BSC
BIDV SECURITIES JSC

EMERGING MARKETS



FTSE RUSSELL
An LSEG Business

MSCI

Thematic report

Vietnam – Road to Emerging Market (Part 1)

03/2025

Content

01 Current state of Vietnam's stock market

1. Organizational structure of Vietnam's stock market
2. Current status of Vietnam's stock market system
3. Listed assets on Vietnam's stock market
4. Update on FTSE market classification assessment
5. Update on MSCI market classification assessment
6. Challenges faced by foreign investors in accessing Vietnam's stock market
7. Solutions proposed by the SSC with the goal of upgrading the stock market

02 Upgrade of Vietnam's stock market

1. "Frontier market tag" has become outdated for Vietnam
2. At which stage is Vietnam in the reform process to upgrade its market classification
3. FTSE Russell's history of market upgrades and downgrades (2008–2024)
4. Awaiting SSC's implementation of plans to upgrade Vietnam's stock market in 2025
5. Forecast on the market upgrade process and key considerations

03 Index performance and foreign capital flows

1. Review of Asian countries' market classification by MSCI and FTSE
2. Index trends and foreign flows in Qatar and China during FTSE/MSCI upgrades
3. Index trends and foreign flows in UAE and Parkistan during FTSE/MSCI reclassification
4. Foreign capital flow in Asian countries following FTSE Russell market upgrades
5. Market performance, liquidity movements in Asian countries following FTSE Russell upgrades
6. Key considerations in the upcoming upgrade process in Vietnam

04 Notable stocks

1. Summary of Notable Related Information
2. VCB – The boulder of the industry
3. HPG – King of steel
4. VHM – Vietnam real estate's market marker
5. VNM – The leading position in Vietnam's dairy sector
6. MSN – Unlock efficiency phase
7. SSI – Leading position along with bright prospects
8. VRE – Sustaining market leadership in shopping mall operations
9. VIC – Launching pad for global ambitions

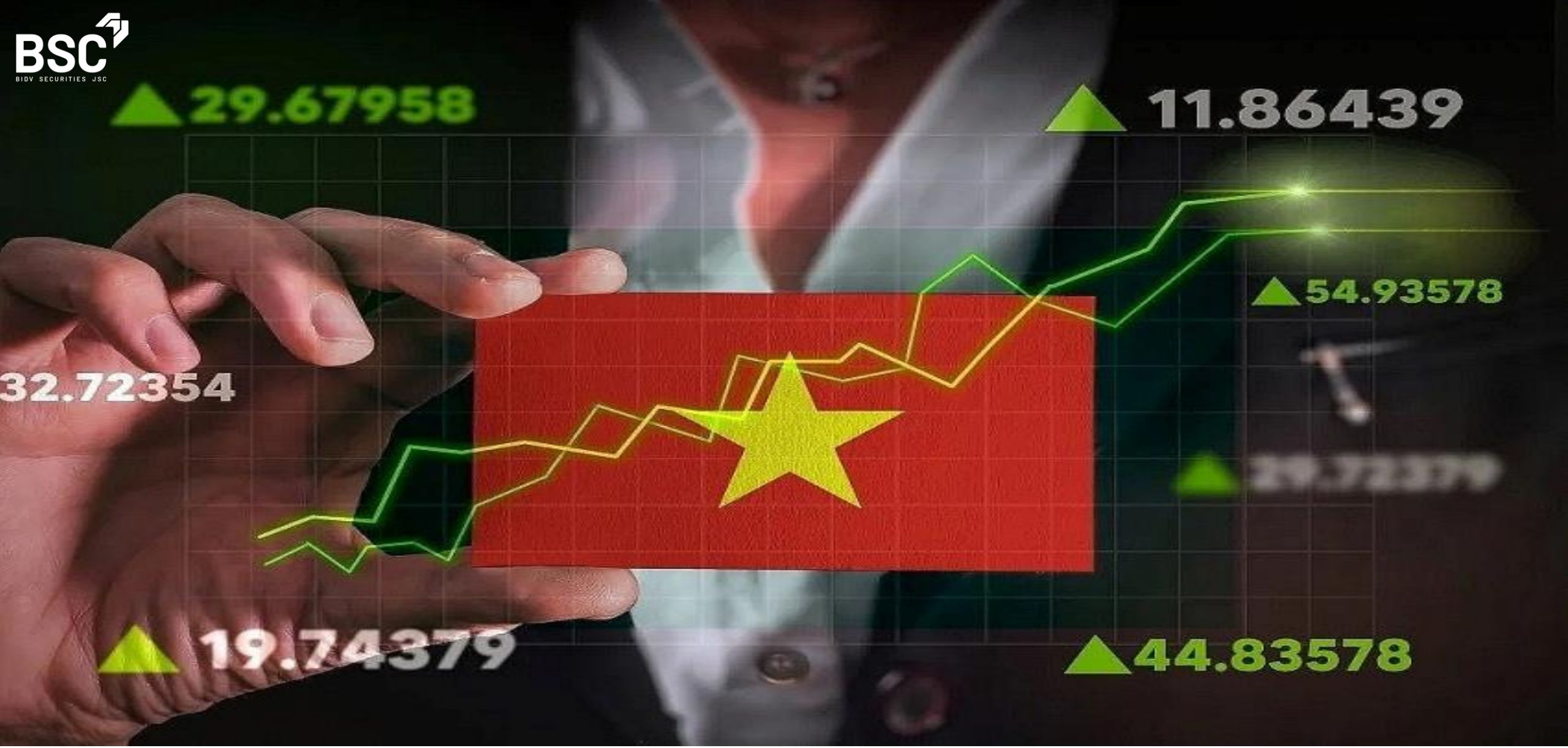
05 APPENDIX

1. Research and reference materials
2. Governance framework of FTSE Russell
3. Governance framework of MSCI

In charge of content

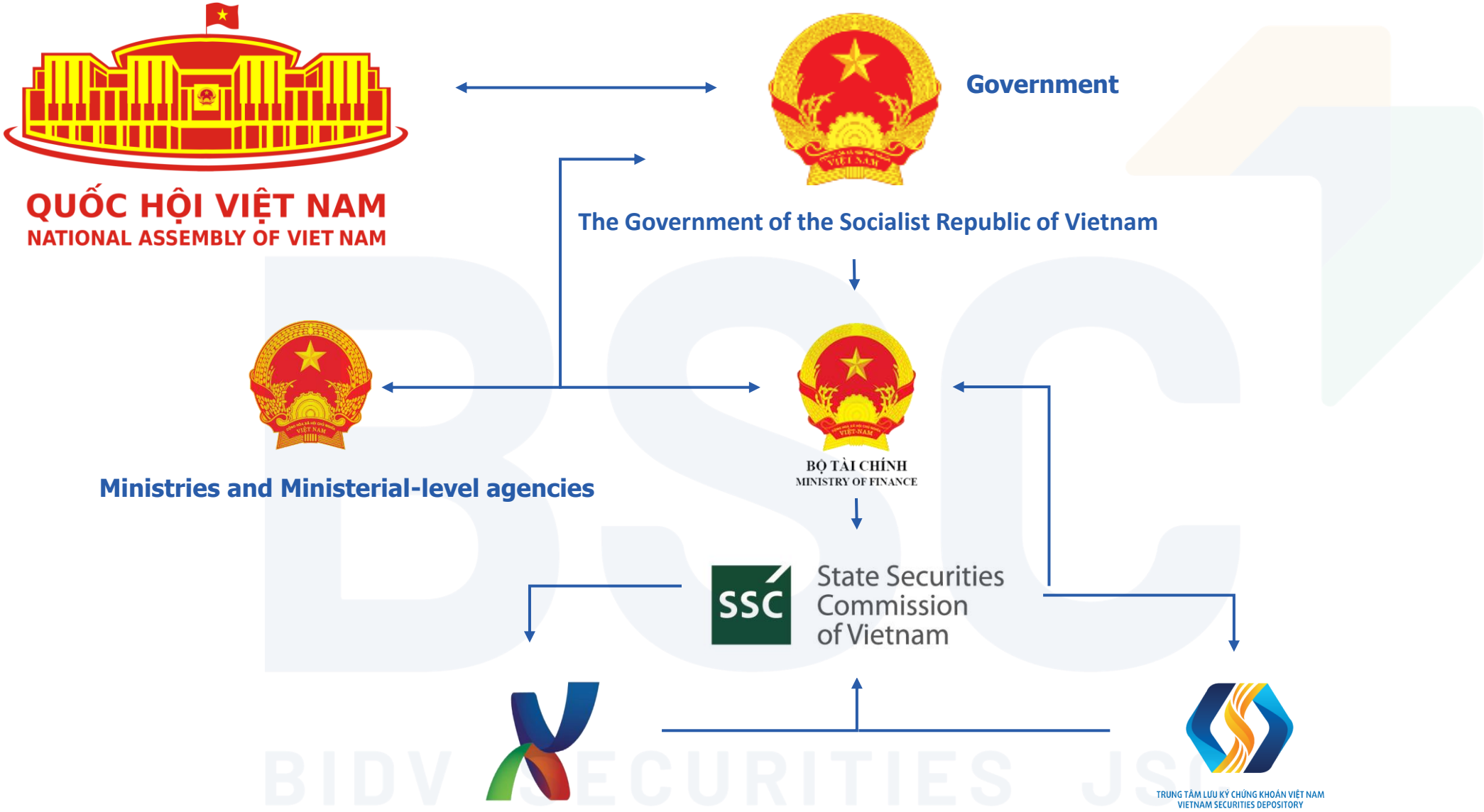


Mr. Vu Viet Anh
Analyst
12 yrs+
Macro - Market
Anhvv@bsc.com.vn



Current state of Vietnam's stock market

Organizational structure of Vietnam's stock market



Source: Collected by BIDV Securities Joint Stock Company

Current status of Vietnam's stock market system

State Securities Commission of Vietnam

KRX

VIETNAM EXCHANGE
SỞ GIAO DỊCH CHỨNG KHOÁN VIỆT NAM

HOSE

HANOI STOCK EXCHANGE
SỞ GIAO DỊCH CHỨNG KHOÁN HÀ NỘI

- Derivatives
- Government bonds
- Corporate bonds
- Listed stocks
- UPCOM

Enhancing liquidity,
Developing new products and services

CCP

TRUNG TÂM LƯU KÝ CHỨNG KHOÁN VIỆT NAM
VIETNAM SECURITIES DEPOSITORY

- Settlement (CS)
- Registration (DR)
- Depository (DR)

Synchronize investor information, trading accounts and securities
Online integration with the systems of the SSC and stock exchanges

New Products: Short selling of stocks, allowing sale of stocks pending settlement, stock option contracts…



(1997 – 2003)
Trading volume: 14 times
Trading value: 4 times

(2014 – 2015)
Trading value: 26%

(2014)
Trading volume & Trading value: increase in short term

(2017)

NGÂN HÀNG NHÀ NƯỚC VIỆT NAM
STATE BANK OF VIETNAM

? → Clearing member

T + 2 → T + 1/ T+0 ?

Only 1 SID

Source: Collected by BIDV Securities Joint Stock Company

Listed assets on Vietnam's stock market

VIETNAM EXCHANGE
SỞ GIAO DỊCH CHỨNG KHOÁN VIỆT NAM

700 Listed companies

Foreign investors seeking investment opportunities

HOSE — **394** Companies

306 Companies — HANOI STOCK EXCHANGE (SỞ GIAO DỊCH CHỨNG KHOÁN HÀ NỘI)

Draft amendment to Decree 155 -> Reducing the time required for listing and IPO : **From 90 -> 30 days**

The process of "bringing new investable assets" to market: listings, exchange transfers, and IPOs



Potential source of "investment-grade assets"

UPCOM





Equitization and divestment of State-owned enterprises

Source: Compiled by BSC Research

Update on FTSE's september 2024 market classification review

Vietnam **continues to remain on the watch list** for consideration to be upgraded to a Secondary Emerging Market in the September 2024 Country Market Classification Report.

FTSE Russell's Assessment of Vietnam's Stock Market

Criteria not Qualifed

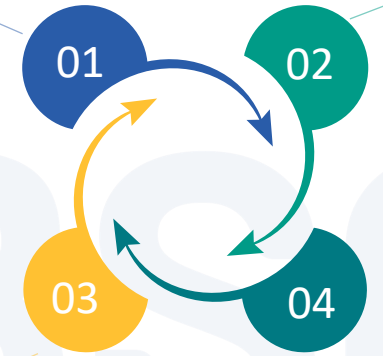
- Settlement Cycle **(DVP)**
- Settlement – Costs Related to **Failed Transactions**

→ *Due to Vietnam's stock market practice requiring **sufficient funds before trading**, failed transactions are essentially non-existent.*

Changes Acknowledging

The Ministry of Finance and SSC issued **Circular No. 68/2024/ TT-BTC** on 18/09/2024

*Introducing the **Non-Pre-Funding (NPS)** model to remove pre-funding rules for foreign investors when purchasing stocks and setting a disclosure roadmap.*



Future Considerations

- **Operational Rules from VSDC**
- **Information Accessibility for Foreign Investors**
- Enhancing **Registration & Account Opening**
- **Foreign Ownership** Issues
- **Clear Roadmap for Implementing New Regulations** and Defining Market Participants' Roles

Government Support recognized

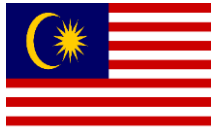
For **market reforms**, FTSE Russell continues to value **its constructive relationship** with the SSC, other market authorities, and the World Bank Group, which supports broader market reform initiatives.

