



A GOOD MOVE IN A TOUGH GAME

Report approver:

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I. US tariff update

II. Vietnam stock market

III. Selected industries outlook

Directly affected

Textiles

Pangasius and Shrimp

Indirectly affected

Industrial real estate

Electricity

Oil and gas

Aviation

Unaffected

Residential real estate

Steel

Construction plastic

Retail

Fertilizer

Cane sugar

Pharmaceuticals

US TARIFF UPDATE

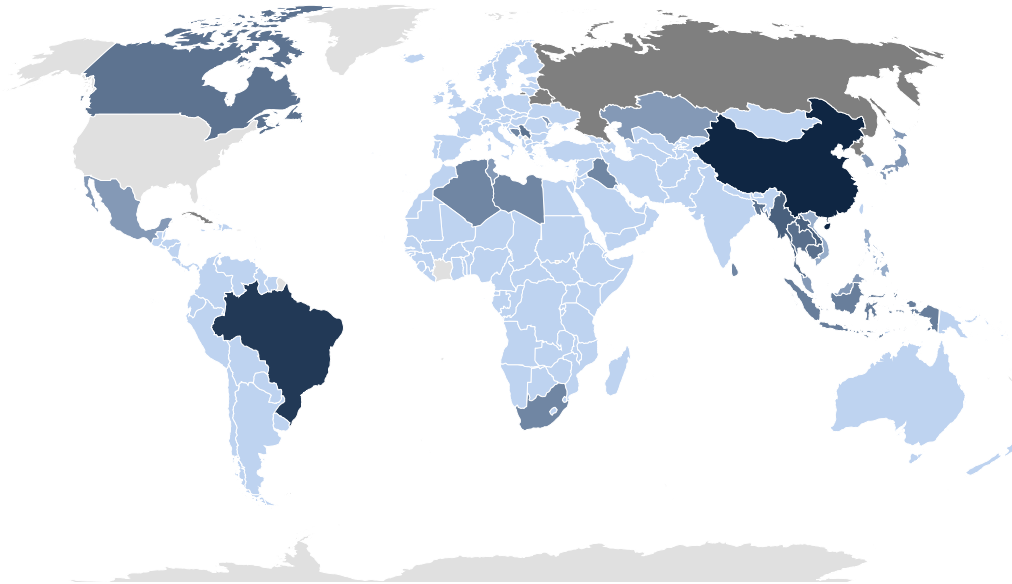
Postponement extended to 2025/08/01



U.S. sent tariff letters to 23 countries

US reciprocal tariff rate announced as of July 11, effective on August 1

Tariff rate 
10% 55%



Tariffs on Vietnam and China are based on trade agreement.
Russia, Belarus, Cuba and North Korea are subjected to embargo.
For countries have not yet been received tariff letter, the reciprocal tariff announced on April 2 were applicable.

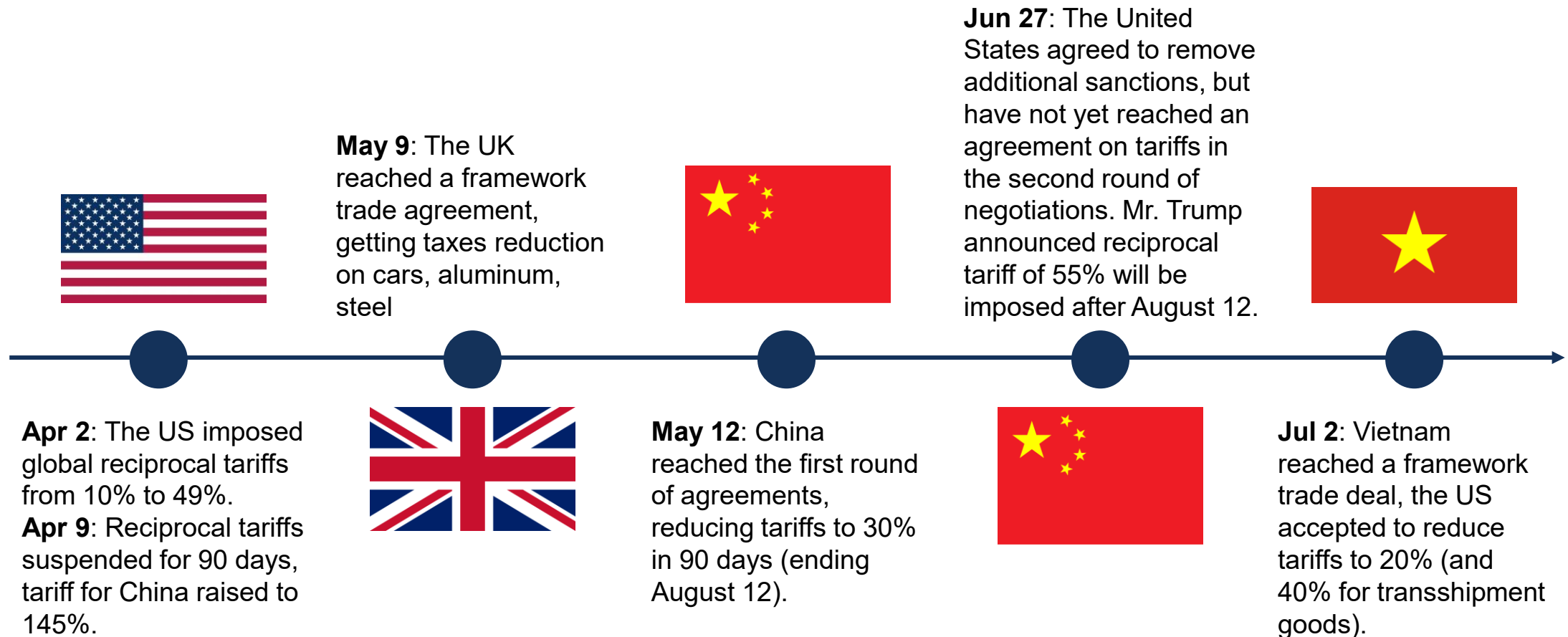
As the three-month postponement term was almost over, President Trump has sent several letters announcing new tariffs effective August 1. As of July 11, 23 countries have received notifications.

- The tariffs on Japan and South Korea are 25 percent, almost unchanged from the reciprocal tariffs Trump threatened on April 2.
- For the BRICS bloc, tariffs on Brazil have been raised to 50 percent, while South Africa remains at 30 percent. Trump has threatened to raise additional tariffs on countries in the bloc that take a stance contrary to the United States, so countries such as China or India could be at risk.
- Meanwhile, ASEAN countries are still subject to relatively high tariffs between 20% - 40%.

US TARIFF POLICY

The US requires many market opening conditions

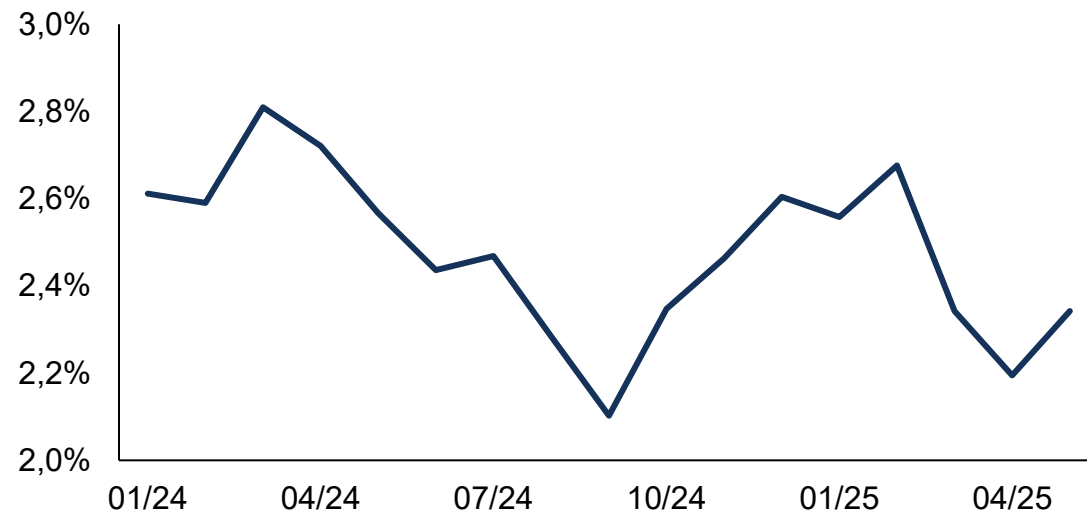
So far, only the UK, China and Vietnam have had initial agreement results, while other countries have not yet reached a common ground as the conditions set by the US were relatively strict.



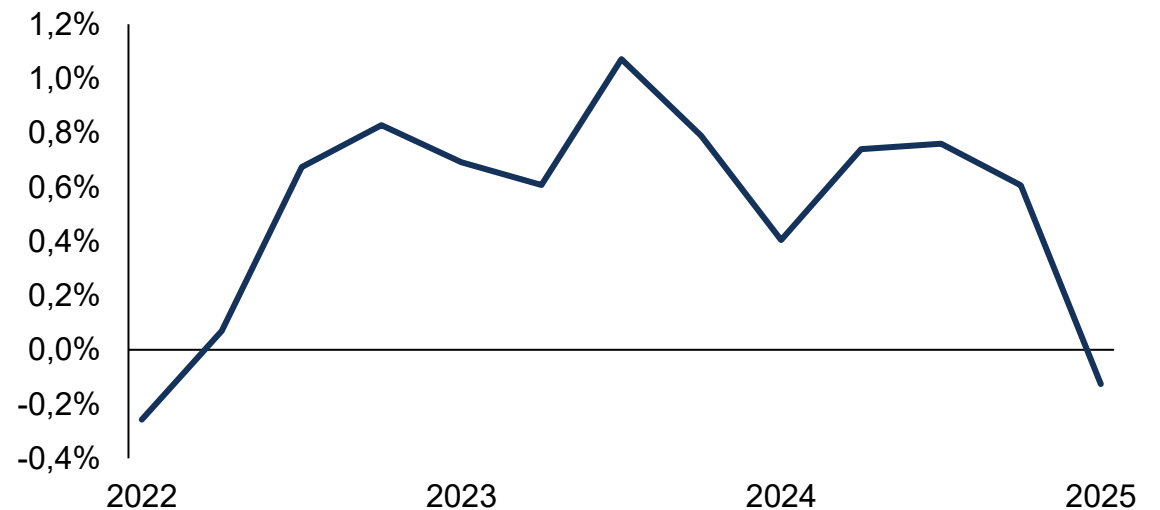
Tariff pains starting to show

- Under the impact of tariff policy, inflation in the US heated up somewhat in the first quarter, but has now cooled down. The high price level directly affected consumption demand, as retail sales decline for two consecutive months and GDP in the first quarter of 2025 decreases by 0.1% QoQ (the first decline in three years).
- The Fed believed that inflation due to tariff policy is only temporary, as tariffs are expected to cause a short-term price shock and then quickly balance out.

US inflation accelerated in early 2025 but has been slow down



US GDP QoQ growth became negative first time in three years

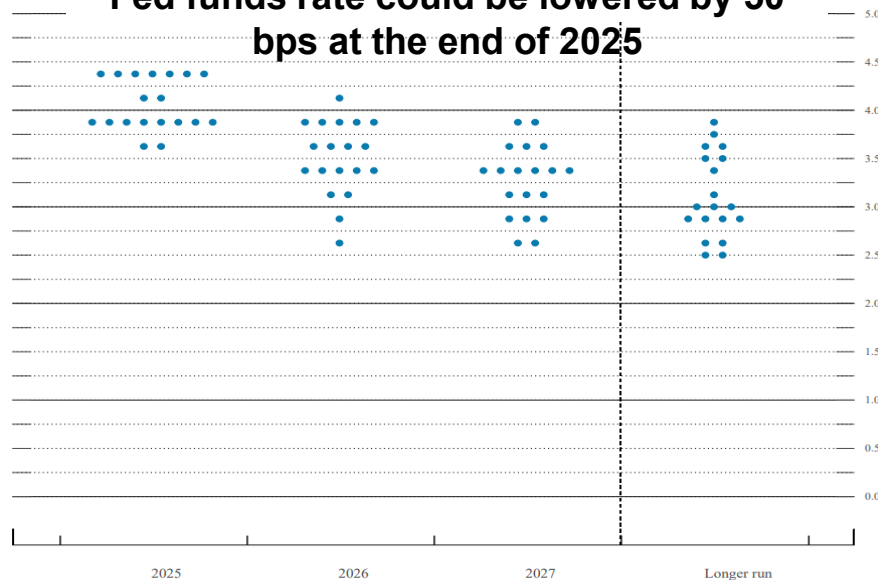


IMPACT ON THE UNITED STATES

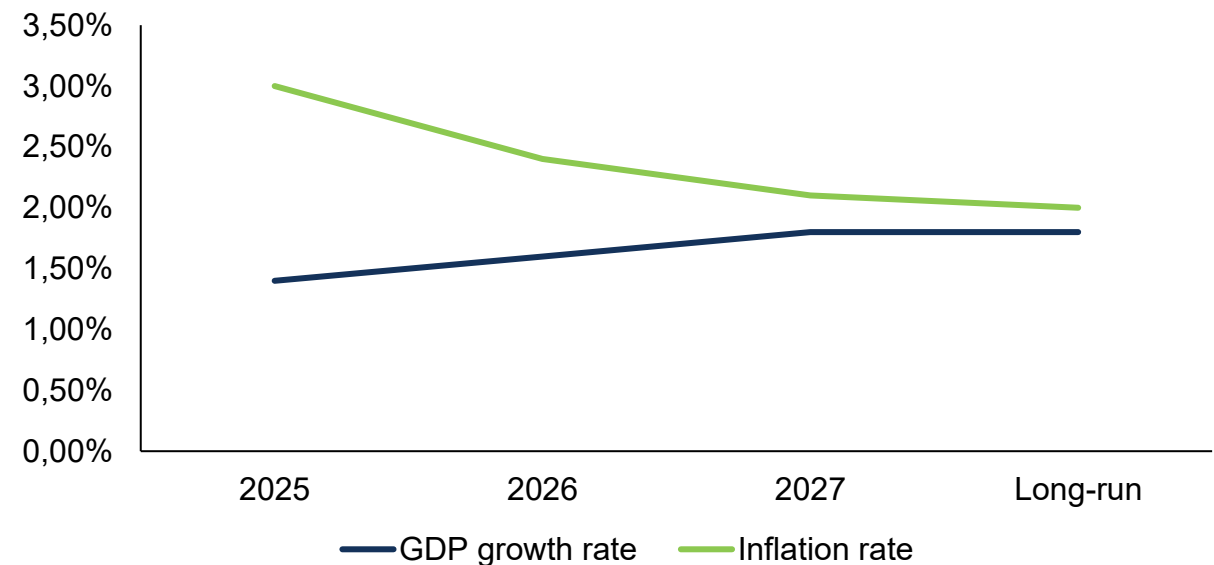
Fed's cautious monetary policy stance

- The FOMC decided to keep interest rates unchanged from the beginning of 2025 until now due to many uncertainties in the impact of tariff policy on inflation. Council members forecast interest rates could be lowered by a total of another 50 bps in the second half of the year, if inflation can be controlled.
- The Fed raised its year-end inflation forecast to 3.0% (compared to 2.7% in March), while lowering its GDP growth forecast for the whole of 2025 from 1.7% to 1.4%.

**FOMC Dot Plot at June 2025 meeting:
Fed funds rate could be lowered by 50
bps at the end of 2025**



FOMC economics projection at June 2025 meeting

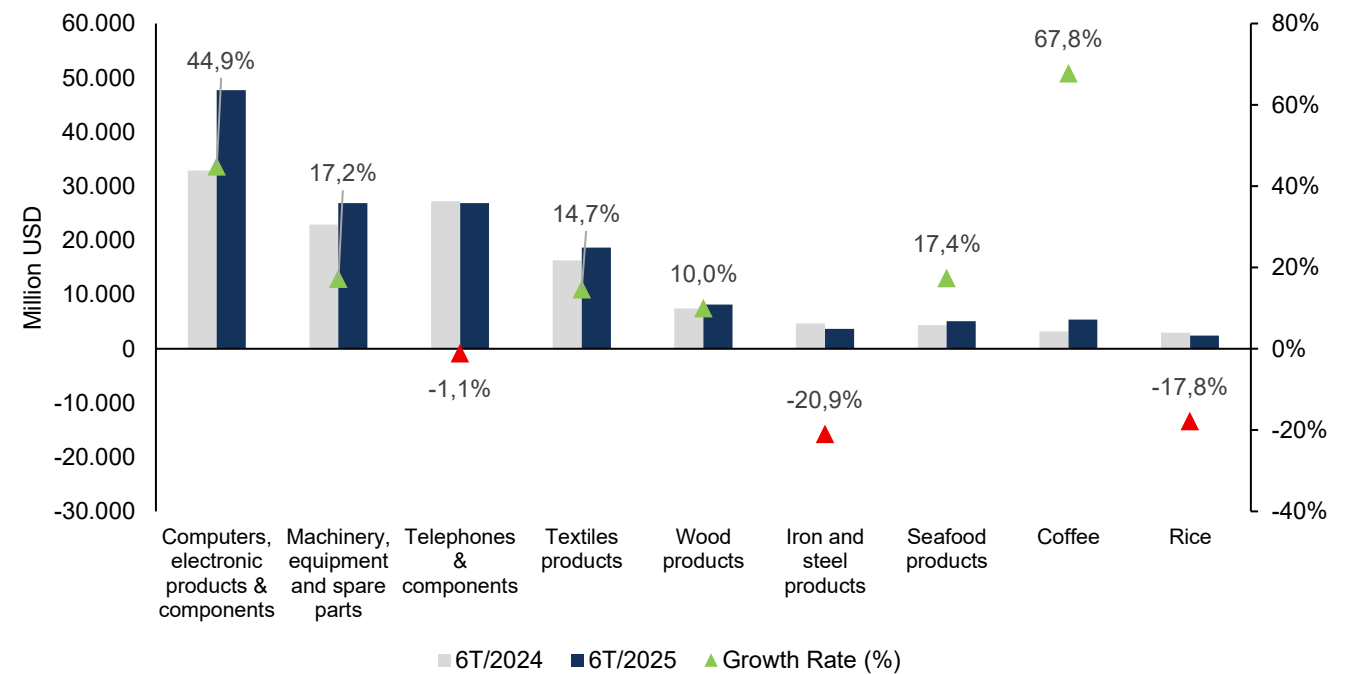


Vietnam's 20% reciprocal tariff on the US market is a significant competitive advantage, helping to maintain a superior position compared to China (55%) and ASEAN regional rivals such as Thailand (36%), Malaysia (25%) or Cambodia (36%). However, the biggest risk comes from the risk of being subject to transshipment tariffs, especially when the dependence on supply chains from China is still very high.

Preliminary assessment of the impact on key industries:

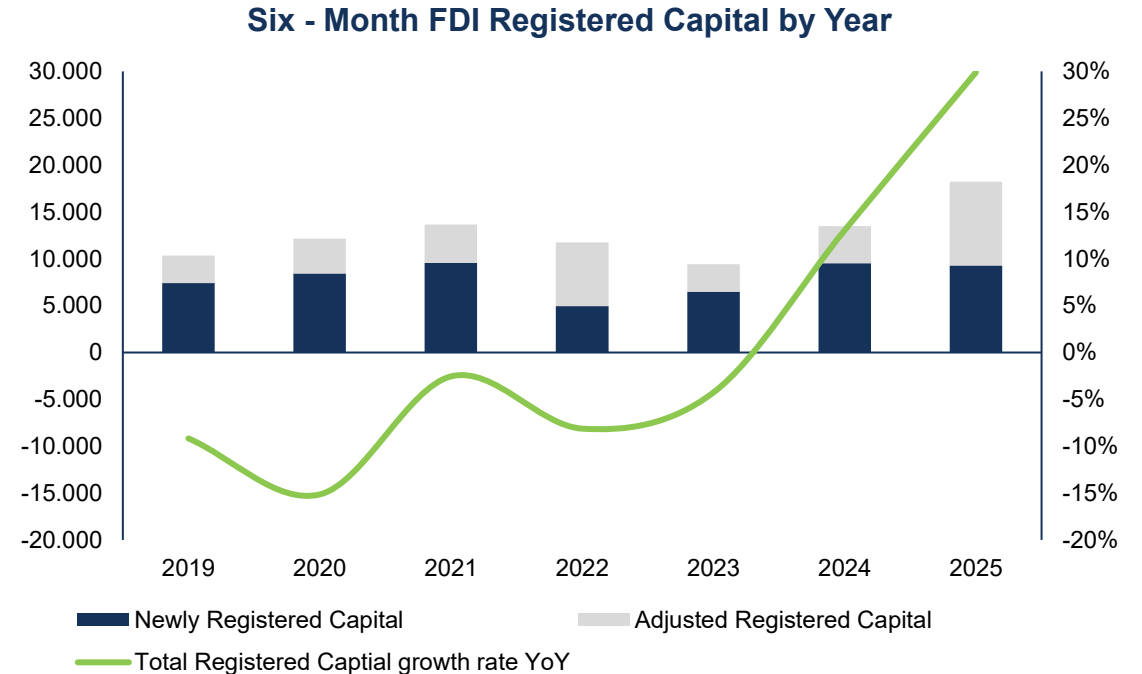
- **Textiles:** High risk of transshipment tariffs due to dependence on 60-65% of fabric raw materials imported from China.
- **Electronics:** High risk of transshipment tariffs due to dependence on semiconductor components and raw materials from China.
- **Timber:** Benefiting from the tariff differential with China, but facing high transshipment tariffs risk due to origin transparency of imported timber.
- **Fisheries:** Benefit from tax rate differentials, helping shrimp compete with India, Indonesia and pangasius to compete with Chinese tilapia.

Major Export Products



We believe that the 20% tax rate on Vietnam is still lower than that of China and ASEAN, creating favorable conditions for attracting FDI inflows. In addition, the investment environment in Vietnam is expected to improve after the Government successively issued important policies such as Decree 182/2024/ND-CP, Decree 19/2025/ND-CP and Resolution 66/NQ-CP.

- In the first 6 months of 2025, the total registered FDI capital in Vietnam increased by 35.2% YoY. The main driver came from adjusted capital inflows increased by 126.4% YoY, indicating the expansion plans of existing investors.
- Singapore, South Korea and China were the three largest countries investing in Vietnam. Locally, Hanoi, Bac Ninh and Ho Chi Minh City continued to be the top destinations, thanks to attracting many large-scale projects, especially production expansion projects in the field of processing and manufacturing.



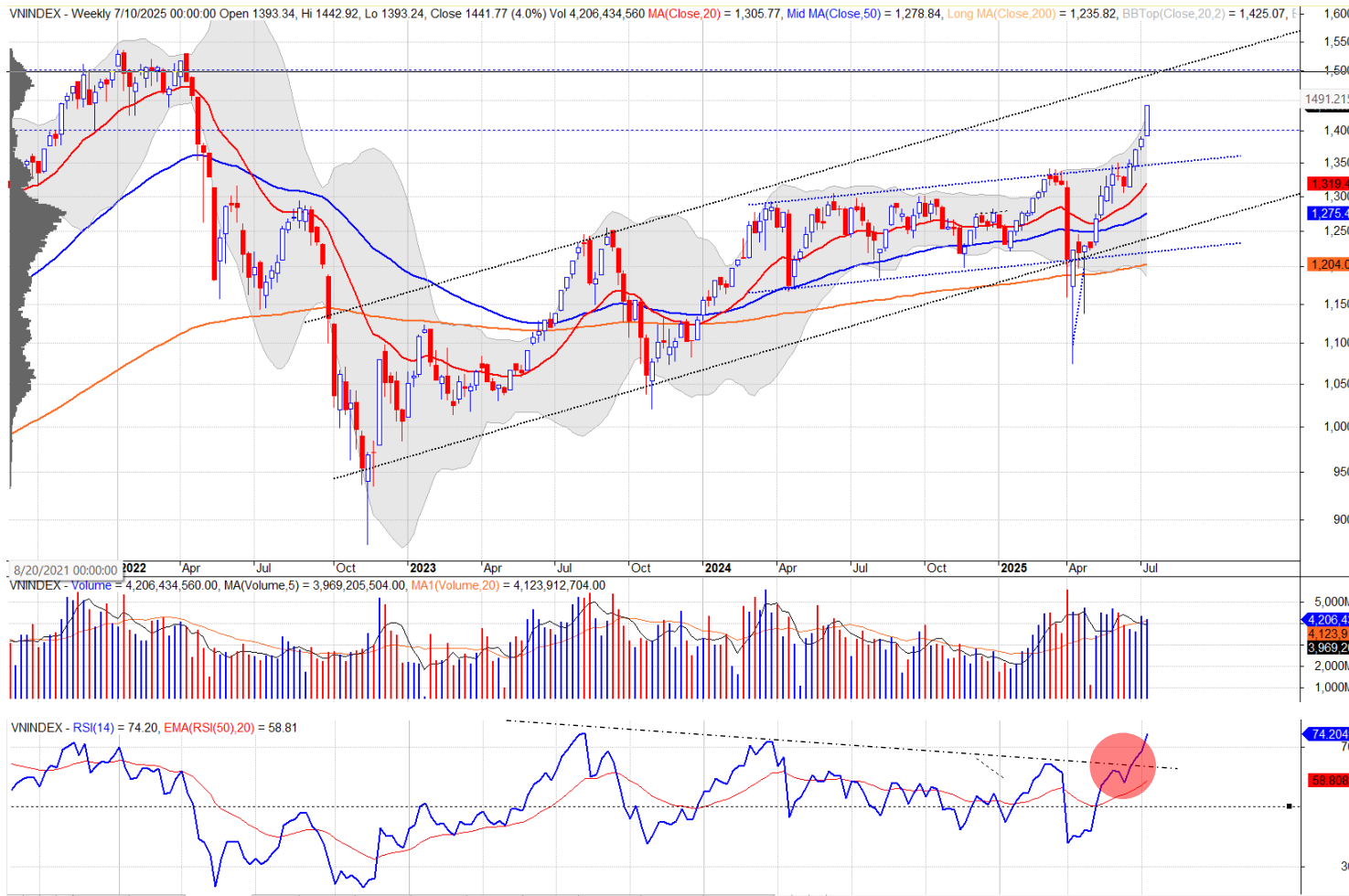
Vietnam stock market

The uptrend continues



VIETNAM STOCK MARKET

Signals of continuing long-term bullish channel



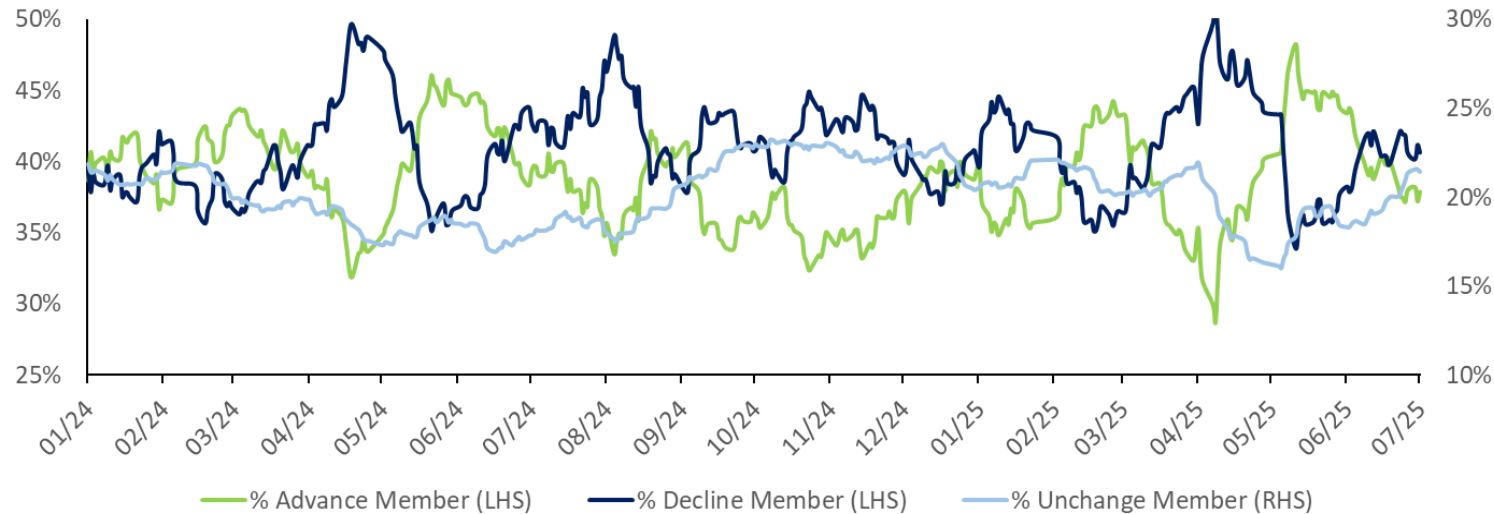
Source: Amibroker, FPTS

- The main trend of VN-Index in the long term is still the bullish price channel formed since the middle of November 2022.
- The positive upward momentum in Q2/2025 has helped the index break out of the upper line of the medium-term Sideway Up price channel.
- The 20 MA of the weekly volume was still gradually increasing and supports the scenario of a continuation of the bullish direction.
- The technical indicator side was also improving sharply after negative divergences from the momentum factor.
- **Resistance:** 1,500 – 1,530 points, corresponding to the 100.0% retracement to the old peak of 2022.
- **Support:** 1,300 - 1,350 points, corresponding to the support role of the 20 & 50-week EMA pair.

