

Snapshot	HOSE	HNX	UPCOM
Close (pts)	1,254.8	224.6	92.2
1 Day change (%)	0.2%	0.0%	0.4%
1 Month change	-2.8%	-4.7%	-1.9%
1 Year change	18.3%	3.0%	10.9%
Market cap (USDbn)	203	12	58
Value (USDmn)	544	24	17
Gainers	183	78	130
Losers	122	69	109
Unchanged	89	159	641

Market Commentary

Stocks inch higher, led by banks, telecom

The VN-Index fluctuated between positive and negative territory throughout the session, popping higher just before the close to end up 0.2% at 1,254.7. Total trading value decreased 21.1% from last Friday to VND10.8tn (USD425.9mn). The HNX-Index (-0.02%) was flat at 224.6.

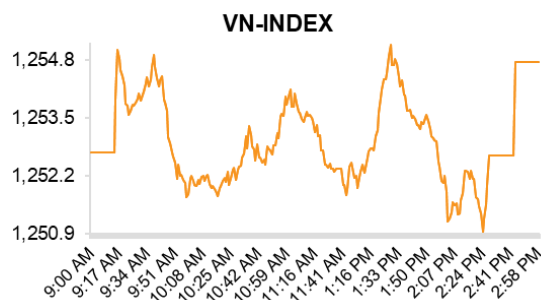
Almost all sectors increased, albeit slightly, led by Banks (+0.2%), Telecommunications (+3.1%), Financial Services (+0.4%), and Basic Resources (+0.9%). On the other hand, Real Estate (-0.4%) and Industrial Goods & Services (-0.7%) weighed on the index.

HPG (+1.1%) was the top contributor to the index today and led the Basic Resources sector following positive news about the steel sector. The sector's rise was likely due to the Ministry of Industry and Trade's decision on October 24 to extend anti-dumping duties on color-coated steel imports from China and South Korea for an additional five years, protecting the domestic steel industry from low-priced imports.

VHM (-2.6%) was the largest laggard as investors took profits after a recent sharp rise in its share price and the start of its share repurchase program. This selling pressure, combined with weak market sentiment, led to distressed selling by retail investors.

Foreign investors net sold VND457.1bn (USD17.9mn) today. Selling momentum focused on MSN (VND279.9bn, USD11.0mn), SHS (VND111.0bn, USD4.3mn), WSB (VND66.3bn, USD2.6mn), HPG (VND72.2bn, USD2.8mn), and DXG (VND50.9bn, USD2.0mn). Buying momentum focused on FPT (VND49.8bn, USD1.9mn) and EIB (VND48.7bn, USD1.9mn).

Top performers today included HPG (+1.1%), FPT (+0.6%), VCB (+0.2%), ACB (+1.0%), TCB (+0.6%) and MSN (+0.9%). Top laggards include VHM (-2.6%), EIB (-4.8%), and VNM (-1.1%).



Commentator(s):



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Country Peering	Index	1D Chg (%)	Ytd Chg (%)	P/E (x)	P/B (x)	ROE (%)	Dividend yield (%)	3M/ADTV (USDm)	5Y LC Gov Bond Yield	YTD Net Foreign Flow (USDm)	LC/USD % MoM	LC/USD % YoY
China	Shanghai Index	0.7%	11.7%	15.9	1.4	8.6%	2.6%	58,026	1.8%	-17,979	-1.5%	2.6%
India	NSE500 Index	0.7%	16.6%	27.1	4.3	15.6%	1.1%	11,676	6.8%	1,584	-0.3%	-1.0%
Indonesia	JCI Index	-0.8%	5.0%	18.4	2.1	8.2%	3.1%	655	6.7%	2,692	-3.7%	1.1%
Singapore	FSTAS Index	-0.3%	8.9%	13.6	1.2	8.6%	5.0%	947	2.8%	N/A	-2.8%	3.2%
Malaysia	FBME Index	-0.5%	12.3%	15.8	1.4	8.5%	3.7%	602	3.7%	608	-5.5%	9.2%
Philippines	PCOMP Index	0.5%	17.9%	13.3	1.4	10.4%	2.7%	98	5.8%	93	-3.8%	-2.4%
Thailand	SET Index	-0.7%	2.6%	17.6	1.4	7.8%	3.2%	1,503	2.2%	-3,213	-4.2%	6.2%
Vietnam	VN-Index	0.2%	11.0%	15.4	1.7	12.0%	1.8%	562	1.9%	-2,331	-3.1%	-3.1%

