



## MOVE FORWARD

*January 20, 2025*



### RECOMMENDED STOCK

TICKER: VIB (HSX STOCK EXCHANGE)

### ANALYST PINBOARD

GROWTH PROSPECTS OF HDBank (HDB)



MARKET AND TRADING STRATEGY

MARKET COMMENTARY

- The market has made an effort to overcome the disputed area of 1,243 points and expand the recovery. Liquidity decreased compared to the previous session, showing that the current supply pressure is not large. Although liquidity is still low, the market's ability to increase is still maintained quite well.
- With recent support signals, the market is likely to continue to be supported and move towards the area of 1,253 - 1,260 points in the near future. This area is quite important, the supply and demand developments in this area may affect the next direction of the market.

TRADING STRATEGY

- Investors can expect the possibility of expanding the recovery but still need to observe the supply and demand developments to assess the market status.
- Investors can take advantage of the current price increase to take short-term profits on stocks that have increased to the resistance area. However, investors can consider exploiting short-term opportunities in some stocks with positive developments from the support area.

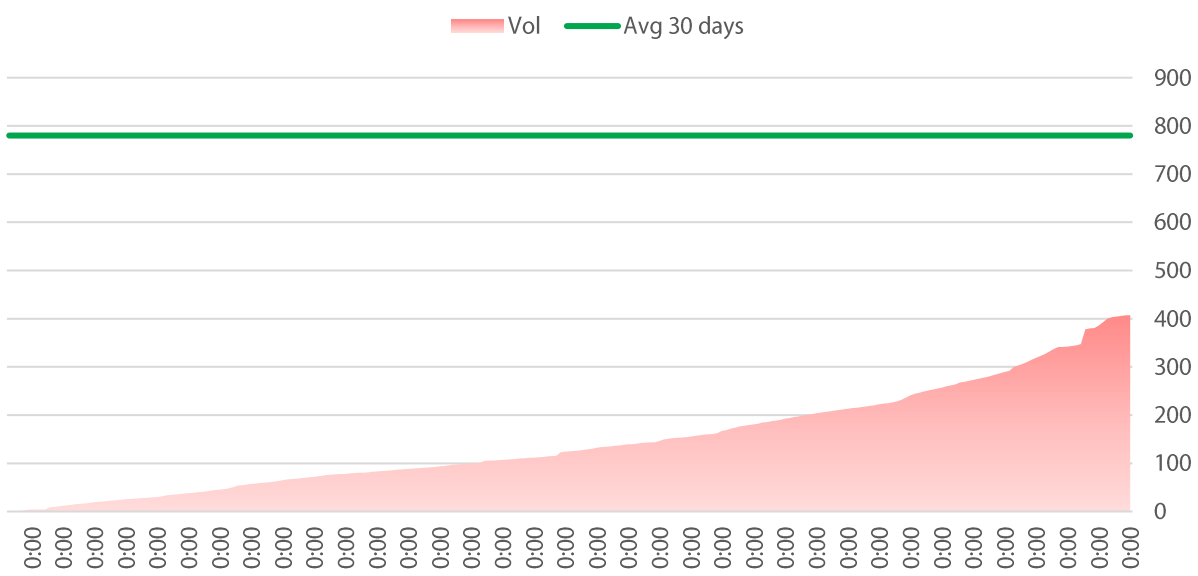
VN-INDEX TECHNICAL SIGNALS

TREND: **SIDEWAY**



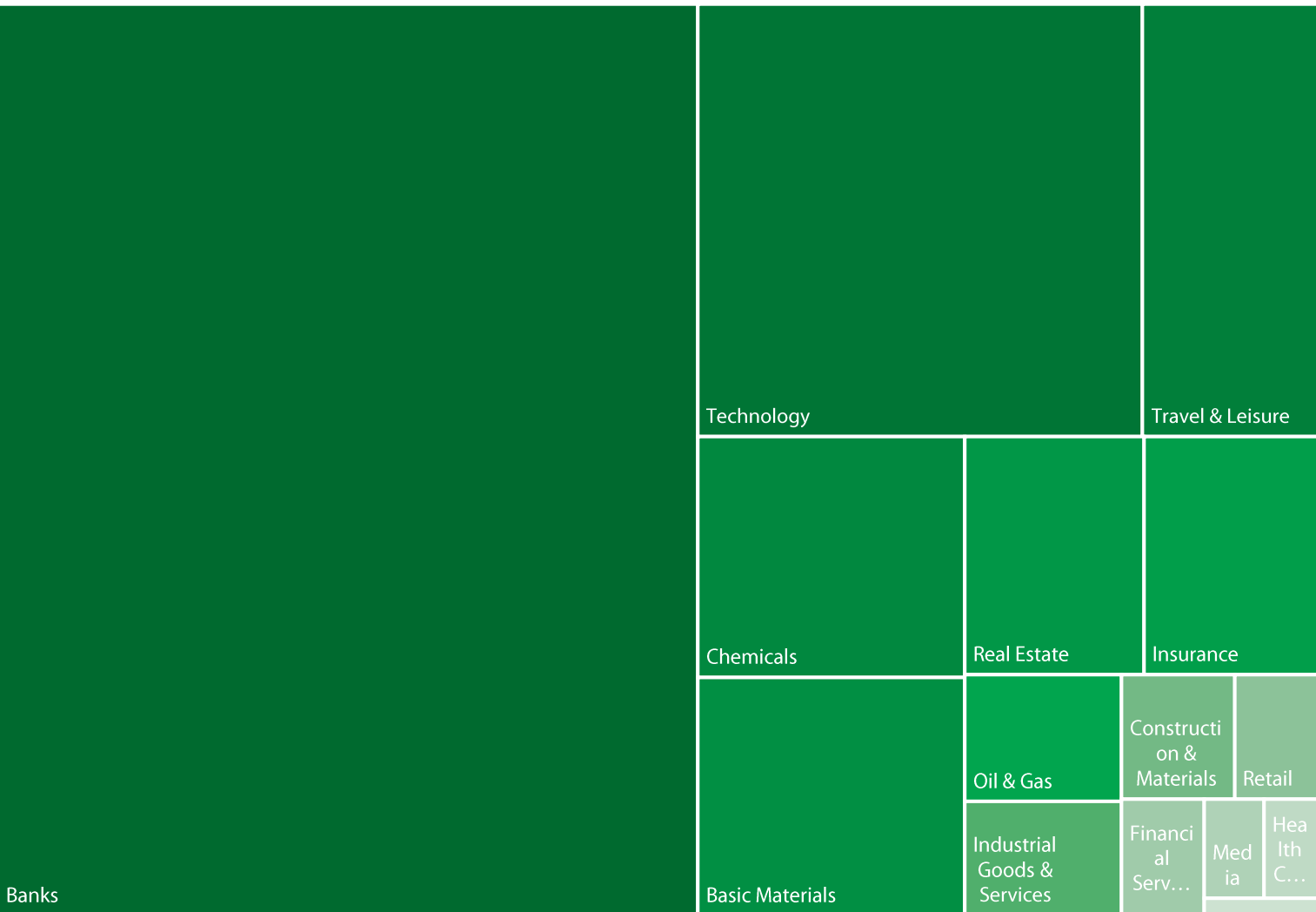
MARKET INFOGRAPHIC

TRADING VOLUME (MILLION SHARES)



January 17, 2025

TOP STOCKS CONTRIBUTING TO THE INDEX (%)



Vietnam International Commercial Joint Stock Bank

VIB

HSX

TARGET PRICE

23,500 VND

Recommendation - BUY

Recommended Price (20/01/2025) (\*)

19,500 – 19,800

Short-term Target Price 1

21,300

Expected Return 1 (at recommended time):

▲ 7.6% - 9.2%

Short-term Target Price 2

23,500

Expected Return 2 (at recommended time):