VIETNAM STOCK MARKET

Positive demand despite lingering doubt

Market breadth reflects more cautious investor sentiment



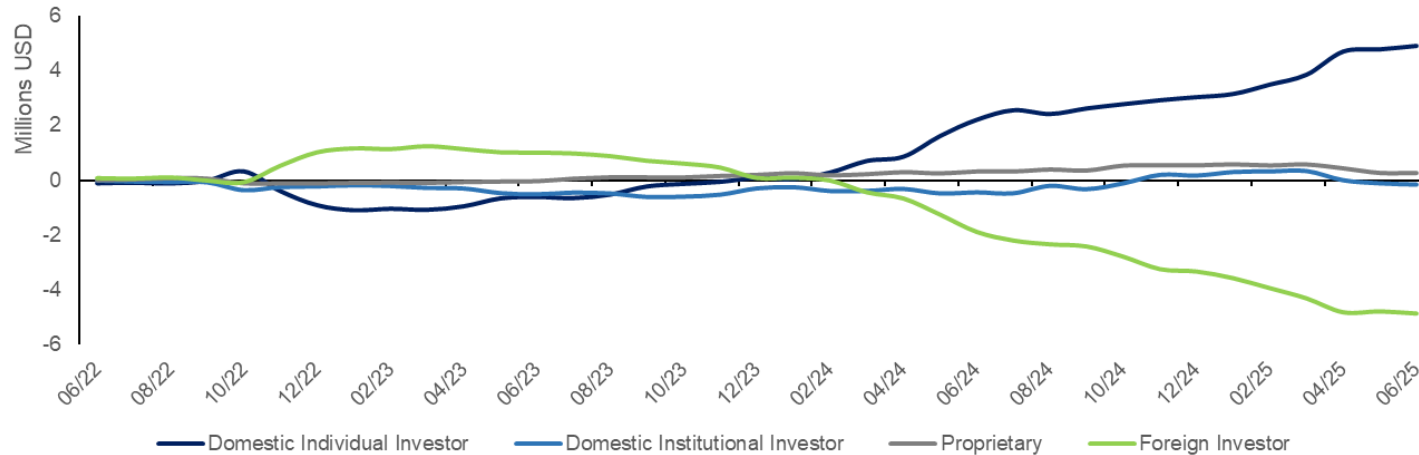
Demand is still leading the uptrend



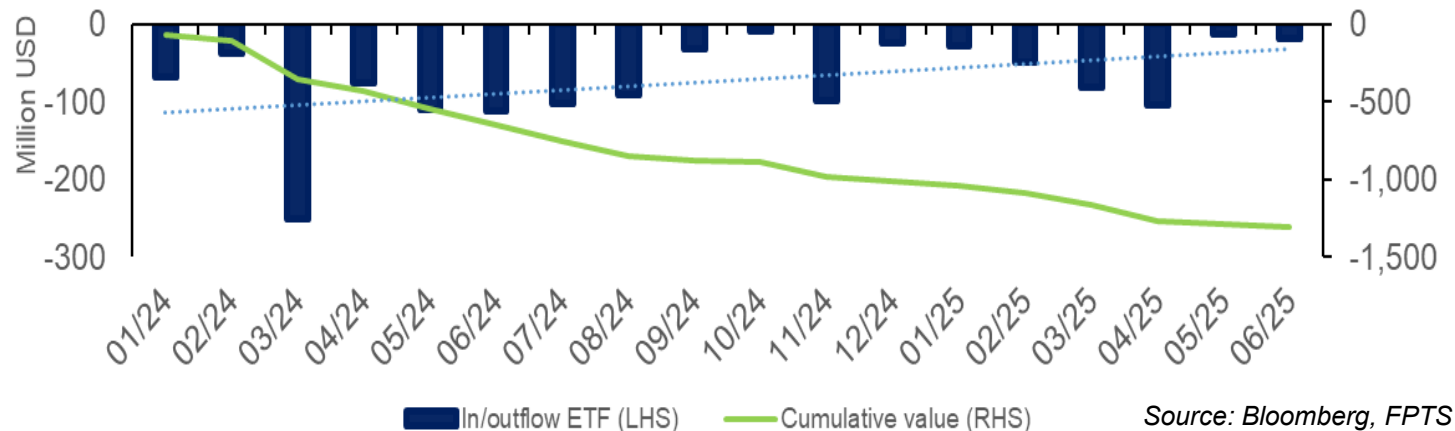
Source: FPTs

- The proportion of rising stocks in the VN-Index basket has increased positively after the period of bottoming out in April and May. However, investors' expectations are also showing signs of divergence with the increase in the number of technical correction and price correction stocks.
- The significant increase in the proportion of stagnant stocks, now exceeding 20%, reflected the market's wait-and-see sentiment regarding the next trend.
- **A positive sign was that buying demand temporarily remains dominant in the high-price range.** Liquidity in advancing stocks continued to be greater than in declining stocks, reinforcing the scenario that the VN-Index still has room to maintain its upward momentum towards the 1,500-point resistance level.

Cumulative net buying/selling value of investor groups



ETF Cash Flow by Month

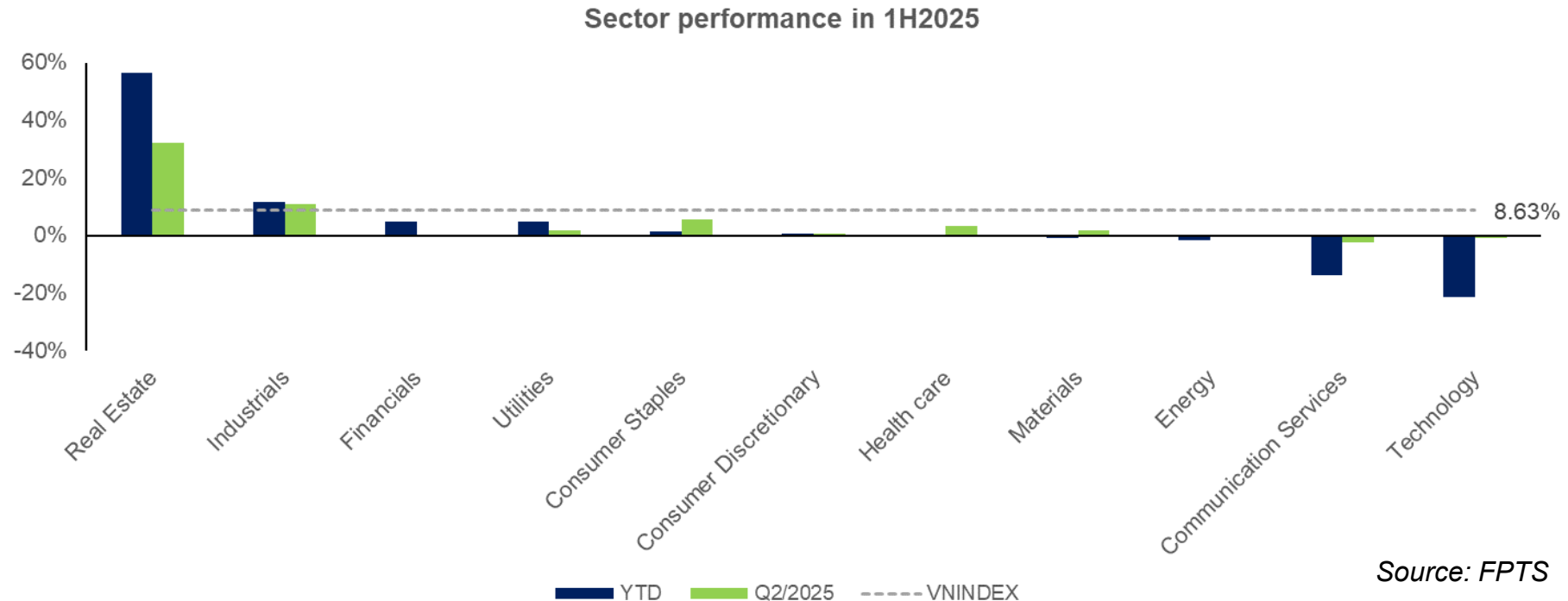


Source: Bloomberg, FPTs

- Domestic individual investors continued to support the market, with a total trading value in Q2 2025 reaching nearly VND 28,000 billion, a 28.7% increase from the previous quarter.
- Selling pressure from foreign investors has also shown signs of weakening, as net selling value narrowed to VND 14,624 billion, a 43.6% decrease from the previous quarter.
- The positive sign from foreign capital was that this group recorded a net purchase of VND 900 billion in May, breaking a 15-month streak of continuous net selling, and the outflow trend from ETFs has also shown signs of deceleration.** Under the scenario of the Fed cutting interest rates and the prospect of a market upgrade in September, the trend of capital flows by investor type will continue to improve and support the market in Q3 2025. However, the correlation between exchange rates and the trend of ETF flows remains a risk factor to watch.

VIETNAM STOCK MARKET

Anticipating sector rotation after the real estate rally



- In Q2, only the **Real Estate** and **Industrial** sectors recorded positive performance compared to the VN-Index. Real Estate, heavily influenced by VinGroup stocks, was the primary driver, helping the VN-Index overcome the downturn caused by tariff news and return to an upward trend.
- Signs of sector rotation in price momentum were observed in June, with improved momentum in sectors such as **Materials** and **Consumer Discretionary**.

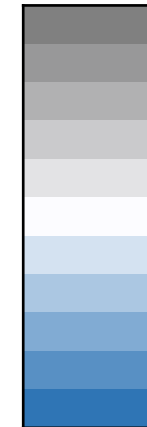
VIETNAM STOCK MARKET

...and opportunities in underperforming stock groups

Changes in Sector's momentum in 1H2025

Sector	Jan	Feb	Mar	Apr	May	Jun	YTD
Real Estate	-1.63%	1.70%	14.96%	9.30%	20.20%	-3.89%	46.80%
Technology	0.52%	-11.41%	-13.76%	-3.76%	-2.09%	-0.21%	-30.56%
Industrials	-0.95%	-0.52%	-0.85%	4.92%	2.55%	-2.32%	4.47%
Utilities	-2.01%	2.59%	-0.46%	2.50%	-4.94%	-1.64%	-4.27%
Communication Services	7.20%	-9.78%	-11.91%	-10.35%	-1.88%	6.20%	-24.48%
Consumer Discretionary	-1.96%	1.94%	-3.29%	-7.56%	2.03%	2.24%	-9.35%
Consumer Staples	-1.71%	-2.29%	-3.06%	2.07%	-7.68%	5.72%	-8.90%
Energy	0.70%	-0.46%	-4.29%	-7.28%	0.05%	2.49%	-12.41%
Materials	-1.05%	1.15%	-5.52%	-0.27%	-5.92%	2.43%	-8.94%
Financials	1.44%	0.75%	-0.47%	-1.86%	-4.28%	0.77%	-2.83%
Health care	0.46%	-3.81%	-3.31%	2.11%	-1.31%	-3.08%	-8.79%

Positive



Negative

Source: FPTs

- In June, **Real Estate** and **Industrials** began to show signs of technical correction, while other cyclical sectors such as Financials, Consumer Discretionary, Materials, and Energy showed breakout signals and improved momentum compared to the VN-Index.
- Capital continues to rotate within the market, seeking opportunities in sectors that are correcting or have not yet seen significant gains. **This rotation is expected to provide continued momentum for the market's medium to long-term uptrend and open up trading opportunities in sectors/stock groups that are accumulating/have not yet risen and have catalysts from supporting fundamental factors.**

Trend Scenarios:

- **Positive:** The VN-Index continues its upward trend within the long-term price channel, heading towards the previous 2022 peak around the 1,500-point mark. This scenario is supported by an expected stabilization in market sentiment, as uncertainty risks from tariff events have significantly cooled down following the announcement of the Vietnam-US negotiation results. Additionally, the market may anticipate new expectations related to the Fed's interest rates and market upgrade towards the end of Q3.
- **Negative:** The VN-Index reverses its course, falling back into the influence of the previous medium-term sideways channel. In this case, information related to geopolitical events or investors' portfolio re-evaluation after the tariff event could be the main catalysts for market risk in the short to medium term.

Trading Strategy:

- **Medium to Long-Term:** Continue to hold stocks that maintain superior price strength compared to the VN-Index and are supported by fundamental factors or industry news.
- **Short-Term:** Realize profits on stocks that have seen rapid gains in Q2 and are showing signs of weakening capital flow as the VN-Index approaches the 1,500-point resistance level. Monitor capital flow rotation to identify target stocks and new buying opportunities when the market undergoes correction or re-accumulation above the resistance zone.



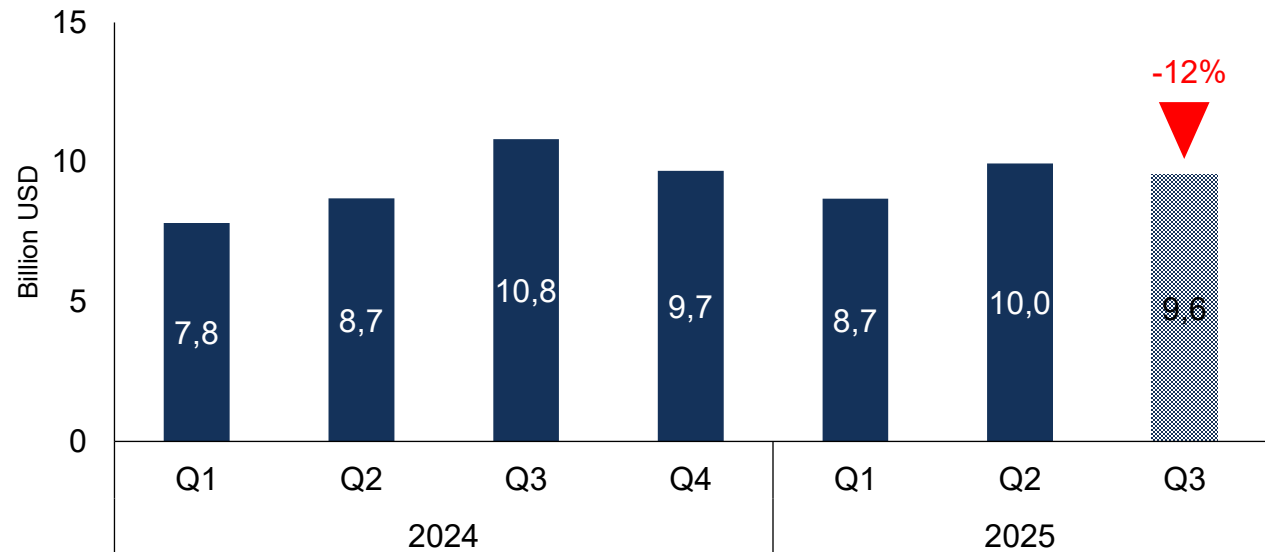
TEXTILES INDUSTRY

Export turnover to decline after order frontloading period



Vietnam's textile and garment exports in 1H2025 grew strongly, driven by demand in all 3 main markets

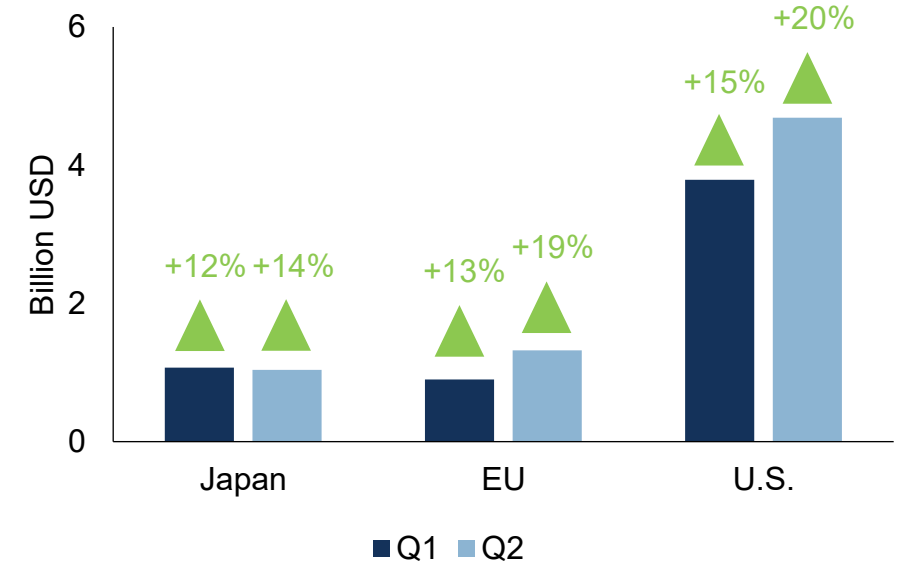
Vietnam's textile exports



Source: GSO

*Textile products include apparel and fabrics (~8% total)

Textile exports to key markets (2025)

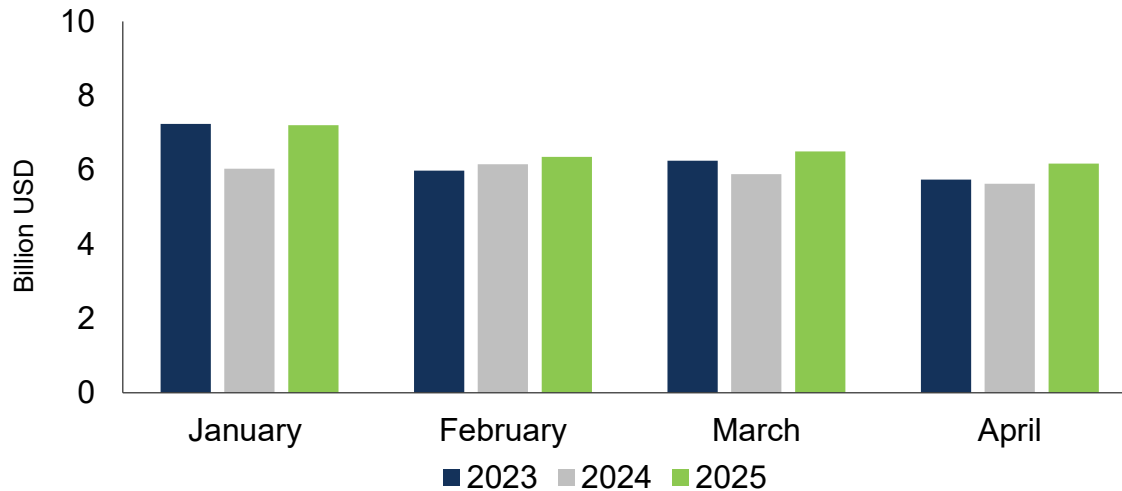


Source: GSO

However, we project a 12% YoY decline in garment export revenue for Q3 2025, reaching \$9.6 billion, due to: (1) Decreased orders from the US, as Q3 orders were expedited for delivery in Q2; and (2) Reduced demand in other markets, stemming from the ripple effect of US tariffs which heightens consumption capacity concerns.

US brands increased orders during 4M2025 for expedited delivery, driven by tariff concerns **High US tariffs on China present opportunities for Vietnam and Bangladesh**

U.S. garment imports turnover



Source: OTEXA

Market share of garment exports to the U.S.

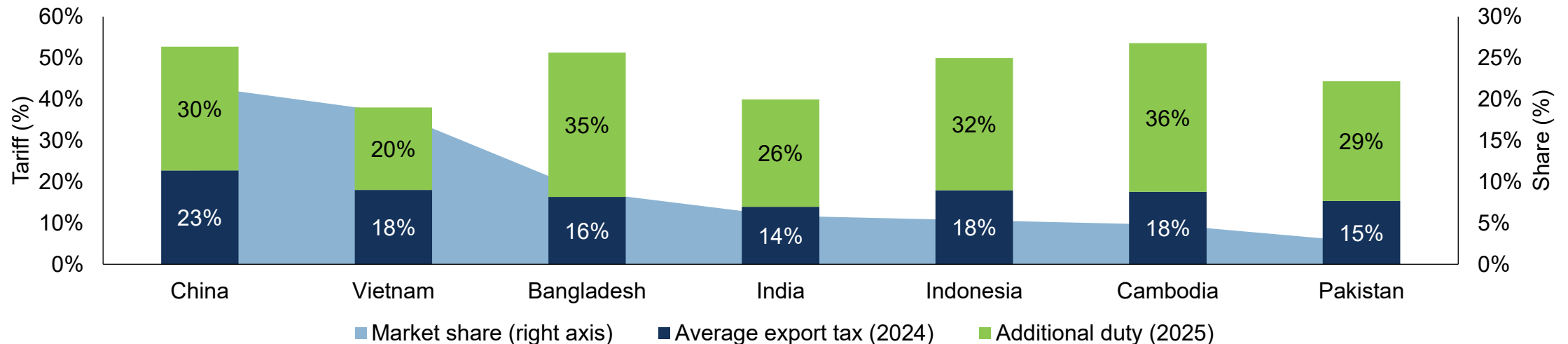


Source: OTEXA

The negative impact of US tariffs is expected to become more pronounced from Q3 2025, driven by: (1) Increased prices leading to reduced consumption (consumer confidence declined to 52.2 in May 2025, compared to 71.7 at the beginning of the year); and (2) Q3 orders being expedited for delivery in Q2 due to tariff concerns.

The impact of reduced US demand is mitigated by Vietnam benefiting from the order shifting trend thanks to approximately 10-16 ppts lower additional tariffs compared to competitors (as of July 8, 2025).

Vietnam benefits from low tariff rates for garments, provided it is not deemed 'transshipping'



Average export tax: Countries all face the MFN tariff rate when exporting to the U.S., with differences arising from product structure. China, in particular, faces an additional 7.5% (2020)

Source: OTEXA, FPTs Research

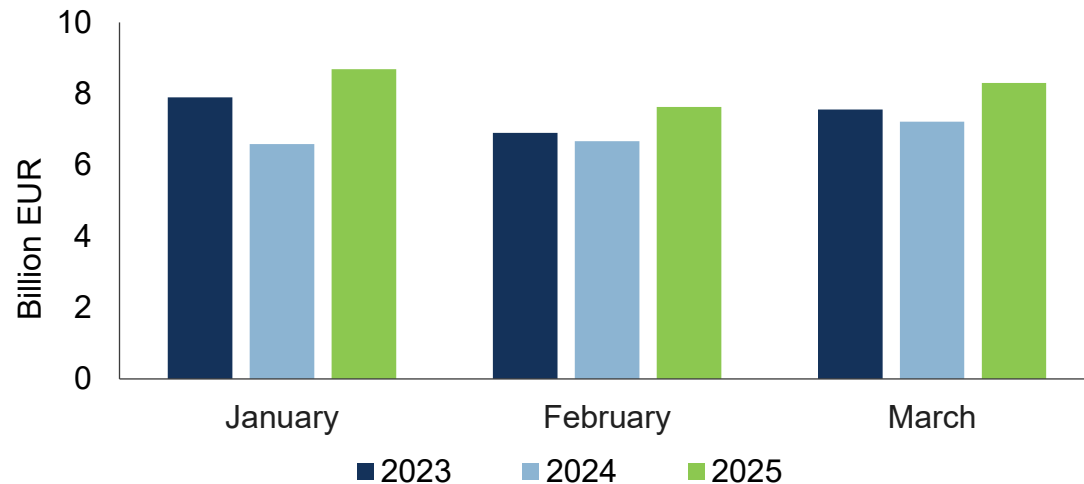
In addition to tax cost advantages, Vietnam also possesses competitive advantages in:

- (1) Mid-to-high-end product categories, where its primary competitor is China.
- (2) Large-scale production and a more stable political environment compared to South Asian countries.

However, the garment sector remains at risk of high tariffs due to limited domestic raw material supply. Products labeled 'transshipping' can face tariffs as high as 40%, significantly reducing export price competitiveness.

EU garment import demand strongly increased due to a positive consumer outlook as inflation is under control

EU garment imports turnover

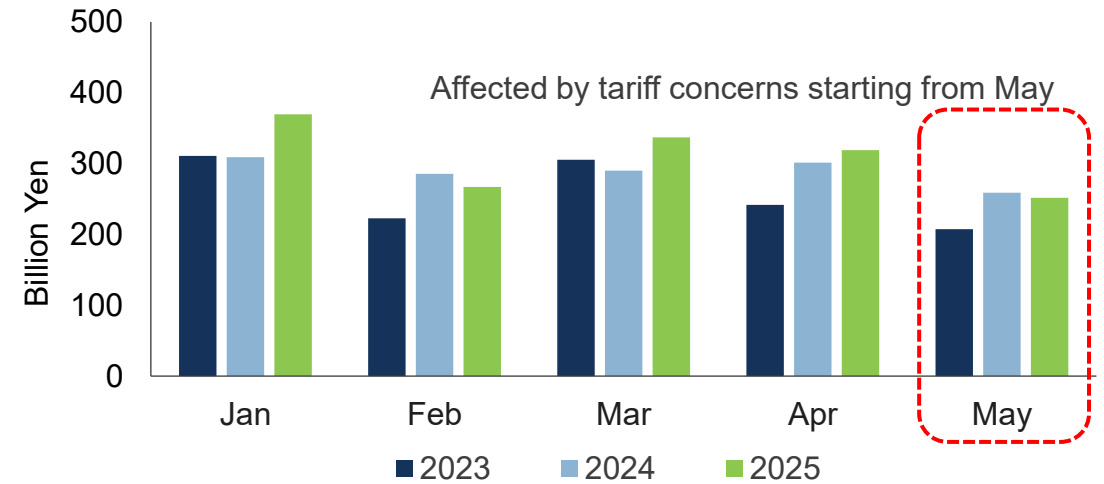


Source: Eurostat

EU garment imports (~12% of exports) are expected to maintain growth throughout 2025, driven by improved consumption and stable inflation around 2%. **However, Vietnam faces challenges in increasing its market share**, primarily due to insufficient utilization of the EVFTA, as its fabric supply heavily relies on imports.

Japan's garment import demand was boosted in Q1 2025 by the government's consumer support package

Japan's garment imports turnover



Source: Eurostat

Japanese garment imports (accounting for 12% of exports) are projected to stagnate in Q3 2025 due to concerns over US tariffs. The consumer confidence index for June fell to 35, marking a two-year low.

The business results of the four monitored textile and garment companies* continued their recovery momentum in Q1 2025



For TCM, the Q3 outlook is more positive than other companies due to Asia being its primary market, accounting for over 65% of revenue. According to TCM, Q3 orders have already reached 80% of its plan.

- TCM's revenue for 5M2025 reached VND 1,608 billion (+7.0% YoY).

- Profit after tax reached VND 139 billion (+25% YoY).

For TNG and HTG (two companies with over 50% of exports to the US), Q3 2025 orders remain low as US customers await clarification on Vietnam's tariff calculation methods.

For STK, the outlook remains unclear due to difficulties competing on price with imported yarn products from China and FDI companies.

PANGASIOUS SECTOR

**Export turnover stagnated due to
cautious demand**



Export turnover is projected to stagnate in Q3 2025

Vietnamese pangasius export turnover is expected to decline slightly in Q3 2025



Source: FPTs Research

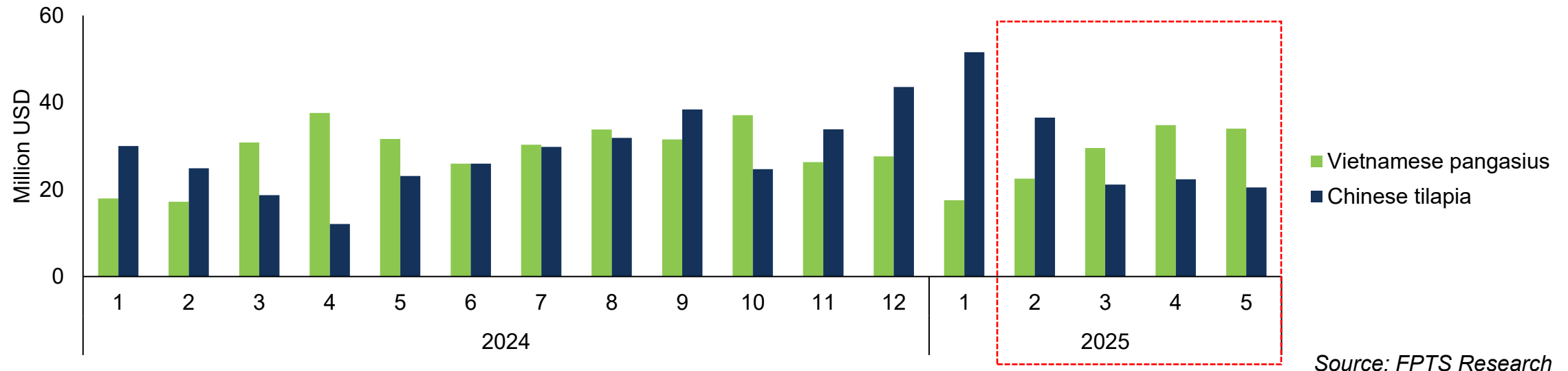
Vietnam's pangasius export turnover in 5M2025 reached approximately \$801 million (+5.9% YoY), primarily due to a 3.0% YoY increase in export prices. Key markets include:

- (1) China (accounting for 18.1% of export turnover):** Export turnover decreased by 11.5% YoY due to (i) weakened demand amidst a less favorable economic environment and (ii) competition with tilapia, facing tariff disadvantages in the US market.
- (2) United States (accounting for 17.7% of export turnover):** Export turnover remained flat YoY (+1.8% YoY) due to (i) limited consumption and inventory-building demand amid numerous uncertainties and (ii) a 3.0% YoY increase in export prices caused by raw material shortages.

We expect Vietnam's pangasius export turnover in Q3 2025 to decrease by 2.5% YoY, mainly due to declines in:

- (1) China market:** Export turnover is projected to fall by 5.9% YoY due to less favorable demand, as (i) consumer confidence remains low amidst a gloomy economic outlook and (ii) competitive positioning against tilapia is reduced due to tariff disadvantages in the US market.
- (2) US market:** Export turnover is anticipated to remain flat YoY in Q3 2025, as consumer demand and restaurant owners' inventory-building demand remain cautious amidst numerous uncertainties.

Vietnamese pangasius export turnover to the US has shown an upward trend since early 2025, supported by a tax advantage over Chinese tilapia

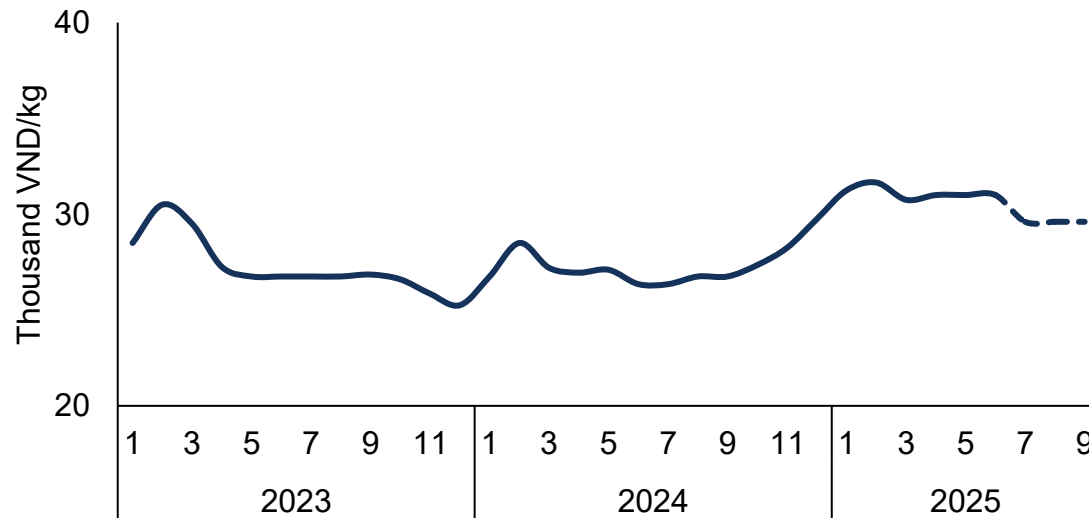


Vietnamese pangasius is expected to maintain its advantage over Chinese tilapia, benefiting from tariff rate differentials. Specifically:

- (1) Vietnamese pangasius is projected to face a low tariff rate (20% if not deemed 'transshipping') due to its high localization rate, being farmed and processed in the Mekong Delta, which benefits from favorable natural conditions.
- (2) Chinese tilapia is anticipated to be subject to tariff rates as high as 65% after the temporary suspension period, including (i) a 10% reciprocal tariff, (ii) a 20% fentanyl-related tariff, and (iii) a 25% tariff previously implemented under Trump 1.0, with a potential additional (iv) 10% tariff as it belongs to the BRICS bloc.

Raw material prices are expected to decline in Q3 2025

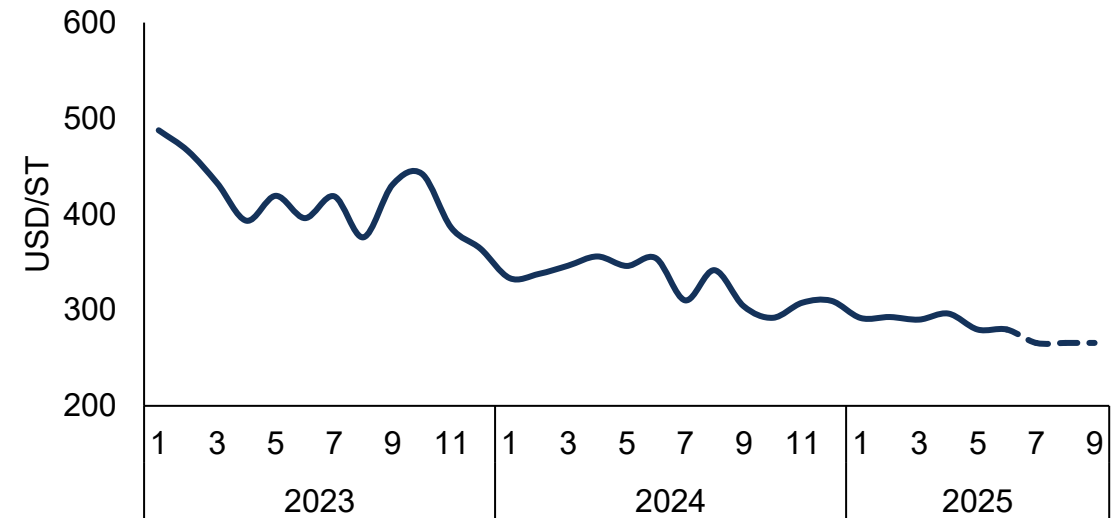
The price of raw pangasius is expected to decline in Q3 2025 as supply increases



Source: VASEP, FPTs Research

Pangasius raw material prices in Q3 2025 are expected to decrease by 4.5% QoQ but increase by 11.2% YoY, due to (1) increased supply during the main harvest season and (2) low raw material purchasing demand as consumption remains cautious in China and the US amidst numerous uncertainties.