28-Oct

Macro note**10M24 public investment disbursement reaches 47% target**

At a recent seminar on public investment disbursement, the Director of Investment at the MoF reported that public investment disbursement reached VND355.6tn (USD13.9bn) through October, representing 47.4% of the annual plan. As this level was significantly lower than the 52.0% level in the same period in 2023, the MoF highlighted challenges hindering progress, including complex construction investment procedures, time-consuming compensation and resettlement processes, and inherent risks in technical infrastructure works.

We expect continued supportive measures from the Government to prioritize public investment disbursement. The recent announcement by the MoT regarding the North-South high-speed railway, with an estimated investment of USD67.4bn, signifies a significant boost to public investment. We anticipate this major infrastructure project to catalyze economic growth via stronger public investment disbursement in the near future, especially toward the final stages of the project.

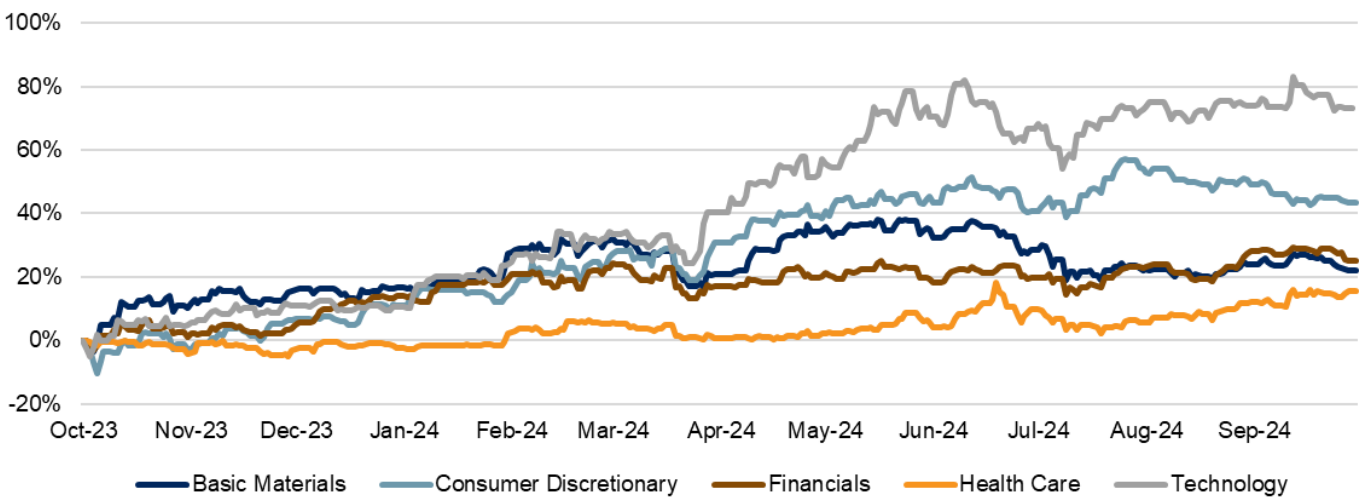
Commentator(s):**Hang Le – Analyst**Hang.lethu3@vndirect.com.vn

Sectors (VN-Index)	Index Wgt (%)	Price 1D chg	P/E x	P/B x
Consumer Discretionary	3.8	0.3%	34.2	4.4
Consumer Staples	8.4	-0.1%	36.4	3.2
Energy	1.6	0.8%	15.8	1.7
Financials	44.8	0.2%	11.4	1.8
Health Care	0.7	0.0%	19.7	2.6
Industrials	8.5	0.3%	40.9	2.4
IT	4.3	0.7%	26.3	6.3
Materials	8.9	1.0%	24.6	1.9
Real Estate	13.0	-0.6%	43.9	1.6
Utilities	5.7	-0.1%	17.6	2.1

