

CASH – EQUITY ALLOCATION RECOMMENDATION

ALLOCATION RECOMMENDATION

GRADUALLY INCREASE EQUITY

Actively raise allocation into market leaders (securities, attractively-valued banks) as MSCI and domestic flows support; add more aggressively on a break above 1,846 with volume, trim if 1,754 breaks.

50–60%
EQUITY

40–50%
CASH

VN-Index	1,824.53
Past week	1.84%
RSI (14)	48.0

Why 50–60% Equity / 40–50% Cash?

VN-Index closed Friday Jun 19 at 1,824.53, up 1.84% from last week and recovering clearly from a 1,791 bottom, with RSI lifting from ~36 to 48 and **breadth improving sharply** – securities led the rebound ahead of MSCI's Jun 18-19 review. The external backdrop also turned brighter as **the US and Iran reached a de-escalation agreement**, sending Brent down to 79 USD and easing imported inflation pressure; on the other hand, a firmer Fed on Jun 17 drew capital out of emerging markets and drove **foreigners to a heavy ~3,100 billion of net-selling**. Technically the index trades between the 200- (1,754) and 50-session (1,846) averages – the decisive zone for confirming a reversal – while attractive valuation provides a fundamental anchor. **We thus raise allocation to 50–60% equity / 40–50% cash**, favoring securities and attractively-valued banks; add more on a break above 1,846 with volume and a favorable MSCI.

+ FACTORS SUPPORTING EQUITY

- **The recovery is broadening.** VN-Index rebounded +1.84% over the week to 1,824.53 after bottoming at 1,791 – RSI lifted strongly from ~36 to 48 and MACD is about to flip positive. More importantly, breadth improved markedly as the share of names above the 20-session average jumped from 32% to 50%, led by securities (FTS, BSI, MBS all at RSI 60-71) ahead of the Jun 18-19 MSCI review. A fitting backdrop to actively raise allocation into clear-momentum leaders.
- **Valuation remains attractive despite the rebound.** After this week's recovery, market valuation still sits in a reasonable zone: P/E around 13-14x, ex-Vingroup only ~11x, ~12x on 2026 forecasts – a safety margin wide enough for long-term capital to keep accumulating.
- **Fundamentals of core sectors remain solid.** Many pillar sectors still sit at low valuations: banks around P/B 1.4x with ROE 16-22%; power and utilities at only 5-6x P/E. Q1 market profit still grew strongly YoY – a solid base that keeps these groups attractive to medium-to-long-term capital.

- FACTORS FAVORING CASH

- **Heavy foreign net-selling caps the rebound.** Foreigners sold a net ~3,100 billion over the week (Jun 19 alone at -1,686 billion), concentrated in pillars TCB, VCB, CTG, FPT, VHM, VRE. This flow pressure has kept the index from clearing the 50-session average (1,846), with turnover still below average – big money needs to return to confirm the reversal.
- **FX pressure as the dollar strengthens.** After the Fed's firmer signal, the dollar index (DXY) lifted to 100.8 and the US 10-year yield rose to 4.49% – pulling USD/VND to 26,335. Domestically the interbank overnight rate has stabilized at 4-5% after spiking to 9.5% on Jun 8, but easing room stays narrow given FX pressure and heavy foreign net-selling.
- **The Fed delivers a firmer message.** The Jun 17 Fed meeting held rates at 3.5-3.75% as expected, but the dot plot turned clearly firmer – 9 of 18 members now project end-2026 rates HIGHER than today (only 1 lower), and 17 of 18 see inflation risks tilted upward. Markets repriced 'higher for longer', pushing the dollar index to 100.8 and pulling capital out of emerging markets like Vietnam.

— THREE MARKET SCENARIOS – NEXT 1–3 WEEKS

OPPORTUNITY
BULL CASE

40%

VN-Index toward 1,846 → 1,880

MSCI favorable + foreigners stop selling, index clears 1,846 toward 1,880; securities + quality banks lead.

ACTION

Raise equity to 55-65%; focus on securities (FTS, BSI, MBS) and banks (VCB, CTG, ACB).

MOST LIKELY
BASE CASE

40%

VN-Index ranges 1,800 → 1,846

Accumulation between the 200- (1,754) and 50-session (1,846) averages; markets digest a firmer Fed, domestic flows hold the line.

ACTION

Hold 40-50% equity; accumulate leaders near support, no chasing.

RISK

BEAR CASE

20%

VN-Index to 1,750 → 1,800

Unfavorable MSCI outcome or DXY breaking above 102, the index loses 1,800 toward the 200-session average (1,754).

ACTION

Cut to 30-35%, raise cash; avoid heavily-sold groups, leveraged real estate.

— SECTORS TO HOLD / TO AVOID

▲ HOLD – UPWARD MOMENTUM

Securities – leading the rebound + MSCI expectations **FTS, BSI, MBS**

Leading the rebound at RSI 59-71, all reclaiming MA20 + MA50 with volume behind them. Near driver: MSCI expected to add Vietnam to its upgrade watchlist (Jun 18-19 review).

Attractively-valued banks – accumulate for the long term **VCB, CTG, ACB**

Three sector pillars with solid fundamentals and attractive valuations: VCB NPL 0.62%/coverage >250%, CTG P/B ~1.4x ROE 22%, ACB NPL 1% holding above MA50. A good zone to accumulate for the long term.

Defensives – high dividend, low volatility **SAB, BWE, VEA**

Held firm through volatility on essential demand + steady dividends: SAB (beer, record margins), BWE (water), VEA (high dividend). A good base allocation through macro swings.

▼ AVOID – SELLING PRESSURE

Oil & gas – Brent crashes to 79 USD **PVS, BSR, PVC**

Brent crashed to 79.58 USD (RSI 30, clearly below MA50) as US-Iran tensions ease; oil & gas names all lost their trend (PVS RSI 35, BSR 39, PVC 36) – wait for crude to find a base.

High-leverage real estate – high borrowing costs **NVL, PDR, DXG**

Elevated domestic rates raise borrowing costs and pressure heavy borrowers with weak core earnings (PDR Q1 revenue -76%; NVL heavy debt; DXG thin margins).

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