RONG VIET SECURITIES

MORNING News

WEAK PERFORMANCE

June 09, 2025

ANALYST-PINBOARD

Update on Banking Sector

MARKET AND TRADING STRATEGY

MARKET COMMENTARY

- The market has been unable to recover and continued to pull back, with downward pressure increasing compared to the previous two sessions. Liquidity rose from the prior session, indicating that supply has increased again, putting pressure on the market, especially due to strong net selling from foreign investors.
- The current sign of weakness continues to hinder the market's attempt to break above the 1,345 – 1,350 point resistance area. The correction may continue in the next trading session, but it's expected that the market will find support in the 1,322 point area, which is also the MA(20) area and the low point from the June 2, 2025, session. This area may still provide support and help the market recover to continue its process of probing supply and demand.

TRADING STRATEGY

- Investors should slow down and observe supply and demand movements to assess the market's condition.
- Investors should consider taking short-term profits to realize short-term gains and maintain a reasonable portfolio allocation.
- For new purchases, investors should temporarily exercise caution and be selective, prioritizing short-term opportunities in some stocks that are showing good signals from support areas or quickly correcting to strong support areas.

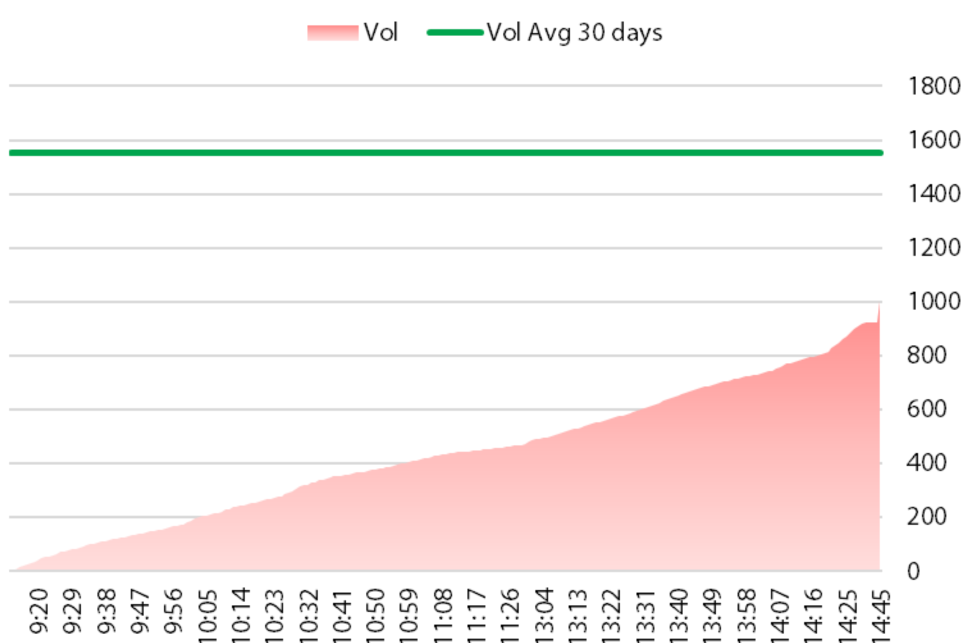
VN-INDEX TECHNICAL SIGNALS

TREND: SIDEWAY

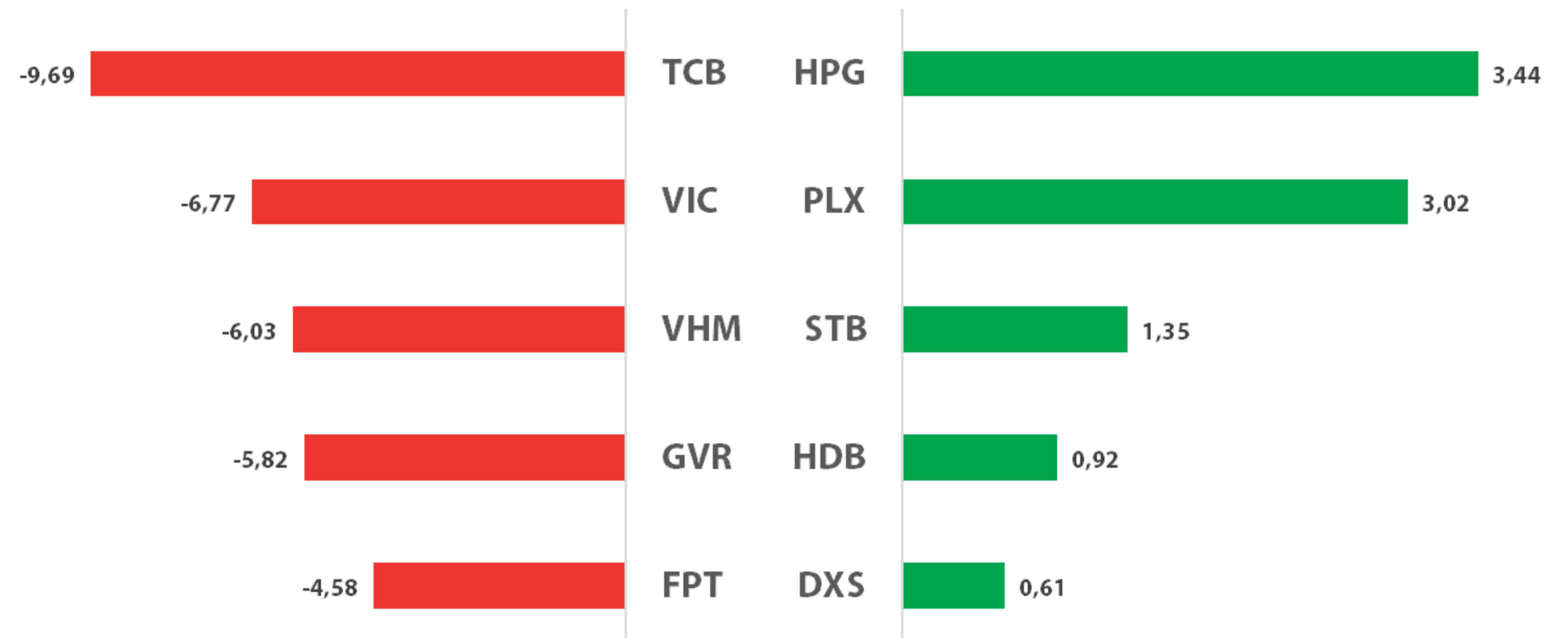
MARKET INFOGRAPHIC

June 06, 2025

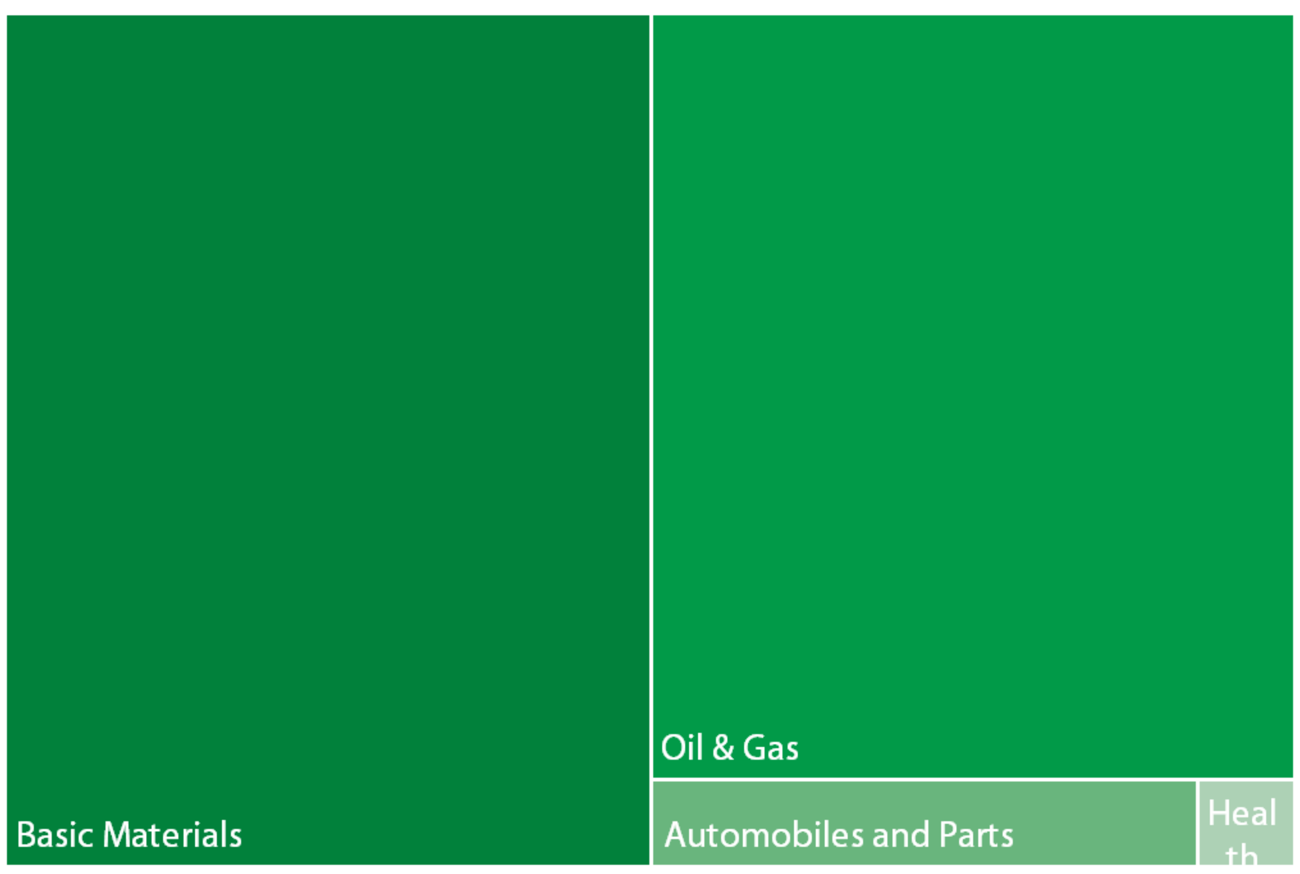
TRADING VOLUME (MILLION SHARES)