Source: BIDV Securities Company (BSC), compiled from FTSE

FTSE market quality assessment criteria (watchlist) September 2024

CRITERIA	SEC EMG WATCH	VIETNAM**
Per Capita Income (World Bank Data)		Lower-Medium
Credit Ratings		Speculation
Trading Environment & Legal Framework		
Stock market regulators regularly monitor market activities (e.g., SEC, FSA, SFC).	X	**Qualified**
Fair and Unbiased Treatment of Minority Shareholders		Partially Qualified
No or Selective Restrictions on Foreign Ownership		Partially Qualified
No Prohibition, Restriction, or Penalty on Capital Investment, Repatriation, and Income Transfers	X	**Qualified**
Simplified or No Registration Process for Foreign Investors		Partially Qualified
Foreign Exchange Market		
Developed Foreign Exchange Market		Partially Qualified
Stock Market		
Brokerage Fees – Sufficiently Competitive to Ensure High-Quality Services	X	**Qualified**
Transaction Costs – Competitive and Reasonable	X	**Qualified**
Taxes – Fair and Equivalent Regulations for Domestic and Foreign Investors		Qualified
Stock Borrowing Permission		Partially Qualified
Short Selling Permission		Not Qualified
Developed Derivatives Market		Partially Qualified
Off-Exchange Trading Permission		Not Qualified
Efficient Trading Mechanism		Partially Qualified
Transparency – Market Depth Information, Visibility, and Timely Trade Reporting	X	**Qualified**
Clearing, Settlement, and Custody		
Settlement – Costs Associated with Failed Transactions	X	**Partially Qualified**
Settlement Cycle (DVP)	X	**T+2**
Securities Depository Center	X	**Qualified**
Central Counterparty (CCP)		Not Qualified
Settlement – Free Securities Allocation		Not Qualified
Sufficient Competition to Ensure High-Quality Custody Services	X	**Qualified**
Account Structure Operates at Custodian Bank Level (Securities & Cash)		Not Qualified

MSCI assessment of Vietnam's stock market and comparison with ASEAN countries




Market classification	Emerging market				Frontier market
Openness to foreign investors					
Level of investor qualification	++	++	++	++	++
Foreign ownership limit	-	+	++	-	-
Room available for foreign investors	-	++	++	-	-
Equal rights for foreign investors	-	+	+	+	-
Ease of capital inflows/outflows					
Capital flow restriction	++	++	++	++	++
Level of foreign exchange market openness	+	+	-	-	-
Market accessibility					
Account opening and registration process	++	++	++	++	+
Market regulation framework					
Market regulation & legal framework	++	++	++	++	+
Market information sources	++	++	+	++	-
Market infrastructure					
Custody system	+	++	+	+	-
Supervision and custody activities	++	++	++	++	++
Depository and registry	++	++	++	++	++
Trading activities	++	++	++	++	++
Transferability	++	+	+	++	+
Securities lending	+	++	+	-	-
Short selling	+	+	+	-	-
Availability of investment instruments	++	++	++	++	++
Stability of institutional framework	+	+	+	+	+

Improved

++: No issues; +: Minor issues / can be improved; -: Needs improvement

Source: Compiled by BIDV Securities (BSC) from MSCI

BIDV SECURITIES JSC

Challenges faced by foreign investors in accessing Vietnam's stock market

Lack of "new investable assets"

- **Very few new enterprises are conducting IPOs and listings**
- **Slow board transfer process:** Only a limited number of companies are moving from Upcom to HOSE or HNX;
- **Cumbersome procedures**: The IPO and listing process remains lengthy and bureaucratic;
- **Lack of motivation**: Enterprises face challenges in attracting foreign investors; meanwhile, foreign investors seek large, stable companies but have few new options available;
- **SOE equitization shows little progress**: Heavily dependent on legal frameworks and the implementation roadmap of SCIC;
- **Lack of listing regulations for FDI enterprises**: FDI sector makes a significant contribution to the economy, with many large firms expressing interest in listing on Vietnam's stock market—but there is currently no clear legal framework to support such listings

"Foreign ownership limits" and market structure

- **Foreign ownership room remains limited and lacks clear regulation**: This restricts foreign investors from accessing stocks that have reached their ownership limits, and creates uncertainty when investing in companies without clearly defined foreign ownership rules;
- **Low actual free-float ratios and limited transferability**: Foreign investors face difficulties in trading due to low liquidity, falling short of expectations regarding the tradability of listed shares;
- **Banking and Real Estate stocks continue to dominate market capitalization**: The absence of high-quality listed companies from other sectors reduces market diversification and limits investor options.



Issue of Stock Market Upgrading

- **Vietnam remains classified as a Frontier Market:** While the size of Vietnam's stock market already meets the threshold of an Emerging Market, the country has yet to be upgraded.→ As a result, foreign investors tend to prioritize capital allocation to developed or emerging markets → limiting both investment opportunities and the market's global positioning;
- **Trading and technology infrastructure remains underdeveloped**: The market has not yet enabled key products such as short-selling, day-trading, or options; nor has it implemented the central counterparty clearing (CCP) model;
- **The pre-funding issue has not been fully resolved:** Circular 68/TT-BTC, issued by the Ministry of Finance in 2024, marked a significant step toward facilitating foreign investor access. However, comprehensive resolution will depend on implementing the CCP model alongside active participation from the banking system, especially as Vietnam prepares to receive large-scale capital inflows upon market reclassification.

Other problems

- **Cumbersome procedures in opening Foreign Indirect Investment (FII) accounts**: Circular 05/2014/TT-NHNN, issued over 10 years ago, has revealed multiple limitations. It needs to be revised to facilitate easier FII account opening for foreign investors looking to invest in Vietnam;
- **Limited availability of official documents in English**: Most regulatory texts and market information are currently only available in Vietnamese, creating an information access gap and a degree of inequality between foreign and domestic investors;
- **No clear regulations on margin lending for foreign investors**: This results in unequal treatment compared to local investors, and Vietnam remains out of sync with regional market practices in this area

Solutions proposed by the SSC with the goal of upgrading the stock market

9 solutions for achieving Vietnam's market upgrade

State Securities Commission of Vietnam

A

Establish dialogue group

The dialogue group includes: SSC, securities companies, custodian banks, investment funds, and market experts. → **The group is tasked with addressing existing obstacles to enhance the market experience for foreign investors → supporting Vietnam's market upgrade efforts**

Solutions related to policy

Launching OTA

VSDC is expected to launch the Omnibus Trading Account (OTA) model, which will allow fund managers to execute buy/sell orders simultaneously across all managed funds without having to place separate orders for each account.→ This will help simplify order placement for both fund managers and foreign investors, enhancing trading efficiency.→ **The OTA system is expected to be implemented before August 2025**

Amend regulations on opening FII accounts

SBV plans to amend certain legal regulations to simplify and shorten the process of opening accounts for foreign indirect investment → **The revised regulations are expected to be issued in March 2025**

B

Solutions related to technology infrastructure

CCP

Upcoming Tasks: (1) Establish a specialized CCP subsidiary under VSDC, (2) Complete the settlement process between VSDC and market participants (3) Enable commercial banks to become clearing members→ **The Central Counterparty Clearing (CCP) system is expected to be operational in 2026.**

STP

VSDC will implement a Straight-Through Processing (STP) system for electronic transactions between securities companies and custodian banks. And, the STP system will be upgraded to adopt the SWIFT standard,→ making it more convenient to support foreign investors.→ **The system is expected to be launched in March 2025**

KRX

SSC has instructed the stock exchanges and VSDC to promptly implement the necessary steps and report back to the SSC.→ **KRX system is expected to be launched in April 2025**

C

Solutions related to Circular 68

Foreign ownership

Proposal to reserve foreign ownership room for foreign investors when repurchasing shares from securities companies → The implementation of the KRX system is expected to enable foreign ownership room to be reserved until T+3 settlement

Information disclosure

SSC plans to revise **the information disclosure appendix** by **removing the requirement to disclose the identity of the authorized representative**.

Solutions related to NPF

SSC has discussed with securities companies a proposal for them to reach a **unified approach in handling** the following issues:(1) The list of securities to which the NPF mechanism applies,(2) The method for determining the required cash amount,(3) The process for handling failed trades,(4) The contractual framework signed with clients→ **with the objective of minimizing discrepancies in NPF implementation across firms.**

