

# Strategic Insight

## New long-term uptrend?

### Confirming the uptrend

The market in Feb recorded positive growth across all three major indices, reflecting a recovery following the previous adjustment phase and an optimistic investor sentiment. A clear shift in cash flow was observed, with VNSML and VNMIID stocks experiencing strong demand, while large-cap stocks saw slower growth. Besides, market liquidity improved significantly, reaching its highest level in six months, reinforcing investor confidence and confirming the uptrend.

### Domestic growth amid external challenges

Vietnam's economic outlook for 2025 remains positive despite external challenges, including potential tariff policies from former U.S. President Donald Trump, which could slow exports, industrial production, and FDI. However, strong domestic drivers such as public investment, retail sales growth, and labor market improvements help sustain momentum. The government's commitment to infrastructure development further supports stability. To boost economic growth, the State Bank of Vietnam (SBV) has eased monetary policy, instructing banks to lower interest rates and injecting liquidity into the system.

### Price target of 1,400-1,450 points

The VN-Index has experienced a prolonged accumulation phase in 2024, trading within a rectangle pattern between 1,180-1,300 points, similar to the 2014-2016 period. A potential breakout may have occurred on Feb 24, 2025, when the index closed at 1,304 points, supported by increasing trading volume and a throwback pattern. Based on the measured move principle, the index's next target is projected at 1,400-1,450 points, signaling a possible medium-term uptrend if the breakout is confirmed.

### Contents

<b>I. Confirming the uptrend</b> .....	<b>1</b>
1. Retesting the strongest resistance zone of 2024 .....	1
2. Real Estate rebounds.....	1
3. Significant liquidity growth .....	2
4. Domestic individual lead market liquidity .....	3
<b>II. New long-term uptrend?</b> .....	<b>3</b>
1. Domestic growth amid external challenges .....	3
2. Price target of 1,400-1,450 points .....	5

# I. Confirming the uptrend

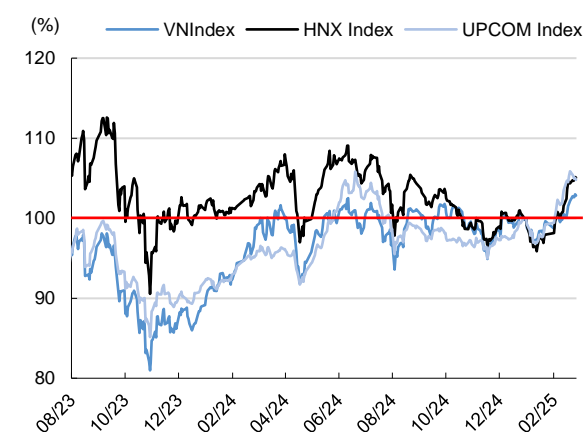
## 1. Retesting the strongest resistance zone of 2024

In Feb, the market recorded positive growth across all three major indices. Notably, the HNX Index led the rally, posting a 7.3% increase MoM. Following closely, the UPCOM Index and VN Index registered gains of approximately 5.6% and 3.2%, respectively. This reflects a strong market recovery after the previous adjustment phase and highlights investor optimism amid positive economic signals.

In addition, cash flow in the market showed a clear shift, with a significant increase in mid-cap and small-cap stocks. Among stock groups, VN30 rose by 1.4%, while VNMID and VNSML recorded growth rates of 4.5% and 7.1%, respectively. This indicates that investors are seeking higher returns from mid-cap and small-cap stocks rather than focusing on large-cap stocks, which exhibit lower volatility.

