

NHSV Market Outlook 2025

From Vision to Value

MỤC LỤC

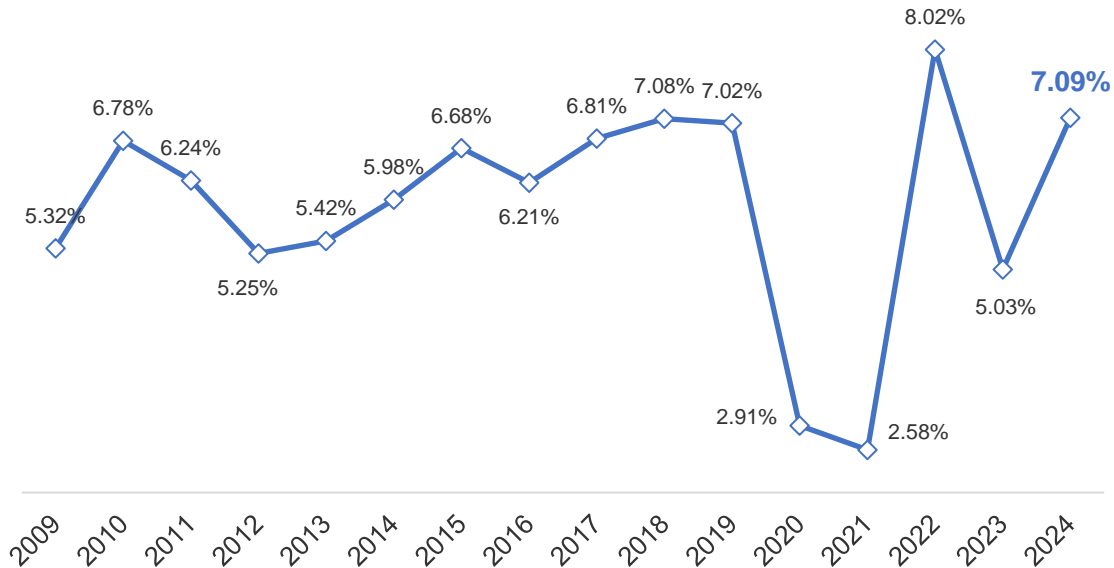
1. **Macro update 2024: High growth on low interest rates**
2. Macroeconomics 2025: Interest Rates or Exchange Rates?
3. Stock Market 2025: Breakthrough
4. Banking industry
5. Real estate industry

GDP growth strong by 7.09%

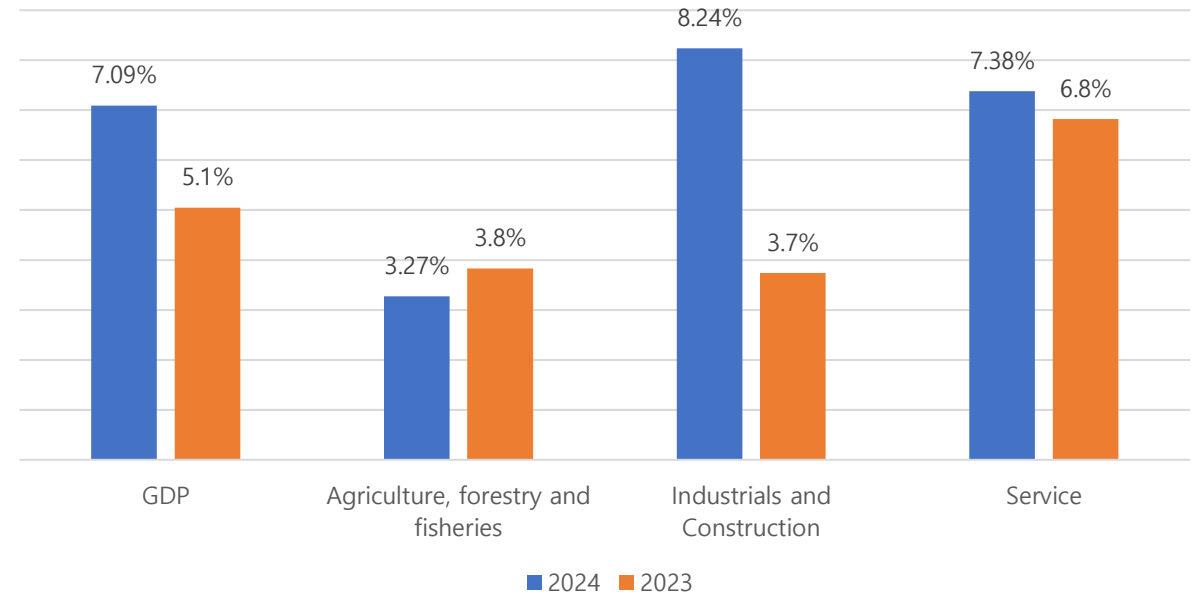
Reasons for growth:

- Industry and construction sector: outstanding growth of 8.24% compared to 3.7% in 2023 thanks to: 1) Real estate market recovery, and 2) Strong export growth of ~16%
- Service sector: growth of 7.38%, higher than in 2023
- However, the agricultural sector's growth decreased to 3.27% due to the impact of storm Yagi

GDP growth by year



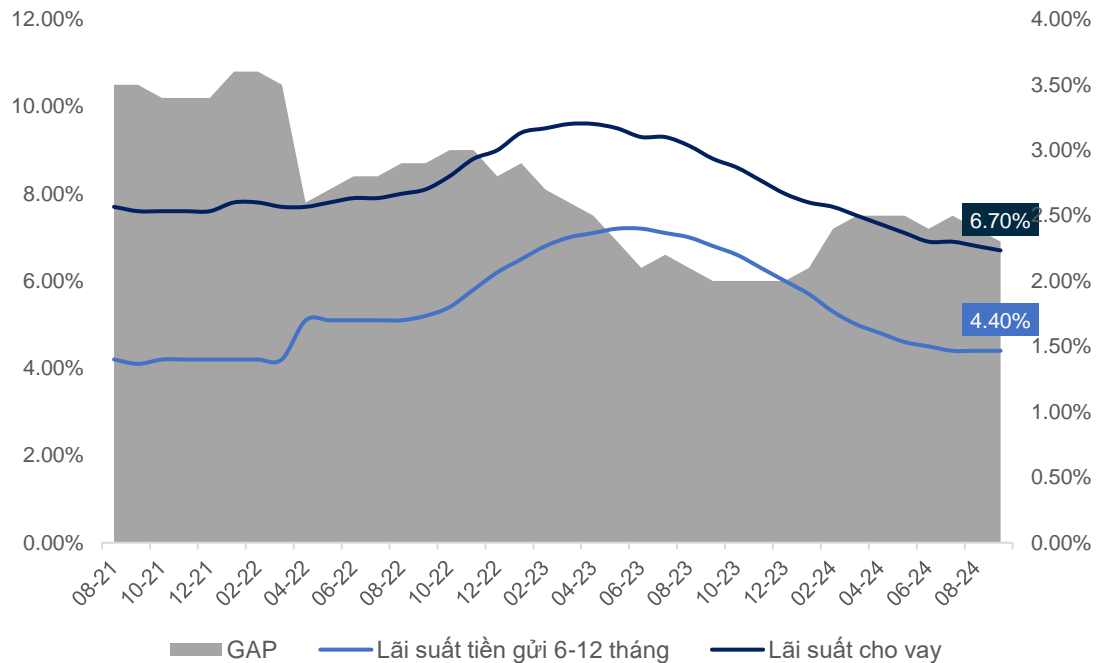
GDP growth by sector



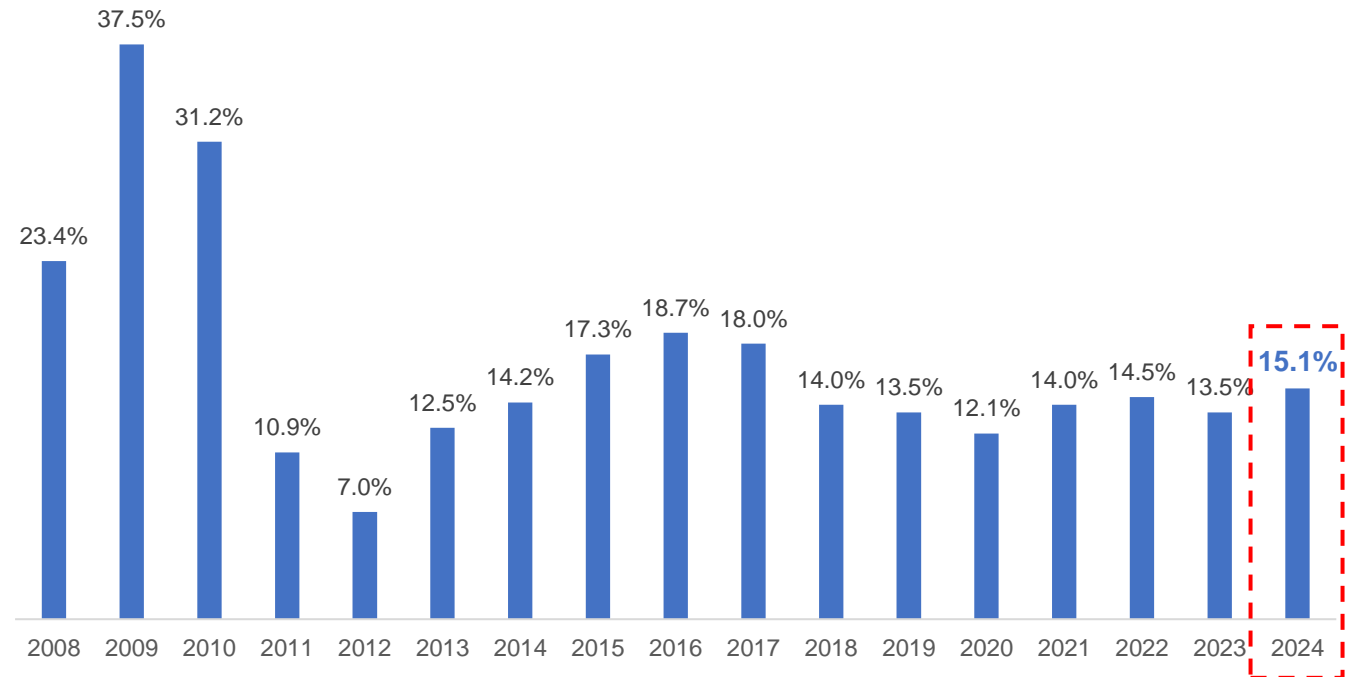
Interest rates and credit remain growth drivers

- Credit growth reaches 13.8% by December 25, 2024, expected to reach 15-16% in 2024
- Credit growth for the whole year of 2024 reaches 15.08%

Average lending and deposit interest rates of domestic commercial banks



Credit growth

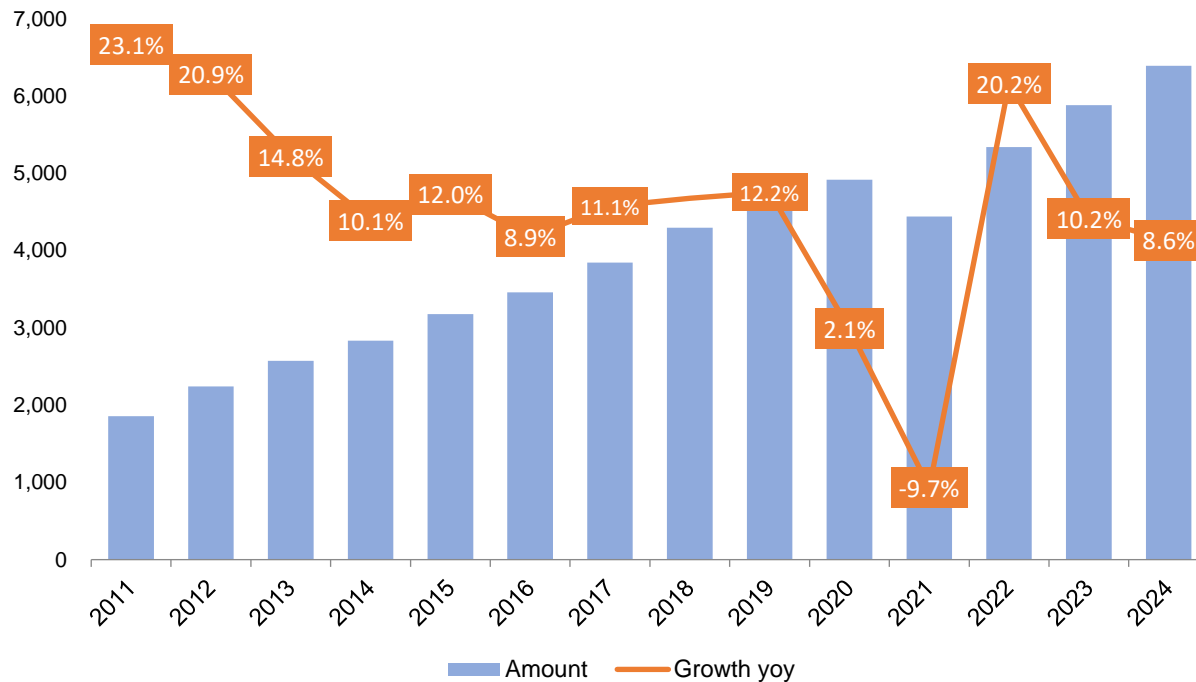


Source: SBV, updated as of Nov/2024

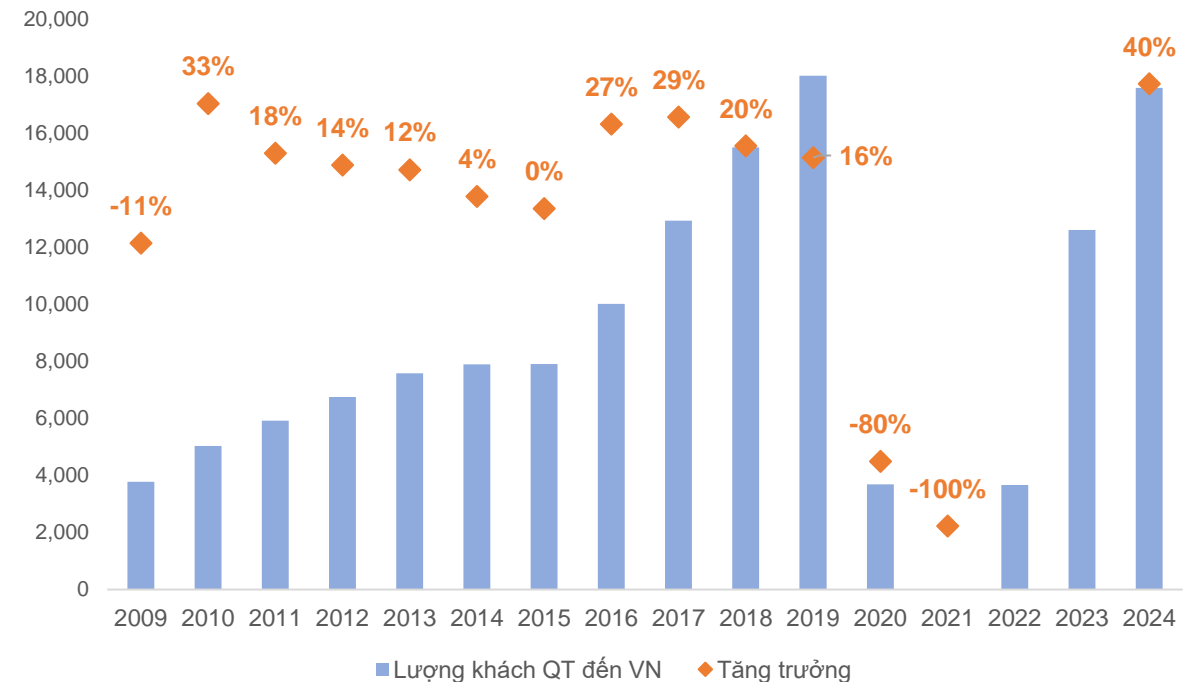
Total retail sales of goods and services increased by 8.6%

- Growth in 2024 is lower than that in 2023, showing that the retail industry has not yet fully recovered, the reason may be the trend of increasing savings and reducing spending after the Covid-19 pandemic and many difficulties in 2022-2023
- Personal income tax revenue in 2024 is estimated to reach VND 189,000 billion, up 20% over the same period in 2023 (VND 157,000 billion)
- The important driving force for retail growth comes from international tourists (growth of 40% yoy) and is almost equal to the level before the Covid-19 pandemic

Total retail sales



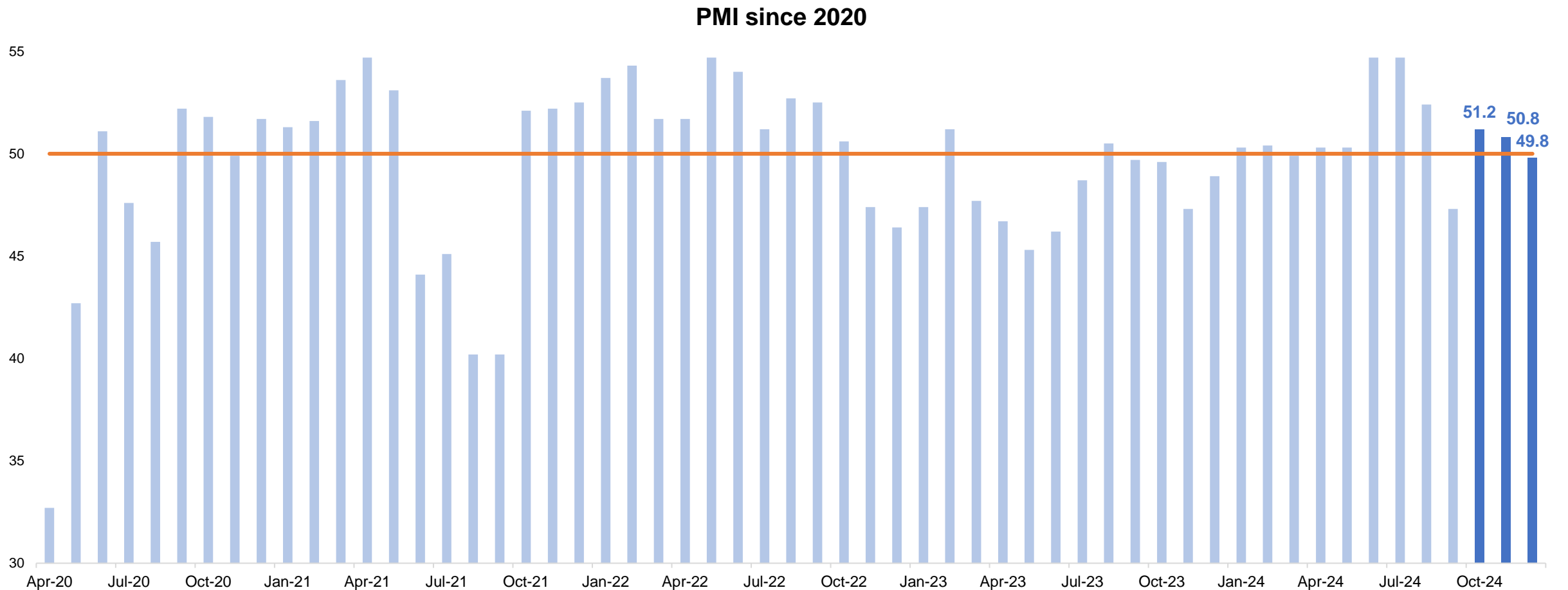
Number of international visitors to Vietnam



Source: General Department of Tourism

PMI increased well, regardless several months below 50 points due to objective reasons

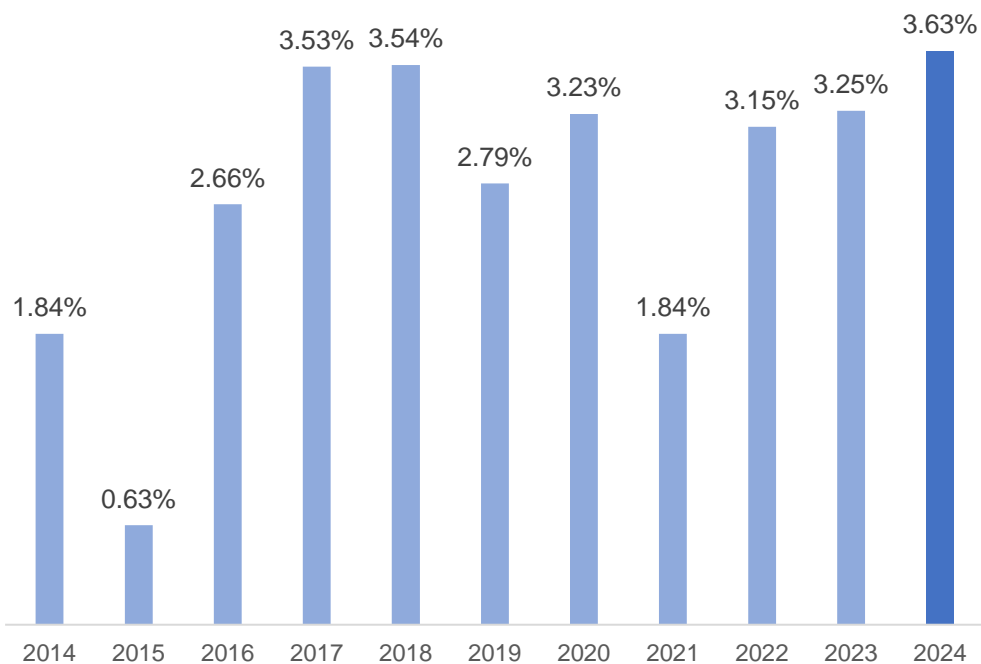
- PMI in September 2024 declined to 47.3 points due to the impact of Yagi storm: heavy rains and floods led to temporary closures or delays in business activities
- PMI in December 2024 decreased slightly to 49.8 points, concerns about instability and uncertainty in the world market



