

VIETNAM WEEKLY

[Market Commentary]

The VNIndex sharply dropped 112.49 points last week or -5.98%, with increased trading volumes

[Macro/Strategy]

EU environmental regulations
US-Israel war on Iran

[Company Updates]

VCB

[Technical Analysis]

The index should manage to rebound and bottom out at lower support points

March 2 – 6, 2026

	Index	Chg (%, bp)
Ho Chi Minh	1,767.84	-5.98
VN30	1,904.19	-7.67
VN30 futures	1,898.9	-7.53
Hanoi	253.64	-3.49
HNX30	558.45	-3.12
UPCoM	126.85	-2.24
USD/VND	26,235	+1.29
10-yr govt bond (%)	4.12	+1
Overnight rate (%)	4.72	-118
Oil (WTI, \$)	83.29	+27.57
Gold (LME, \$)	5,178.07	+1.38



Market commentary

Index, sector performance, foreign trading, and derivatives

Top 5 best/worst performers

Oil, gas and fuels	14.1%
Gas utilities	3.9%
Maritime	3.4%
Packaging & packing	1.3%
Trade & distribution	1.2%
Real estate development	-9.4%
Household goods	-10.1%
Specialty retail	-10.3%
Technology	-12.1%
Electrical equipment	-12.6%

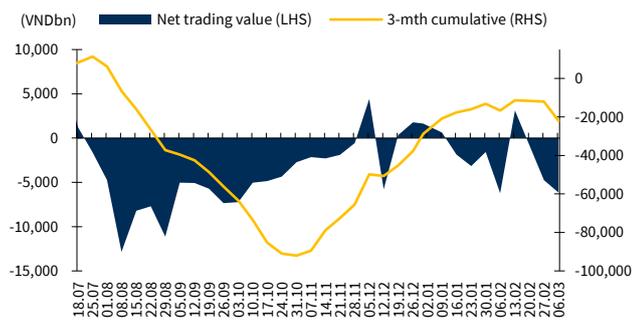
Source: Bloomberg, KB Securities Vietnam

The VNIndex sharply dropped 112.49 points last week or -5.98%, with increased trading volumes. Electrical equipment and Technology sectors saw the most significant declines. Foreign investors recorded VND6,144 billion in net sell, concentrated in FPT, POW, and VHM; while proprietary traders net sold VND1,029 billion.

Meanwhile, foreign investors net sold 1,624 VN30F1M futures and are maintaining a cumulative long position of 6,002 contracts. Proprietary traders net bought 478 contracts but are maintaining a cumulative short position of 2,065 contracts.

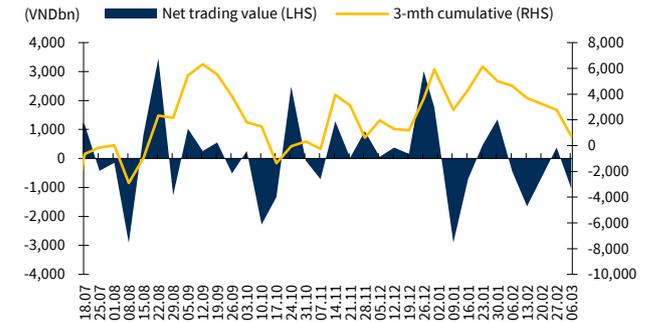
Local stocks experienced a week of sharp corrections due to adverse impacts from both international and domestic factors. The eruption of the US-Israel vs Iran war over the last two days of the previous week shook global financial markets, causing stock markets to plummet, and oil prices and the DXY to spike, raising concerns among investors from the very beginning of the week. The surge in domestic interbank interest rates, along with unofficial information about the possibility of early increases in deposit interest rates by state-owned banks, contributed to increased selling pressure. Stock groups sensitive to interest rate fluctuations, such as real estate, securities, and a number of bluechips, faced strong selloff despite the news revealing FTSE is highly likely to approve Vietnam's upgrade in the upcoming March review. Meanwhile, big beneficiaries from the Middle East conflict such as oil and gas stocks, ports, and fertilizers outperformed the overall market.