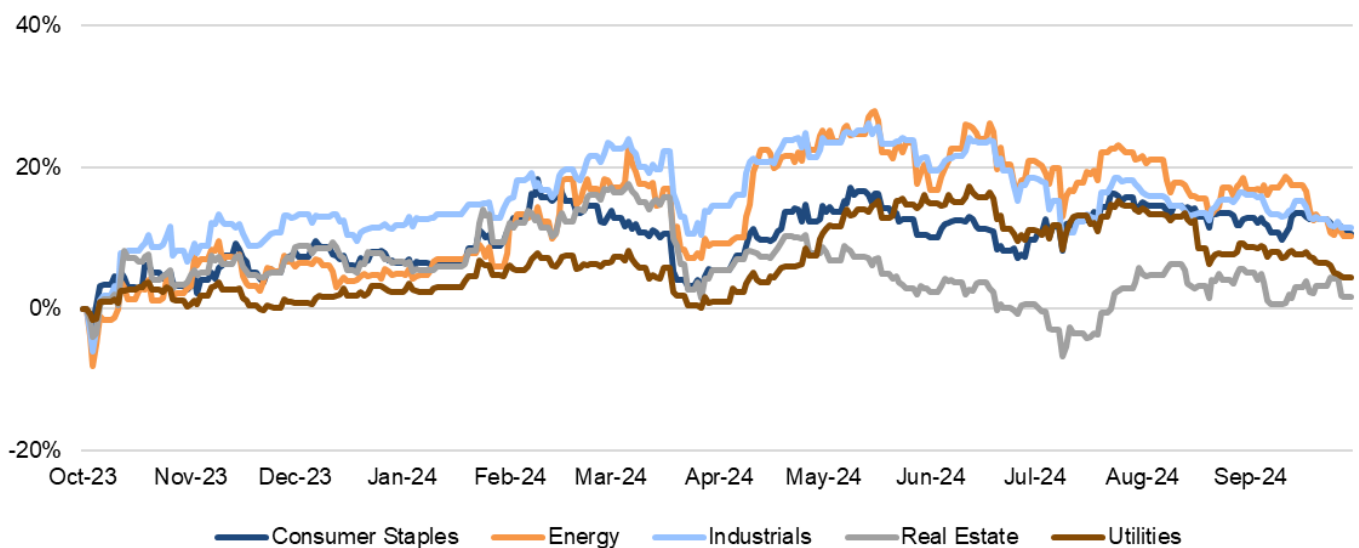
Source: Bloomberg

Materials (+1.0%), Energy (+0.8%), and IT (+0.7%) rose, while Real Estate (-0.6%), Consumer Staples (-0.1%), and Utilities (-0.1%) lost ground today. Top index movers included HPG (+1.1%), FPT (+0.7%), VCB (+0.2%), ACB (+1.0%), and TCB (+0.6%). Top index laggards consisted of VHM (-2.6%), EIB (-4.8%), VNM (-1.2%), HDB (-0.9%), and GAS (-0.3%).

HSX TOP 5 ONE-YEAR PERFORMANCE



HSX BOTTOM 5 ONE-YEAR PERFORMANCE



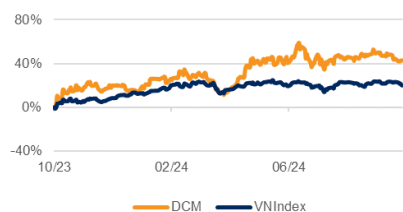
Current Price	VND36,600
52Wk High/ Low	VND40,700/25,623
Target Price	44,100
Last Updated	8/1/2024
Last Rating	Add
TP vs Consensus	7.9%
Upside	17%
Dividend Yield	2.3%
Total stock return	19.3%

