

Economic Perspectives

Reciprocal tariff: A painful blow

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On what it calls its “Liberation Day,” Washington unveiled a sweeping reciprocal tariff scheme targeting over 180 countries, marking a dramatic shift toward trade confrontation. While framed as a move to restore fairness, global reactions suggest the world is entering a new era of polarization and intensified trade tensions. Vietnam, though unsurprisingly named, was dealt an unexpectedly severe blow with a tariff of over 46%—far beyond initial expectations. While the tariff policy will inevitably impact Vietnam’s economy, we believe the government’s proactive engagement will lead to positive bilateral cooperation, helping to safeguard Vietnam’s competitive edge and sustain its appeal to foreign investors.

Pessimistic scenario in short term

The reciprocal tariff policy could negatively affect Vietnam's stock market, potentially triggering a market correction due to: (1) deteriorating economic growth prospects, (2) adverse impacts on foreign capital flows via exchange rate channels, and (3) increasingly pessimistic investor sentiment in the short term. Based on cycle analysis, we expect the index to correct to the 1,000–1,100 range before starting a new upward trend that could last for at least one year.

A slap on Vietnam export industries

We stay wary on the impact from the reciprocal tariff landscape on the prospect of exporting industries including textile, seafood, wooden. The infrastructure relating transportation, warehouse, seaport, airport, and industrial estate could be indirectly hit in the long-term horizon amid the dimming export prospect.

Vietnam economic indicators

	24-Sep	24-Oct	24-Nov	24-Dec	25-Jan	25-Feb	Corr. ¹
FDI %YoY	13.2	7.6	-6.7	22.1	2.0	9.1	-0.19
Retail sales %YoY	7.1	9.4	8.4	7.0	9.9	9.4	-0.17
Export %YoY	11.1	10.5	8.4	12.9	-4.0	25.7	-0.13
Import %YoY	11.5	13.8	10.4	19.0	-2.6	40.0	-0.06
Trade balance (USD bn)	2.3	2.0	1.1	0.5	3.1	-1.5	-0.12
CPI %MoM	0.29	0.33	0.13	0.29	0.98	0.34	-0.06
Credit %YoY	16.1	16.7	16.6	15.1	16.1	15.7	-0.24
USDVND %MoM	-1.24	2.91	0.25	0.55	-1.59	1.89	-0.37
PMI (pts)	47.3	51.2	50.8	49.8	48.9	49.2	-0.24
VNINDEX return (%)	0.8	-1.8	-1.0	1.5	-0.1	3.2	1.00

Source: SBV, GSO, Bloomberg, KIS Research

Green = acceleration; yellow = deceleration; red = contraction.

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I. Reciprocal tariff: A painful blow

The unveiling of the reciprocal tariff policy has reverberated across the global economy, triggering widespread concern over escalating trade tensions. On April 2, President Donald Trump declared a national emergency and unveiled a sweeping tariff policy under the banner of "Pursuing Reciprocity to Rebuild the U.S. Economy". Under this policy, a uniform 10% tariff will be imposed on all imported goods, effective April 5.

More notably, Trump also released a list of over 180 countries—including Vietnam—that will be subject to additional "reciprocal tariffs," targeting what the administration considers unfair trade practices such as tariffs on U.S. exports, non-tariff barriers, and currency manipulation. These supplementary measures are scheduled to take effect on April 9, further intensifying concerns over global trade disruptions.

Among the affected countries, Vietnam stands out for having been hit with one of the most severe tariff rates. As highlighted in our previous analysis on reciprocal tariffs, Vietnam was indeed named, as anticipated. However, the scale of the imposed tariff far exceeded expectations. While early projections suggested a 10–15% range, the possible reciprocal tariff levied on Vietnam reached up to 46%. More importantly, as outlined in Annex 1 of the executive order, Vietnam could face significantly higher tariff rates than China and other regional countries. This shift alone would negatively impact Vietnam's trade and FDI outlook, eroding its comparative advantages and attractiveness to foreign investors. We build four scenario to analyse the impact of possible tariff increases on Vietnam's economy.

Table 1. Scenarios of Trump's potential tariff schemes

Scenario	Content
Scenario 1 (Base Case)	All tariffs outlined in Annex 1 of the executive order will be fully implemented, significantly impacting Vietnam. The widening tariff gap between Vietnam and other regional countries will push multinational companies to relocate production to mitigate tax burdens. Consequently, Vietnam's market share in the U.S. could decline sharply from 4.8% in 2024 to 3.5% this year.
Scenario 2	We assume proactive negotiations by affected countries will lead to a 50% reduction in tariffs compared to the levels outlined in Annex 1. This adjustment would narrow Vietnam's tariff disadvantage relative to regional peers. More importantly, Vietnam would retain a relative advantage over China in terms of duty rates, maintaining its appeal to foreign investors.
Scenario 3	Vietnam and other peers negotiate agreements with the U.S. to reduce tariffs by 50%. However, major economies such as the EU, China, and Japan retaliate with countermeasures. This retaliation creates a wider tariff gap between Vietnam and these larger economies, accelerating factory relocations to Southeast Asia, including Vietnam. Under this scenario, Vietnam's export market share in the U.S. would increase significantly.
Scenario 4	The Trump administration postpones tariff implementation for all listed countries, allowing time for trade negotiations and cooperation. As a result, the additional tariff increase is capped at 10%. Under this scenario, Vietnam's market share and export value to the U.S. would expand significantly.

Source: KIS Research

Table 2. Tariff rates by scenario

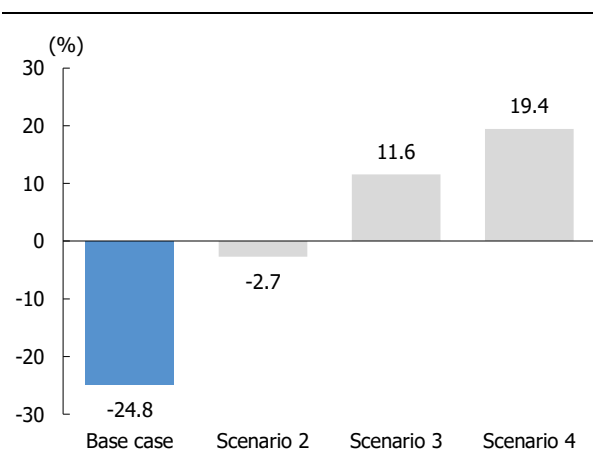
Partner	2024 effective duty rate (%)	Additional tariff before 2 April (%)	Reciprocal tariff (%)		Scenario			
			Uniformed	Country-specific	1	2	3	4
Vietnam	10.5	0	10	46	56.0	33.0	10.0	32.6
China	16.7	20	10	34	64.0	47.0	30.0	64.0
Indonesia	11.4	0	10	32	42.0	26.0	10.0	26.0
Canada	0.5	15.5	0	0	15.5	15.5	15.5	15.5
Mexico	2.5	12.8	0	0	12.8	12.8	12.8	12.8
Others	4.3	0	10	16	26.0	18.0	10.0	22.0

Source: KIS Research

In all scenarios, we assume U.S. imports will grow by 3.7% YoY in 2025, based on Bloomberg consensus. This means Vietnam’s exports to the U.S. will fluctuate depending on whether it gains or loses market share. Additionally, we assume Vietnam’s exports to other markets will grow at the average rate observed over the past four years (2021–2024).

