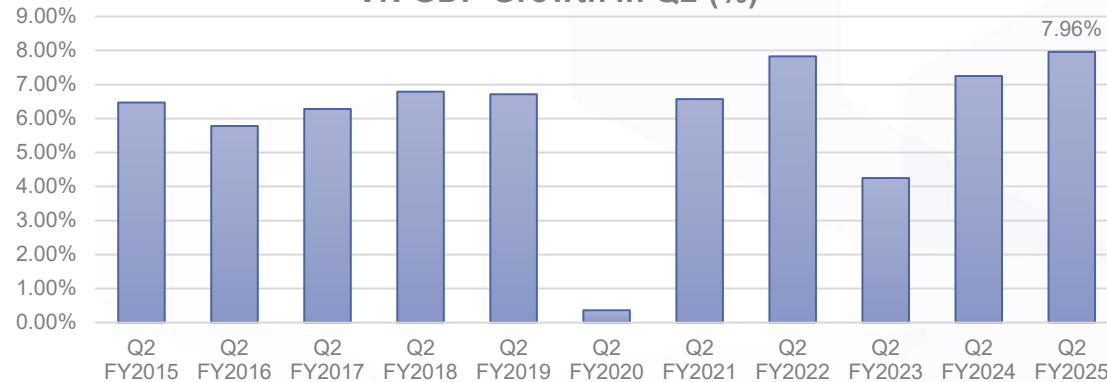


Sources: FiinproX, GTJASVN Research

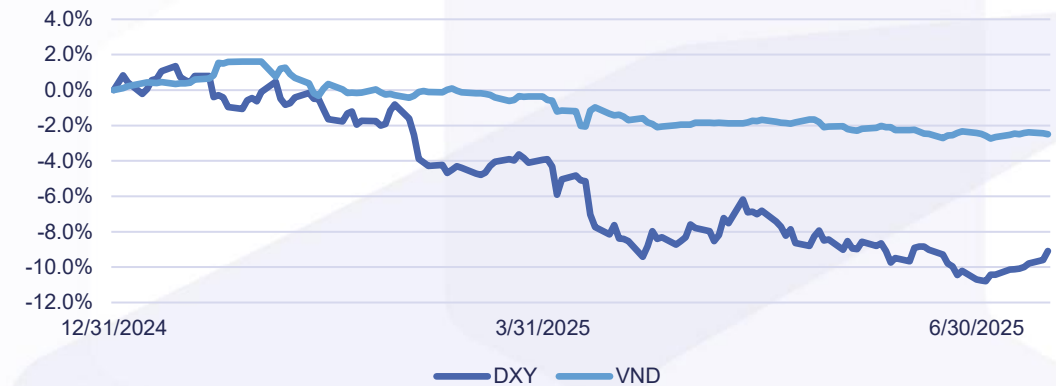


APPENDIX: STRONG MACROECONOMIC FOUNDATION COUPLED WITH HIGH POLITICAL DETERMINATION

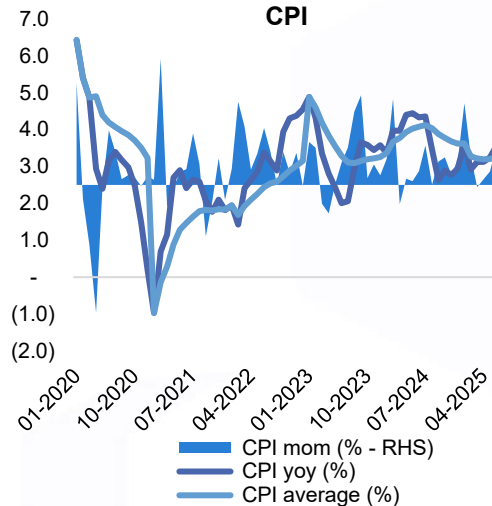
VN GDP Growth in Q2 (%)