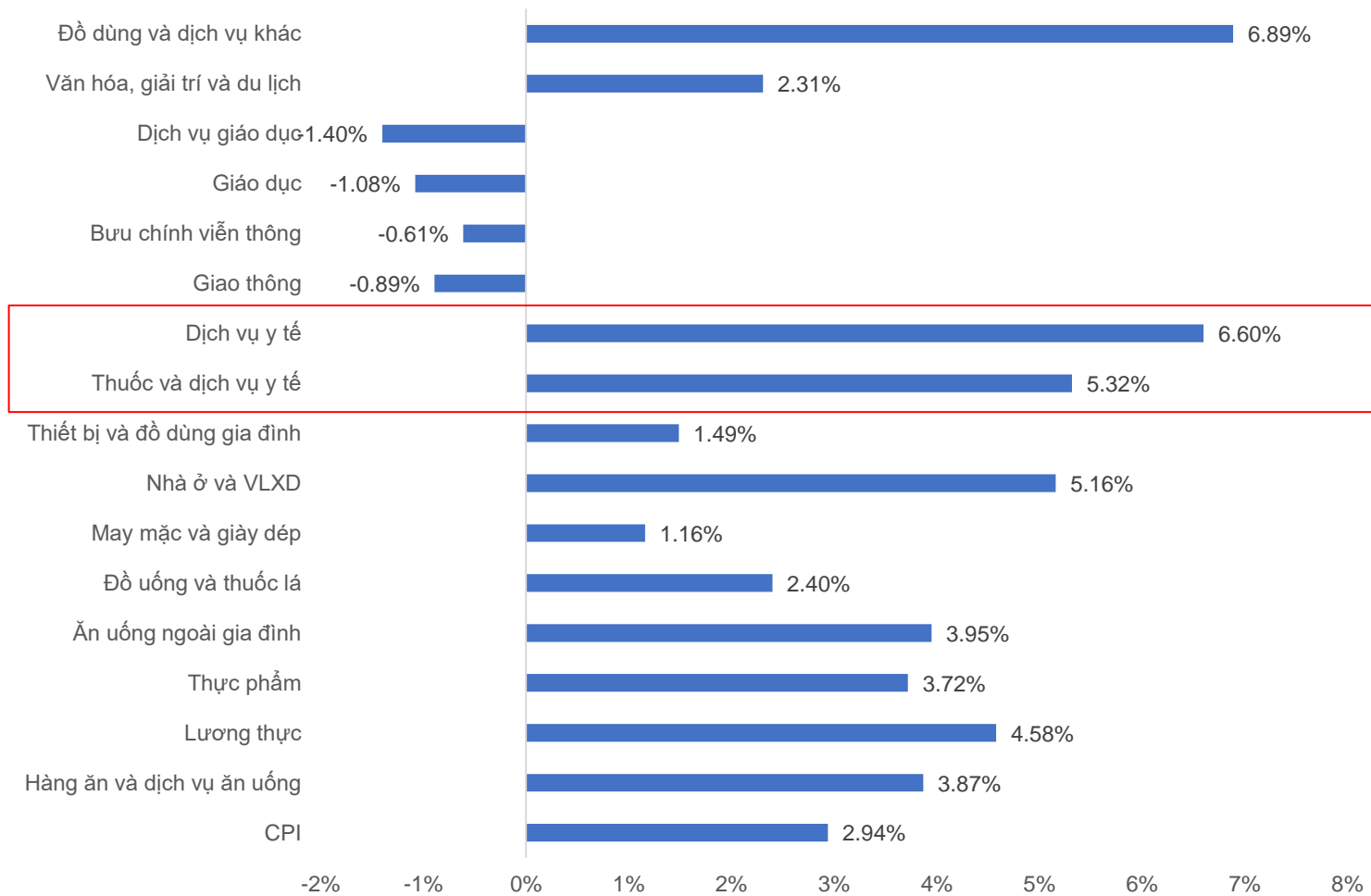
Inflation is under plan to be below 4-4.5%

Stable inflation below 4.5% will not create pressure for monetary policy changes from the State Bank

Inflation by year

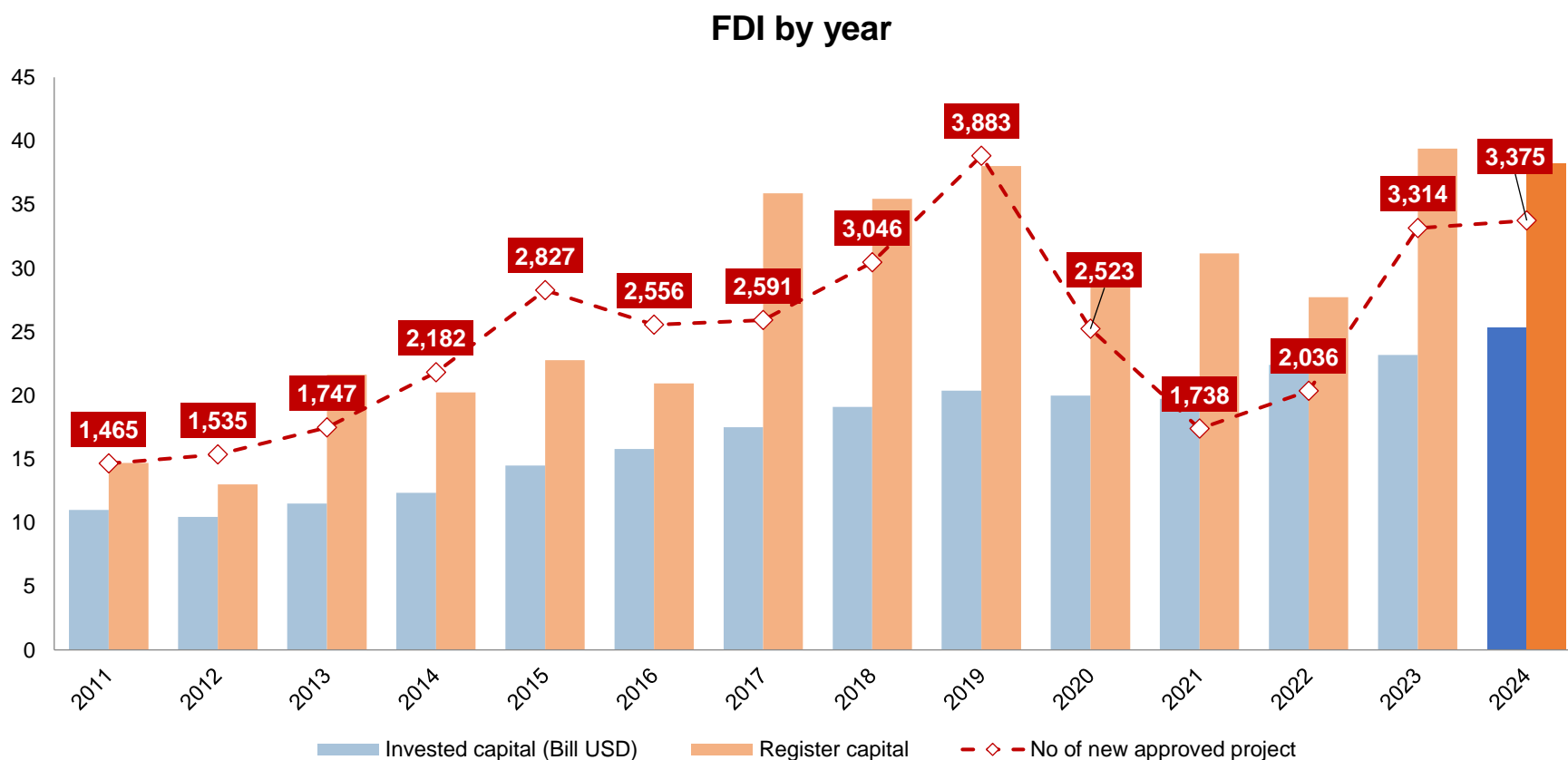


Inflation by categories in 2024



Realized FDI up 9.4% - still an important driver of growth

Total registered and implemented capital in 2024 is 38.23 billion USD (slight decrease of 3% yoy) and 25.35 billion USD (increase of 9.4% yoy)



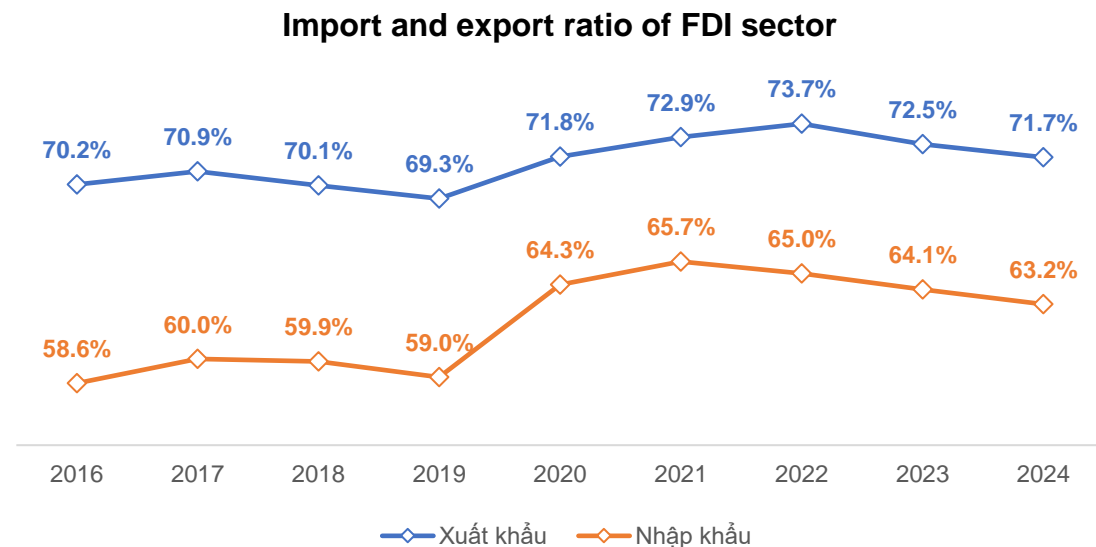
Nation	Registered
Singapore	10,207
Korea	7,057
China	4,732
Hongkong	4,348
Japan	3,502
Taiwan	2,085
Cayman island	1,231
Samoa	856
Turkey	763
Virgin island (England)	586
Netherlands	546
The US	287
Others	2,025

Unit: Million USD

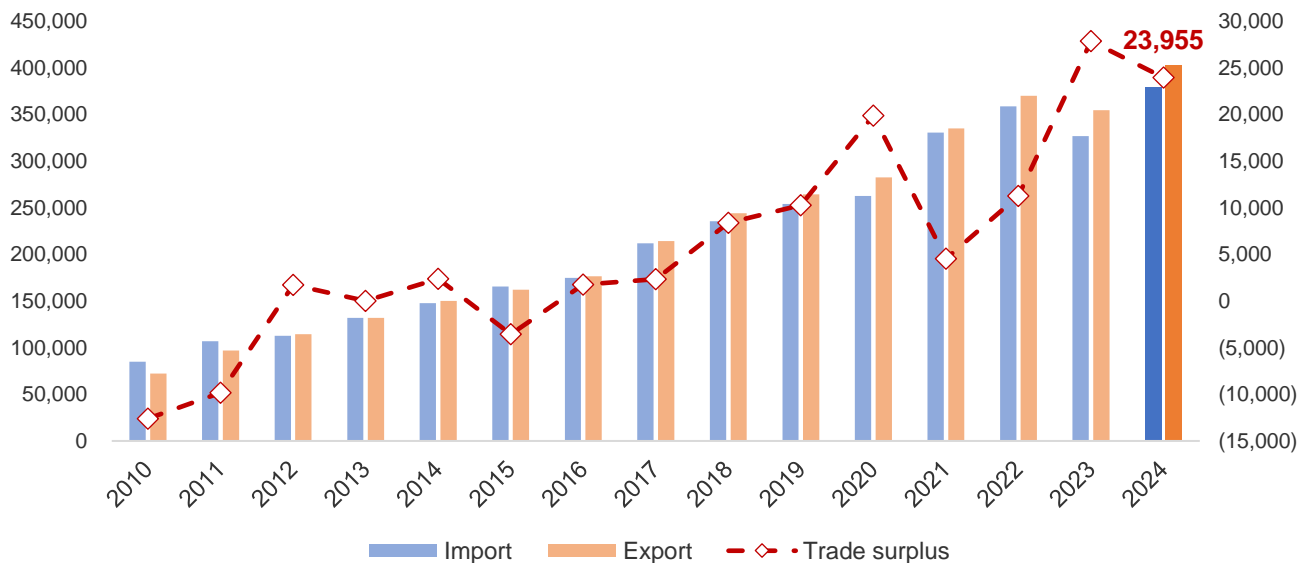
Source: FiinProX

US is an important driving force for exports in 2024, accounting for ~30% of Vietnam's total export value

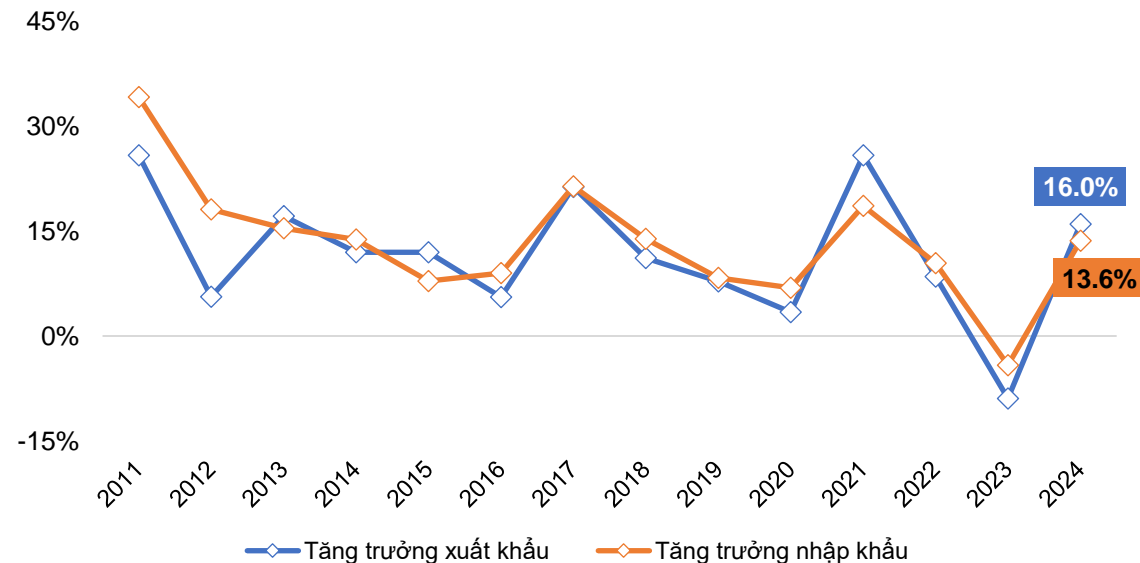
Export by country	2016	2017	2018	2019	2020	2021	2022	2023	11M2024
US	38.4	41.6	47.5	61.3	77.1	96.3	109.4	97.0	109.0
China	22.0	35.4	41.4	41.4	48.9	55.9	57.7	61.2	55.1
Korea	11.4	14.8	18.2	19.7	19.1	21.9	24.3	23.5	23.3
Japan	14.7	16.9	18.8	20.4	19.3	20.1	24.2	23.3	22.4
Netherlands	6.0	7.1	7.1	6.9	7.0	7.7	10.4	10.2	11.8
HongKong	6.1	7.6	8.0	7.2	10.4	12.0	10.9	9.6	11.3
India	2.7	3.8	6.5	6.7	5.2	6.3	8.0	8.5	8.4
Germany	6.0	6.4	6.9	6.6	6.6	7.3	9.0	7.4	7.2
Thailand	3.7	4.8	5.5	5.3	4.9	6.2	7.5	7.2	7.2
England	4.9	5.4	5.8	5.8	5.0	5.8	6.1	6.3	6.9
Australia	2.9	3.3	4.0	3.5	3.6	4.4	5.6	5.2	6.0
Canada	2.7	2.7	3.0	3.9	4.4	5.3	6.3	5.6	5.8
Philippines	2.2	2.8	3.5	3.7	3.5	4.6	5.1	5.1	5.8
Indonesia	2.6	2.9	3.5	3.4	2.8	3.9	4.5	5.1	5.7



Import and export



Import and export growth



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Some forecasts from the World Bank

- Global GDP growth increased from 2.6% to 2.7%, the main driving force came from European countries, Japan, and Southeast Asian countries (Thailand, Indonesia).
- Oil prices are forecast to decrease from 84 USD/barrel to 79 USD/barrel

TABLE 1.1 Real GDP¹

(Percent change from previous year unless indicated otherwise)

	2021	2022	2023e	2024f	2025f	2026f	Percentage point differences from January 2024 projections	
							2024f	2025f
World	6.3	3.0	2.6	2.6	2.7	2.7	0.2	0.0
Advanced economies	5.5	2.6	1.5	1.5	1.7	1.8	0.3	0.1
United States	5.8	1.9	2.5	2.5	1.8	1.8	0.9	0.1
Euro area	5.9	3.4	0.5	0.7	1.4	1.3	0.0	-0.2
Japan	2.6	1.0	1.9	0.7	1.0	0.9	-0.2	0.2
Emerging market and developing economies	7.3	3.7	4.2	4.0	4.0	3.9	0.1	0.0
East Asia and Pacific	7.6	3.4	5.1	4.8	4.2	4.1	0.3	-0.2
China	8.4	3.0	5.2	4.8	4.1	4.0	0.3	-0.2
Indonesia	3.7	5.3	5.0	5.0	5.1	5.1	0.1	0.2
Thailand	1.6	2.5	1.9	2.4	2.8	2.9	-0.8	-0.3
Europe and Central Asia	7.2	1.6	3.2	3.0	2.9	2.8	0.6	0.2
Russian Federation	5.9	-1.2	3.6	2.9	1.4	1.1	1.6	0.5
Türkiye	11.4	5.5	4.5	3.0	3.6	4.3	-0.1	-0.3
Poland	6.9	5.6	0.2	3.0	3.4	3.2	0.4	0.0
Latin America and the Caribbean	7.2	3.9	2.2	1.8	2.7	2.6	-0.5	0.2
Brazil	4.8	3.0	2.9	2.0	2.2	2.0	0.5	0.0
Mexico	6.0	3.7	3.2	2.3	2.1	2.0	-0.3	0.0
Argentina	10.7	5.0	-1.6	-3.5	5.0	4.5	-6.2	1.8
Middle East and North Africa	6.2	5.9	1.5	2.8	4.2	3.6	-0.7	0.7
Saudi Arabia	4.3	8.7	-0.9	2.5	5.9	3.2	-1.6	1.7
Iran, Islamic Rep. ²	4.7	3.8	5.0	3.2	2.7	2.4	-0.5	-0.5
Egypt, Arab Rep. ²	3.3	6.6	3.8	2.8	4.2	4.6	-0.7	0.3
South Asia	8.6	5.8	6.6	6.2	6.2	6.2	0.6	0.3
India ²	9.7	7.0	8.2	6.6	6.7	6.8	0.2	0.2
Bangladesh ²	6.9	7.1	5.8	5.6	5.7	5.9	0.0	-0.1
Pakistan ²	5.8	6.2	-0.2	1.8	2.3	2.7	0.1	-0.1
Sub-Saharan Africa	4.4	3.8	3.0	3.5	3.9	4.0	-0.3	-0.2
Nigeria	3.6	3.3	2.9	3.3	3.5	3.7	0.0	-0.2
South Africa	4.7	1.9	0.6	1.2	1.3	1.5	-0.1	-0.2
Angola	1.2	3.0	0.9	2.9	2.6	2.4	0.1	-0.5
Memorandum items:								
Real GDP¹								
High-income countries	5.5	2.8	1.5	1.6	1.9	1.9	0.3	0.1
Middle-income countries	7.5	3.5	4.5	4.1	4.0	4.0	0.1	0.0
Low-income countries	4.1	5.0	3.8	5.0	5.3	5.5	-0.5	-0.3
EMDEs excluding China	6.5	4.3	3.4	3.5	4.0	3.9	0.0	0.2
Commodity-exporting EMDEs	5.8	3.4	2.6	2.8	3.4	3.2	-0.1	0.3
Commodity-importing EMDEs	8.0	3.9	4.9	4.7	4.3	4.3	0.3	-0.1
Commodity-importing EMDEs excluding China	7.3	5.3	4.5	4.4	4.6	4.7	0.2	0.1
EM7	7.8	3.3	5.1	4.5	4.0	4.0	0.4	-0.1
World (PPP weights) ³	6.6	3.3	3.1	3.1	3.2	3.2	0.2	0.1
World trade volume⁴	11.2	5.6	0.1	2.5	3.4	3.4	0.2	0.3
Commodity prices⁵								
WBG commodity price index	100.9	142.5	108.0	106.0	102.1	101.5	1.1	-0.1
Energy index	95.4	152.6	106.9	104.0	100.0	99.0	0.6	0.0
Oil (US\$ per barrel)	70.4	99.8	82.6	84.0	79.0	78.1	3.0	1.0
Non-energy index	112.1	122.1	110.2	110.1	106.4	106.6	2.4	-0.2

Level differences from January 2024 projections

The world enters a period of monetary policy easing.