▲ 18.7% - 20.5%

Stop-loss

18,400

(\* Recommendation is made before the trading session)

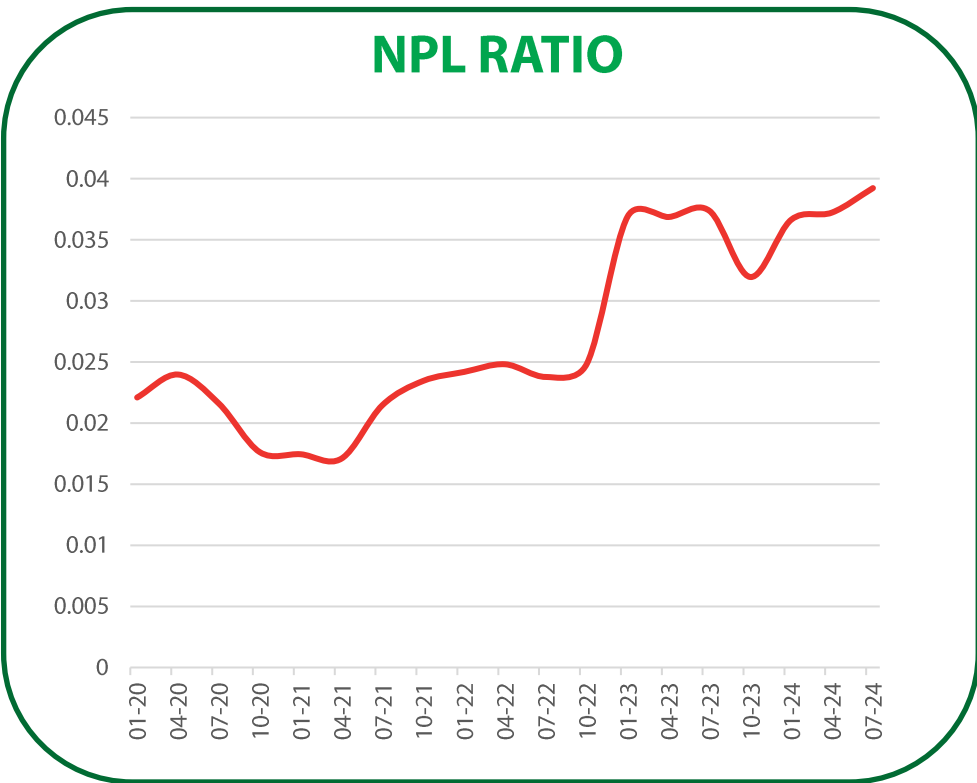