Market Cap	USD763.6mn
3MADTV	USD5.3mn
Avail Foreign Room	USD317.7mn
Outstanding Shares	529.4mm
Fully Diluted O/S	529.4mm

	<u>DCM</u>	<u>VNI</u>
P/E TTM	18.4x	13.8x
P/B Current	2.0x	1.7x
ROA	6.8%	3.2%
ROE	10.7%	14.9%

**as of 10/25/2024*

Share Price Performance



Ownership

PVN	75.6%
PVFCC	8.7%
Others	15.7%

Business Description

DCM is the only enterprise that can produce granular urea in Vietnam. The main products of DCM are urea and NPK. In addition, DCM also imports and distributes other fertilizer lines such as DAP, Potassium and OM. Currently, DCM accounts for 37%/11% of the domestic urea and NPK consumption market, respectively.

Earnings Flash

DCM – Non-interest income hits earnings – [In-line]

- 3Q24 net profit (NP) increased 63.2% YoY to VND120bn (USD4.8mn), mainly due to a fully depreciated urea factory.
- 9M24 net profit was lower than our expectations, meeting 60.7% of our full-year forecast, mainly due to lower-than-expected 9M24 urea revenue.
- We see minimal pressure on our target price of VND44,100, which we will update after further review.

3Q24 revenue was down due to sharp decrease in urea consumption volume

3Q24 net revenue decreased 12.5% YoY to VND2.6tn (USD105.2mn), mainly due to the urea segment as detailed below.

- Urea revenue decreased 40.8% YoY to VND1.2tn (USD48.5mn) with a sharp decline in domestic and export markets. The main reason was a high 3Q23 base as urea consumption volume suddenly surged in August 2023 when China's urea export ban was issued. This caused urea consumption volume in 3Q24 to decrease sharply by 44.4% YoY.
- NPK revenue surged 85.9% YoY to VND652bn (USD26mn), mainly due to a 39.9% YoY increase in NPK sales volume, which likely came from an expanded consumption market after a merger with Han Viet Fertilizer Company Limited (KVF).
- Trading revenue increased 19.6% to VND702bn (USD28mn). We believe that the merger to KVF's distribution system has given DCM more room to boost trading activity, thereby increasing trading volume by 59.6% YoY.

Blended GM improved in 3Q24 mainly due to fully depreciated urea factory

3Q24 urea GM expanded 13% pts YoY to 18.5% mainly thanks to a fully depreciated urea factory that made D&A expense drop 79.3% YoY in 3Q24 to VND67bn (USD2.6mn). NPK GM also expanded 14.5% pts YoY to 18.9%, mainly as prices of key raw materials for NPK production mostly declined, especially Potassium prices. Overall, the blended GM of DCM improved 8.3% pts YoY to 14.2%.

3Q24 net profit surges despite a sharp decrease in financial revenue

3Q24 NP surged 63.2% YoY to VND120bn (USD4.8mn) from a low 3Q23 base, mainly due to an 8.3% pts YoY expansion in GM offsetting an 86.8% YoY decrease in net financial income. Net financial income declined mainly due to a sharp 3Q24 drop in interest income, which fell due to lower deposit balances and significantly lower interest rates.

9M24 net profit was lower than our expectation

Overall, 9M24 net revenue increased 2.3% YoY to VND9.2tn (USD368.9mn), equivalent to 67.8% of our FY24 forecast. 9M24 net profit surged 71.2% YoY to VND1.1bn (USD41.9mn). This bottom line was lower than our expectation of 60.7% of our FY24 forecast.