Inflation:

- US to 2.3%, close to Fed's long-term target of 2%
- Eurozone to 2.2% in 2025 and 2% in 2026

Most countries cut interest rates or maintain current levels in 2025. DBS forecasts the Fed to cut rates twice to 3.5%

Japan is perhaps the only country forecasted to raise interest rates from 0.25% to 0.75%

Growth, Inflation, & Policy Rates forecasts

	GDP growth, % YoY						CPI inflation, % YoY, ave					
	2021	2022	2023	2024f	2025f	2026f	2021	2022	2023	2024f	2025f	2026f
China	8.1	3.0	5.2	5.0	5.0	4.5	0.9	2.2	0.2	0.6	1.0	1.5
Hong Kong SAR	6.3	-3.5	3.3	2.4	2.5	2.5	1.6	1.9	2.0	1.5	1.5	1.5
India	8.9	6.7	7.8	7.0	6.7	6.6	5.1	6.7	5.7	4.8	4.2	4.2
Indonesia	3.7	5.3	5.1	5.0	5.2	5.0	1.6	4.2	3.7	2.3	2.2	2.0
Malaysia	3.3	8.9	3.6	5.3	4.8	4.6	2.5	3.4	2.5	1.9	2.8	2.3
Philippines	5.7	7.6	5.6	6.0	5.8	5.6	3.9	5.8	6.0	3.0	2.6	2.4
Singapore	9.7	3.8	1.1	3.5	2.8	2.5	2.3	6.1	4.8	2.4	2.0	2.0
South Korea	4.6	2.7	1.4	2.3	2.0	2.2	2.5	5.1	3.6	2.4	2.3	2.0
Taiwan	6.6	2.6	1.3	4.4	3.0	2.4	2.0	2.9	2.5	2.2	1.9	1.7
Thailand	1.6	2.5	1.9	2.8	3.0	2.8	1.2	6.1	1.2	0.5	1.5	1.8
Vietnam	2.6	8.0	5.0	6.8	6.8	6.6	1.8	3.2	3.3	3.7	3.5	3.3
Eurozone	5.3	3.5	0.5	0.8	1.0	1.2	2.6	8.4	5.5	2.3	2.2	2.0
Japan	2.7	1.2	1.7	0.0	0.9	0.6	-0.3	2.5	3.3	2.5	1.6	1.3
United States	5.9	2.1	2.5	2.5	2.0	2.0	4.7	8.0	4.1	3.0	2.3	2.5

*2020 represents Fiscal 21; ending Mar 21

Policy interest rates, eop

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
China*	3.45	3.45	3.35	3.00	3.00	2.75	2.50	2.50	2.50	2.25	2.25	2.25
India	6.50	6.50	6.50	6.50	6.25	5.75	5.50	5.50	5.50	5.50	5.50	5.50
Indonesia	6.00	6.25	6.00	5.75	5.50	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Malaysia	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Philippines	6.50	6.50	6.25	5.75	5.50	5.00	4.75	4.75	4.75	4.75	4.75	4.75
Singapore**	3.62	3.70	3.25	3.08	2.78	2.58	2.58	2.58	2.58	2.58	2.58	2.58
South Korea	3.50	3.50	3.50	3.25	3.00	2.75	2.50	2.50	2.50	2.50	2.50	2.50
Taiwan	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.875	1.875
Thailand	2.50	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Vietnam***	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Eurozone^	4.00	3.75	3.50	3.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Japan	0.10	0.10	0.25	0.25	0.50	0.50	0.75	0.75	0.75	1.00	1.00	1.00
United States	5.50	5.50	5.00	4.50	4.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50

* 1-yr Loan Prime Rate; ** 3M SORA OIS; *** refinancing rate; ^ deposit facility rate

Trump will officially take office on January 20, 2025

Russia-Ukraine War

'I would end the conflict between Russia and Ukraine "within 24 hours"' – Trump said

Reducing funding for Ukraine and European allies

Ukraine will need to make more concessions to Russia to reach peace

Middle East War

During President Trump's first term:

+ May 9, 2018: US President Donald Trump officially withdrew the US from the nuclear deal with Iran and restored sanctions

+ US recognized Jerusalem as the capital of Israel

Clearly, Trump's stance is very tough on Iran and supports Israel

Perhaps the Middle East war (Israel – Iran) will not end in the short term

Import taxes: Trump proposed increasing import taxes to 60% on goods from China and imposing 10-20% taxes on imported goods from other countries. Although many experts consider this to be just the art of negotiating during the election campaign, tariffs will certainly be higher under President Trump

Corporate income tax (CIT): CIT tax reduction from 21% to 15%

Oil prices

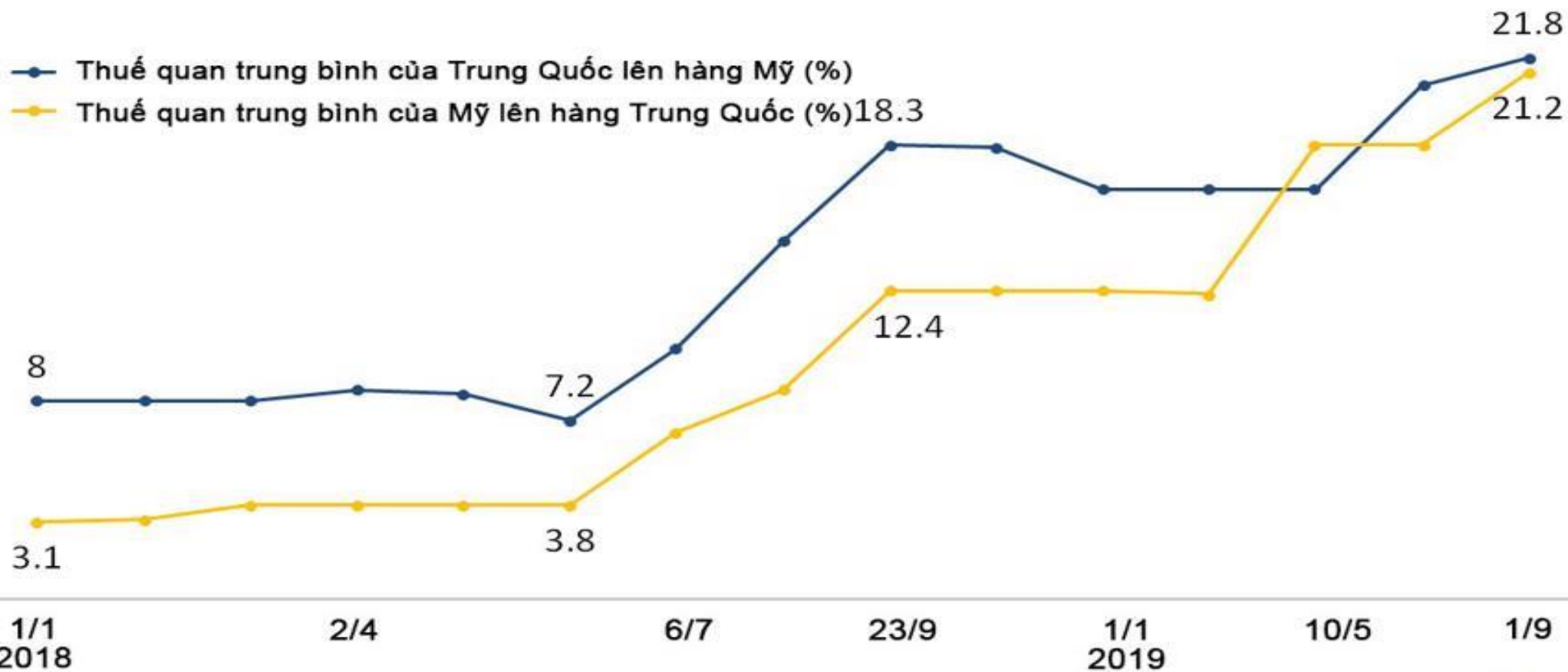
Trump said: "Accelerate oil and gas exploitation, while reducing policy barriers to power plant construction"

Oil prices may fall or remain low in the future

- 1 US economy growth will be higher
- 2 Oil prices fall
- 3 Ukraine and Russia war will end
- 4 However, Middle East war (Israel - Iran) will still have complicated developments.
- 5 More import taxes on countries

Is a second US-China trade war likely?

CUỘC CHIẾN THUẾ QUAN MỸ - TRUNG



Nguồn: PIIE, USTR, Trung tâm Thương mại Quốc tế, Bộ Tài chính Trung Quốc



Vietnam benefits from the US-China trade war?

- Vietnam's export value to the US increased 2.5 times in the period 2016-2023, CARG is 14.1% per year.
- Vietnam benefited from the US-China trade war in 2018 when the export value to the US increased significantly by 29% in 2019 - 1 year after the trade war.
- In 11 months of 2024, Vietnam exported nearly 109 billion USD to the US (growth of ~22.5% yoy), and is expected to continue to set new peaks, surpassing the export value of 2022.

Export value by country

	2016	2017	2018	2019	2020	2021	2022	2023	11M2024
US	38,450	41,592	47,530	61,347	77,077	96,270	109,389	97,020	108,974
China	21,960	35,404	41,366	41,414	48,905	55,926	57,703	61,208	55,058
Korea	11,406	14,819	18,241	19,720	19,107	21,948	24,293	23,499	23,346
Japan	14,671	16,859	18,834	20,413	19,284	20,130	24,233	23,315	22,435
Netherlands	6,012	7,105	7,085	6,881	6,999	7,685	10,430	10,242	11,831
Hong Kong	6,088	7,582	7,958	7,156	10,437	11,995	10,936	9,632	11,263
India	2,687	3,758	6,544	6,674	5,235	6,281	7,962	8,499	8,380
Thailand	3,691	4,808	5,487	5,272	4,917	6,155	7,476	7,192	7,154
Germany	5,961	6,363	6,873	6,555	6,644	7,288	8,968	7,400	7,204
England	4,898	5,422	5,779	5,758	4,955	5,766	6,066	6,345	6,938

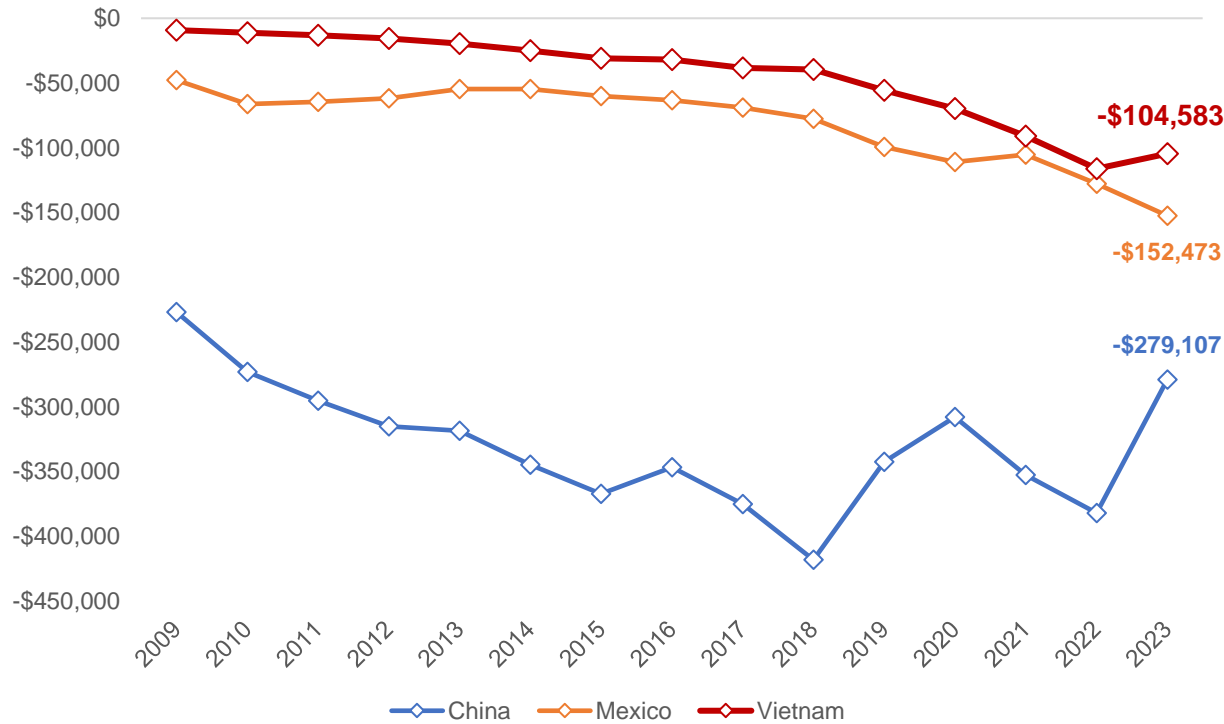
Đơn vị: Triệu USD

Nguồn: FiinProX

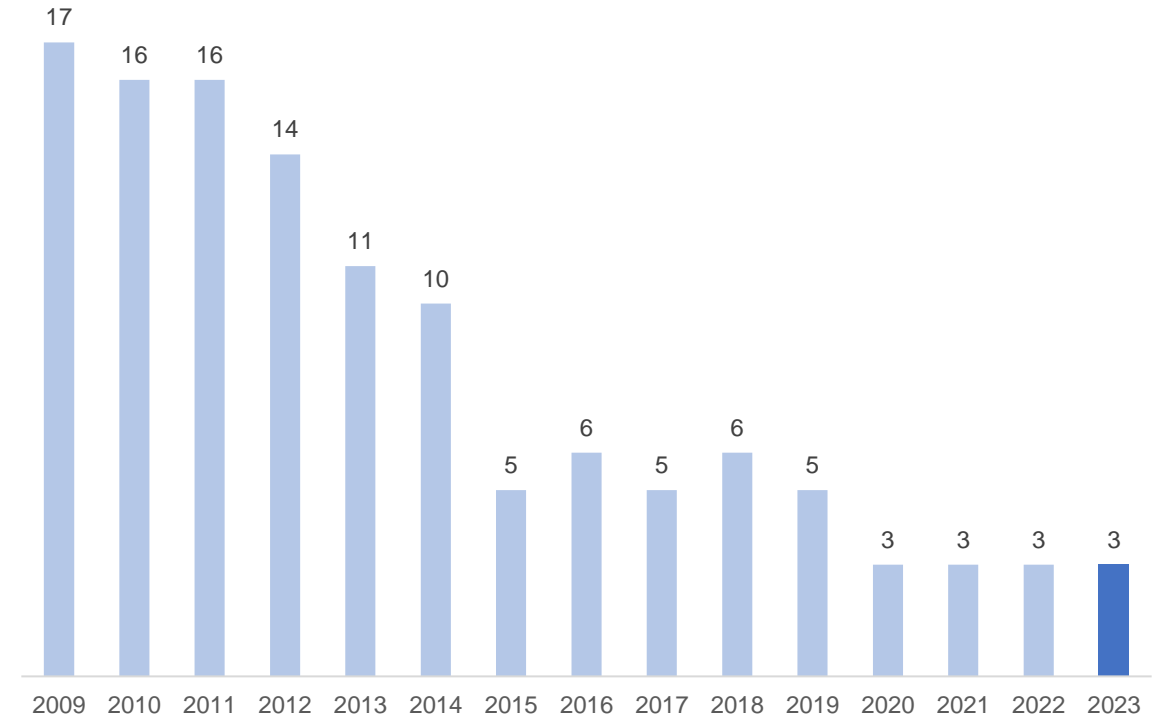
Risk: US imposes import tax on Vietnamese goods?

- The US trade deficit with Vietnam decreased from 116 to 104.5 million USD in 2023
- However, in the period 2020-2023, Vietnam ranked 3rd in trade deficit with the US (after China and Mexico)

3 countries with the largest trade deficit with the US



Ranking Vietnam's trade deficit with the US



Risk: Is the risk that US imposing import tax on Vietnamese goods a concern?

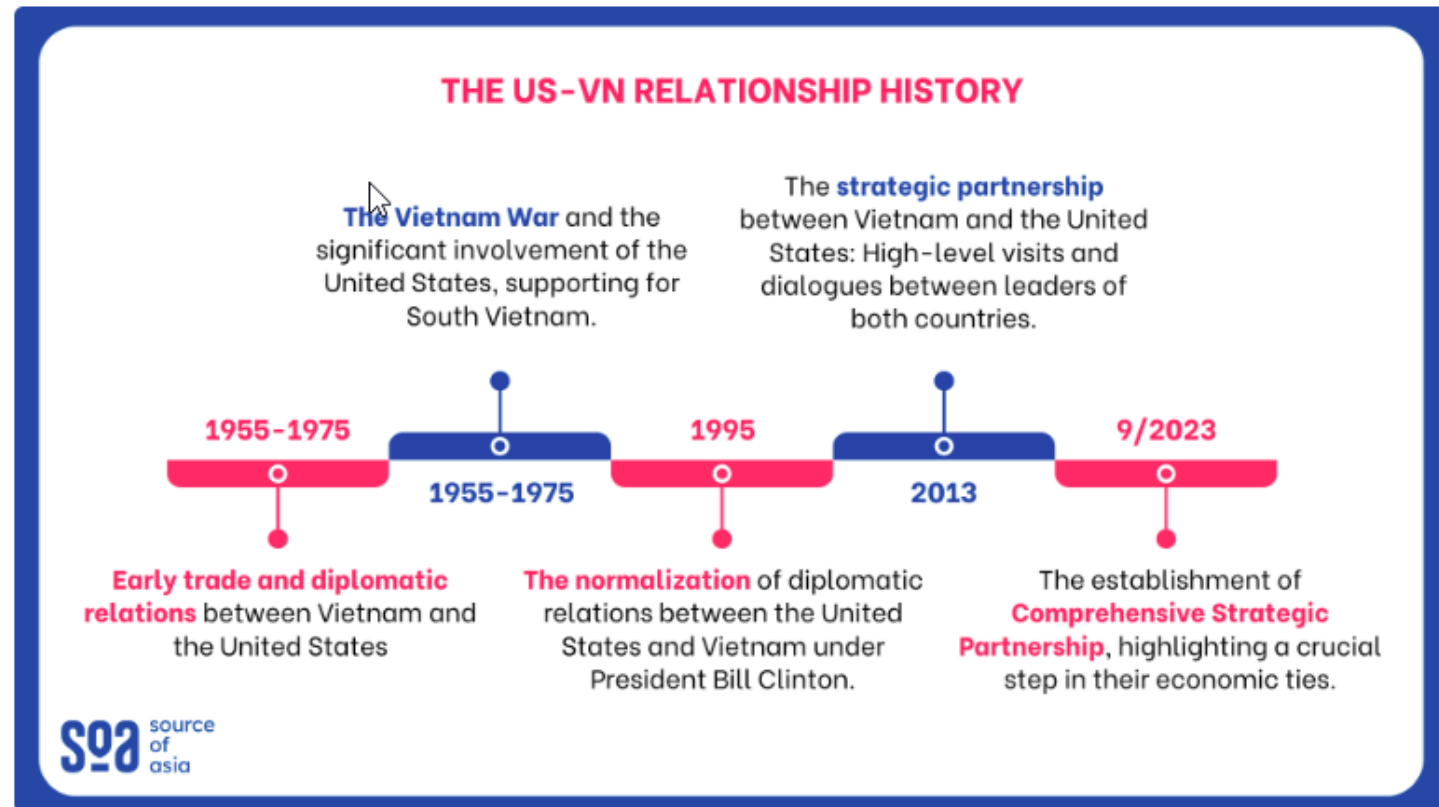
However, the US-Vietnam diplomatic relationship is a comprehensive strategic partnership, so the probability of the US imposing direct tariffs on Vietnamese goods is not high

Trump once said:

- US will consider withdrawing from NATO if NATO does not increase defense spending
- EU must buy US oil and gas, otherwise he will impose tariffs on imported goods from this Group



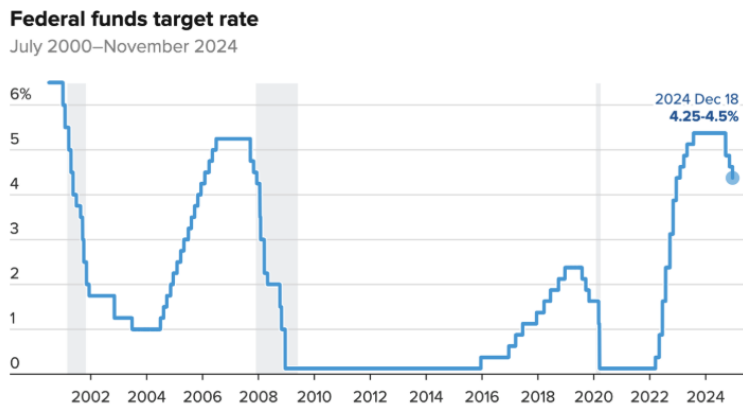
Vietnam will have to make concessions to reduce the trade deficit by importing oil, Boeing aircraft, technology, agricultural products... from US



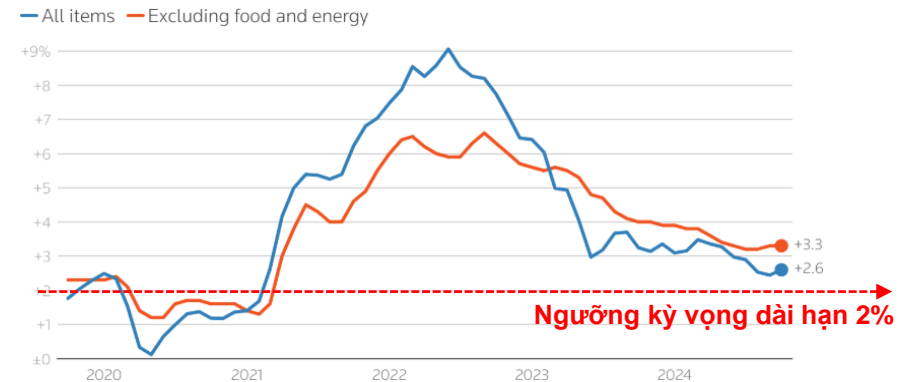
Fed will only cut interest rates twice in 2025?

- Inflation in the US will only decrease slightly from 3.4% to 2.7% in 2024, and is still higher than the Fed's long-term expectation of 2%
- Fed has repeatedly affirmed that the priority of the Fed's monetary policy is to reduce inflation to the threshold of 2%. So, Fed will maintain a high interest rate policy in 2025 to curb inflation
- Many experts in the US predict that the Fed will only cut interest rates twice in 2025, each time cutting interest rates by 0.25%
- Fed's maintenance of higher-than-expected interest rates could cause the DXY index to increase, thereby creating great pressure on the USD/VND exchange rate

Fed fund rate



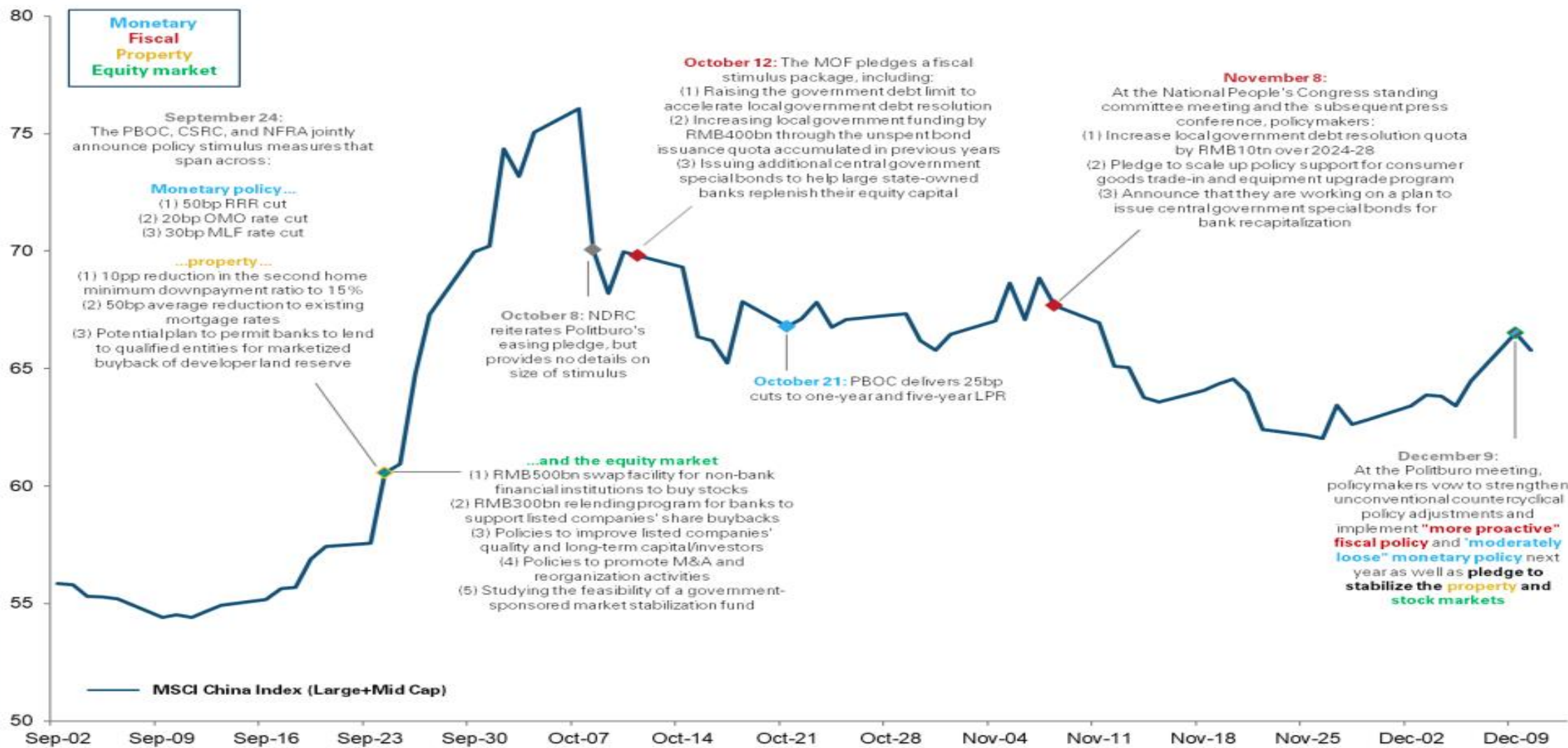
US CPI



DXY Index



China's big economic stimulus



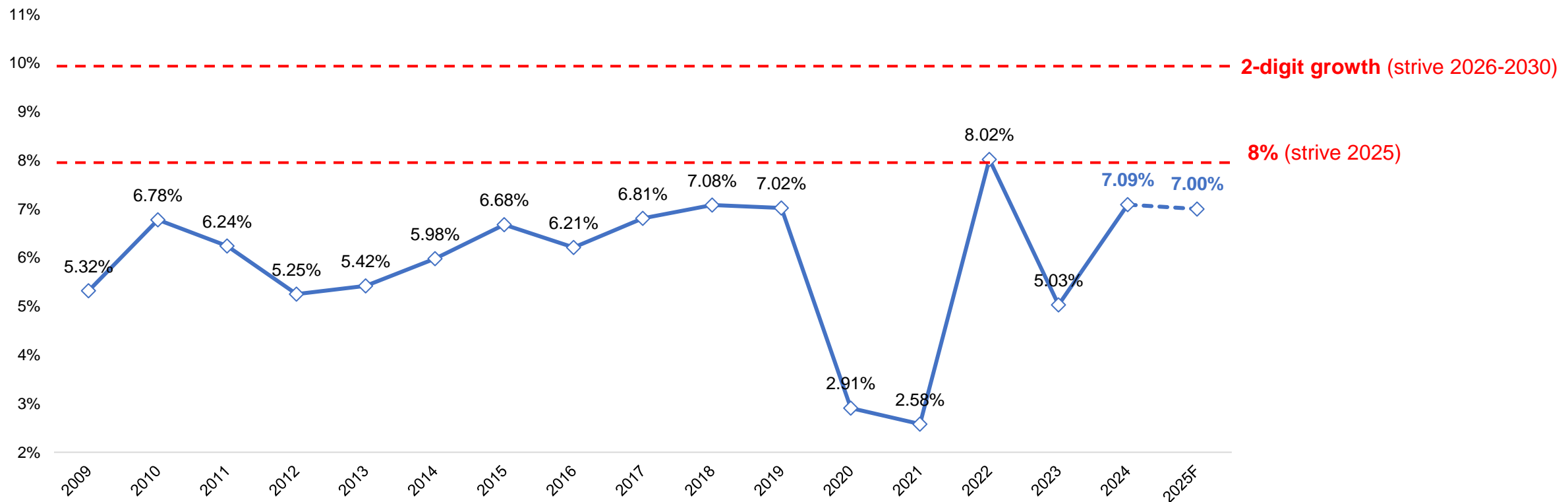
Data as of December 10, 2024.
 Source: MSCI, Goldman Sachs GIR.