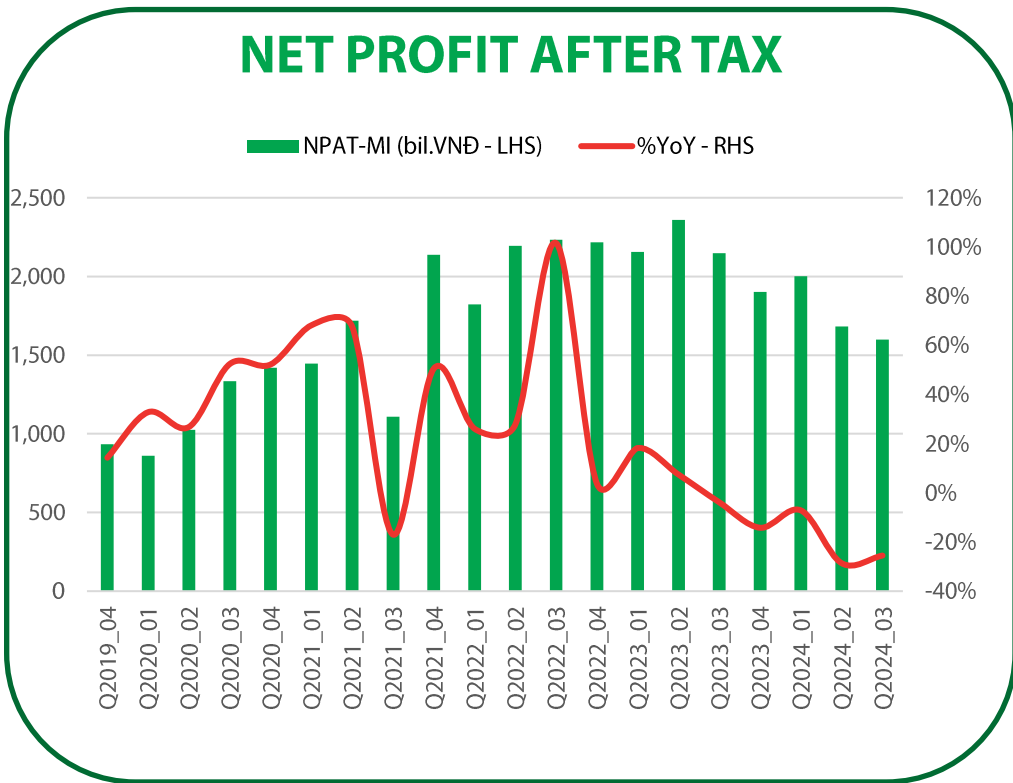
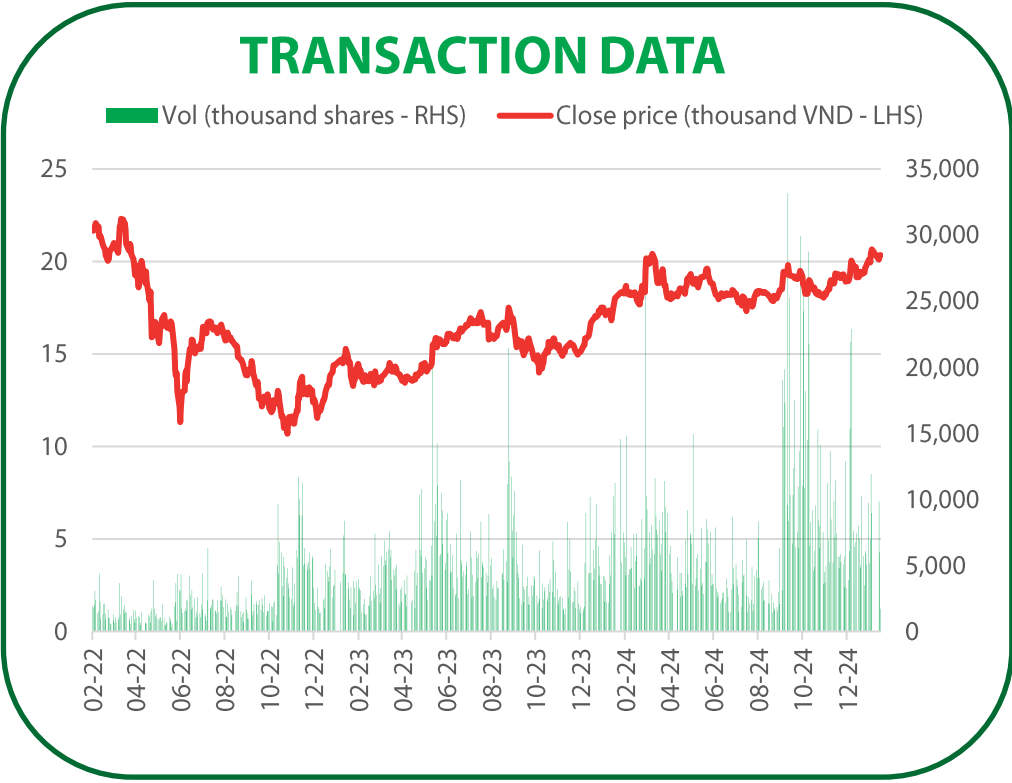
STOCK INFO