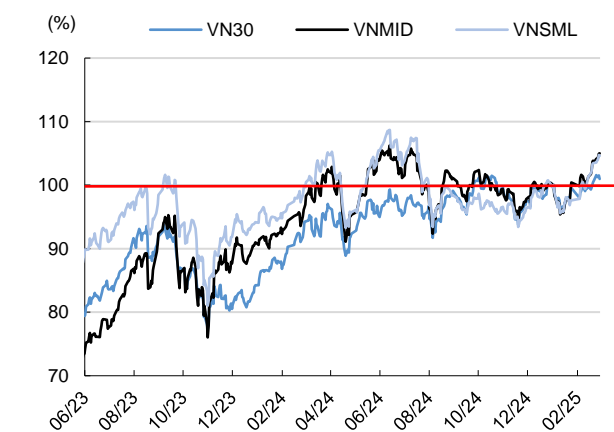
Overall, the market in Feb demonstrated a strong recovery, with cash shifting towards mid-cap and small-cap stocks. Notably, the uptrend was confirmed as the market successfully closed above the key 1,300-point threshold, signaling a positive growth outlook for the coming period.

**Figure 1. Vietnam indexes performance**



Source: Fiinpro, KIS Research  
Note: start of 01/25 = 100

**Figure 2. Growth of key indexes of HOSE**



Source: Fiinpro, KIS Research  
Note: start of 01/25 = 100

## 2. Real Estate rebounds

Among large market cap sectors, the Banking sector maintained its upward momentum for the third consecutive month, recording a 3.3% return in Feb. Meanwhile, cash inflows have returned to the Real Estate sector after four consecutive months of decline. Specifically, the sector posted a 4.8% increase MoM, reflecting positive expectations for liquidity improvement and market recovery prospects.

Additionally, several sectors exhibited strong growth, with Consumer Services leading the way with a 12.0% gain. Following closely, the Capital Goods and Brokerage sectors recorded growth rates of 11.3% and 9.7%, respectively, indicating strong investor interest in these industries.

On the other hand, some sectors faced downward pressure and recorded negative growth during the month. The Software & Services sector declined by 8.2%, while the Retail sector also posted a 4.4% decrease MoM, reflecting ongoing challenges in these industries.

Overall, the market exhibited clear sectoral divergence. The Banking sector continued its steady growth trajectory, while Real Estate showed signs of recovery after a prolonged downturn. Consumer Services, Capital Goods, and Brokerage led the market rebound following their adjustments in the previous month. In contrast, Software & Services and Retail reversed their prior gains, experiencing declines in Feb.