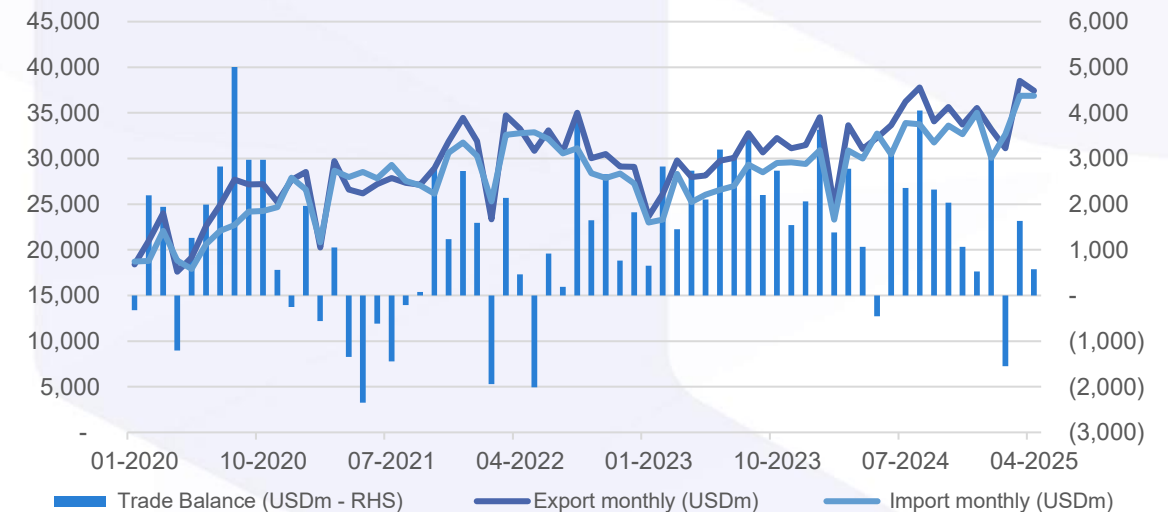
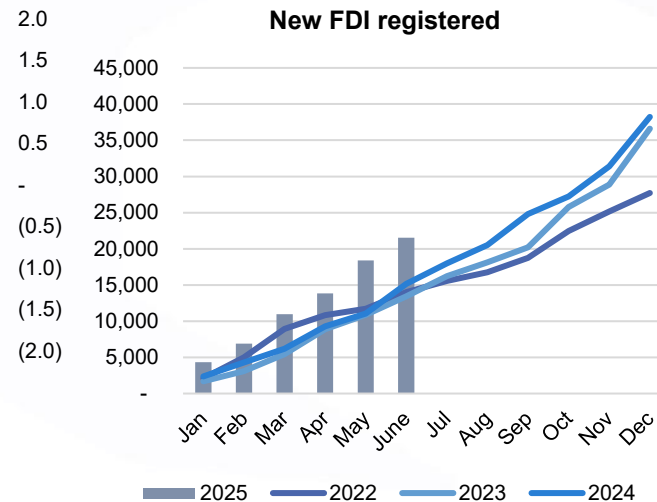
Currency performance



CPI



New FDI registered



Sources: FiinproX, GSO, GTJASVN Research



APPENDIX: Q2 EARNINGS WRAP

Total market-wide PBT increased 33.6%yoy

- The financial services (securities) and real estate sectors recorded the highest growth rates in Q2.
- The banking sector exhibited more modest growth, though still achieving double-digit rates, with differentiation among individual banks.

Q2/2025 PBT Growth by Sector

SECTOR	COMPANIES		PBT GROWTH (YoY)				
	Number	% mkt cap	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25
			%	%	%		%
Market	970/1596	97.1%	21.3%	21.7%	19.3%	12.0%	33.6%
Non-financial	889/1512	95.6%	21.2%	30.4%	21.4%	9.9%	53.8%
Banking	27/27	100.0%	21.7%	17.6%	19.1%	15.3%	17.5%
Insurance	13/13	100.0%	12.2%	-34.5%	15.8%	5.3%	21.5%
Financial services	41/44	98.7%	6.6%	-6.8%	-13.1%	-3.9%	42.7%
RE	90/131	96.4%	-37.0%	13.0%	93.8%	387.5%	64.7%
F&B	88/153	92.7%	13.6%	22.1%	21.3%	6.0%	16.0%
Industrial good and services	130/254	96.5%	15.0%	12.2%	87.0%	9.5%	-10.1%
Utilities	108/146	96.8%	-17.7%	36.9%	-5.8%	48.5%	62.8%
Construction and materials	168/331	86.2%	55.2%	29.7%	52.8%	6.6%	23.9%
Tourism and travel	24/47	98.2%	255.2%	193.7%	206.9%	-17.5%	139.7%
Basic resources	68/108	97.3%	333.2%	15.3%	37.3%	19.6%	27.5%
Chemicals	50/73	98.4%	58.8%	62.1%	-15.3%	38.6%	41.2%
Oil and gas	9/12	96.3%	-9.6%	-114.6%	-59.2%	-63.0%	19.8%
Telecommunication	5/8	99.8%	444.0%	-33.2%	233.3%	-47.9%	91.2%
Retail	17/27	97.3%	2884.5%	254.5%	405.2%	73.9%	46.4%
IT	15/29	99.0%	23.1%	17.3%	25.0%	34.1%	19.3%
Individual and household good	45/79	89.3%	45.5%	50.2%	29.8%	17.1%	33.3%
Medical	38/61	92.9%	21.8%	28.0%	-4.1%	-5.0%	-12.7%
Communication	22/36	36.1%	20.5%	27.3%	33.3%	42.3%	18.7%
Auto and spare part	12/17	97.1%	140.3%	11.2%	0.0%	-19.9%	844.9%