Sector	Banks
Market Cap (\$ mn)	59,136
Current Shares O/S (mn shares)	2,979
3M Avg. Volume (K)	9,520
3M Avg. Trading Value (VND Bn)	180
Remaining foreign room (%)	0.0%
52-week range ('000 VND)	16.809-20.420

INVESTMENT THESIS

- VIB's 3Q2024 business results were less positive with total operating income decreasing by 18% YoY to VND 4,936 billion due to NIM compression and a sharp decline in service income. VIB's PBT decreased by 26% YoY to VND 1,998 billion.
- NIM compression was due to competitive pressure, abundant market liquidity, and deposit interest rates adjusting in line with the policy rate, which decreased by 100 bps compared to the end of 2023 to 3.73%. A sharp decline in net interest income from banca and weakness in other service categories caused VIB's non-interest income to decrease by 42% YoY in 3Q.
- The NPL ratio (customer loans) increased to 3.9% in 3Q2024, but we expect asset quality and credit costs to improve soon as: (1) Group 2 debt has tended to decrease in the last three quarters, (2) bad debt increased mainly in Group 5 (fully provisioned), while Group 3 and Group 4 debt decreased in the last two quarters.
- We adjust our 2024F PBT forecast down 17% from our previous forecast to VND 9.6 trillion, down 11% YoY. 2025F PBT is expected to grow by 18% to VND 11.3 trillion thanks to 17.2% credit growth driven by a recovery in retail credit and other non-interest income +25% based on the target of boosting the recovery of bad debts that have been handled for risk.



KEY FINANCIAL INDICATORS



TECHNICAL VIEW

- After the oversold state below MA(20), at 19.3, VIB was supported and returned above this line. At the same time, VIB also had a fairly stable price increase with the support efforts of cash flow in the last 5 sessions. These signals can help VIB continue the process of gradually increasing prices in the near future. Therefore, investors can consider the disputes and step back to accumulate buying for VIB.
- Support: 19,000 VND.
- Resistance: 25,000 VND.



Ticker	Technical Analysis
<div>CTD</div> <div>Uptrend</div>	<div><div>Support</div><div>69.7</div><div>Current Price</div><div>74.0</div><div>Resistance</div><div>77.0</div></div> <div><p>➤ With the third consecutive increase, CTD is approaching the strong resistance zone around 77 (the peaks from March and June 2024). However, as the price approaches this critical resistance following a prolonged uptrend, selling pressure is expected to intensify significantly at this level. Furthermore, the RSI indicator has entered the overbought zone, while the price has consistently hovered near the upper band of the Bollinger Bands for a considerable time. This indicates a high likelihood of significant corrections or volatility in the market next week. Therefore, investors should consider prioritizing profit-taking strategies to secure gains.</p></div> <div></div>
<div>HHV</div> <div>Uptrend</div>	<div><div>Support</div><div>11.7</div><div>Current Price</div><div>12.6</div><div>Resistance</div><div>13.5</div></div> <div><p>➤ HHV not only absorbed the selling pressure from the shares that became tradable on January 15, 2024, but also closed above the resistance level around 12.5 (the peak from September 2024). Furthermore, the trading volume consistently staying above the 20-day average reflects active investor participation. This positive development further reinforces the momentum toward the next target at 13.5</p></div> <div></div>