Weekly net foreign trading value



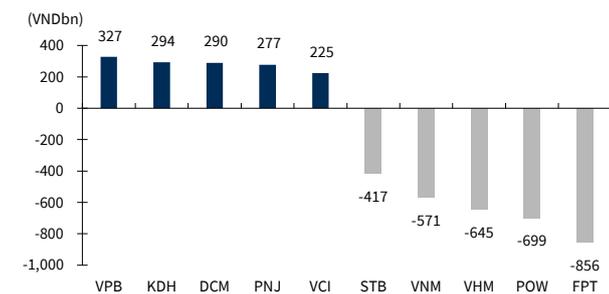
Source: FiinPro, KB Securities Vietnam

Weekly net proprietary trading value



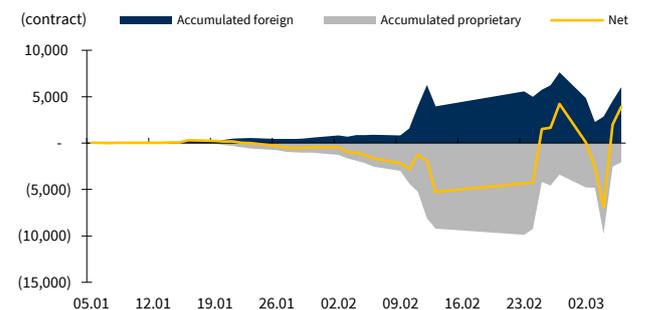
Source: FiinPro, KB Securities Vietnam

Top net foreign buys/sells



Source: FiinPro, KB Securities Vietnam

Futures contract volume – Proprietary & foreign trading



Source: HNX, KB Securities Vietnam

EU environmental regulations

Impact of EUDR, IUU yellow card, and CBAM on Vietnam's key export sectors

The EU has introduced three major regulatory frameworks — EUDR, IUU yellow card, and CBAM — aimed at strengthening environmental compliance and advancing sustainable development. These measures are expected to create varying degrees of impact on Vietnamese exporters:

EU Deforestation Regulation (EUDR)

- Regulatory scope: The EU requires that selected land-linked commodities — including rubber, coffee, palm oil, timber, and cocoa — placed on its market must not be associated with deforestation or forest degradation occurring after 31 December 2020.
- Implementation timeline: On 17 December 2025, the EU confirmed a postponement of enforcement. The regulation will take effect from 30 December 2026 for large EU companies and from 30 June 2027 for smaller enterprises.
- Impact on Vietnamese exporters: Most wood and rubber exporters are likely to face compliance challenges, as demonstrating full traceability and verifying that raw materials are not linked to post-2020 deforestation is operationally complex. This is particularly relevant in Vietnam, where timber sourcing remains fragmented and heavily dependent on small-scale household growers. However, EU exposure for these sectors is relatively modest. We therefore believe companies retain adequate time to strengthen traceability systems, restructure supply chains, or diversify export destinations to mitigate potential demand softening once the regulation becomes effective.
 - Wood sector: Listed manufacturers such as SAV, PTB, GTA, and TTF derive an estimated 10–15% of revenue from the EU market.
 - Rubber sector: Natural rubber producers including GVR and PHR face relatively limited risk, given their export focus on China and domestic consumption. In contrast, downstream rubber processors such as CSM, SRC, and DRC may experience higher exposure, as the EU accounts for roughly 5–10% of their total revenue.

March 2, 2026

Analyst Nghiem Sy Tien

(+84) 24-7303-5333 tienns@kbsec.com.vn

US-Israel war on Iran

Overview and assessment

Conflict developments

- A direct confrontation between the US-Israel alliance and Iran erupted in late February 2026 under the military campaign “Operation Epic Fury,” plunging the Middle East into full-scale war. The coalition conducted extensive airstrikes targeting critical military infrastructure and reportedly eliminated multiple senior Iranian commanders and high-ranking officials. In response, Iran retaliated with ballistic missiles and one-way attack drones targeting Israel, as well as US military bases in Qatar, Bahrain, Kuwait, and the UAE. The conflict escalated further when Iran struck major international airports in Dubai, Kuwait City, and Manama, inflicting substantial infrastructure damage and forcing a complete suspension of civil aviation operations across the region.

Two primary scenarios could unfold

- Scenario 1 – War of attrition and disruption in the Strait of Hormuz
Under this scenario, following the initial wave of airstrikes, Iran would shift toward asymmetric naval warfare and leverage proxy forces to target and sabotage energy infrastructure across neighboring countries. The Strait of Hormuz would not be fully closed; however, it would remain in a sustained state of elevated risk. Such conditions would keep war-risk insurance premiums and freight rates structurally elevated, reinforcing upward pressure on global energy markets.
- Scenario 2 – Regime collapse and regional destabilization
This scenario would materialize if US and Israeli strikes were to significantly undermine the political foundations of power in Tehran. Iran could descend into factional infighting or even civil war, prompting the US to attempt a broader reshaping of the regional order in the Middle East. While such an outcome could facilitate a faster normalization of oil prices, it is considered less probable. A regime-change operation would likely require the deployment of hundreds of thousands of ground troops—given Iran’s complex terrain and large population—an undertaking the US is currently unlikely to pursue.