**Table 1: Indices and Sectors performance**

No.	Indices/ Sectors	Market Cap (VND tn)	Market Cap Weight (%)	Growth Rate by Month in 2025						2025 YTD	
				Feb	Jan	Dec	Nov	Oct	Sep		Aug
<b>a. Market Indices</b>											
1	VNINDEX	5304.9	75.1	3.2	(0.1)	1.3	(1.1)	(1.8)	0.5	2.6	2.8
2	HNX Index	306.3	4.3	7.3	(1.9)	1.2	(0.8)	(3.6)	(0.8)	0.9	5.1
3	UPCOM Index	1457.0	20.6	5.6	(0.8)	2.5	0.4	(1.3)	(0.3)	(0.9)	4.8
4	VN30 Index	3727.4	52.7	1.4	(0.5)	2.6	(2.0)	(1.0)	1.6	2.5	1.0
<b>b. Sectors</b>											
1	Banks	2238.2	31.7	3.3	1.9	2.5	(2.1)	(0.7)	3.1	2.8	5.1
2	Others	1448.0	20.5	(0.3)	1.2	4.1	9.8	5.5	(3.2)	(1.9)	0.5
3	Real Estate	723.7	10.2	4.8	(1.6)	0.4	(0.6)	(2.6)	0.5	5.5	3.5
4	Materials	521.7	7.4	9.4	(2.5)	0.3	(1.5)	(2.5)	1.4	(0.2)	6.1
5	Food & Beverage	446.0	6.3	1.2	(1.5)	(0.3)	(0.6)	(2.3)	(1.4)	2.5	(0.9)
6	Utilities	302.7	4.3	1.7	(0.7)	(0.8)	(0.4)	(3.4)	(6.5)	1.9	0.5
7	Capital Goods	346.4	4.9	11.3	0.1	2.3	(0.2)	(2.7)	(0.3)	(0.4)	11.1
8	Financial Services	258.8	3.7	9.7	(2.0)	1.5	(5.1)	(5.8)	1.6	5.9	7.5
9	Transportation	261.8	3.7	(1.0)	1.5	2.2	9.9	3.5	(0.8)	0.8	(1.1)
10	Energy	186.5	2.6	5.5	1.9	(2.3)	(5.1)	(8.7)	(2.5)	3.9	9.2
11	Software & Services	219.5	3.1	(8.2)	0.4	5.2	6.3	1.1	(0.6)	4.3	(7.6)
12	Retailing	118.7	1.7	(4.4)	1.2	1.6	(6.6)	(2.1)	(2.9)	8.1	(3.3)
13	Insurance	79.9	1.1	8.7	0.5	9.0	7.5	1.5	(5.2)	(0.4)	8.0
14	Consumer Durables	61.3	0.9	0.0	(2.4)	3.5	0.0	(3.0)	(2.4)	2.2	(2.3)
15	Pharmaceuticals	47.1	0.7	0.9	(1.8)	3.1	6.0	(1.7)	3.1	(1.2)	(2.0)
16	Technology	10.2	0.1	4.7	(5.0)	(6.1)	0.3	(7.3)	(0.8)	3.5	(2.9)
17	Commercial Services	11.2	0.2	6.0	(3.2)	2.7	13.1	1.9	1.1	(3.8)	4.3
18	Automobiles	8.7	0.1	8.2	(5.0)	10.9	3.5	(9.9)	(4.6)	(2.1)	1.2
19	Consumer Services	7.4	0.1	12.0	(0.3)	1.7	(1.5)	(1.9)	(2.4)	(3.2)	11.1
20	Household Products	3.9	0.1	(1.7)	3.5	2.6	(5.8)	(5.5)	(1.8)	(6.3)	1.4
21	Health Care	3.8	0.1	(0.7)	8.7	3.9	(5.8)	1.6	(3.2)	1.3	3.1
22	Media & Entertainment	4.8	0.1	6.8	(9.7)	53.9	3.1	9.8	0.4	(4.4)	(2.4)
23	Telecommunication	2.9	0.0	2.3	15.1	14.2	0.0	2.4	4.7	(2.4)	18.0

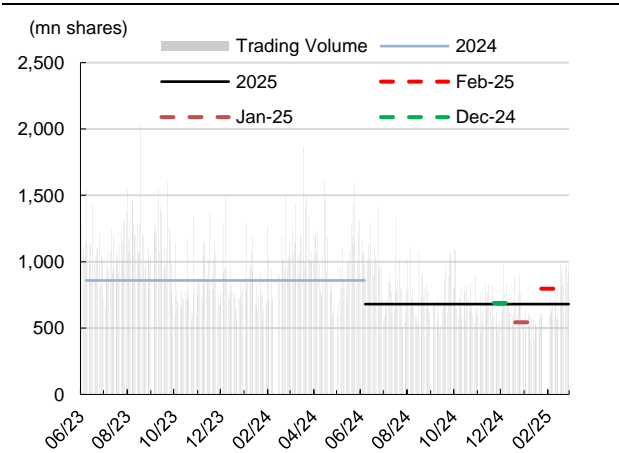
Source: Bloomberg, KIS Research

Note: Classification according to GICS with Level II: Industry Group; and Based on statistics of all listed shares on 3 exchanges, HOSE, HNX, and UPCOM