Read the full report: [HERE](#)

Commodity prices

Energy	%dod	%mom	%yoy
WTI	0.3%	1.1%	-17.5%
Brent Crude	0.3%	1.6%	-17.2%
JKM LNG	2.1%	11.9%	-22.2%
Henry Hub LNG	0.9%	4.0%	-23.9%
NW Thermal Coal	7.4%	-21.8%	-28.4%
Singapore Platt FO	0.2%	5.2%	-5.0%

Precious Metals	%dod	%mom	%yoy
Gold	-0.3%	2.5%	37.4%
Domestic SJC Gold	-2.2%	6.7%	27.6%
Silver	-1.3%	5.2%	45.0%
Platinum	0.4%	3.7%	15.8%

Base Metals	%dod	%mom	%yoy
Tungsten	0.0%	1.5%	12.3%
Copper	-0.4%	-2.1%	20.7%
Aluminum	-1.0%	3.1%	20.6%
Nickel	-0.1%	-2.5%	-10.9%
Zinc	0.1%	3.1%	19.9%
Lead	NA	NA	NA
Steel	0.2%	9.1%	-4.3%
Iron Ore	2.1%	6.1%	-17.7%

Agriculture	%dod	%mom	%yoy
Rice	-0.2%	-0.1%	-6.9%
Coffee (Arabica)	-0.1%	-8.9%	51.1%
Sugar	-0.9%	-6.1%	-20.4%
Cocoa	-0.6%	-15.6%	79.8%
Palm Oil	-1.3%	13.4%	NA
Cotton	-0.3%	-3.6%	-14.9%
Dry Milk Powder	0.1%	-2.6%	34.6%
Wheat	-1.0%	-2.3%	1.2%
Soybean	-0.8%	-6.1%	-23.3%
Cashews	NA	48.1%	29.0%
Rubber	-0.4%	-2.6%	54.8%
Urea	NA	NA	NA