Implications for global commodity markets and supply chains

- While military engagements represent the visible dimension of the crisis, the more profound economic repercussions are likely to stem from disruptions to commodity markets and critical maritime trade routes.
- 1. *Supply-demand dynamics and oil price scenarios*
According to Citigroup, Morgan Stanley, and Goldman Sachs, in a scenario of short-term supply disruption, crude oil prices could rise to USD80-85 per barrel.

Vietcombank (VCB)

Returning to growth

March 5, 2026

Manager Nguyen Anh Tung

(+84) 24-7303-5333 tungna@kbsec.com.vn

4Q25 PBT gained 1.7% YoY to VND10,887 billion

4Q25 NII of Vietcombank (VCB) came in at VND16,170 billion (+16.8% YoY, the strongest growth quarter of the year), while NIM decreased slightly by 1bp QoQ. Provisions remained low at VND848 billion, and PBT reached VND10,887 billion (+1.7% YoY). For the whole year 2025, PBT hit VND44,020 billion (+4.2% YoY).

Credit growth for 2026 should touch 15.5%

KBSV expects VCB's credit growth in 2026 to reach 15.5% thanks to (1) high credit room granted for its restructuring of weak banks, (2) driving force from the private sector, promoting public investment; and (3) competitive advantage from low CoF.

NIM may improve in 2026

KBSV anticipates NIM of VCB will improve this year, underpinned by strong average yield on earning assets (IEA) amid high borrowing demand, greater flexibility in adjusting lending interest rates compared to 2025, and higher system-wide interest rates. Meanwhile, while the CoF may climb, which may partly be mitigated by a high CASA ratio.

NPL remains low with large provision buffer

VCB's provisioning pressure is negligible given its assured asset quality, with NPL continuing to improve at 0.58%. The high loan loss coverage ratio (LLCR) of 258% ensures flexibility in provisioning.

BUY rating - Target price VND75.500/share

Based on the valuation results, business outlook, and consideration of potential risks, we recommend BUY VCB shares with a target price for 2026 of VND75.500.

Buy maintain

Target price VND75,500

Upside	19.8%
Current price (March 4, 2026)	VND63,000
Consensus target price	VND76,000
Market cap (VNDtn/USDbn)	528.1/20.1

Forecast earnings & valuation

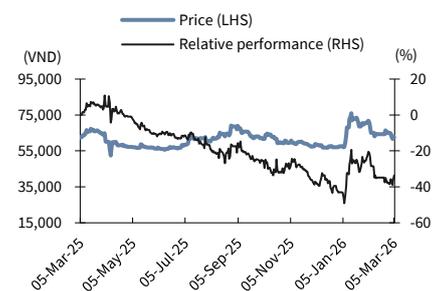
FY-end	2024	2025	2026F	2027F
Net interest income (VNDbn)	55,406	58,674	71,124	85,250
PPOP (VNDbn)	45,551	47,205	57,714	67,240
NPAT-MI (VNDbn)	33,831	35,178	41,834	46,164
EPS (VND)	6,053	4,210	5,007	5,525
EPS growth (%)	2.4	(30.4)	18.9	10.4
P/E (x)	15.6	15.0	12.6	11.4
Book value per share (VND)	35,106	27,231	32,238	37,763
P/B (x)	2.68	2.31	1.95	1.67
ROE (%)	18.7	16.6	16.8	15.8
Dividend yield (%)	0.0	0.0	0.0	0.0

Trading data

Free float	10.2%
3M avg trading value (VNDbn/USDmn)	677.2/25.9
Foreign ownership	20.6%
Major shareholder	State Bank of Vietnam (SBV, 74.80%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-7.9	8.1	-6.7	1.3
Relative	-9.9	3.6	-15.7	-38.1



Source: Bloomberg, KB Securities Vietnam

Technical analysis

Market trend & recommendation

VNINDEX



Source: Trading View, KB Securities Vietnam

Indicator	Market trend	Recommendation
Dark green	High confidence of uptrend	Strong buy
Light green	Moderate confidence of uptrend	Buy in parts
Yellow	Neutral	Trade
Orange	Moderate confidence of downtrend	Sell in parts
Red	High confidence of downtrend	Strong sell