Source: SSC (Link), BSC Research compiled

EMERGING MARKETS



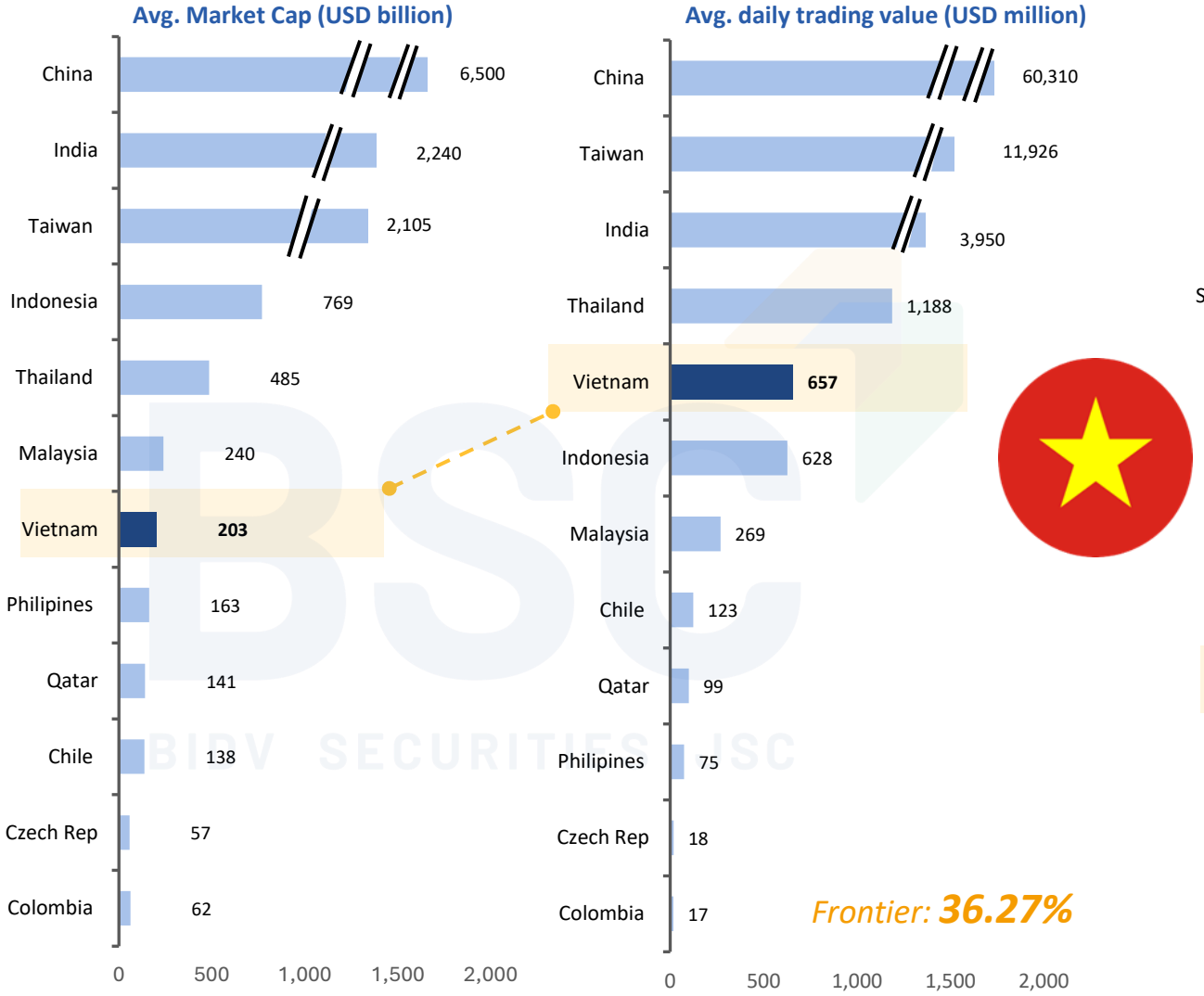
FTSE RUSSELL
An LSEG Business

MSCI

Upgrade of Vietnam's stock market

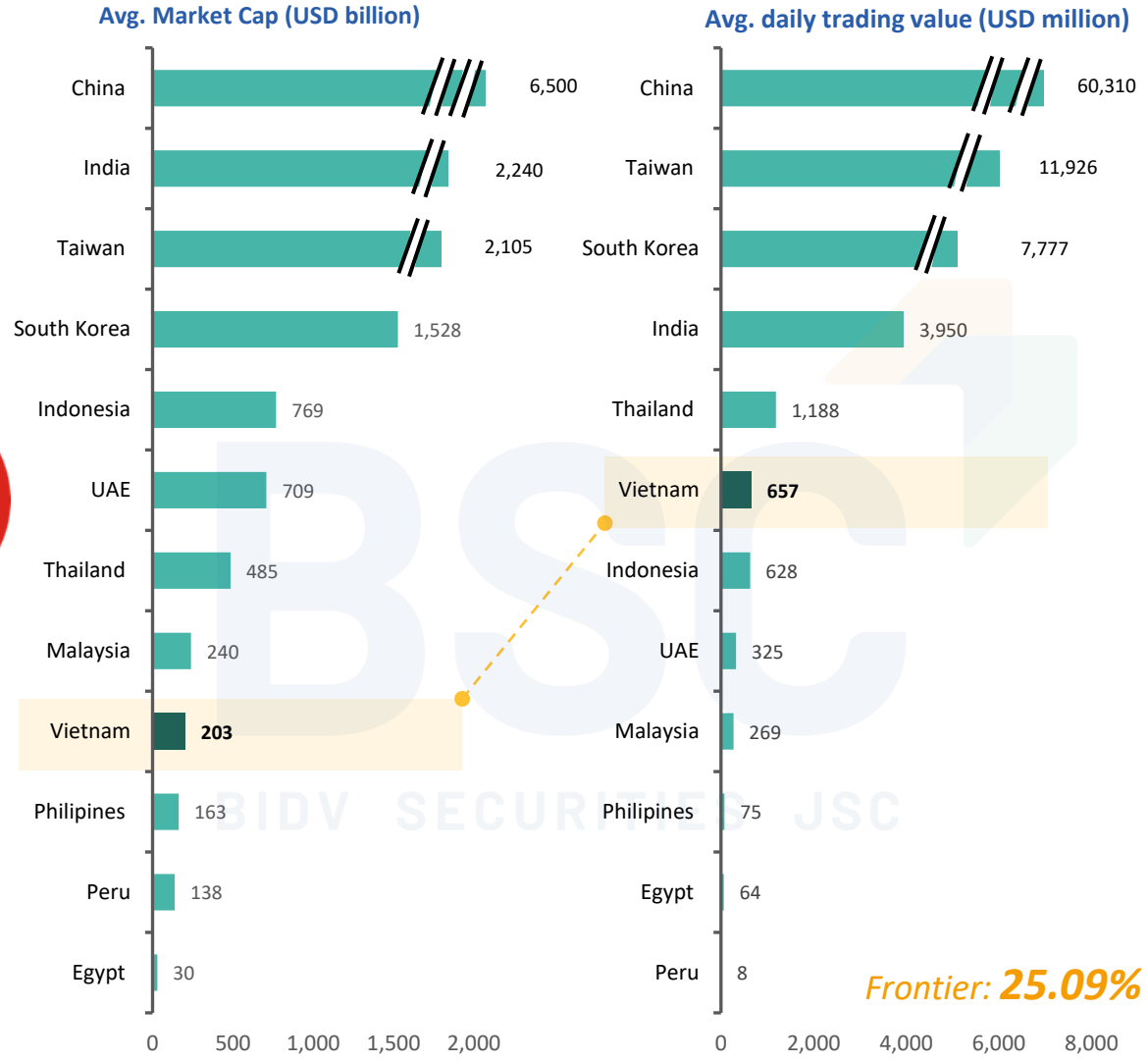
The 'Frontier market tag" has become outdated for Vietnam

FTSE RUSSELL
An LSEG Business



Frontier: **36.27%**

MSCI



Frontier: **25.09%**

Data calculated from 01/01 -25/12/2024, Vietnam's data calculated separately according to the VN-Index on HSX

Source: BIDV Securities Company (BSC) compiled from Bloomberg, MSCI, FTSE

At which stage is Vietnam in the reform process to upgrade its market classification?



3 years

Sep/15 — FTSE Russell

Sep/15 — Deployed X-Stream INET Trading Platform

June/15 — Issued QFI

Sep/16 — Foreign ownership 29% -> 49%, Allowing foreign investors to participate in IPO

Aug/16 — Established Edaa

May/16 — Applied T+2

Apr/17 — Removed "pre-funding" + introduced the DvP settlement model and new products: short-selling, securities lending…

Jan/17 — Applied IFRS

Jun/17 — MSCI

Feb/18 — Established Muqassa

Apr/18 — Approved FSDP

Mar/18 — FTSE Russell

May/18 — CMA & SAMA established a legal framework for CCP

Jun/18 — MSCI

Nov/18 — Relaxed regulations on account opening for foreign investors

Jul/19 — Loosened the strategic foreign ownership ratio to 49%

Jan/20 — Muqassa was granted CCP certification

Aug/20 — Muqassa go-live CCP

2015 2016 2017 2018 2019 2020 2021

2018 2019 2020 2021 2022 2023 2024 2025 - ?

Sep/18 — FTSE Russell

Nov/19 — Amended the 2019 securities law – created a mechanism for establishing VNX ,VSDC

Mar/20 — Projects to apply IFRS

Dec/21 — Established VNX

Aug/22 — Applied T+2

Dec/22 — Established VSDC

Dec/23 — Approved the stock market development strategy with a vision to 2030

Apr/24 — KRX ???

May/24 — Drafted a replacement for Decision 48/2015/QĐ-TTg -> Enhanced the authority of SSC.

Sep/24 — Issued Circular 68 -> Removed "pre-funding" & implemented bilingual information disclosure.

Oct/24 — Drafted amendments to Circular 05/2014/TT-NHNN -> Relaxed regulations on account opening for foreign investors.

Nov/24 — Amended 2024 securities law– Created a mechanism to establish a company responsible for CCP

7 years - ?

Dec/24 — Drafted amendments to Decree 155 -> Opened market access to foreign investors

Reformed & made major changes

Watch list

Approved the upgrade

Reforms implemented

Q2/23: Initiated reform efforts to achieve market upgrade

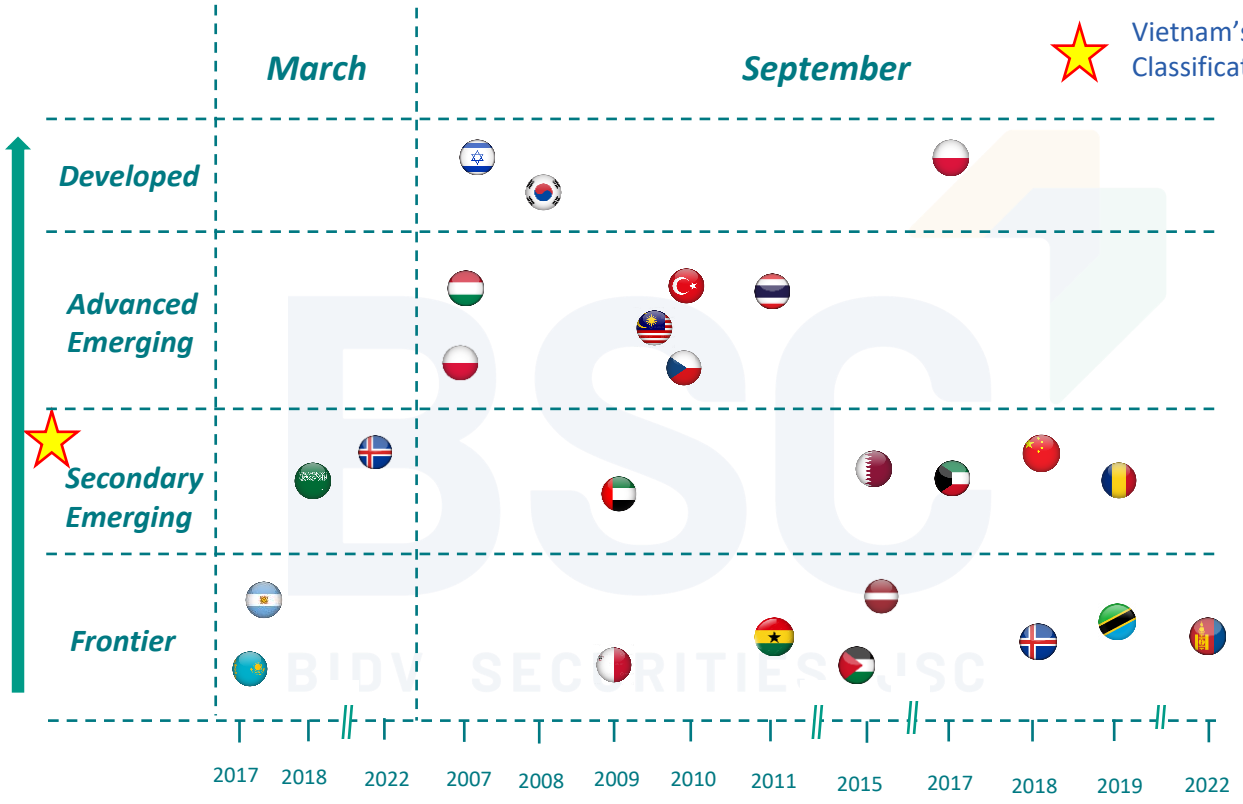
New reforms implemented

Reforms expected to change

BIDV SECURITIES JSC

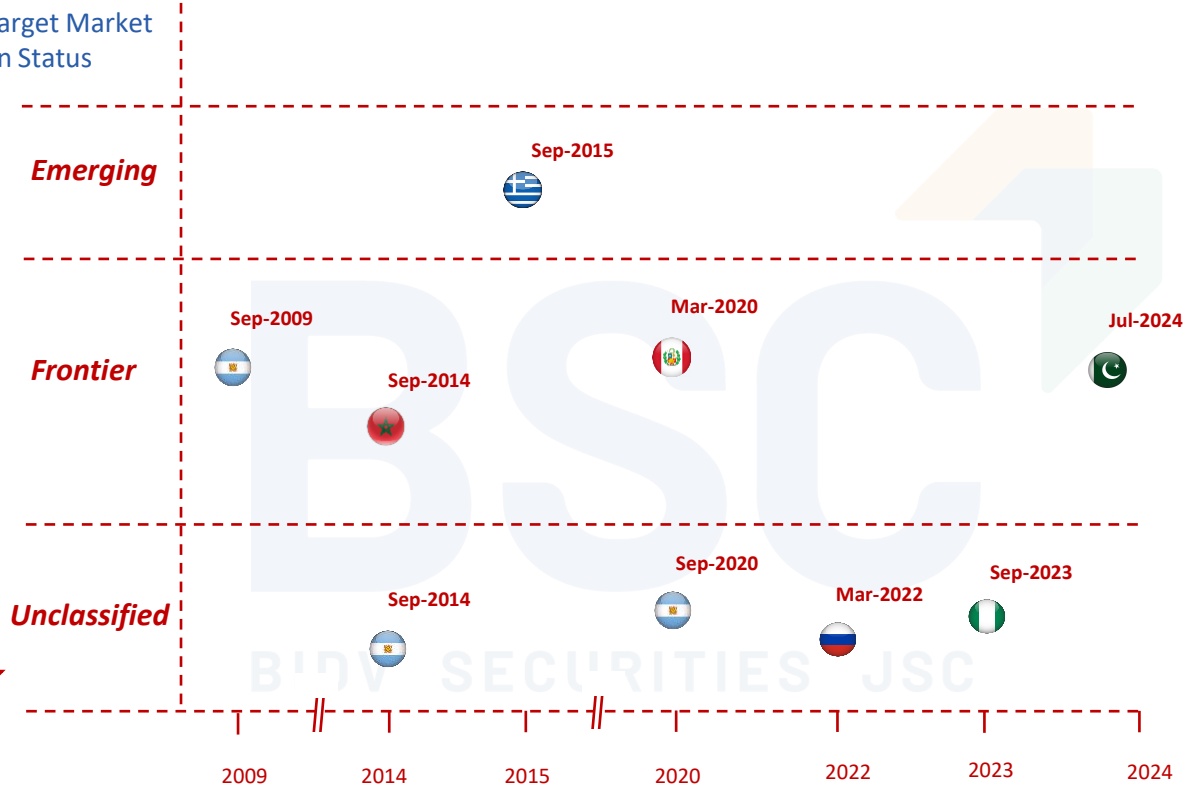
FTSE Russell's history of market upgrades and downgrades (2008–2024)

FTSE has conducted 25 market upgrades for 23 countries for 17 years



- FTSE Russell has announced most market upgrade approvals in September — a critical milestone in its classification review process — with 21 out of 25 upgrade announcements for 19 countries taking place in that month over the past 17 years.
- During the 2008–2024 period, ***four countries received upgrade announcements in March***. It is also important to note that FTSE typically collects market data in June and December each year, which then feeds into its consultation process before a final decision on an upgrade or downgrade is made.

FTSE has conducted 9 market downgrades for 7 countries



- Similar to upgrade announcements, FTSE Russell has also typically issued market downgrade announcements in September, with 6 out of 9 downgrades between 2008 and 2024 occurring during this month — covering 4 countries. Among them, Argentina has been downgraded the most frequently, while Russia and Peru were the two countries downgraded in March.
- Most recently, Pakistan was downgraded in July, shortly after FTSE completed its data collection in June.→ ***This signals a more proactive and flexible approach by FTSE Russell, marking a departure from its previous patterns***.

Source: FTSE Russell, BIDV Securities JSC (BSC) compiled

Awaiting SSC's implementation of plans to upgrade Vietnam's stock market in 2025



3 years

Reformed & made major changes
Watch list
Approved the upgrade

Sep/15 — FTSE Russell
Deployed X-Stream INET Trading Platform

Sep/16
Foreign ownership 29% -> 49%, Allowing foreign investors to participate in IPO

Apr/17
Removed "pre-funding" + introduced the DvP settlement model and new products: short-selling, securities lending...

May/18
CMA & SAMA established a legal framework for CCP

Jul/19
Loosened the strategic foreign ownership ratio to 49%

Jun/18 — MSCI

Aug/20
Muqassa go-live CCP

June/15
Issued QFI

May/16
Applied T+2

Jan/17
Applied IFRS

Jun/17 — MSCI

Feb/18
Established Muqassa

Mar/18 — FTSE Russell

Nov/18
Relaxed regulations on account opening for foreign investors

2015 2016 2017 2018 2019 2020 2021

2018 2019 2020 2022 2023 2024 2025 2026

Sep/18 — FTSE Russell

Mar/20
Projects to apply IFRS

Aug/22
Applied T+2

Sep/24
Issued Circular 68 -> Removed "pre-funding" & implemented bilingual information disclosure.

