

7 Nov 2022

# VNDIRECT Securities (VND)

## What happened to the racehorse?

### Brokerage and margin lending revenue decreased

Under low trading environment in 3Q22, both revenues from brokerage and margin lending decreased. Brokerage revenue downed to VND252bn (-23% qoq, -42% yoy) and margin lending revenue dropped to VND286bn (-34.3% qoq, -28.8% yoy). The positive points were the qoq gross margin sustain for brokerage and lending rate hike of 1%p qoq in 3Q22 .

### Warnings for stock portfolio

In general, VNDirect still recorded a positive unrealized profit in listed shares but it was considerably narrower. There are rising warnings for the upcoming outlook when the unrealized profit of listed shares is withering. With such decreasing value momentum of listed shares portfolio and there is no improvement in market occurrence, the modest unrealized profit for listed shares can even turn into losses. Particularly, revaluations of listed shares in 1Q and 2Q were VND959bn and VND688bn, respectively. In 3Q22, this number was VND243bn (-65% qoq, 67% YTD) without a remarkable change in book value of listed shares.

### USD acceleration increased financial expenses

Financial expenses in 3Q22 was historically high. The company booked VND336bn in financial expenses (+38.4% qoq, +256% yoy). Foreign exchange losses in 3Q22 was VND119bn, unusually high, which was 3.6x qoq and 109x yoy. The causes of the foreign exchange loss were due to 1) VNDirect's shifting to make use more USD-denominated loans (from 25% to 60% of short-term loan) and 2) USDVND exchange rate increased sharply in response to DXY rally.

### Is fourth quarter a hope?

Combing with third quarter performance figures, 9M22 business result is off the track. 9M22 revenue was VND4,895bn (+27.3% yoy) and net profit was VND1,258.6 (-18.6% yoy), fulfilling just 25% of profit guidance. As of Nov 7, VND is trading at market price of VND10,450, equal to 0.93x TTM PB. Current valuation is lower than 3-year average PB of 1.68x and median PB of 1.53x and approaching -1 SD milestone at around 0.86x. Fourth quarter for VNDirect is more a challenge than hope when outlook for securities sector is cloudy and VNDirect is no exception.

Yr to	Net revenue	EBT	NP	EPS	BPS	PE	PB	ROA	ROE	DY
Dec	(VND bn)	(VND bn)	(VND bn)	(VND)	(VND)	(x)	(x)	(%)	(%)	(%)
2017A	1,220	580	481	3,103	16,231	8.0	1.6	7.3	21.6	3.2
2018A	1,538	438	373	1,693	13,532	8.0	1.0	4.0	13.6	3.0
2019A	1,502	480	383	1,736	14,737	7.3	0.9	3.5	12.3	2.9
2020A	2,135	862	693	3,143	17,326	8.7	1.6	5.2	19.6	1.6
2021A	6,039	2,980	2,383	5,479	22,583	12.9	3.6	9.2	34.9	0.9

## Non-rated

### Stock Data

VNIndex (07 Nov, pt)	975
Stock price (07 Nov, VND)	10,450
Market cap (USD mn)	512
Shares outstanding (mn)	1,218
52-Week high/low (VND)	34,785/10,450
6M avg. daily turnover (USD mn)	15.30
Free float / Foreign ownership (%)	89.1/14.6

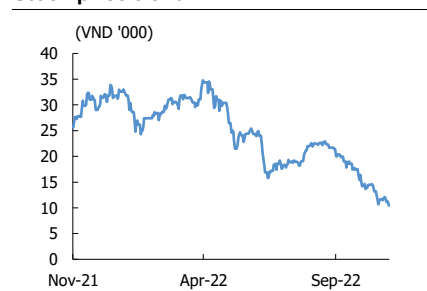
### Major shareholders (%)

I.P.A Investment	25.84
Yurie Vietnam Securities Investment Trust	4.99
Vietnam Investments Fund I, L.P	4.27

### Performance

	1M	6M	12M
Absolute (%)	(26.7)	(60.5)	(59.2)
Relative to VNIndex (%p)	(20.9)	(34.6)	(27.1)

### Stock price trend



Source: Bloomberg

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On October 28, VNDirect released the consolidated financial statement for 3Q22. This quarter's top line recorded VND1,367bn (-22% qoq, -16% yoy) which was hit by decreases of all income sources from FVTPL gain, brokerage, IB and margin lending. The operating expenses stayed flat qoq but financial expenses ramped up by 38.4% qoq and 256% yoy. As a result, net profit was hit significantly, downed to VND42bn (-91% qoq, -93% yoy).