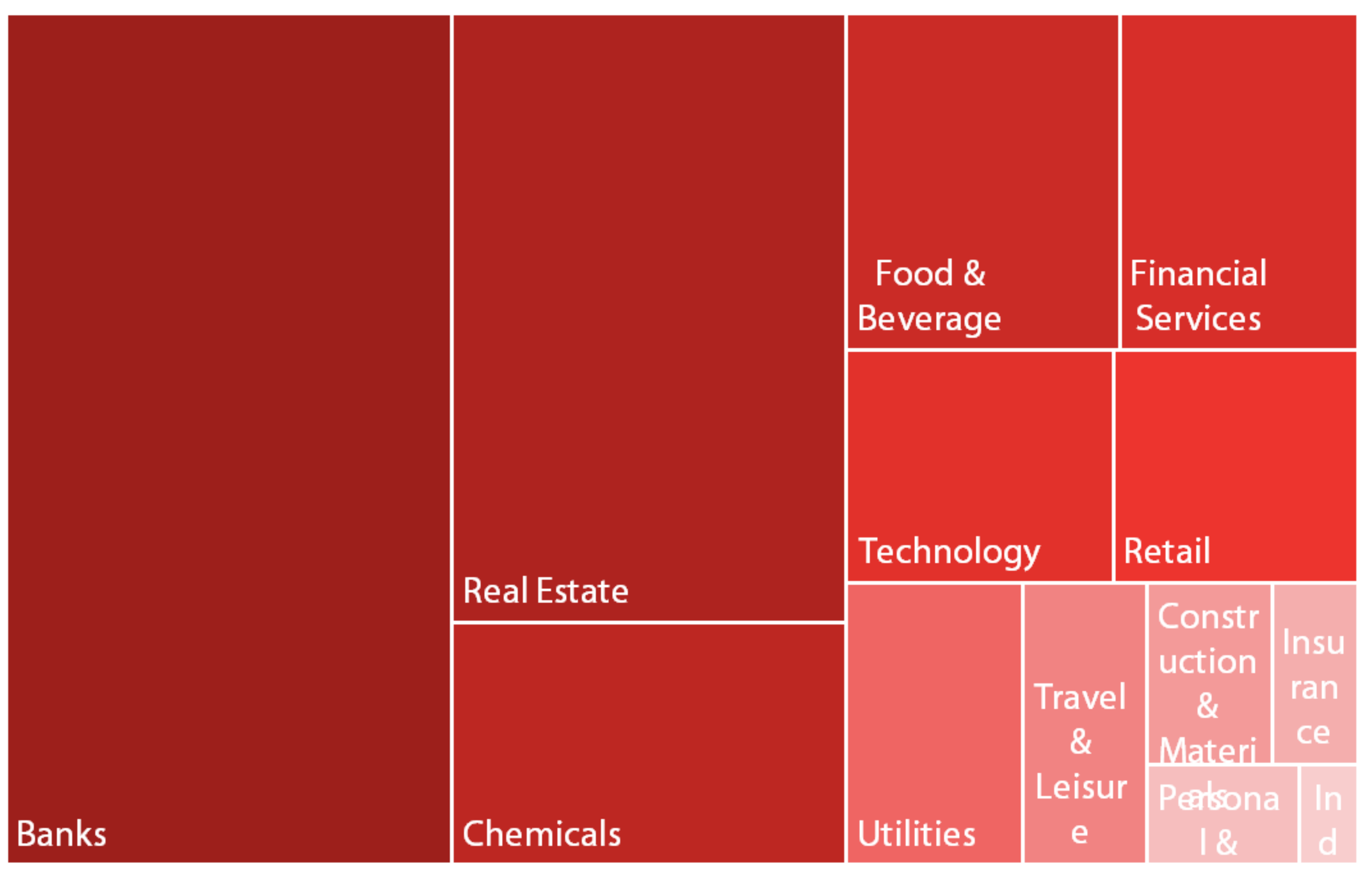


TOP STOCKS CONTRIBUTING TO THE INDEX (%)



TOP SECTOR CONTRIBUTING TO THE INDEX (%)