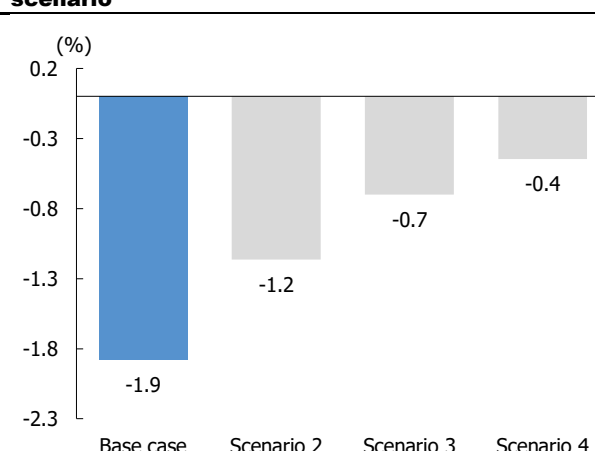
Under the base case, Vietnam’s exports to the U.S. could shrink by 24.8%, dragging GDP growth down by 1.9 percentage points. In Scenario 2, where trade agreements help narrow Vietnam’s tariff gap, the decline in market share would be limited. In this case, exports to the U.S. would fall by just 2.7% YoY, reducing GDP growth by 1.2 percentage points. In the two favorable scenarios, Vietnam’s exports to the U.S. would rise by 11.6% YoY and 19.4% YoY, respectively—slightly below the 23.2% YoY growth recorded last year. As a result, the negative impact on GDP growth from exports would be modest in these cases.

Figure 1. Vietnam’s export to U.S. by scenario



Source: USITC, Bloomberg, Vietnam’s Custom, GSO, KIS Research

Figure 2. Impact on Vietnam’s GDP growth rate by scenario



Source: GSO, Bloomberg, KIS Research

Applied tariff rates would vary on government efforts to resolve U.S.'s assessments.

- **Trump tariff policies open ways to negotiate.** Recently, Vietnam has intensified its diplomatic efforts to mitigate the impact of potential U.S. tariffs. On March 13 2025, Vietnam's Minister of Industry and Trade, Nguyen Hong Dien, met with U.S. Trade Representative Jamieson L. Greer in Washington, D.C., to discuss trade ties and explore solutions for balancing the trade surplus. Additionally, in late March 2025, Vietnam announced a reduction in MFN tariffs on certain U.S. goods, such as machinery and electronics, to encourage reciprocal trade measures and demonstrate goodwill in negotiations.

Table 3. Trade negotiation between U.S. and partners

Date	Country	
03-Feb	Mexico	Tariffs on Mexico on hold: Mexico's Sheinbaum posts on X that US tariffs are on hold for one month after Mexico agrees to send more National Guard members to the southwest border and the US agrees to work on reducing weapons shipments to Mexico. The White House confirms in an executive order.
03-Feb	Canada	Tariffs on Canada on hold: Canada's Trudeau posts on X that the tariffs are on hold for 30 days, as Canada implements its plan to secure the northern border to address fentanyl trafficking. The White House confirms in an executive order.
05-Mar	Mexico, Canada	White House announced a one-month delay for U.S. automakers that comply with the USMCA from the tariffs imposed on Mexico and Canada.
06-Mar	Mexico, Canada	Trump announced that all goods and services from Mexico and Canada that comply with the USMCA would be granted a one-month delay from the recent 25% duties imposed.
07-Mar	Canada	Canada decided to postpone a planned second wave of retaliatory tariffs on \$125bn worth of U.S. products until April 2.
11-Mar	Canada	Trump earlier announced he would double tariffs on Canadian steel and aluminum imports to 50% in response to Ontario's 25% tariff on electricity exports to the U.S. However, White House advisor Peter Navarro stated that the tariff increase will not take effect tomorrow, and Canada has agreed to postpone its 25% tariff on electricity exports. Both sides have scheduled a meeting on Thursday to discuss extending the North American trade agreement.

Source: PIIE, KIS Research

Table 4. The draft Decree proposes a reduction in MFN import tax rates

Item	Previous Tariff Rate	Proposed Tariff Rate
Automobiles (HS 8703.23.63, 8703.23.57, 8703.24.51)	64% and 45%	32%
Ethanol	10%	5%
Frozen chicken legs	20%	15%
Pistachios	15%	5%
Almonds	10%	5%
Fresh apples	8%	5%
Sweet cherries	10%	5%
Raisins	12%	5%
Wood and wood products (HS Groups 44.21, 94.01, 94.03)	20% and 25%	5%
Liquefied natural gas (LNG)	5%	2%
Ethane (added to chapter 98)	-	0%

Source: VnEconomy, KIS Research

- **Last-minute efforts by Minister Ho Duc Phoc to avert tariffs.** During the April 2 2025, visit to the U.S., Deputy Prime Minister Ho Duc Phoc held urgent talks with U.S. Treasury officials and key business leaders, focusing on expanding Vietnam's purchase of U.S. goods, such as energy and agricultural products, to reduce the trade surplus and demonstrate Vietnam's commitment to balanced trade, just hours before the U.S. announced new tariffs on April 3 2025.
- **The government sustains its 8% GDP growth rate this year.** On April 3 2025, Prime Minister Pham Minh Chinh chaired an emergency meeting of the Standing Government in Hanoi to address the U.S.'s newly announced tariffs on imports from Vietnam and other countries. The meeting resulted in a commitment to maintain the 2025 GDP growth target of 8% or higher, with Prime Minister Pham Minh Chinh directing the establishment of a rapid response team led by Deputy Prime Minister Bui Thanh Son to ensure sustainable trade relations with the U.S.

Macro scorecard

	24-Oct	24-Nov	24-Dec	25-Jan	25-Feb	1Q24	2Q24	3Q24	4Q24	2021	2022	2023	2024
Real GDP growth (%)						5.66	6.93	7.43	7.55	2.58	8.02	5.05	7.09
Registered FDI (USD bn)	2.48	4.12	6.85	4.34	2.57	6.18	9.01	9.59	13.44	31.15	27.72	36.61	38.23
GDP per capita (USD)										3,725	4,110	4,285	4,479
Unemployment rate (%)						2.24	2.29	2.23	2.22	3.22	2.32	2.26	2.24
Export (USD bn)	35.59	33.73	35.53	32.15	31.11	93.06	98.2	108.6	105.9	335.7	371.85	355.5	405.5
Import (USD bn)	33.60	32.67	35.00	30.92	32.66	84.98	94.0	99.7	101.9	331.1	360.65	327.5	380.8
Export growth (%)	10.09	8.16	12.85	4.05	25.67	16.98	13.59	15.82	11.46	18.74	10.61	4.4	14.3
Import growth (%)	13.56	9.81	19.23	2.32	39.99	13.88	20.65	17.19	14.91	25.9	8.35	8.9	16.7
Inflation (%)	2.68	2.77	2.94	3.63	2.91	3.77	4.39	3.48	2.87	1.84	3.15	3.25	3.63
USD/VND	25,282	25,346	25,386	25,082	25,530	24,786	25,458	24,093	25,386	22,790	23,650	23,784	25,386
Credit growth (%)	16.7	16.6	15.1	16.1	15.7	12.5	15.3	16.1	13.8	13.61	14.2	13.7	13.8
10Y gov't bond (%)	2.70	2.76	2.94	2.99	3.18	2.59	2.81	2.66	2.94	2.11	5.08	2.39	2.94

Source: GSO, Bloomberg, FIA, IMF

II. Pessimistic scenario in short term

1. Short-term panic?

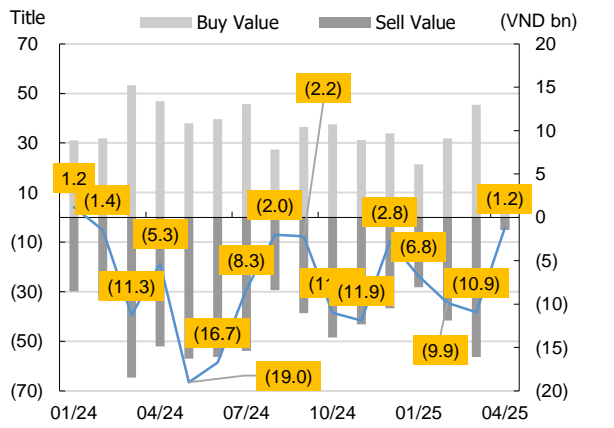
The reciprocal tariff policy could negatively affect Vietnam's stock market, potentially triggering a market correction due to: (1) deteriorating economic growth prospects, (2) adverse impacts on foreign capital flows via exchange rate channels, and (3) increasingly pessimistic investor sentiment in the short term.