### Brokerage revenue dropped but gross margin sustained

Trading liquidity kept slumping in third quarter and it affected brokerage revenue of securities companies. In addition, VNDirect slightly lost 0.24%p qoq brokerage market share in HSX exchange. Brokerage revenue downed to VND252bn (-23% qoq, -42% yoy). Brokerage rate was estimated as 16.94 bps, decreasing by 0.26 bps compared to 2Q22. Expense for brokerage also decreased to VND147bn (-23% qoq, -38% yoy). Gross margin ratio for brokerage maintained at 42% in 3Q22 which is a good sign under hard time for sector in general.

**Table 1. Brokerage business**

(VND bn, %, bps)

	3Q21	4Q21	1Q22	2Q22	3Q22	%qoq	%yoy
Revenue	433	544	461	330	252	(23.4)	(41.8)
Expenses	235	306	234	192	147	(23.3)	(37.6)
Trading value of shares through VND	271,306	377,791	276,530	191,516	148,908	(22.2)	(45.1)
Market share on HSX (%)	7.72	7.67	8.01	7.96	7.72	(3.0)	0.0
Gross margin ratio (%)	45.67	43.69	49.33	41.84	41.77	(0.2)	(8.5)
Brokerage rate (bps)	15.97	14.39	16.68	17.21	16.94	(1.5)	6.1

Source: Company data, Korea Investment & Securities

### Lending rate picked up

Margin balance at end-3Q bounced to VND12,664bn (+12.8% qoq, +16% yoy). But, there a sharp decrease in margin lending revenue when 3Q22 figure recorded VND286bn (-34.3% qoq, -28.8% yoy). This is the delayed effect from sharp drop in margin balance at end-2Q which translated to thinner margin lending revenue following that.

Lending rate picked up to 11.9% in 3Q22, the highest rate in 2-year from 2021, showing the good competition of VND. Margin balance over owners' equity ratio is 87.3%, a reasonable level which can either prevents VND from market risk or give comfortability for the company to increase if market recovers. We expect margin lending revenue in 4Q22 will increase when both the margin balance and lending rate are increasing.

**Table 2. Margin lending activities**

(VND bn, %)

	3Q21	4Q21	1Q22	2Q22	3Q22	%qoq	%yoy
Loan balance	11,317.0	15,473.5	17,122.5	11,663.8	12,950.6	11.0	14.4
Margin loan	10,915.9	14,418.2	16,081.4	11,229.3	12,664.1	12.8	16.0
Advance selling from customer	401.1	1,055.4	1,041.1	434.5	286.5	(34.1)	(28.6)
Margin loan/Equity (%)	127.8	146.8	155.3	77.2	86.8	12.5	(32.1)
Revenue	313	437	464	423	377	(10.8)	20.5
Lending rate (%)	10.6	11.0	11.0	11.8	11.9	1.0	12.3

Source: Company data, Korea Investment & Securities

### Mute IB revenue

The corporate bond market in 3Q22 was affected by pending amending regulations and issued bond inspections in 2Q22, in our view. For that reason, VNDirect had just VND1.38bn revenue for IB activities in this quarter. Decree 65 was released on 21 Sep, hence, the improvement in mute status of IB activities is forthcoming.