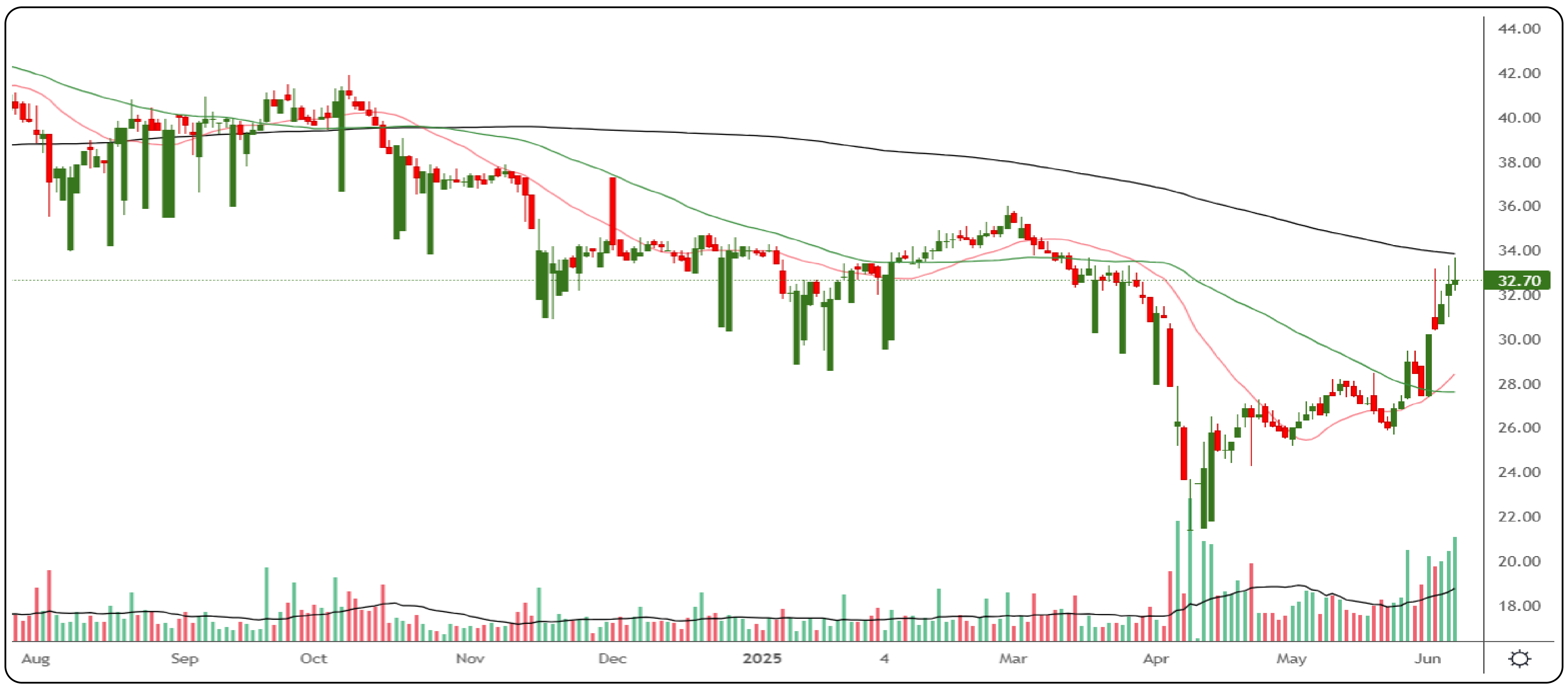


Ticker	Technical Analysis

PVS
Sideway

Support	Current Price	Resistance
29.0	32.7	34.0

After supportive signals from the MA(20) line, PVS saw an upward movement and quickly approached the MA(200) line, near the 34 area. However, PVS has been consistently met with resistance, and its upward momentum has been significantly curbed as it neared this line. The upper shadows near the 34 area with high liquidity in recent sessions indicate that supply pressure remains quite substantial. This pressure could lead to a corrective phase for PVS in the near future to retest supportive cash flow, with the 29 area serving as a fairly reliable support zone for PVS.



TV2
Uptrend

Support	Current Price	Resistance
38.0	40.4	48.0

Although TV2 is still in an upward trend, its momentum has slowed, and it's showing signs of a correction from the 43 - 44 area. The current downward movement may only be a rebalancing to find a support point after a prolonged rally. It's expected that the 38 - 39 support area, which is also the MA(20) area, will create supportive momentum and could help TV2 recover.

Ticker	Technical Analysis

DDV
Uptrend

Support	Current Price	Resistance
24.0	25.0	28.0

DDV continues to struggle in extending its uptrend beyond the 26 price zone. However, selling pressure at this level remains contained, as both volume and the range of decline stay low. Therefore, with the gradual rise of the MA20, DDV is expected to soon resume and expand its upward trend in the coming week.

PLX
Uptrend

Support	Current Price	Resistance
34.2	37.4	40.0

With strong upward momentum, PLX has broken out of its prolonged consolidation phase below the 36 level. The wide candlestick range and surging liquidity support this breakout signal. Given this development, PLX is expected to soon approach its next target at the 200-day moving average (around 40).