Deteriorating economic outlook. Under the "reciprocal tariffs" decree, the United States will impose tariffs of up to 46% on goods imported from Vietnam. This tariff rate is the second-highest after Cambodia (49%) and significantly higher than the rate imposed on China (34%). Given Vietnam's economy heavily relies on exports and the U.S. currently stands as Vietnam's largest export market, this tariff is expected to negatively affect Vietnam's economic growth prospects (discussed in detail in the macroeconomic section). The repercussions for overall economic growth could be substantial.

Foreign capital flows become more cautious. The imposition of these tariffs is likely to narrow Vietnam's trade deficit with the U.S., leading to reduced foreign currency inflows from exports, thus exerting pressure on the USD/VND exchange rate. Moreover, with the exchange rate already at elevated levels, reciprocal tariffs will intensify this pressure, negatively impacting the stock market.

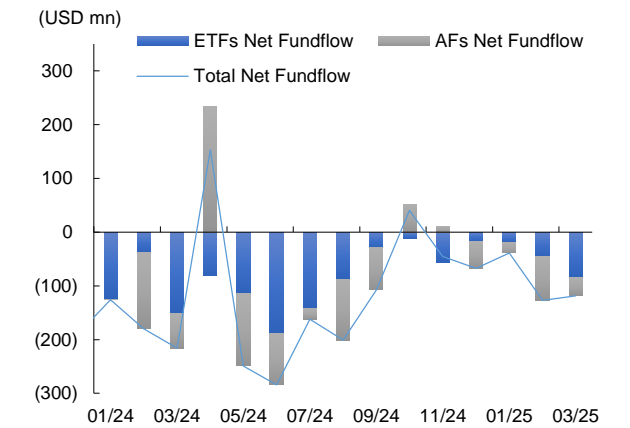
Firstly, the depreciation of the local currency could prompt foreign investors to adopt a more cautious approach to market participation, reinforcing the current trend of net selling. Investors might shift towards USD-denominated assets to mitigate currency risks. Specifically, foreign investors have recorded a net selling of VND28.8tn year-to-date and VND90.8tn in 2024. Should the exchange rate continue to rise, selling pressure could persist.

Figure 3: Monthly foreign investor trading activity



Source: FiinproX, KIS Research

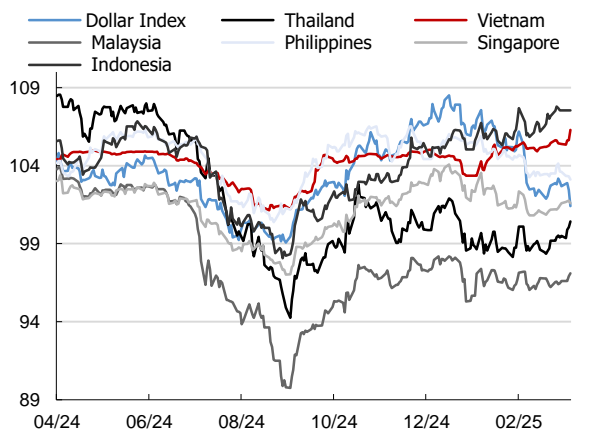
Figure 4: Monthly net fund flow to Vietnam



Source: Bloomberg, KIS Research

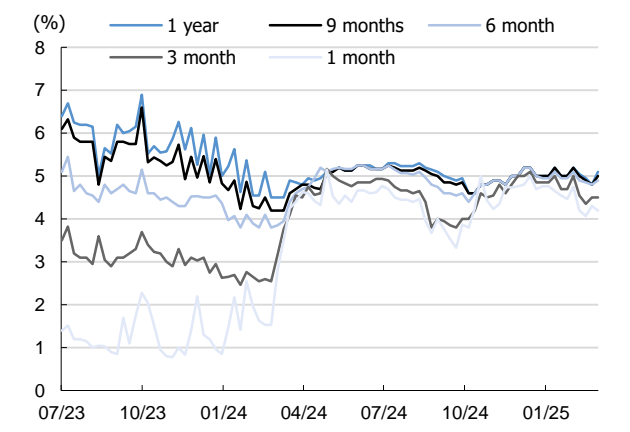
Secondly, to stabilize the exchange rate and prevent rapid depreciation, the State Bank of Vietnam (SBV) will likely maintain or even raise the policy interest rate. Increased policy rates elevate corporate funding costs, consequently impacting market valuation negatively. Furthermore, higher interest rates also increase the investment cost in the stock market.

Figure 5: Exchange Rates



Source: Bloomberg, KIS Research

Figure 6: Deposit rates for various deposit terms



Source: Bloomberg, KIS Research

Investor sentiment in the short term. The U.S. decision to impose tariffs as high as 46% on Vietnamese goods has significantly dampened investor sentiment. Previously, investors anticipated that U.S. tariff policies would primarily target China, whereas tariffs on Vietnam would remain low or moderate. However, the announced tariff rate on Vietnamese goods ranks second highest, surpassing initial expectations. Consequently, investors are likely to reflect the discrepancy between expected and actual tariff rates in stock prices, possibly triggering a short-term downtrend. Additionally, sharp market corrections could lead to forced selling pressures, exacerbating the current downward trend.

2. Awaiting the bottom of the 3-year cycle

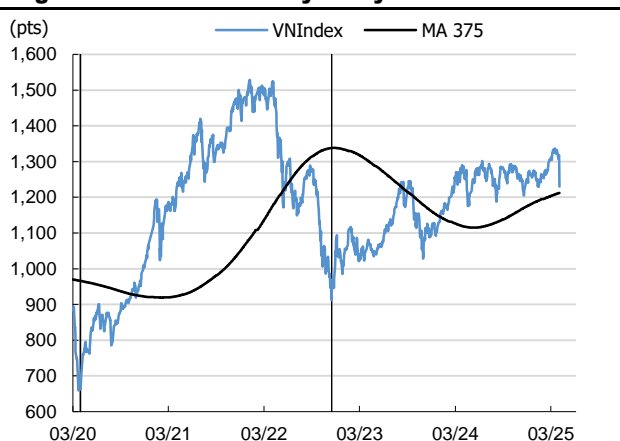
A bottom of 8th 3-year cycle. The VNIndex is influenced by 3-year cycles, in which a significant bottom occurs approximately every 36 months. Historically, the VNIndex has completed seven such 3-year cycles. Currently, the market is in its 8th 3-year cycle, which began with the low in Nov 2022. According to

Raymond Merriman's methodology, the cycle bottom is expected to occur between May 2025 and May 2026.

Additionally, the 1-year cycle (the third sub-cycle of the 3-year cycle) is also expected to reach its bottom during this period, which corresponds to the ongoing 8th 3-year cycle. As mentioned in previous reports, the timing for the bottom of this third 1-year cycle is projected between Sep 2025 and Jan 2026. However, since this is the final 1-year cycle within the 3-year cycle, the period could either shorten or extend. Thus, there remains a possibility that both the 1-year and 3-year cycle bottoms could occur anytime between May 2025 and May 2026. Depending on macroeconomic outlook, the cycle bottom might materialize sooner or later within this range.

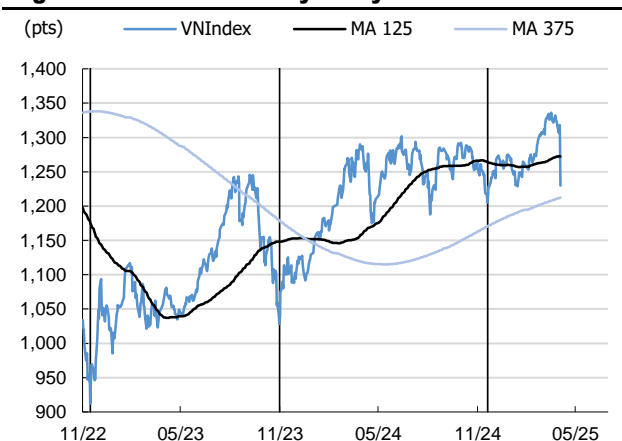
With the bearish session on Mar 4, 2025, as the VNIndex closed below its 125-day moving average (used to identify peaks and bottoms of the 1-year cycle). This suggests the peak in Mar 2025 was likely the peak of the 1-year and 3-year cycle. As a result, the VNIndex has entered the phase of forming the bottom of this cycle. Once this bottom is formed, the index is expected to enter a new growth phase, which typically lasts at least one year. Based on historical analysis of the previous ten 1-year cycles, we estimate the index could decline approximately 20% from its peak in Mar 2025, implying a potential bottom within the range of 1,000 to 1,100 points.