**Table 3. IB revenue**

(VND bn, %)

	3Q21	4Q21	1Q22	2Q22	3Q22	% qoq	% yoy
Revenue	150.8	44.5	73.2	83.9	1.4	(98.4)	(99.1)
Expenses	17.8	5.9	3.2	8.0	8.0	0.8	(54.9)
Gross profit	132.9	38.5	70.0	75.9	(6.7)	n/a	n/a

Source: Company data, Korea Investment & Securities

### Good bond trading profit, warnings for stock portfolio

*Fair value of financial assets through profit and loss is known as FVTPL. As FVTPL comprises many items, we analyze the gross profit of each kind of FVTPL classes as well as realized profit and unrealized profit. Realized profit comes from the gain or loss from disposal of FVTPL, including listed and unlisted shares, listed and unlisted bonds, derivatives, dividends, and interest received from holding financial assets. Unrealized profit is the revaluation of mentioned financial assets which remains in holding balance, updated to the end of the reporting period.*

FVTPL book value till end-3Q22 recorded VND17,894bn (-12.8% qoq, +51.3% YTD). In terms of the structure, the company elevated their bond balance to VND9,750bn (+2.3% qoq), equivalent to 54% of FVTPL balance. In which, they increased holding for financial institutions' bonds and corporate bonds while decreased holding for government bonds. Besides that, the company cut their stock portfolio to VND859bn (-13.8% qoq) and deposit certificates to VND6,856bn (-28.9% qoq).

In realized profit, bond trading still contributed the most. Unlisted bonds trading brought VND275bn gross profit which was 3.5% higher than the 2Q22 high record. Dividend and interest revenue kept the second place in term of profit ranking but decreased in value when it dropped to VND110.8bn, -44.5% qoq. Listed shares and covered warrants were both in green. Listed shares recorded VND18.2bn profit (compared to VND19.1bn loss in previous quarter). Covered warrants booked VND21.7bn profit, five-fold compared to last quarter. (Refer to table 4.)

In total, result of FVTPL's realized profit in 3Q22 was adequate, especially in a harsh time for proprietary trading. The company showed good health in their strategy for proprietary trading activities. The biggest revenue/profit source was secured and smaller sources were not harmed a lot.

**Table 4. FVTPL realized profit**

(VND bn, %)

	3Q21	4Q21	1Q22	2Q22	3Q22	%qoq	%yoy
<b>Gain from disposal FVTPL</b>	<b>290.4</b>	<b>255.0</b>	<b>215.4</b>	<b>535.2</b>	<b>453.1</b>	<b>(15.3)</b>	<b>56.0</b>
Listed shares	146.4	107.0	18.1	96.4	42.5	(55.9)	(71.0)
Covered Warrants	18.8	7.6	30.9	20.9	25.1	20.0	33.8
Unlisted shares & fund certificates	5.5	2.7	0.0	0.0	0.1	223.2	(99.1)
Listed bonds	2.4	13.7	8.5	24.0	13.1	(45.4)	442.3
Unlisted bonds	94.2	118.8	154.5	369.5	336.7	(8.9)	257.5
Derivatives	23.1	5.3	3.5	24.4	7.0	(71.4)	(69.9)
<b>Loss from disposal FVTPL</b>	<b>208.2</b>	<b>246.6</b>	<b>58.1</b>	<b>257.2</b>	<b>123.9</b>	<b>(51.8)</b>	<b>(40.5)</b>
Listed shares	59.9	14.9	13.2	115.5	24.3	(78.9)	(59.4)
Covered Warrants	82.7	3.1	4.1	16.6	3.5	(79.2)	(95.8)
Unlisted shares	(0.5)	2.1	0.4	0.4	0.2	(45.8)	(152.8)
Listed bonds	3.2	2.8	2.9	7.6	23.4	206.4	624.1
Unlisted bonds	52.9	216.9	30.7	103.7	61.9	(40.4)	16.9
Derivatives	9.9	6.8	6.8	13.3	5.6	(57.9)	(43.4)
<b>Realized Profit</b>	<b>134.0</b>	<b>154.2</b>	<b>166.3</b>	<b>477.3</b>	<b>416.1</b>	<b>(12.8)</b>	<b>210.6</b>
Listed shares	86.4	92.1	4.8	(19.1)	18.2	n/a	(79.0)
<i>Covered Warrants</i>	(63.9)	4.5	26.8	4.3	21.7	403.7	n/a
Unlisted shares & fund certificates	5.9	0.6	(0.4)	(0.4)	(0.2)	n/a	n/a
Listed bonds	(0.8)	10.9	5.6	16.4	(10.3)	n/a	n/a
Unlisted bonds	41.3	(98.2)	123.8	265.8	274.9	3.4	566.0
Derivatives	13.2	(1.6)	(3.3)	11.0	1.4	(87.6)	(89.6)
Dividend, interest from FVTPL financial assets	53.8	146.3	9.1	199.5	110.8	(44.5)	105.8
Dividend from AFS	0.0	0.0	0.0	0.0	0.0	n/a	n/a
Transaction cost	(2.0)	(0.5)	(0.1)	(0.2)	(0.3)	n/a	n/a