Mar/25
VSDC implements STP

Mar/25
SBV relaxes account opening regulations for foreign investors

Nov/24
Amendment to the 2024 Securities Law – Establishing a mechanism for establishing a company in charge of CCP

May-June/25
KRX System Expected to Go Live -> Address Foreign Ownership Limit Issues Under Circular 68

Jun/25 — MSCI

Aug/25
VSDC implements OTA

Sep/25 — FTSE Russell

Deploy CCP

Reforms implemented

New reforms implemented

Q2/23: Initiated reform efforts to achieve market upgrade

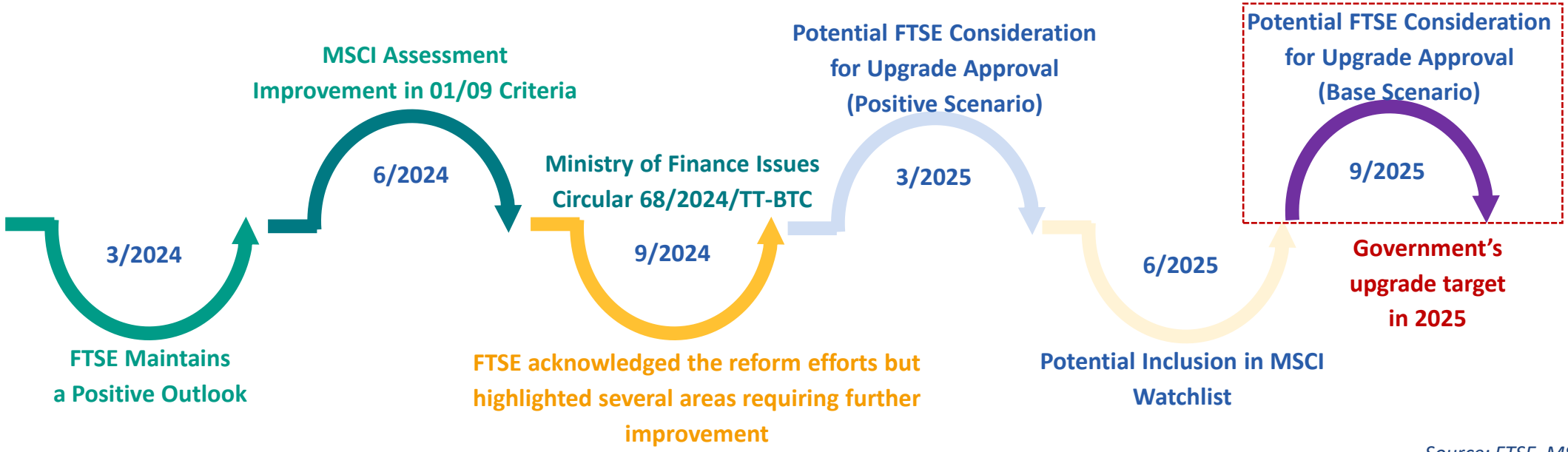
Reforms expected to change



7 years - ?

**** Under the base-case scenario, BSC Research forecasts that Vietnam's stock market could be included in MSCI's watch list for potential upgrade in June 2025, and that FTSE Russell may announce an official market upgrade in September 2025.***

Forecast on the market upgrade process and key considerations



Source: FTSE, MSCI, BSC Research

Key Considerations for the Upcoming Upgrade Process:

- **Practical Implementation of NPS (Non-Pre-funding)** by market participants, especially securities firms, **and the experience of foreign investors using the system (Important);**
- **Perspectives of relevant Ministries and agencies** in coordinating efforts to accelerate the market upgrade, specifically: (1) Registration process for foreign investors opening new accounts, (2) Role of the banking system in the central counterparty (CCP) settlement model for the stock market, (3) Foreign ownership limits and solutions for stocks that have reached the cap, (4) Solutions for stocks that have Qualified up to the foreign ownership limit, and (5) Solutions for increasing high-quality listed securities **(Important for long-term market sustainability);**
- **Annual market classification assessment reports** from market rating organizations, particularly FTSE;
- **From a market perspective**: Foreign investor activity and ETFs—particularly the **strong net buying** of stocks that meet the market capitalization and liquidity criteria in the Emerging Market index, which is a key factor to watch;
- Actual progress of implementing the new trading system and CCP model (establishing a dedicated company—a comprehensive and long-term solution for the pre-funding issue);
- Regulatory actions on other key issues: omnibus accounts, system connectivity, and engagement with foreign investors…

FTSE RUSSELL An LSEG Business

0.7 billion → 1.5 billion USD

MSCI

1.2 billion → 2 billion USD

Stocks to Watch

HPG, VNM, MSN, VCB, SSI, VIC, VHM, VRE

Note: Global investment funds may use other proprietary indices or their own criteria to allocate capital, so the actual value of investments in these markets will likely be much larger.



FTSE RUSSELL
An LSEG Business

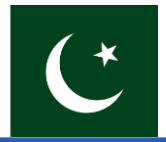
MSCI

Case Study: Index Performance and Foreign Capital Flows

Review of Asian countries' market classification by MSCI and FTSE

Countries downgraded in market classification

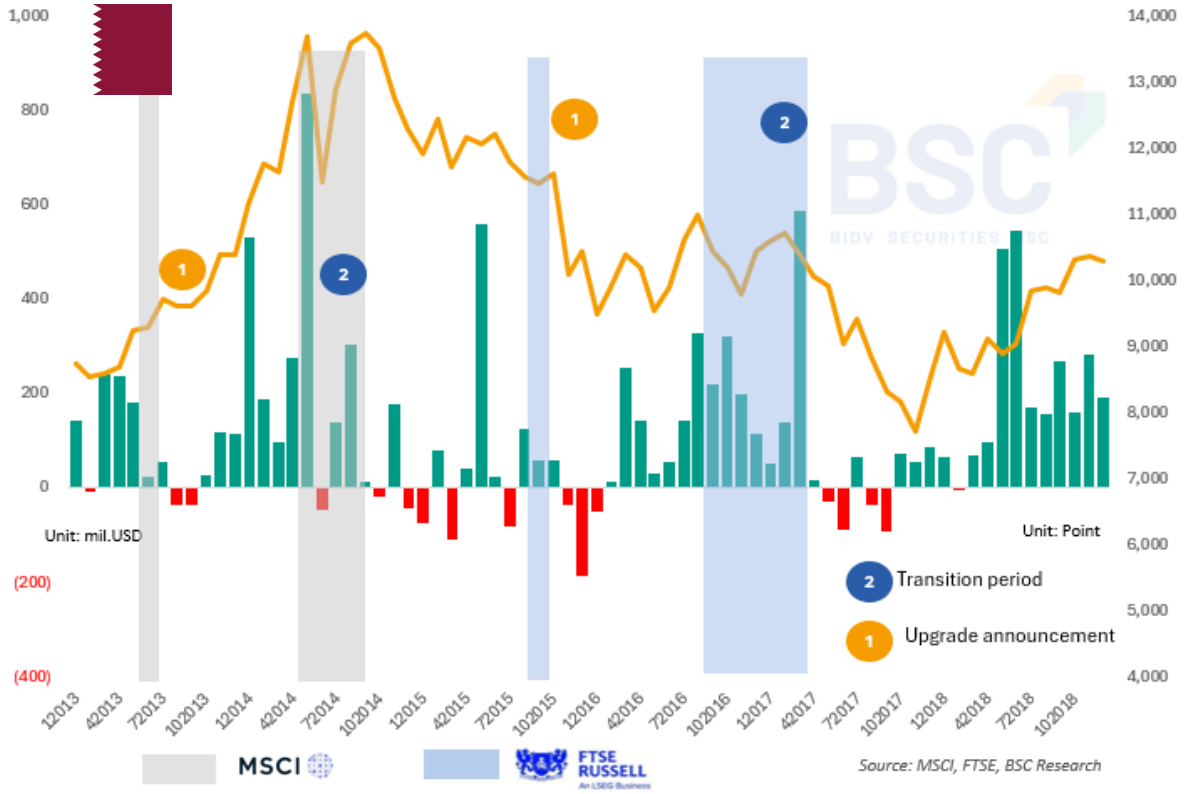


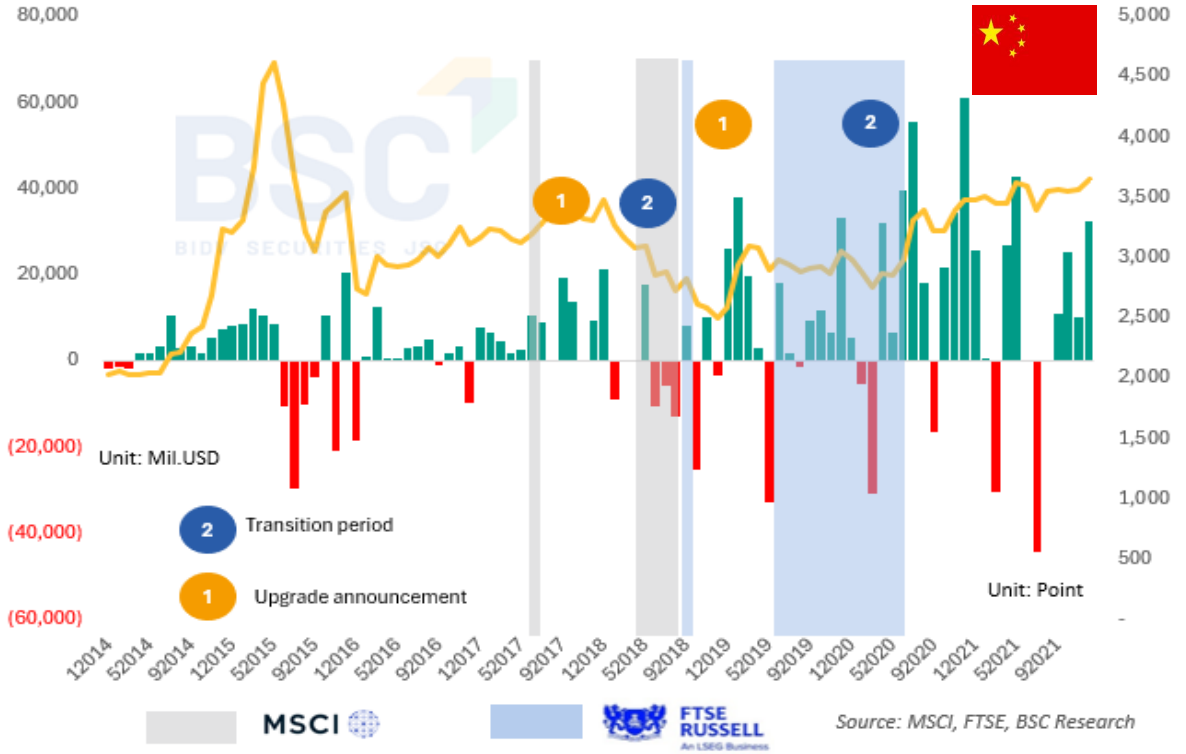
	UAE	Qatar	China A	Pakistan
Benchmark Index	FTSE Abu Dhabi Exchange General	Qatar Exchange	Shanghai Stock Exchange Composite	Pakistan Karachi All Share
Market Cap (bil.USD)/Number of companies (30/10/2024)	717/72	146/20	7,123/2,232	41/536
FTSE RUSSELL An LSEG Business				
Added to Watch list	09/2008	09/2013	< 09/2006	09/2023
Approval for upgrade/downgrade (T0)	**09/2010**	**09/2015**	**09/2018**	**07/2024**
Timeframe to complete the transition process (T1)	**09/2010**	**09/2016-03/2017 (06 months)**	**06/2019-06/2020 (12 months)**	**09/2024**
Number of transition phases		2 phases	4 phases	
MSCI				
Added to Watch list	06/2009	06/2009	06/2013	06/2021
Approval for upgrade/downgrade (T0)	**06/2013**	**06/2013**	**06/2017**	**09/2021**
Timeframe to complete the transition process (T1)	**05/2014 - 08/2014 (03 months)**	**05/2014 - 08/2014 (03 months)**	**05/2018 - 08/2018 (03 months)**	**11/2021**
Number of transition phases	2 phases	2 phases	2 phases	

Source: MSCI, FTSE, CTCK BIDV (BSC) complied

Foreign capital flows and indices in countries under MSCI and FTSE Russell market classification

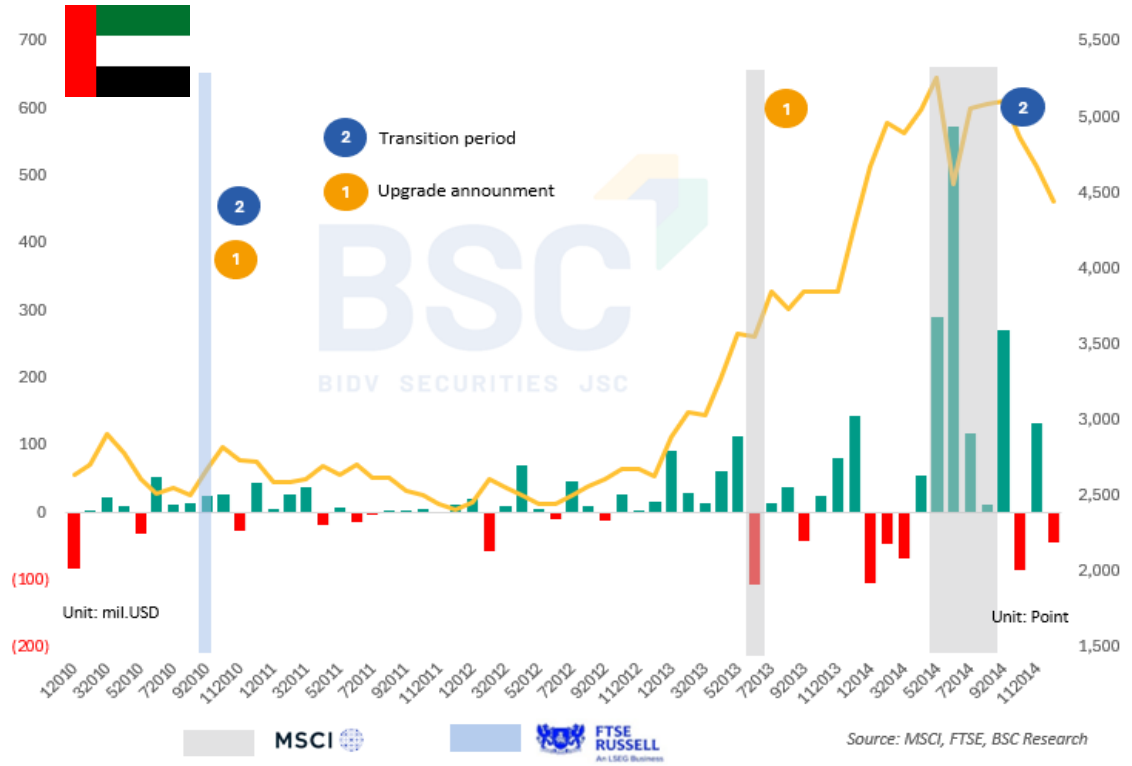


- MSCI approved the market upgrade in June 2013, and FTSE Russell followed in September 2015, with a time gap of approximately 2.25 years;
- At the time MSCI made its announcement, Qatar's stock market had already witnessed strong foreign capital inflows, and the market maintained a positive momentum throughout the index-tracking funds' rebalancing period, which lasted for three months;
- In contrast, although foreign inflows also increased following FTSE Russell's announcement and throughout its six-month transition period, the Qatar Exchange Index entered a downward trend during that time.