### 3. Significant liquidity growth

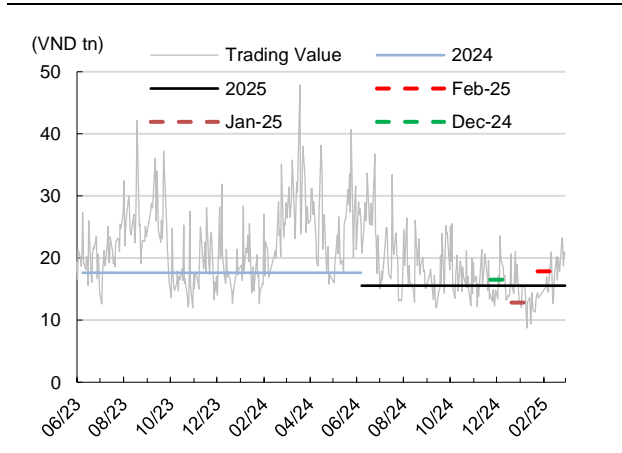
In Feb, market trading activity surged, with liquidity reaching its highest level in six months. Specifically, the average monthly trading volume and value reached 796 million shares/VND17,861bn, marking an increase of 47% and 39%, respectively, compared to the previous month.

**Figure 3. Trading volume, Average volume in 2025**



Source: Fiinpro, KIS Research

**Figure 4. Trading value and Average value in 2025**



Source: Fiinpro, KIS Research

The improvement in liquidity, coupled with the confirmed uptrend in Feb, reflects investor optimism and positive expectations for economic recovery. This indicates

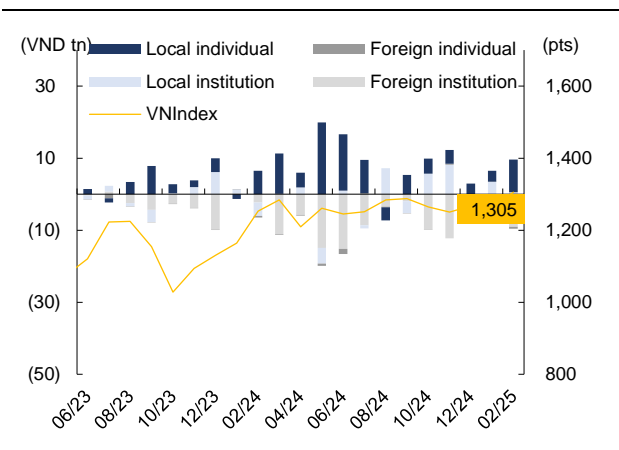
growing confidence in the market outlook, as cash inflows return and investor participation strengthens, providing momentum to support the uptrend in leading sectors.

#### 4. Domestic individual lead market liquidity

**Domestic individual investors increased their investment proportion.** Trading activity among this group reached its highest level in six months. Specifically, total trading value surged to VND9,049bn, marking a substantial 196% increase MoM, reflecting a notable rise in investor sentiment. Meanwhile, domestic institutional investors continued to maintain a net buying position of approximately VND542bn. However, net purchase value declined by 84% MoM, indicating a significant reduction in transaction scale.

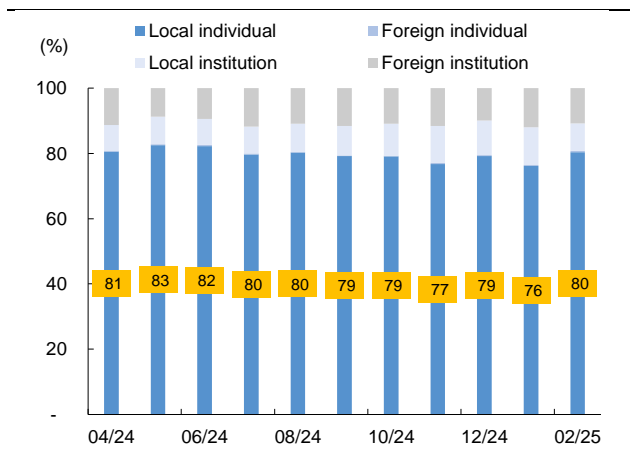
**Capital outflow pressure from foreigners.** Foreign individual investors experienced a significant shift, reversing from net buyers to net sellers, with net outflows reaching VND491bn. On the other hand, foreign institutional investors continued their strong capital withdrawal trend, recording net outflows of VND9,100bn, a 40% increase compared to the previous month. This reflects the cautious sentiment of foreign investors amid concerns over exchange rate volatility.