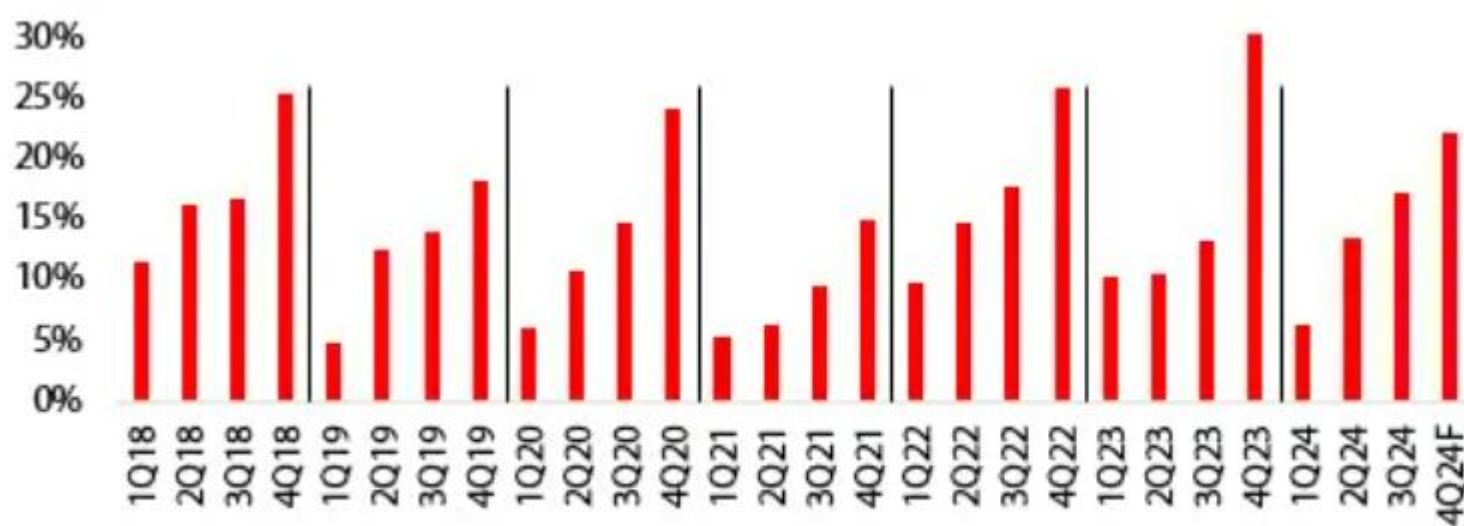
HIGHLIGHT POINTS

HDB: Growth prospects supported by the mandatory acquisition of Dong A Bank

(Trang To – trang.th@vdsc.com.vn)

- On January 17, 2025, HDB officially received the mandatory transfer of Dong A Bank (DAB) after preparing financial resources since 2022.
- We expect HDB to continue maintaining growth in credit scale and market share in the industry, thanks to the incentive mechanisms from the State Bank of Vietnam (SBV) for commercial banks receiving mandatory transfer. In addition, HDB will be supported by the SBV to grow its total assets and profitability through the flexible use of lending and investment capital, while minimizing the negative impact of DAB on HDB.
- The SBV provides support policies for restructuring weak banks by accelerating the collection of bad debts and creating mechanisms for generating profits, enabling these banks to operate independently in the future. After the mandatory transfer of CBBank and Oceanbank to VCB and MBB in October 2024, the SBV continued with the mandatory transfer of two weak banks, DAB and GPBank, to HDB and VPB on January 17, 2025.

Figure1: HDB has been granted more credit room ...