Vietnam – Policy priority: Focusing all resources on economic growth

Prime Minister Pham Minh Chinh:

- December 1, 2024: Strive for national GDP growth in 2025 to reach over 8%, local GRDP growth to be at least 8-10%, creating momentum for double-digit growth in the 2026-2030 period.
- December 31, 2024: Strive for double-digit growth in 2025

Vietnam GDP Growth

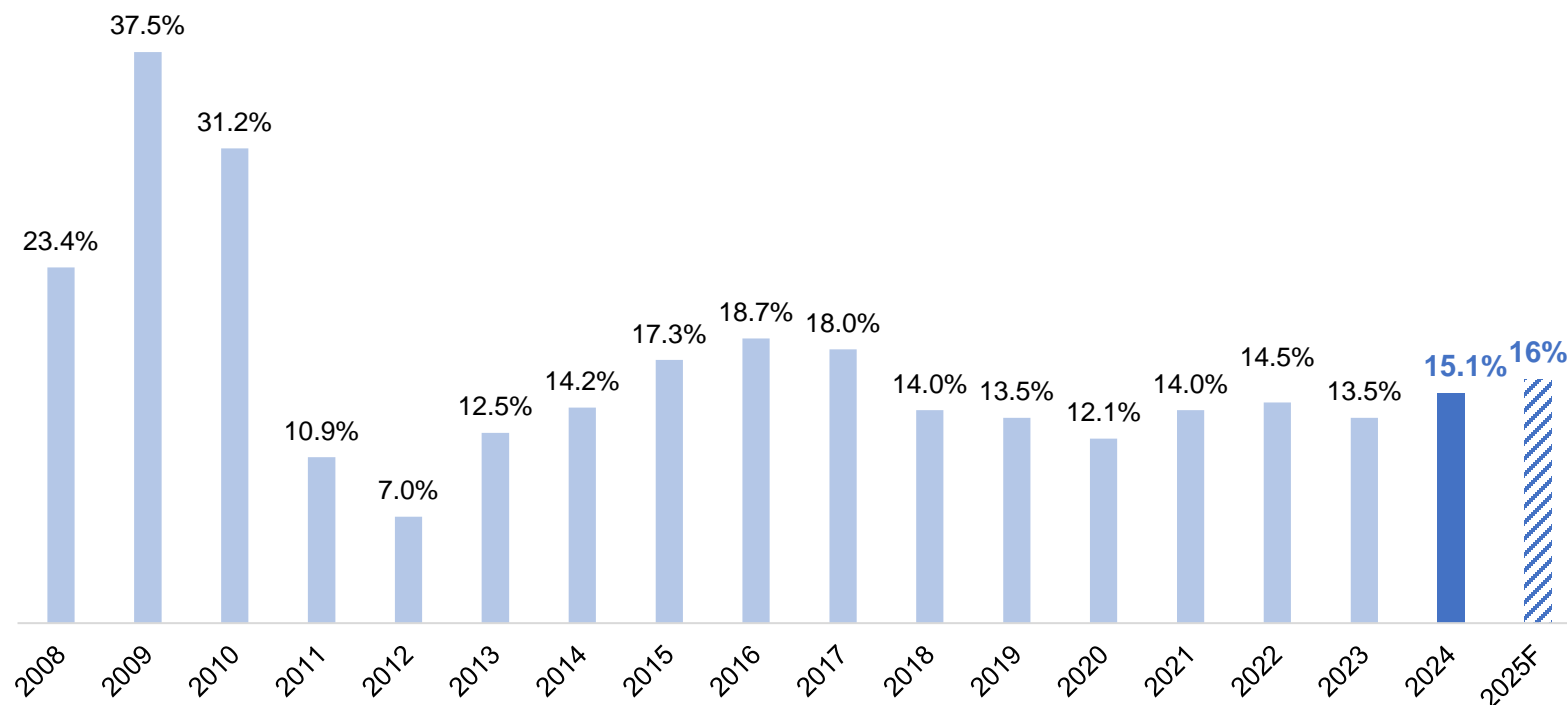


Monetary policy 2025: high credit growth + maintaining low interest rates

4 SBV (VCB BID CTG Agribank) accounts for ~44.7% of the credit market share of the entire economy and is still maintaining a very low interest rate of 4.6-4.8%

Prime Minister: requires strict control of mobilization interest rates, reducing lending interest rates to meet the capital needs of the economy (December 17, 2024)

Credit growth

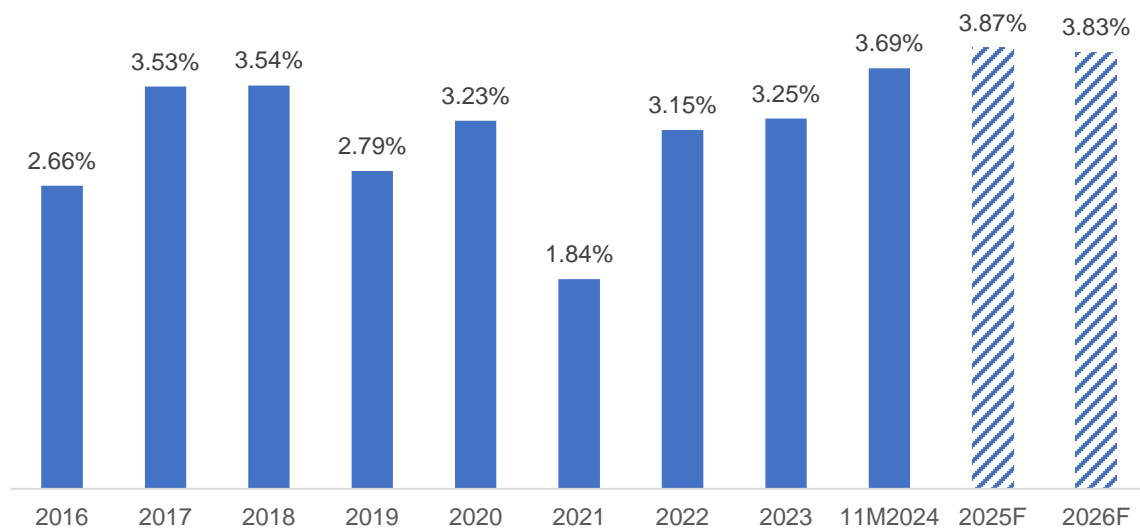


Interest rates at banks	12 months
VIETCOMBANK	4.6
BIDV	4.7
VIETINBANK	4.7
AGRIBANK	4.8
TECHCOMBANK	4.85
ACB	4.9
SEABANK	5.0
MB	5.1
PVCOMBANK	5.1
EXIMBANK	5.2
OCB	5.3
TPBANK	5.3
SACOMBANK	5.4
LPBANK	5.5
PGBANK	5.5
SHB	5.5
VPBANK	5.5
HDBANK	5.6
VIETBANK	5.6
BAC A BANK	5.6
NAM A BANK	5.6
KIENLONGBANK	5.7
VIET A BANK	5.7
DONG A BANK	5.8
NCB	5.8
OCEANBANK	5.8
BAOVIETBANK	5.8
SAIGONBANK	5.8
CBBANK	6.0
ABBANK	6.0
BVBANK	6.0

Inflationary pressure in 2025 is not high

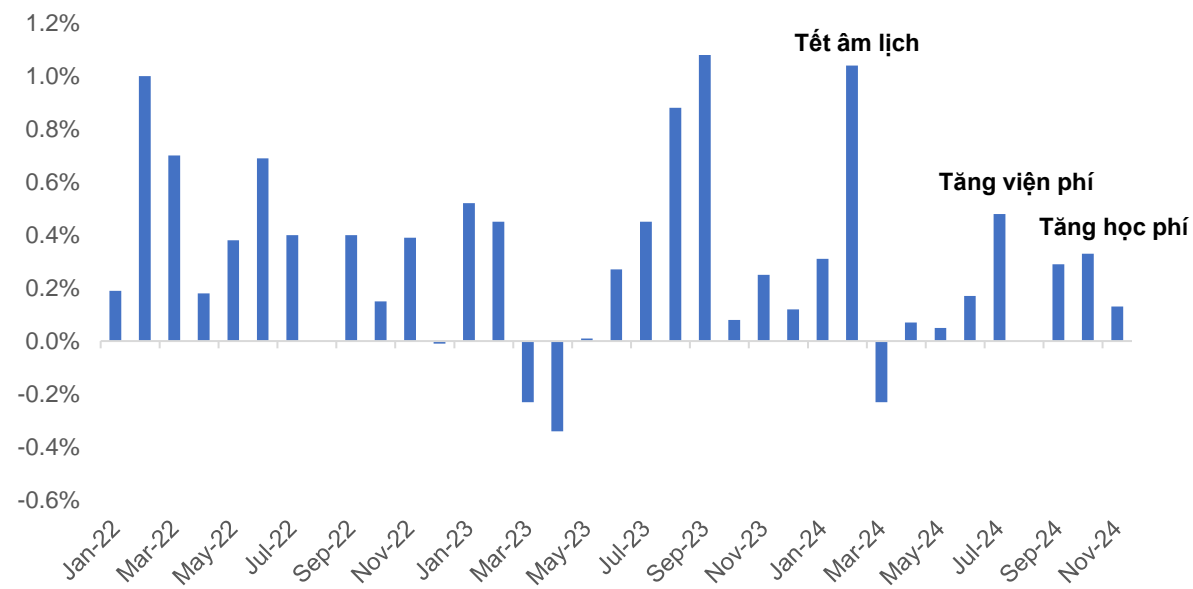
- Oil prices are low and are forecast to continue to decline in 2025:
 - + Macquarie: WTI oil falls to an average of 70.5 USD/barrel (compared to 79.64 USD/barrel in 2024)
 - + World bank: Brent oil falls from 84 USD/barrel to 79 USD/barrel
- Global inflation is declining
- In 2024, the main factors affecting inflation in Vietnam are hospital fees and tuition fees - both of which are factors that can be controlled by the Government. Therefore, if the prices of other commodities increase unexpectedly, the Government can completely stop increasing hospital fees and tuition fees in 2025 to ensure the general inflation level of the economy in 2025.

Inflation by year



Nguồn: NHNN

Inflation by month

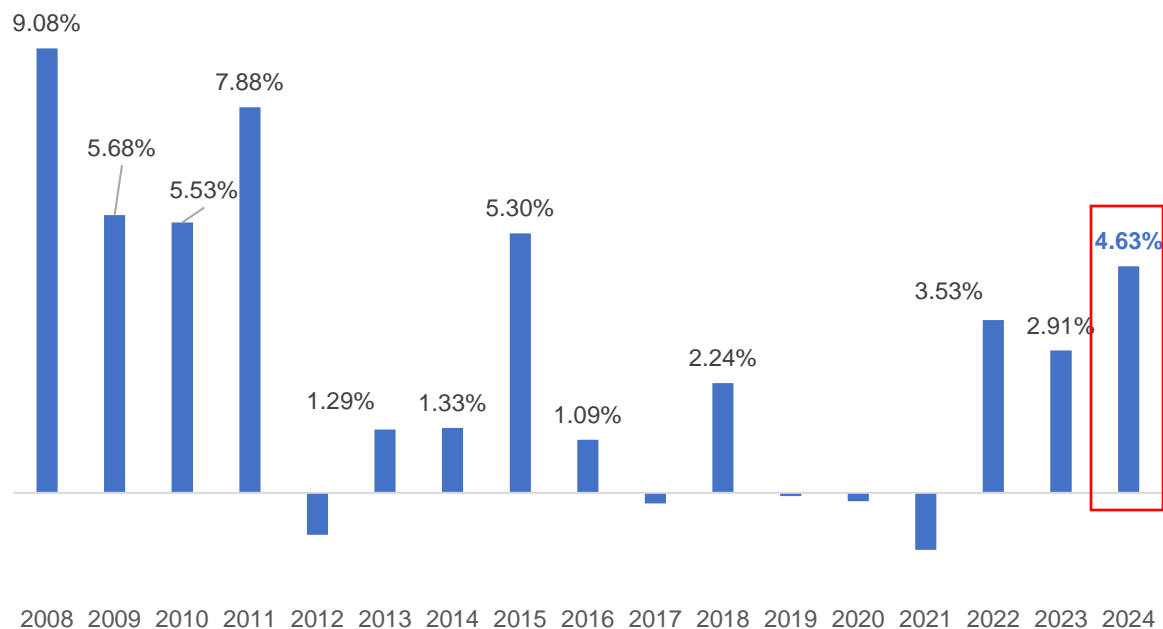


Nguồn: FiinProX

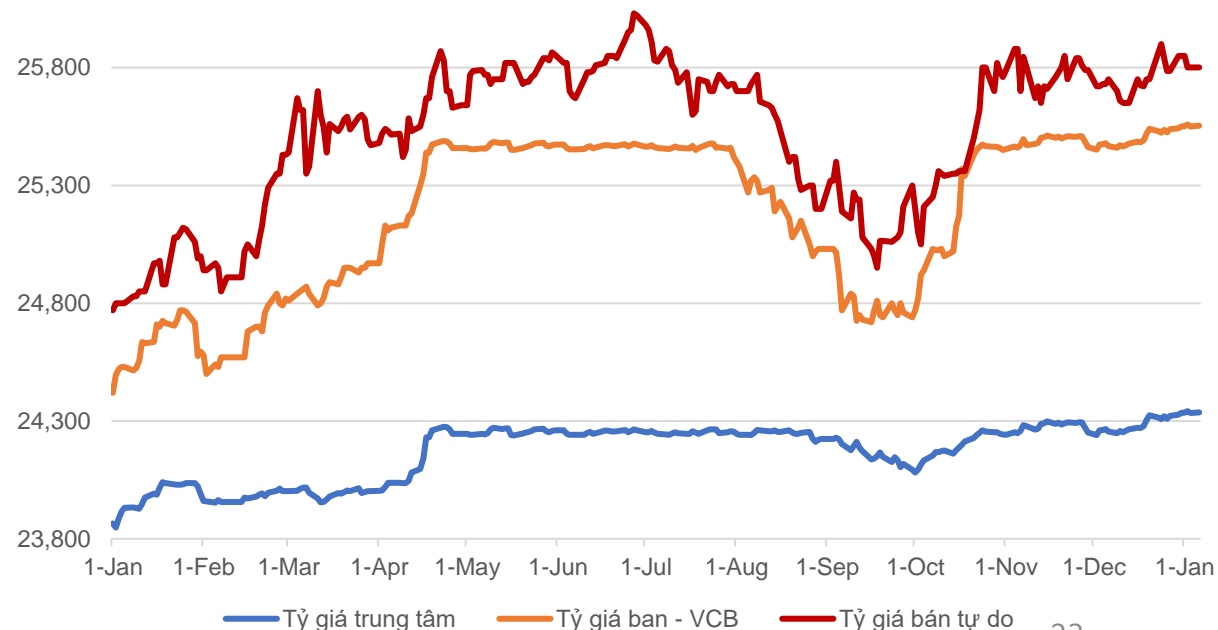
USD/VND exchange rate - The biggest concern

- The selling rate at Vietcombank increased by 4.63% in 2024
- The exchange rate pressure in 2025 remains very high due to:
 - + The economic policy in the Trump 2.0 term is still to prioritize economic growth for the US
 - + The Fed maintains a high interest rate policy, causing the DXY index to increase
- Deputy Governor of SBV - Dao Minh Tu: "At the end of the year, the exchange rate increased by about 5.03%, which we assess as a harmonious level, ensuring that businesses and investors are not worried, have a speculative mentality and hoard USD".

USD/VND movement

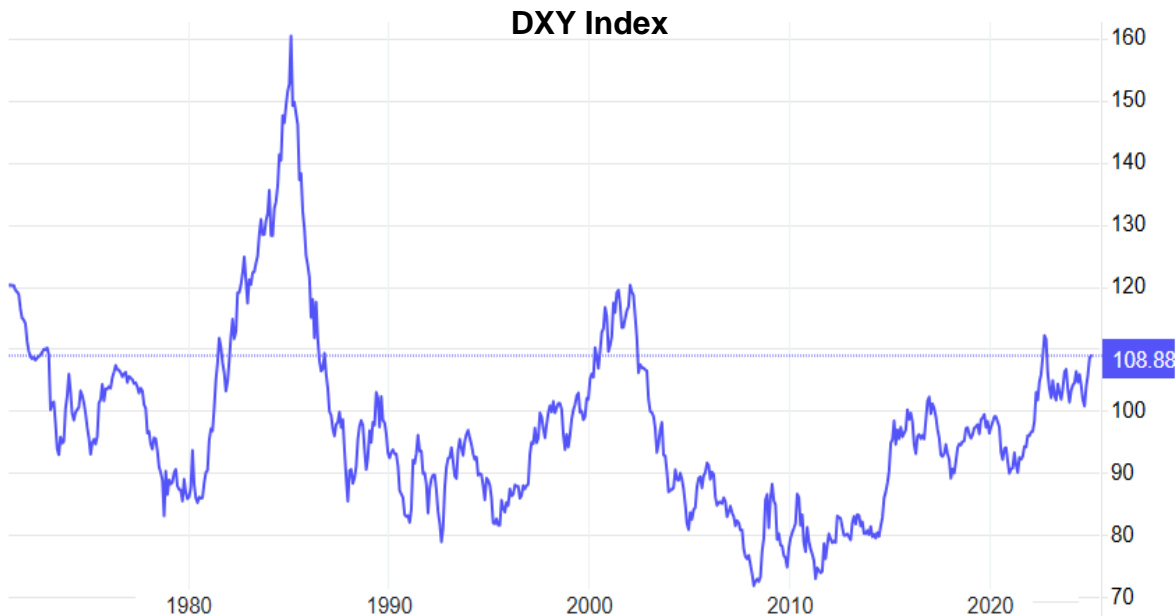


USD/VND movement since 1/1/2024

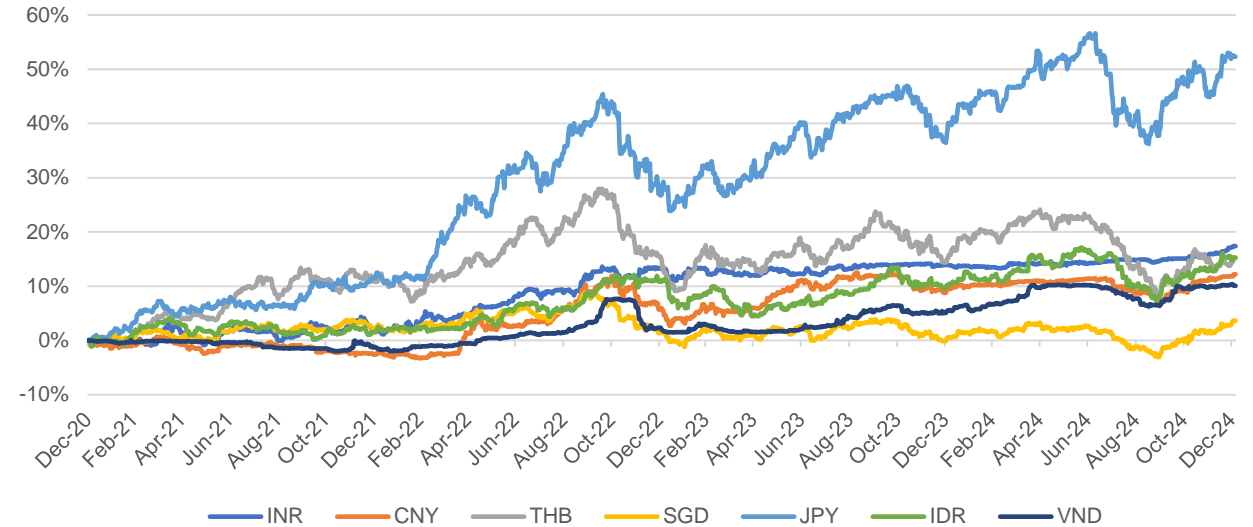


Lựa chọn Tỷ giá hay Lãi suất?