Technical threshold	
Far resistance:	1850 (+-15)
Near resistance:	1800 (+-10)
Near support:	1720 (+-15)
Far support:	1670 (+-20)

The VNIndex ended the week with a marubozu candlestick pattern, which is a long, solid red body, with surging trading volumes, indicating the dominance of sellers and large decreasing pressure. On the daily chart, despite a technical rebound at the support zone, two consecutive days of declines completely negated the gains and caused the index to see a steep correction. This development suggests that the risk of further correction remains high, but with the index gradually returning to a strong short-term support zone and the medium-term uptrend still being maintained, the index should manage to rebound and bottom out at lower support points.

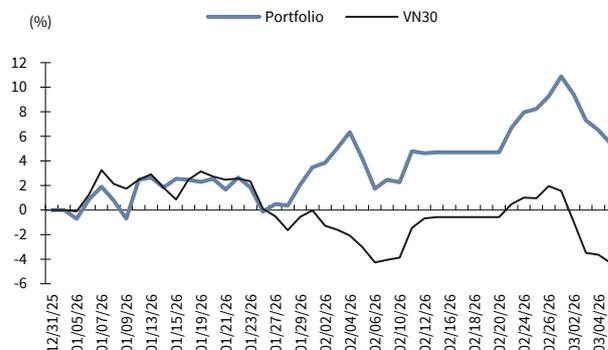
(Notes: Investors can refer to the market trend comments and recommendations above to take corresponding action)

KBSV model portfolio

Investment approach:

- Identify the most attractive stocks within our coverage universe (reviewed and reallocated in every first week of each month);
- The default holding period is 3-6 months with the target is to deliver superior performance compared to VN30;
- Employ a risk-managed exit strategy that sets a stop loss of -15% for each ticker;
- Use an equal-active-weight (with monthly rebalancing method) approach that allocates 100% of the portfolio to stocks that can also include VN30 index ETFs.

Performance vs VN30 Index



KBSV domestic model portfolio

Ticker	Target price	Closing price (Mar 6, 2026)	Month-to-date return	2026 forward P/E	2026F NPAT growth	Investment catalysts	Link to report
HPG	35,900	28,800	0%	9.8	41.0%	<ul style="list-style-type: none"> - Sales volumes are projected to increase by 23%/5% in 2026/2027 on a recovery in the real estate market and strong public investment - Steel prices should rise 4%/3% YoY, given stronger domestic demand and higher iron ore and coking coal costs. - HPG stands to benefit from domestic anti-dumping measures on HRC, a 0% anti-dumping duty on HRC exports to the EU and India, and the VND15,000bn railway steel manufacturing plant. 	HPG
MWG	106,100	93,100	-2.93%	16.9	27.7%	<ul style="list-style-type: none"> - TGDD + DMX are highly likely to deliver around 12% YoY growth in 2026, supported by favorable macro conditions and an improving business environment. - BHX may open 1,000 new stores (+25% YoY), underpinned by a scalable and well-suited operating model. - Operating leverage and increased contributions from financial income will support further margin expansion. 	MWG
MBB	33,900	28,500	-1.29%	6.2	31.1%	<ul style="list-style-type: none"> - Credit growth should remain strong on a higher credit quota and broad-based expansion across segments. - NIM is projected to remain more resilient than peers thanks to superior funding cost management. - Asset quality should improve alongside the economic rebound and the codification of Resolution 42. 	MBB
CTD	99,000	88,600	-8.8%	11.6	72.9%	<ul style="list-style-type: none"> - Backlog at end-1QFY26 is estimated at VND45,000-50,000bn, driven by public investment projects, translating into revenue growth of 20%/9% in FY26/FY27. - Gross margin is projected to improve to 3.4%/3.6% in FY26/FY27, supported by supply chain optimization, Unicons restructuring, and stronger demand, which should enhance pricing power in contract negotiations. 	CTD
VPB	38,000	28,950	-7.94%	7.4	30.0%	<ul style="list-style-type: none"> - Credit growth is projected at 30%, supported by an expanded credit quota, a recovery in retail/consumer lending, and continued private-sector expansion. - NIM is expected to edge up in 2026, driven by retail recovery and improving asset quality. - Asset quality should strengthen further, underpinned by solid economic growth and a stable interest rate environment. 	VPB
KDH	39,900	27,250	-5.69%	22.1	26.5%	<ul style="list-style-type: none"> - In 2026, KDH will continue sales at The Galdia (11.8ha, Thu Duc) and launch The Solina (16.4ha, Binh Chanh). Their prime locations should support resilient absorption even in a rising rate environment. - Earnings are expected to gain traction as legal hurdles are resolved, notably at the 330ha Tan Tao Residential Area in Binh Tan — KDH's largest project — slated for launch in 2027. - With over 500 ha under control, KDH stands among the few developers with substantial remaining land reserves in HCMC. 	KDH
VGC	65,700	51,200	-10.16%	12.5	15.6%	<ul style="list-style-type: none"> - VGC owns the largest industrial park land portfolio in Northern Vietnam, totaling over 5,966ha, well positioned to capture high-tech FDI inflows. - Building materials is set to improve, supported by margin expansion and a recovery in property supply, particularly in the mid-end and social housing segments. - Long-term operational efficiency is expected to strengthen alongside ongoing restructuring efforts. 	VGC
VCI	42,100	38,500	-1.3%	n/a	n/a	<ul style="list-style-type: none"> - VCI's strong institutional franchise positions it to capture returning foreign inflows post market reclassification. - A more constructive equity market outlook in 2026 should provide tailwinds to brokerage, margin lending, and proprietary trading. - Margin lending retains ample headroom, with the 3Q25 margin loan-to-equity ratio at 100% vs. the 200% cap. 	VCI