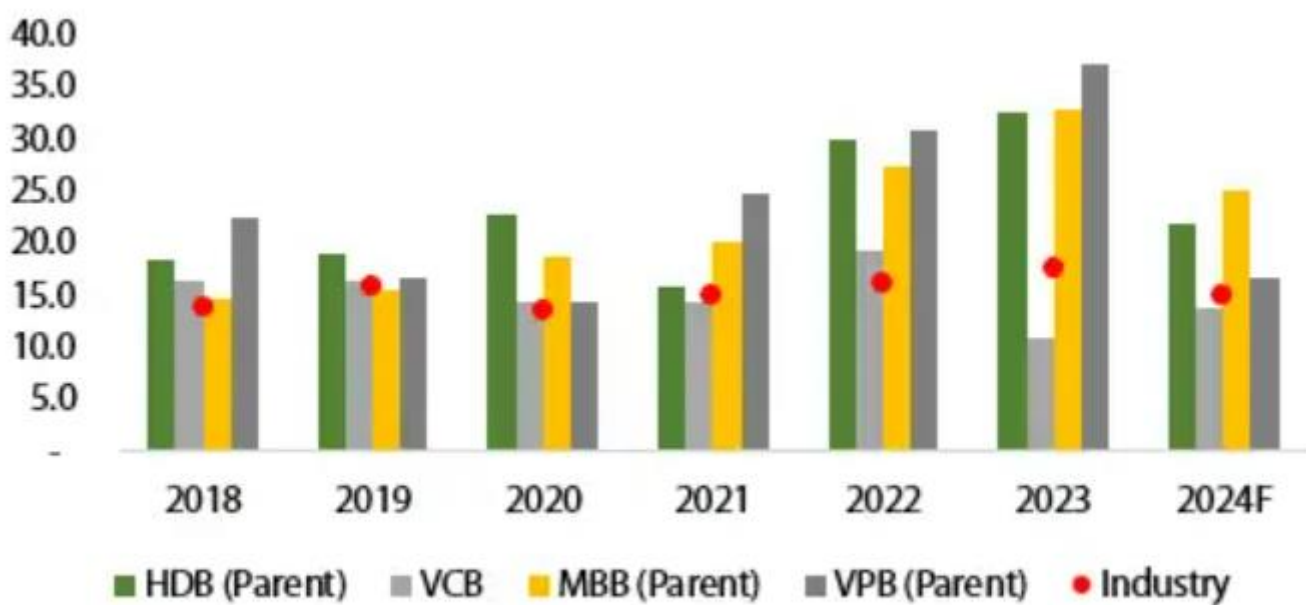


Source: HDB, RongViet Securities

Figure 2: Right and obligations of the entity receiving mandatory ...

Rights and obligations of commercial banks receiving mandatory transfers	Effects
<ul style="list-style-type: none"><li>Ownership of 100% of the charter capital of the acquired commercial bank, without the need to consolidate the financial statements of that bank.</li><li>No need to provision for impairments on investments in the acquired commercial bank.</li></ul>	Minimizing negative impacts on the consolidated financial statements, safety ratios, and regulatory limits of the acquiring commercial bank after the mandatory transfer.
<ul style="list-style-type: none"><li>The acquired commercial bank is excluded when calculating the consolidated capital adequacy ratio.</li><li>Outstanding credit balances with the acquired commercial bank are excluded when calculating regulatory ratios and limits.</li></ul>	
<ul style="list-style-type: none"><li>Loans and deposits at the acquired commercial bank can be made according to the plan or by mutual agreement.</li><li>Selling or selling with a repurchase agreement NPLs or bonds that are classified as standard loans for the acquired commercial bank according to the agreement, with the obligation to repurchase those loans or bonds if they are later classified as bad debts.</li></ul>	Creating a profit-generating mechanism for the acquired commercial bank through (1) High-quality income-generating assets and (2) Allocated funding from the acquiring commercial bank and SBV under preferential cost conditions. The acquired commercial bank under mandatory acquisition is exempt from provisioning for the purchased debts from the acquiring bank.

Figure 3: Right and obligations of the entity receiving mandatory ...



Source: HDB, VCB, MBB, VPB, RongViet Securities

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Date	Ticker	Current Price	Entry Price	Short-term Target Price 1	Short-term Target Price 1	Stop-loss	Exit Price	Gain/ Loss	Status	Change of VN-Index (*)
15/01	BCM	69.20	69.20	73.00	84.00	62.80		0.0%		1.0%
09/01	VCG	19.55	18.00	19.40	21.00	17.30		8.6%		-0.2%
03/01	VIB	19.85	19.50	21.30	23.50	18.40		1.8%		-1.6%
02/01	VCB	92.50	91.50	99.00	109.00	87.80		1.1%		-1.4%
27/12	DBC	26.65	28.50	30.50	32.00	27.40	27.40	-3.9%	Closed (06/01)	-1.9%
26/12	HT1	12.60	11.90	13.00	14.50	11.20		5.9%		-2.0%
25/12	DPR	38.70	38.70	42.00	45.50	36.40		0.0%		-0.9%
24/12	LAS	18.70	22.20	24.80	27.30	20.80	20.80	-6.3%	Closed (06/01)	-1.1%
24/12	IJC	13.60	13.85	14.80	16.00	13.30	13.30	-4.0%	Closed (10/01)	-2.6%
20/12	HCM	28.50	29.30	31.80	35.00	27.70	27.70	-5.5%	Closed (10/01)	-1.9%
20/12	HDG	27.60	30.20	32.50	35.00	28.30	28.30	-6.3%	Closed (06/01)	-0.4%
19/12	CTD	74.00	64.80	72.00	83.00	61.80		14.2%		-1.3%