**Figure 5. Monthly net value by investor groups**



Source: Fiinpro, KIS Research

**Figure 6. Monthly trading activity by investor groups**



Source: Fiinpro, KIS Research

## II. New long-term uptrend?

We believe that the Vietnamese stock market has entered a new growth phase, driven by improvements in fundamental factors such as (1) GDP growth supported by internal drivers and (2) the SBV's shift toward monetary easing. Based on the breakout signal from the rectangle pattern formed in 2024, we estimate the current price target to be in the 1,400-1,450 range.

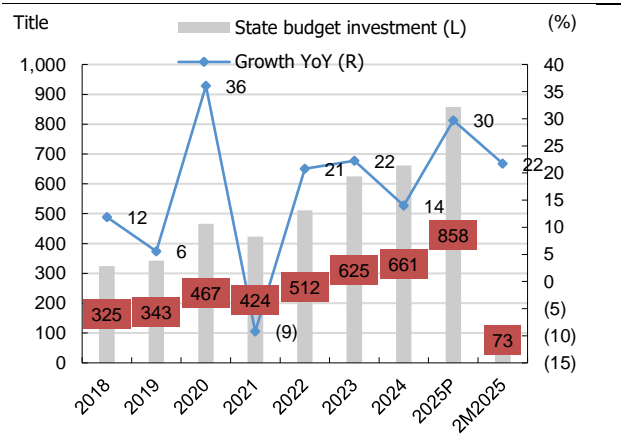
### 1. Domestic growth amid external challenges

**Economic momentum persists, driven by domestic factors.** Vietnam's economic outlook for 2025 will likely be influenced by both external and internal factors. External conditions may become less favorable due to former President Donald Trump's potential tariff policies, which could lead to slower growth in export turnover, industrial production, and disbursed foreign direct investment (FDI).

However, Vietnam's economy may partially offset these challenges through internal momentum. Public investment and retail sales are expected to continue expanding strongly, serving as key drivers of economic growth. Additionally, the labor market shows signs of improvement, and the government has reaffirmed its commitment to increasing infrastructure spending. These factors could help Vietnam sustain stable economic growth and mitigate the negative impacts of global trade policies.

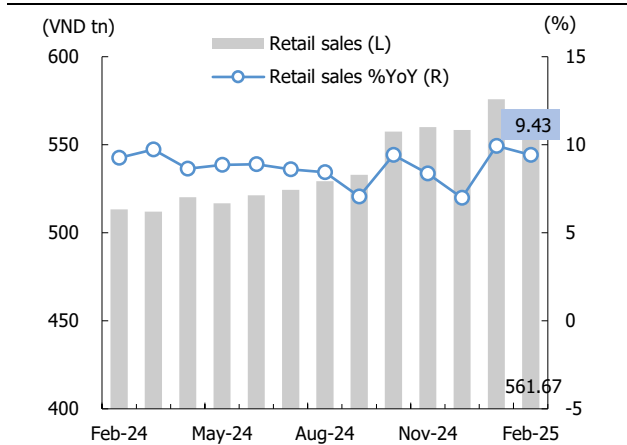
Overall, despite challenges from international trade dynamics, Vietnam's economy in 2025 remains promising, supported by domestic development strategies and well-targeted government policies.