Soybean meal prices continue downward trend in Q3 2025 due to an abundant harvest



* Argentina and Brazil are the main global soybean meal suppliers.

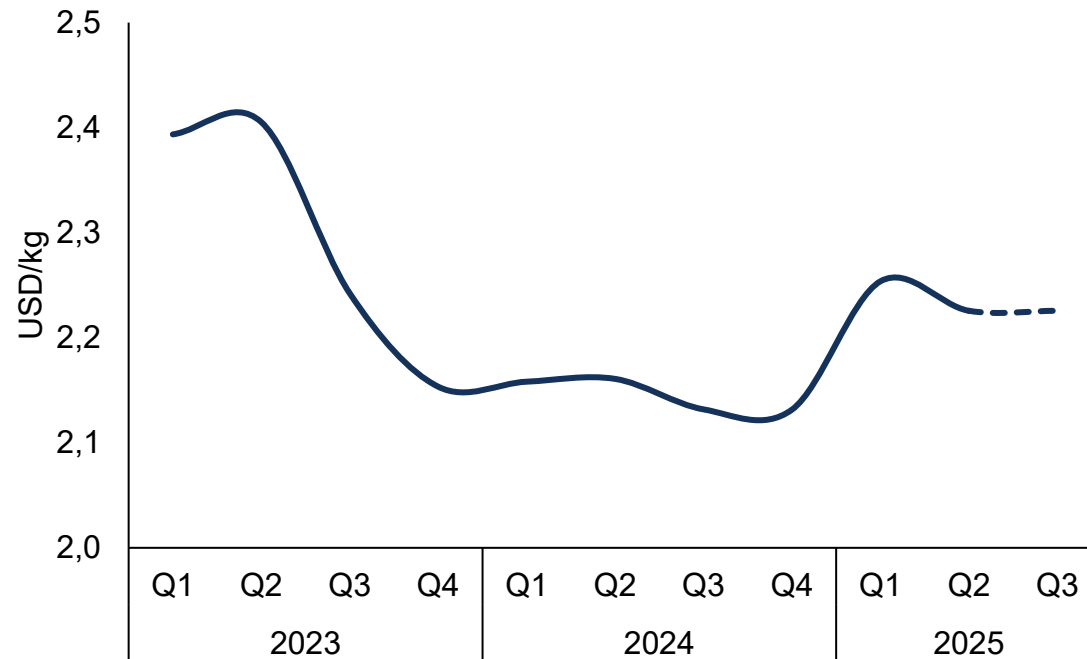
Source: Investing, USDA, FPTs Research

Soybean meal prices in Q3 2025 are expected to decrease by 5.0% QoQ and 16.6% YoY due to (1) increased supply from Argentina and Brazil thanks to favorable weather, and (2) cautious purchasing demand from oil mills and livestock companies as prices trend downwards in the long term.

PANGASIOUS SECTOR

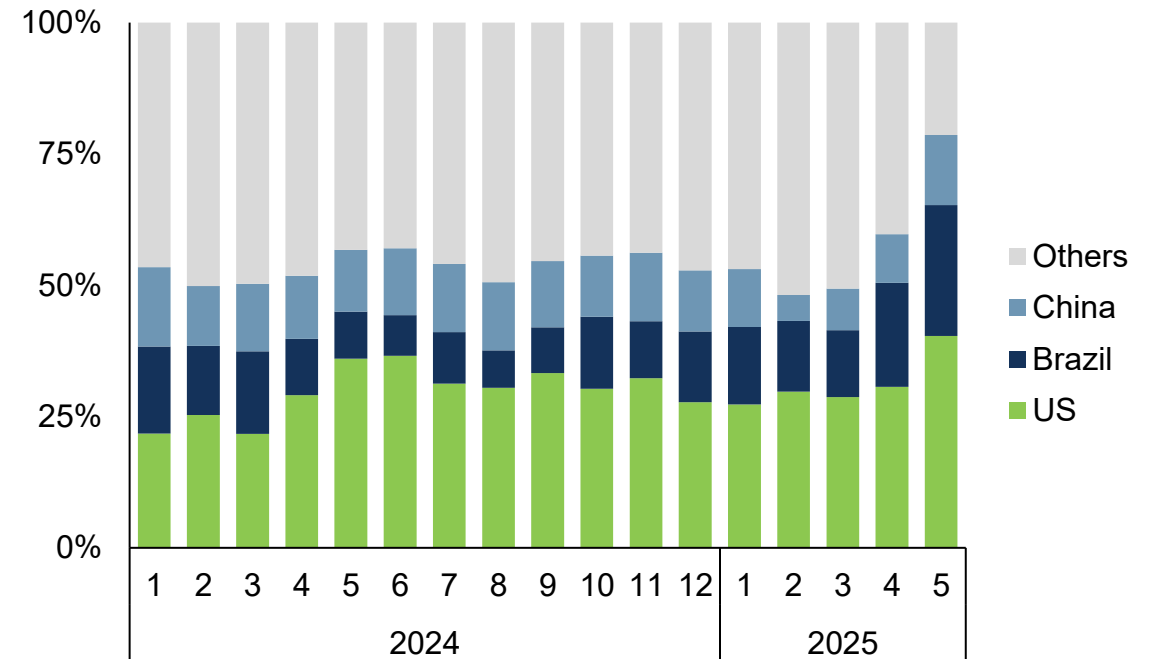
Selling price expected to remain flat in Q3/2025

The export price of Vietnamese pangasius is expected to move sideways in Q3 2025



Source: FPTs Research

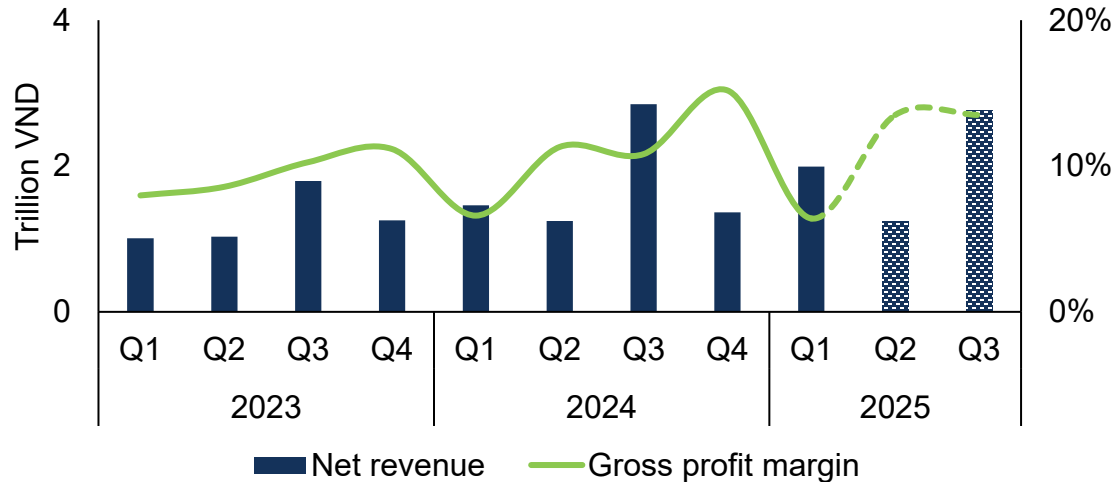
Vietnamese pangasius recorded a shift in export structure to markets with high selling prices



Source: FPTs Research

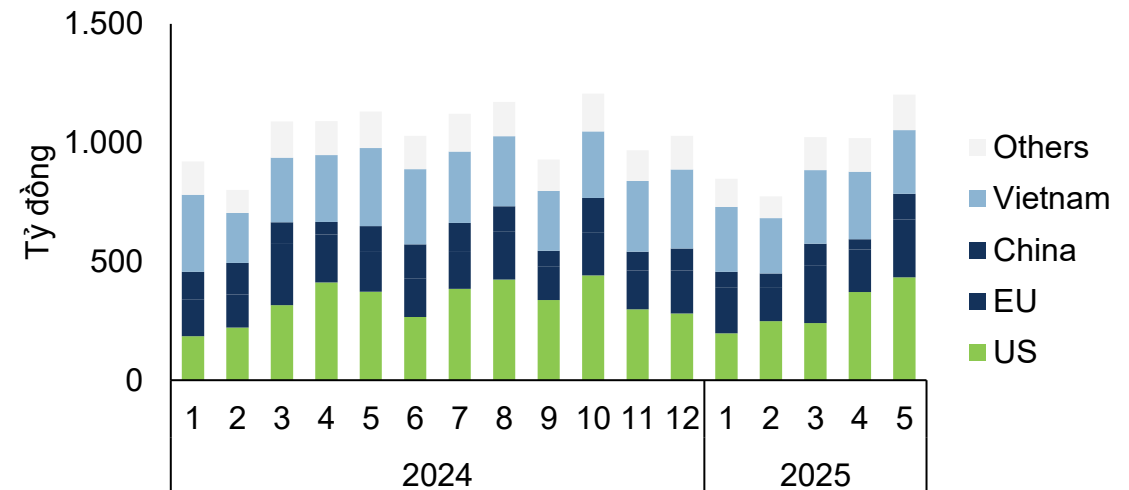
Vietnam's pangasius export price in Q3/2025 is expected to remain flat compared to Q2/2025, but will still maintain a higher price YoY. This is due to (1) the expected cooling of raw pangasius prices and (2) a shift towards higher-priced export markets such as the US and Latin American markets (especially Brazil), compensating for the decline in the Chinese market.

VHC's performance in 5M2025 decreased slightly over the same period



Source: VHC, FPTs Research

VHC's export revenue to the US market in 5M2025 was flat over the same period



Source: VHC, FPTs Research

The impact of reciprocal tariffs in the US is concentrated on a few leading companies*. VHC's business results in Q3/2025 are expected to remain flat YoY as US customers remain cautious due to various uncertainties. Additionally, VHC's gross profit margin is projected to reach 14.0% (+1.3 pts QoQ and -2.6 pts YoY). This is attributed to (1) the continued downward trend in soybean meal prices in Q3/2025, and (2) a tendency for export prices to decrease after an order fulfillment phase aimed at increasing competitiveness against reciprocal tariffs in the US.

As of 5M2025, VHC's pangasius export revenue to the US market is estimated at 3,407 billion VND (-1.1% YoY).

VHC, Van Duc Tien Giang, and Bien Dong account for approximately 80% of annual pangasius export market share to the US. The US market contributes around 32.5% of VHC's revenue.



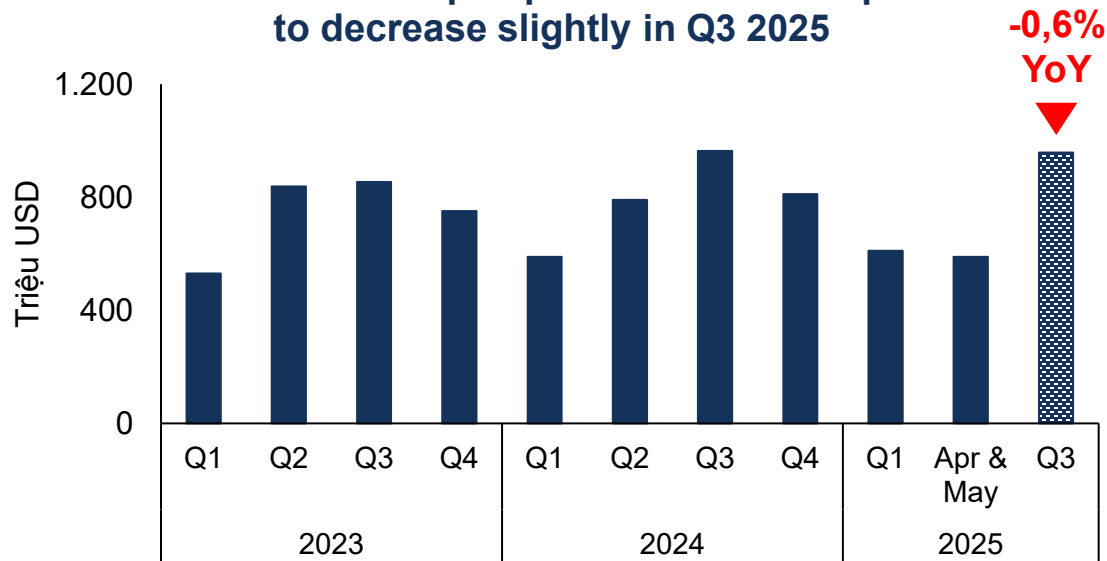
SHRIMP SECTOR

**Export turnover slows down
after the rush of orders to the US**



Shrimp export turnover to decline slightly in Q3/2025

Vietnamese shrimp export turnover is expected to decrease slightly in Q3 2025



Vietnam's shrimp export turnover* in 5M2025 is estimated to reach 1.2 billion USD (+14.9% YoY), with the main growth driver coming from the contribution of the US market (accounting for 21.8% of export turnover). Specifically, shrimp export turnover to the US is estimated to increase sharply by +26.9% YoY due to a strong surge in order fulfillment demand before the official reciprocal tariff takes effect in early July 2025.

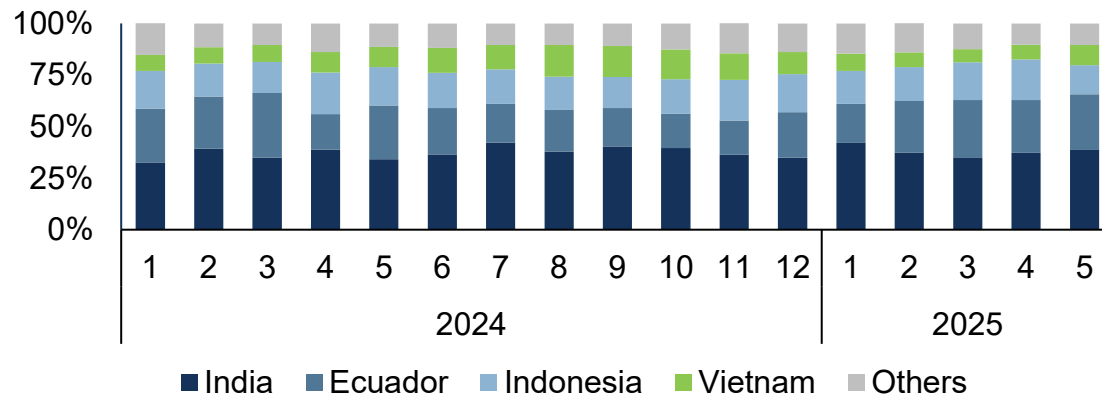
Source: FPTTS Research

Vietnam's shrimp export turnover in Q3/2025 is expected to decline slightly compared to the high base of Q2/2025, decreasing by **-0.6% YoY**. This is due to (1) cooling import demand in the US market to absorb large inventories from Q2, and (2) expected continued weakening demand in China as consumer confidence has not yet improved amid a sluggish economy. Meanwhile, (3) stocking demand for year-end holidays and for high-standard

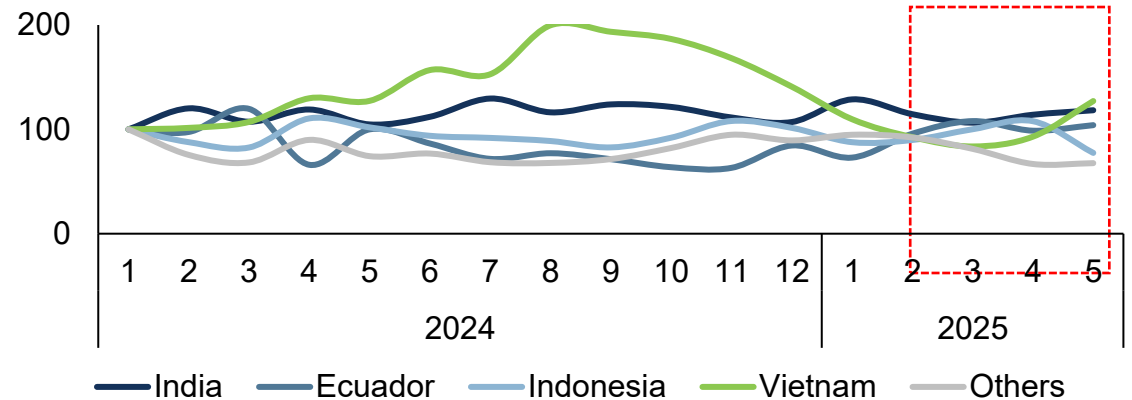
Of this, the export value of Vannamei shrimp and black tiger shrimp accounted for over 70% of the total value. Therefore, we will focus our analysis on the export situation of these two types of shrimp.

Vietnam expected to maintain competitive advantage in the U.S. Market following reciprocal tariffs

Vietnam is one of the largest shrimp suppliers in the US market



Vietnamese shrimp market share in the US increased due to the tax advantage over Indonesia



Source: FPTs Research

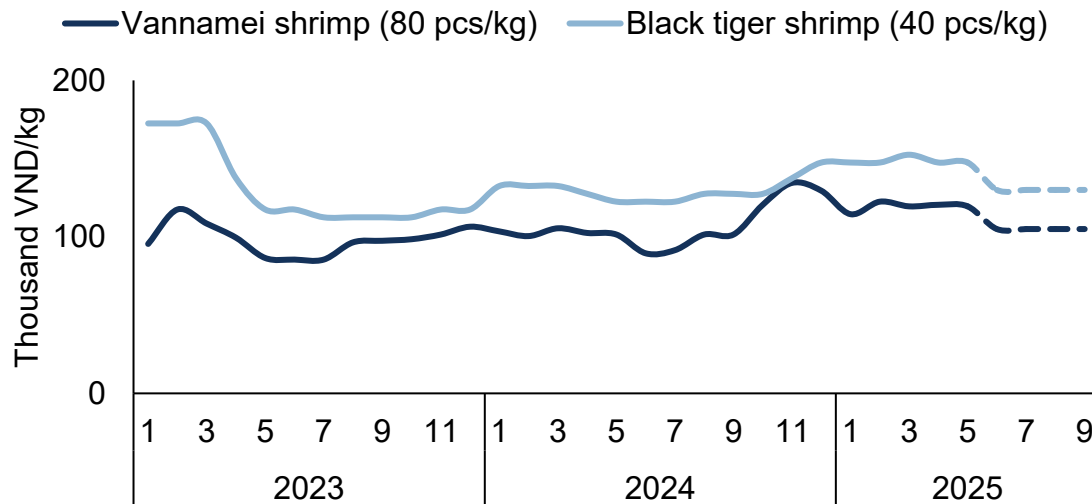
Vietnam's shrimp is expected to increase competitiveness in the U.S. market due to tariff differentials. Specifically:

- (1) Vietnam's shrimp is expected to be subject to a low reciprocal tariff rate (~20% in cases where there is no "transshipping" violation) due to a high localization rate for farmed and processed shrimp primarily in the Mekong Delta.
- (2) Meanwhile, Indian, Ecuadorian, and Indonesian shrimp are expected to be subject to tariff rates of 26%, 10%, and 32% respectively. Additionally, India and Indonesia (BRICS countries) may face an additional 10%. Regarding Ecuador, Vietnamese shrimp is still expected to compete well in deeply processed shrimp products (accounting for ~40% of export value) due to (i) abundant, highly skilled labor and (ii) large-capacity processing plants that meet export standards, while Ecuador's investment is still limited.

Input prices are expected to decrease in Q3 2025.

Raw shrimp and soybean meal prices are expected to decrease due to abundant supply

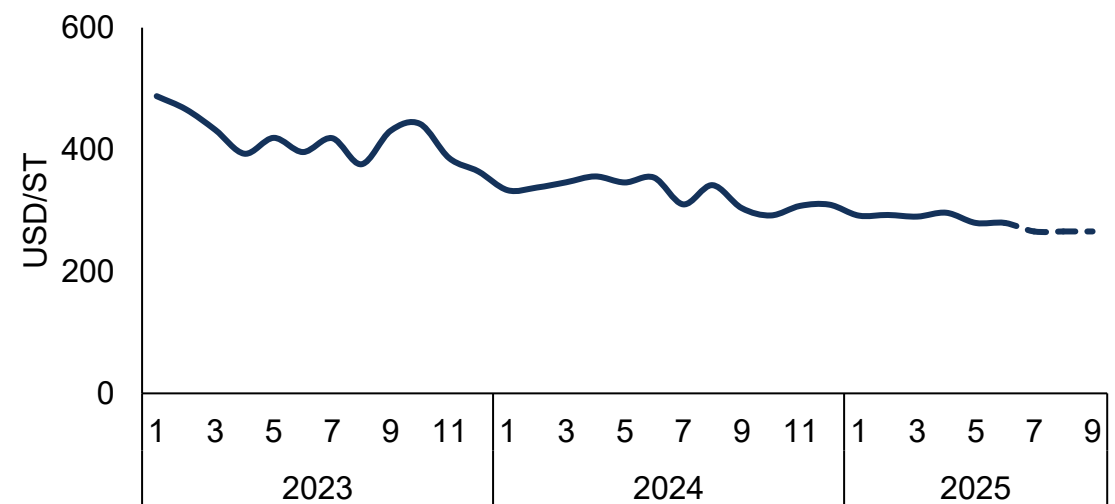
Prices of raw vannamei shrimp and black tiger shrimp are expected to decline in Q3 2025 after US orders are fulfilled



Source: VASEP, FPTs Research

Raw shrimp prices in Q3 2025 are expected to decrease 8.7% QoQ and increase 5.0% YoY due to (1) reduced demand as orders were rushed before reciprocal tariffs in the U.S. market and (2) anticipated abundant raw shrimp supply as early-year shrimp diseases have shown signs of cooling down.

Soybean meal prices maintain a downward trend in Q3 2025 thanks to abundant harvest



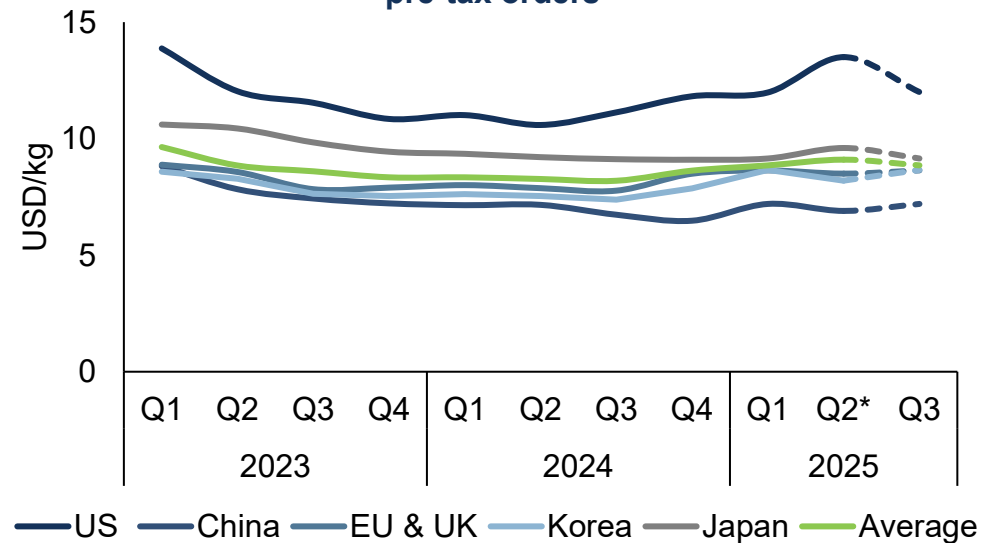
Source: Investing, USDA, FPTs Research

Soybean meal prices in Q3 2025 are expected to decrease 5.0% QoQ and 16.6% YoY due to (1) increased supply from Argentina and Brazil thanks to favorable weather and (2) cautious purchasing demand from oil pressing plants and livestock companies as prices tend to decline in the long term.

Export prices are expected to moderate in Q3 2025

Vietnam's shrimp export prices in Q3 2025 are expected to moderate after U.S. order frontloading

Vietnamese shrimp export prices climbed significantly in the US due to the strong inflow of pre-tax orders



Source: FPTs Research

Frozen Vietnamese shrimp export prices in Q2 2025 are estimated to have increased 2.8% QoQ and 10.0% YoY, primarily due to contributions from the U.S. market as demand for significantly surged in Q2 2025. Specifically:

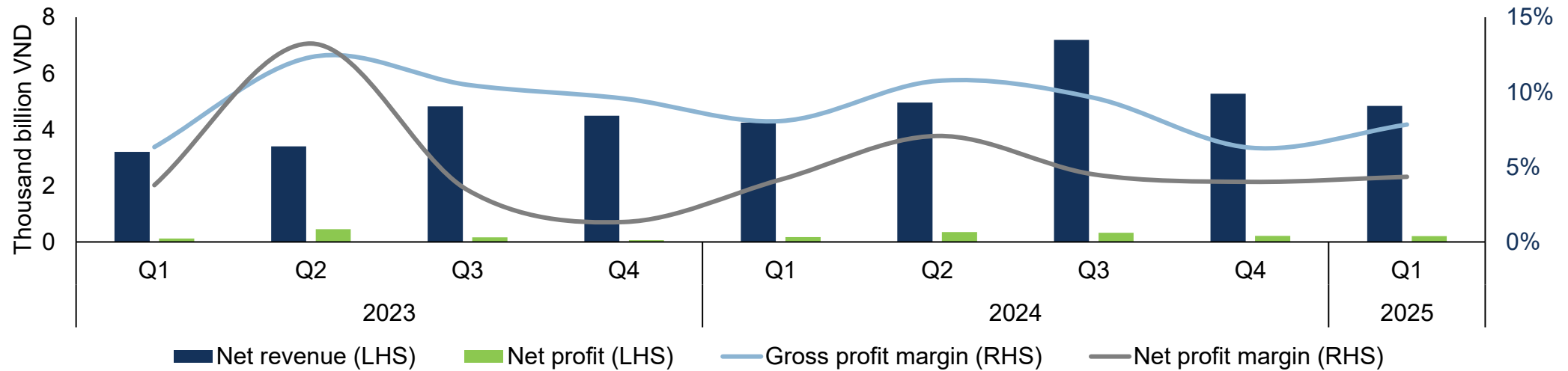
- (1) U.S. market: Export prices to the U.S. are estimated to have increased 12.7% QoQ and 27.5% YoY, mainly driven by strong demand for inventory stocking before official reciprocal tariffs.
- (2) China market: Export prices are estimated to have decreased 4.2% QoQ and 3.6% YoY due to (1) cautious consumer demand amid a gloomy economic outlook and (2) competition from Ecuador's abundant low-priced supply. Additionally, Vietnamese shrimp must compete with India and Indonesia, facing unfavorable tariff rates in the U.S. market.
- (3) Other markets: Overall, Vietnam's shrimp export prices in Q2 2025 are estimated to have increased approximately 4% - 9% YoY due to supply shortages resulting from (i) unfavorable weather and (ii) a sharp increase in demand for shrimp purchases to meet rush orders to the U.S.

In Q3 2025, we believe that overall Vietnamese shrimp export prices are expected to decrease 2.7% QoQ and increase 8.1% YoY due to (1) moderating demand in the U.S. market while demand in China is not yet expected to recover; (2) increasing raw shrimp supply thanks to a decrease in diseases; and (3) sustained demand for high-standard frozen and value-added shrimp in Europe and East Asia (excluding China, such as Japan and South Korea, ~28.9% of export value), helping to maintain high selling prices.

Business results expected to moderate in Q3 2025

Revenue of companies expected to decline in the short term before improving in the long term

Shrimp export companies recorded positive results in Q1 2025



**Estimates based on FMC and MPC financial results*

Source: FPTs Research

FMC and MPC are expected to experience only a minor negative impact despite the U.S. market contributing a large proportion (FMC: 28.4% and MPC: 18.5%) due to their market diversification strategy with low conversion costs. As of 5M2025, FMC's and MPC's export revenue to the U.S. reached 46.6 million USD (+174.4% YoY) and 44.4 million USD (+90.8% YoY), respectively, thanks to a sharp increase in demand for rush orders to stockpile before official reciprocal tariff rates were imposed.

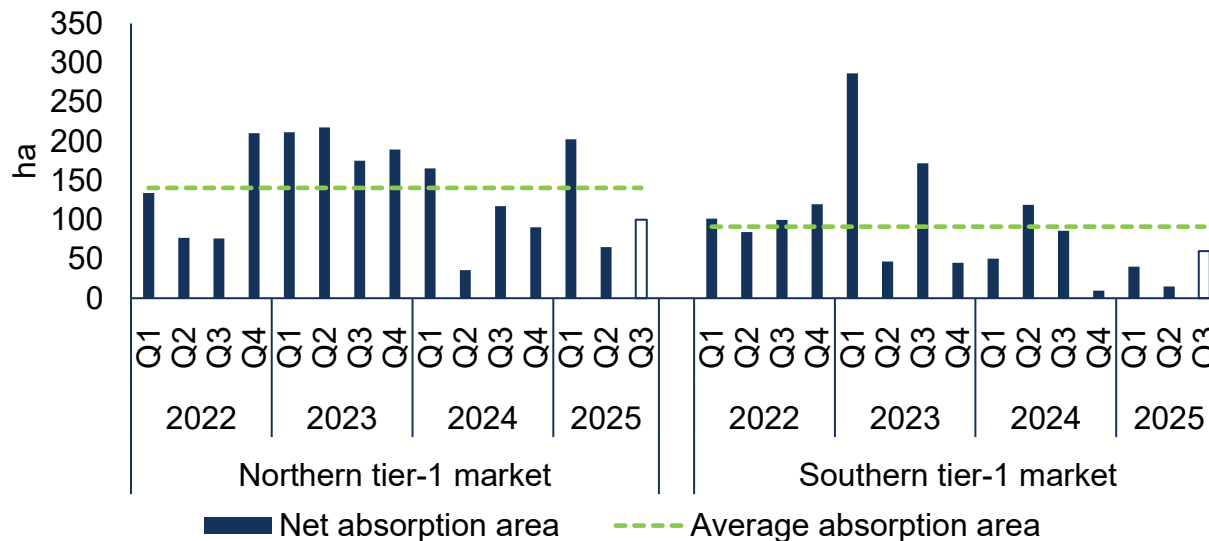
INDUSTRIAL REAL ESTATE SECTOR

Net absorption area rebounded after tariff negotiations



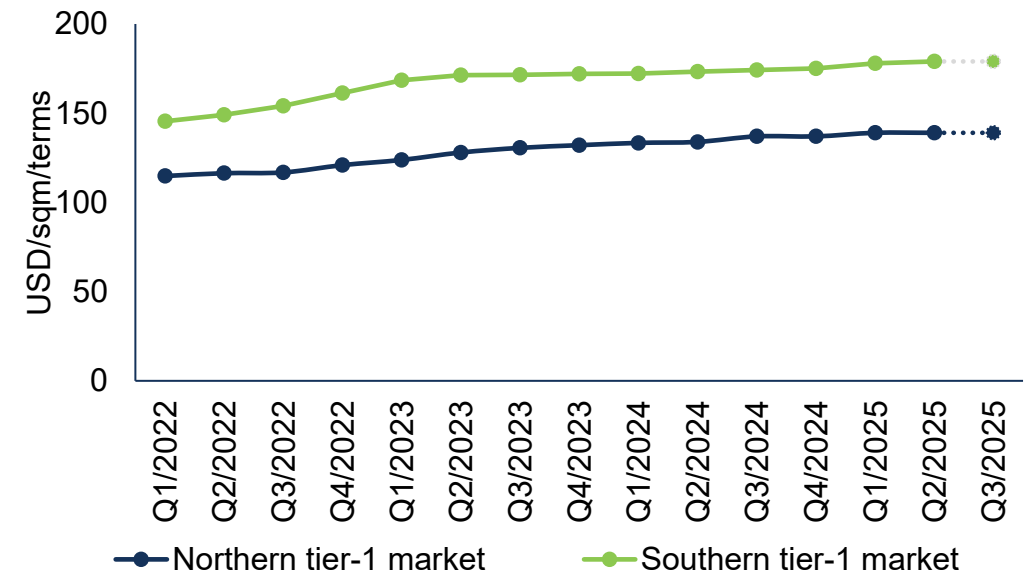
In Q3 2025, the industrial real estate market is forecast to improve in both net absorption area and rental prices, thanks to positive progress from tariff negotiations. Specifically, net absorption area in Tier 1 markets in the North and South is expected to increase by 53.8% and 300% QoQ, respectively. Meanwhile, land rental prices are projected to remain stable to retain tenants. This positive outlook stems from two factors: (1) increased demand due to Vietnam's lower reciprocal tariff compared to competing countries in attracting FDI; and (2) new supply gradually entering the market.