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

Vietnam events

Date	Events
02/01/2025	Publication of PMI (Purchasing Managers Index)
06/01/2025	Announcement of Vietnam's economic data December 2024
16/01/2025	Expiry date of VN30F2501 futures contract
20/01/2025	Announcement of constituent stocks in the new VN30 basket

Global events

Date	Countries	Events
08/01/2025	U.S	Crude Oil Inventories
09/01/2025	U.S	Natural Gas Storage
14/01/2025	U.S	Federal Budget Balance
14/01/2025	U.S	PPI m/m
15/01/2025	U.S	Crude Oil Inventories
15/01/2025	U.S	CPI m/m , y/y
16/01/2025	U.S	Retail Sales m/m
16/01/2025	U.S	Natural Gas Storage
16/01/2025	U.K	GDP m/m
17/01/2025	China	GDP q/y
23/01/2025	U.S	Crude Oil Inventories
23/01/2025	U.S	Natural Gas Storage
29/01/2025	U.S	Crude Oil Inventories
30/01/2025	U.S	Natural Gas Storage
30/01/2025	EU	Monetary Policy Statement
30/01/2025	U.S	Federal Funds Rate
30/01/2025	U.S	Advance GDP q/q
30/01/2025	EU	ECB Press Conference
31/01/2025	U.S	Core PCE Price Index m/m



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RONGVIET RECENT REPORTS

COMPANY REPORTS	Issued Date	Recommend	Target Price
TNG - Upside potential is limited as high-growth phase ends	Dec 02 <sup>rd</sup> 2024	Accumulate – 1 year	26,700
VHC - Export volume remains the key driver of growth momentum	Nov 18 <sup>th</sup> 2024	Observe – 1 year	73,300
GDA - Attractive Valuation & Potential from New Factory	Nov 01 <sup>st</sup> 2024	Buy – 1 year	38,700
FRT - Heading to the future with health care platform	Oct 31 <sup>st</sup> 2024	Observe – 1 year	n/a
MWG – Back on the growth race in the medium term by Bach Hoa Xanh	Oct 21 <sup>st</sup> 2024	Neutral – 1 year	63,700
Please find more information at <a href="https://www.vdsc.com.vn/en/research/company">https://www.vdsc.com.vn/en/research/company</a>			

FUND CERTIFICATES INFORMATION

Fund name	Trading Day	Subscription Fee (% of trading value)	Redemption Fee (% of trading value)	NAV per unit at valuation date	NAV per unit last valuation date	Change in NAV
DFVN-CAF	17/11/2020	0% - 0.20%	0% - 0.20%	10,773	10,738	0.33%
ENF	19/11/2020	0% - 3%	0%	21,868	21,433	2.03%
MBBF	10/02/2020	0%- 0.5%	0%-1%	11,567	11,462	0.92%
MBVF	12/11/2020	0%	0%-1.4%	16,483	16,326	0.96%
VF1	25/11/2020	0% - 0.6%	0% - 3%	46,218	46,303	-0.18%
VF4	25/11/2020	0% - 0.6%	0% - 3%	18,901	18,945	-0.23%
VFB	19/11/2020	0% - 0.6%	0% - 3%	20,557	20,529	0.13%



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