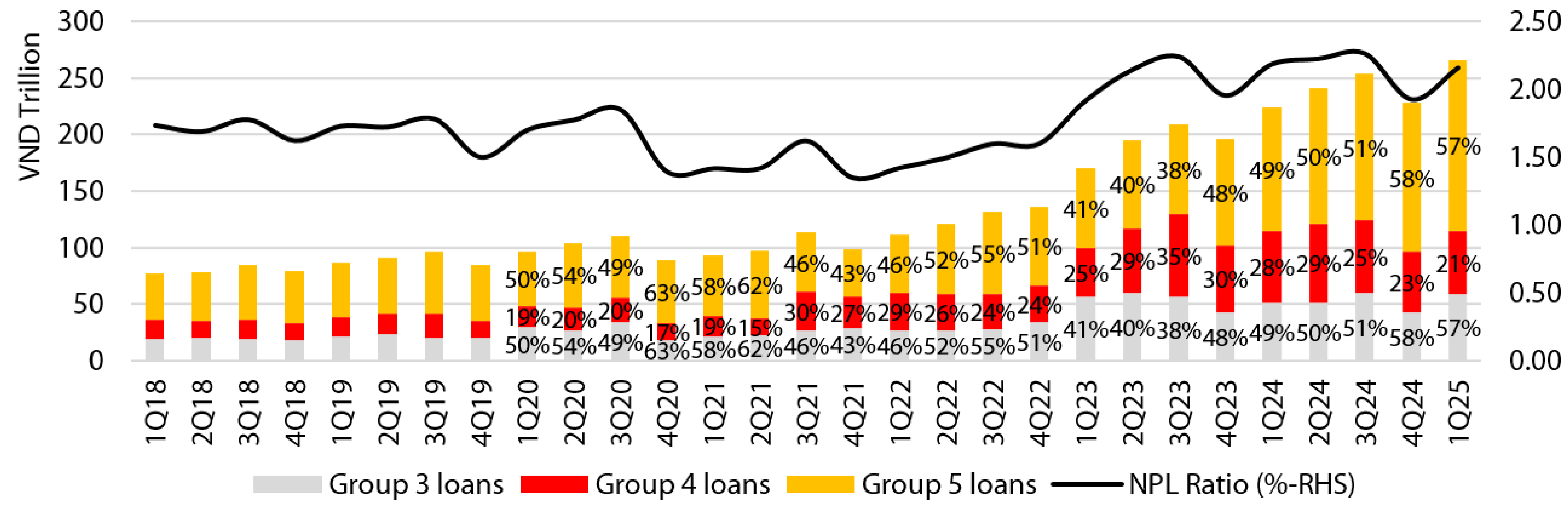
HIGHLIGHT POINTS

Update on Banking Sector's Asset Quality in 1Q25

(Tung Do – tung.dt@vdsc.com.vn)

- On-balance sheet non-performing loans (NPLs) from customer loans at 27 listed banks increased by over VND 37 trillion in 1Q25, following a reduction of more than VND 25 trillion in the prior quarter, representing a 16% QoQ increase. As a result, the total on-balance sheet NPLs at the end of 1Q25 rose to over VND 265 trillion, corresponding to an NPL ratio of 2.16%, compared to 1.92% at the end of 2024.
- Net NPL formation (before write-offs) in 1Q25 reached VND 64.5 trillion, a significant increase from approximately VND 11 trillion in the previous quarter. Of this, net NPL formation for the banking group (excluding consumer finance companies) amounted to VND 57.5 trillion, with a high concentration among four banks—BID, CTG, VPB, and MBB—accounting for 69% of the total net NPL formation.
- NPLs are expected to continue rising in the upcoming quarter, driven by the strong net increase in Group 2 loans, estimated to be equivalent to the net NPL formation in 1Q25, with significant latent NPL risks remaining. However, the scale of new NPLs will vary between state-owned banks and joint-stock commercial banks, as the substantial NPLs incurred by BID and CTG in 1Q25 have passed probation period and returned to the standard loan category.
- Specific credit risk provisioning expenses amounted to nearly VND 29 trillion, representing only 45% of the net NPL formation. Consequently, the industry's loan loss reserve (LLR) coverage ratio declined to 92% at the end of 1Q25 from 110% in the prior quarter. The LLR coverage ratio for state-owned banks remained above 100%, at 132% (4Q24: 167%), while that of joint-stock commercial banks (JSCBs) further deteriorated to 56% (4Q24: 62%). The low LLR coverage ratio for JSCBs will increase pressure to bolster provisions to address both existing on-balance sheet NPLs (with a high proportion of Group 3 and 4 loans) and newly arising NPLs to manage the NPL ratio effectively.