**Figure 7. State budget investment in 2M25**



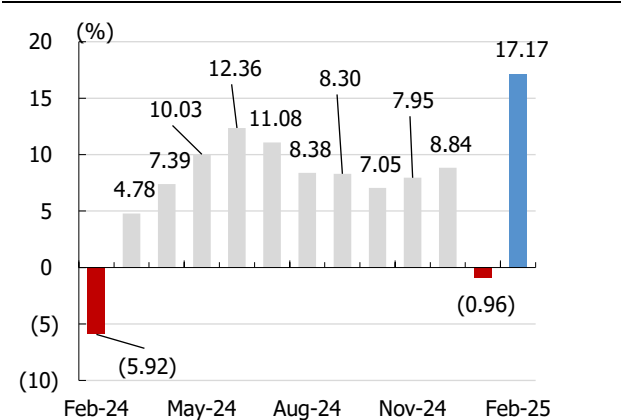
Source: GSO, KIS Research

**Figure 8. Monthly retail sales**



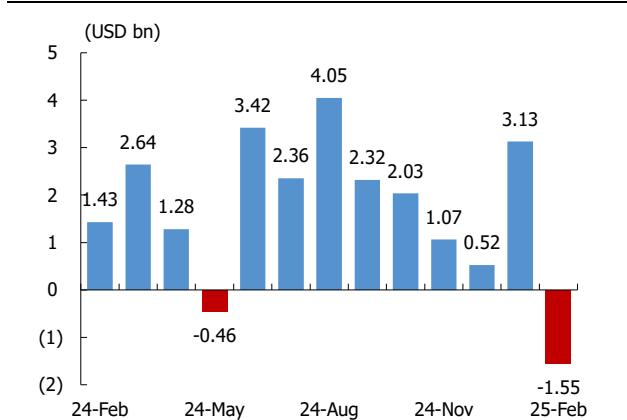
Source: GSO, MPI, KIS Research

**Figure 9. IIP % YoY by year**



Source: KIS Research, GSO

**Figure 10. Vietnam's monthly trade balance**



Source: KIS Research, GSO

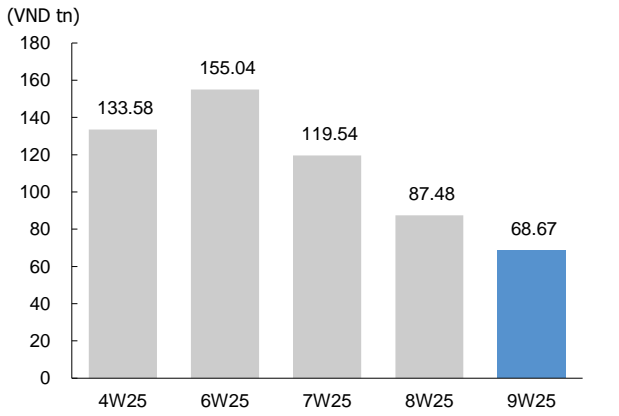
**Monetary Policy Easing.** The State Bank of Vietnam (SBV) moved toward lowering interest rates to support the economy amid the need to boost growth. On Feb 25, the SBV held a meeting with financial institutions and instructed them to reduce deposit interest rates, leading commercial banks to lower rates by 0.5-0.7% across various maturities.

Additionally, on February 26, the SBV issued Official Document No. 1328/NHNN-CSTT, requiring banks to maintain stable deposit rates and further reduce lending rates to support businesses and individuals. To facilitate the banking system, the SBV injected liquidity, significantly lowering interbank market rates.

However, interest rate reductions also create pressure on exchange rates. Therefore, the SBV has adopted a cautious and gradual approach to interest rate

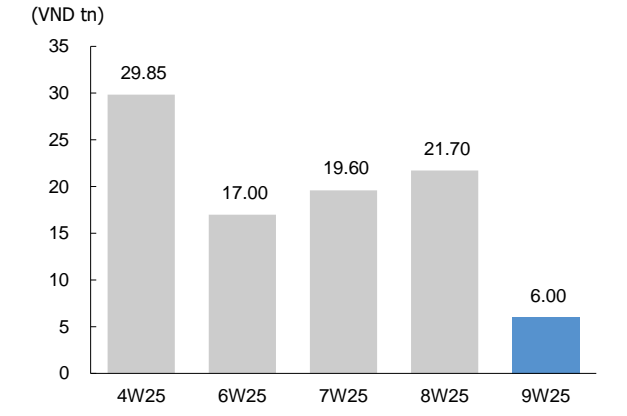
support measures, aiming to balance economic growth stimulation with macro-financial stability.