Livestock	%dod	%mom	%yoy
Live Hogs	-1.9%	-4.2%	18.5%
Cattle	0.9%	3.3%	5.2%

Source: Bloomberg

Market Value Drivers

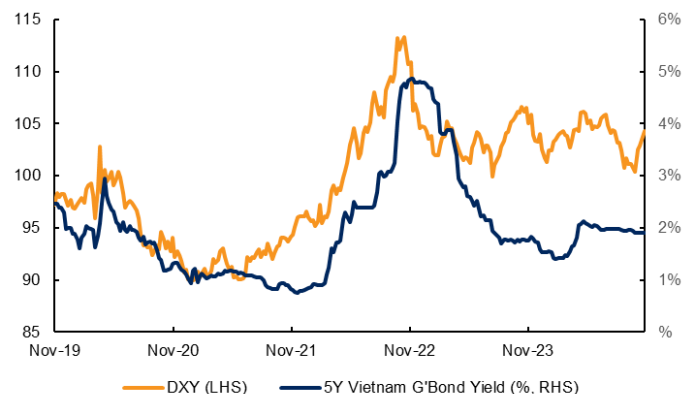
VN-INDEX CURRENT P/B



VN-INDEX TTM P/E



DXY and 5Y Vietnam G'Bond Yield



VNDS RESEARCH COVERAGE SUMMARY

Ticker	Market cap (US\$m)	3M ADTV (US\$m)	Foreign Room (US\$m)	Closing price (VND)	Adjusted target price (VND)	Total shareholder return (%)	Dividend yield (%)	TTM P/E	Current P/B	ROE	Recommendation
AVIATION											
ACV	9,908	1.3	4,367	115,400	136,200	18.0%	0.0%	34.8	5.0	18%	ADD
VJC	2,213	5.4	377	103,600	120,100	15.9%	0.0%	60.6	3.4	6%	HOLD
Simple Avg	6,060	3.4	2,372			17.0%	0.0%	47.7	4.2	12%	
CONGLOMERATE											
VIC	6,251	8.4	2,404	41,450	46,800	12.9%	0.0%	41.9	1.2	3%	HOLD
CONSTRUCTION											
CTD	268	1.6	6	68,100	69,300	1.8%	0.0%	22.1	0.8	4%	HOLD
HHV	199	2.1	86	11,650	13,000	11.6%	0.0%	12.9	0.6	5%	HOLD
Simple Avg	233	1.8	46			6.7%	0.0%	17.5	0.7	4%	
CONSUMER											
BAF	212	2.3	104	22,500	26,800	19.1%	0.0%	28.1	2.2	9%	ADD
DGW	367	3.5	94	42,800	68,000	60.1%	1.2%	24.7	3.3	14%	HOLD
MWG	3,776	12.8	112	65,500	80,400	22.7%	0.0%	43.5	3.7	9%	ADD
PNJ	1,265	6.0	0	94,900	126,700	35.3%	1.8%	15.7	3.0	20%	ADD
QNS	709	0.6	254	48,900	53,000	14.4%	6.0%	6.8	1.7	27%	HOLD
VHC	625	1.4	459	70,600	68,000	-1.1%	2.6%	17.4	1.8	10%	HOLD
VNM	5,539	13.6	2,667	67,200	82,600	28.7%	5.7%	16.2	4.1	26%	ADD
SAB	2,807	2.3	1,125	55,500	59,900	7.9%	0.0%	16.9	3.0	18%	ADD
Simple Avg	1,785	5.7	527			25.6%	2.5%	21.8	2.8	16%	
FINANCIALS											
ACB	4,430	10.2	0	25,150	31,200	27.4%	3.4%	6.9	1.4	22%	ADD
BID	10,679	4.8	1,430	47,500	57,600	21.3%	0.0%	11.9	2.1	19%	ADD
CTG	7,349	12.1	266	34,700	39,900	17.5%	2.5%	9.2	1.4	16%	ADD
HDB	3,061	12.1	53	26,650	33,100	24.2%	0.0%	6.4	1.5	27%	ADD
LPB	3,248	4.2	144	32,200	25,400	-21.1%	0.0%	8.5	2.0	29%	REDUCE
MBB	5,190	19.8	0	24,800	31,200	29.7%	3.9%	6.1	1.3	23%	ADD
OCB	1,118	1.6	20	11,500	13,400	16.5%	0.0%	9.7	0.9	10%	ADD
SSI	2,074	17.7	1,221	26,800	31,100	16.0%	0.0%	17.6	2.0	12%	HOLD
STB	2,509	14.3	163	33,750	41,500	23.0%	0.0%	7.8	1.3	18%	ADD
TCB	6,571	17.0	43	23,650	26,900	13.7%	0.0%	7.4	1.2	17%	ADD
TPB	1,792	10.9	1	17,200	21,000	22.1%	0.0%	9.6	1.3	14%	ADD
VCB	20,279	6.1	1,336	92,000	112,800	22.6%	0.0%	15.4	2.8	20%	ADD
VIB	2,144	6.9	-233	18,250	24,800	35.9%	0.0%	7.1	1.4	21%	ADD
VPB	6,289	18.2	333	20,100	23,800	18.4%	0.0%	13.3	1.2	10%	ADD
Simple Avg	5,481	11.1	341			19.1%	0.7%	9.8	1.6	19%	
GARMENT & TEXTILE											
MSH	135	0.3	60	45,650	54,300	24.0%	5.0%	12.6	1.9	16%	HOLD
TCM	181	0.3	55	45,150	53,300	18.1%	0.0%	24.2	2.2	9%	HOLD