Figure 7. Movement of 3-year cycle



Source: FiinproX, KIS Research

Figure 8. Movement of 1-year cycle



Source: FiinproX, KIS Research

Figure 9. Bottom and duration of 3-year cycle

No. of 3-year cycle	Start bottom	End bottom	Duration (Months)
I	10/24/2003	08/02/2006	33
II	08/02/2006	02/24/2009	30
III	02/24/2009	01/06/2012	34
IV	01/06/2012	12/17/2014	35
V	12/17/2014	07/11/2018	42
VI	07/11/2018	03/24/2020	20
VII	03/24/2020	11/15/2022	31
VIII	11/15/2022	05/2025 -05/2026*	30-42*

*Expected period to form the 3-year cycle year

Source: FiinproX, KIS Research

Figure 10. Bottom and duration of 1-year cycle

No. of 3-year cycle	No. of 1-year cycle	Start bottom	End bottom	Duration (Months)
V	13	12/17/2014	01/21/2016	13
	14	01/21/2016	12/06/2016	10
	15	12/06/2016	07/11/2018	19
VI	16	07/11/2018	01/03/2019	5
	17	01/03/2019	03/24/2020	14
VII	18	03/24/2020	07/19/2021	15
	19	07/19/2021	11/15/2022	15
	20	11/15/2022	10/31/2023	11
VIII	21	10/31/2023	11/19/2024*	12*
	22	11/19/2024*	09/2025- 01/2026*	10-14*

*Expected period to form the 1-year cycle year

Source: FiinproX, KIS Research

III. Sector impact

Sector	Rating	Investment Point
Industrial Estate	Negative	<ul style="list-style-type: none"> • Demand for industrial estate could be interrupted due to the pending relocation • Rent growth could be double attacked by the slower demand coupled with supply expansion.
Seafood	Negative	<ul style="list-style-type: none"> • We think Vietnamese seafood (including: pangasius and shrimp) could face challenges exports to the US if it materializes; • Higher additional reciprocal tariff could potentially dampen the competitiveness of shrimp and pangasius segments; • Impacting on both export volumes and average selling prices of these products;
Textile & Garment	Negative	<ul style="list-style-type: none"> • We rate Neutral impact on Vietnam's T&G sector, but still awaiting the final decision; • We think the additional reciprocal tariff for T&G products which could be lower; • Therefore, Vietnamese T&G export enterprises could still maintain their competitiveness against key competitors;
Logistics	Negative	<ul style="list-style-type: none"> • Port operators: Port operators would be directly impacted as manufacturing and reduction of export to the US, lower throughput volume could directly damage their earnings; • Shipping: Vietnamese shipping companies concentrate their operation in Asia or as part of Asia-US service routes. A reduction in Vietnam's export could diminish overall shipping on these service routes. This would compel Vietnamese shipping companies to engage in intensified competition; • Airlines: there's no clear impact as air transport is not a target of this reciprocal tariff; • Air cargo services: A decline in manufacturing and trade activities would challenge for air logistics businesses; • Large infrastructure investment could be delayed or on the verge of abandonment as global trade flow shifts away from Vietnam;
Wood	Negative	<ul style="list-style-type: none"> • The imposition of additional tariffs may lead to higher selling prices, which could adversely affect consumer demand; • Although the substantial portion of exported value from foreign direct investment (FDI) enterprises, Vietnamese Wood companies still pose notable difficulties;

Industrial Estate

Wary short-term prospect

Negative

Investment thesis

In our view, the industrial estate prospect could be constrained by the following

- **Demand for industrial estate could be pending.** As previously expected, we think Vietnam could be beneficiary from FDI companies in China seeking for a supply chain/production relocation. The tariff hurdle (46%) could result into the deteriorating competitive advantages of Vietnam business environment vs other peer (Indonesia, Bangladesh, Philippines, Thailand. Procrastination or wait-and-see strategy could be wiser to the FDI tenant. Consequently, we believe that the demand for industrial estate could be pending.
- While seeking further information about the additional cost burden by demand elasticity, we think the impact could be varied by the industrial estate operator. Specifically, the lessors aiming on the wooden production, footwear, electronic appliances, mobile phones could be hit the most. Namely, the Nam Tan Uyen (NTC VN Equity), Dong Phu Rubber (DPR VN Equity), Phuoc Hoa Rubber (PHR VN Equity), Rubber Group of Vietnam (GVR VN Equity), Saigon Investment (SIP VN Equity), Kinh Bac Urban Development (KBC VN Equity) are among the most hit industrial estate operators due their immense exposure.

Risk factors

- **Deteriorating business environment attractiveness results into the diversify away Vietnam.** The Trump administration will exert a strong pressure on the origins of exporting products to American hence, the product of FDI companies in Vietnam could be under the strict monitor in the long-run. Consequently, FDI in Vietnam could move out of Vietnam and Vietnam must seek for alternatives and adapt a flexible strategy to attract a new FDI flow.

Conclusion

- We rate the Trump's policy impact Negative due to his assertiveness in confronting with Chinese-product origin in Vietnam.