Source: Company data, Korea Investment &amp; Securities

As we mentioned about the change in FVTPL book value, the company cut VND2,628bn, equivalent to -12.8% qoq. However, market value of FVTPL dropped at higher pace to VND18,120bn, equivalent to -14.6% qoq. Combining the effect of 1) decreasing book value and 2) stronger decrease in market value through revaluation, 3Q22 booked a negative net adjustment of VND482bn in FVTPL revaluation which significantly exacerbated the bottom line. This is also the biggest absolute adjustment that company ever recorded.

In general, **VNDirect still recorded a positive unrealized profit in listed shares but it was considerably narrower**. In particularly, revaluations of listed shares in 1Q and 2Q were VND959bn and VND688bn, respectively. In 3Q22, this number was VND243bn (-65% qoq, 67% YTD) without a remarkable change in book value of listed shares. Therefore, the company is losing their unrealized profit in the sagging market. It resulted in a negative VND445bn

adjustment, accounting for 92% in negative net adjustment of FVTPL. (Refer to table 5.)

Other FVTPL assets changed from unrealized profits to unrealized losses, namely unlisted shares and listed shares hedging for covered warrants. 3Q22 decreasing adjustment for these assets were VND22bn and VND15bn, respectively.

In sum of FVTPL performance, VNDirect had good income from bond trading and net of realized profit from FVTPL was VND416bn which was high and just below the second quarter this year. However, there are rising warnings for upcoming outlook when unrealized profit of listed shares is withering. With such decreasing value momentum of listed shares portfolio and there is no improvement in market occurrence, the modest unrealized profit for listed shares can even turn into losses. In addition, income from bond trading may be at risk due to significant changes in Decree 65. Therefore, the last quarter in 2022 of VNDirect will be much challenging.

**Table 5. FVTPL revaluation**

(VND bn)

	3Q21	4Q21	1Q22	2Q22	3Q22
<b>Revaluation at end of the period</b>	<b>328.0</b>	<b>804.5</b>	<b>998.4</b>	<b>714.3</b>	<b>232.7</b>
Listed shares	213.3	734.5	958.6	687.8	242.8
Listed shares for CWs	0.0	7.1	0.4	9.4	(12.2)
Unlisted shares & Fund certificates	114.7	50.2	39.5	9.8	(5.2)
AFS	0.0	0.0	0.0	0.0	0.0
Covered warrant	0.0	0.0	0.0	0.0	0.0
<b>Net adjustment</b>	<b>22.8</b>	<b>476.5</b>	<b>193.9</b>	<b>(284.1)</b>	<b>(481.6)</b>
Listed shares	85.3	521.2	224.1	(270.8)	(445.0)
Listed shares for CWs	(123.3)	7.1	(6.7)	9.0	(21.6)
Unlisted shares & Fund certificates	60.8	(64.5)	(10.7)	(29.7)	(15.0)
AFS	0.0	(0.1)	(0.0)	0.0	0.0
Covered warrant	0.0	12.8	(12.8)	7.4	(0.1)

Source: Company data, Korea Investment & Securities

### USD acceleration increased financial expenses

Financial expenses in 3Q22 was historically high. The company booked VND336bn in financial expenses (+38.4% qoq, +256% yoy). In which, interest expenses slightly increased to VND218bn (+3.8% qoq). Fx losses (both realized and unrealized) was the main factor that made financial expenses up sharply. FX losses in 3Q22 was VND119bn, unusually high, which was 3.6x qoq and 109x yoy. The causes of the fx loss were due to 1) VNDirect shifting to weight more USD loans and 2) USDVND exchange rate increase sharply in response to DXY rally.