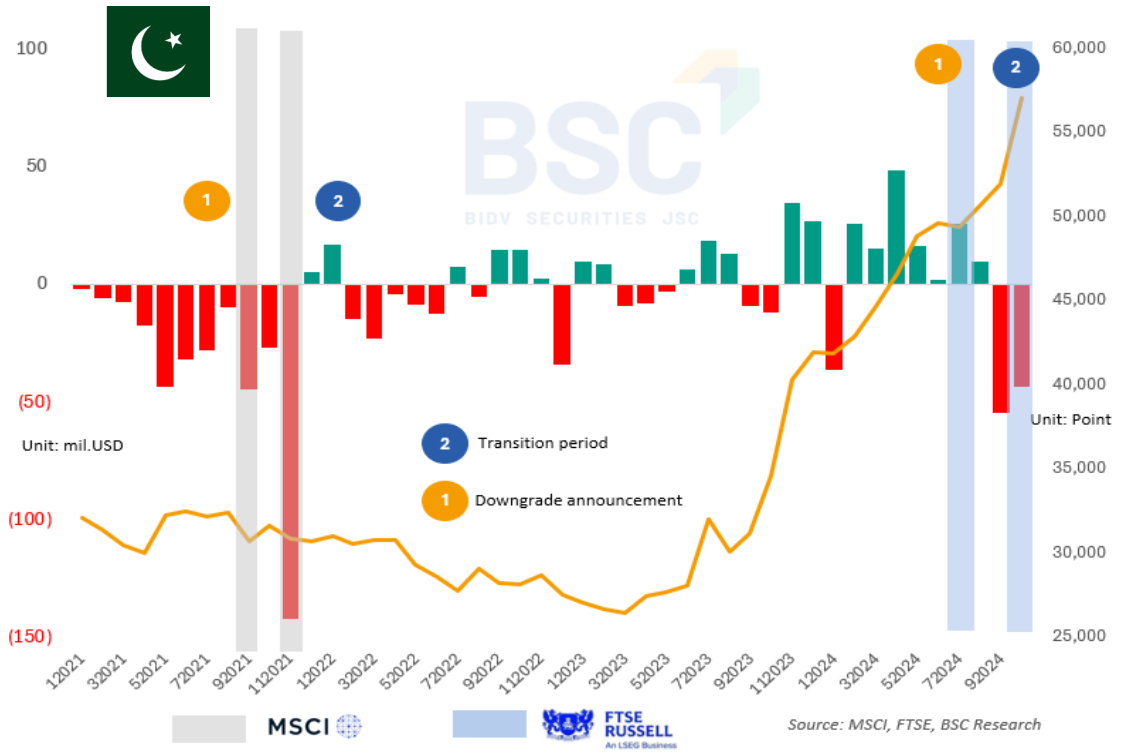


- ***Due to the impact of the U.S.–China trade war, China's stock market entered a downward trend starting from January 2018, which persisted through to the end of December 2018—despite positive news regarding market upgrades by MSCI and FTSE Russell;***
- Starting in January 2019, however, the Chinese stock market began to recover and turned positive, with foreign capital inflows strengthening significantly compared to earlier periods;
- MSCI announced its market upgrade in June 2017, followed by FTSE Russell in September 2018, with a gap of nine months. During this period, MSCI-tracking funds underwent a transition process, which coincided with favourable timing as foreign investors began to return strongly to the market following the prior macroeconomic turbulence.

Foreign capital flows and indices in countries under MSCI and FTSE Russell market classification



- FTSE Russell was the first to approve UAE's market upgrade in September 2010, and the transition process required only one month. During this time, the UAE stock market was on an upward trend, although the rally was not extremely strong.
- It took another 2.75 years for MSCI to approve the upgrade, with a three-month transition period.
- At the time of MSCI's announcement, the UAE stock market exhibited strong performance both before and after the news, and foreign inflows, as well as market sentiment, remained positive throughout the transition process—similar to the case of Qatar.



- Pakistan was downgraded by MSCI in September 2021, with the reclassification process taking place two months later. However, FTSE Russell only announced its downgrade nearly three years later, in July 2024, and the transition similarly occurred shortly thereafter;
- ***The negative performance of the Pakistan stock market was partly attributed to MSCI's downgrade announcement, but largely driven by domestic economic challenges in 2022, including***: (1) political instability, (2) natural disasters, (3) weak fiscal management. Despite these headwinds, the market eventually rebounded strongly, even in the face of FTSE Russell's downgrade;
- When, FTSE issued its downgrade notice, foreign capital showed net inflows beforehand—a contrast to MSCI's case, where foreign funds sold off sharply at the end of the transition period. However, the Pakistani equity market was not significantly affected and continued its upward trend.

Foreign capital flow in Asian countries following FTSE Russell market upgrades

FTSE RUSSELL
An LSEG Business

Unit: Million USD	-6M	-5M	-4M	-3M	-2M	-1M	T0	1M	2M	3M	4M	5M	6M
	Cumulative since -6M							Cumulative since 1M					
Monthly net buying value	21	10	(31)	53	12	14	24	28	(26)	45	4	26	37
Cumulative net buying value	21	31	1	53	65	79		28	1	46	51	76	113
Monthly net buying value	(111)	41	560	24	(81)	126	58	58	(38)	(186)	(51)	12	255
Cumulative net buying value	(111)	(70)	490	514	433	559		58	20	(166)	(217)	(205)	50
Monthly net buying value	(440)	(117)	17,665	(10,436)	(5,795)	(13,042)	7,956	(25,441)	9,904	(3,543)	26,142	37,917	19,556
Cumulative net buying value	(440)	(557)	17,109	6,673	878	(12,164)		(25,441)	(15,537)	(19,080)	7,062	44,979	64,535

T0: refers to the month when the "market upgrade approval" is announced

Source: Bloomberg, BSC Research

Unit: Million USD	-6M	-5M	-4M	-3M	-2M	-1M	T1	1M	2M	3M	4M	5M	6M
	Cumulative since -6M							Cumulative since 1M					
Monthly net buying value	21	10	(31)	53	12	14	24	28	(26)	45	4	26	37
Cumulative net buying value	21	31	1	53	65	79		28	1	46	51	76	113
Monthly net buying value	255	143	30	53	143	329	1,628	16	(30)	(91)	65	(36)	(91)
Cumulative net buying value	255	398	428	481	624	953		16	(14)	(105)	(39)	(76)	(167)
Monthly net buying value	(3,543)	26,142	37,917	19,556	2,777	(33,038)	126,278	55,468	17,920	(16,432)	21,751	34,179	61,141
Cumulative net buying value	(3,543)	22,599	60,516	80,072	82,850	49,811		55,468	73,389	56,956	78,708	112,886	174,027

T1: refers to the upgrade implementation phase

Source: Bloomberg, BSC Research

Key observations on foreign capital flows:

- **Net buying** activity by foreign investors tends to be **stronger** around the **"upgrade implementation" period (T1)** compared to the moment when the **market classification decision is officially announced by market classification institutions ("upgrade approval" at T0).**
- Data from the three markets—UAE, Qatar, and China—shows that despite being influenced by macroeconomic developments and country-specific economic fundamentals at each point in time, **the impact on foreign capital flows was stronger during the scheduled transition period than at the time of the upgrade announcement (in both MSCI and FTSE Russell cases)**

Market performance, liquidity movements in Asian countries following FTSE Russell upgrades

FTSE RUSSELL
An LSEG Business

Index and Liquidity Movements at the Time of FTSE Russell's Upgrade Approval Announcement (T0)

Index (Points - USD)	-6M	-5M	-4M	-3M	-2M	-1M	T0	1M	2M	3M	4M	5M	6M
	772	770	748	691	690	683	708	750	750	742	735	723	709
	9.00%	8.80%	5.66%	-2.44%	-2.59%	-3.56%	0.00%	5.98%	5.95%	4.75%	3.86%	2.13%	0.11%
	3,254	3,279	3,384	3,301	3,277	3,160	3,148	3,214	3,004	2,797	2,552	2,682	2,830
	3.35%	4.16%	7.50%	4.87%	4.08%	0.37%	0.00%	2.09%	-4.59%	-11.15%	-18.92%	-14.81%	-10.11%
	514	496	493	461	420	401	397	375	379	374	377	413	454
	29.47%	24.91%	24.37%	16.09%	5.75%	1.04%	0.00%	-5.44%	-4.43%	-5.78%	-4.99%	4.00%	14.45%

Source: Bloomberg, BSC Reseach

Traded value (thousand USD)	-6M	-5M	-4M	-3M	-2M	-1M	T0	1M	2M	3M	4M	5M	6M
	50,748	29,062	36,138	26,959	20,718	26,502	40,997	51,448	48,355	32,983	29,169	32,192	32,262
	23.79%	-29.11%	-11.85%	-34.24%	-49.46%	-35.36%	0.00%	25.49%	17.95%	-19.55%	-28.85%	-21.48%	-21.31%
	89,235	91,608	164,744	81,957	45,173	78,615	78,143	65,118	82,361	70,725	57,723	73,032	81,847
	14.19%	17.23%	110.82%	4.88%	-42.19%	0.60%	0.00%	-16.67%	5.40%	-9.49%	-26.13%	-6.54%	4.74%
	31,431,249	29,647,992	27,048,978	23,496,291	21,961,776	18,192,840	16,331,276	19,567,323	21,864,578	16,219,285	18,484,076	37,754,721	58,809,059
	92.46%	81.54%	65.63%	43.87%	34.48%	11.40%	0.00%	19.82%	33.88%	-0.69%	13.18%	131.18%	260.10%

Note: The index is calculated based on the average monthly closing prices, liquidity is measured as the monthly average and and benchmarked to T0

Source: Bloomberg, BSC Reseach

FTSE RUSSELL
An LSEG Business

Index and Liquidity movements During the Upgrade Transition Period (T1)

Index (Points - USD)	-6M	-5M	-4M	-3M	-2M	-1M	T1a		T1b	1M	2M	3M	4M	5M	6M
	772	770	748	691	690	683	708	0 month	708	750	750	742	735	723	709
	9.00%	8.80%	5.66%	-2.44%	-2.59%	-3.56%	0.00%		0.00%	5.98%	5.95%	4.75%	3.86%	2.13%	0.11%
	2,830	2,803	2,700	2,690	2,854	3,035	2,890	06-07 months	2,868	2,837	2,756	2,508	2,538	2,507	2,299
	-2.07%	-2.99%	-6.58%	-6.91%	-1.23%	5.00%	0.00%		0.00%	-1.10%	-3.90%	-12.58%	-11.53%	-12.58%	-19.84%
	374	377	413	454	476	422	424	12-13 months	415	469	487	483	493	507	520
	-11.80%	-11.07%	-2.65%	7.13%	12.24%	-0.49%	0.00%		0.00%	13.05%	17.31%	16.28%	18.63%	22.04%	25.21%

Source: Bloomberg, BSC Reseach

Traded value (thousand USD)	-6M	-5M	-4M	-3M	-2M	-1M	T1a		T1b	1M	2M	3M	4M	5M	6M
	50,748	29,062	36,138	26,959	20,718	26,502	40,997	0 month	40,997	51,448	48,355	32,983	29,169	32,192	32,262
	23.79%	-29.11%	-11.85%	-34.24%	-49.46%	-35.36%	0.00%		0.00%	25.49%	17.95%	-19.55%	-28.85%	-21.48%	-21.31%
	2,830	2,803	2,700	2,690	2,854	3,035	2,890	06-07 months	2,868	2,837	2,756	2,508	2,538	2,507	2,299
	-2.07%	-2.99%	-6.58%	-6.91%	-1.23%	5.00%	0.00%		0.00%	-1.10%	-3.90%	-12.58%	-11.53%	-12.58%	-19.84%
	16,219,285	18,484,076	37,754,721	58,809,059	53,550,708	31,230,024	29,274,674	12-13 months	36,625,569	74,884,712	60,261,109	37,060,964	35,372,391	46,688,964	49,974,415
	-44.60%	-36.86%	28.97%	100.89%	82.93%	6.68%	0.00%		0.00%	104.46%	64.53%	1.19%	-3.42%	27.48%	36.45%

Note:Index is the average of monthly closing prices. Liquidity is monthly average and compared to two reference points: T1a with -6M and T1b with +6M. The period between T1a and T1b represents transition phase.