Source: KB Securities Vietnam

Cash flow monitoring

Foreign cash flows (USDmn)

T	Country	Date	Daily	WTD	MTD	QTD	YTD	12M	YoY Lv
Equity									
▼ Asia (11)									
	China	31DEC2025			+31,524.0	+24,291.8	+120,517.0	+120,517.0	
	India	04MAR2026	-987.6	-1,314.4	-1,314.4	-2,886.5	-2,886.5	-7,373.3	+5,911.0
	Indonesia	05MAR2026	-12.4	+146.7	+146.7	-420.9	-420.9	-171.7	+1,076.3
	Japan	27FEB2026		+6,240.9	+21,614.8	+40,470.5	+40,470.5	+98,787.3	+136,240.2
	Malaysia	04MAR2026	+40.2	+15.7	+15.7	+317.5	+317.5	-3,633.3	-6,039.8
	Philippines	05MAR2026	-3.9	-12.4	-12.4	+357.6	+357.6	-266.4	+637.1
	S. Korea	06MAR2026	-1,579.3	-3,225.3	-3,225.3	-14,892.6	-16,472.0	-15,430.4	-4,620.1
	Sri Lanka	05MAR2026	+0.6	+0.1	+0.1	-52.1	-52.1	-148.7	-93.4
	Taiwan	05MAR2026	-1,584.2	-7,880.8	-7,880.8	+1,927.3	+1,927.3	+1,718.9	+35,321.2
	Thailand	05MAR2026	-227.0	-215.5	-215.5	+1,667.8	+1,667.8	-947.1	+2,972.6
	Vietnam	05MAR2026	-118.8	-177.7	-177.7	-693.2	-693.2	-4,790.2	-981.1
▼ Americas (5)									
	Brazil	03MAR2026	-74.0	+63.9	+63.9	+7,990.5	+7,990.5	+11,315.7	+12,545.8
	Canada	31DEC2025			+8,753.8	+12,402.2	-13,030.0	-13,030.0	-7,603.9
	Chile	30SEP2025				-1,264.7	-2,057.3	-1,999.1	-885.1
	Colombia	31DEC2025				+65.0	+1,258.8	+1,258.8	+721.0
	United States	31DEC2025			+96,862.0	+251,551.0	+720,081.0	+720,081.0	+412,589.0
▼ EMEA (21)									
	Bulgaria	31DEC2025			-2.2	-20.5	-40.4	-40.4	-50.2
	Czech Republic	31DEC2025			+47.5	+1,008.2	+2,248.1	+2,248.1	+421.1
	Dubai	05MAR2026	-48.4	-53.4	-53.4	+535.5	+535.5	+1,585.3	+932.4
	Euro Area	31DEC2025			+112,012.0	+203,488.0	+506,730.5	+506,730.5	+70,266.0
	France	31DEC2025			+16,236.0	+21,693.0	+20,319.0	+20,319.0	-7,938.0

Source: Bloomberg, KB Securities Vietnam

ETF trading (USDmn)