USD-denominated loans were syndicated loans funding by group of foreign financial institutions. These loans are dominated in USD with competitive lending rate. VNDirect has shifted to make use of USD-denominated loans since the latter half of 2021. At 4Q21, the ratio of VND-denominated loans over

USD-denominated loans were 75/25. After steadily decreasing VND-denominated loans and increasing USD-denominated loans, the ratio at end-3Q22 was 40/60. The USD loans were VND10,579bn (+104% YTD) while VND loans were VND6,976bn (-54% YTD). The reason that VNDirect kept using loan in USD placed on the attractive interest rate with short-term rate much lower than offerings from local banks. With the strengthening of USD, it caused the fx loss for VNDirect.

Liabilities at end-3Q22 kept decreasing to VND27,521bn (-8% qoq, +1% YTD). The company decreased in both current liabilities and non-current liabilities. Liabilities over total asset ratio decreased to 65% (-2.5%p qoq), leverage ratio was 188.6% (-16.4% qoq). The action of decreasing liabilities is reasonable amid unfavorable market movement which can minimize the pressure for paying interest expenses.

### 9M22 result is off the track

Combing with third quarter performance figures, 9M22 business result is off the track. 9M22 revenue was VND4,895bn (+27.3% yoy) and net profit was VND1,258.6 (-18.6%), fulfilling just 44% of profit guidance. Profitability ratios continued to drop in this quarter. Net profit margin was 25.7% (-14.5%p yoy) and ROE was 12.8% (-9.8%p yoy).

### Is fourth quarter a hope?

Shortened settlement cycle was implemented but it was not effective in improving trading value. New accounts dropped significantly in 3Q22 that eroded the prospect of a new F0 coming to the market. Corporate bond trading activities is the only hope for VNDirect, but the outlook of corporate bond market may be affected in short-term due to the release of Decree 65. Will all the factors, fourth quarter for VNDirect is challenging when outlook for securities sector is cloudy and VNDirect is no exception.

Short-term motivation for the company is blur but the longer-term outlook is still intact. With the project to make the market more transparent and fairer from management bodies, we expect more foreign capitals coming to Viet Nam and improvement in investors' belief for stock market. As of Nov 7, VNDirect is trading at market price of VND10,450 dong, PB 0.93x. Current valuation is lower than 2-year average PB of 1.68x and median PB of 1.53x and approaching -1 SD milestone at around 0.86x.

**Table 6. Quarterly earnings**

(VND bn, %)