Source: Bloomberg, BSC Reseach



Key points investors should note in the upcoming upgrade process

1. **Strong net buying by foreign investors** in stocks meeting the criteria for market capitalization, liquidity, and foreign ownership limits;

2. **Practical implementation** of **the NPS (Non-Pre-funding)** solution by market participants and the **experience of foreign investors** using it. Specifically, the meetings between FTSE Russell and regulators, market participants, and the **annual market classification assessment reports** in March and September from FTSE Russell;

3. **For short-term investors**, they may consider trading strategies for stocks with potential to be included in the Emerging Market index. **For long-term investors**, the market correction will present buying opportunities for stocks with solid fundamentals, good growth potential, and prioritize those that will benefit directly from Vietnam's market upgrade.

General comments on the market classification events by FTSE and MSCI:

- **Upgrading information is not the main factor driving the stock market upward**: While foreign capital may flow into the market (e.g., China), conversely, downgrades do not necessarily lead to negative market trends (e.g., Pakistan). **The fundamental factors still depend on the internal dynamics of the economy**, such as political stability, natural disasters, macroeconomic policies, monetary conditions, and corporate profitability…
- **Stock indices**: **In the long term, the return rate is almost "flat" in both cases of market upgrade and downgrade.**
- **Liquidity: Positive** after the upgrade information is announced **(T0)**, **with a 1-2 month impact for FTSE and 5-6 months for MSCI**. The period before T0 varies by country, with no universal trend to draw conclusions from. During the transition process **(T1)**, **liquidity will improve within 1-2 months for FTSE and 1-4 months for MSCI (after the transition is completed).**
- **Foreign investors**: They will begin **net buying 2-4 months before FTSE** announces the upgrade approval **(T0)** and the start of the transition process **(T1)**. **For MSCI**, foreign investors **act earlier, typically 4-5 months in advance**, due to the larger size of the funds referencing the index and the greater influence of MSCI compared to FTSE Russell.

BSC
BIDV SECURITIES JSC

BSC RESEARCH

Vietnam Equity Wrap up

MARKET UPGRADE

SUMMARY

Ticket	Market cap (Bn VND)	Total Equity (Bn VND)	Revenue 2025 (Bn VND)	NPAT 2025 (Bn VND)	ROA (%)	ROE (%)	P/E	P/B	FTSE Vietnam 30 Index	FTSE Vietnam Index	MarketVector Vietnam Local Index
VCB*	547,298	235,092	76,891	36,232	1.6%	16.7%	15.1x	2.3x	✓	✓	✓
VIC*	199,595	153,517	192,159	11,735	2%	9%	17.3	1.5	✓	✓	✓
VHM	196,745	250,785	128,062	32,948	5.2%	12.5%	6.2	0.85	✓	✓	✓
HPG	179,095	132,658	179,942	18,558	7%	14%	9.4	1.3	✓	✓	✓
VNM	129,786	38,118	65,155	10,116	18%	28%	14.2	3.9	✓	✓	✓
MSN	107,569	45,771	80,306	5,020	3%	11%	44.5	3.2	✓	✓	✓
SSI	52,872	28,390	9,328	3,129	3.9%	11.0%	18.3	1.9	✓	✓	✓
VRE	42,606	46,320	9,840	4,486	8.9%	9.7%	8.7	0.83	✓	✓	✓

*Bank stocks use profit before tax; VIC: Data based on 2024 financial results

✓ *Stock currently included in Index*

✗ *Stock currently not included in Index*

Source: FTSE, MarketVector, BSC Research

VCB – THE BOULDER OF THE INDUSTRY

TP: VND 78,800 - Upside +20%

Investment thesis

Company overview

Founded in 1963, VCB is one of the 4 SOCBs, possessing a unique position in international payments and foreign exchange trading. Although its market share of customer loans and deposits ranks third in the industry, VCB maintains its number 1 position in terms of PBT. The bank focuses on lending to the manufacturing and commercial sectors, infrastructure projects, with a relatively low proportion of real estate loans compared to the industry average.

Investment thesis

1. **Growth prospects for 2025 should be more encouraging.** With positive signals about economic growth, VCB's credit growth in 2025 is expected to return to the industry average (around +16%) after 2 years of maintaining a relatively cautious appetite. Infrastructure projects (airports, highways, ...) will be an important driving force to help VCB increase medium and long-term disbursement. NIM is expected to be under less pressure than previous years, with asset quality and credit costs welled controlled, forging a higher PBT growth.
2. **Valuation is already at historic lows.** VCB is trading at P/B of 2.8x, a significant discount from the average of 3.3x. This is an unreasonable valuation for a bank with the best asset quality in Vietnam.
3. **Private placement helps re-pricing.** The plan to privately issue 6.5% of shares will be accelerated again in 2025 after VCB has completed dividend payments. This is an important catalyst for the stock re-rating.

Risks

Lower than expected credit growth and NIM. Continuing delay in the progress of private placement due to market condition.

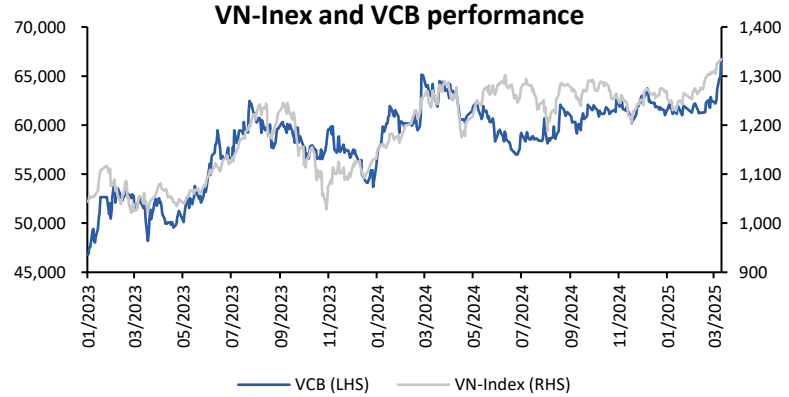
	2023	2024	2025F	2026F
P/B (x)	2.7	2.6	2.3	1.7
ROAE (%)	22.0	18.6	16.7	15.1
NIM (%)	3.1	2.9	2.9	2.9
CIR (%)	32.4	33.6	33.1	32.0
NPL (%)	1.0	1.0	1.0	1.0
LLCR (%)	230.3	223.3	202.5	183.8

	2023	2024	2025F	2026F
Revenue (VND bn)	67,723	68,578	75,891	86,263
PBT (VND bn)	41,244	42,236	44,233	50,864
EPS (VND)	5,910	6,053	4,336	5,068
BVPS (VND)	29,507	35,580	28,136	37,844
Credit growth (%)	10.7	13.9	16.0	16.2
Mobil. growth (%)	11.6	8.7	18.6	17.6

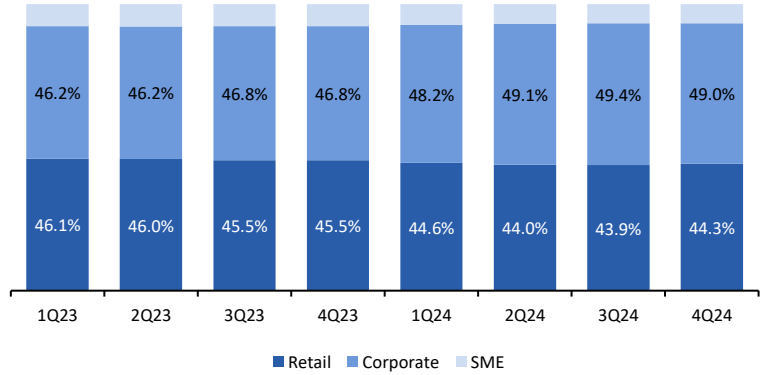
Nguồn: BSC Research

Trading Information	14/03/2025
Current price (VND)	66,000
Market cap (VND bn)	547,298
Average trading volume 30D (VND bn)	3.0
Remaining foreign room	7.3%

VN-Inex and VCB performance



Loan book by customer segments



HPG – KING OF STEEL

TP: VND 37,500 - Upside +36%

Investment thesis

Company Overview

Hoa Phat Group Joint Stock Company is the leading steel manufacturing enterprise in Vietnam. In particular, steel production is the core sector, accounting for the largest proportion of the Group's revenue (>90%) and profit (>80%).

Investment Thesis

- **The domestic steel industry is recovering and HPG's business results will continue to improve** toward the mid-point of the steel cycle.The Dung Quat 2 project, once operating stably, will help HPG increase its profit scale to VND 15,000 – 30,000 billion/year, equivalent to a 20% – 2.4x increase compared to 2024 profit.
- **Under (1) a normalized period and (2) Dung Quat 2 plant operating at 90% capacity, BSC estimates HPG profit to reach VND 30,000 – 35,000 billion**. BSC believes the Dung Quat project will achieve good offtake, expecting to fill 90% capacity by 2026 thanks to: (1) economies of scale continuing to reduce production costs, and (2) timing of operation coinciding with a new cycle.
- **Cheap valuation ahead of expansion cycle**: P/B FWD 2025F = 1.3x

Risk: Export volume may decline due to changes in U.S. tariff policies.

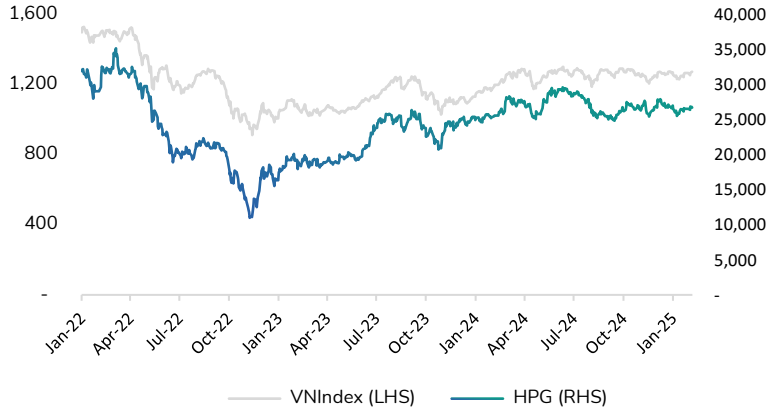
Catalyst: (1) The Ministry of Industry and Trade announces preliminary results of the anti-dumping investigation on HRC steel in Q2 2025; (2) Steel prices increase due to (1) China's policies supporting the real estate market.

	2022	2023	2024	2025F		2022	2023	2024	2025F
PE (x)	13.3	23.2	13.9	9.4	Net revenue	141,409	118,953	138,855	179,942
PB (x)	1.2	1.5	1.5	1.3	Gross profit	16,763	12,938	18,498	31,413
PS (x)	1.0	0.8	1.3	1.2	NPATMI	8,484	6,835	12,020	18,558
ROE (%)	9%	7%	11%	14%	EPS	1,459	1,175	1,879	2,901
ROA (%)	5%	4%	6%	7%	EPS Growth	-81%	-19%	60%	54%

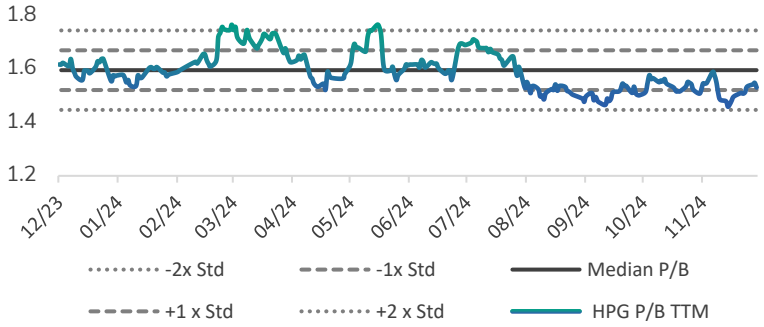
Source: BSC Research

Trading Information	14/03/2025
Current price (VND)	27,550
Market cap (tỷ đồng)	179,095
Average trading volume 6M (Bn VND)	720
Remaining foreign room	27%

VNINDEX and HPG stock price



P/B HPG



VHM – VIETNAM REAL ESTATE'S MARKET MARKER

TP: VND 58,200 - Upside +21.5%

Investment Thesis

Company overview:

Vinhomes is the largest real estate developer in Vietnam by land bank, with a total land area of over 19,600 hectares as of December 31, 2023. The company's pipeline projects are strategically located in key economic hubs and high-urbanization areas across the country, as well as in cities with strong tourism development potential.

Investment thesis

1. **Attractive Valuation:** VHM is currently trading at a P/B of 0.91x (TTM) and 0.78x (2025F), representing a 79.5% discount to the sector average of 1.4x. We believe that the unlocking of Vinhomes Long Beach (Can Gio Reclamation Township) will serve as a major catalyst for re-rating, as the project is expected to generate VND 254.36 trillion in net cash flows between 2026 and 2031, further reinforcing the company's leadership in project execution and land bank expansion.
2. **Robust Presales Growth:** Vinhomes' new presales are forecast to grow at a CAGR of 32.5% over 2024–2027. In 2025–2026, the company plans to launch five mega projects across both northern and southern markets, providing the financial and strategic foundation to execute the Can Gio township.