Net absorption area in Q3/2025 is forecast to improve after a quarter of decline



Source: CBRE, FPTs Research

Industrial land rental prices in Q3 are expected to remain flat to retain tenants

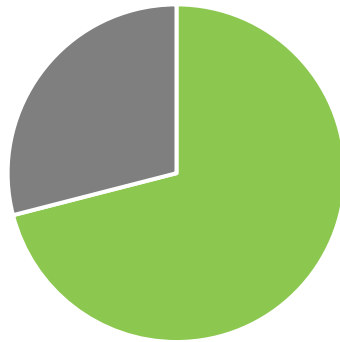


Source: CBRE

Land lease demand in Q3 2025 expected to recover after Q2 decline

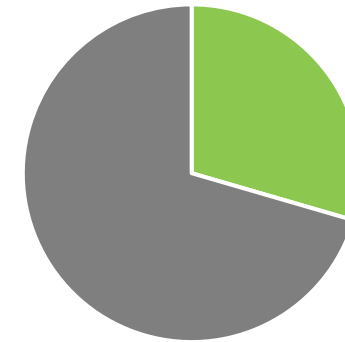
The decrease in absorbed area during Q2 was primarily due to tenants delaying negotiations, awaiting the results of tariff discussions. Approximately 80% of the demand for industrial land leases comes from foreign companies, which are significantly impacted by tariffs. This group accounts for 71% of Vietnam's export value, with the US market alone making up 29% of the country's total export value.

FDI enterprises accounted for 71% of Vietnam's export value



■ Foreign-invested enterprise ■ Domestic enterprise

The United States accounts for 29% of Vietnam's export value



■ The United States ■ Other countries

Source: Vietnam Customs

We expect land lease demand in Q3 2025 to recover thanks to:

- Positive tariff negotiation outcomes, enhancing Vietnam's competitiveness for FDI and reducing uncertainty risks.
- Diversification efforts for tenants, achieved by: (1) strengthening diplomatic ties to diversify FDI sources, and (2) stimulating domestic company land lease demand with expectations from Resolution 68, which promotes the private economy.

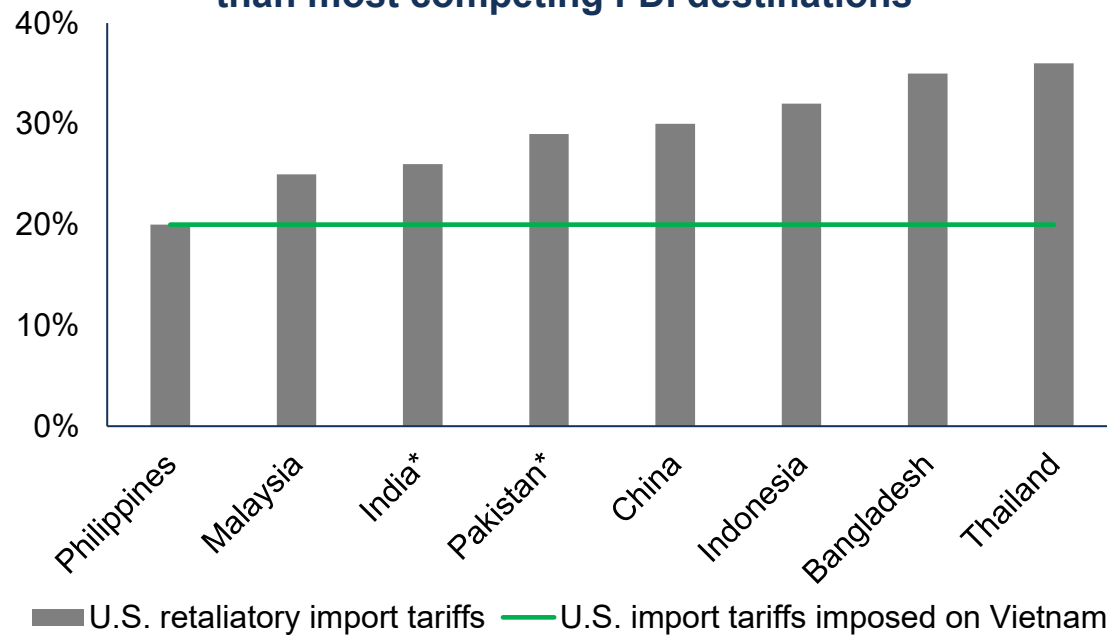
INDUSTRIAL REAL ESTATE SECTOR

Net absorption area rebounded after tariff negotiations

Demand expected to grow due to positive tariff negotiation outcomes

- Vietnam's negotiated tax rates are lower than many countries competing for FDI.
- Existing FDI companies are now tending to attract satellite companies to increase their localization rates, avoiding the risk of being considered "transshipping." Vietnam is becoming a destination of interest for many investors looking to expand their networks in the

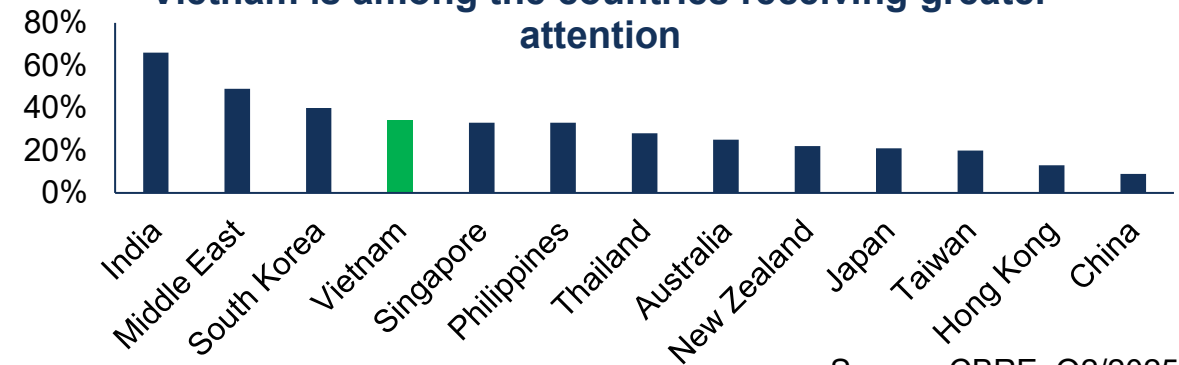
Vietnam has post-negotiation tariff rates lower than most competing FDI destinations



*Countries without a framework agreement and that have not received a letter will be subject to the U.S. tariff rates announced on April 2

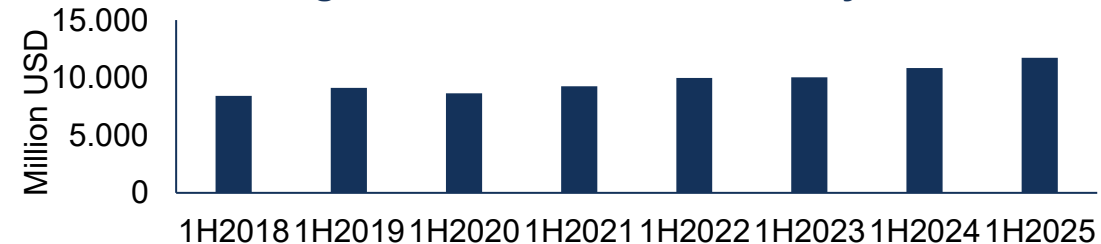
Source: White House

Expanding the network over the next two years – Vietnam is among the countries receiving greater attention



Source: CBRE, Q2/2025

Realized foreign direct investment maintained growth in the first half of the year



Source: GSO, MPI

INDUSTRIAL REAL ESTATE SECTOR

Net absorption area rebounded after tariff negotiations

Land lease demand in Q3 2025 expected to be boosted by market diversification efforts

Land lease demand in Q3 2025 is expected to be boosted by market diversification efforts. Since October 2024, the government has strengthened diplomatic ties with various countries, helping to attract new tenants from emerging markets.

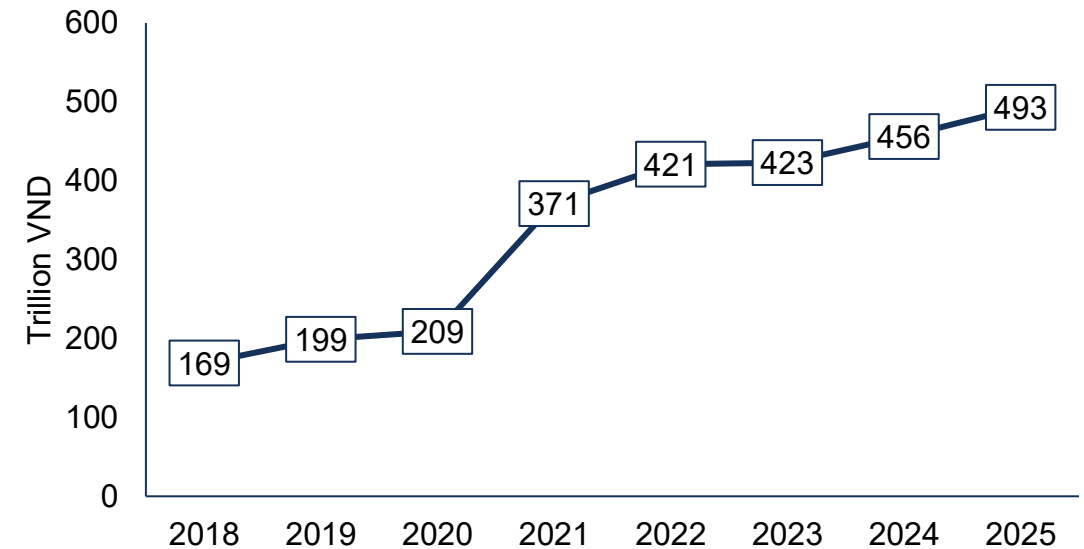
Vietnamese Government's efforts to diversify markets

Time	Event
Oct 2024	Upgrade to Comprehensive Strategic Partnership with UAE
Sep 2024	Upgrade to Comprehensive Strategic Partnership with Malaysia
Feb 2025	Upgrade to Comprehensive Strategic Partnership with New Zealand
Mar 2025	Upgrade to Comprehensive Strategic Partnership with Indonesia and Singapore
May 2025	Upgrade to Comprehensive Strategic Partnership with Thailand
Jun 2025	- Strategic Sectoral Partnership with Sweden - Became a BRICS partner

Source: FPTs Research

The private economy (accounting for ~20% of industrial land lease demand) is expected to grow thanks to **Resolution 68-NQ/TW**. Investment capital from the private economic sector in the first six months increased by 8% YoY. We anticipate that land lease demand from this economic sector will continue to be driven by Resolution 68-NQ/TW, which aims to reduce legal procedures and costs for private companies.

Private sector investment in Q2 maintained its growth

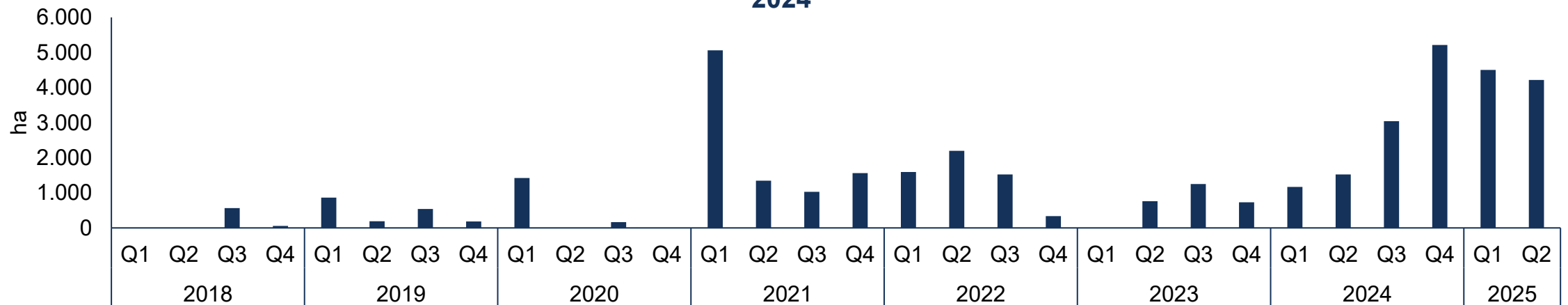


Source: NSO

Industrial land supply projected to expand due to:

- (1) A series of industrial parks approved for investment policies from 2024 to present are expected to increase actual supply in the coming period, meeting the growing land lease demand from investors.
- (2) The completion of provincial mergers and increased decentralization and delegation of power will help accelerate legal procedures. Some legal procedures related to industrial real estate have been decentralized and delegated to the provincial level, including: approval of investment policies, issuance of investment certificates; approval of detailed construction planning for industrial parks (1:500 scale); land leasing and permission for land use purpose change within industrial parks; and issuance of construction permits and approval of basic designs.

The total area of industrial parks approved for investment policy has increased significantly since 2024



Source: chinhphu.vn

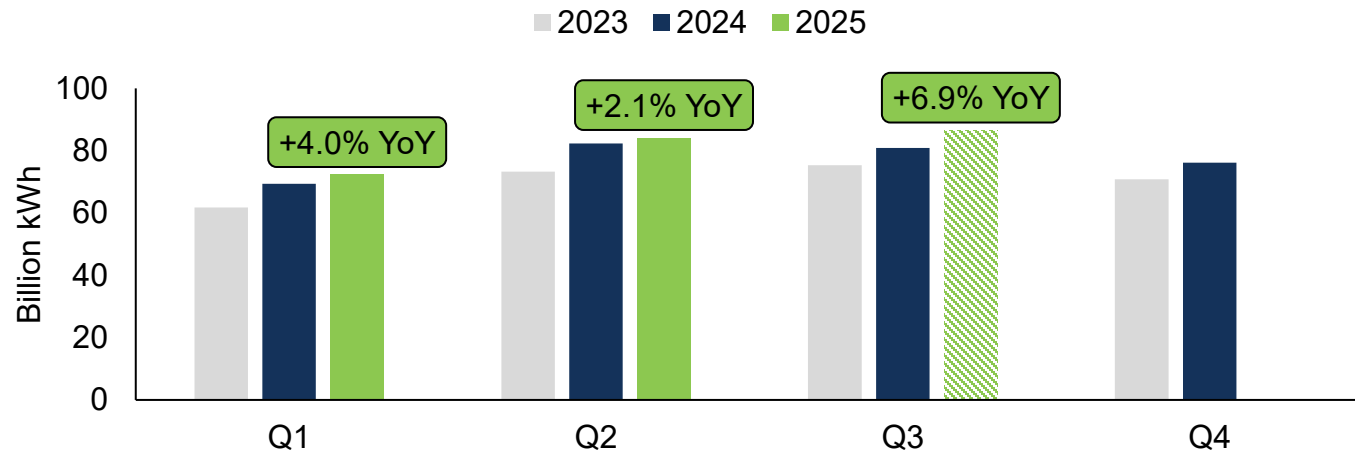
ELECTRICITY INDUSTRY

Hydropower as the bright spot



Electricity consumption is increasing slowly, pushed by the industrial sector's continued expansion.

Vietnam's total power generation grew slowly due to La Nina, which limited residential electricity consumption



Source: EVN, FPTs Research

Overall system electricity consumption growth has been slow, reaching 2.1% YoY:

- (1) Industrial - construction electricity consumption (averaging ~55% of annual electricity output) showing positive growth driven by export orders and infrastructure investment.
- (2) Residential electricity consumption being limited due to cooler weather influenced by La Nina.

In Q3 2025, total system electricity output is projected to reach 86 billion kWh (+6.9% YoY, +2.8% QoQ) as manufacturing activities continue to expand.

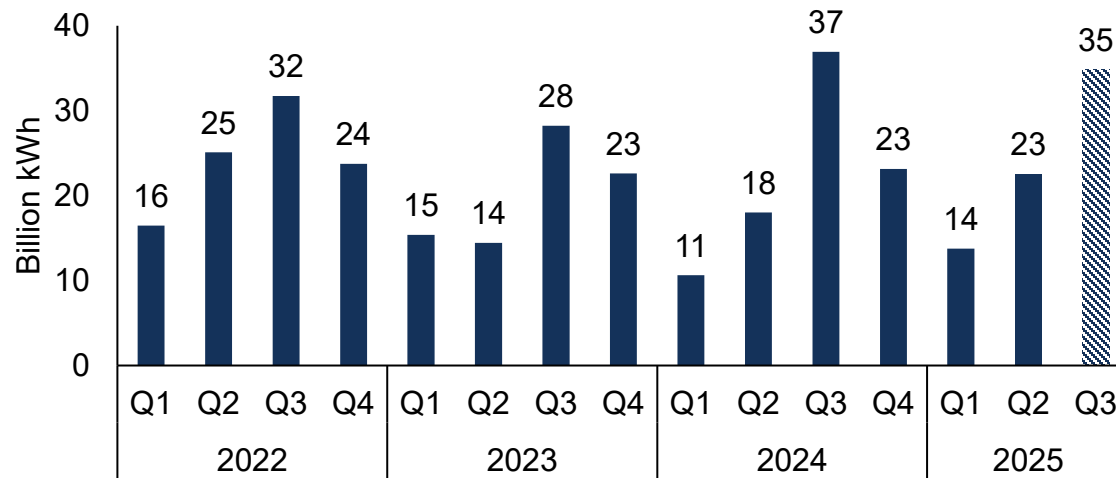
The strong year-on-year growth primarily reflects the low comparative base of Q3 2024, when residential electricity demand was suppressed by cooler weather (transitioning from El Niño to a neutral phase).

Hydropower output increased due to favorable weather

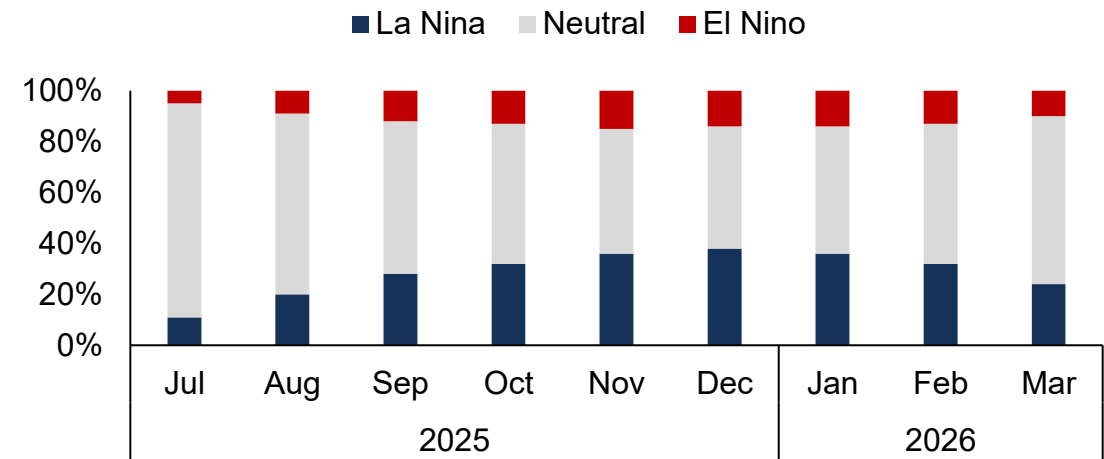
Hydropower output is expected to rise significantly in the third quarter during the peak rainy season

Hydropower generation is expected to increase significantly in 3Q during the rainy season

Forecasts indicate a high probability of the weather remaining in a neutral phase



Source: EVN, FPTs Research

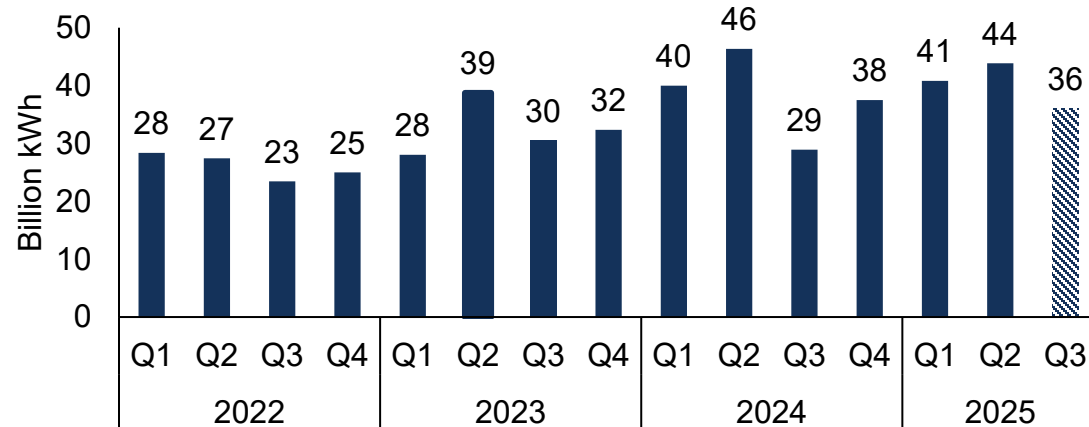


Source: IRI, FPTs Research

Hydropower generation is projected to increase in Q3 2025, reaching 35 billion kWh (-6% YoY, +55% QoQ). This growth is attributed to continued favorable hydrological conditions because: (1) the third quarter is the peak rainy season; and (2) a weak La Nina phenomenon is expected to persist, contributing to higher reservoir water levels and increased power generation from hydropower plants across the system.

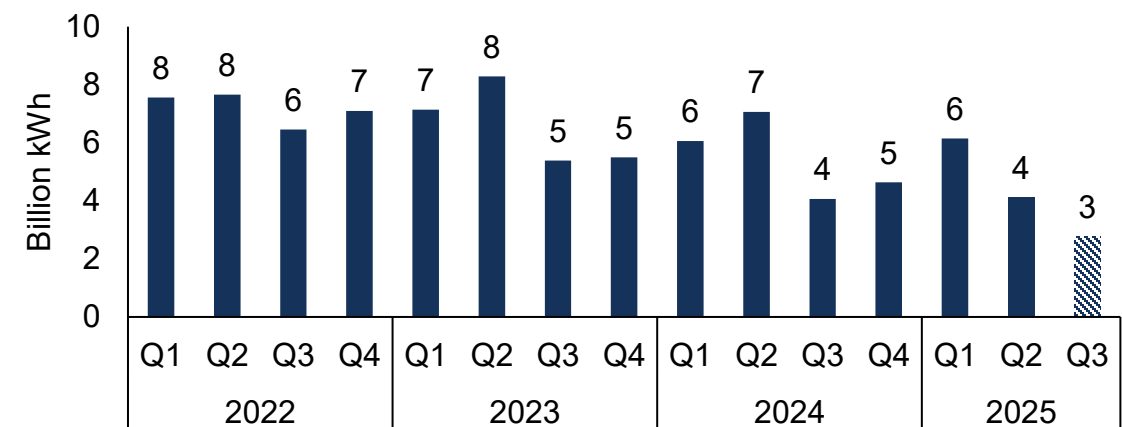
Output of thermal power sources are reduced due to slower consumption growth and increased competition from hydropower

Coal-fired power generation is expected to decline due to pressure from increased hydropower output



Source: EVN, FPTs Research

Gas-fired power generation dropped sharply due to a shortage of gas supply



Source: EVN, FPTs Research

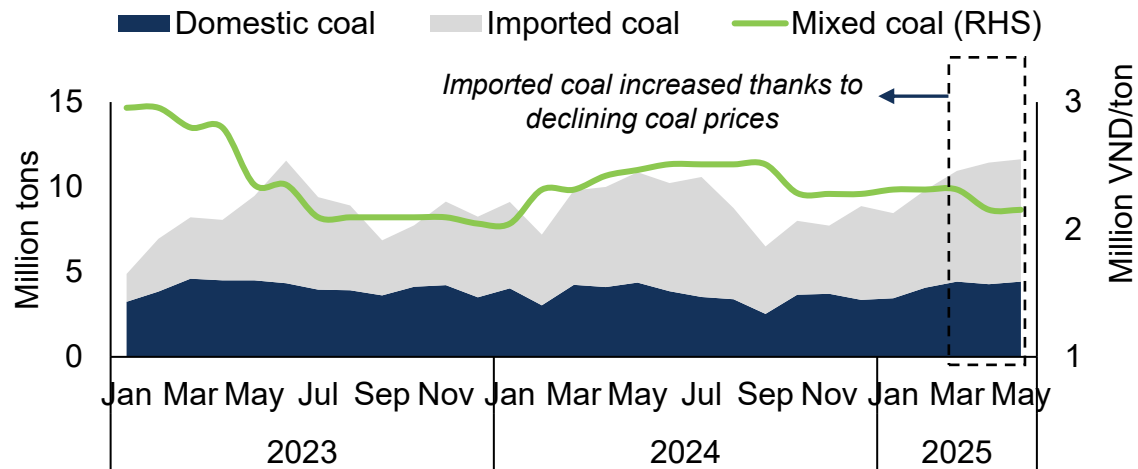
We anticipate that output from thermal power sources will continue to decline in Q3 2025, with coal-fired thermal power estimated at 36 billion kWh (+23% YoY, -19% QoQ) and gas-fired thermal power at 3 billion kWh (-32% YoY, -33% QoQ). The reasons for this decline are: (1) reduced demand for thermal power mobilization due to slower overall system electricity consumption growth; and (2) increased competition from cheaper hydropower as the weather enters the rainy season.

Among which, coal-fired thermal power output is declining less sharply than gas-fired thermal power due to: (1) its preferential mobilization owing to more competitive electricity selling prices; and (2) limited electricity output from gas-fired thermal power plants due to declining gas supply.

Differentiated fuel outlook between coal and gas

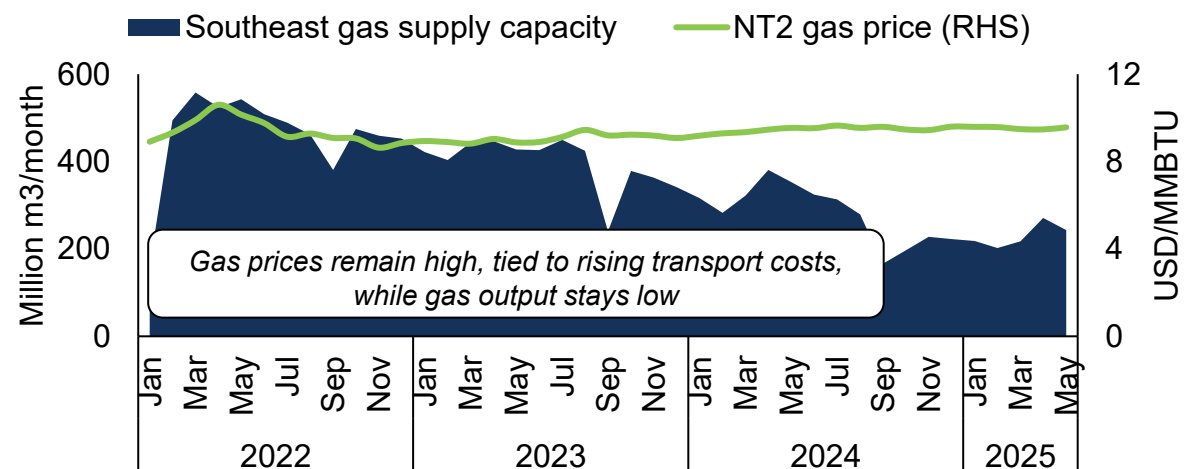
High coal supply is attributed to decreasing coal prices, while gas output remains low as major fields approach the end of their operational life

Coal supply increased as suppliers ramped up imports amid lower coal prices



Source: GSO, Customs, EVN GENCO3, FPTs Research

Gas supply in the Southeast region remains low as major gas fields have reached the end of their production life



Source: EVN GENCO3, NT2, FPTs Research

Coal supply continued to improve, reaching 35 million tons (+12% YoY) as suppliers boost imports amid declining coal prices. **Coal output and prices will remain positive in Q3 2025** due to an oversupply situation as demand for coal in power generation decreases, driven by favorable climate conditions leading to increased renewable energy output.

The purchase price of gas for power generation continued to remain high, reaching \$9.5/MMBTU due to a ~2% per year sliding trend in onshore gas transportation fees. **Gas output in the Southeast region remained low**, at 257 million m³/month (-30% YoY), as major gas fields were running low with no new fields brought into operation.



OIL AND GAS INDUSTRY

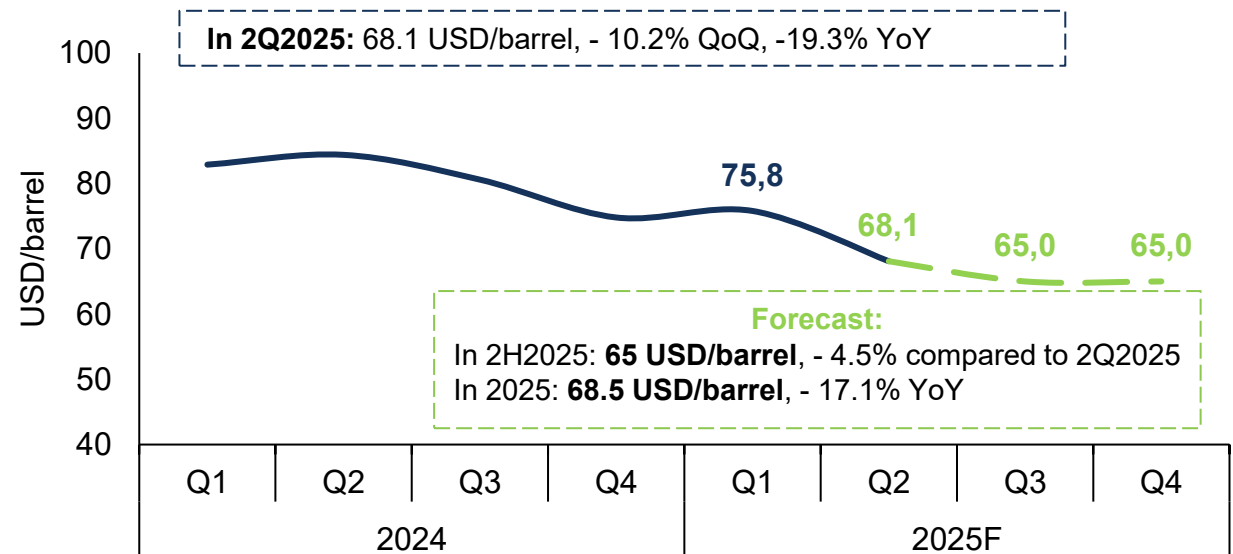
**Declining oil prices and
Diverged sectors outlook**



Brent oil prices decline in H2 2025 due to OPEC+ production increase plans

- Brent oil prices are decreasing due to: (1) crude oil consumption demand being indirectly affected by President Trump's reciprocal tariff policy; and (2) OPEC+ increasing production faster than planned.
- Oil prices fluctuated significantly during the period due to escalating and quickly resolving Middle East tensions.