**Figure 11. Outstanding amount of repos**



Source: SBV, KIS Research

**Figure 12. Outstanding amount of bills**



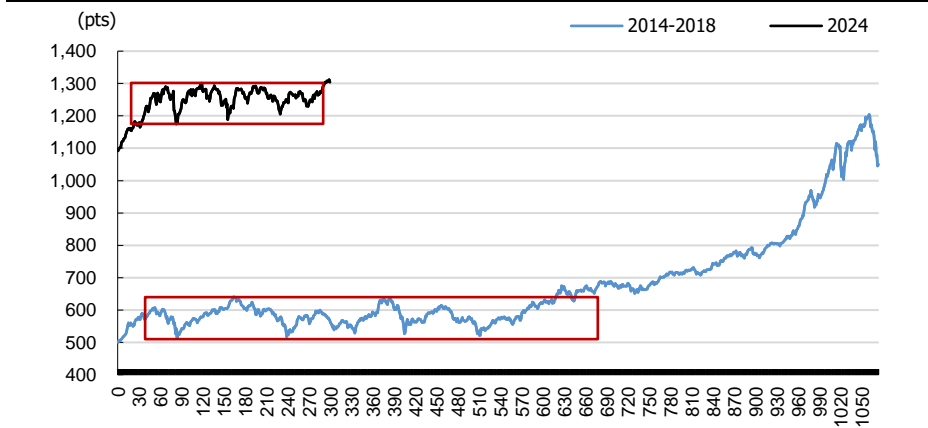
Source: SBV, KIS Research

## 2. Price target of 1,400-1,450 points

**Medium-term accumulation.** From a technical analysis perspective, the VN-Index has undergone a relatively long accumulation phase in 2024. Specifically, throughout 2024, the index moved within a rectangle pattern, with the upper resistance level around 1,300 points and the lower support range between 1,180-1,200 points. Based on a breakout above or below these levels, the index may confirm a medium-term uptrend or downtrend.

The accumulation phase in 2024 bears similarities to the 2014-2016 period. During that time, the index also traded within a rectangle pattern, with an upper boundary around 640 points and a lower boundary near 530 points. When it broke above 640 points in 2016, the index entered a long-term uptrend that lasted for two years.

**Figure 13. Mid-term accumulation, rectangle pattern**



Source: KIS Research

**Breakout signal appears.** In 2024, the VNIndex repeatedly tested the 1,300-point resistance level but failed to break through. However, a potential breakout may have occurred on Feb 24, 2025, when the index closed at 1,304 points. Several indicators support this breakout signal, including:

- **Increasing trading volume.** On Feb 24, 2025, trading volume rose slightly. More notably, since the uptrend began from the Jan 2025 low, trading volume has consistently improved and increased significantly. This is

particularly important considering seasonal factors, as early-year trading activity typically declines due to the Lunar New Year holiday. The strong influx of capital during this period may reflect investor optimism for an upcoming uptrend.

- **A potential throwback phenomenon.** In technical analysis, after breaking through a key resistance level, the index often pulls back to retest that level before continuing its upward trend, a pattern known as throwback. Seven trading sessions after Feb 24, 2025, indicated this pattern, especially on Feb 27, 2025, when selling pressure pushed the market lower. However, buying demand at the support level helped the index close back above 1,300 points, reinforcing the possibility that the breakout had already taken place.

**Price target of 1,400-1,450 points.** According to the measured move principle of the rectangle pattern, once confirmed, the price target corresponds to the height of the pattern. In this case, the rectangle's height is approximately 120 points. With the breakout occurring at 1,300 points, the projected target price is 1,420 points ( $1,300 + 120$ ). However, the market may extend its range toward 1,400-1,450 points in the upcoming period.

## Global Disclaimer

### ■ General

This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of KIS Vietnam Securities Corp., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of KIS Vietnam Securities Corp..

This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. KIS Vietnam Securities Corp. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. KIS Vietnam Securities Corp., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas of KIS Vietnam Securities Corp. The final investment decision is based on the client's judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.