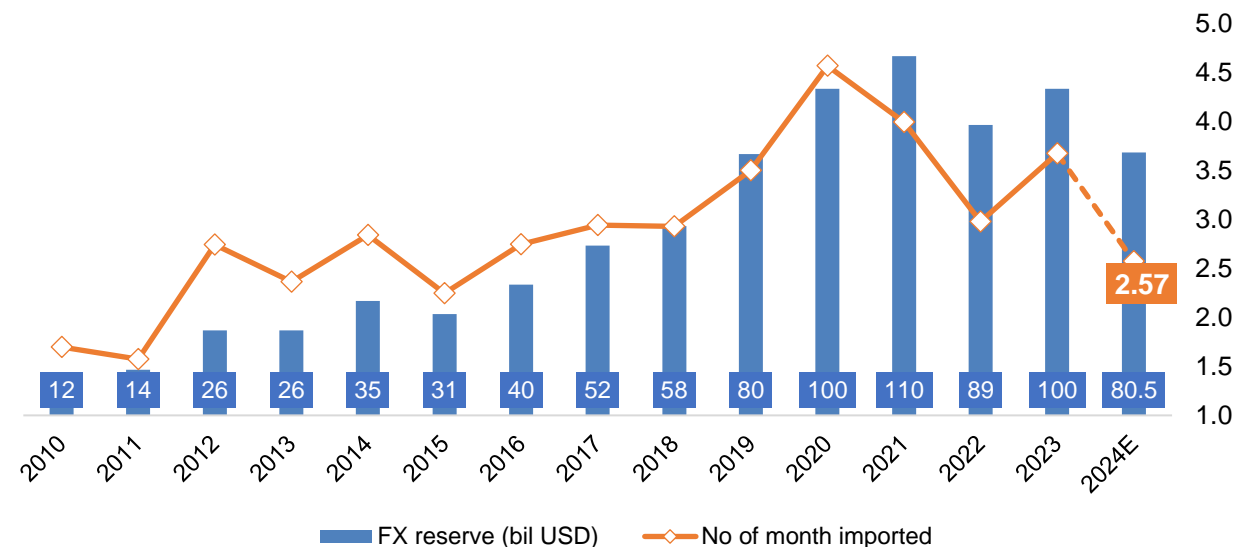
- DXY tăng, đồng nội tệ mất giá là vấn đề toàn cầu, vấn đề của tất cả các nước
- Từ 2020, đồng tiền các nước chính Ấn Độ, Trung Quốc, Thái Lan, Singapore, Nhật Bản, Indo, và **Việt Nam** mất giá lần lượt 17.4%, 12.2%, 15.2%, 3.6%, 52.3%, 15.3%, **10.1%** → **Việt Nam chỉ cao hơn Singapore**
- Dự trữ ngoại hối (~80 tỷ USD) và số tháng nhập khẩu của Việt Nam (2.57 tháng) cũng không còn dồi dào – thấp hơn mức khuyến nghị 3 tháng



Mức độ mất giá so với USD của 1 số đồng tiền từ 2020

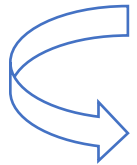


Dự trữ ngoại hối và số tháng nhập khẩu



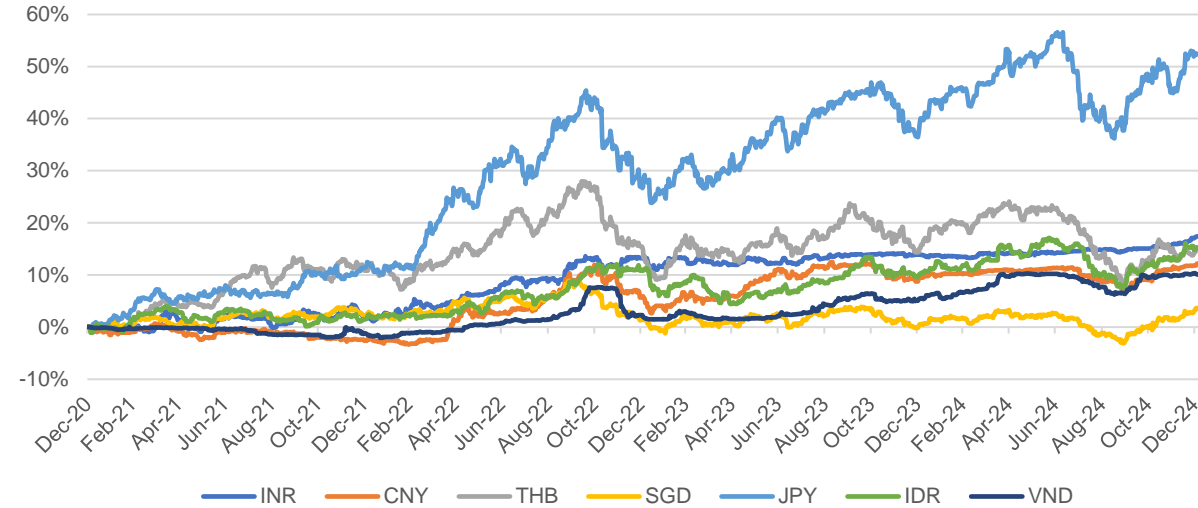
FDI – If they don't come to Vietnam, where do they go?

- Almost all countries' currencies have depreciated against the USD in the past 4 years
- Moreover, Vietnam is a comprehensive strategic partner with 9 countries in the world, including the US and China, the 2 largest countries in the world
- A series of FTAs that Vietnam has signed



Assuming VND depreciates ~5%/year, the destination of FDI capital flow is still Vietnam

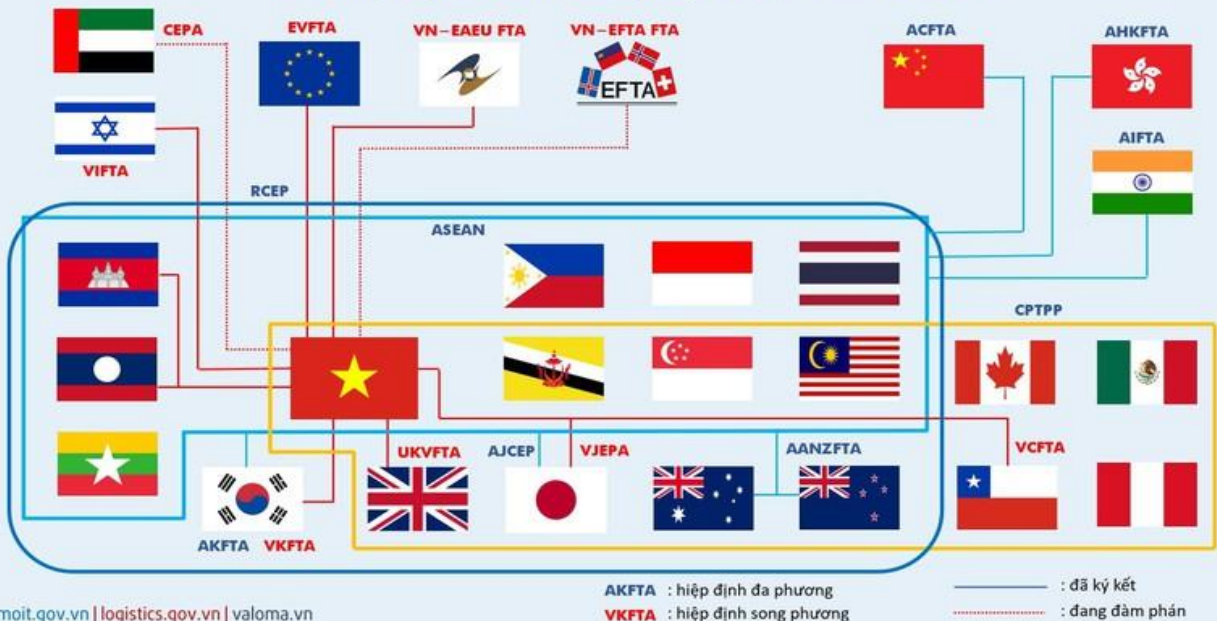
Depreciation rate of some currencies against USD since 2020



9 countries have comprehensive strategic partnership with Vietnam

Country	Time	World GDP Ranking 2023
China	May-08	2
Russia	Jul-12	11
India	Sep-16	5
Korea	Dec-22	12
US	Sep-23	1
Japan	Nov-23	4
Australia	Mar-24	13
France	Oct-24	7
Malaysia	Nov-24	36

CÁC HIỆP ĐỊNH THƯƠNG MẠI TỰ DO VIỆT NAM THAM GIA



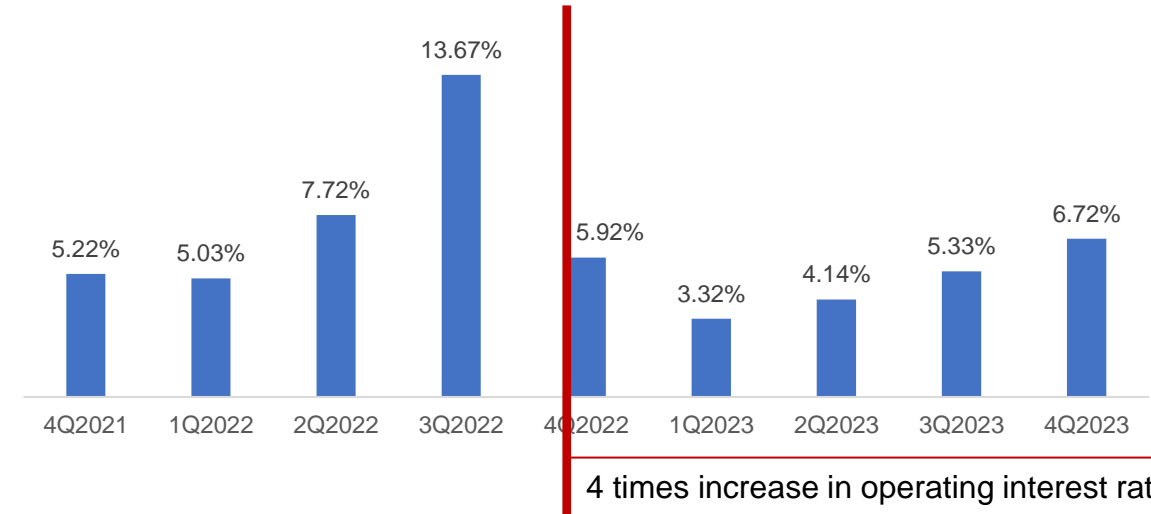
In 2022, Vietnam chose to sacrifice interest rates to save the exchange rate, consequences?

- 1) GDP growth dropped sharply to only 3.32% in the first quarter of 2023
- 2) Bond bubble burst, especially real estate corporate bonds, in which PDR NVL's stock price hit the floor for many consecutive sessions, with consequences still lingering today
- VIS Rating: In 11 months of 2024, 43 bonds were late in paying principal/interest for the first time with a total value of VND 23,200 billion; in 2023, this number was 369 bonds with late principal/interest with a total value of VND 144,300 billion
- 3) A series of workers lost their jobs. According to the Ministry of Planning and Investment, in the first 5 months of 2023: 509,903 workers were affected by their jobs such as losing their jobs, quitting their jobs, reducing working hours, suspending their labor contracts or taking unpaid leave
- 4) Mass withdrawal of social insurance

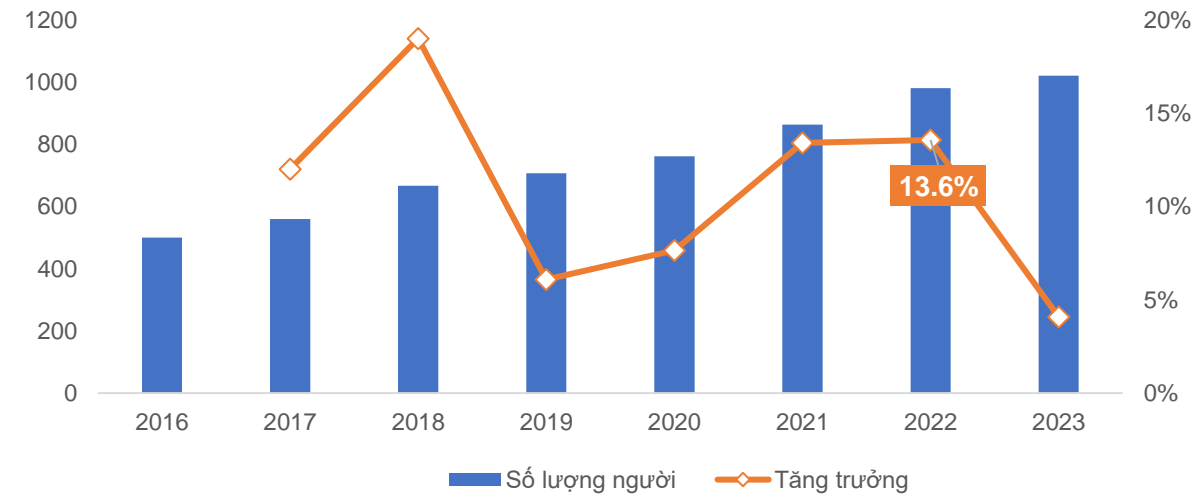
The clear message in macroeconomic management from the Government is: economic growth

We believe that in 2025, SBV will not increase operating interest rates, although the exchange rate will still face a lot of pressure.

GDP growth in 2022-2023



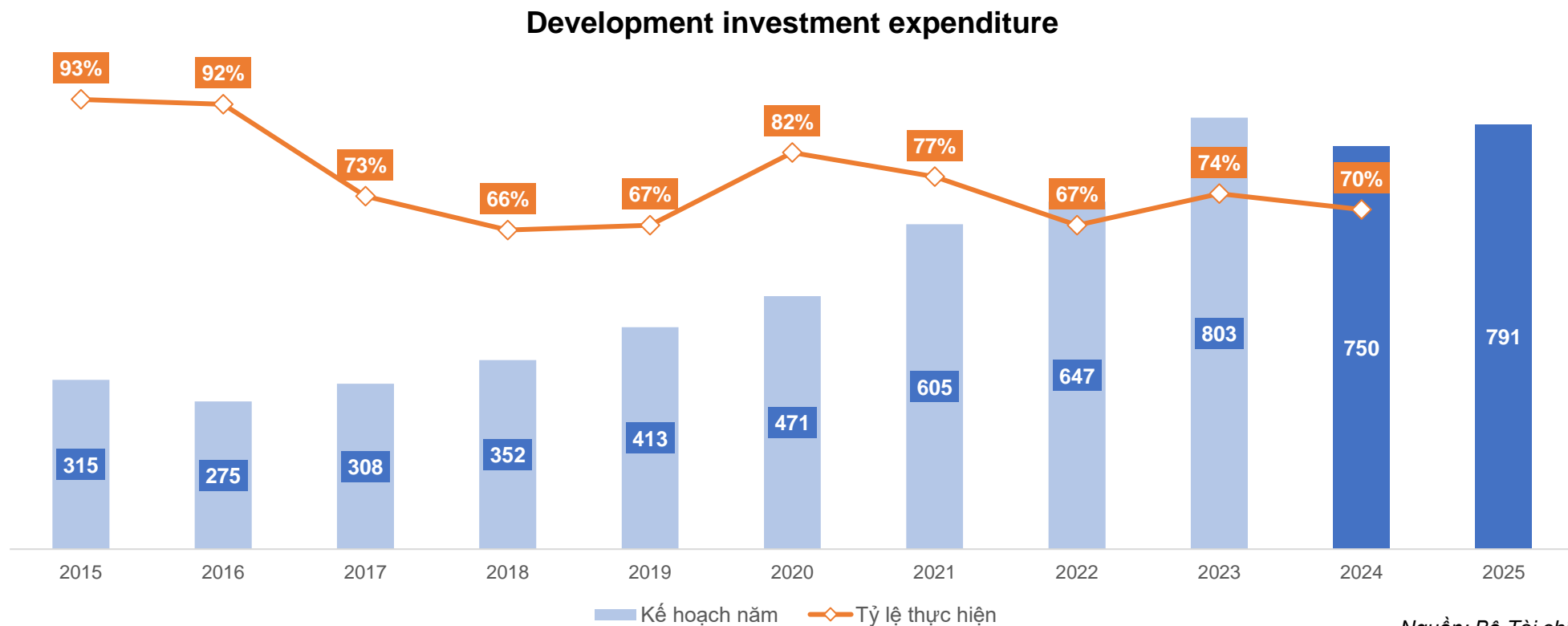
Number of people withdrawing social insurance one time



Source: Ministry of Labor, War Invalids and Social Affairs

Fiscal policy: promoting public investment is a long-term growth driver

- The disbursement rate in 2024 is lower than in 2023. In our opinion, the reason is that the Land Law 2024, the Real Estate Business Law 2023, and the Housing Law 2023 will take effect from August 1, 2024; however, the first land price list to be announced will apply from January 1, 2026 in the spirit: the new land price list will be close to the market price. However, in 2024, the new land price list will be issued in 2025, which will create a mentality of delaying land handover and site handover by people to wait for compensation at a much higher price in the next 1-2 years.
- In the long term, the new land price list will be a big boost to site clearance and increase tax revenue for the state, which can increase many times over



Hanoi and Ho Chi Minh City have issued new land price lists applicable until December 31, 2025.

- New land price list in HCM City increases from 4 to 38 times the old price, applied from October 31, 2024 to December 31, 2025
- New land price list in Hanoi: 2-6 times higher than the old list, the most expensive street is in Hoan Kiem, nearly 700 million VND/m², applied from December 20, 2024 to December 31, 2025
- This is the price list applied until December 31, 2025, in 2025, Hanoi and HCM City will have to issue a new land price list, expected to continue to increase even higher
- Site clearance is expected to be faster in 2025 and breakthrough from 2026

Giá đất ở cao nhất tại một số quận nội thành Hà Nội

Áp dụng từ 20/12/2024 đến 31/12/2025

Tìm theo quận hoặc đường/phố

Quận	Đường/phố	Giá cao nhất (triệu đồng/m ²)	Mức tăng (%)
Hoàn Kiếm	Trần Hưng Đạo (Trần Thánh Tông - Lê Duẩn)	695,30	508,63
Hoàn Kiếm	Nhà Thờ	695,30	454,29
Hoàn Kiếm	Lý Thường Kiệt	695,30	439,83
Hoàn Kiếm	Lê Thái Tổ	695,30	270
Hoàn Kiếm	Hàng Ngang	695,30	270

GIÁ ĐẤT TPHCM

Cao nhất:

687,2 triệu đồng/m²

Nguyễn Huệ, Lê Lợi,
Đồng Khởi (Quận 1)

Thấp nhất:

2,3 triệu đồng/m²

Ấp Thiêng Liêng,
xã đảo Thạnh An, Cần Giờ

GIÁ ĐẤT TP THỦ ĐỨC

Cao nhất:

295 triệu đồng/m²

Đường Nguyễn Cơ Thạch,
Tổ Hữu, Trần Bạch Đằng....

Thấp nhất:

24,3 triệu đồng/m²

Đường số 7-8,
đoạn từ đường Tô Ngọc Vân -
đường Tam Châu, hẻm 80 đường số 4
và số 34 đường số 8

Kết luận: bức tranh vĩ mô 2025 không có nhiều khác biệt so với 2024

- 1 Growth is still forecast to be high, the plan from the National Assembly is 6.5%-7%, but according to the Prime Minister, the GDP in 2025 is expected to reach 8%
- 2 The driving force for growth comes from monetary policy (low interest rates and boosting credit growth ~16%) and fiscal policy (promoting public investment)
- 3 Inflation is not too worrisome
- 4 Exchange rate is a concern, but the State Bank will only use monetary measures to control the exchange rate, not increase interest rates
- 5 FDI is still growing positively, despite concerns about exchange rates
- 6 Exports must wait for specific moves on tariffs from President Trump. In the scenario where tariffs are only applied to China, Vietnam is the beneficiary and exports will still increase strongly. However, Vietnam may have to make concessions and find solutions to reduce the deficit with the US, through importing more oil, aircraft, technology, etc.

MỤC LỤC

1. Macro update 2024: High growth on low interest rates
2. Macroeconomics 2025: Interest Rates or Exchange Rates?
- 3. Stock Market 2025: Breakthrough**
4. Banking industry
5. Real estate industry

Opportunity: Upgrade to Tier 2 Emerging Market by FTSE

1 Upgrade conditions

- FTSE requires 9 conditions, VN has met 7/9
- Non-Pre-funding Solution (NFS): deployed
- **Failed Trade: Currently at zero, no more failed trades**

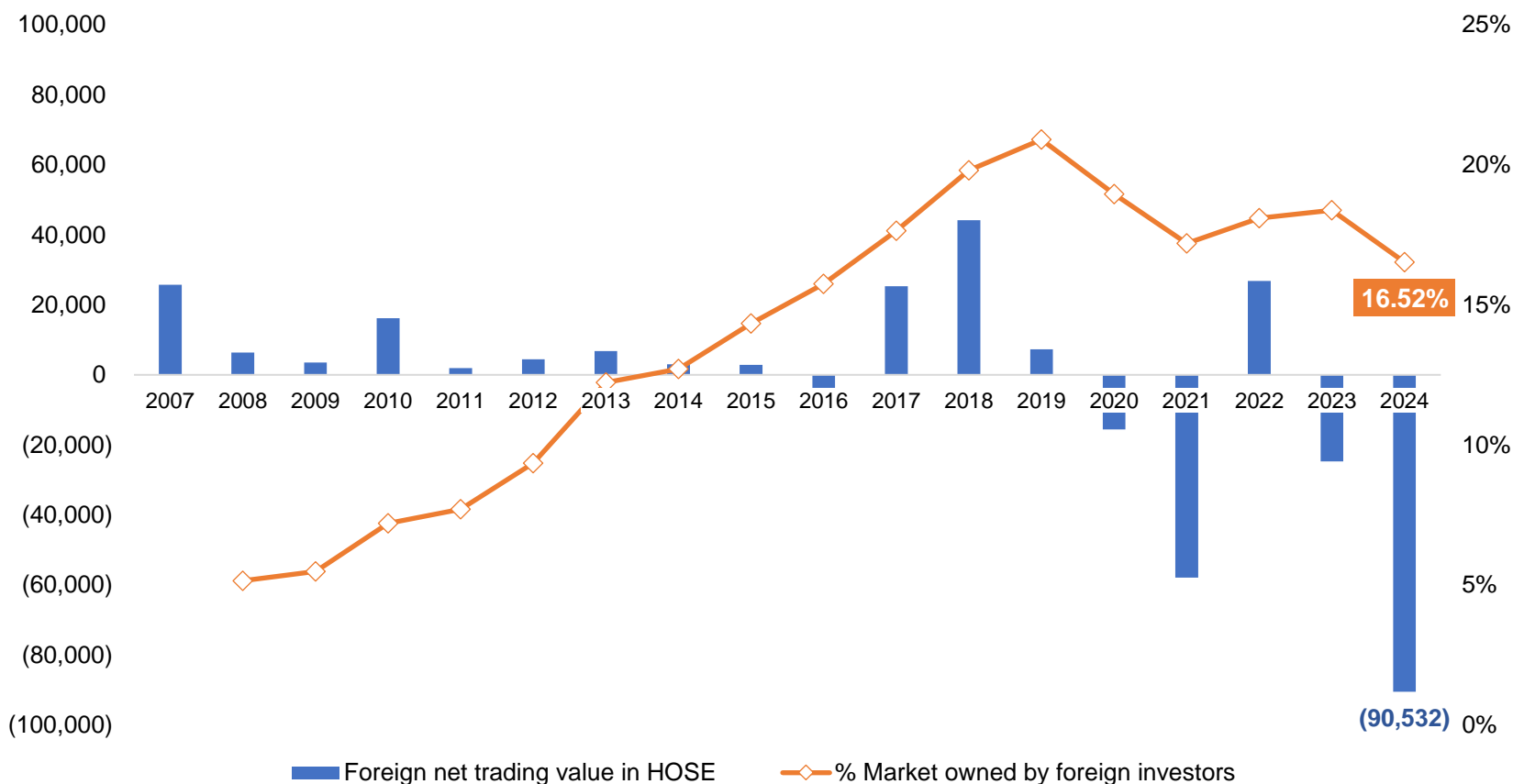
2 Expected route

- January 2025: FTSE meets to review
- March 2025: Official information is announced
- September 2025: Vietnam is added to the FTSE (Emerging Markets) index basket
- Expected weight of Vietnam is 0.3%
- Passive cash flow is about 1.7 billion USD
- Active cash flow: About 8.5 billion USD (5 times more than ETF funds - according to FTSE Russell)

Foreign investors net sell record in 2024

Foreign investors net sold 90,532 billion in 2024 and only held 16.52% of the capitalization value on the HOSE floor.