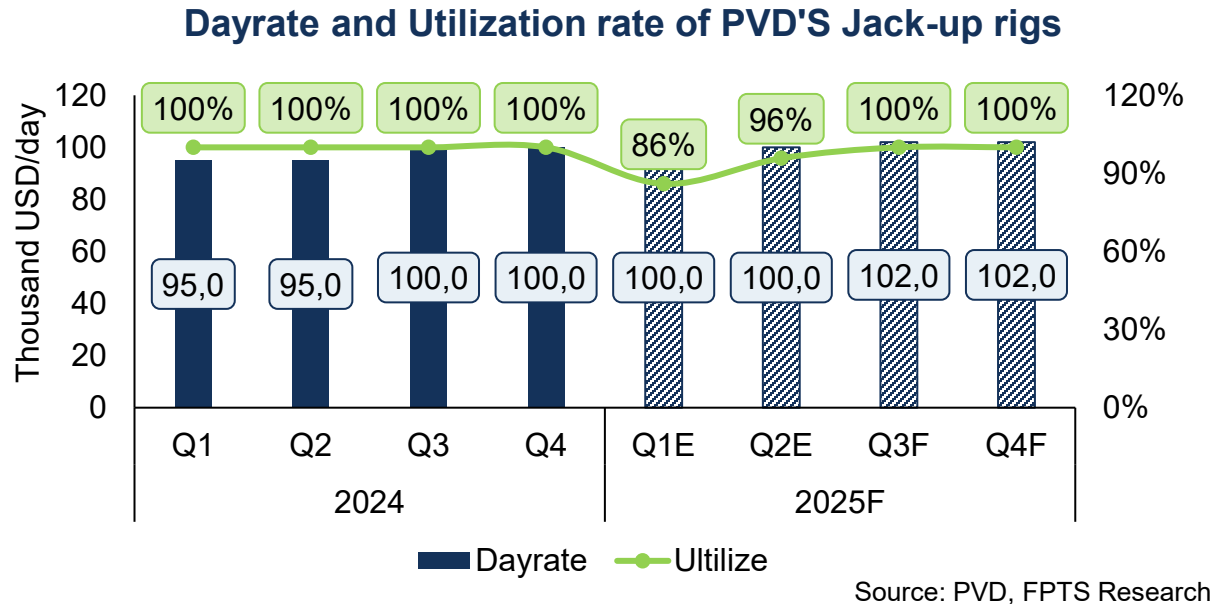
Brent crude oil prices are forecast to decline in 2025



Source: EIA, FPTs Research

We project oil prices to reach \$65/barrel in H2 2025, a 4.5% decrease compared to the oil price at the end of Q2 2025, as OPEC+ continues to increase production faster than planned in July 2025 (411 thousand barrels/day) and August 2025 (548 thousand barrels/day).

Oil and gas services segment: positive outlook due to continued execution of large signed work volumes



The outlook for the drilling segment is **POSITIVE**, and we expect strong business results in Q3 2025 due to high unit prices.

2025 business results will continue to grow as the PVD VIII rig begins operations in Q4 2025.

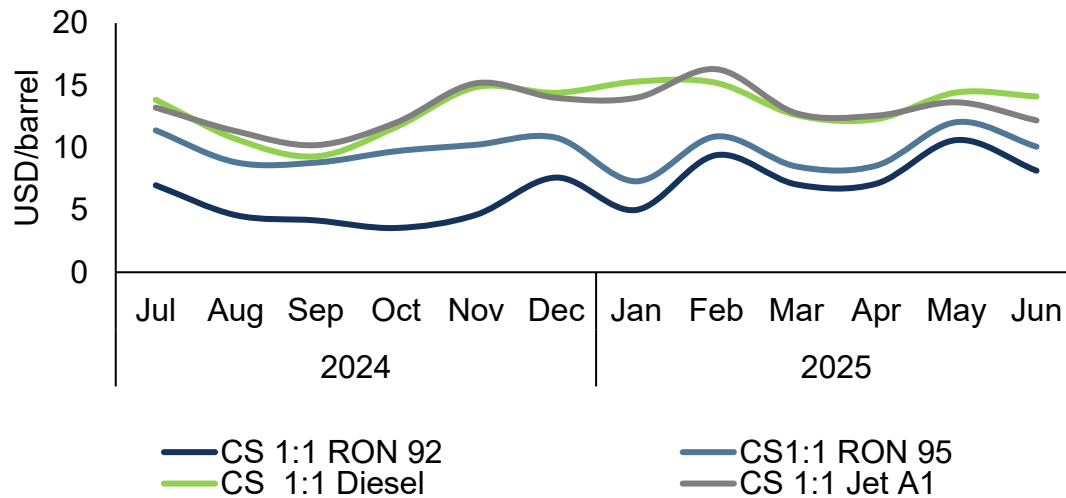
Driving factor: PVD maintains its plan to invest in one new drilling rig in 2025 to serve domestic campaigns.

The outlook for the EPC segment remains **POSITIVE** due to a large volume of work in the 2025-2026 period stemming from: Upstream EPC packages for domestic projects, including Block B and Lac Da Vang, which have significant work volumes and have been fully deployed.

Driving factor: The announcement of the Su Tu Trang Phase 2B project EPC package in July 2025.

Refining segment: gasoline crack spreads up on strong APAC demand

Oil product's crack spread in APAC



Source: MolT, FPTs Research

In Q2 2025:

RON 92 and RON 95 gasoline crack spreads increased by 22.6% QoQ and 16.8% QoQ, respectively, thanks to strong gasoline demand in the Asia-Pacific market ahead of the peak consumption season.

Diesel and Jet A1 crack spreads saw slight decreases of -2.9% QoQ and -8.4% QoQ, respectively, as industrial production demand was affected by tariff news.

The refining gross profit margin will decrease compared to the previous quarter due to the falling oil price's impact on inventory.

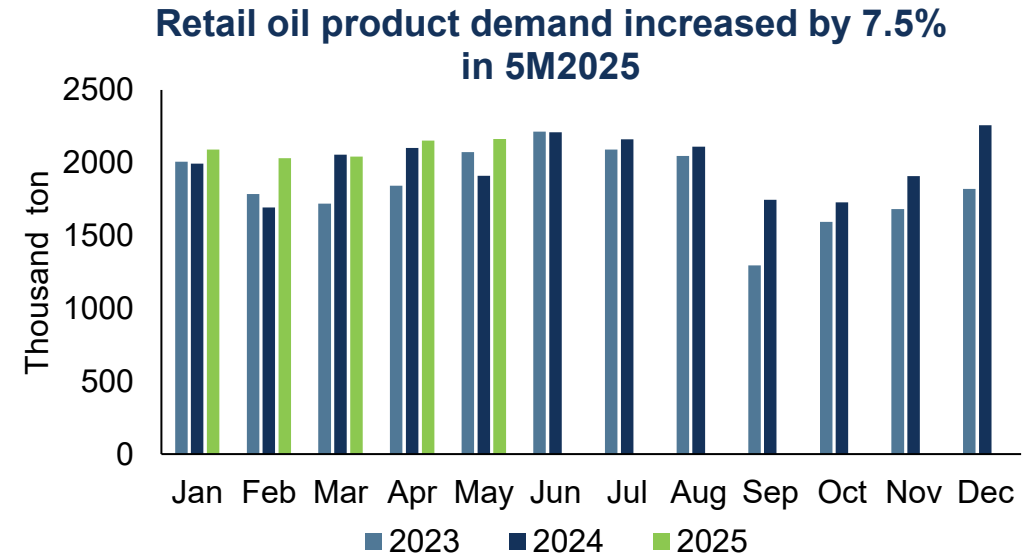
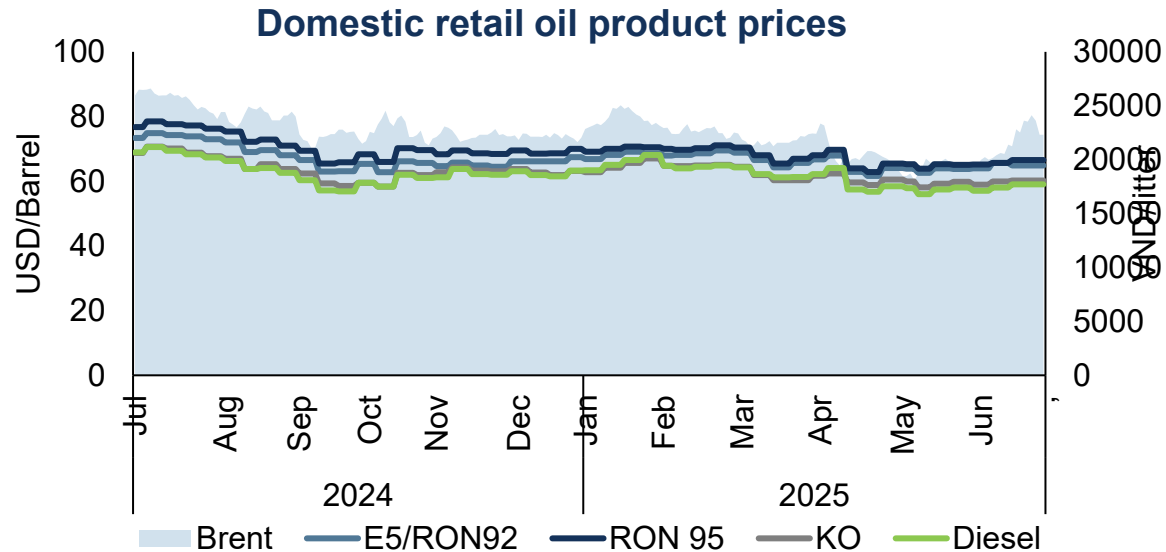
Refining Segment Outlook: **NEUTRAL**

Slightly falling oil prices in Q3 2025 will continue to negatively impact gross profit margins through inventory effects.

Crack spreads are projected to remain flat, peaking in July and August and slightly declining in September 2025.

Driving factor: The EPC tender for the Dung Quat Refinery Upgrade and Expansion Project is expected to be announced soon.

Petroleum retail segment: awaiting approval of amended Decree 80 draft



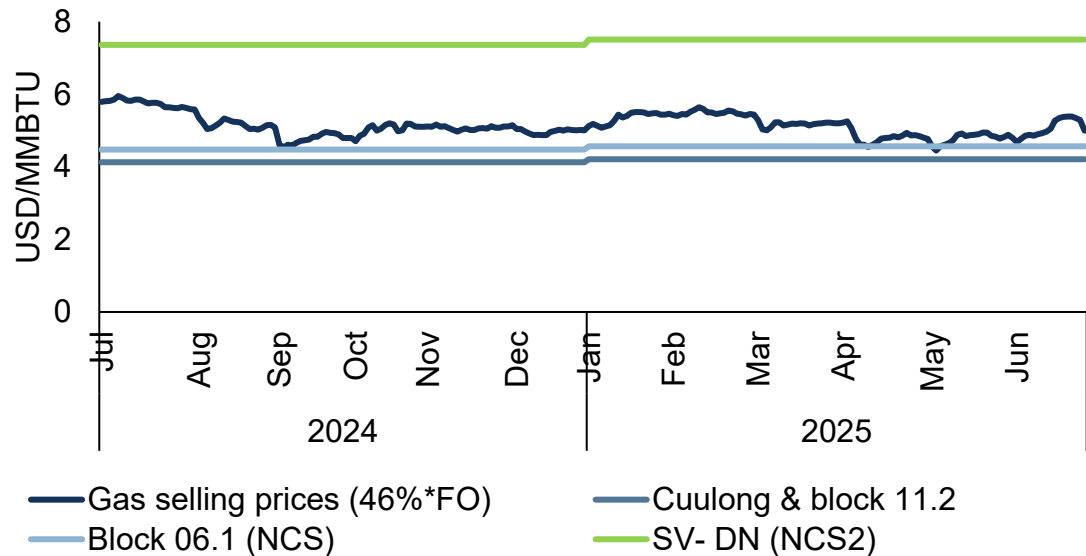
Source: MoIT, FPTs Research

The outlook for the petroleum retail segment is **NEUTRAL due to:** (1) the prospect of declining oil prices negatively impacting profits through inventory effects; and (2) continued growth in petroleum consumption in Q3 2025.

Driving factor: The expectation that the draft amendment to Decree 80/2023 will be approved in 2025. This approval would help petroleum distribution companies improve profit margins by (1) allowing them to independently set wholesale and retail prices (Draft 6) to better align with market fluctuations, and (2) reducing intermediaries.

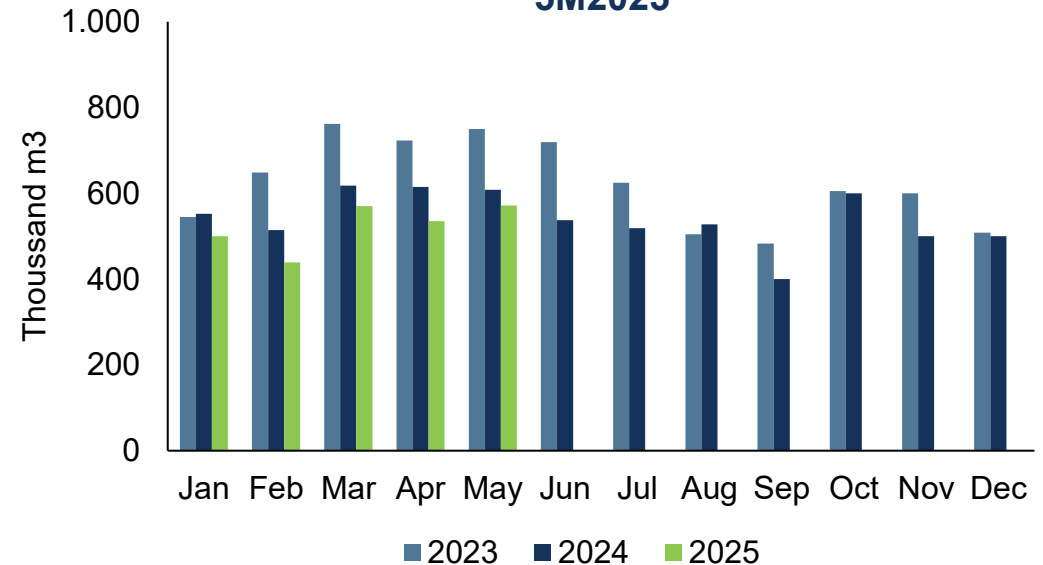
Gas segment: declining domestic gas output impacts profit

Gas selling prices vs Wellhead prices



Source: Bloomberg, GAS, FPTs Research

Domestic gas output decreased by 10% YoY in 5M2025



Source: MoIT, FPTs Research

The outlook for the gas segment is **NEGATIVE due to:** (1) falling gas prices, in line with oil prices, leading to narrower gross profit margins; (2) declining dry gas output from mature fields; and (3) the LNG segment's limited contribution to GAS's business results so far.



AVIATION INDUSTRY

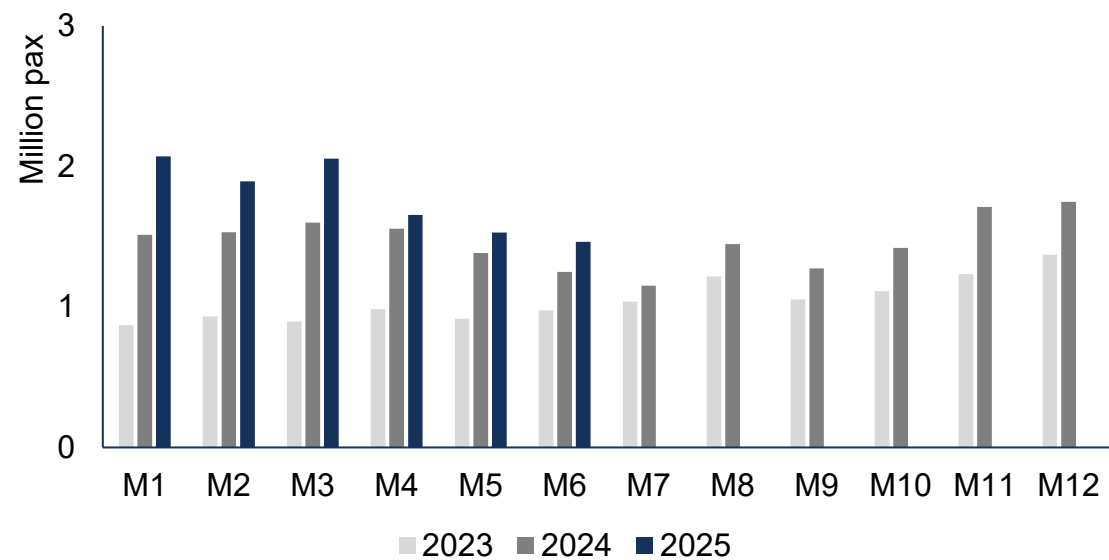
Positive outlook from tourism growth & weakening oil prices



Positive outlook from tourism growth & weakening oil prices

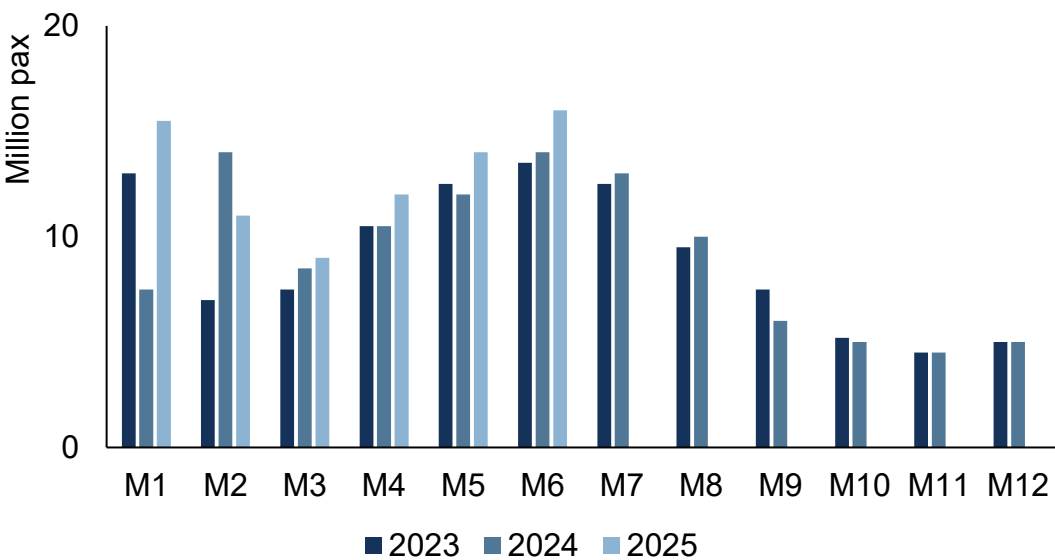
Air transport revenue in Q2 2025 expected to increase by +13.1% YoY due to tourist growth and supply capacity

Vietnam’s inbound tourists



Source: Vietnam National Authority of Tourism, FPTs Research

Vietnam’s domestic tourists



Source: Vietnam National Authority of Tourism, FPTs Research

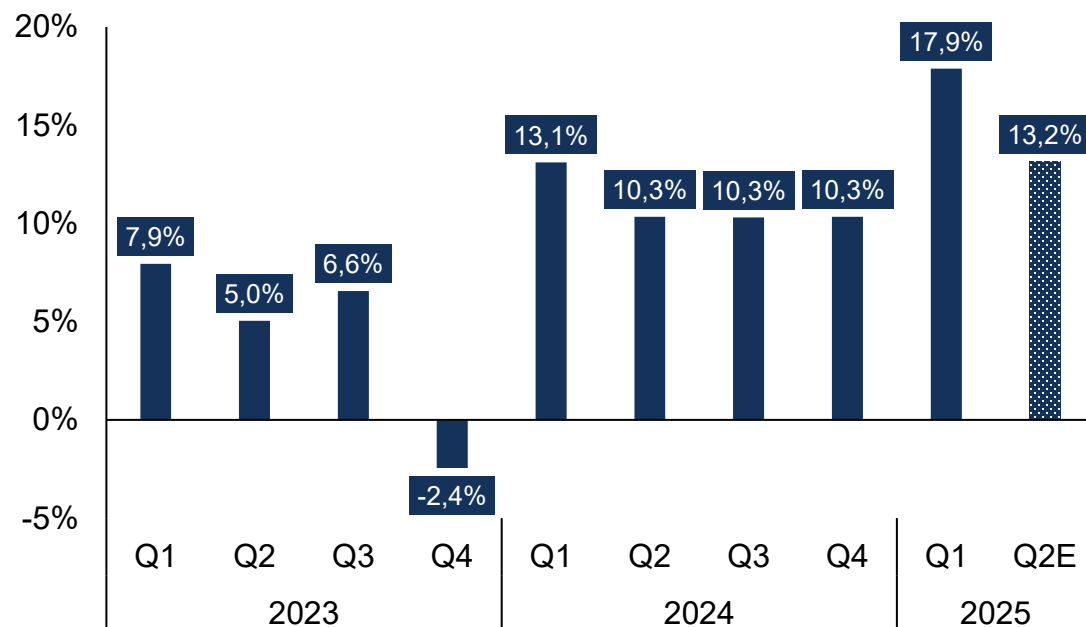
Regarding the tourism sector, domestic and international tourist arrivals in Q2 2025 increased by +15.1% YoY and +10.9% YoY, respectively. The lower growth rate for international visitors in Q1 2025 was due to it being an off-peak travel season.

Domestic tourist numbers increased at a similar rate to Q1 2025, thanks to the 50th anniversary of the Liberation of the South. In terms of supply capacity, the fleet size of HVN and VJC increased by +5.5% YoY and +15.3% YoY, respectively. Aircraft operational efficiency also rose, by +25% YoY and +9.9% YoY, respectively.

Positive outlook from tourism growth & weakening oil prices

Air transport gross profit margin in Q2 2025 estimated to increase by +2.9 ppt YoY due to continued weakening fuel prices

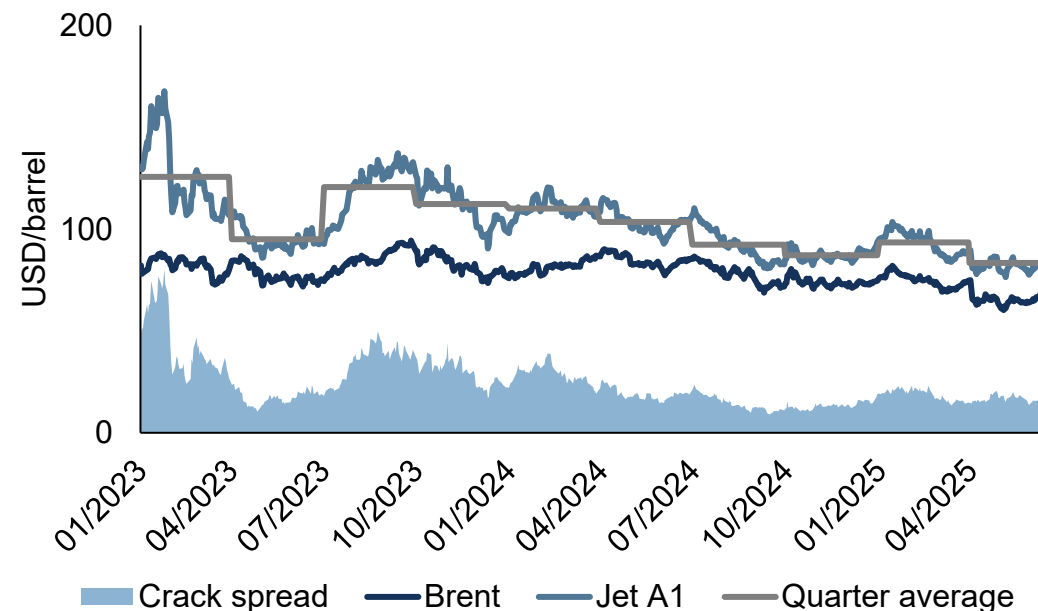
Gross profit margin of the airlines sector



Source: HVN, VJC, FPTs Research

We estimate that the gross profit margin for air transport companies increased by +2.9 pts YoY due to a -9.7% YoY decrease in Jet A1 fuel prices.

Jet A1 price



Source: EIA, FPTs Research

Jet A1 fuel prices in Q2 2025 fell by -9.7% YoY as OPEC+ increased crude oil supply. By June 13, 2025, Jet A1 prices rebounded sharply due to the war between Israel and Iran, but cooled down thanks to a ceasefire agreement on June 24, 2025.

Positive outlook from tourism growth & weakening oil prices

Air transport revenue and gross profit projected to maintain positive growth in Q3 2025



Source: VJC, HVN, FPTs Research

We project air transport revenue in Q3 2025 to increase by +14.2% YoY. This growth is attributed to the rise in both international and domestic passenger numbers, driven by loosened visa policies and the 80th anniversary of the August Revolution, respectively.

Gross profit margin is forecast to increase by +3.9 pts YoY due to the continued decline in Jet A1 fuel prices. This decline is a result of: (1) weakening consumption demand influenced by President Trump's reciprocal tariff policy; and (2) OPEC+'s sustained policy of increasing crude oil supply.

RESIDENTIAL REAL ESTATE SECTOR

Unlocking supply via
policy support



❖ Supply in 1H 2025 declined, but expected to see strong growth starting in Q3 2025

Real estate supply decreased in 1H 2025:

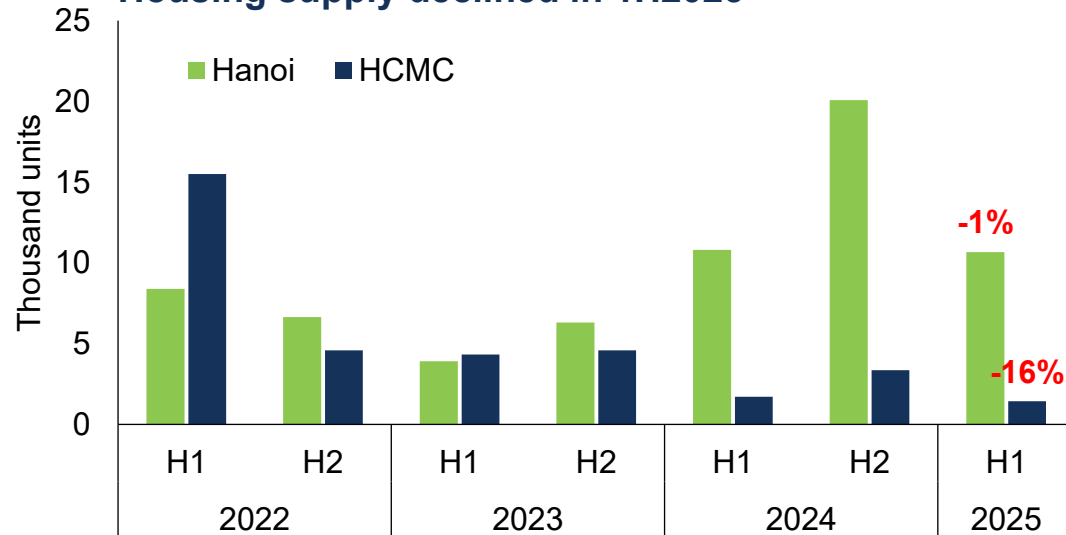
- Northern Vietnam: Supply in Hanoi saw a slight decrease of 1% YoY.
- Southern Vietnam: Supply in Ho Chi Minh City continued to fall to a record low.

Supply is expected to increase sharply in 2H 2025:

- Northern Vietnam: Hanoi will continue to maintain a large supply, similar to 2024.
- Southern Vietnam: Supply in Ho Chi Minh City will slightly improve, but supply in neighboring provinces shows positive growth prospects.

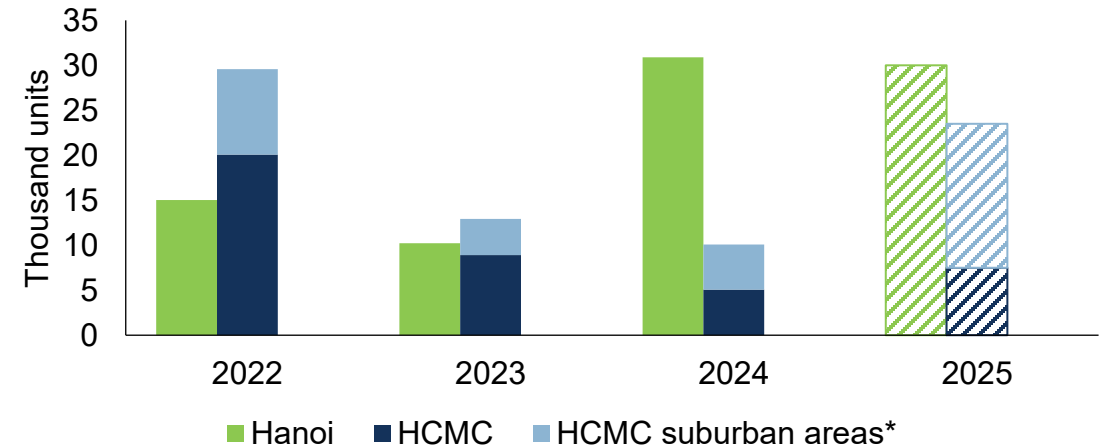
➤ The driving forces behind strong supply growth in Q3 2025 are: (1) the active implementation of policies to resolve legal obstacles, and (2) support from macroeconomic policies.

Housing supply declined in 1H2025



Source: CBRE

Supply is expected to be huge in 2H2025 in Hanoi and HCMC suburban areas.



*include: Binh Duong, Ba Ria – Vung Tau, Dong Nai, Long An

Source: CBRE

RESIDENTIAL REAL ESTATE SECTOR

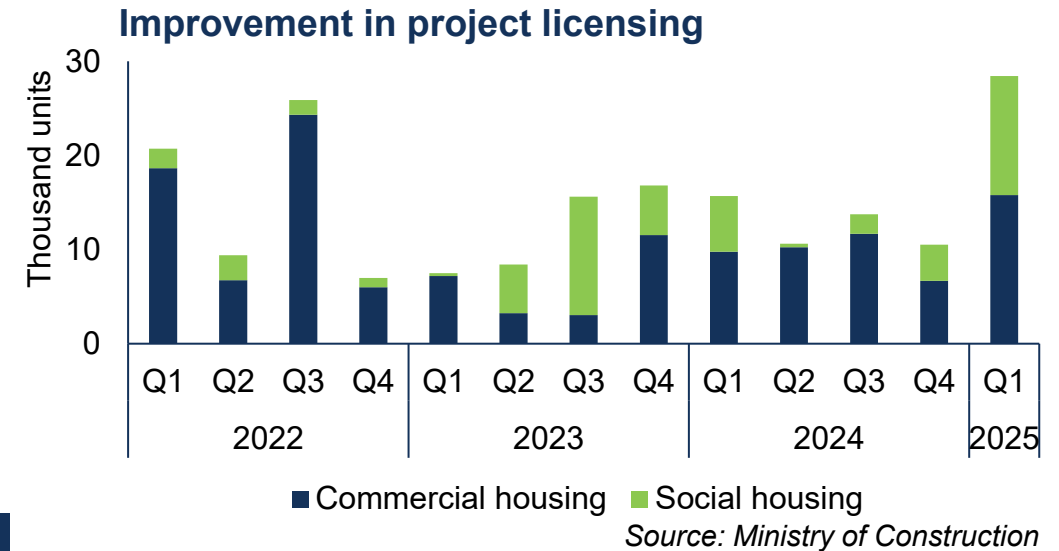
Unlocking supply via policy support

❖ Boost from legal unblocking policies:

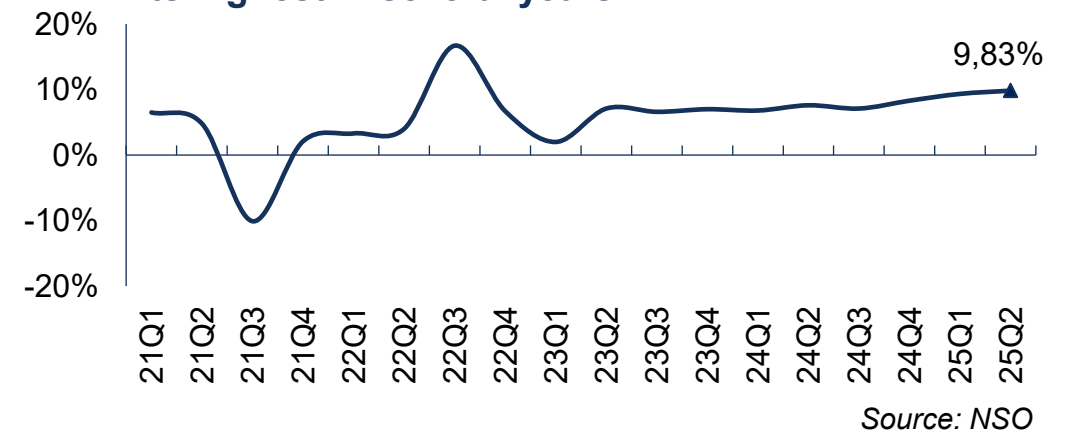
- Several policies were issued in 1H 2025 to resolve legal obstacles for many projects.
 - The number of real estate projects granted construction permits began to increase sharply in Q1 2025.
 - Many projects have started construction/restarted, driving the construction industry's growth to its highest level in many years.
- **Supply is expected to start increasing strongly from Q3 2025.**

Notable real estate legal unblocking policies:

Policy	Issuance date	Impact
Decree 75/2025	2025/04/01	Addresses obstacles for non-residential projects without residential land.
Decree 76/2025	2025/04/01	Addresses obstacles for projects in Ho Chi Minh City, Da Nang, Khanh Hoa.
Resolution 201/2025/QH15 and Decree 195/2025/ND-CP	2025/06/01	Addresses obstacles for social housing projects.
Resolution 206/2025/QH15	2025/06/24	Special mechanism allowing the Government to issue resolutions to resolve legal obstacles.