Sources: FiinproX 970 companies published report, ~97.1% market cap, 01/08/2025, GTJASVN Research

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THE TARIFF ISSUE IS SUBSIDING, BUT LONG-TERM IMPACTS NEED MONITORING

On August 1, US announced new reciprocal tariff rates for its trading partners. Among them, the reciprocal tariff rate for Vietnam is set at 20%.

Countries and Territories	Reciprocal Tariff, Adjusted
China	54%
Laos	40%
Myanmar (Burma)	40%
Canada	35%
India	25%
Mexico	25%
Taiwan (CN)	20%
Vietnam	20%
Cambodia	19%
Indonesia	19%
Malaysia	19%
Philippines	19%
Thailand	19%
Japan	15%
South Korea	15%
United Kingdom	10%

Sources: US Trade, GTJASVN Research



APPENDIX: GTJA WATCHLIST

Ticker	Sector	Target price	GTJA Latest report
STB	Banking	44,000	
MBB	Banking	33,000	link
VCB	Banking	71,325	
TCB	Banking		link
HDB	Banking	28,233	link
LPB	Banking		link
ACB	Banking	25,500	link
CTG	Banking	43,000	
VHM	Residential RE		link
KDH	Residential RE	38,000	link
NLG	Residential RE	42,600	
PDR	Residential RE		
HDG	Residential RE	34,300	
HDC	Residential RE		
AGG	Residential RE	19,000	
IDC	Industrial RE	53,000	
SZC	Industrial RE	Underperform	
BCM	Industrial RE	Underperform	
SIP	Industrial RE	79,200	
CTD	Construction	88,000	link
VCG	Construction	24,000	
HHV	Construction	13,500	
HPG	Steel	32,500	Link
HSG	Steel	18,000	link
NKG	Steel	15,000	

Ticker	Sector	Target price	GTJA Latest report
MWG	Retail	68,000	
PNJ	Retail	95,000	
FRT	Retail	191,000	link
SSI	Securities		
HCM	Securities		
MBS	Securities		
FTS	Securities		
VCI	Securities		
HAH	Logistics	72,000	link
BWE	Utilities	52,000	
MSR	Basic resources		link
DGC	Chemical	110,000	link
FPT	IT	130,000	
CTR	Communication	120,000	
TTN	Communication	21,100	link
PVS	Oil and gas	40,000	
PVD	Oil and gas		
GAS	Oil and gas	80,000	
PLX	Oil and gas		

Sources: 06/08/2025, GTJASVN Research

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GUOTAI JUNAN (VIETNAM) RESEARCH DEPARTMENT

Vũ Quỳnh Như

Research Analyst

nhuvq@gtjas.com.vn

(024) 35.730.073- ext:702

Ngô Diệu Linh

Research Analyst

linhnd@gtjas.com.vn

(024) 35.730.073- ext:705

Trịnh Khánh Linh

Research Analyst

linhthk@gtjas.com.vn

(024) 35.730.073- ext:707

Nguyễn Kỳ Minh

Chief Economist

minhnhk@gtjas.com.vn

(024) 35.730.073- ext:706

Trần Thị Hồng Nhung

Deputy Director

nhungtth@gtjas.com.vn

(024) 35.730.073- ext:703





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

CONTACT	HANOI HEAD OFFICE	HCMC BRANCH
For advising: (024) 35.730.073	P9-10, 1 st floor, Charmvit Tower	3 rd floor, No.2 BIS, Công Trường Quốc Tế, Ward 6, District 3, HCMC
For placing order: (024) 35.779.999	Tel.: (024) 35.730.073	Tel.: (028) 38.239.966
Email: info@gtjas.com.vn Website: www.gtjai.com.vn	Fax: (024) 35.730.088	Fax: (028) 38.239.696