Foreign net trading value in HOSE



Top buy		Top sell	
VHM	-19,350,690	MWG	936,643
VIB	-8,290,207	SBT	875,484
FUEVFNVD	-7,268,954	HVN	820,172
FPT	-6,096,049	STB	758,538
MSN	-6,043,158	SIP	710,204
VRE	-6,038,361	MBB	512,520
HPG	-4,898,518	HAH	504,895
VPB	-4,265,425	PNJ	464,430
VIC	-3,748,678	PC1	425,597
VNM	-3,228,656	CTD	349,641
VND	-2,788,010	ASM	341,875
VJC	-2,419,126	DBC	326,401
VCB	-2,316,209	NLG	316,774
FUESSVFL	-2,253,509	FRT	316,122
PVD	-2,188,992	SGN	309,891
HDB	-1,833,796	HCM	283,042
GAS	-1,647,252	TCH	279,553
HSG	-1,554,912	TNH	264,587
BID	-1,256,964	KDH	256,989
GEX	-1,233,364	NVL	255,910
SSI	-1,118,677	NAB	245,776
CMG	-1,095,584	DSE	243,297
DCM	-976,110	EIB	240,375
LPB	-961,423	FTS	222,034
SHB	-853,527	NTL	218,560

Stock-listed corporate profits to grow 12.1% in 9 months of 2024

Many industries with good growth are banking, retail (MWG FRT), real estate (VIC NVL), steel (HPG HSG NKG), VNM, MSN, industrial park real estate (KBC BCM).

Corporate profits on HOSE

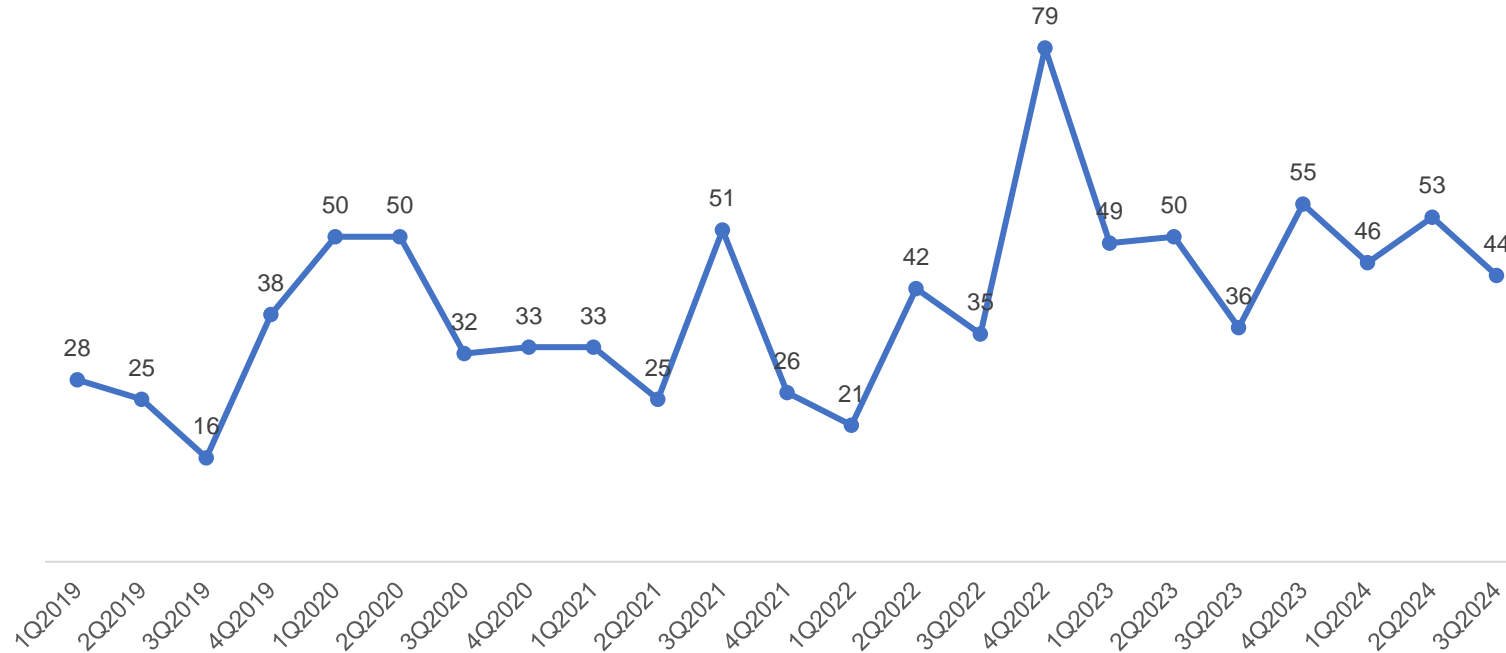


Business result for 3Q2024		Revenue			Net profit		
		Amount	YoY %	QoQ %	Amount	YoY %	QoQ %
Finance		138,244	13.6%	20.1%	78,009	22.1%	16.5%
	Banking				54,977	16.7%	-6.4%
	Financial service	10,048	2.3%	-1.8%	2,865	-0.1%	-0.3%
	Real estate	114,605	16.3%	26.4%	19,447	47.5%	327.6%
	Insurance	13,591	2.3%	-4.1%	721	-1.0%	-11.2%
Non-Finance		541,079	8.3%	-4.7%	27,840	46.7%	-9.7%
	Retail	59,153	15.8%	6.1%	1,156	410.6%	-15.8%
	Technology	20,387	20.2%	1.9%	2,182	18.5%	6.9%
	Oil & gas	66,763	-9.5%	-12.0%	248	-72.1%	-81.6%
	Utilities	58,157	5.9%	-20.0%	5,343	55.3%	19.8%
	Travel & Leisure	45,633	18.0%	9.2%	1,532	-179.1%	3.8%
	Industrial Goods & Services	42,605	17.7%	2.5%	2,461	14.9%	-29.2%
	Personal & Household Goods	17,554	7.3%	-12.3%	855	30.5%	-21.7%
	Chemicals	28,097	-1.1%	2.9%	2,437	35.3%	-22.8%
	Automobiles & Parts	13,610	20.4%	10.2%	99	-46.8%	-63.9%
	Basic Resources	68,105	16.0%	-10.8%	3,136	18.5%	-21.3%
	Food & Beverage	85,760	7.7%	0.5%	6,357	23.1%	3.3%
	Media	635	65.7%	35.3%	26	285.9%	11.4%
	Construction & Materials	29,757	6.8%	-10.5%	1,544	-0.2%	9.6%
	Health Care	4,862	-11.8%	-6.0%	465	28.8%	-19.8%
Total		679,323	9.3%	-0.5%	105,850	27.7%	8.2%

Number of businesses reporting losses on a downward trend from 4Q2024

- However, the number of businesses reporting losses still increased compared to the same period, from 36 to 44 businesses, showing that the market may still have quite a large differentiation
- Typical businesses with strong profit growth are: MSN MWG KBC DXS
- Typical businesses with strong profit decline are: PLX AAA KDC OCB KDH

Number of businesses reporting losses on HOSE

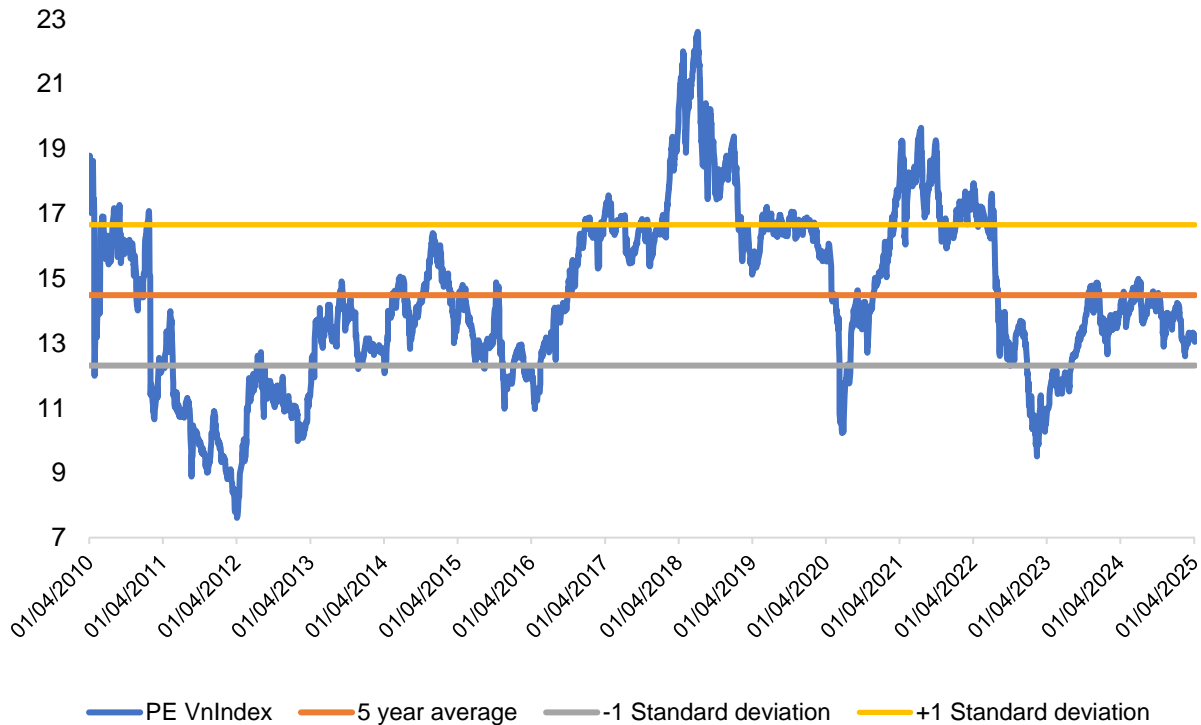


Top 30 firms with the strongest profit increase/decrease in Q3/2024				
No	Code	Net profit yoy	Code	Net profit yoy
1	NHA	19,582%	PLP	-96%
2	SHI	19,335%	KMR	-95%
3	CRE	17,395%	TDG	-91%
4	PC1	17,380%	PLX	-91%
5	PJT	3,686%	CTF	-91%
6	SGT	3,020%	TCT	-88%
7	ANV	2,583%	C47	-84%
8	DBC	2,405%	CMV	-84%
9	BCG	2,210%	TNH	-81%
10	MWG	1,965%	DHM	-80%
11	HU1	1,799%	DTL	-80%
12	NVL	1,730%	TCD	-79%
13	TCO	1,404%	ABS	-78%
14	MSN	1,349%	AAA	-78%
15	KBC	1,320%	DAH	-76%
16	DXS	920%	CDC	-74%
17	HQC	831%	CII	-72%
18	DC4	760%	TIP	-72%
19	HAX	712%	HTN	-70%
20	TBC	707%	NAV	-70%
21	TLD	698%	ELC	-69%
22	HVH	642%	OCB	-68%
23	TYA	532%	TNT	-68%
24	CTI	526%	SPM	-67%
25	ST8	499%	KDC	-67%
26	TRC	483%	NHH	-66%
27	DLG	483%	KDH	-66%
28	MDG	409%	OGC	-62%
29	SAV	399%	HAR	-62%
30	STK	392%	SAM	-60%

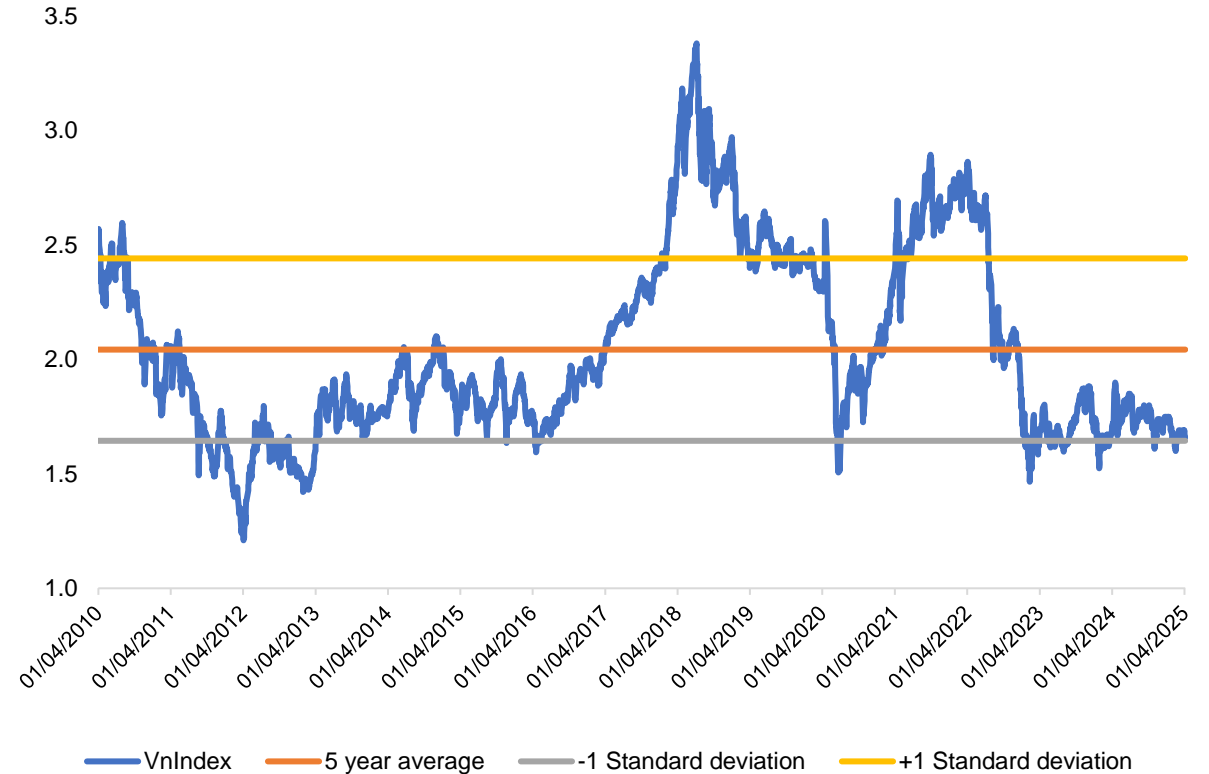
Valuations are still cheap - PB at 10-year low

VN-Index PB is currently 1.66 times, the lowest in 10 years is around 1.5 times

PE VN-Index



PB VN-Index



Vn-Index will soon surpass 1,300 points in 1H2025

Fundamental analysis:

- 2024 closing PE is a reasonable PE of Vn-Index
- HOSE corporate profits in 2025 will grow by 2024, or ~12.1%
- Reasonable closing price range in 2025 is: $1,266.78 * 1,121 = 1,420$ points

Advantages:

- Government's economic growth stimulus policies (fiscal and monetary policies): low interest rates, high credit growth, and increased public investment
- Opportunity to be upgraded to emerging market status by FTSEPE and PB valuations are both low

Risks:

- Foreign investors can still net sell
- Trump 2.0 import tax policy: if the US imposes tariffs on imported goods from Vietnam, the consequences will be huge (although the probability is low)

Technical analysis:

- Fibonacci retracement from the 2022 peak (~1,510 points) and the 2022 bottom (880 points) is 1,396 points, or nearly 1,400 points
- Vn-Index is moving sideways in the 50% and 61.8% Fibo zone, or ~1,200-1,300 points



Investment theme 2024

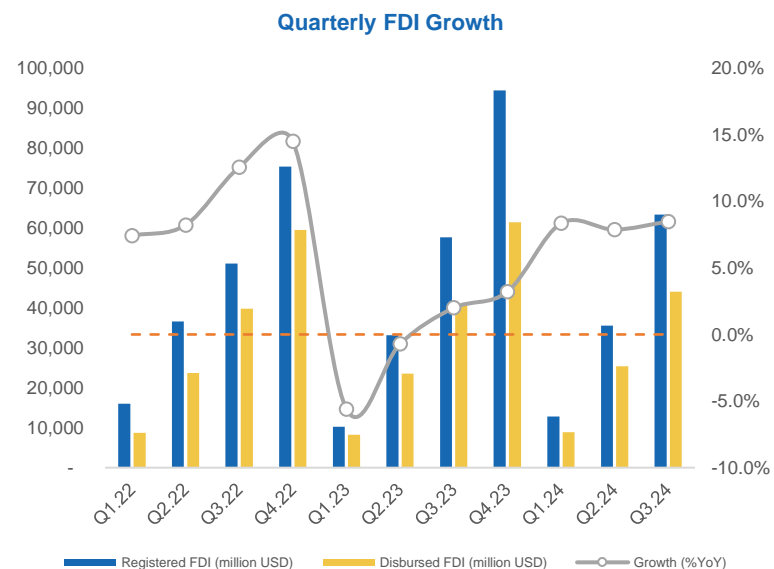
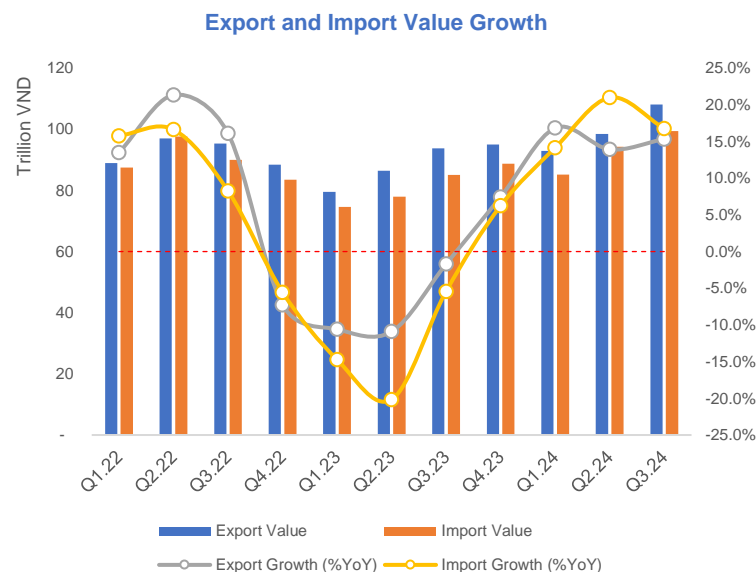
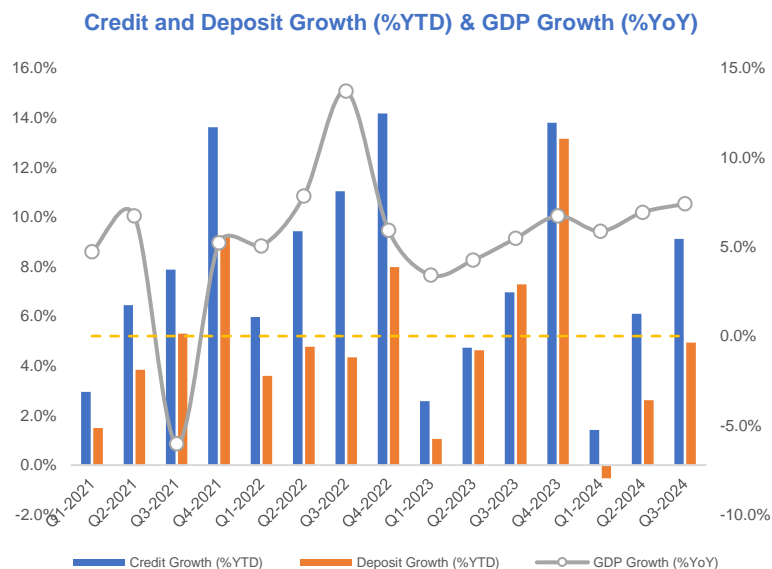
No	Investment theme	Industry	Stock
1	Loose monetary policy – low interest rates, high credit growth	Banking	VCB BID CTG TCB ACB VIB VPB TPB HDB MBB ACB
		Real Estate	DXG DXS NLG KDH VHM
		Securities	HCM SSI VCI
		Steel	HPG
		Construction	CTD VCG CTR
2	Boosting public investment	Steel	HPG
		Construction	CTD VCG CTR
3	Market upgrade	Stocks in the FTSE portfolio	HPG VHM MSN VNM VIC VCB SSI
		Securities	HCM SSI VCI
4	Groups sold heavily by foreign investors in 2024		VHM VIB MSN VRE HPG VPB VIC VNM
5	Steady growth group	Industrial Park	BCM GVR PHR KBC
		Power Water	PC1 HDG POW REE BWE

MỤC LỤC

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Outlook: The economy is on a strong recovery, providing positive growth outlook for banks

- High economic growth increases credit demand, promotes lending activities and improves NIM at banks.
- High growth in import and export helps banks increase service fee income by promoting the provision of financial services for import and export activities such as trade credit, international payment and exchange rate risk management.
- Banks will benefit from the high growth of FDI inflows, thanks to the provision of financial services to FDI enterprises, including credit, international payment and foreign exchange management.