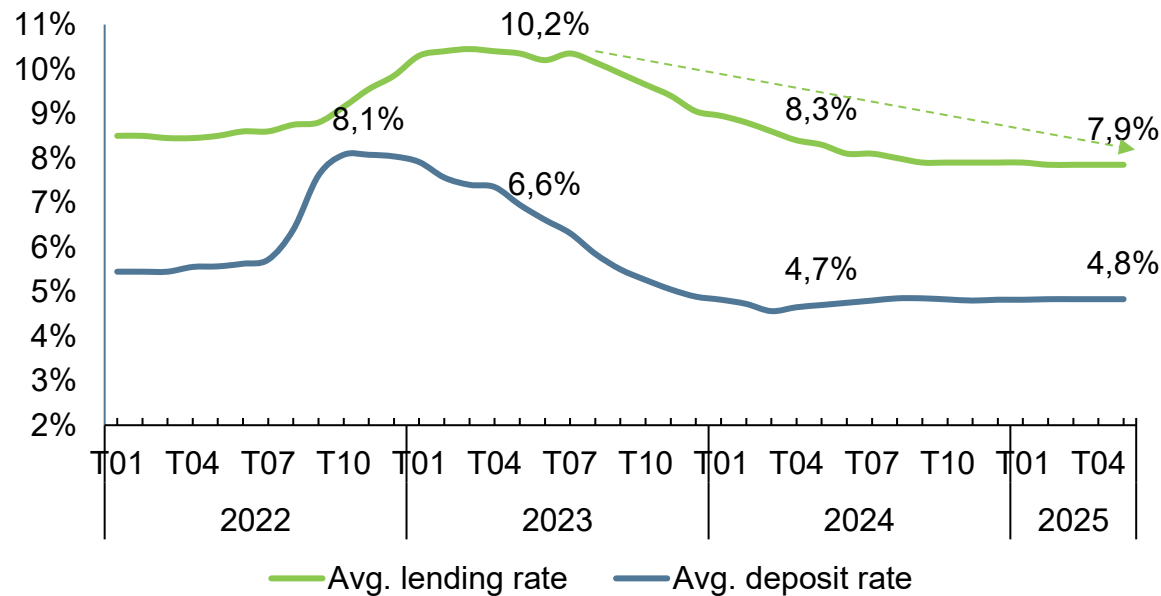
Construction sector's GDP growth reached its highest in several years



❖ Macroeconomic policies support real estate sector growth

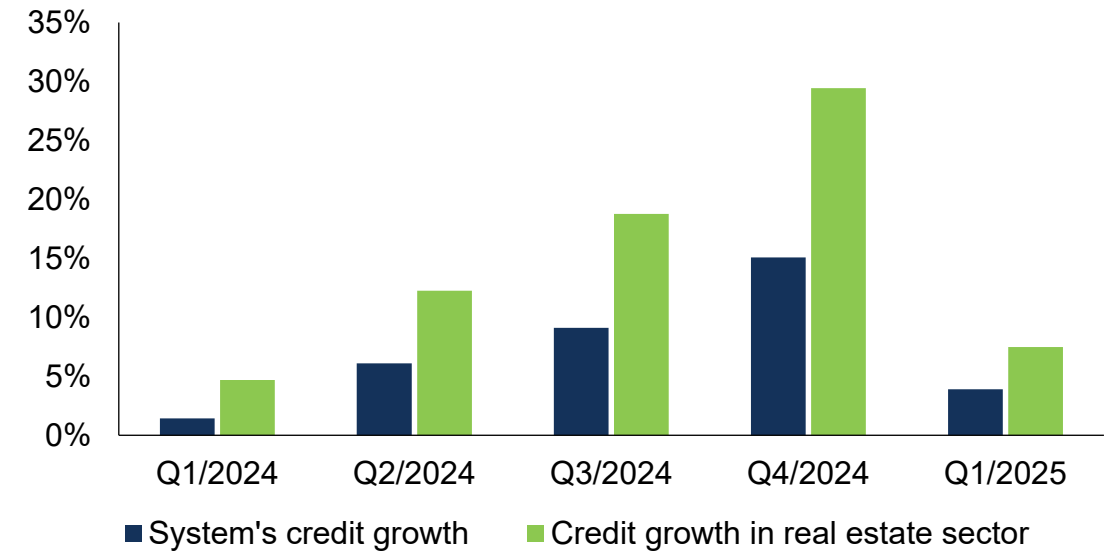
- *Fiscal Policy: Public investment is being boosted, especially in transport infrastructure projects, to enhance connectivity.*
- *Monetary Policy: Low interest rates will continue to be maintained, real estate business credit is increasing sharply, and credit limits are expected to be abolished.*

Interest rates continue to remains low



Source: SBV

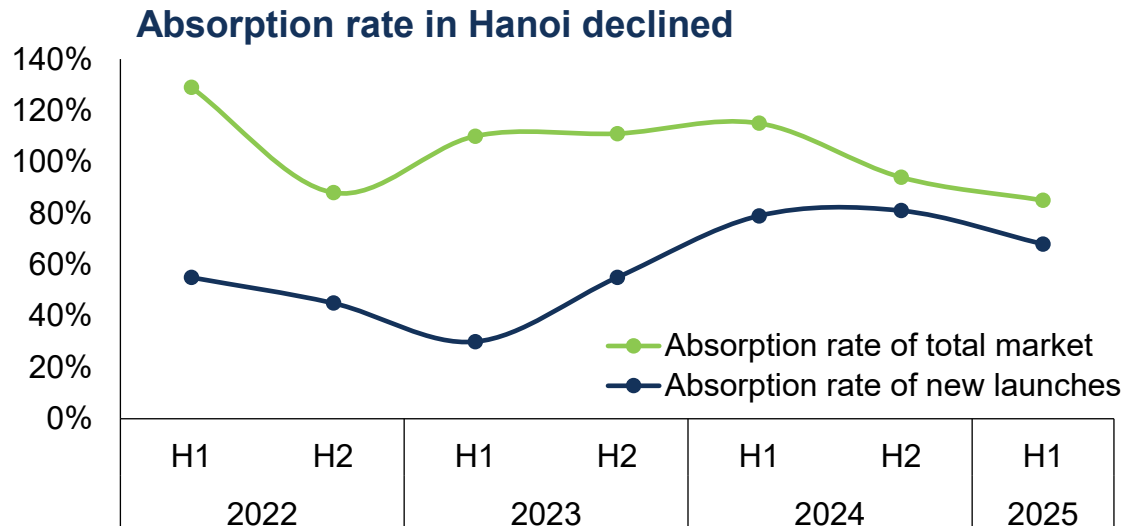
Huge credit flows into real estate sector, doubling system-wide credit growth



Source: SBV, Ministry of Construction

❖ **However, the real estate market is temporarily cooling down in 1H 2025, expected to gradually recover in Q3 as supply is boosted**

- High selling prices and a wait-and-see attitude from buyers are the main reasons for the market slowdown. The apartment market in Hanoi in 1H 2025 began to cool down after rapid growth in 2H 2024. The absorption rate of new supply decreased, and secondary selling prices started to plateau. However, primary selling prices continued to increase due to rising project development costs.
 - The market is gradually shifting to other segments such as villas, land plots, resorts, and spreading to neighboring secondary provinces.
- ***We expect the real estate market to gradually improve in Q3 2025. Strong recovery in supply and active project launches by developers are expected to help boost the real estate market.***



Source: CBRE



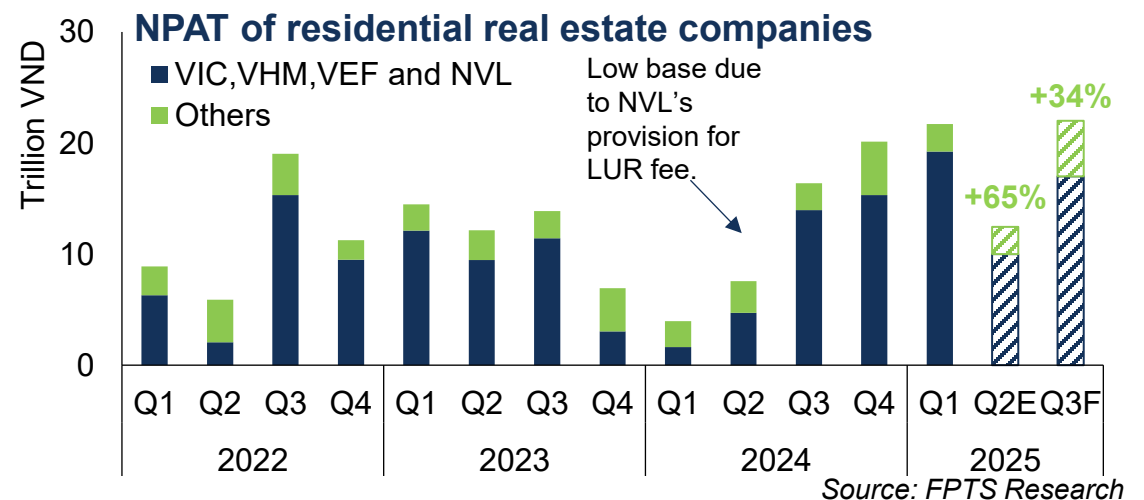
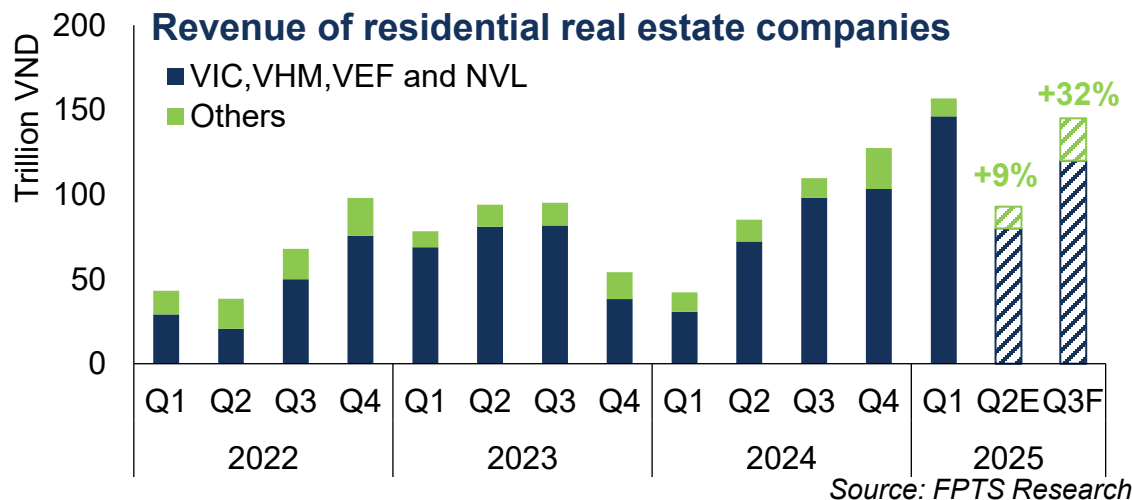
Source: CBRE

❖ Q1 2025 business results showed strong growth, primarily driven by vingroup

- The Vingroup cluster (VIC, VHM, VEF) and NVL reported significant increases in Q1 2025 revenue and after-tax profit, rising by 377% and 1,074% YoY, respectively, from a low base in Q1 2024. This includes an extraordinary revenue of over VND 40 trillion from VEF's transfer of the Vinhomes Co Loa project.
- The remaining companies did not experience significant breakthroughs, with Q1 2025 revenue decreasing by 7% YoY but after-tax profit increasing by 7% YoY. Most companies accelerated project handovers in Q4 2024, while new projects have not yet reached the sale or handover stage for revenue recognition.

➤ Business results projection:

- Q2 2025 is not expected to see major breakthroughs in either group, with overall industry revenue projected to increase by 9% YoY. Q3 2025 is anticipated to show high growth of approximately 30% due to a sharp increase in supply and many companies recognizing early business results through project M&A.



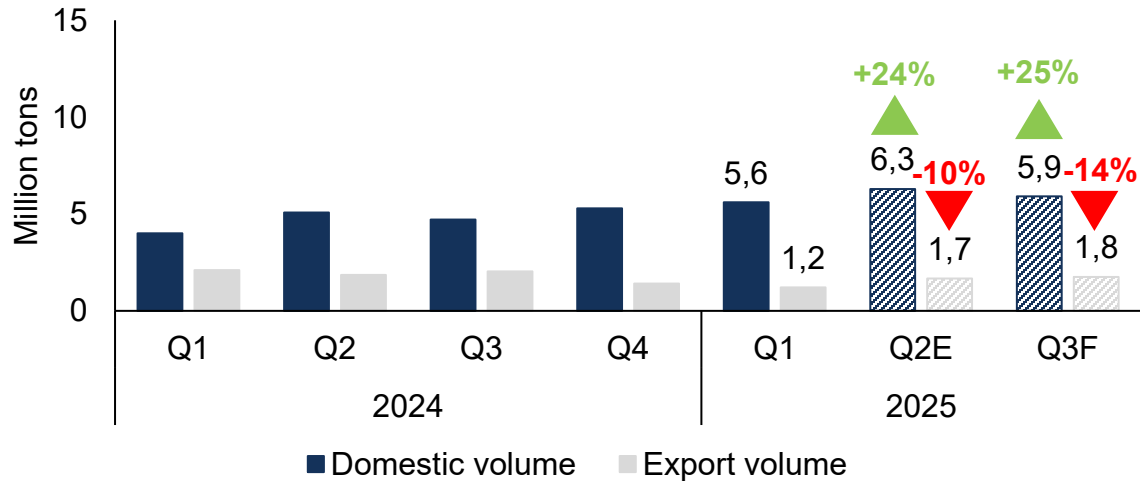
STEEL INDUSTRY

**Bright outlook from
the domestic market**



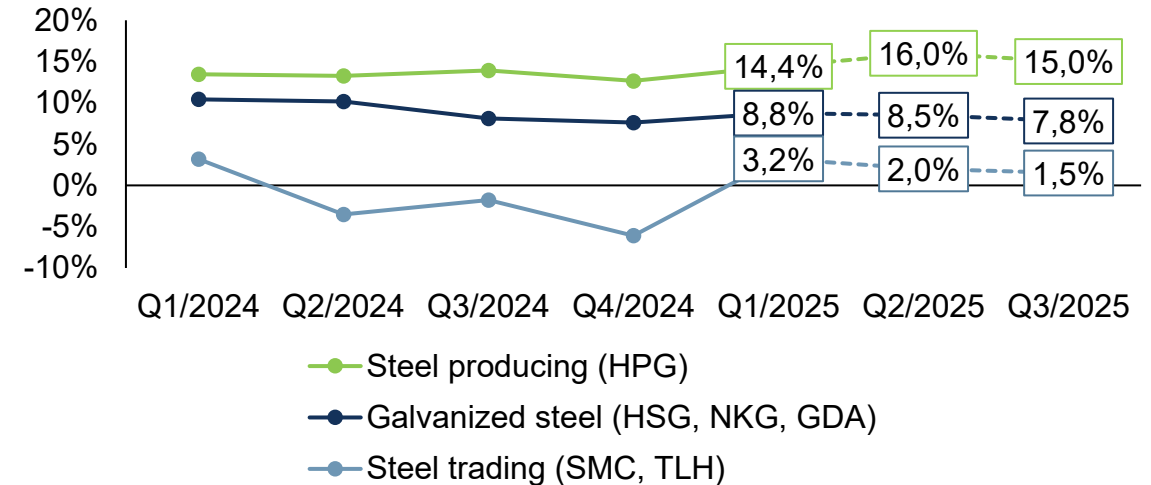
Positive steel consumption in Q3 2025 thanks to domestic demand

Total steel consumption is expected to reach 7.7 million tons (+13.4% YoY) in Q3/2025



Source: Vietnam Steel Association (VSA), FPTS Research

We expect gross profit margin of the steel producing group will continue to rise in Q3/2025

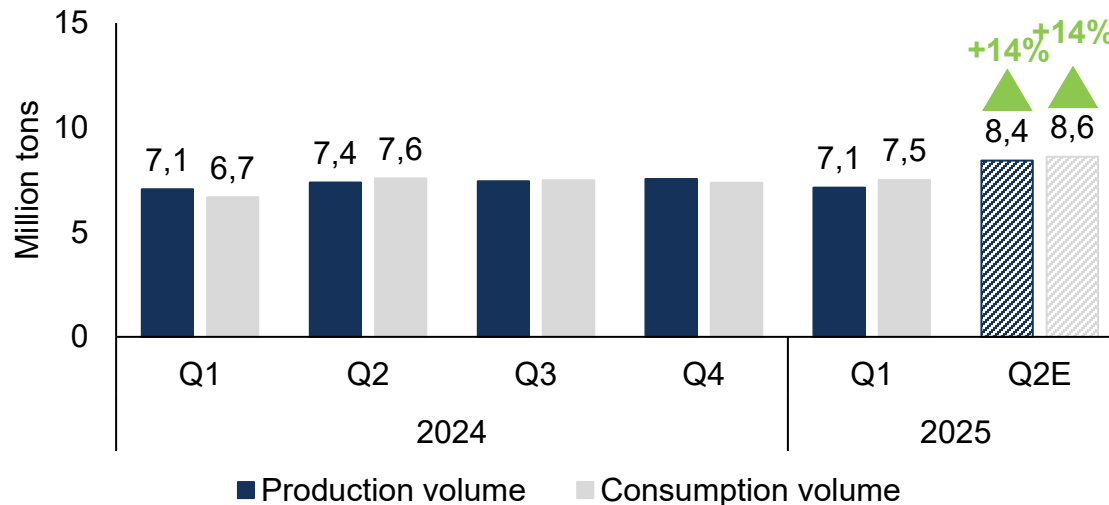


Source: VSA, FPTS Research

- We expect Q3/2025 domestic volume at 5.9 million tons (+25.4% YoY) thanks to growing demand from construction.
- Forecasted Q3/2025 steel export remains bleak at 1.8 million tons (-14.3% YoY) due to trade protectionism waves.
- Therefore, gross profit margin of steel producers is expected to increase in Q3/2025, whereas galvanized steel and steel trading companies decrease.

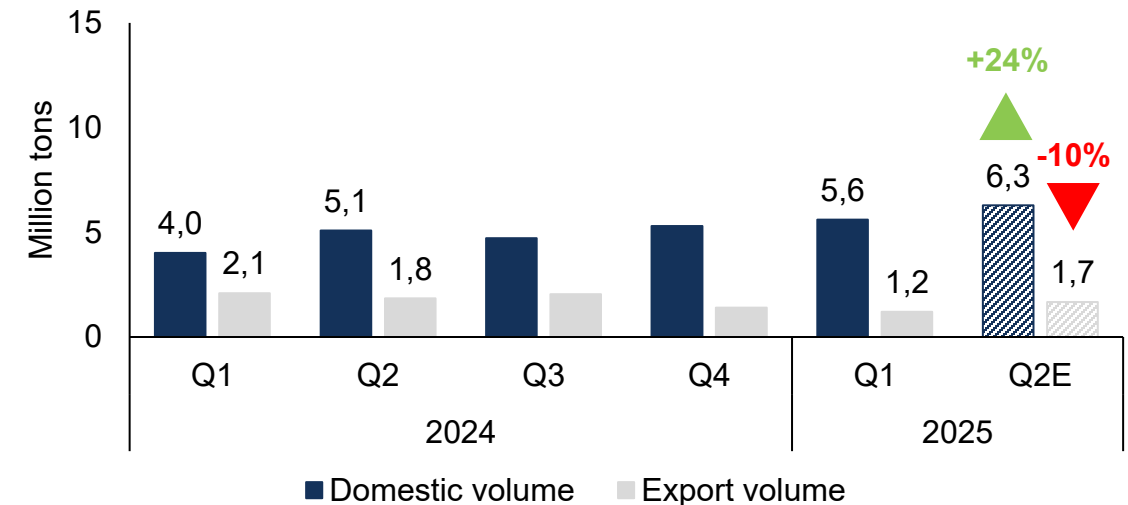
Domestic demand drove steel consumption in 1H 2025

Steel production and consumption is estimated to rise 14.2% YoY and 13.6% YoY in Q2/2025



Source: VSA, FPTTS Research

Q2/2025 domestic volume is expected to rise sharply, whereas export fall due to trade barriers

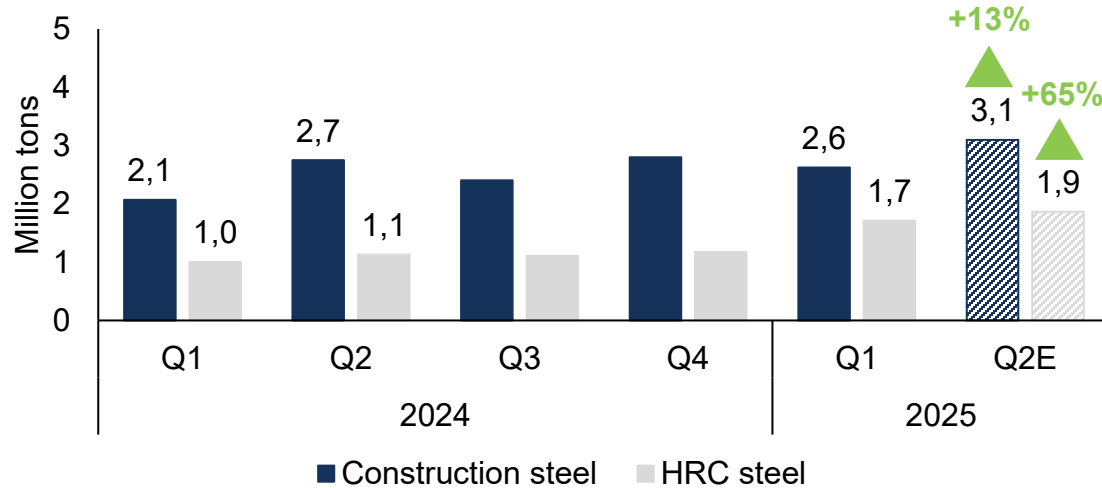


Source: VSA, FPTTS Research

- Finished steel production and consumption in Q2 2025 recovered significantly, estimated to reach 8.4 million tons (+14.2% YoY) and 8.6 million tons (+13.6% YoY) respectively. This recovery is attributed to improved domestic real estate supply and unblocked construction permits.
- Accordingly, domestic consumption volume in Q2 2025 is estimated at 6.3 million tons (+23.7% YoY), while steel exports continued to decline to 1.7 million tons (-9.7% YoY) due to increased US tariffs and tightened import quotas by the European Union (EU).

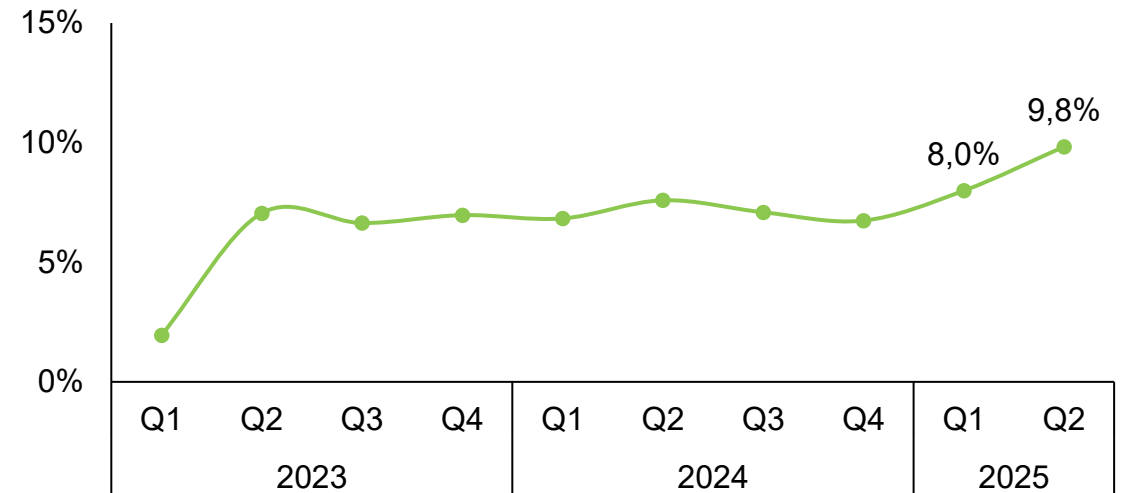
Q2 2025 domestic demand driven by construction steel and HRC

Construction and HRC steel consumption is expected to increase significantly in 1H2025



Source: VSA, FPTs Research

Quarterly Value-added real growth of Vietnam construction reached its peak in Q2/2025

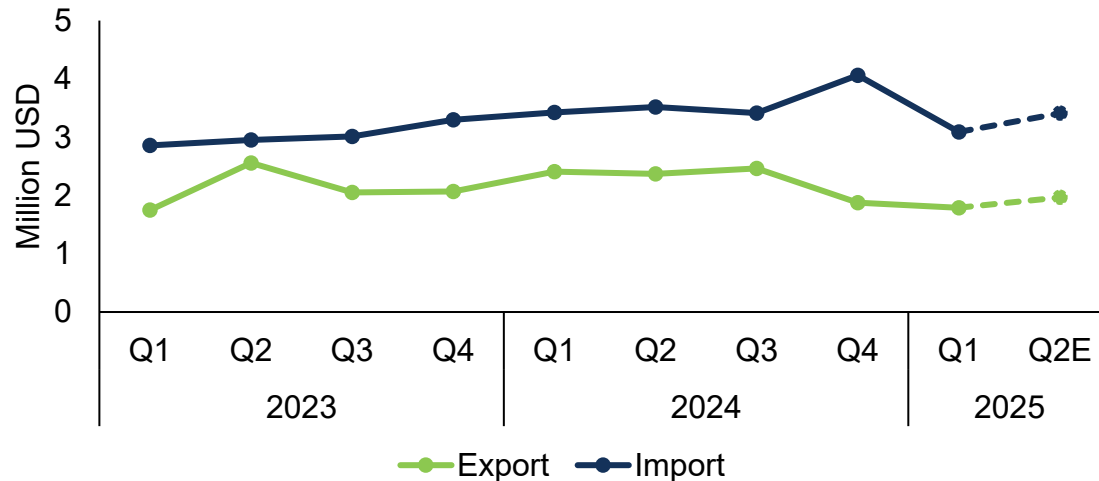


Source: GSO, FPTs Research

- Domestic consumption of construction steel and HRC increased sharply in Q2 2025, with estimated volumes reaching 3.1 million tons (+12.7% YoY) and 1.9 million tons (+65.1% YoY) respectively, thanks to the recovery of construction activities.
- Domestic HRC consumption was further supported by the Ministry of Industry and Trade's imposition of provisional anti-dumping duties on HRC imported from China and India since late February 2025.

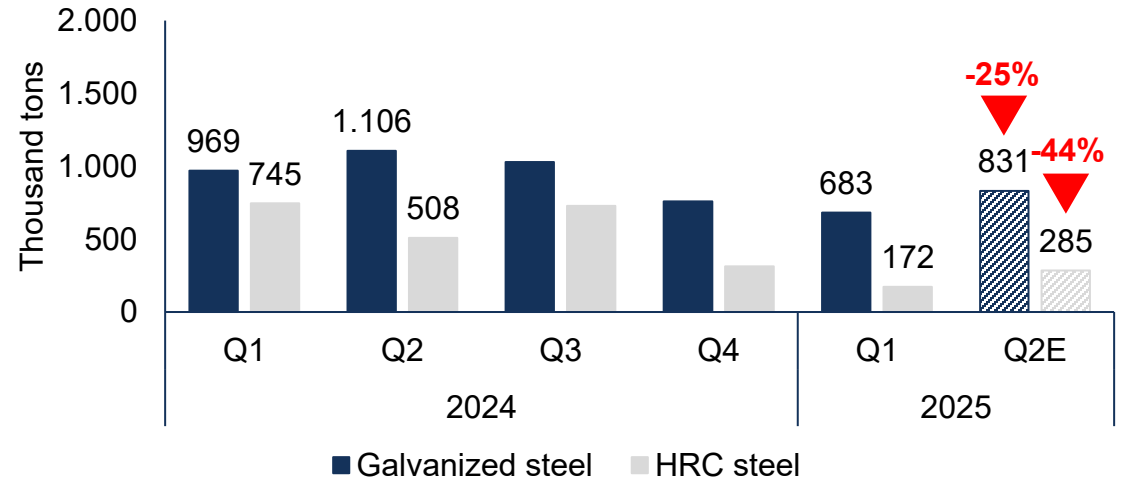
Dull import and export due to trade protectionism wave

Steel export and import value are estimated to drop and remain low in Q2/2025



Source: VSA, FPTTS Research

We estimate galvanized and HRC steel will be the main contributors to Q2/2025 export decrease



Source: VSA, FPTTS Research

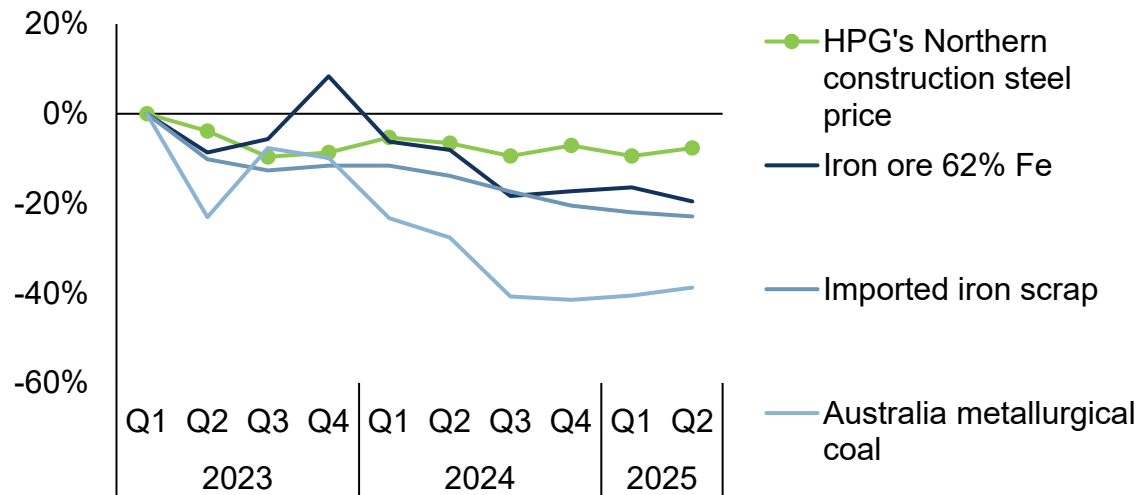
Steel import and export turnover in Q2 2025 is estimated to reach \$1.96 million (-17.1% YoY) and \$3.4 million (-3.0% YoY), specifically:

- Exports: Galvanized steel sheet output is estimated to decrease by 24.9% YoY as the US imposed anti-dumping duties on imported galvanized steel sheets and increased Section 232 tariffs to 50% in April 2025 and June 2025. HRC output is estimated to decrease by 43.9% YoY due to a focus on domestic consumption.
- Imports: HRC output is estimated to decrease by -25.9% YoY as Chinese HRC has been subjected to anti-dumping duties.