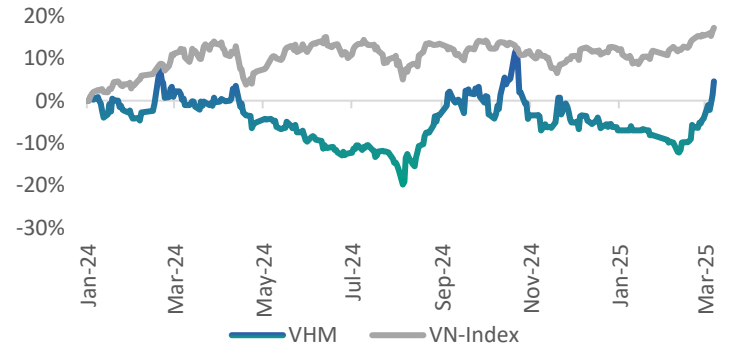
Downside risk: Slower-than-expected project execution timelines for new launches

	2022	2023	2024	2025F		2022	2023	2024	2025F
PE (x)	7.1	6.2	6.1	6.2	**Net revenue**	62,393	103,334	102,045	125,741
PB (x)	1.33	1.08	0.95	0.83	**Gross profit**	30,696	35,590	32,425	43,449
PS (x)	3.1	1.9	1.9	1.5	**NPATMI**	28,831	33,125	31,527	31,415
ROE (%)	19.6%	18.2%	15.9%	12.5%	**EPS**	6,611	7,597	7,665	7,633
ROA (%)	8.1%	7.5%	6.3%	5.2%	**EPS Growth**	-26%	15%	1%	0%

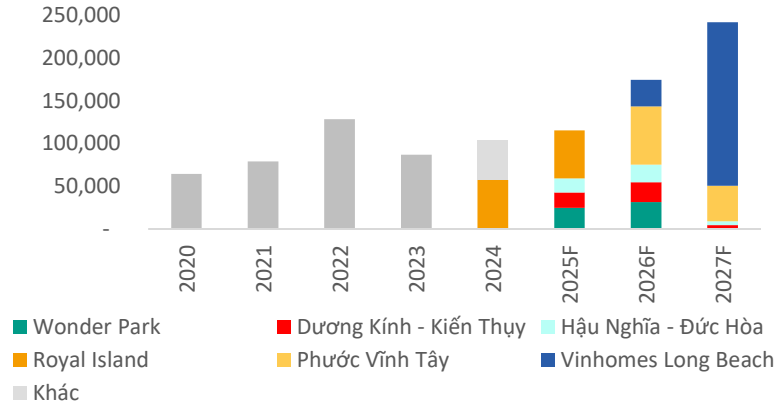
Source: BSC Research

Trading Information	14/03/2025
Current Price (VND)	47,900
Market Cap (VND bn)	196,745
Average trading volume 6M (Bn VND)	446
Remaining foreign room	37.84%

Stock performance



2025-2027 Presales forecast



VNM – THE LEADING POSITION IN VIETNAM'S DAIRY SECTOR

TP: VND 70,600 - Upside +14%

Investment Thesis

Company Overview:

Vietnam Dairy Products Joint Stock Company (HOSE: VNM, Vinamilk) is the leading enterprise in the dairy processing industry, holding more than 54.5% market share in liquid milk, 40.6% in powdered milk, and 33.6% in drinking yogurt.

Investment Thesis:

1. Maintaining the No. 1 market share in the domestic market, driving revenue growth above industry average (CAGR ~1.7%) through (i) continued expansion of fast-growing product lines in 2024 such as liquid milk, yogurt, and condensed milk, (ii) optimization of retail channels, (iii) penetration into the hospital market.
2. VNM valuation has been discounted to a reasonable entry point with 2025 forward P/E = 13x, justified by (i) being lower than the 5-year average of 15x, (ii) dividend yield of approximately 6%–6.5%—higher than the current 12-month bank deposit interest rate of around 4.8%.

Risks:

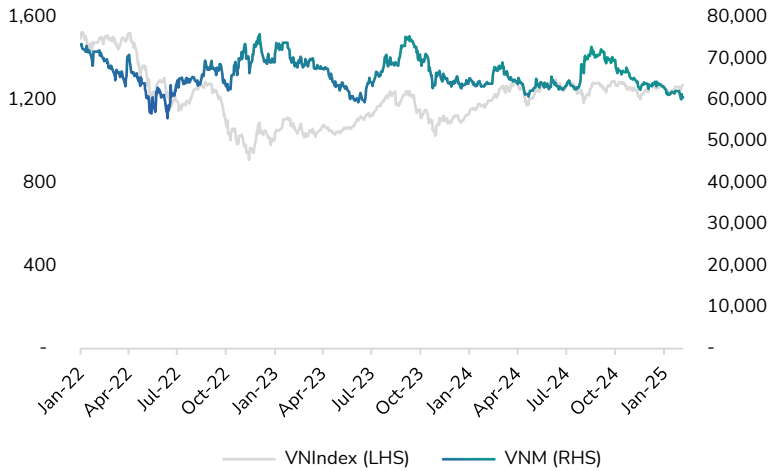
- Risk of losing market share due to competitive pressure.
- Business performance fluctuations below expectations.

Catalyst:

- Anticipation of an upgrade in market classification.

Trading Information	14/03/2025
Current price (VND)	62,100
Market cap (billion VND)	129,786
Average trading volume 6M (Bn VND)	200
Remaining foreign room	49%

VNIndex versus VNM



	2023	2024	2025	VNIndex
PE (x)	15.3	14.6	14.2	13.9
PB (x)	4.0	3.9	3.9	1.8
PS (x)	2.1	2.0	2.0	1.8
ROE (%)	26%	28%	28%	12%
ROA (%)	17%	18%	18%	2%

	2022	2023	2024	2025
Net revenue	59,956	60,369	61,782	65,155
Gross profit	23,897	24,545	25,590	27,112
NPATMI	8,516	8,874	9,362	10,116
EPS	3,882	3,972	4,022	4,356
EPS Growth	-19%	2%	1%	8%

Source: BSC Research

MSN – UNLOCK EFFICIENCY PHASE

TP: 93,400 VND - Upside +31%

Investment Thesis

Overview: MSN is an integrated consumer-technology ecosystem, seamlessly connecting offline and online channels to provide daily essential goods with diverse, superior services.

Investment thesis: **The 2024 business results have demonstrated the efficiency of core operations and reduced financial leverage (Net debt/EBITDA < 3.5x), with 2025F expected to mark a phase of positive growth. Key growth drivers stem from the core consumer segment:**

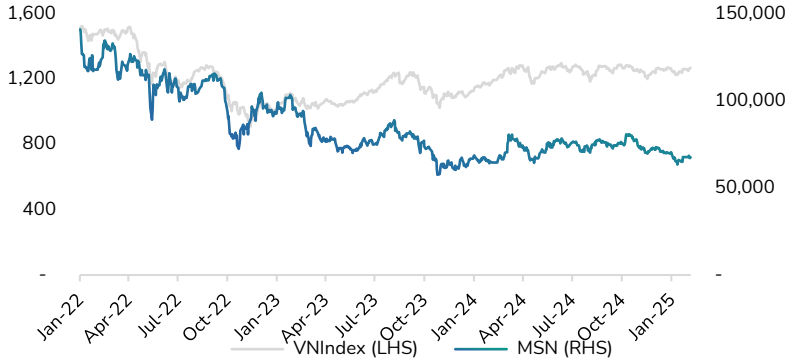
- MCH maintains its role as a profit pillar by expanding its product portfolio toward premiumization and optimizing operating costs.
- WCM is expected to further improve its net profit margin by +1% in 2025, driven by (i) a +3% YoY increase in average store revenue due to anticipated demand recovery and opportunities from retail sector shifts, (ii) scaling new store models (over 300 stores/year), and (iii) cost optimization.
- MML continues to record profit growth, led by its meat segment and enhanced processing plant efficiency, creating synergies with WCM's loyal customer base.
- Others: (1) PHL optimizes business operations; (2) MSR focuses on cost management and financial deleveraging.

Risks: Underperformance of business results compared to expectations and pressure from financial leverage impacting profitability.

Catalysts: (1) MCH's listing on HOSE in 2025; (2) Anticipated market upgrade

Trading Information	14/03/2025
Current price (VND)	71,100
Market cap (billion VND)	107,569
Average trading volume 6M (Bn VND)	338
Remaining foreign room	25.2%

Vnindex vs MSN

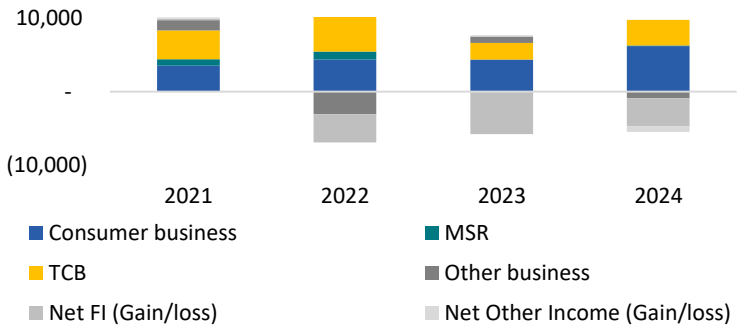


	2022	2023	2024	2025
P/E (x)	29.3	249.9	52.4	44.5
P/B (x)	4.0	3.9	3.5	3.2
P/S (X)	1.4	1.3	1.3	1.3
ROE (%)	13.0%	4.9%	10.5%	11.0%
ROA (%)	3.4%	1.3%	2.9%	3.4%

	2022	2023	2024	2025
Net revenue	76,189	78,252	83,178	80,306
Gross profit	21,035	22,121	24,656	25,743
NPATMI	3,567	419	1,999	2,353
EPS	2,423	284	1,358	1,599
EPS Growth	-58%	-88%	377%	18%

Source: BSC Research

The proportion of NPAT



SSI – LEADING POSITION ALONG WITH BRIGHT PROSPECTS

TP: VND 33,000 - Upside +22%

Investment thesis

Overview

SSI is one of the first securities companies established in Vietnam, with a comprehensive ecosystem from brokerage, securities, services, investment banking, capital trading to investment fund management. Currently, SSI remains as the largest charter capital and ranks top 2 in market share across the entire industry.

Investment thesis

1. **Postive stock market outlook in 2025 thanks to (1)** Low interest rates driving investment flows into the stock channel; (2) market valuations remaning attractive compared to historical levels.
2. **SSI hold a leading position in the industry, with a large margin lending scale.** The company maintains a top-2 market share, supported by balanced cuntributions from both retail and institutional clients. In addition, SSI benefits from a massive capital base, with the largest equity in its sector, providing room to further expand its margin landing scale.

Risks

1. Fierce competition among securities companies reduces brokerage and margin lending profits
2. Profit fluctuations due to proprietary trading activities.

Catalyst:

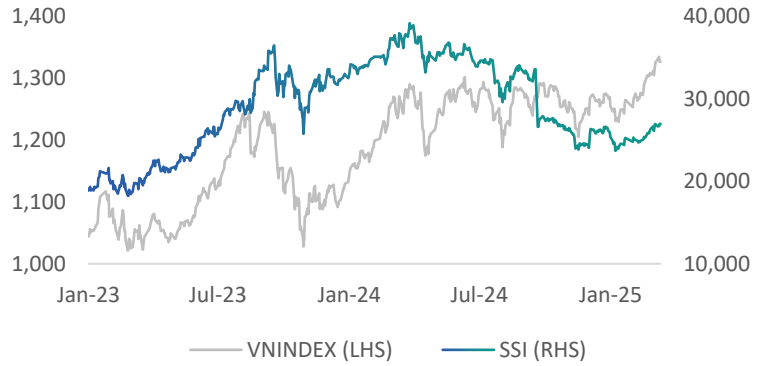
1. The implementation of KRX system helps to improve market liquidity and trading efficiency.
2. Prospects for market upgrade from frontier to emerging market.

	2022	2023	2024	2025F		2022	2023	2024	2025F
PE (x)	12.4	21.4	13.8	18.3	**Revenue**	6,336	7,158	8,147	9,328
PB (x)	1.2	2.1	2.5	1.9	**Gross profit**	3,631	4,723	5,276	5,872
PS (x)	4.2	6.9	1.8	1.3	**NPATMI**	1,698	2,297	2,835	3,129
ROE (%)	9.3%	10.1%	11.4%	11.0%	**EPS**	1,432	1,531	1,335	1,473
ROA (%)	3.3%	3.8%	4.0%	3.9%	**EPS Growth**	-49.8%	6.9%	-12.8%	+10.3%

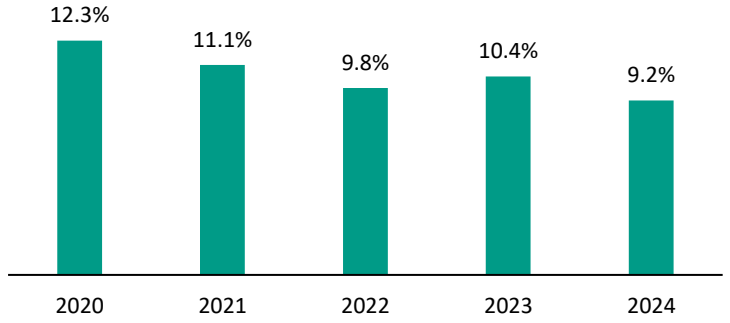
Source: BSC Research

Trading Information	14/03/2025
Current price (VND)	26,950
Market cap (billion VND)	52,872
Average trading volume 6M (Bn VND)	351
Remaining foreign room	61.25%

Stock performance



SSI's market share on HOSE



VRE – SUSTAINING MARKET LEADERSHIP IN SHOPPING MALL OPERATIONS

TP: VND 27,700 - Upside +48%

Investment thesis

Company overview:

Vincom Retail JSC (VRE), formerly known as Vincom Retail LLC, was established in 2012 and is a member of Vingroup (VIC). The company develops and operates Vingroup's Vincom-branded shopping mall chain across Vietnam.