Figure 1: On-balance sheet NPLs of listed banks surged again in 1Q25



Source: Banks' reports, RongViet Securities

*If you are interested in this content, please click on the **link** to view more details.*

RECOMMENDATIONS STATISTICS

Date	Ticker	Current Price	Entry Price	Short-term Target Price 1	Short-term Target Price 2	Stop-loss	Exit Price	Gain/ Loss	Status	Change of VN-Index (*)
05/06	HCM	25.55	26.10	28.00	30.50	24.90		-2.1%		-1.2%
04/06	VIB	17.85	18.10	19.50	21.00	17.20		-1.4%		-1.3%
30/05	PVS	32.70	28.00	31.00	34.00	26.80	33.00	17.9%	Closed (06/06)	-0.9%
28/05	MWG	60.50	64.20	70.00	74.00	60.90	60.90	-5.1%	Closed (02/06)	-0.3%
27/05	CTG	38.20	39.10	42.00	45.00	37.80		-2.3%		-0.2%
22/05	VPB	17.80	18.30	20.00	22.50	17.40		-2.7%		1.2%
21/05	HDB	21.80	22.30	23.80	26.00	21.30		-2.2%		1.1%
16/05	VCG	21.95	21.10	23.20	25.70	20.10		4.0%		1.3%
15/05	HPG	26.05	26.00	28.00	30.00	24.90		0.2%		1.5%
14/05	CTD	80.30	81.00	88.00	96.00	76.80		-0.9%		2.8%
13/05	ACB	21.00	20.47	21.73	23.40	19.47		2.6%		3.6%
09/05	FPT	115.00	114.00	122.00	130.00	106.80		0.9%		4.7%
Average performance (QTD)								2.4%		1.7%

(*) Change of VN-Index (calculated from Recommendation date to position closing date) is the basis for comparing recommendation effectiveness.

Vietnam events

Date	Events
02/06/2025	Publication of PMI (Purchasing Managers Index)
06/06/2025	Announcement of Vietnam's economic data May 2025
06/06/2025	Puclication of FTSE ETF portfolio
13/06/2025	Puclication of VNM ETF portfolio
19/06/2025	Expiry date of VN30F2506 futures contract
20/06/2025	Related ETFs FTSE ETF and VNM ETF complete portfolio restructuring
**MSCI assesses Vietnam stock market classification in Jun 2025*	

Global events

Date	Countries	Events
02/06/2025	UK	Final Manufacturing PMI
02/06/2025	US	Final Manufacturing PMI
02/06/2025	EU	Final Manufacturing PMI
03/06/2025	China	Caixin Manufacturing PMI
03/06/2025	US	JOLTS Job Openings
05/06/2025	EU	ECB Monetary Policy Statement
06/06/2025	US	Nonfarm Payroll
09/06/2025	China	CPI y/y
10/06/2025	UK	Claimant Count Change
11/06/2025	US	CPI m/m
12/06/2025	UK	GDP m/m
12/06/2025	US	PPI m/m
13/06/2025	China	House Price Index y/y
13/06/2025	US	Prelim UoM Consumer Sentiment
13/06/2025	US	Prelim UoM Inflation Expectations
17/06/2025	US	Retail Sales m/m
18/06/2025	UK	CPI y/y
18/06/2025	EU	CPI y/y
19/06/2025	UK	BOE Monetary Policy Report
19/06/2025	US	FOMC Meeting Minutes
20/06/2025	UK	Retail Sales m/m
20/06/2025	China	Loan Prime Rate
26/06/2025	US	Final GDP q/q
27/06/2025	US	Core PCE Price Index m/m

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RONGVIET RECENT REPORT

COMPANY REPORTS	Issued Date	Recommend	Target Price
OCB – Credit growth as a key driver of profitability	May 29th 2025	Accumulate	11,950
CTG – Solid Growth Outlook as Provisioning Pressures Subside	May 15th 2025	Buy – 1 year	45,200
HPG – The Steel Titan Stirs	May 09th 2025	Buy – 1 year	33,800
DCM – The thrust from selling price is not strong enough	Apr 22nd 2025	Accumulate	34,500
SCS – Standing at the turning point of life	Apr 17th 2025	Observe	N/A
Please find more information at https://www.vdsc.com.vn/en/research/company			