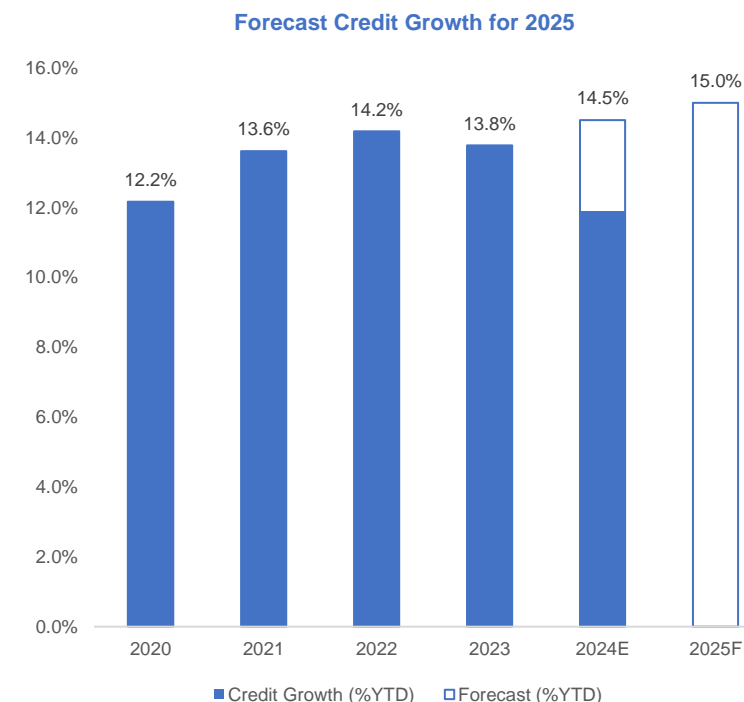


Source: FiinX, NHSV Research

Forecasted credit growth in 2025 is higher, at 15%

We forecast that banking sector credit growth in 2025 will continue to be positive with an estimated growth rate of 15%, higher than the estimated credit growth rate in 2024 (14-14.5%). In particular, the driving force for credit growth in 2025 comes from the following factors:

- The recovery of the world economy will create favorable conditions for export and business activities, thereby increasing domestic credit demand.
- Vietnam's GDP growth in 2025 is expected to remain high (6.5%-7%), creating a favorable environment for credit expansion.
- The trend of monetary policy easing helps keep interest rates low, stimulating borrowing demand of businesses and people.
- FDI capital flows and the number of enterprises investing in Vietnam are expected to continue to increase, helping to increase credit demand for this customer group at credit institutions.
- The Government's increased investment in strategic infrastructure projects will create a large demand for credit capital, not only promoting credit growth but also supporting sustainable economic development.
- SBV will continue to implement solutions to support businesses, especially small and medium enterprises, by reducing lending interest rates and simplifying loan procedures to support businesses and stimulate credit growth.



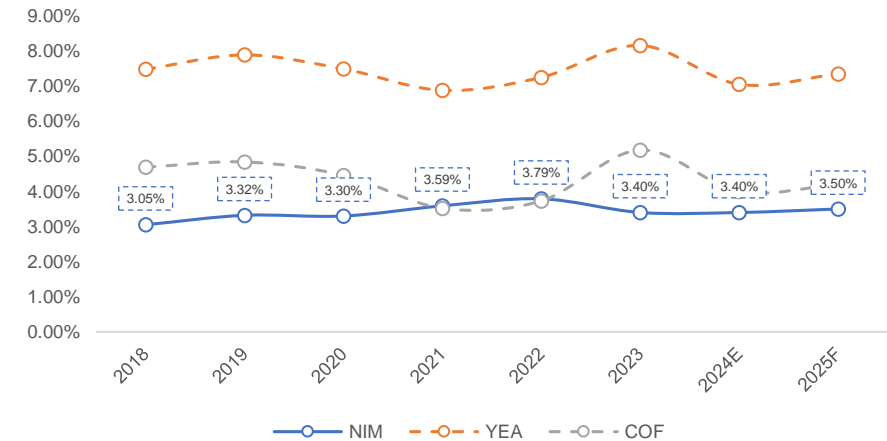
Source: SBV, NHSV Research

NIM slightly decreased in Q1-2025 and gradually recovered by year-end

We believe that the NIM (quarterly average) of the banking industry will continue to maintain a slight downward trend until the end of Q1-2025 and then gradually recover from Q2 to the end of the year. However, with the NIM already at a very low level in 2024 (estimated at only ~3.4%, equivalent to 2023), the average NIM for the whole year of 2025 is forecast to have a better improvement (~3.5% average) compared to 2024. In which:

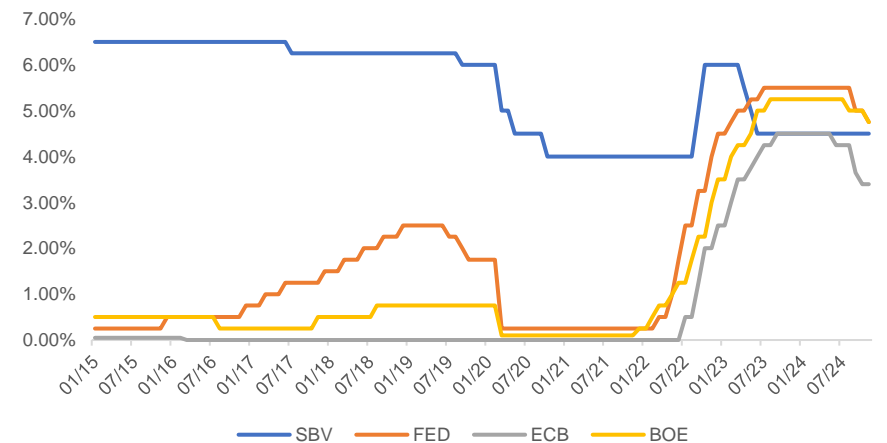
- **Q1-2025: The NIM of the banking industry is forecast to continue to move sideways/decrease slightly compared to the end of 2024 due to the following factors:**
 - Banks continue to maintain stable lending interest rates to support people and businesses to recover production and business.
 - Deposit interest rates may increase slightly in the first quarter of the year, when banks need capital to meet high credit demand before major holidays such as Lunar New Year.
- **Q2-Q4/2025: NIM recovers thanks to the following factors:**
 - The economy shows clearer signs of recovery, high demand for credit, especially retail credit, helping to increase lending yields at banks.
 - Expanding the credit portfolio, especially medium and long-term loans with high yields, helps improve YEA and positively contributes to NIM.
 - After a slight increase in Q1-2025, deposit interest rates may stabilize or decrease by the end of the year thanks to improved liquidity in the banking system and continued easing of monetary policy support.

Forecast NIM, YEA, and COF for the Banking Industry in 2025



Source: Banks, NHSV Research

Policy Interest Rates of SBV and Major Central Banks



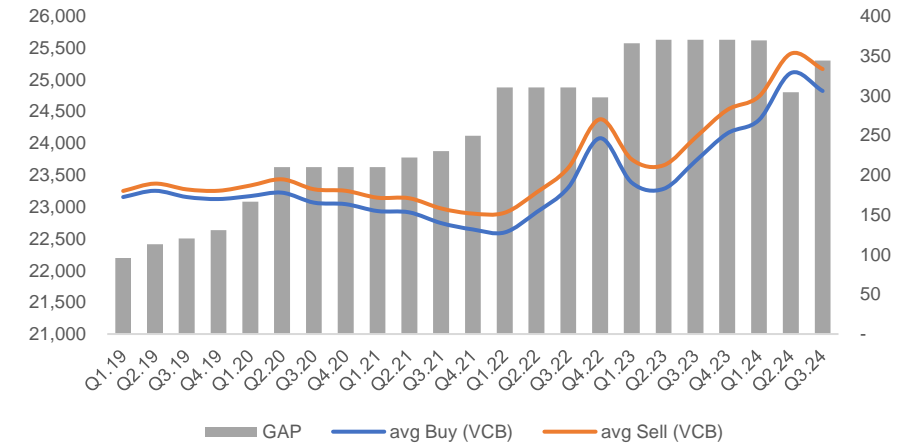
Source: NHSV Research

Non-interest income has more prospects to improve in 2025

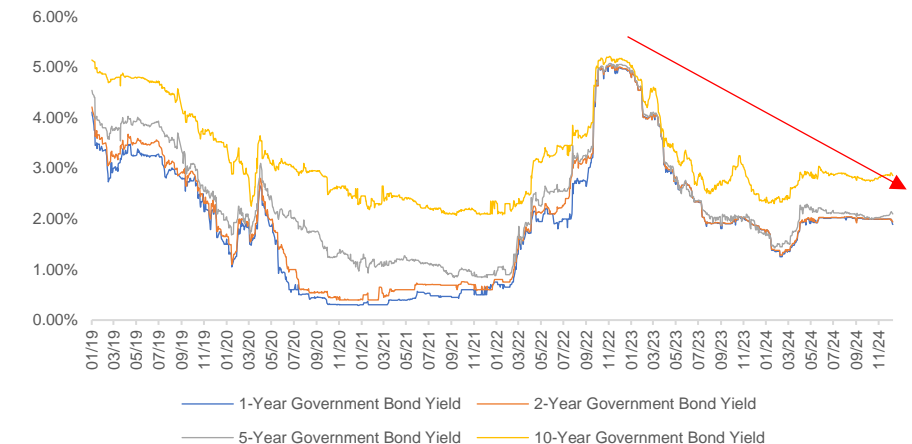
In addition to the ability to maintain stable growth momentum from lending activities, we forecast that other business segments of the banking industry will also have more improvements in 2025, specifically:

- Positive import-export activities increase the demand for international payments and trade finance, thereby boosting income from service fees related to payments, guarantees and trade finance.
- FDI capital continues to flow strongly into Vietnam, helping to increase disbursement and payment activities of FDI customers at banks, helping to increase fee income from payment services, financial consulting and foreign exchange.
- The demand for foreign currency transactions of enterprises and foreign investors continues to be high, creating a stable source of income from fees and foreign currency trading.
- Yields on government bonds of all maturities maintain a downward trend, helping to increase the value of banks' bond portfolios.
- Bancassurance is slow but revenue levels are already very low, leaving plenty of room for improvement in 2025.
- The stock market is forecast to be more positive in 2025, bringing additional revenue to banks from fee and margin fee through securities companies, which are subsidiaries in the banking ecosystem.

Average Foreign Exchange Sell-Buy Spread at VCB



Government Bond Yields by Maturity



Source: FiinX, NHSV Research

Provisioning expense remain high amid recovering asset quality but challenges remain

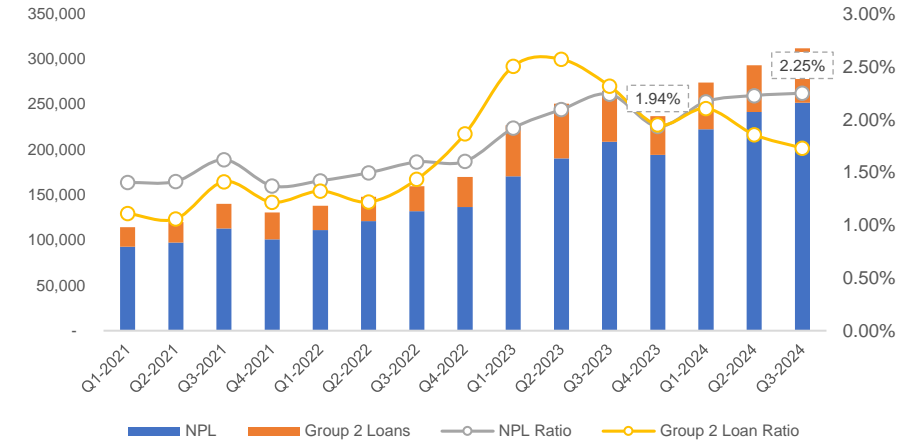
Advantages:

- Economic growth and recovery of production and business activities help people and businesses improve cash flow, thereby reducing the pressure on bad debt formation on the banking system.
- Banks continue to promote recovery and handling of bad debt.

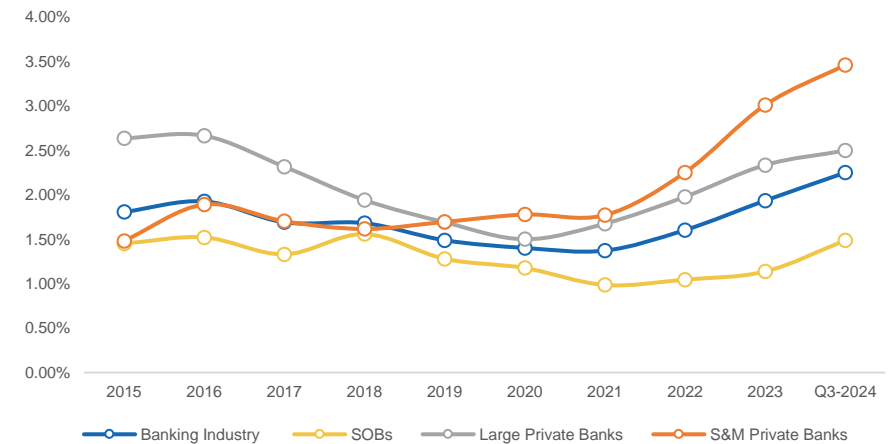
Challenges:

- Despite many support policies from the Government, the real estate market is still facing many risks, especially the imbalance between supply and demand. This makes it difficult for actual transaction volume to become active again. In addition, the pressure on maturing corporate bonds is still very large, which will create more pressure on bad debt on the banking system in the coming time.
- Many banks, especially small and medium-sized banks, have used up most of their reserves from previous years to cover the cost of handling bad debt. This makes banks continue to maintain a high provisioning policy to promote bad debt handling activities, while limiting risks from new risks arising in 2025.

NPL and Group 2 Loans of the Banking Industry



NPL by Bank Group



Source: Banks, NHSV Research

CTG, VCB, ACB and HDB are our stock picks for 2025

Criteria Set	Selection Criteria	NHSV's Selection
Growth-Oriented Banking Group	<ul style="list-style-type: none"> • Strong credit growth in 2024 sets the foundation for profit growth in 2025. • NIM demonstrates resilience due to low funding costs and CASA levels that remain high or show positive improvement. • CIR is undergoing significant improvement. • Provisioning pressure remains low, supported by stable NPL levels and well-maintained provisioning buffers. 	<p>BID CTG VCB TCB ACB HDB LPB MSB</p>
High-Quality Asset Banking Group	<ul style="list-style-type: none"> • NPLs remain low or show minimal fluctuations in 2024. • Banks maintain high or stable LLR throughout 2024. • Average days to collect interest decreases or stays at a low level. • Real estate credit and corporate bonds are kept low or are decreasing compared to last year. 	<p>CTG VCB ACB STB HDB</p>
Summary	Summary of the two options above	CTG VCB ACB HDB

MỤC LỤC

1. Macro update 2024: High growth on low interest rates
2. Macroeconomics 2025: Interest Rates or Exchange Rates?
3. Stock Market 2025: Breakthrough
4. Banking industry
- 5. Real estate industry**

Developing Transportation Infrastructure as a Growth Driver in 2025

Real estate market poised for breakthrough growth with key infrastructure projects set to be completed and operational in 2025-2026

Real estate market is anticipated to experience a robust surge, driven by the completion and operationalization of several major infrastructure projects during the 2025–2026 period, including:

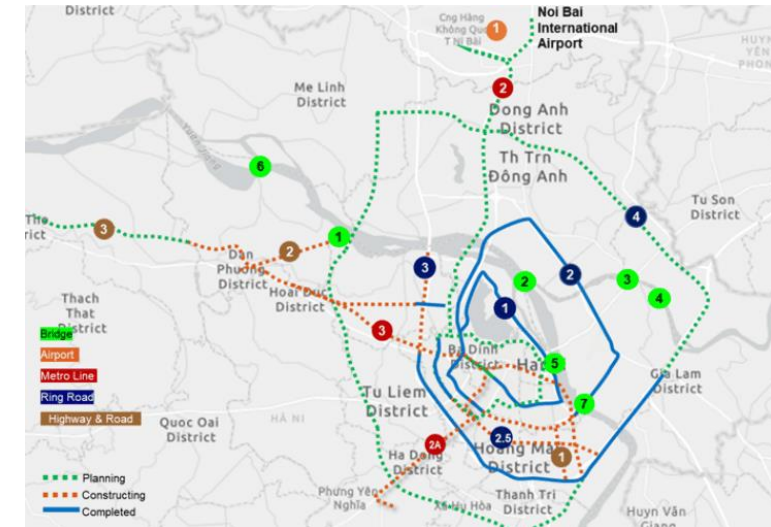
- Expansion of Terminal 2 at Noi Bai International Airport
- Phase 1 of the Parallel Road Project for Ring Road 4 in the Capital Region
- Urban Railway Line No. 3 (Nhon – Hanoi Station)
- Bien Hoa – Vung Tau Expressway
- Completion of the Ben Luc – Long Thành Expressway
- Primary Components of Long Thành International Airport (2026)
- Ring Road 3 in Ho Chi Minh City (2026)

Additionally, the majority of provinces and cities have finalized and announced their master plans for the 2021–2030 period, with a vision extending to 2050:

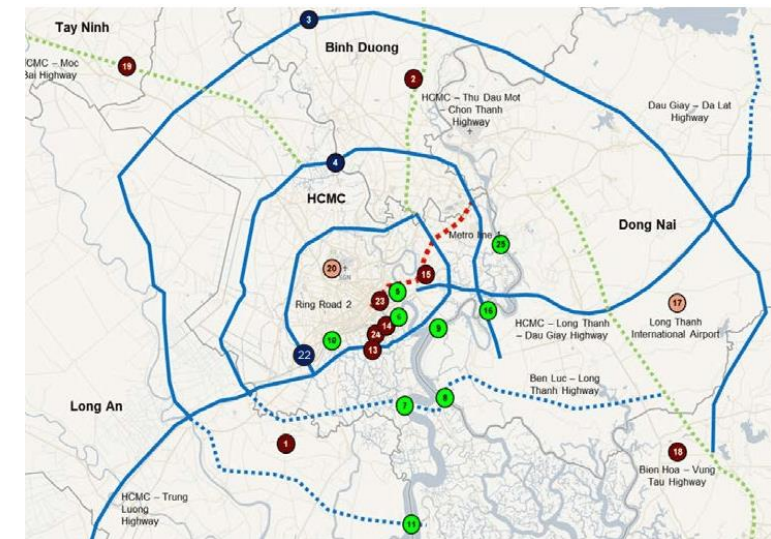
- Approval of the Hanoi Capital Region Master Plan: December 12, 2024
- Approval of the Ho Chi Minh City Master Plan: December 31, 2024

The announcement of these provincial and municipal master plans is expected to reshape the real estate market at the local level, creating expanded investment opportunities. This growth will be underpinned by synchronized transportation infrastructure planning and urbanization strategies, paving the way for a dynamic and redefined real estate landscape.

Infrastructure projects in Hanoi until 2030



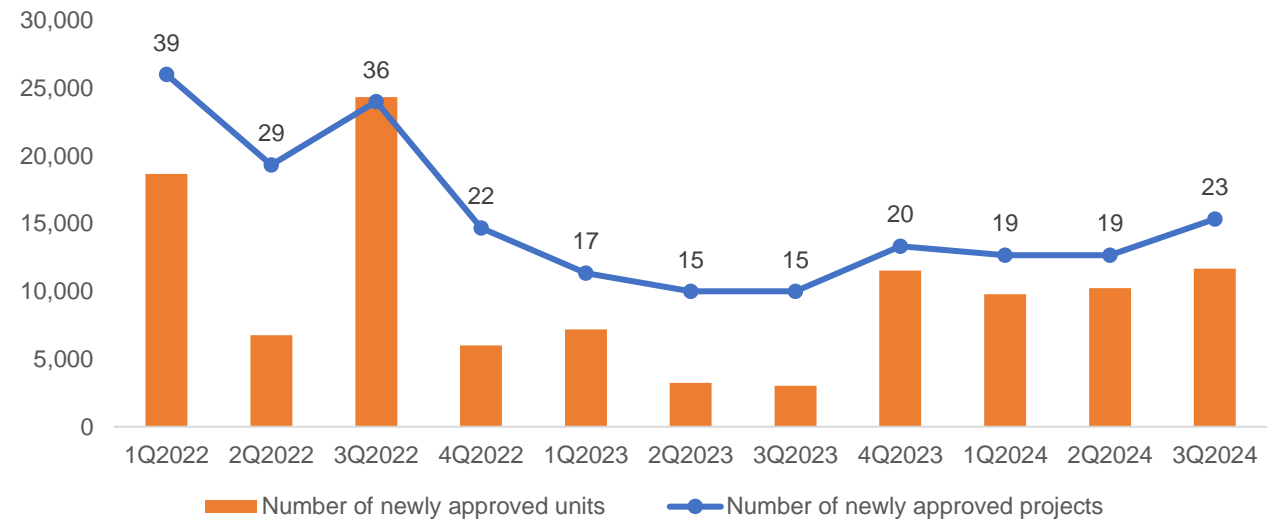
Infrastructure projects in HoChiMinh City until 2030



Newly Enacted Laws Expected to Significantly Impact the Real Estate Market in 2025

- Real Estate Market Bottoms Out in 2023, Gradual Recovery Begins in Q4/2023 and Strengthens Throughout. This positive trajectory extended into 2024, with significant growth recorded. In the first three quarters of 2024 alone, over 31,600 new commercial housing units were approved—an increase of 27% compared to the total number of units approved in all of 2023.
- Land Law 2024, Real Estate Business Law 2023, and Housing Law 2023, which took effect on August 1, 2024, have played a critical role in accelerating land clearance processes and resolving bottlenecks in project legal procedures. These legislative changes, particularly in areas such as land valuation and land-use fee calculations, have streamlined operations and created a more efficient regulatory environment for real estate projects.

Number of newly approved commercial housing projects and units



Land Law 2024

- Auction and bidding mechanisms create transparent procedures for land allocation and leasing, ensuring fairness and competitiveness, minimizing misuse and corruption.
- Regular updates of Land price tables to align closely with market prices, providing more accurate basis for valuation and transactions
- Accelerated land clearance and compensation process
- Increased development cost: The introduction of more rigorous regulatory requirements and compliance measures lead to higher development costs, reflecting enhanced standards and governance.