Profit margins improve as input prices continue to decline

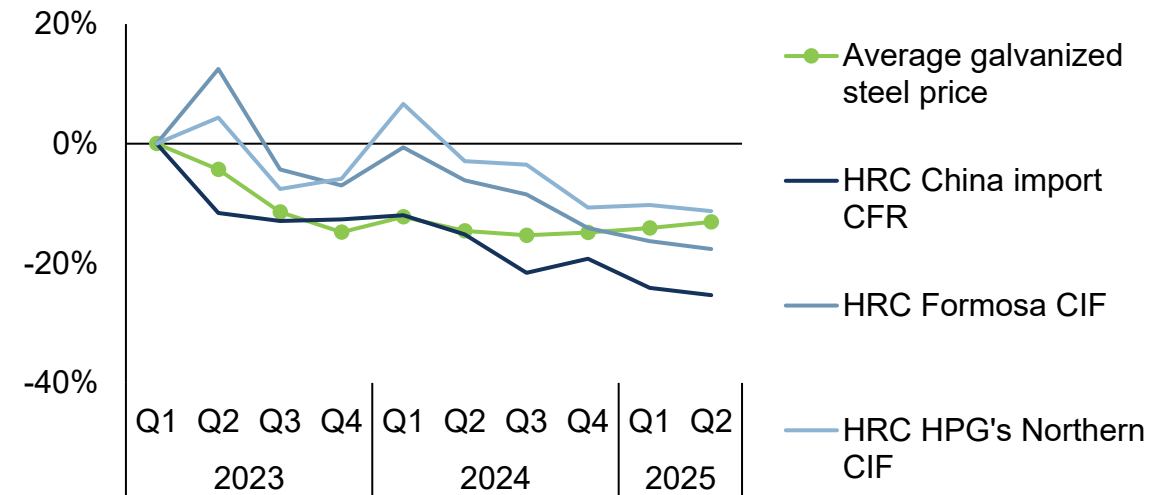
The decreasing rate of steel-making material prices was stronger than domestic selling prices in Q2/2025

Construction steel price and steel-making material prices to Q2/2025 (Base: Q1/2023)



Source: VSA, FPTTS Research

Galvanized steel price and HRC steel prices to Q2/2025 (Base: Q1/2023)



Source: VSA, FPTTS Research

We expect the gross profit margin for the steel industry to improve due to:

- The prices of raw materials such as iron ore, scrap steel, coking coal, and HRC have been on a downward trend since 2023. This is primarily driven by weakening steel demand in China amid the ongoing real estate crisis there.
- Domestic steel prices have also followed this downward trend, but with a milder decrease thanks to recovering domestic demand.

CONSTRUCTION PLASTIC SECTOR

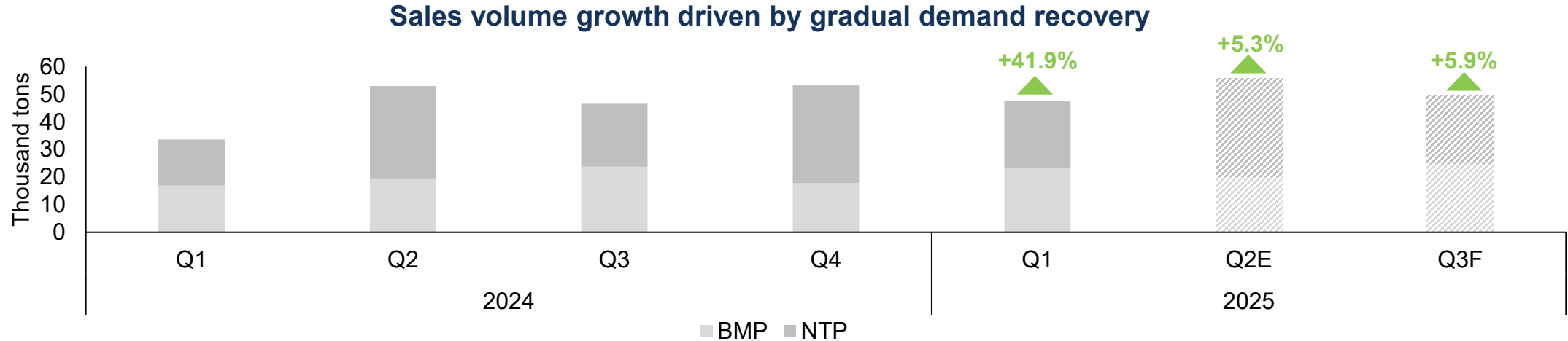
**Dual advantages from
recovering demand and low
plastic pellet prices**



CONSTRUCTION PLASTIC SECTOR

Dual advantages from recovering demand and low plastic pellet prices

Consumption volume continuously improves due to recovering demand



Sources: BMP, NTP, FPTs Research

Consumption volume in Q2 2025 is estimated to increase by 5.3% YoY, driven by:

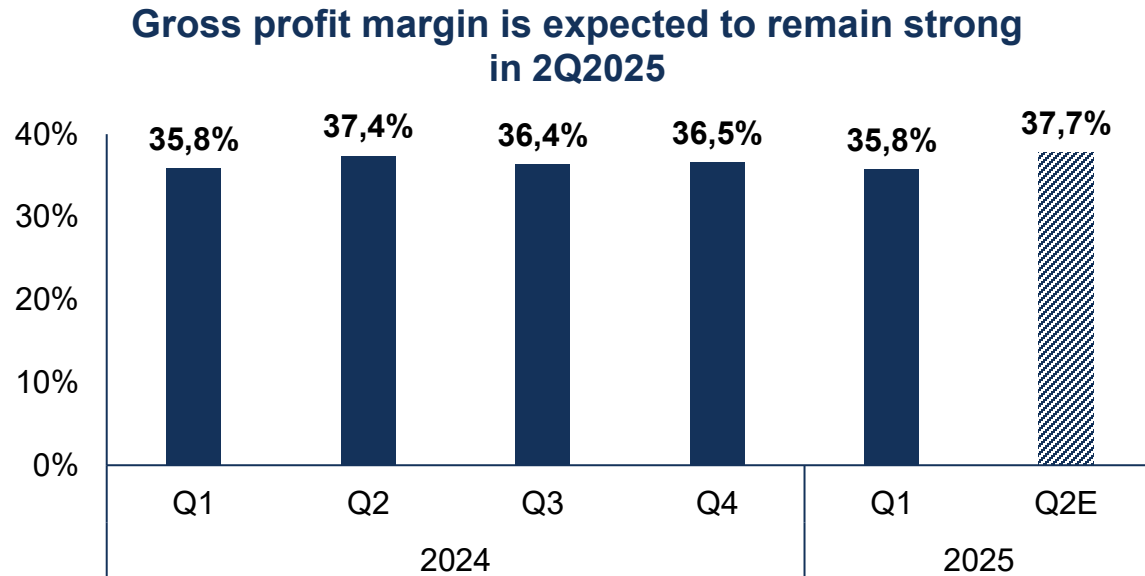
- (1) Gradual demand recovery thanks to an improving real estate market and positive infrastructure construction, currently more active in the Northern market.
- (2) NTP resuming strong promotions in Q2 2025, supporting high sales volumes (after promotions were temporarily halted in Q1 2024, leading distributors to reduce inventory hoarding).

Consumption volume in Q3 2025 is projected to increase by ~5.9% YoY due to the continued recovery in housing construction demand, especially in the South. This volume corresponds to an 11.6% QoQ decrease due to the impact of the rainy season.

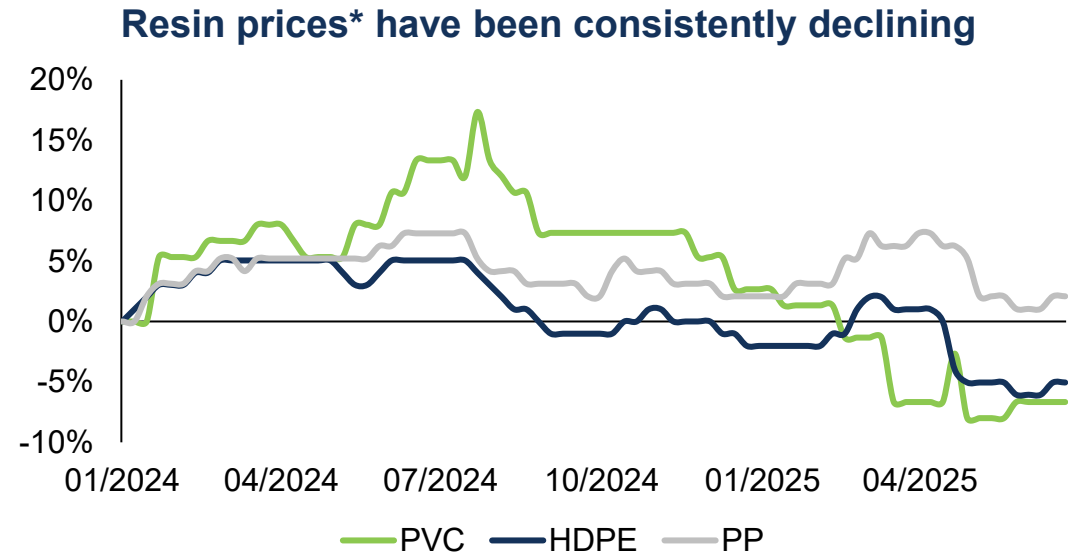
CONSTRUCTION PLASTIC SECTOR

Dual advantages from recovering demand and low plastic pellet prices

Q2 2025 gross profit margin positive due to lower plastic pellet prices



Sources: BMP, NTP, FPTs Research



*Price movement compared to the 1Q2024 baseline

Sources: Bloomberg, FPTs Research

The gross profit margin for construction plastic companies (BMP and NTP) in Q2 2025 is expected to remain positive, reaching **37.7% (+0.4 ppts YoY and +2.2 ppts QoQ)**. This is due to: (1) lower plastic pellet prices; and (2) volume growth driven by recovering demand and Q2 being the peak consumption season.

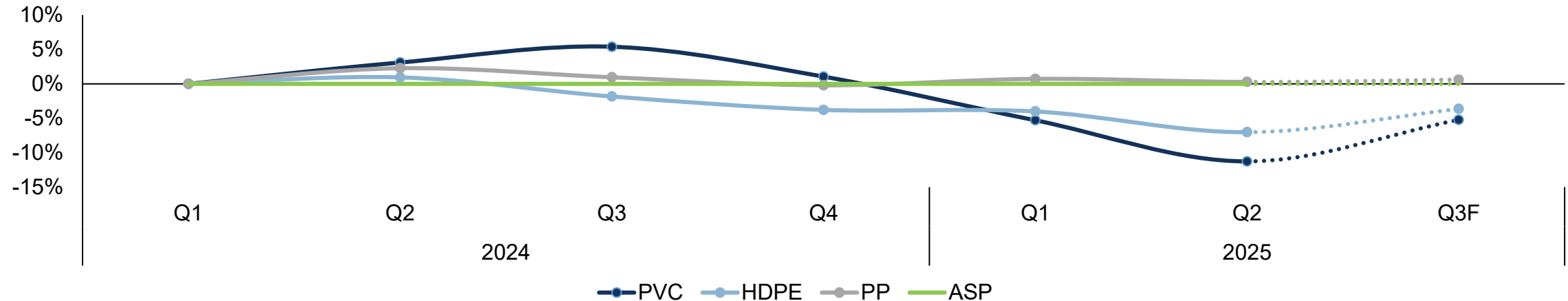
Specifically, in Q2 2025, the average prices of plastic pellets continued to decline (PVC down -6.3% QoQ, HDPE down -3.1% QoQ, PP down -0.4% QoQ). The price of PVC, in particular, is very low at \$700/ton due to oversupply and stagnant demand, especially in China.

CONSTRUCTION PLASTIC SECTOR

Dual advantages from recovering demand and low plastic pellet prices

Q3 2025 gross profit margin outlook remains positive

Gross profit margin in 3Q2025 is forecast to remain favorable, supported by continued low resin prices



Sources: Bloomberg, BMP, NTP, FPTs Research

The gross profit margin for construction plastic companies in Q3 2025 is projected to decrease slightly but generally remains positive. Specifically:

- **Selling prices:** Major companies in the industry are expected to keep selling prices unchanged in Q3 2025, while continuing to apply short-term promotional policies to stimulate demand.
- **Plastic pellet prices:** On average, in Q3 2025, prices of various plastic pellets are projected to increase slightly. Specifically, PVC is expected to increase by 6.8% QoQ, HDPE by 3.6% QoQ, and PP to remain flat QoQ. This slight increase is mainly due to recent improved transactions stemming from pent-up demand after major markets reduced inventory hoarding in 1H 2025.



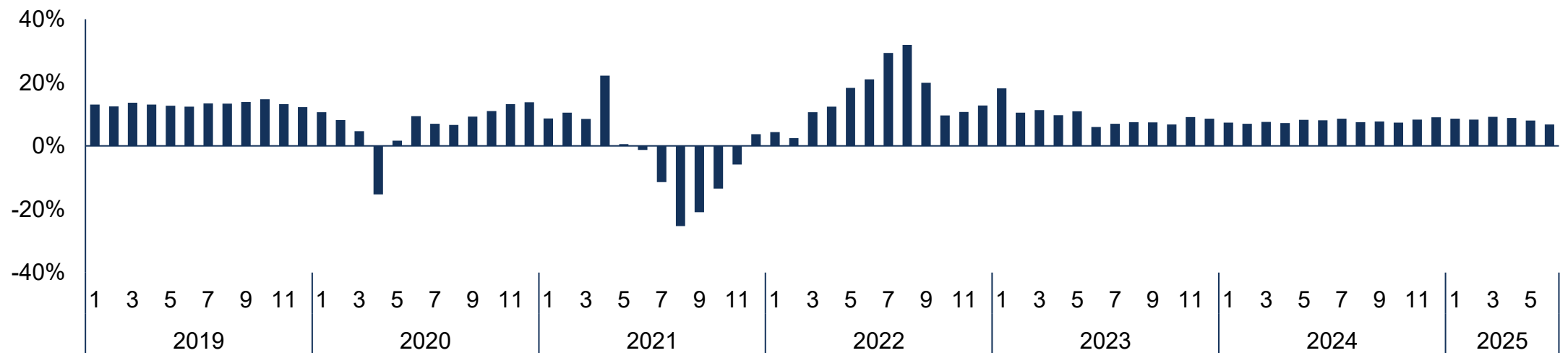
RETAIL INDUSTRY

Outlook remains optimistic



Consumer purchasing power in Q2 2025 showed signs of slowdown

Retail sales growth decelerated in 2Q2025

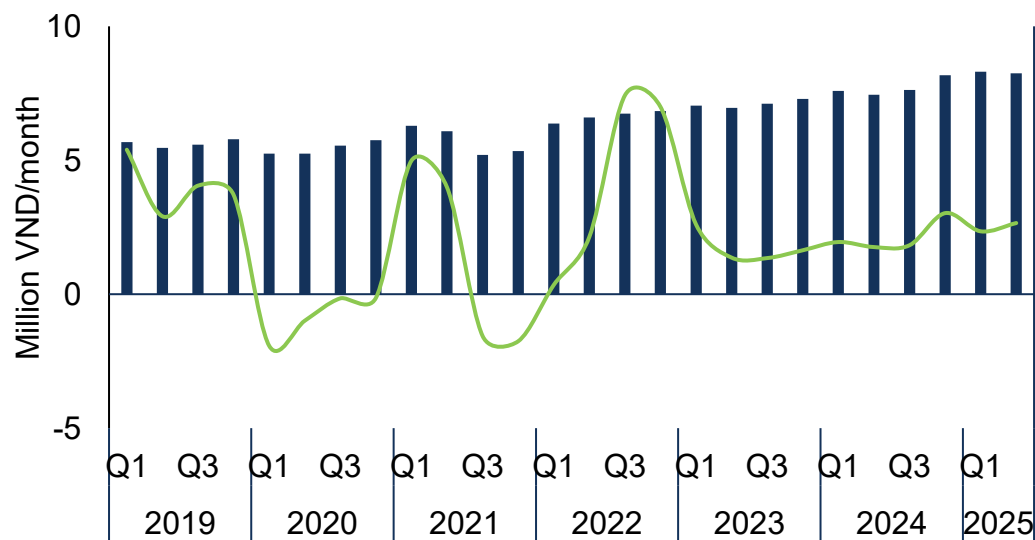


Sources: GSO, FPTs Research

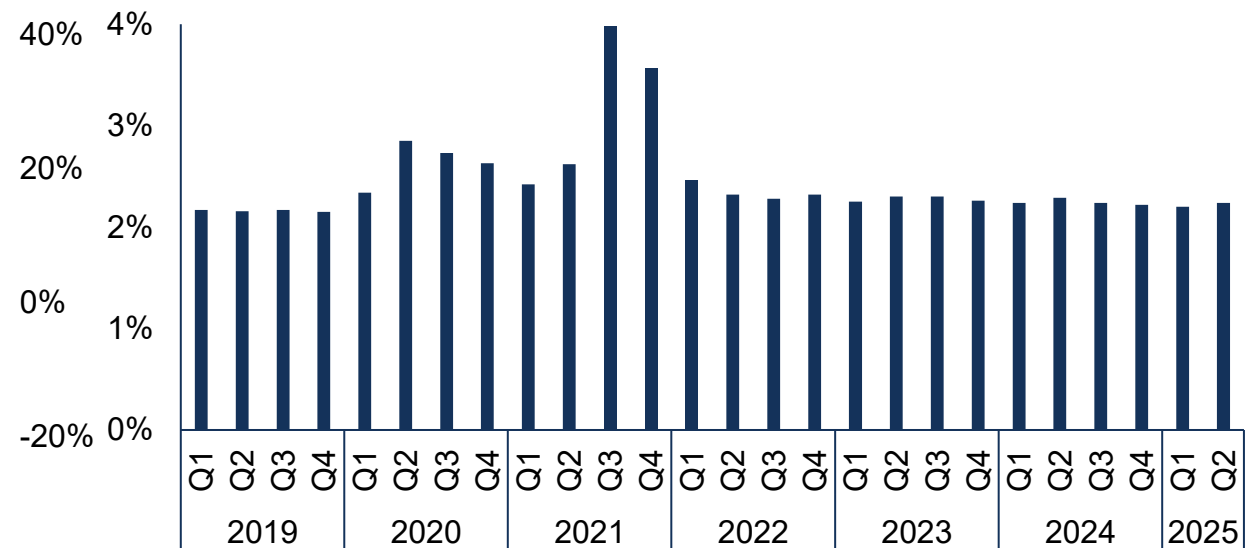
- **Vietnam's retail sales growth in Q2 2025 reached 7.1% YoY, a decrease of -0.7 ppts compared to the same period.** We observe that consumer purchasing power has shown signs of slowing down since March 2025, due to the uncertain impact of tariff policies on spending sentiment.

Labor situation remained positive in Q2 2025

Labors' monthly income grew by 10.6% YoY in 2Q2025.



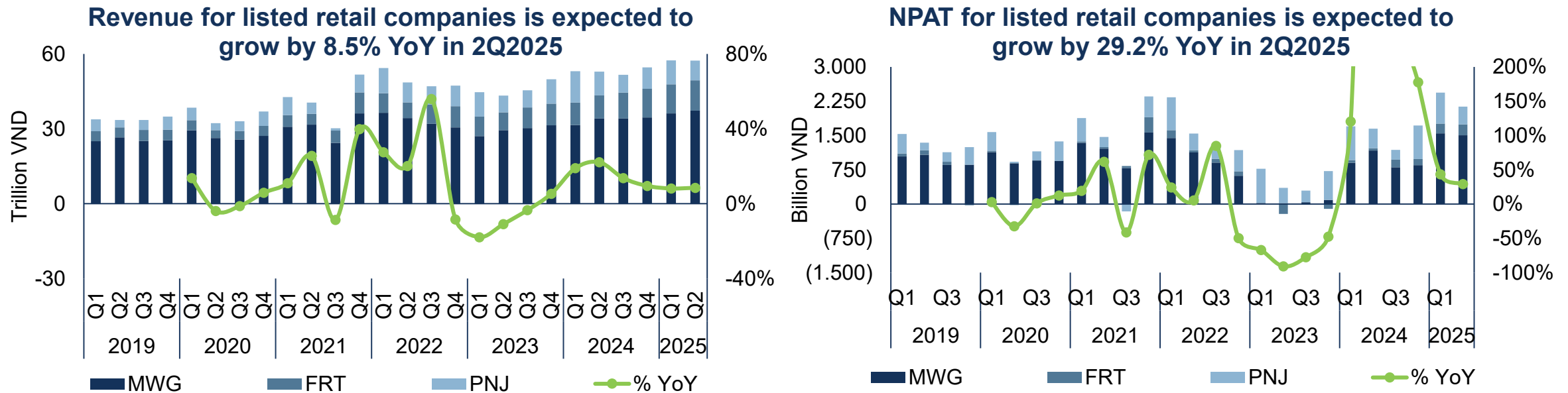
The unemployment rate for the labor force edged down



Sources: GSO, FPTs Research

- Growth in average monthly income per worker in Q2 2025 was +10.6% YoY, which is higher than Q2 2024 (+7.0% YoY), but lower than the 2018-2019 average (+12.7%).
- The unemployment rate in Q2 2025 was 2.24%, lower than Q2 2024 (2.29%), but higher than the 2018-2019 average (2.18%).

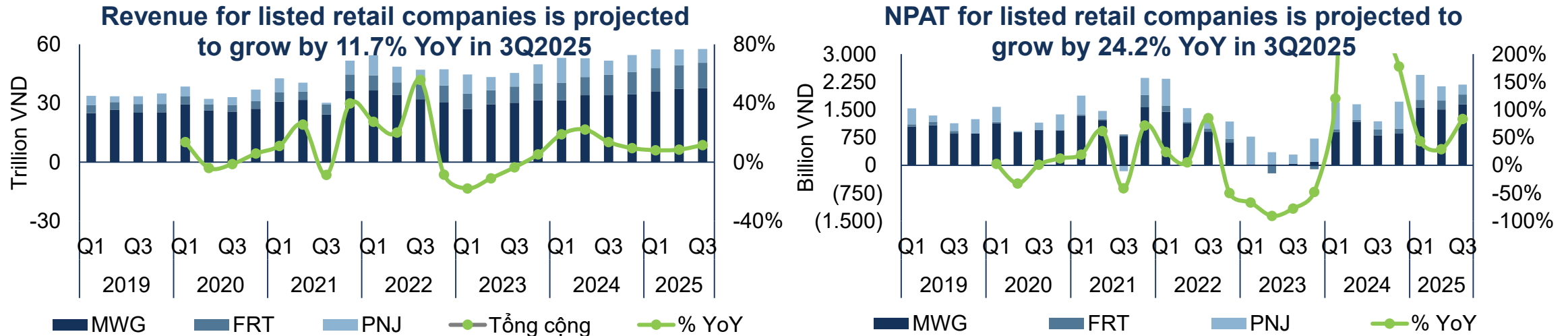
Q2 2025 business results expected to show strong growth



Source: MWG, FRT, PNJ, FPTs Research

- **Q2 2025 revenue reached VND 57.4 trillion (+8.5% YoY & -0.1% QoQ)**, driven by the expansion of the Bach Hoa Xanh (MWG) chain and the Long Chau pharmacy and vaccination chain (FRT).
- **Q2 2025 after-tax profit reached VND 2.131 trillion (+29.2% YoY & -12.6% QoQ)**, thanks to (1) the more efficient operation of the The Gioi Di Dong & Dien May Xanh chains after restructuring (MWG), and (2) the expansion of Long Chau pharmacies and increased revenue per pharmacy (FRT).

Q3 2025 business results outlook remains positive



Source: MWG, FRT, PNJ, FPTs Research

- **Q3 2025 revenue is expected to reach VND 57.7 trillion (+11.7% YoY & +0.6% QoQ)**, driven by: (1) increased revenue per store from new Bach Hoa Xanh chain stores opened in 1H 2025; and (2) expansion of the Long Chau chain's stores.
- **Q3 2025 after-tax profit is projected to reach VND 2.178 trillion (+24.2% YoY & +2.2% QoQ)**, thanks to: (1) new Bach Hoa Xanh stores in Central Vietnam reaching break-even point; and (2) increased revenue per store and the number of Long Chau chain stores.



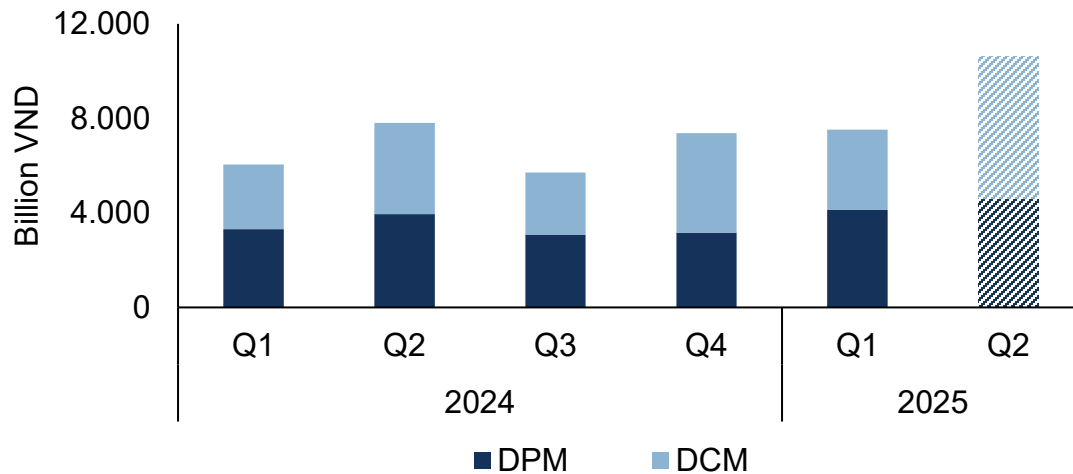
FERTILIZER INDUSTRY

VAT deduction supports profit

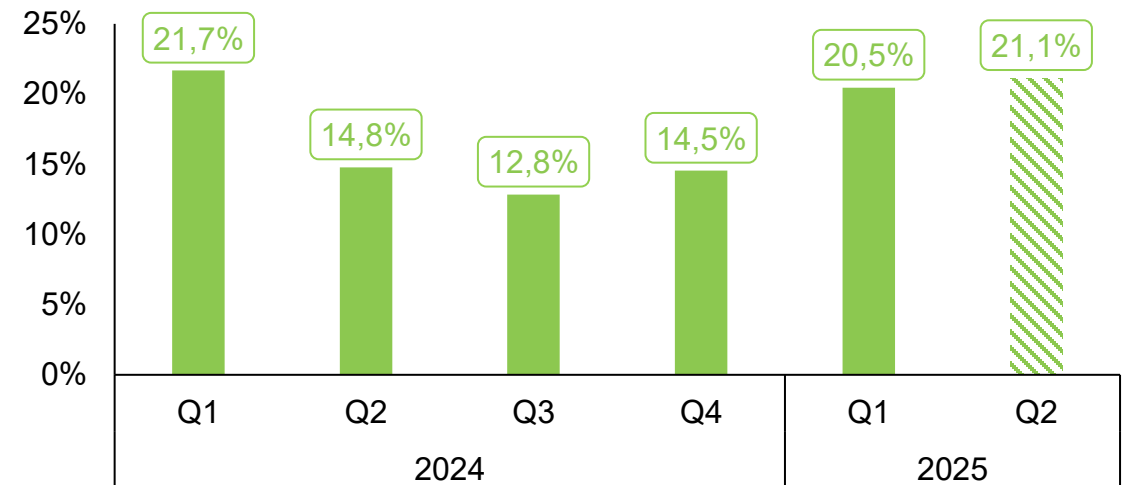


Business results show significant improvement in Q2 2025

Fertilizer companies revenue grew by 41% YoY in 2Q2025



Gross margin improved by 6.3 pts YoY in 2Q2025

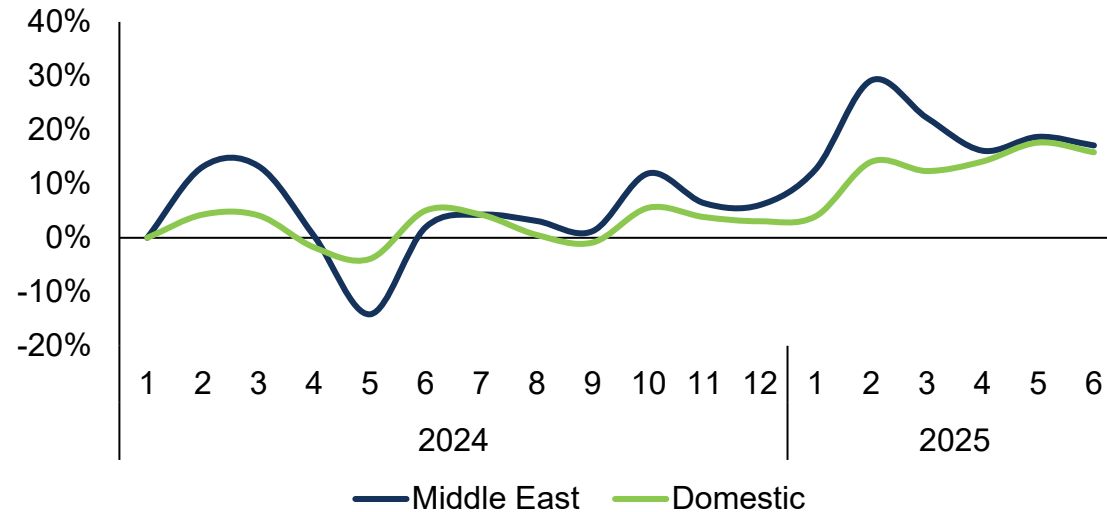


Source: DPM, DCM, FPTs Research

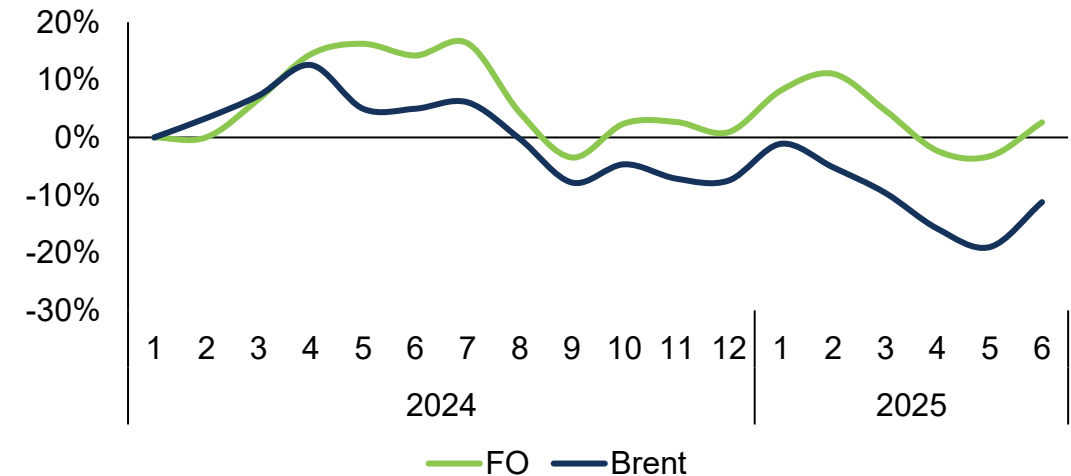
- **DCM and DPM's revenue** is estimated to increase sharply by 41% YoY in Q2 2025, primarily due to a 63% YoY increase in NPK output. This rise is attributed to improved demand for NPK fertilizers as prices of industrial crops such as coffee and rubber have increased significantly.
- **DCM and DPM's gross profit margin** improved by 6.3 pts YoY, thanks to an increase in Urea selling prices and a decrease in input gas prices.