Coverage valuation

Recommendation & TP			Earnings & Valuation										
Company				Sales	OP	NP	EPS	BPS	PE	PB	ROE	EV/EBITDA	DY
				(VND bn)	(VND bn)	(VNDbn)	(VND)	(VND)	(X)	(X)	(%)	(X)	(%)
KBC (HSX)	Recommendation	Nonrated	2020A	2,151	452	320	471	20,391	107.2	2.5	2.3	63.2	-
	TP (*) (VND)	36,663	2021A	4,246	1,888	1,352	1,359	24,025	18.4	1.0	9.2	11.0	-
	Price (VND)	27,450	2022A	950	1,686	1,577	1,988	20,933	15.6	1.5	10.1	(186.9)	-
	Mkt cap. (VND bn)	21,071	2023A	5,618	2,874	2,245	2,646	23,679	11.0	1.2	11.9	9.0	-
			2024A	2,776	934	423	498	24,176	59.3	1.2	-	31.8	-
LHG (HSX)	Recommendation	Nonrated	2020A	644	245	199	3,733	25,654	12.5	1.8	16.1	8.5	4.1
	TP (*) (VND)	48,525	2021A	782	373	296	5,478	29,262	4.3	0.8	21.6	3.1	8.1
	Price (VND)	32,100	2022A	629	238	204	3,628	30,673	8.2	1.0	13.6	6.2	6.4
	Mkt cap. (VND bn)	1,605	2023A	395	208	166	3,323	31,885	10.5	1.1	10.6	8.8	5.4
			2024A	423	192	187	3,748	33,251	9.2	1.0	11.5	8.1	-
NTC (UPCoM)	Recommendation	Nonrated	2020A	264	344	291	11,759	28,467	17.4	7.2	46.0	30.5	5.9
	TP (*) (VND)	239,050	2021A	271	343	294	11,996	26,352	9.4	4.3	44.7	15.7	8.0
	Price (VND)	192,700	2022A	268	303	256	10,475	29,759	18.8	6.6	38.1	22.7	4.1
	Mkt cap. (VND bn)	4,625	2023A	235	344	300	12,486	40,022	16.9	5.3	35.8	34.5	2.8
			2024A	368	340	293	12,194	46,282	18.6	4.9	28.3	34.9	-
SZC (HSX)	Recommendation	Nonrated	2020A	433	213	186	1,770	12,642	36.4	5.1	15.1	23.0	1.6
	TP (*) (VND)	49,187	2021A	713	392	324	3,136	14,656	9.2	2.0	23.7	7.9	3.5
	Price (VND)	38,900	2022A	859	243	197	1,874	15,343	19.2	2.3	13.2	8.4	-
	Mkt cap. (VND bn)	7,001	2023A	818	266	219	1,824	14,478	23.2	2.9	13.4	11.9	2.4
			2024A	871	375	302	1,679	17,254	24.9	2.4	12.5	13.4	-
SIP (UPCoM)	Recommendation	Nonrated	2020A	5,083	1,361	1,118	12,096	29,269	11.5	4.7	51.7	11.9	1.4
	TP (*) (VND)	100,050	2021A	5,578	1,105	909	8,373	32,046	8.4	2.2	31.5	7.5	4.0
	Price (VND)	80,100	2022A	6,035	1,239	1,010	10,749	35,695	7.0	2.1	31.4	7.3	6.0
	Mkt cap. (VND bn)	16,864	2023A	6,677	1,263	1,004	5,098	19,618	16.0	4.2	27.2	13.9	2.0
			2024A	7,801	1,556	1,279	5,558	20,613	15.5	4.2	29.5	15.8	1.2
BCM (HSX)	Recommendation	Nonrated	2020A	6,507	2,582	2,299	1,791	15,459	38.0	4.4	14.0	38.9	1.2
	TP (*) (VND)	86,700	2021A	6,982	2,262	1,504	1,247	15,585	65.7	5.3	9.2	45.5	0.9
	Price (VND)	70,400	2022A	6,565	1,813	1,724	1,628	16,360	38.1	3.8	10.4	49.3	-
	Mkt cap. (VND bn)	72,864	2023A	7,883	2,805	2,280	2,341	17,934	29.6	3.9	13.7	29.8	1.4
			2024A	5,239	2,590	2,395	2,034	18,729	37.2	4.0	-	52.6	-
DPR (HSX)	Recommendation	Nonrated	2020A	1,138	258	212	2,739	41,850	23.3	1.5	10.0	8.0	6.3
	TP (*) (VND)	46,600	2021A	1,217	352	473	8,621	50,973	6.4	1.1	21.6	5.4	6.4
	Price (VND)	43,200	2022A	1,211	311	296	5,767	53,676	5.5	0.6	11.3	4.6	-
	Mkt cap. (VND bn)	3,753	2023A	1,041	272	254	2,404	27,104	16.2	1.4	9.0	13.0	3.9
			2024A	1,224	318	324	3,015	28,607	15.4	1.6	11.6	12.2	-
GVR (HSX)	Recommendation	Nonrated	2020A	21,116	4,803	5,076	939	11,886	33.1	2.6	8.0	29.4	1.9
	TP (*) (VND)		2021A	26,190	5,783	5,340	1,036	11,972	14.1	1.2	8.7	8.6	-
	Price (VND)	29,700	2022A	25,421	4,445	4,804	960	12,258	23.9	1.9	8.0	15.4	1.5
	Mkt cap. (VND bn)	118,800	2023A	22,138	2,796	3,373	656	12,455	43.9	2.3	5.3	24.3	1.0
			2024A	26,242	4,740	4,827	997	13,232	32.0	2.4	-	19.8	-
VGC (HSX)	Recommendation	Nonrated	2020A	9,433	866	667	1,244	14,084	38.2	3.4	9.4	14.2	2.3
	TP (*) (VND)	54,900	2021A	11,194	1,560	1,279	2,551	15,828	14.5	2.3	18.2	5.2	4.0
	Price (VND)	45,500	2022A	14,592	2,264	1,913	3,855	16,986	13.8	3.1	23.5	5.5	3.8
	Mkt cap. (VND bn)	20,400	2023A	13,194	1,594	1,162	2,717	17,432	17.8	2.8	15.8	5.3	4.7
			2024A	11,906	1,602	1,188	2,464	18,455	19.9	2.7	13.7	6.6	-
HPI (UPCoM)	Recommendation	Nonrated	2020A	485	232	235	3,911	3,833	7.0	7.2	207.9	3.2	-
	TP (*) (VND)		2021A	158	31	34	570	4,397	51.4	6.7	13.7	13.1	-
	Price (VND)	23,500	2022A	143	30	33	545	4,925	34.1	3.8	11.7	19.4	-
	Mkt cap. (VND bn)	1,410	2023A	23	65	67	1,124	6,037	17.8	3.3	20.5	(31.4)	-
			2024A	33	62	66	1,103	7,128	21.3	3.3	16.8	22.1	-

IDC	Recommendation	Nonrated	2020A	5,356	1,179	998	1,004	12,031	62.6	5.2	22.9	22.2	-
(HNX)	TP (*) (VND)	65,440	2021A	4,301	717	578	1,498	12,999	24.8	2.9	11.3	17.7	8.1
	Price (VND)	48,600	2022A	7,485	2,561	2,055	5,356	14,988	10.0	3.6	40.0	5.7	7.5
	Mkt cap. (VND bn)	16,038	2023A	7,237	2,095	1,656	4,223	15,069	12.9	3.6	28.1	7.3	7.3
			2024A	8,846	2,973	2,392	6,049	17,018	8.9	3.2	37.7	4.7	6.5

Note: Data as of 03 Apr 2025

(*): Target price based on Bloomberg consensus

Source: Bloomberg

Seafood

New tariff regime hit hard sector's prospects

Negative

Investment thesis

On 2nd April 2025, Trump administrations announced new reciprocal tariff regime. Following to this announcement, we think Vietnamese seafood (including: pangasius and shrimp) could face challenges exports to the US if it materializes.

1. Pangasius segment – “Wait and See”

Vietnamese pangasius exports to the US primarily compete with Chinese tilapia and domestic US pollock. Therefore, we compare the average selling prices (ASPs) of these products after tariffs and make forecasts regarding the impact on pangasius exports in general and on specific companies in particular. Specifically:

Table 5.

Scenarios	Species	ASPs in 2024	Import tariff	Reciprocal tariff (based on latest announcement)	ASPs after tariffs	Import market share 2024
Best case	Pangasius	3.01	10%	Non	3.31	17.1%
	Chinese Tilapia	4.79	30%	34%	7.85	16.6%
	US pollock	3.35	Non	Non	3.35	N/A
Base case	Pangasius	3.01	10%	20%	3.91	17.1%
	Chinese Tilapia	4.79	30%	34%	7.85	16.6%
	US pollock	3.35	Non	Non	3.35	N/A
Worst case	Pangasius	3.01	10%	46%	4.70	17.1%
	Chinese Tilapia	4.79	30%	34%	7.85	16.6%
	US pollock	3.35	Non	Non	3.35	N/A

Source: Agromonitor, NOAA, KIS Research compiled

Based on our assumptions, we assess that:

- **Base case:** Pangasius ASPs will likely surge, exceeding domestic US pollock ASPs. Therefore, we believe pangasius export volume could slump in the short term if US pollock sales strengthen in the domestic market. However, in the mid- and long term, we expect pangasius to regain market share due to the gap left by Chinese tilapia.
- **Best case:** No impacts on Vietnam pangasius exports to US in short-, mid- and long-term thanks to its persistent price competitiveness against substitutes. Vietnamese pangasius could even gain market share from Chinese tilapia.
- **Worst case:** Loss of competitiveness relative to US pollock catching in domestic. Potential shrink in market share within the US market in the long-term, if US pollock strongly boosts domestic consumption.

Regarding to pangasius ASPs, we think that these effects could weigh on the recovery momentum of ASPs, as pangasius exporters may share the burden of tariff increases with importers, given the difficulty of passing fully costs to end-users. Besides, they also keep ASPs at affordable level to secure export orders in context of facing intense competition to domestic US pollock in 2025F.