### ■ Country-specific disclaimer

**United States:** This report is distributed in the U.S. by Korea Investment & Securities America, Inc., a member of FINRA/SIPC, and is only intended for major U.S. institutional investors as defined in Rule 15a-6(a)(2) under the U.S. Securities Exchange Act of 1934. All U.S. persons that receive this document by their acceptance thereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Korea Investment & Securities, Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Korea Investment & Securities America, Inc., which accepts responsibility for the contents of this report in the U.S. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. person absent registration or an applicable exemption from the registration requirement.

**United Kingdom:** This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

**Hong Kong:** This research report and marketing materials may be distributed in Hong Kong to institutional clients by Korea Investment & Securities Asia Limited (KISA), a Hong Kong representative subsidiary of Korea Investment & Securities Co., Ltd., and may not otherwise be distributed to any other party. KISA provides equity sales service to institutional clients in Hong Kong for Korean securities under its sole discretion, and is thus solely responsible for provision of the aforementioned equity selling activities in Hong Kong. All requests by and correspondence with Hong Kong investors involving securities discussed in this report and marketing materials must be effected through KISA, which is registered with The Securities & Futures Commission (SFC) of Hong Kong. Korea Investment & Securities Co., Ltd. is not a registered financial institution under Hong Kong's SFC.

**Singapore:** This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Korea Investment & Securities Co., Ltd. has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person. Please contact Korea Investment & Securities Singapore Pte Ltd in respect of any matters arising from, or in connection with, the analysis or report (Contact Number: 65 6501 5600).

Copyright © 2025 KIS Vietnam Securities Corp. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of KIS Vietnam Securities Corp.



#### **VIET NAM**

UYEN LAM, Head of Institutional Brokerage (uyen.lh@kisvn.vn +8428 3914 8585 - 1444)  
KIS Vietnam Securities Corporation  
3rd floor, 180-192 Nguyen Cong Tru, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City.  
Fax: 8428 3821-6898

#### **SOUTH KOREA**

YEONG KEUN JOO, Managing Director, Head of International Business Division (ykjoo@truefriend.com, +822 3276 5157)  
PAUL CHUNG, Sales Trading (pchung@truefriend.com +822 3276 5843)  
27-1 Yoido-dong, Youngdeungpo-ku, Seoul 150-745, Korea  
Toll free: US 1 866 258 2552 HK 800 964 464 SG 800 8211 320  
Fax: 822 3276 5681~3  
Telex: K2296

#### **NEW YORK**

DONG KIM, Managing Director (dkim@kisamerica.com +1 212 314 0681)  
HOON SULL, Head of Sales (hoonsull@kisamerica.com +1 212 314 0686)  
Korea Investment & Securities America, Inc.  
1350 Avenue of the Americas, Suite 1110  
New York, NY 10019  
Fax: 1 212 314 0699

#### **HONG KONG**

DAN SONG, Managing Director, Head of HK Sales (dan.song@kisasia.com +852 2530 8914)  
GREGORY KIM, Sales (greg.kim@kisasia.com, +822 2530 8915)  
Korea Investment & Securities Asia, Ltd.  
Suite 2220, Jardine House  
1 Connaught Place, Central, Hong Kong  
Fax: 852-2530-1516

#### **SINGAPORE**

ALEX JUN, Managing Director, Head of Singapore Sales (alex@kisasia.com.sg +65 6501 5602)  
CHARLES AN, Sales (alex.jun@kisasia.com.sg +65 6501 5601)  
Korea Investment & Securities Singapore Pte Ltd  
1 Raffles Place, #43-04, One Raffles Place  
Singapore 048616  
Fax: 65 6501 5617

#### **LONDON**

Min Suk Key, Managing Director (peterkey@kiseurope.com +44 207 065 2766)  
Korea Investment & Securities Europe, Ltd.  
2nd Floor, 35-39 Moorgate  
London EC2R 6AR  
Fax: 44-207-236-4811

---

This report has been prepared by KIS Vietnam Securities Corp. and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy. While all reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. This report is provided solely for the information of professional investors who are expected to make their own investment decisions without undue reliance on this report and the company accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is not intended for the use of private investors.

Copyright © 2025 KIS Vietnam Securities Corp. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of KIS Vietnam Securities Corp.