Gross profit margin improved (6.3 ppts YoY) due to conflicting trends between urea prices and input gas prices

Domestic urea prices rose 16% YoY in 2Q2025



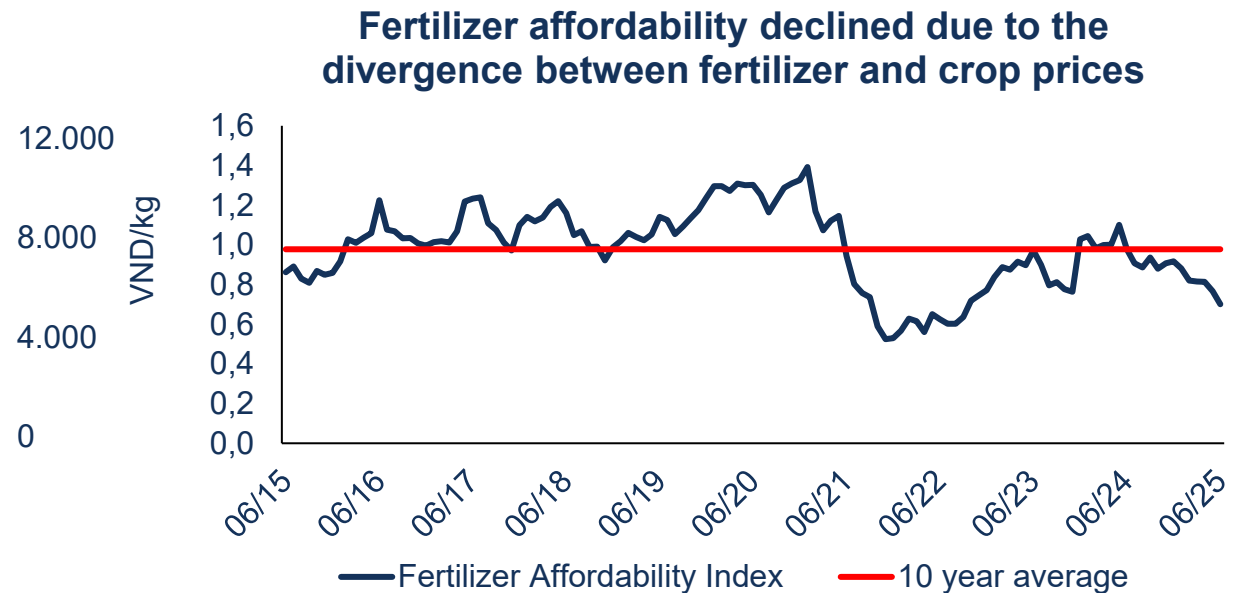
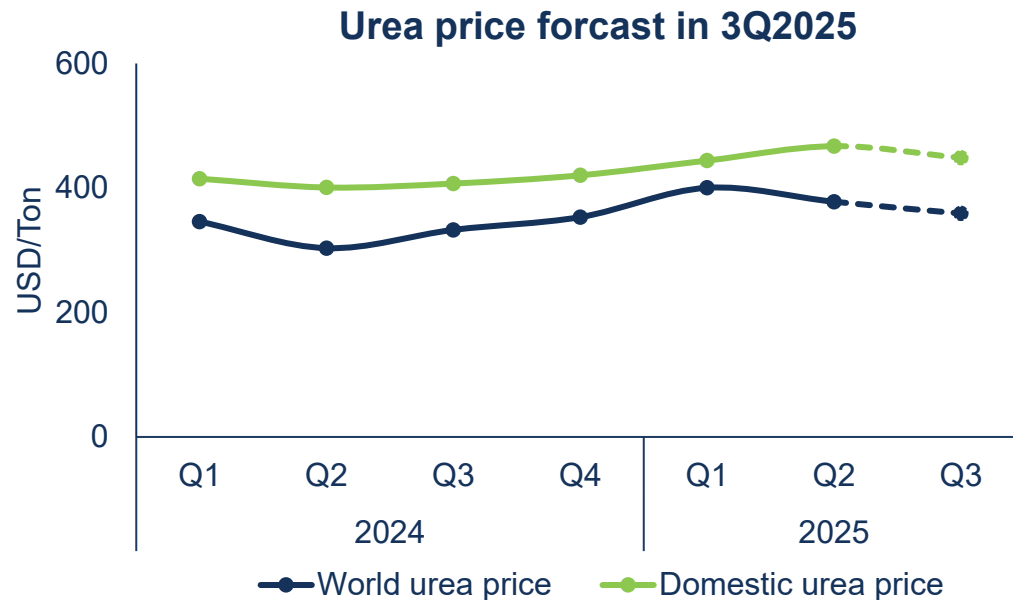
FO oil and Brent crude prices declined by 14% YoY and 21% YoY respectively in 2Q2025



Source: Agromonitor, Bloomberg, FPTs Research

- **Domestic Urea prices increased by 16% YoY in Q2 2025**, mirroring world Urea prices due to: tightening supply as China continues to restrict exports, and production disruptions in Iran and Egypt caused by gas shortages and escalating regional tensions.
- **Input gas prices are estimated to decrease by 12.5% YoY** due to declining Brent crude oil and FO oil prices.

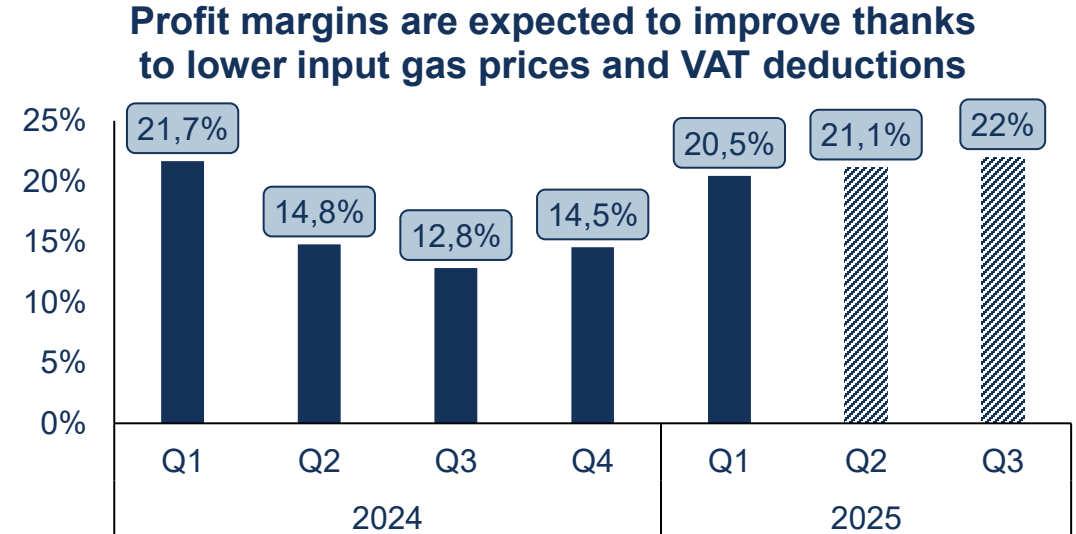
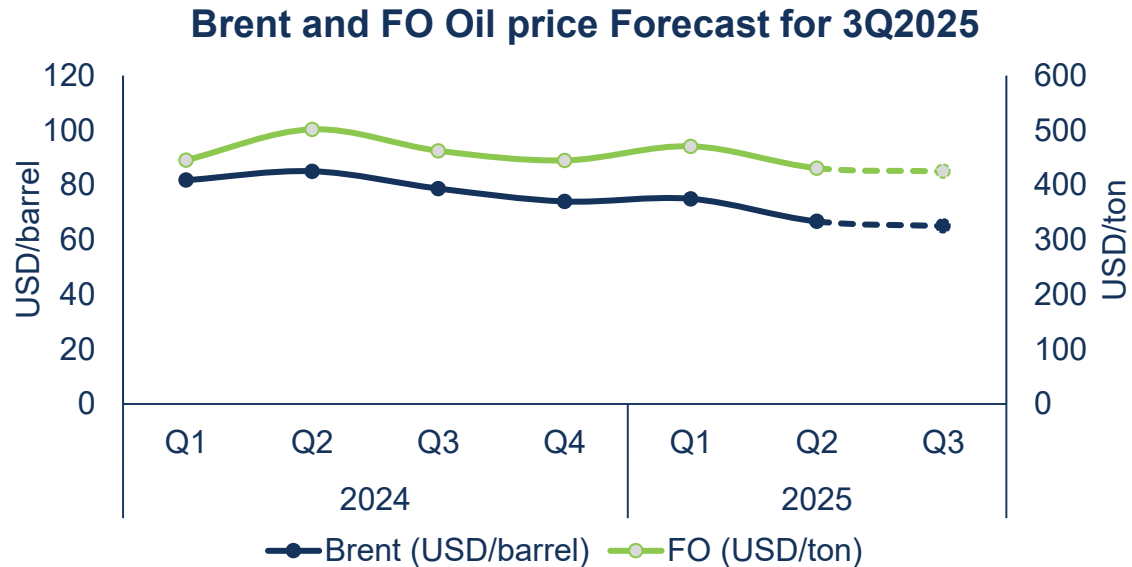
Urea prices forecast to decline due to supply recovery and weakening demand



Source: Agromonitor, Bloomberg, Worldbank FPTs Research

- Global Urea prices are forecast to decline by 5% QoQ due to (1) supply recovery as China resumes exports and Egypt and Iran restore production after conflicts de-escalate; and (2) weakening demand due to reduced affordability of fertilizers.
- Domestic Urea prices are expected to remain flat as a 5% VAT takes effect from July 1, 2025.

Gross profit margin improves (0.9 pts QoQ) due to decreased gas prices and input VAT deduction



Source: Bloomberg, FPTs Research

- **Input gas costs for Q3 2025 are projected to see a slight decrease of -1.3% QoQ.** This forecast is based on projected Q4 2024 prices for FO oil at \$425/ton (-1.4% QoQ) and Brent crude oil at \$65/barrel (-2.5% QoQ).
- Furthermore, DCM and DPM are estimated to save approximately VND 100 billion and VND 150 billion respectively in H2 2025 due to input VAT deductions. These savings correspond to 6.5% of DCM's 2024 Pre-Tax Profit and 22% of DPM's 2024 Pre-Tax Profit.

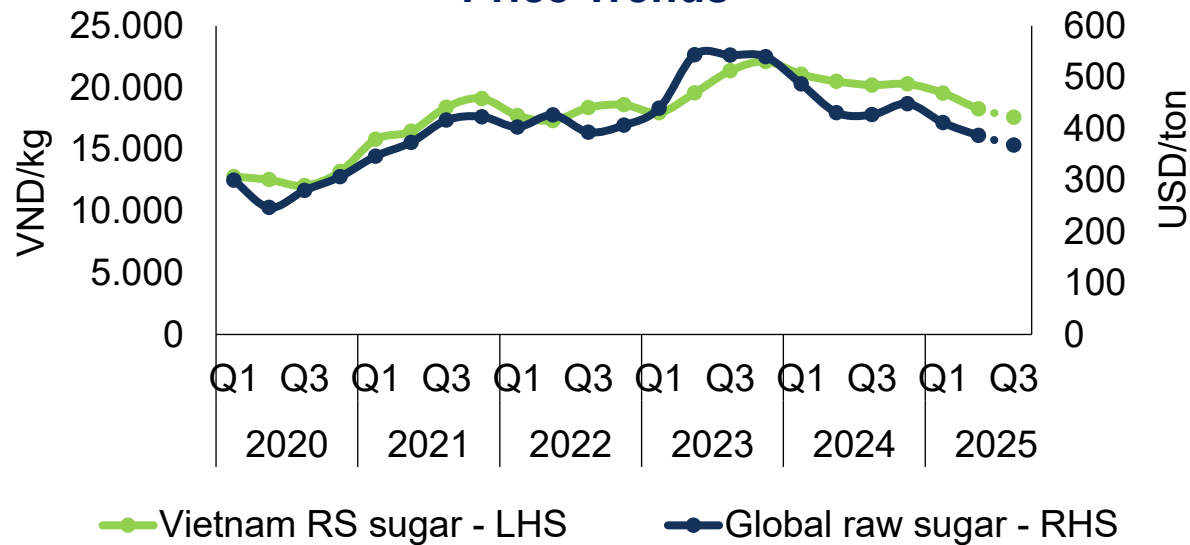
SUGAR INDUSTRY

**Sugar prices maintain
downward trend**



Vietnam's RS sugar price continues to decline due to falling global sugar prices and increased domestic supply

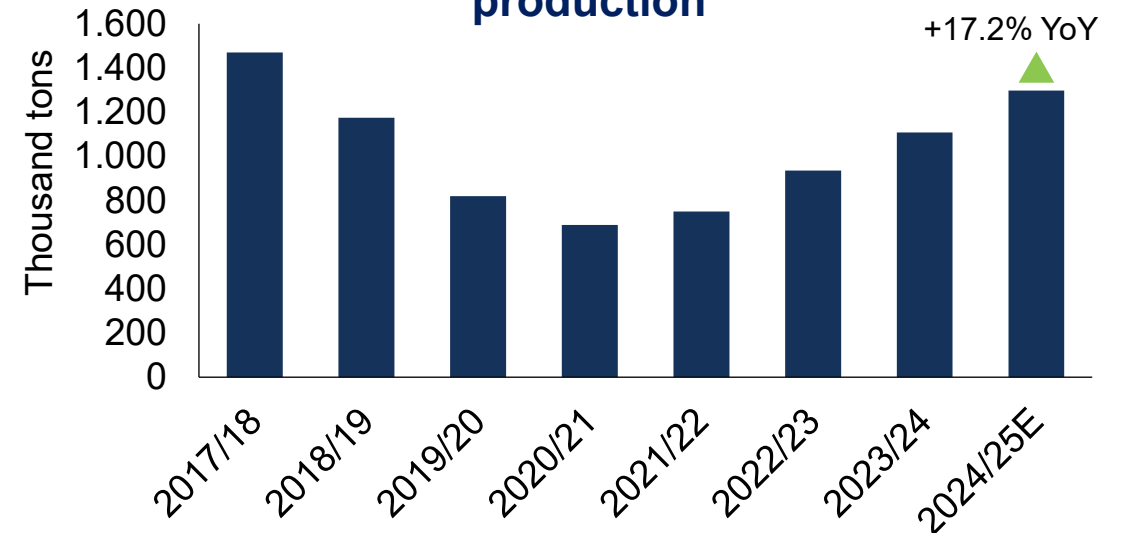
Vietnam RS Sugar and Global Raw Sugar Price Trends



Sources: World Bank, Agromonitor, FPTs Research

Vietnam's RS sugar price decreased by 9.1% YoY in 6M 2025 and is expected to continue declining by 12.9% YoY in Q3 2025, following the downward trend of global raw sugar prices (-13.0% YoY 6M 2025 & -13.9% YoY Q3 2025).

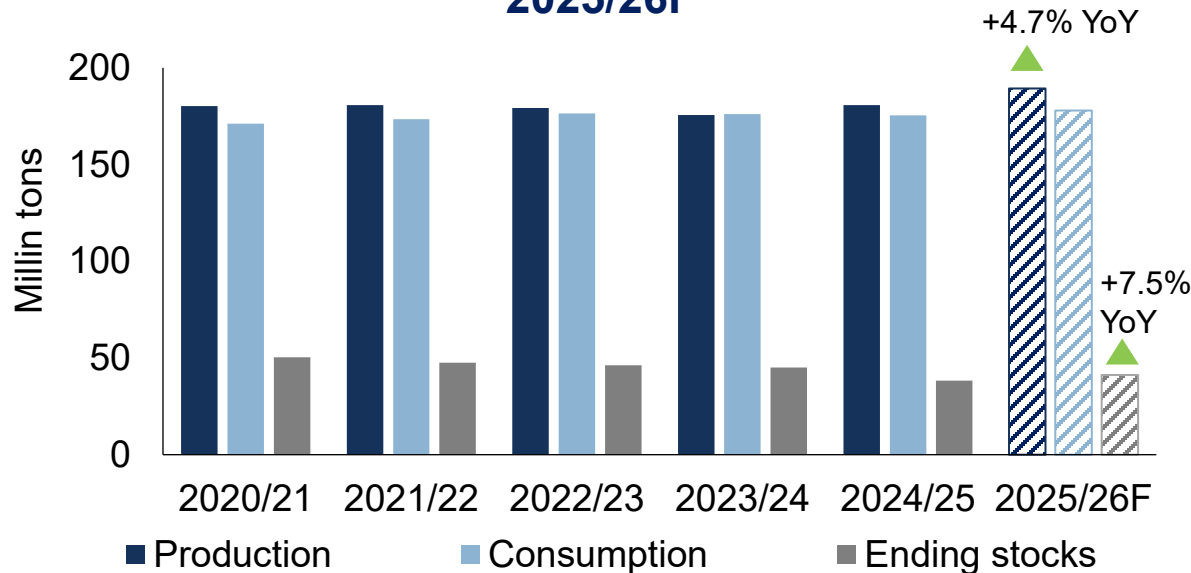
Vietnam's domestic cane sugar production



Vietnam's sugarcane sugar production volume for the 2024/25 crop year is estimated to increase by 17.2% YoY, thanks to favorable weather conditions and high sugar prices in the early part of the season (late 2024).

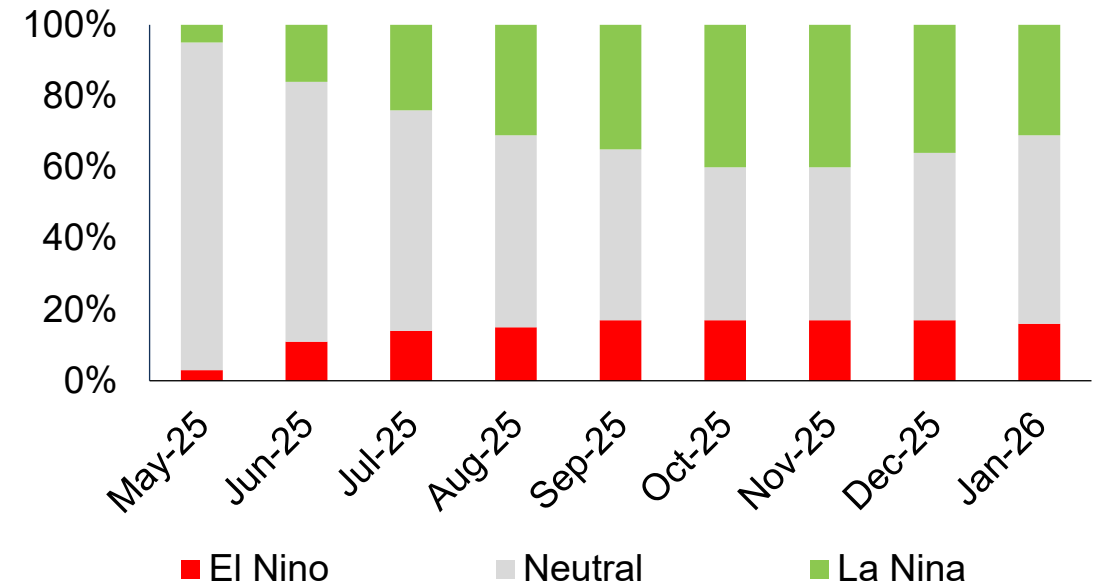
Positive supply outlook continues to pressure global sugar prices

Global sugar supply and demand in 2025/26F



Source: USDA

Probabilistic forecast of ENSO



Source: IRI

Global sugar production for the 2025/26 crop year is projected to increase by 4.7% YoY, primarily driven by growth in key growing regions: Brazil (+2.3% YoY), India (+25.9% YoY), and Thailand (+2.1% YoY). This growth is supported by expectations of more favorable weather conditions. The CPC forecasts a high probability of neutral weather conditions continuing until the end of 2025.

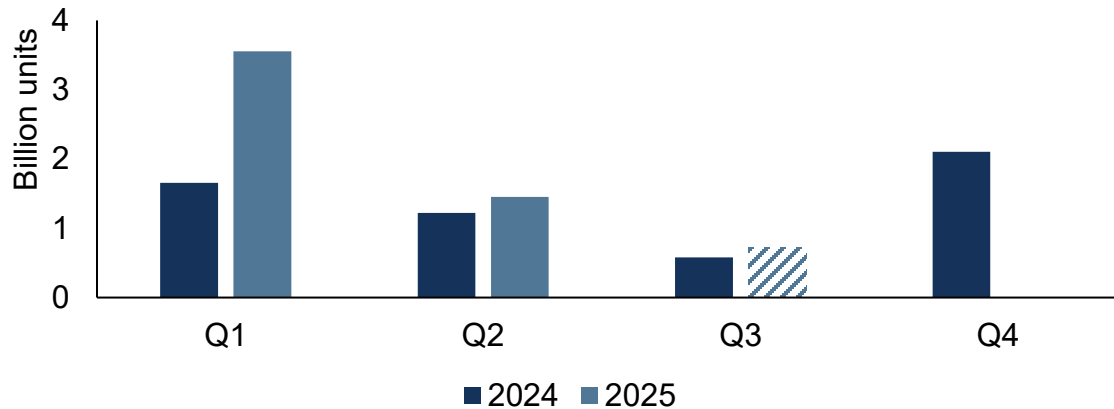
PHARMACEUTICAL INDUSTRY

**OTC channel demand
recovers amid
declining API prices**

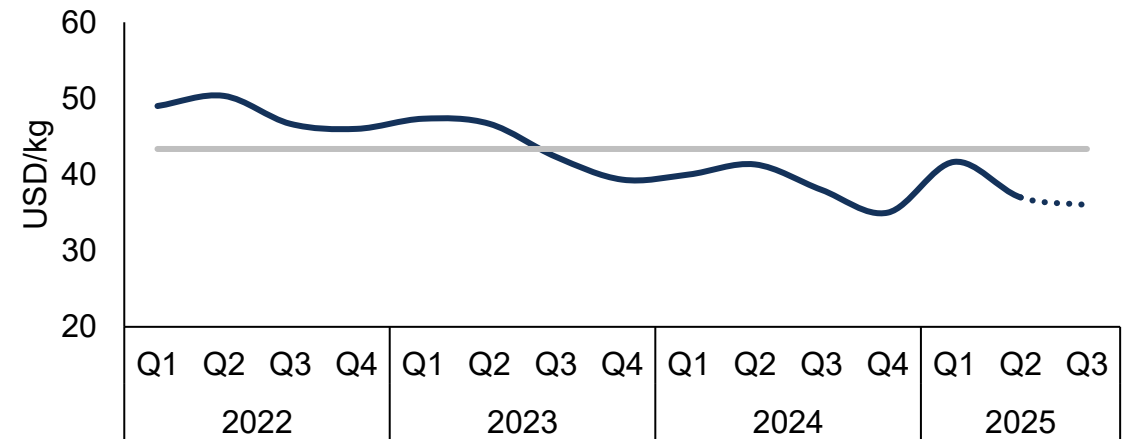


Gross profit margin improves due to declining imported API prices

Volume of drugs won in public tenders by Vietnamese pharmaceutical companies



Price trend of imported antibiotic APIs from China



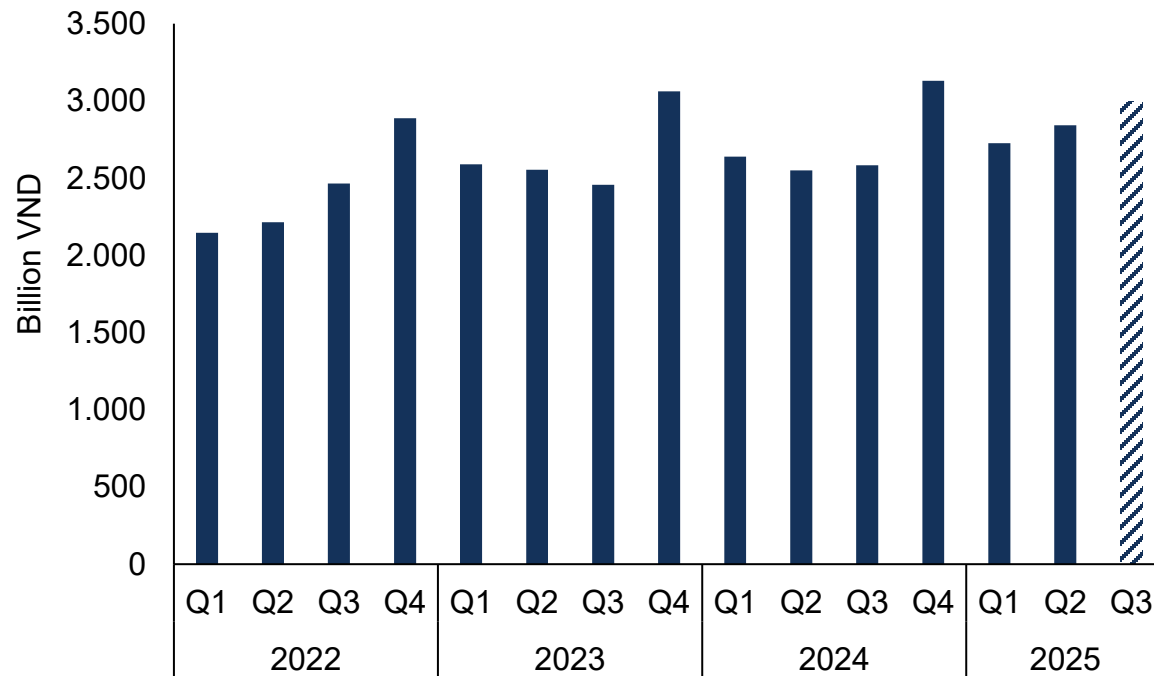
Source: Trade Map, Vietnam Social Security, FPTs Research

Net revenue for representative companies (IMP, DBD, DHG, DHT) is estimated to reach VND 2.842 trillion (+11.5% YoY) in Q2 2025. This is due to: (1) the volume of winning bids for domestic companies in the ETC channel reaching 1.5 billion product units (+19% YoY); and (2) recovering consumption demand in the OTC channel.

Profit margins in Q2 2025 are estimated to improve by 2.5 ppts YoY due to a roughly 10.5% YoY decrease in raw material input prices from China. This is influenced by increased supply and the impact of US tariff policies.

Demand showed positive growth, amidst high competition among domestic companies

Projected net revenue of DBD, IMP, DHG, and DHT



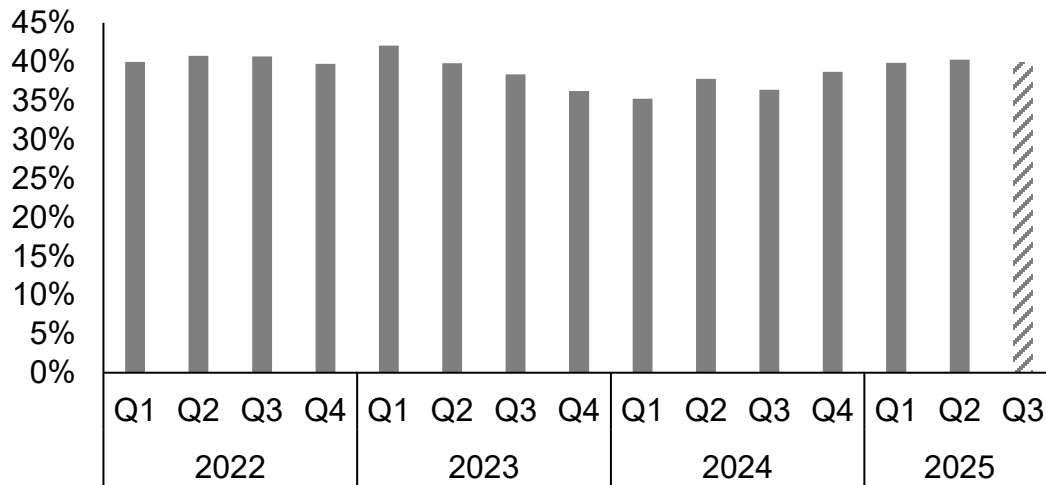
Source: Vietnam Social Security, FPTs Research

Net revenue for companies is projected to reach VND 2.995 trillion (+15.9% YoY) in Q3 2025, stemming from:

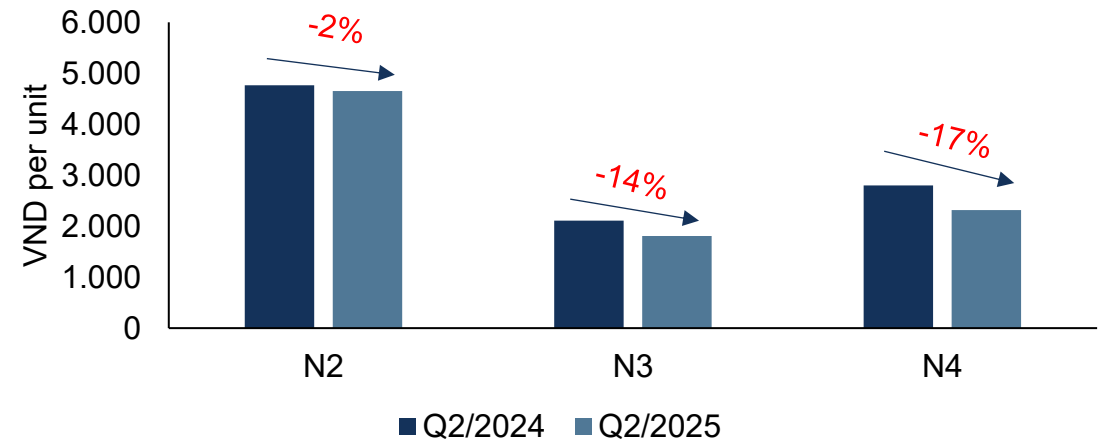
- (1) Improved OTC channel demand in traditional pharmacies and strong growth in modern pharmacy chains.
- (2) ETC channel maintaining growth with estimated winning bids for medicines reaching 716 million product units (+23% YoY).

Demand showed positive growth, amidst high competition among domestic companies

Projected gross profit margin of DBD, IMP, DHG, and DHT



Average winning bid price comparison by tendered drug category



Source: Trade Map, Vietnam Social Security, FPTs Research

The gross profit margin is estimated to reach 39.9% (+3.5 pts YoY) in Q3 2025, as input raw material prices are expected to remain low, projected at \$36/kg (-5.3% YoY).

However, we assess that there's fierce competition among domestic companies producing simple dosage form drugs. Consequently, the winning bid prices for drugs tended to decrease (averaging ~11% YoY) across drug groups in Q2 2025 and are estimated to decrease by ~5% YoY in Q3 2025.



THANK YOU