Name	1D Flow (M USD)	1W Flow (M USD)	1M Flow (M USD)	3M Flow (M USD)	YTD Flow (M USD)	1Y Flow (M USD)	3Y Flow (M USD)
Minimum	-4.58	-19.37	-19.37	-58.19	-34.03	-370.74	-548.06
Maximum	+4.44	+1.65	+10.67	+28.62	+16.64	+14.41	+46.92
Average	-0.30	-1.31	-1.10	-1.77	+4.43	-24.56	-79.20
Median	.00	.00	.00	.28	.37	-2.57	+1.13
Sum	-6.38	-27.46	-2.03	-37.17	+9.00	-515.86	-1,663.19
1) Global X MSCI Vietnam ETF	.00	.00	.00	+6.41	+5.02	+14.41	+20.60
2) KraneShares Dragon Capit...	.00	+1.27	+5.10	+11.21	+6.36	+13.71	+13.71
3) VanEck Vietnam ETF	-4.58	-19.37	-19.37	+28.62	+16.64	+11.83	-97.45
4) Korea Investment & Secur...	.00	.00	+10.67	+10.67	+10.67	+10.67	+10.67
5) CSOP FTSE Vietnam 30 ETF	.00	.00	.00	.39	.39	.74	.46
6) SSIAM VNFIN LEAD ETF	+1.2	+1.2	+5.8	+2.05	.93	-.22	-177.54
7) SSIAM VN30 ETF	.00	.00	+.29	+.28	+.09	-.48	+2.54
8) SSIAM VNX50 ETF	.00	.00	.00	+.21	-.11	-1.02	-2.78
9) KIM Growth VN DIAMOND E...	.00	.00	.00	.00	.00	-1.61	+1.13
10) DCVFMVN Mid Cap ETF	.00	.00	+.05	+.37	+.37	-2.18	+6.66
11) MAFM VNDIAMOND ETF	.00	-2.48	+.97	-.27	+.97	-2.57	+5.36
12) KIM Growth VNFINSELECT E...	.00	.00	.00	-.33	.00	-4.89	+2.17
13) KIM Growth VN30 ETF	.00	.00	.00	.00	.00	-5.11	+46.92
14) Premia Vietnam ETF	.00	.00	.00	.00	.00	-9.13	-14.77
15) MAFN VN30 ETF	.00	.00	-1.89	-2.83	-2.38	-11.83	+1.06
16) KIM KINDEX Vietnam VN3000	.00	.00	-58.19	-2.23	-12.19	-14.36
17) CGS Fullgoal Vietnam 30 S...	.00	-.28	-.01	+.41	+.41	-13.19	-18.84
18) DCVFMVN Diamond ETF	+4.44	+1.65	+7.75	+12.85	+7.65	-14.39	-548.06
19) Xtrackers Vietnam Swap U...	.00	.00	+2.15	+10.58	+11.58	-21.46	-80.71
20) DCVFMVN30 ETF Fund	.00	-.98	-.70	-13.15	-13.32	-96.22	-272.58
21) Fubon FTSE Vietnam ETF	-2.36	-7.38	-7.60	-46.44	-34.03	-370.74	-546.37

Source: Bloomberg, KB Securities Vietnam

KB SECURITIES VIETNAM (KBSV)

Head Office:

Levels 16&17, Tower 2, Capital Place, 29 Lieu Giai Street, Ngoc Ha Ward, Hanoi City, Vietnam

Tel: (+84) 24 7303 3333 – Fax: (+84) 24 3776 5928

Hanoi Branch:

Level 1&2, Office Building, 5 Dien Bien Phu Street, Ba Dinh Ward, Hanoi City, Vietnam

Tel: (+84) 24 7305 3335 – Fax: (+84) 24 3822 3131

Ho Chi Minh Branch:

Level 21, Vietinbank Tower, 93-95 Ham Nghi Street, Sai Gon Ward, Ho Chi Minh City, Vietnam

Tel: (+84) 28 7303 3333 – Fax: (+84) 28 3914 1969

Saigon Branch:

Level 1, Saigon Trade Center, 37 Ton Duc Thang Street, Sai Gon Ward, Ho Chi Minh City, Vietnam

Tel: (+84) 28 7306 3338 – Fax: (+84) 28 3910 1611

CONTACT INFORMATION

Hotline: 1900 1711

Email: info@kbsec.com.vn

Website: www.kbsec.com.vn

Investment ratings & definitions

Investment Ratings for Stocks

(Based on the expectation of price gains over the next 6 months)

Buy:	Neutral:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(Based on the assessment of sector prospects over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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