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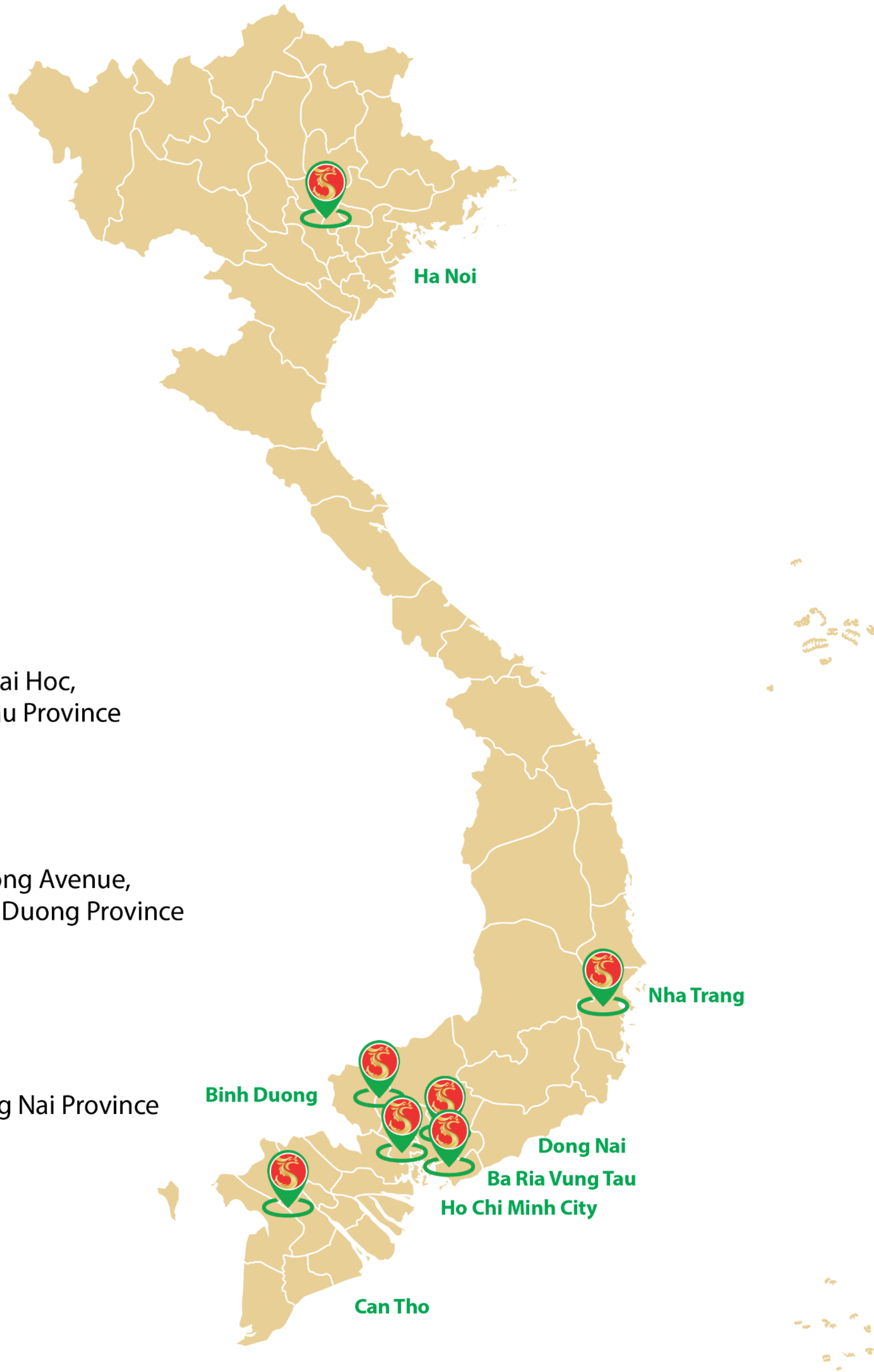

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