2. Shrimp segment - An additional challenge arises as...

Imposing a universal tariff and additional reciprocal tariff could surge the export costs for shrimp exporters. Notably, Vietnamese shrimp enterprises refrain passing on higher tariff costs through selling prices increase, as doing so would reduce competitiveness against Ecuador or India (where shrimp production costs are 30-40% lower than in Vietnam). Besides, the shrimp industry still faces to the potential risks of annual anti-dumping tariff (AD) review and countervailing duties (CVD).

Therefore, we assume that Vietnamese enterprises exporting shrimp to the US may face the risk of declining orders if the officially imposed tariff due to further widens the price gap between Vietnamese shrimp and those from other countries.

Given this context, we believe that enterprises with a high proportion of shrimp exports to the US, such as FMC and MPC, could seek to shift towards alternative markets like Japan or the EU to compensate for the decline in the US market. However, shrimp ASPs are unlikely to improve, as an initial price reduction will be necessary to stimulate orders, especially considering that demand in these markets is still in the early stages of recovery.

Conclusion

We peg the NEGATIVE prospect of seafood sector under new reciprocal tariff regime.

Notably, given these challenges, we think the listed companies have exposure to exports to US (such as: VHC, ANV, FMC, MPC...), which could be potentially put pressure on both export volumes and ASPs.

Coverage valuation

Recommendation & TP			Earnings & Valuation										
Company				Sales	OP	NP	EPS	BPS	PE	PB	ROE	EV/EBITDA	DY
				(VND bn)	(VND bn)	(VNDbn)	(VND)	(VND)	(X)	(X)	(%)	(X)	(%)
VHC (HSX)	Recommendation	BUY	2022A	13,231	2,254	1,975	10,771	41,027	11.1	1.3	29.7	5.8	2.9
	TP (VND)	88,400	2023A	10,033	969	919	4,914	44,629	14.3	1.7	11.6	14.6	2.6
	Price (VND)	58,500	2024A	12,535	1,461	1,311	5,496	38,685	11.4	1.6	14.5	9.4	3.2
	Mkt cap. (VND bn)		2025F	13,497	1,724	1,550	6,338	42,751	10.5	1.7	15.8	9.3	2.7
			2026F	15,120	2,134	1,894	7,745	48,496	8.6	1.5	17.1	7.5	2.7
ANV (HSX)	Recommendation	HOLD	2022A	4,897	864	676	5,302	22,604	11.1	1.3	25.9	5.1	4.4
	TP (*) (VND)	19,200	2023A	4,439	183	39	293	21,326	105.6	1.5	1.4	32.5	3.1
	Price (VND)	15,350	2024A	4,911	119	48	179	10,488	92.0	1.6	1.7	19.0	-
	Mkt cap. (VND bn)		2025F	5,209	368	236	883	16,049	23.4	1.3	5.6	19.4	2.4
			2026F	5,209	568	383	1,435	16,984	14.4	1.2	8.7	12.6	2.4
IDI (HSX)	Recommendation	HOLD	2022A	7,931	726	563	2,404	14,033	11.1	1.3	17.7	6.8	13.8
	TP (*) (VND)	N/A	2023A	7,221	303	73	254	14,266	35.4	0.8	1.8	18.4	-
	Price (VND)	6,920	2024A	7,137	106	73	221	12,065	33.6	0.6	1.9	13.8	-
	Mkt cap. (VND bn)		2025F	7,801	378	132	477	15,008	20.6	0.8	3.2	14.7	-
			2026F	8,194	402	196	710	15,545	13.8	0.8	4.6	13.8	1.4
MPC (UpCOM)	Recommendation	Nonrated	2020A	14,329	766	674	3,175	25,998	12.7	1.6	13.2	12.1	5.0
	TP (*) (VND)	N/A	2021A	13,578	766	657	3,124	26,785	5.8	0.7	12.2	7.2	12.7
	Price (VND)	11,200	2022A	16,425	934	832	2,057	14,113	8.1	1.2	15.0	8.0	2.5
	Mkt cap. (VND bn)		2023A	10,767	(57)	(105)	(246)	13,312	(59.2)	1.1	(1.8)	32.8	5.2
			2024A	14,735	(84)	(191)	(491)	11,923	(26.7)	1.1	(3.9)	27.2	-
FMC (HSX)	Recommendation	HOLD	2022A	5,702	307	322	4,726	29,423	11.1	1.3	16.7	7.2	6.2
	TP (*) (VND)	54,000	2023A	5,087	292	302	4,221	31,024	10.7	1.5	14.0	11.7	4.4
	Price (VND)	43,850	2024A	6,913	422	423	4,675	33,151	10.1	1.4	14.6	5.9	-
	Mkt cap. (VND bn)		2025F	8,155	418	420	5,608	36,878	8.4	1.3	16.0	8.8	4.2
			2026F	8,699	426	429	5,732	40,611	8.2	1.2	14.8	8.7	4.2

Note: Data as of 03 Apr 2025

(*): Target price based on Bloomberg consensus

Source: Bloomberg

Textile & Garment

Neutral effect, but awaiting the final decision

Investment thesis

Negative

In the US market: most garment-exporting countries face Most-Favored-Nation (MFN) tariff rates, these rates range from 14.9 ~ 32% (HS 61, 62 - depending on the precise 8-digit HS code). An exception is made for Chinese imports, which are subject to an additional 7.5% tariff.

Table 6: Current tariff policies of key garment-exporting countries to US market

		Viet Nam	Bangladesh	India	China
US	Types of tariffs	MFN	MFN	MFN	MFN
	Effective tariff rates	HS61: 14.9% ~ 16.6% HS62: 16.6% ~ 32%	HS61: 14.9% ~ 16.6% HS62: 16.6% ~ 32%	HS61: 14.9% ~ 16.6% HS62: 16.6% ~ 32%	HS61: 14.9% ~ 16.6% HS62: 16.6% ~ 32%
	Note				- Facing an additional of +7.5% tariffs
	Market share in 2024	18.4%	8.8%	5.9%	21.6%

Source: KIS Research compiled. *Note: MFN - Most-Favored-Nation

Under latest announcement:

- A new import tariff of +10% applies to all countries.
- New Reciprocal Tariffs: Although the official reciprocal tariff rates for Vietnam's apparel exports to the US (HS 61, 62) have not yet been announced, based on the reciprocal tariff data between the U.S. and Vietnam, the current US tariffs on Vietnam's textile and garment (T&G) products (HS 61, 62) are applied under MFN, while Vietnam's tariffs on US T&G products are approximately 20%, according to Trademap ITC data. Therefore, we believe that the reciprocal tariff imposition is unlikely to change significantly.

Therefore, we believe that T&G exports to the US market could still maintain their competitiveness against key competitors, even creating opportunities to gain market share from China.

In the short-term, under higher tariff, US importers could use their purchasing power to put pressure on export prices of Vietnamese T&G manufacturers. We think these manufacturers could face to the gross margin shrinkage in the near-term, they could actively share higher costs with customers and offset through higher export orders.

Conclusion

The negative impact on Vietnam's T&G sector will likely be less significant.

We think the shift of orders away from China and the diversification of supply chains would become inevitable trends.

On the downside risks, we are concerned that the rapid growth in Vietnam's T&G export turnover to the US could prompt the Trump administration to consider further placing higher tariffs. In conclusion, we assign a **NETRAL outlook** for the T&G sector in the near-term.