	3Q21	3Q22	YoY	9M21	9M22	YoY
<b>Revenue</b>	<b>1,626.3</b>	<b>1,366.6</b>	<b>(16.0)</b>	<b>3,844.0</b>	<b>4,895.1</b>	<b>27.3</b>
FVTPL gain	590.2	606.3	2.7	1,399.6	2,062.1	47.3
HTM income	132.8	119.4	(10.1)	344.0	334.0	(2.9)
AFS income	0.0	0.0	n.a	55.9	0.0	n.a
Loans and receivables	313.1	377.5	20.5	730.4	1,264.8	73.2
Brokerage	433.2	252.3	(41.8)	1,071.3	1,043.1	(2.6)
IB	150.8	1.4	(99.1)	221.4	158.5	(28.4)
Others (inc. custody services)	6.2	9.7	56.5	21.2	32.5	53.1
<b>Expenses</b>	<b>718.7</b>	<b>884.2</b>	<b>23.0</b>	<b>1,434.9</b>	<b>2,363.8</b>	<b>64.7</b>
FVTPL loss	380.2	648.2	70.5	645.2	1,497.7	132.1
AFS loss and revaluation	0.0	0.0	n/a	0.0	0.0	n.a
Prop trading expenses	4.5	4.1	(10.8)	17.7	12.4	(30.0)
Provision and interest expenses	14.5	(2.9)	n.a	37.5	(18.0)	n/a
Brokerage expenses	235.4	146.9	(37.6)	583.9	572.3	(2.0)
IB expenses	17.8	8.0	(54.9)	36.4	19.2	(47.1)
Others (inc. custody services)	66.3	79.9	20.7	114.2	280.1	145.3
<b>Gross Profit</b>	<b>907.6</b>	<b>482.4</b>	<b>(46.8)</b>	<b>2,409.1</b>	<b>2,531.3</b>	<b>5.1</b>
<b>Financial activities</b>	<b>(92.7)</b>	<b>(332.5)</b>	<b>258.8</b>	<b>(267.6)</b>	<b>(675.1)</b>	<b>152.3</b>
Revenue	1.8	3.9	114.0	10.3	42.3	310.3
Expenses	94.5	336.5	256.0	277.9	717.4	158.1
SG&A expenses	70.2	98.1	39.9	204.6	288.3	40.9
<b>Operating profit</b>	<b>744.7</b>	<b>51.7</b>	<b>(93.1)</b>	<b>1,936.8</b>	<b>1,567.9</b>	<b>(19.0)</b>
Other income	0.3	(0.0)	n.a	0.1	0.0	(64.6)
Earnings before tax	745.0	51.7	(93.1)	1,937.0	1,567.9	(19.1)
<b>Earning after tax</b>	<b>595.6</b>	<b>42.3</b>	<b>(92.9)</b>	<b>1,545.4</b>	<b>1,258.6</b>	<b>(18.6)</b>

Source: Company data, Korea Investment &amp; Securities

### ■ Company overview

VNDirect has been in top 5 biggest brokers in term of trading value on both HSX and HNX for many years. Since 2021, VNDirect has strongly increased their owners' equity in order to lift up competitive capability. As of 2Q22, VNDirect was placed 2<sup>nd</sup> in this metric, just behind SSI. VNDirect owns a diversified ecosystem covering wide range of financial sectors.

**Balance sheet**

(VND bn)

	2017A	2018A	2019A	2020A	2021A
Total assets	8,069	10,535	11,577	14,976	37,095
Cash and Cash equivalent	342	915	614	974	2,702
Loans	3,131	2,582	2,887	4,706	15,474
FVTPL (incl. provision)	540	800	1,172	982	12,471
HTM	2,258	5,371	5,548	3,266	5,312
AFS	748	387	783	2,963	0
Accounts receivable (incl. provision)	144	158	219	314	566
Other current assets	13	17	17	14	103
Investments in associates	422	0	0	0	0
Long-term securities investment	300	100	105	1,530	318
Other long-term assets	171	204	221	214	125
Total liabilities	5,553	7,552	8,329	11,157	27,272
Borrowings	4,352	6,012	6,554	9,458	20,449
Bonds	320	1,227	1,104	704	1,250
Other liabilities	15	2	2	13	161
Owners' Equity	2,516	2,983	3,249	3,819	9,822
Common shares	1,550	2,204	2,204	2,204	4,349
Capital surplus	121	121	121	121	1,504
Conversion options on convertible bonds	0	0	0	0	0
Treasury shares	(50)	(201)	(201)	(201)	(0)
Charter reserve	69	90	110	136	222
Financial reserve funds	40	61	81	107	192
Capital adjustment	0	0	0	0	0
Undistributed earnings	785	707	932	1,452	3,556
Minority interests	0	0	0	0	0

**Income statement**

(VND bn)