Real Estate Business Law

- Stricter control over the subdivision and sale of land lots aim to prevent speculative behavior and reduce market volatility.
- A regulation limiting deposits for off-plan housing projects to a **maximum of 5%** safeguards the interests of homebuyers, reducing financial risks associated with incomplete or delayed projects.
- Minimized Risks from Financially Weak Developers

Housing Law 2023

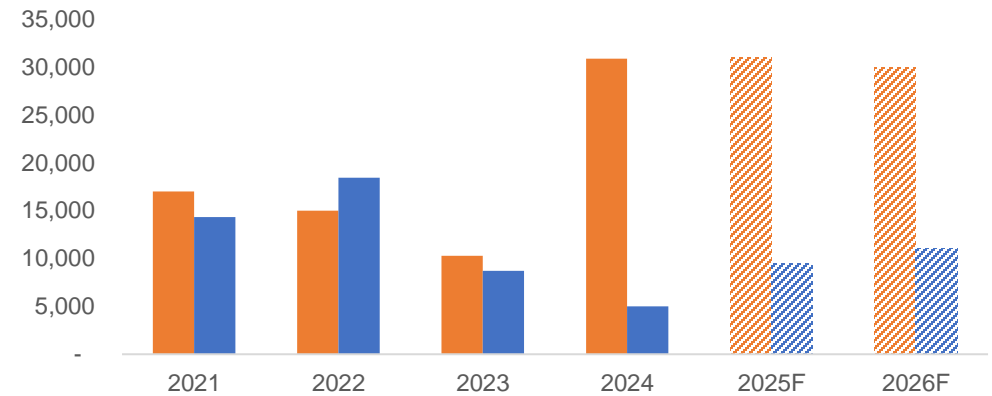
- Support for Social Housing Initiatives: Policies encourage the development of affordable housing to meet the needs of low-income groups, including incentives for developers undertaking such projects.
- Simplified procedures and reduced administrative barriers aim to shorten project execution timelines, enabling quicker completion and delivery of housing units
- Increased Profitability for Developers: Additional benefits, such as tax incentives and favorable financing options, improve the financial viability of social housing projects, making them more attractive to investors and developers.

Real Estate Market Outlook 2025: Supply of new products is expected to see positive improvement in 2025; however, will remain primarily concentrated in high-end segment.

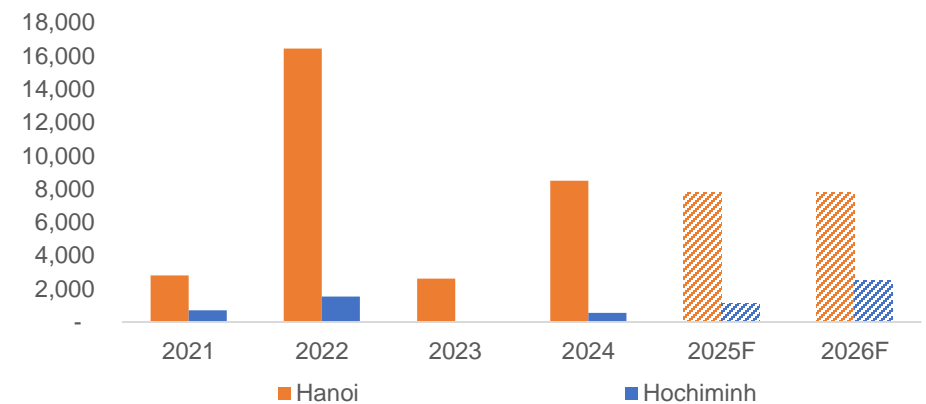
- Apartment Sales Market:** The supply of apartments will remain primarily concentrated in Hanoi, with over 30,000 new units expected to be launched in 2025, representing a 2% increase compared to 2024. This marks a record level of apartment supply in Hanoi over the past five years. Meanwhile, the supply of apartments in Ho Chi Minh City is also projected to improve in 2025, recovering from the record low level of 2024 (approximately 5,000 units) to nearly 10,000 new units expected to be launched. Most new projects will primarily target the high-end segment.

- Low-Rise Housing Market:** Approximately 7,800 low-rise housing units are expected to be launched in Hanoi in 2025, representing a slight decrease of about 8% compared to 2024. The majority of these units will remain concentrated in the high-end segment. In Ho Chi Minh City, the supply of low-rise housing is anticipated to improve compared to 2024 but will remain relatively limited in 2025. This supply will primarily come from a few newly launched projects by reputable developers that have largely completed legal formalities.

Supply of apartment - Hanoi & HCMC markets



Supply of low-rise - Hanoi & HCMC markets



Key Real Estate Projects Anticipated to Launch Sales in 2025

	Projects	Developers	Location	Scale	Segment
North	Masteri Grand Avenue (Vinhomes Global Gate)	Masterise Homes	Dong Anh, Hanoi	1,460 units	High-end
	The Matrix One (Phase 2)	MIK Group	Nam Tu Liem, Hanoi	990 units	High-end
	Vinhomes Wonder Park	VHM	Dan Phuong, Hanoi	4 buildings 2,356 low-rise units	High-end
	Noble Crystal River	Sunshine Group	Tay Ho, Hanoi	900 units	High-end
	Noble Crystal Long Biên	Sunshine Group	Long Bien, Hanoi	384 units	High-end
	Noble Palace	Sunshine Group	Long Bien, Hanoi	172 low-rise units	High-end
	Noble Capital	Sunshine Group	Tay Ho, Hanoi	150 low-rise units	High-end
	Vinhomes Ocean Park 3	VHM	Hung Yen	Next phases	High-end
	Vinhomes Royal Vu Yen	VHM	Hai Phong	Next phases	High-end
	Vinhomes Hạ Long Xanh	VHM	Quang Ninh	4,100 ha	High-end
South	Lotte Eco Smart City	Lotte Group	Thu Duc	1,200 units	High-end
	Vinhomes Grand Park	VHM	Thu Duc	733 units	High-end
	The Global City	Masterise Homes	Thu Duc	9,400 units 900 low-rise units	High-end
	East Valley	Refico	Thu Duc	3,200 units	High-end
	Eaton Park (Phase 2)	Gamuda Land	Thu Duc	400 units	High-end
	Mizuki Park	NLG	Binh Chanh, HCM	450 units	Mid-end
	Gem Riverside (DXH Riverside)	DXG	Thu Duc	3,175 units	High-end
	The Foresta	KDH & Keppel Land	Thu Duc	200 low-rise units	High-end
	Solina	KDH	Binh Chanh, HCM	200 low-rise units	High-end
	Izumi City (next phase)	NLG	Dong Nai	180 low-rise units	Mid-end

Real Estate Market Outlook 2025: Sales prices are expected to continue rising across all segments; however, the growth rate is projected to slow compared to 2024

Projected Increase in Primary Sales Prices for Apartments and Low-Rise Housing

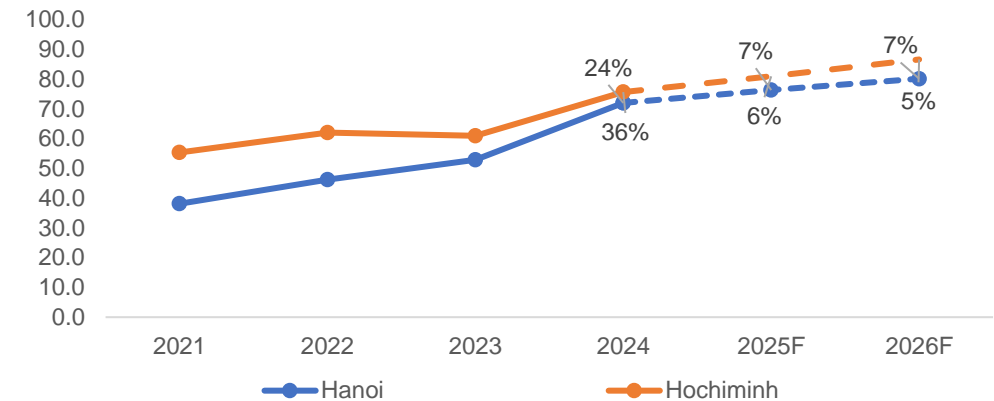
Primary sales prices for apartments and low-rise housing are expected to continue rising in 2025 due to several factors:

- Most projects slated for launch in 2025 fall within the mid-range and high-end segments.
- Rising development costs driven by factors such as increased compensation for site clearance, higher land-use fees due to the removal of fixed land price brackets and annual land price updates, enhanced project completion quality standards, and stricter compliance with sustainable development regulations. Developers are likely to raise prices to ensure profitability.

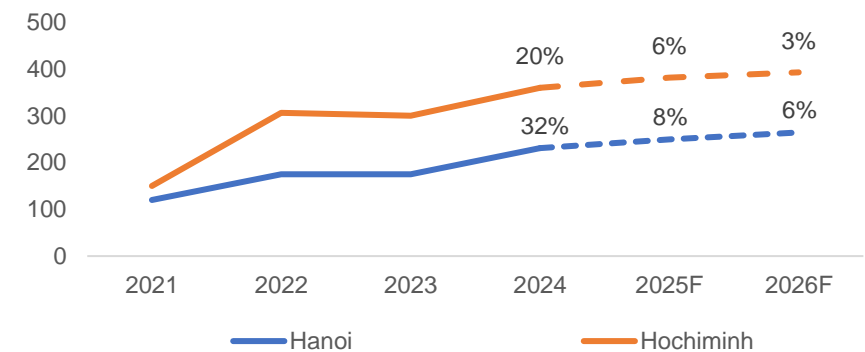
However, the rate of price increase is projected to be lower than in 2024, due to the following reasons:

- Legal obstacles that delayed projects in previous years have been resolved, contributing to an increase in new supply in 2025.
- The impact of lower interest rates on buyer support is weaker than before.
- Absorption rates for mid-range and high-end segments have reached a limit due to significant price hikes in 2024.
- Investors and buyers are expected to be more cautious after market fluctuations in 2024.

Average primary price - Hanoi & HCMC apartment markets



Average Primary Prices of Low-Rise Housing in Hanoi and Ho Chi Minh City Markets



Source: CBRE, NHSV Research

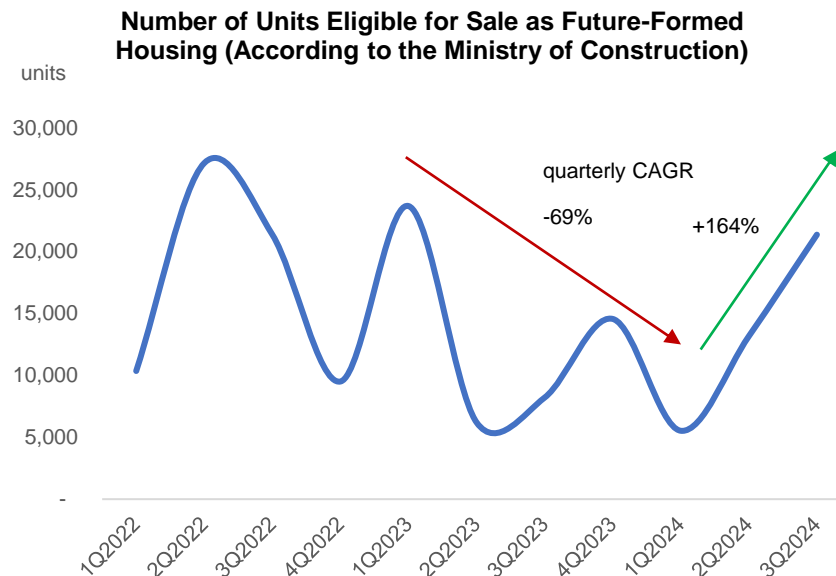
Revenue and Profitability Challenges in 2024 Expected to Improve Significantly in 2025

Although the 2024 financial statements have not yet been released, initial projections indicate that the revenue and profit of most real estate companies are expected to decline sharply compared to 2023. This downturn is a direct consequence of the market's sluggish performance in 2023 and the first half of 2024 with record low transaction volume.

However, we anticipate a **substantial improvement in revenue and profit beginning in the latter half of 2025**, supported by several key factors:

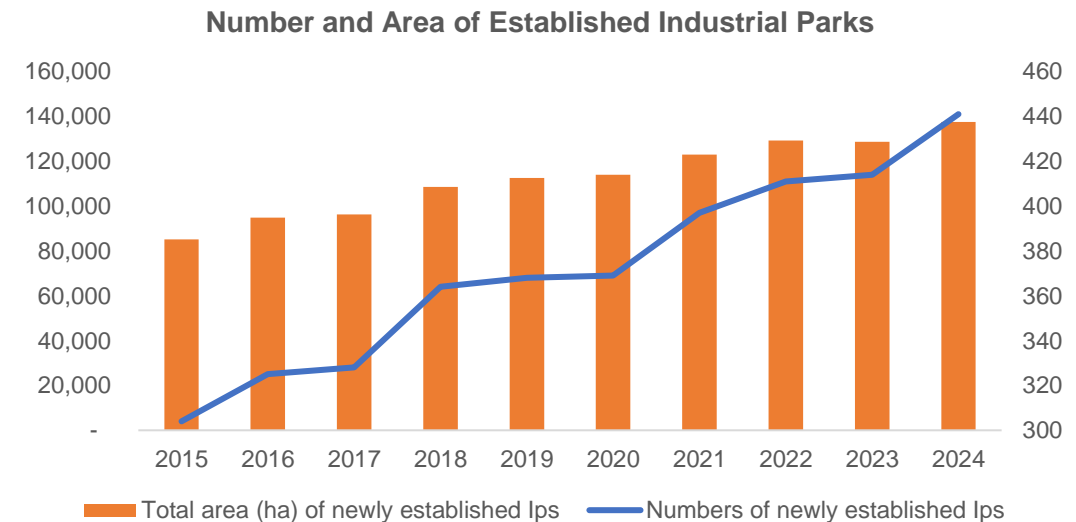
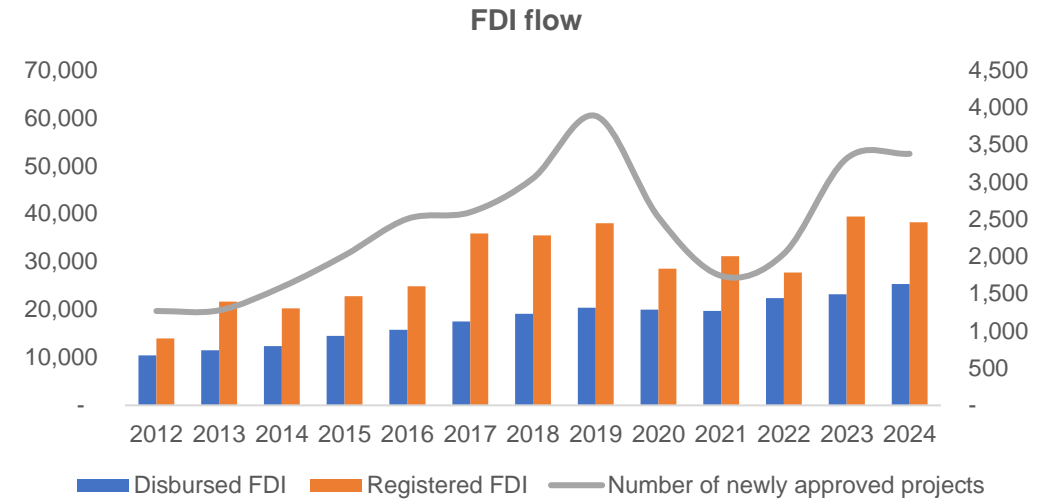
- Sales volumes have shown a recovery since Q2/2024 due to the availability of legally compliant projects that have commenced sales. According to the Ministry of Construction, the number of units eligible for sale in Q2 and Q3/2024 exceeded 34,000, equivalent to the total number of units in the previous four quarters combined. Signed sales volumes are expected to be converted into recognized revenue when projects meet the conditions for handover to customers (typically 6 months to 1 year after signing the purchase agreement for low-rise projects and 1.5 to 2 years for high-rise projects).
- **Many localities have issued new land price tables that are more aligned with market values and significantly higher than previous ones:**
 - ✓ The new land price table in Hanoi is 2 to 6 times higher than the old one.
 - ✓ The new land price table in Ho Chi Minh City has increased by 4 to 38 times compared to the old one.

This will result in a substantial increase in land clearance costs, which typically account for 20%-30% of the development costs of a commercial real estate project. To maintain profitability, developers are expected to raise selling prices. Consequently, the revenue of real estate companies is predicted to trend upward in the near future.



Positive FDI flows in 2024 are expected to remain stable, continuing to drive and support the growth of the sector in 2025.

- According to the Ministry of Planning and Investment, disbursed FDI capital in 2024 reached **USD 25.35 billion**, representing an **increase of 9.3% compared to 2023**. This marks the highest level in the past five years. Additionally, new investments and capital adjustments increased in both the number of projects and the scale of investment.
- Traditional partners, including **Singapore, South Korea, China, Hong Kong, and Japan**, continued to dominate the structure of registered FDI in 2024, accounting for **78% of the total registered capital**.
- **Bắc Ninh, Hải Phòng, and Hồ Chí Minh City** were the leading localities in attracting FDI, leveraging their strategic locations and strong infrastructure development to draw significant foreign investment.
- In 2024, an additional **27 industrial parks (IPs)** were approved for investment, covering a total area of over **8,800 hectares**. Of these, 15 IPs in the northern region account for 3,300 hectares, while 7 IPs in the southern region span over 3,500 hectares. This represents a very positive increase, ensuring a steady supply of industrial land for lease in the coming period.
- Additionally, policies encouraging developers to convert rubber plantation land into industrial park development have contributed to new supply in the industrial real estate market. This is particularly significant in southern provinces, where existing industrial parks are already experiencing high occupancy rates.

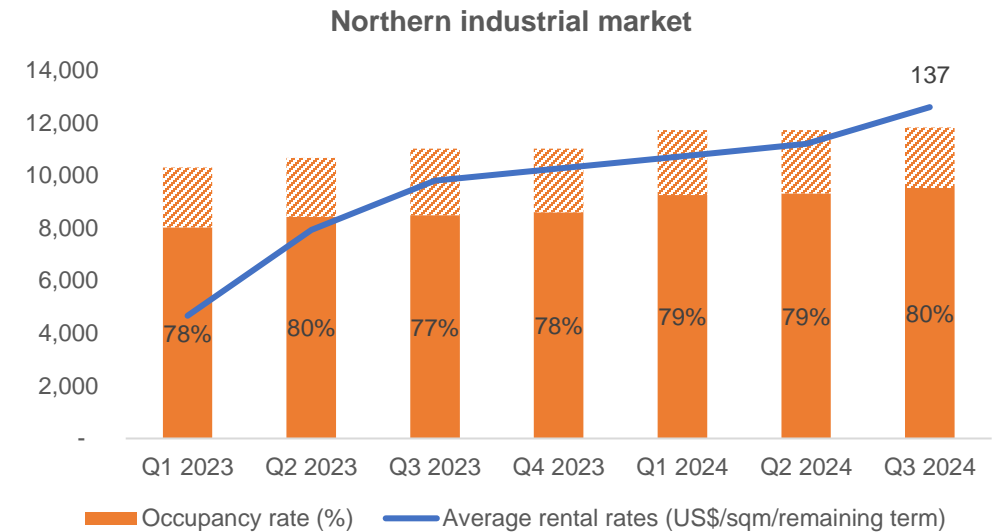


Northern market is becoming increasingly attractive due to its abundant supply and reasonable rental prices, while southern market maintains high rental rates due to the limited ready-for-lease land

Northern Market (Hanoi, Hai Phong, Hai Duong, Hung Yen, Bac Ninh)

- The average absorption rate in Q3/2024 reached 80%. Notably, apart from Hanoi, Bac Giang recorded the highest absorption rate at 98%.
- The average rental price stood at USD 137/m² for the remaining lease term and is expected to continue rising.
- According to CBRE, industrial land rental prices in the northern region are projected to increase by 5%-8% annually in the coming period.

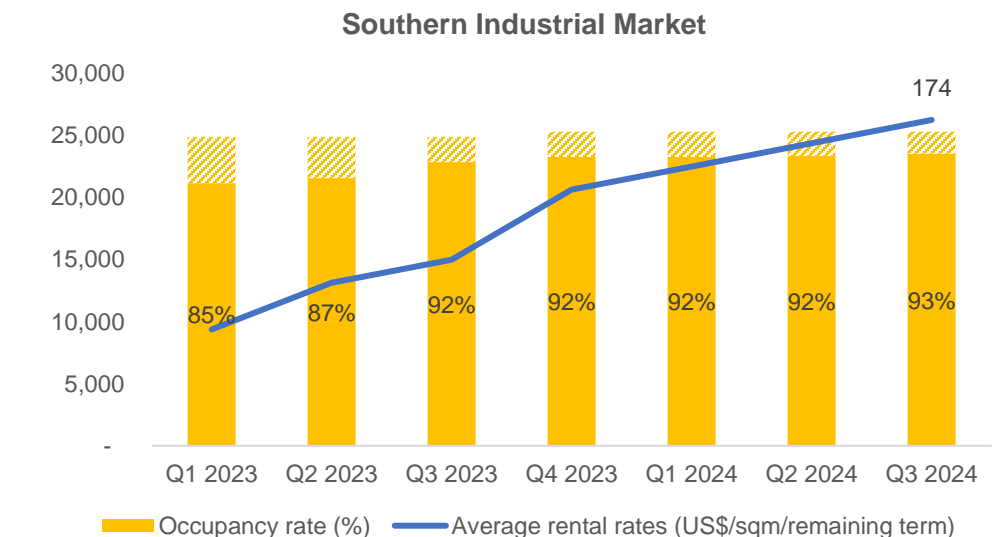
This reflects strong demand and a growing interest in the northern industrial real estate market.



Southern Market Overview (Ho Chi Minh City, Binh Duong, Dong Nai, Long An)

- The average occupancy rate is 89%, with Ho Chi Minh City and Binh Duong reaching an impressive 98%.
- Supply is gradually expanding to neighboring provinces such as Long An and Ba Ria – Vung Tau, which offer abundant land reserves and more reasonable rental prices.
- The average rental price remains high at USD 174/m² for the remaining lease term and is expected to increase by 3%-7% annually over the next three years.

This reflects sustained demand and the strategic shift toward emerging locations to accommodate market growth.



Source: CBRE, NHSV Research

NLG, KDH, DXG, and KBC are our top stock picks for 2025

Stocks		Criteria for Selection
Residential Real Estate		
NLG	➤ Key projects in 2025: Mizuki Park, Akira City, Izumi, Nam Long Can Tho	<ul style="list-style-type: none"> • Reputable Developers with Proven Track Records • Large Reserves of Ready-to-Develop Land • Long-Term Business Strategies
KDH	➤ Key projects in 2025: Emeria & Clarita (The Foresta), the Solina	
DXG	➤ Key projects in 2025: DXH Riverside, Gem Sky World	
Industrial Real Estate		
KBC	➤ Key projects in 2025: Nam Sơn Hạp Linh IP, KCN Trảng Dũ 3 IP, Trảng Cát project	<ul style="list-style-type: none"> • Legal Obstacles in Key Projects Expected to Be Resolved to Accelerate Development Progress • Strategic Land Reserves in Prime Locations: including both existing and new projects, strategically located in areas with strong infrastructure connectivity and high FDI inflows including Hai Phong, Bac Ninh, Bac Giang, HCMC



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