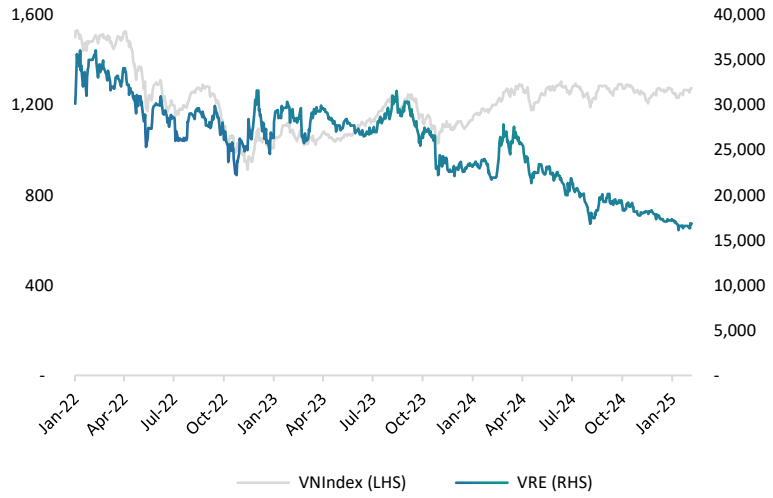
Investment thesis:

1. **Attractive valuation for vietnam's retail pioneer:** VRE is currently trading at an EV/EBITDA 2025F of 9.2x, which is below the 5-year average minus one standard deviation and significantly lower than the 14.4x–15.8x range of regional peers.
2. **Resilient profitability with future growth drivers:** Net profit attributable to shareholders is expected to reach VND 4,486 billion in 2025 (+12.2% YoY), despite limited contribution from the real estate segment. The company is set to establish a new profit base in 2026–2027 through business cooperation with VHM to develop shophouse products at Vinhomes Royal Island and Vinhomes Golden Avenue.

Downside risk: (1) Slower-than-expected expansion of new shopping malls due to inflationary pressures and macroeconomic uncertainties, (2) Business operations and cash flows remain partly dependent on the Vingroup ecosystem

Trading Information	14/03/2025
Current price (VND)	18,750
Market cap (billion VND)	42,606
Average trading volume 6M (Bn VND)	130
Remaining foreign room	30.76%

Stock Performance



	2022	2023	2024	2025F		2022	2023	2024	2025F
PE (x)	16.0	9.9	10.9	9.7	**Net revenue**	7,309	9,791	8,939	9,218
PB (x)	1.28	1.13	1.02	0.92	**Gross profit**	3,764	5,346	4,755	5,220
PS (x)	5.8	4.4	4.6	4.6	**NPATMI**	2,735	4,409	4,095	4,486
ROE (%)	8.2%	11.7%	9.6%	9.7%	**EPS**	1,174	1,893	1,717	1,926
ROA (%)	6.4%	9.3%	7.9%	8.9%	**EPS Growth**	108%	61%	-9%	10%

Source: BSC Research

Investment thesis

Company overview:

Vingroup (VIC) is Vietnam's largest private conglomerate, operating across diverse sectors including real estate, retail, automotive, and technology. The group plays a leading role in several strategic industries and is actively expanding into international markets—most notably through VinFast, its electric vehicle (EV) arm.

Investment thesis:

1. **Sustained Double-Digit EV Sales Growth in 2025–2026:** In 2024, VinFast delivered approximately 97,400 vehicles, marking a sharp +192% YoY increase. We forecast deliveries to reach 120,000 units in 2025 and 150,000 units in 2026, driven by (1) a doubling in production capacity to 300,000 vehicles/year starting 2H2025, (2) accelerated delivery of compact EV models (VF3, VF5) through a B2B model in international markets such as India and Indonesia
2. **Robust Capital Support for VinFast in 2025–2026:** Funding for VinFast is expected to be well-supported by: (1) Strong real estate cash flows from major project launches by Vinhomes, including The Global Gate (385 ha, Hanoi) and Lang Van (512 ha, Da Nang), (2) strategic funding commitments from key stakeholders:

- Chairman Pham Nhat Vuong: VND 50tn
- Vingroup (VIC): VND 35tn
- Conversion of VND 80tn in existing debt into preferred equity.

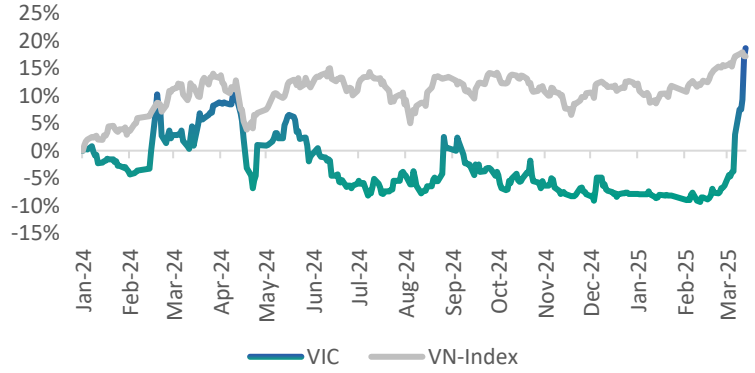
Catalyst: Potential IPO of Vinpearl

	2021	2022	2023	2024		2021	2022	2023	2024
PE (x)	-84.6	18.8	72.7	17.3	**Net revenue**	125,688	101,794	161,428	192,159
PB (x)	2.1	1.5	1.4	1.5	**Gross profit**	34,065	14,694	23,508	28,112
PS (x)	1.7	1.6	1.0	1.1	**NPATMI**	-2,514	8,782	2,157	11,735
ROE (%)	-3%	8%	2%	9%	**EPS**	-685	2,367	565	3,155
ROA (%)	-1%	2%	0%	2%	**EPS Growth**	N/A	N/A	-76%	+485%

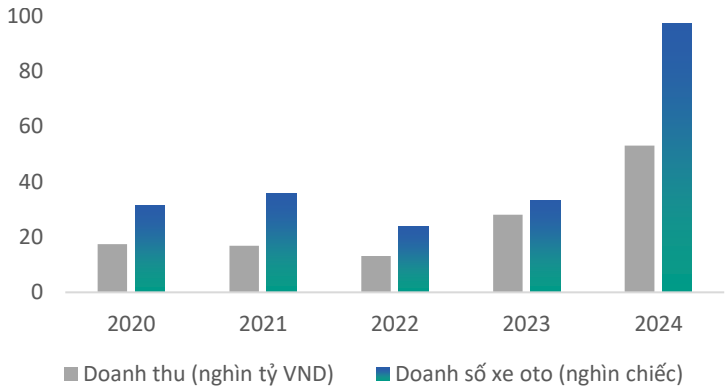
Source: BSC Research

Trading Information	14/03/2025
Current price (VND)	52,200
Market cap (billion VND)	199,595
Average trading volume 6M (Bn VND)	446
Remaining foreign room	38.9%

Stock Performance



Mảng kinh doanh xe ô tô



Disclaimer

This report, prepared by BIDV Securities Joint Stock Company (BSC), provides general information and analysis on macroeconomic conditions and stock market. It is not tailored to meet the requirements of any specific organization or individual, nor is it intended to serve as the basis for decisions to buy, sell, or hold securities. Investors should consider the information, analysis, and commentary in this report as a reference source before making their own investment decisions. All information, assessments, forecasts, and opinions in this report are based on reliable data sources. However, BSC does not guarantee the absolute accuracy of these sources and assumes no responsibility for the accuracy of the information mentioned in this report. Furthermore, BSC shall not be held liable for any damages resulting from the use of any part or the entirety of the content of this report. The views and assessments presented in this report are based on careful, impartial, and reasonable consideration at the time of publication. However, these views and assessments are subject to change without prior notice. This report is copyrighted and the property of BSC. Any copying, modification, or reproduction without BSC's consent is unlawful. No part of this document may be (i) reproduced or duplicated in any form or by any means, or (ii) distributed without BSC's prior approval.

© 2025 BIDV Securities Company, All rights reserved. Unauthorized access is prohibited.

Contact Information - BSC Research

Tran Thang Long
Head of Research
Longtt@bsc.com.vn

Bui Nguyen Khoa
Deputy Head of Research
Macroeconomic & Market Research
Khoabn@bsc.com.vn

Phan Quoc Buu
Deputy Head of Research
Sector & Corporate Research
Buupq@bsc.com.vn

Macroeconomic & Market Research

Vu Viet Anh
Analyst
Anhvv@bsc.com.vn

Tran Thanh Tung
Analyst
Tungtt1@bsc.com.vn

Pham Thanh Thao
Analyst
Thaopt1@bsc.com.vn

Nguyen Giang Anh
Analyst
Anhng@bsc.com.vn

Luu Diem Ngoc
Analyst
Ngocld@bsc.com.vn

BSC Headquarters

8th, 9th floor, Thai Holdings Tower
210 Tran Quang Khai street, Hanoi, Vietnam
Tel: (008424) 3935 2722
Fax: (008424) 2220 0669

Branch

4th, 9th Floor, President Place Tower
93 Nguyen Du Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.
Tel: (008424) 3821 8885
Fax: (008424) 3821 8879

BSC Research
hn.ptnc@bsc.com.vn
(+84) 39352722 - Ext 108

Institutional Investors
hn.tvdt.khtc@bsc.com.vn
(024) 39264 659

Individual Investors
i-center@bsc.com.vn
(024) 39264 660

Website: **http://www.bsc.com.vn**

Bloomberg: **RESP BSC ResearchV <GO>**



APPENDIX

A. BSC Research's Assessment Report on the Topic of Market Upgrade

1. ***Vietnam Stock Market Upgrade Report (Mar 2024): Link***
2. ***Implementation of "Day-Trading" in Asian Markets Report (Jun 2024): Link***
3. ***Sector Outlook 2025 – The Era of Ascent (Dec 2024): Link***
4. ***Thematic report: Upgrading Vietnam's Stock Market Technology Infrastructure (Mar 2025): Link***

B. Global Studies on Market Upgrade Events

1. Price and Volume Effects of Changes in MSCI Indices – Nature and Causes (2005) by the group of authors: Rajesh Chakrabarti, Wei Huang, Narayanan Jayaraman, Jinsoo Lee

2. From Frontier to Emerging: Does Market Reclassification Matter? (2012) by the group of authors : Dr. Nasser Saidi, Aathira Prasad and Vineeth Naik

3. Investing in the Presence of Massive Flows: The Case of MSCI Country Reclassifications (2017) by the group of authors : Terence C. Burnham, Harry Gakidis, Jeffrey Wurgler

1st Line
(Index Policy, Operations, Data, IT, Product)

2nd Line
(Risk & Compliance)

3rd Line
(Audit)

FTSE International (FIL) Broad

Sets the strategy. Reviews performance including regulatory & risk management initiatives

Index Management Board (IMB)

Oversees implementation of business plan and performance against targets; product prioritisation and delivery; escalation point from sub-forums

- **FTSE Russell Risk Committee** — Oversees the implementation of the Enterprise Risk Management Framework
- **Operations Committee** — Reviews technology, cyber, index and data management performance & plans
- **Pipeline & Evaluation Forums** — Manages product approval, prioritization, and delivery
  - Equity/Sustainable Investment Pipeline & Evaluation Forums
  - Fixed Income Multi-Asset/Sustainable Investment Pipeline & Evaluation Forums (Including Convertibles)
  - Reference Rates, WMR & Core Commodity Pipeline & Evaluation Forum
  - Product Readiness Meetings

Index Governance Board (IGB)

Oversees application and development of index methodologies and changes

- **Technical, Methodology & Operational Forums** — Reviews and evaluates methodologies and proposals for changes to existing indices
  - Equity: Technical, Methodology & Operational Forum
  - Fixed Income: Technical, Methodology & Operational Forum
  - ESG: Technical Forum
  - Digital Assets: Technical & Operational Forum
  - Reference Rates, WMR & Core Commodity/CRB: Technical & Methodology Forum
  - External Advisory Committees
- **Data Governance Forum** — Oversees execution of data governance activities & standards

Oversight Committees

Oversees provision of benchmarks, in line with the requirements of the EU/UK Benchmark Regulation

- FTSE Russell Equity and Fixed Income Oversight Committee
- WMR Oversight Committee
- FTSE Russell Interest Rates, Convertibles and Reference Rates Oversight Committee
- Core Commodity/CRB Oversight Committee

Internal Audit

Independent assurance of internal controls to the FIL and LSEG Boards.

Administrator and Service Provider

Source: FTSE, BSC Research

Terms of reference

MSCI Indexes

MSCI BMR Oversight Committee

Oversee the other governance committees and make recommendations to relevant stakeholders and other committees

MSCI Index Policy Committee

Make final decisions on major methodology developments and changes as well as equity market classification decisions

MSCI Equity, Blended and Fixed Income Indexes

MSCI Index – Risk and Regulatory Committee

Presides over operational and business risk and regulatory compliance matters

MSCI Equity Index Committee

Presides over the development, review and interpretation of MSCI's equity, blended, digital assets and ETF linked indexes

MSCI Fixed Income Index Committee

Presides over the development, review and interpretation of fixed income index methodologies

MSCI Private Real Estate Indexes

MSCI Real Estate – Risk and Regulatory Committee

Preside over the integrity of the MSCI Private Real Estate index processes by evaluate and control general risks within the MSCI Private Real Estate product line

MSCI Private Asset Index Committee

Presides over the development, review and interpretation of methodologies and data quality for the MSCI Private Asset Indexes

BIDV SECURITIES JSC

Source: MSCI, BSC Research