	2017A	2018A	2019A	2020A	2021A
Operating income	1,220	1,538	1,502	2,135	6,039
FVTPL gain	283	250	280	776	2,478
HTM income	180	289	391	381	427
AFS income	29	5	20	55	56
Loans and receivables	344	435	408	361	1,167
Brokerage	344	520	335	478	1,615
IB	30	22	48	59	266
Others (inc. custody services)	10	18	19	23	30
Operating expenses	256	610	302	543	2,325
FVTPL loss	65	382	99	290	1,092
AFS loss and revaluation	0	0	0	0	0
Prop trading expenses	0	0	0	0	26
Provision and interest expenses	10	(4)	34	18	74
Brokerage expenses	167	216	155	194	890
IB expenses	3	0	0	0	42
Others (inc. custody services)	11	15	14	41	200
Gross Profit	964	928	1,200	1,591	3,715
Financial activities	(104)	(158)	(186)	(435)	(369)
Revenue	15	4	95	5	3
Expenses	119	162	281	439	372
SG&A expenses	261	305	309	358	300
Operating profit	546	437	456	864	2,981
Other income	35	1	24	(1)	(0)
Earning before tax	580	438	480	862	2,980
Earning after tax	481	373	383	693	2,383

**Key financial data**

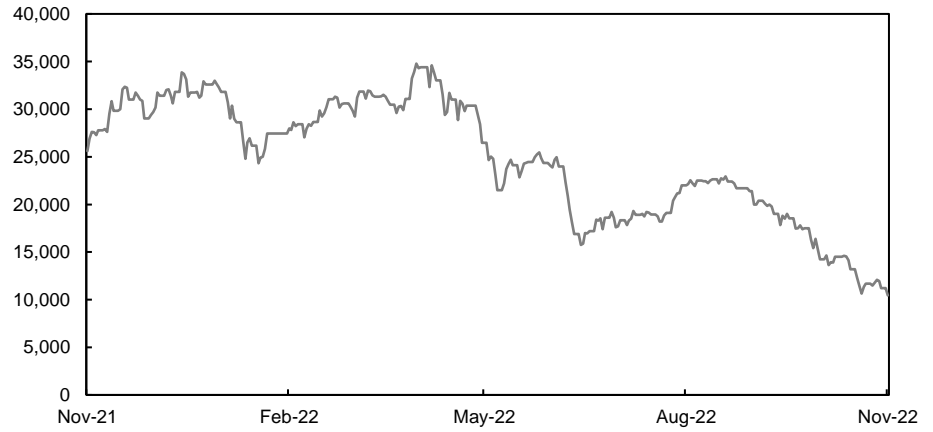
(VND bn)

	2017A	2018A	2019A	2020A	2021A
<b>Operating base</b>					
No. of employees	n/a	n/a	884	931	1,521
Stock trading value (VND tn)	n/a	n/a	136	264	1,046
Margin loan balance (VND bn)	2,995	2,456	2,777	4,304	15,474
<b>Financial Ratios (%)</b>					
Margin loan/Equity ratio	119.1	82.3	85.5	112.7	157.5
Leverage ratio	220.7	253.2	256.4	292.1	277.7
Gross profit margin	79.0	60.3	79.9	74.5	61.5
Net profit margin	25.5	39.4	24.3	25.5	39.5
<b>Growth (%)</b>					
Total assets	55.9	30.6	9.9	29.4	147.7
Owners' equity	29.1	18.6	8.9	17.6	157.2
Net revenue	66.8	26.1	(2.4)	42.1	182.9
Net profit	158.2	(22.4)	2.6	81.0	244.0



**Changes to recommendation and price target**

Company (Code)	Date	Recommendation	Price target	% vs. avg. price	% vs. high (low)
VNDIRECT Securities (VND)					



■ **Guide to KIS Vietnam Securities Corp. stock ratings based on 12-month forward performance**

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- Hold: Expected total return will be between -5% and 15%
- Sell: Expected total return will be -5% or less
- KIS Vietnam Securities Corp. does not offer target prices for stocks with Hold or Sell ratings.

■ **Guide to KIS Vietnam Securities Corp. sector ratings for the next 12 months**

- Overweight: Recommend increasing the sector's weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.
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Prepared by: Tri Duong

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