Coverage valuation

Recommendation & TP			Earnings & Valuation										
Company				Sales	OP	NP	EPS	BPS	PE	PB	ROE	EV/EBITDA	DY
				(VND bn)	(VND bn)	(VNDbn)	(VND)	(VND)	(X)	(X)	(%)	(X)	(%)
TNG	Recommendation	Nonrated	2020A	4,480	201	154	1,917	15,514	15.4	1.9	13.9	8.5	2.7
(HNX)	TP (*) (VND)	29,600	2021A	5,444	288	232	1,911	15,774	7.6	0.9	17.8	6.1	5.5
	Price (VND)	19,900	2022A	6,772	373	293	2,787	15,490	7.2	1.3	19.1	5.8	4.0
	Mkt cap. (VND bn)	2,440	2023A	7,095	292	219	1,917	15,170	12.2	1.5	13.0	7.0	3.4
			2024A	7,656	401	315	2,568	15,436	8.6	1.4	17.4	5.6	5.4
MSH	Recommendation	Nonrated	2020A	3,813	283	232	4,635	27,367	16.6	2.8	18.3	11.3	3.9
(HSX)	TP (*) (VND)	62,200	2021A	4,748	546	442	8,846	28,434	3.7	1.2	31.7	3.3	13.8
	Price (VND)	54,600	2022A	5,521	446	338	4,998	21,453	7.7	1.8	24.7	6.6	6.5
	Mkt cap. (VND bn)	4,096	2023A	4,542	305	245	3,260	21,948	16.0	2.4	15.0	13.8	4.8
			2024A	5,280	560	442	5,499	23,943	10.7	2.5	24.0	9.2	6.0
TCM	Recommendation	Nonrated	2020A	3,470	340	276	4,435	26,266	14.2	2.4	18.1	9.6	0.8
(HSX)	TP (*) (VND)	47,700	2021A	3,535	176	144	1,937	23,819	28.0	2.3	8.6	16.6	-
	Price (VND)	34,450	2022A	4,337	346	281	3,405	24,002	11.9	1.7	15.2	7.9	-
	Mkt cap. (VND bn)	3,509	2023A	3,325	185	134	1,423	21,576	29.5	2.0	6.7	12.1	-
			2024A	3,810	339	278	2,708	22,177	13.7	1.7	13.0	9.2	1.4
VGT	Recommendation	Nonrated	2020A	13,909	585	561	618	12,333	39.2	2.0	5.3	18.8	-
(UpCOM)	TP (*) (VND)		2021A	16,003	1,486	1,324	1,564	17,380	6.8	0.6	10.8	7.1	6.6
	Price (VND)	10,900	2022A	18,307	1,182	1,056	1,175	13,879	9.9	0.8	7.6	10.7	-
	Mkt cap. (VND bn)	5,450	2023A	16,466	382	396	331	13,312	41.1	1.0	2.4	20.2	2.2
			2024A	17,326	804	655	649	13,597	19.7	0.9	-	11.6	-
STK	Recommendation	Nonrated	2020A	1,766	164	144	2,041	15,309	26.2	3.5	13.3	12.9	2.8
(HSX)	TP (*) (VND)	28,350	2021A	2,042	285	278	3,937	17,801	7.5	1.7	23.8	5.3	5.1
	Price (VND)	23,350	2022A	2,115	271	242	2,872	18,267	9.0	1.4	17.3	5.7	-
	Mkt cap. (VND bn)	2,256	2023A	1,425	89	88	909	16,856	25.4	1.4	5.5	15.4	-
			2024A	1,210	26	12	128	17,668	195.6	1.4	0.7	20.8	-

Note: Data as of 03 Apr 2025

(*): Target price based on Bloomberg consensus

Source: Bloomberg

Logistics

Trump's tariffs to pressure on trade

Negative

Investment thesis:

The implementation of reciprocal tariffs would significantly erode Vietnam's competitive edge in low-cost manufacturing, potentially forcing foreign direct investment (FDI) manufacturers to relocate production outside the country. This shift would trigger a decline in both domestic and international goods flows, adversely affecting a wide spectrum of logistics operators, including port operators, air cargo handlers, warehousing facilities, and shipping companies.

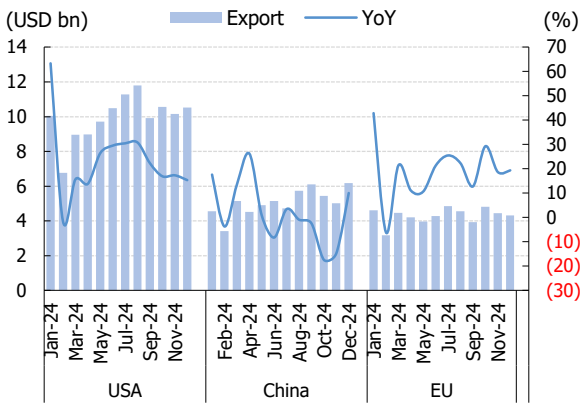
Port operators and shipping companies – Wide impact

- Our analysis reveals that reciprocal tariffs, by inflating the cost of imported goods, are projected to induce a 34% YoY contraction in Vietnamese exports to the United States. Consequently, this substantial reduction in cargo volume from Vietnam to the U.S. will exert a direct and significant adverse impact on seaport operators.
- Concurrently, the majority of Vietnamese shipping companies concentrate their operations within the Asian market, or as part of Asia-USA service routes. However, a downturn in Vietnamese exports to the US would lead to a reduction of associated service routes, consequently diminishing overall transport activities involving Vietnam. This scenario would compel Vietnamese shipping companies to engage in intensified competition with other shipping companies in the region.
- A downturn in Vietnam's manufacturing and import-export activities would adversely affect the development of Can Gio Port, as diminished cargo volumes would impede its operational efficiency. Furthermore, shifts in global trade flows could undermine the strategic location of Can Gio Port, potentially leading to project abandonment.

Aviation – unclear impact on airlines, air cargo services indirectly face unfavorable outlook

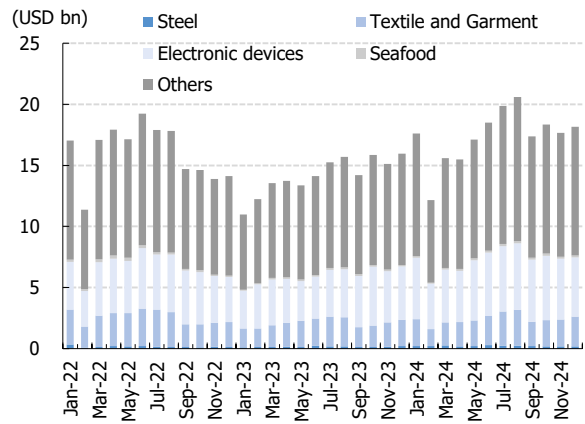
- While reciprocal tariffs, as currently understood, would not directly target airlines providing air transport services between Vietnam and the USA, the indirect impact to air cargo services is significant. Vietnamese airlines hold a minimal share of the air cargo market, with over 90% dominated by international carriers like Korean Air, FedEx, and DHL. However, if manufacturing relocates due to increased costs from tariffs, a subsequent decline in air cargo demand is expected, and ultimately impacting all logistics companies, including air cargo handlers.
- The persistent uncertainty surrounding evolving tariff policies poses substantial challenges for air logistics businesses in formulating long-term strategies and making informed infrastructure investments in Vietnam. Specifically, the significant investment in Long Thanh Airport, including its expanded air cargo handling capacity, faces potential risks of operational inefficiency upon completion.