Ticker	Market cap (US\$m)	3M ADTV (US\$m)	Foreign Room (US\$m)	Closing price (VND)	Adjusted target price (VND)	Total shareholder return (%)	Dividend yield (%)	TTM P/E	Current P/B	ROE	Recommendation
Simple Avg	158	0	58			21.0%	2.5%	18.4	2.0	13%	
INDUSTRIALS											
BCM	2,670	2.0	891	65,400	83,900	29.5%	1.3%	27.1	3.6	15%	ADD
BMP	374	1.1	57	115,500	120,000	19.8%	10.4%	11.1	3.3	34%	ADD
GMD	1,020	2.7	5	62,500	76,800	47.7%	3.4%	18.7	2.4	13%	HOLD
HAH	207	4.8	41	43,200	48,000	13.4%	2.3%	17.0	1.9	12%	HOLD
IDC	695	2.6	183	53,400	63,900	24.4%	4.7%	9.6	3.7	38%	ADD
KBC	790	0.0	0	26,100	37,900	45.2%	0.0%	75.6	1.1	1%	ADD
PHR	294	0.4	98	55,000	64,300	22.4%	5.5%	18.3	2.0	11%	ADD
PTB	157	0.0	0	59,500	79,650	35.5%	1.7%	12.2	1.4	12%	ADD
SCS	278	0.6	20	74,400	85,000	19.7%	5.5%	10.8	4.8	46%	HOLD
SZC	275	1.6	46	38,700	42,700	14.5%	4.1%	24.1	2.3	12%	ADD
VTP	432	2.6	171	89,900	93,300	5.5%	1.7%	39.4	6.9	18%	HOLD
Simple Avg	654	1.7	137			25.2%	3.7%	24.0	3.0	19%	
MATERIALS											
DGC	1,655	9.3	539	110,500	143,600	34.1%	4.1%	15.1	3.1	21%	HOLD
HPG	6,748	23.1	1,826	26,750	30,000	12.1%	0.0%	NA	1.6	11%	ADD
HSG	508	9.2	195	20,750	26,000	25.3%	0.0%	NA	1.2	11%	ADD
NKG	215	4.1	91	20,700	22,000	6.3%	0.0%	NA	0.9	7%	HOLD
Simple Avg	2,282	11.4	663			19.5%	1.0%	15.1	1.7	13%	
OIL & GAS											
BSR	2,617	7.4	1,394	21,400	28,400	36.2%	3.4%	7.7	1.2	16%	ADD
GAS	6,532	4.0	3,177	70,700	93,500	35.9%	3.7%	14.7	2.4	16%	ADD
PLX	2,105	3.3	51	42,000	56,600	36.4%	1.7%	14.6	2.1	15%	ADD
PVD	566	4.1	212	25,800	34,600	34.1%	0.0%	26.5	0.9	4%	HOLD
PVS	714	4	206	37,900	49,100	32.2%	2.7%	16.8	1.4	8%	ADD
PVT	383	2.2	145	27,300	33,700	27.1%	3.6%	10.1	1.4	15%	ADD
Simple Avg	2,153	4.3	864			33.7%	2.5%	15.1	1.5	12%	
PETROCHEMICALS											
DPM	528	4.1	221	34,200	36,800	13.4%	5.8%	20.5	1.1	5%	HOLD
DCM	781	8.1	325	37,400	44,100	17.9%	0.0%	14.3	2.0	14%	ADD
Simple Avg	654	6.1	273			15.7%	2.9%	17.4	1.6	10%	
POWER											
NT2	217	0.4	80	19,100	27,100	52.7%	10.8%	25.0	1.3	5%	HOLD
POW	1,104	4.3	534	11,950	14,600	22.2%	0.0%	26.7	0.9	3%	ADD
Simple Avg	660	2.3	307			37.4%	5.4%	25.8	1.1	4%	
POWER & PROPERTY											
HDG	354	5.0	130	26,700	34,100	29.6%	1.9%	14.7	1.5	10%	ADD
PC1	329	3.2	124	26,800	35,300	31.7%	0.0%	24.5	1.6	7%	ADD
REE	1,176	2.3	0	63,300	68,200	9.3%	1.6%	16.6	1.7	10%	ADD

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Simple Avg	620	3.5	85			23.5%	1.1%	18.6	1.6	9%	
PROPERTY											
DXG	479	6.8	138	16,850	17,500	3.9%	0.0%	66.0	1.1	2%	HOLD
KDH	1,336	4.1	164	33,500	45,800	36.7%	0.0%	51.8	2.1	4%	ADD
NLG	593	2.7	1	39,100	45,800	19.1%	2.0%	52.3	1.6	3%	ADD
VHM	7,333	20.9	2,804	42,700	52,700	23.4%	0.0%	7.9	1.0	13%	ADD
VRE	1,622	7.2	470	18,100	23,400	29.3%	0.0%	9.2	1.0	12%	ADD
Simple Avg	2,273	8.4	715			22.5%	0.4%	37.4	1.4	7%	
TECHNOLOGY											
FPT	7,826	23.3	197	134,900	145,200	9.2%	1.5%	26.3	6.6	28%	ADD

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