Figure 11. US is Vietnam's biggest export market, account for 11% total export value



Source: FiiproX, KIS Research

Figure 12. A large percentage of goods exported to the US are subject to high reciprocal tariff rates



Source: GSO, KIS Research

Coverage valuation

Recommendation & TP			Earnings & Valuation										
Company				Sales	OP	NP	EPS	BPS	PE	PB	ROE	EV/EBITDA	DY
				(VND bn)	(VND bn)	(VNDbn)	(VND)	(VND)	(X)	(X)	(%)	(X)	(%)
GMD (HSX)	Recommendation	Nonrated	2020A	2,606	496	440	1,158	19,582	35.5	2.1	6.3	15.8	2.9
	TP (*) (VND)	72,470	2021A	3,206	861	721	1,912	20,967	25.0	2.3	10.0	15.3	2.5
	Price (VND)	52,400	2022A	3,898	1,309	1,161	3,298	22,981	21.1	3.0	15.0	15.7	2.9
	Mkt cap. (VND bn)	22,018	2023A	3,846	3,177	2,534	7,357	28,050	8.7	2.3	29.0	14.0	3.4
			2024A	4,832	2,419	1,924	3,516	29,909	16.0	1.9	-	13.3	-
HAH (HSX)	Recommendation	Nonrated	2020A	1,192	170	147	2,694	21,908	21.9	2.7	13.4	10.1	1.7
	TP (*) (VND)	57,616	2021A	1,955	642	551	8,795	31,809	3.8	1.0	34.0	2.9	3.0
	Price (VND)	49,700	2022A	3,206	1,300	1,041	11,684	32,853	3.3	1.2	42.6	2.6	-
	Mkt cap. (VND bn)	6,456	2023A	2,613	447	358	3,648	25,218	13.6	2.0	15.5	8.1	-
			2024A	3,992	980	800	5,361	27,005	10.0	2.0	21.9	5.7	-
VOS (HSX)	Recommendation	Nonrated	2020A	1,277	(260)	(187)	(1,338)	3,632	(10.4)	3.8	(30.8)	19.4	-
	TP (*) (VND)	#N/A	2021A	1,424	354	490	3,502	7,208	2.9	1.4	64.6	3.2	-
	Price (VND)	13,900	2022A	2,420	531	488	3,485	10,915	3.3	1.1	38.5	1.9	-
	Mkt cap. (VND bn)	1,946	2023A	3,187	81	155	1,110	11,944	14.9	1.4	9.7	6.2	-
			2024A	5,576	25	335	2,395	14,207	6.2	1.1	18.3	3.7	-
PVT (HSX)	Recommendation	Nonrated	2020A	7,383	982	830	1,994	15,096	10.5	1.4	14.5	4.6	4.8
	TP (*) (VND)	31,420	2021A	7,460	998	835	1,961	16,051	10.4	1.3	13.1	5.5	-
	Price (VND)	23,050	2022A	9,047	1,169	1,156	2,649	18,546	10.0	1.4	15.3	5.1	1.1
	Mkt cap. (VND bn)	8,206	2023A	9,556	1,346	1,222	3,005	21,044	8.5	1.2	15.2	5.6	1.2
HVN (HSX)	Recommendation	Nonrated	2020A	40,538	(11,898)	(11,178)	(7,704)	4,464	(3.0)	5.1	(89.3)	(8.1)	-
	TP (*) (VND)	38,700	2021A	27,911	(13,231)	(13,279)	(5,829)	680	(2.5)	21.5	(329.3)	(5.9)	-
	Price (VND)	27,900	2022A	70,410	(11,218)	(11,223)	(5,102)	(5,222)	(2.5)	(2.4)	224.7	(12.5)	-
	Mkt cap. (VND bn)	61,782	2023A	91,540	(5,978)	(5,632)	(2,678)	(7,910)	(10.0)	(3.4)	40.8	24.9	-
			2024A	105,942	3,199	7,958	3,416	(4,523)	8.8	(6.6)	-	7.0	-
VJC (HSX)	Recommendation	Nonrated	2020A	18,220	(2,018)	69	127	27,654	983.1	4.5	0.5	(31.5)	-
	TP (*) (VND)	107,225	2021A	12,875	172	80	138	31,082	782.1	3.5	0.5	(24.7)	-
	Price (VND)	88,400	2022A	40,142	(3,701)	(2,262)	(4,177)	27,470	(25.3)	3.8	(14.3)	(21.9)	-
	Mkt cap. (VND bn)	47,878	2023A	58,341	184	231	426	28,123	234.4	3.6	1.5	(691.6)	-
			2024A	71,859	1,432	1,427	2,632	31,218	36.1	3.0	8.9	24.9	-
NCT (HSX)	Recommendation	Nonrated	2020A	669	256	207	7,700	15,640	10.7	5.3	44.8	8.1	-
	TP (*) (VND)	#N/A	2021A	742	281	224	8,332	17,478	10.2	4.9	51.6	7.3	-
	Price (VND)	107,000	2022A	736	297	237	9,064	16,522	9.8	5.4	53.3	7.4	-
	Mkt cap. (VND bn)	2,800	2023A	702	273	217	8,285	16,563	13.8	6.9	50.1	10.4	-
			2024A	921	331	266	10,182	21,339	11.1	5.3	53.7	8.5	-
SCS (HSX)	Recommendation	Nonrated	2020A	693	501	464	7,615	17,532	20.6	8.9	46.0	17.2	-
	TP (*) (VND)	85,000	2021A	839	607	564	9,241	20,323	8.0	3.6	49.8	6.7	-
	Price (VND)	64,400	2022A	851	699	646	6,393	13,474	10.4	4.9	48.2	9.7	-
	Mkt cap. (VND bn)	6,111	2023A	705	571	498	4,906	12,473	16.6	6.5	36.0	15.3	-
			2024A	1,037	785	693	6,787	13,068	10.2	5.3	50.5	8.7	-

Note: Data as of 03 Apr 2025

(*): Target price based on Bloomberg consensus

Source: Bloomberg

WOOD

Disastrous headwind

Negative

Investment thesis

In our view, the reciprocal tariff could create a considerable damage to wood industry:

- Industry Overview:** In 2024, Vietnam's export value of wood and wood products came in at USD16.3bn (+20.3% yoy). The United States remained the largest export market, accounting for nearly USD9bn (+24% yoy) and over 50% of total export volume. However, a substantial portion of this growth stemmed from foreign direct investment (FDI) enterprises. The primary exported products included furniture and parts thereof, seats, and plywood & veneered panels. Vietnam's wood export industry is also subject to a national security investigation into U.S. lumber imports under Section 232 of the Trade Expansion Act of 1962 in April, 2025. While waiting for the results, the 46% tariff could be postponed.
- Potential Demand Disruptions:** The imposition of additional tariffs may lead to higher selling prices, which could adversely impact consumer demand. As a result, exporters may explore alternative markets, such as Canada and Mexico, as potential destinations for intermediate goods.
- Impact on Vietnamese Wood Companies:** Phu Tai Corporation's wood segment revenue in 2024 reached approximately 56%, mainly from exports. Meanwhile, An Cuong Wood Corporation (ACG) has an export ratio of only 16.7%. However, the broader challenges faced by the industry may still pose notable difficulties for ACG.

Coverage valuation

Recommendation & TP			Earnings & Valuation										
Company				Sales	OP	NP	EPS	BPS	PE	PB	ROE	EV/EBITDA	DY
				(VND bn)	(VND bn)	(VNDbn)	(VND)	(VND)	(X)	(X)	(%)	(X)	(%)
PTB (HSX)	Recommendation	Nonrated	2020A	5,601	439	379	7,062	39,566	14.4	2.6	19.3	8.7	2.0
	TP (*) (VND)	72,933	2021A	6,492	638	526	10,063	47,746	4.5	0.9	24.1	4.2	1.1
	Price (VND)	53,000	2022A	6,887	619	502	7,162	39,496	7.6	1.4	19.5	5.0	5.5
	Mkt cap. (VND bn)	3,548	2023A	5,619	336	259	3,851	40,687	16.2	1.5	9.5	7.9	4.0
			2024A	6,466	445	376	5,508	43,373	10.3	1.3	13.2	7.1	1.8
ACG (HSX)	Recommendation	Nonrated	2020A	3,754	559	492	5,613	40,119	18.6	2.6	14.3	16.2	2.9
	TP (*) (VND)	#N/A	2021A	3,294	542	451	4,783	43,089	8.3	0.9	12.4	7.5	6.3
	Price (VND)	36,500	2022A	4,475	749	616	4,531	28,799	8.2	1.3	16.0	7.4	-
	Mkt cap. (VND bn)	5,504	2023A	3,762	529	437	2,896	27,678	14.3	1.5	10.8	13.3	3.6
			2024A	3,981	575	420	2,785	27,695	14.0	1.4	10.1	11.8	2.1

Note: Data as of 03 Apr 2025

(*): Target price based on Bloomberg consensus

Source: Bloomberg

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