CASH — EQUITY ALLOCATION RECOMMENDATION

Updated weekly
July 3, 2026

ALLOCATION RECOMMENDATION

MAINTAIN EQUITY POSITION

Hold current equity weight, selectively accumulate banks and securities near support 1,861; ready to add when Q2 earnings beat expectations or the index clears 1,900 on volume with foreigners done selling; trim if 1,861 breaks.

60–70% EQUITY	30–40% CASH

VN-Index	1,862.08
Past week	-0.53%
RSI (14)	54.9

Why 60–70% Equity / 30–40% Cash?

VN-Index closed Jul 3 at 1,862, roughly flat and **consolidating just above the 50-session average (1,861)** — momentum has stalled, money rotating as banks see profit-taking while Vingroup takes turns leading. The key anchor is domestic: **Q2 GDP grew 8.39%** (H1 +8.18%) — a multi-year high on public investment, foreign capital and exports, plus **expectations of a solid Q2 earnings season** ahead. The external backdrop eased as the **US labor market cooled** (only 57,000 jobs in June), tempering Fed hawkishness, with the dollar and oil both lower — easing FX and imported-inflation pressure. On the other side, **foreigners returned to net selling** (~80,300 over the half-year) is the main drag, though 4.69% inflation is expected to ease as oil sits low. **We thus maintain 60–70% equity / 30–40% cash**, selectively accumulating banks and securities near support; not chasing while foreigners sell, **ready to add if Q2 earnings beat expectations**.

+ FACTORS SUPPORTING EQUITY

- **Q2 growth accelerates as an anchor.** Q2 GDP rose 8.39% YoY and H1 +8.18% — a multi-year high on public investment, foreign capital and manufacturing-exports; the PMI held at 51.8 in June (expansion). Healthy real growth plus expectations of a solid Q2 earnings season (due soon) provide fundamental support even as money flow stays cautious.
- **Holding above the 50-session average.** VN-Index still sits above all three 20 - 50 - 200-session averages after the breakout, consolidating around 1,860; RSI 55 in a healthy neutral zone (not overbought) leaves room to rise if money returns.
- **Valuation still reasonable.** Market P/E around 14x, below the 10-year average (15.6x); ex-Vingroup only ~11x — the safety margin stays wide enough for long-term capital to keep deploying into quality names.
- **Q2 profit expected to grow well.** The upcoming Q2 earnings season is expected to grow well (market profit forecast ~20% YoY, banks in the lead) on the H1 credit recovery — a catalyst supporting the cheap pillar group.

– FACTORS FAVORING CASH

- **Momentum stalls, foreigners resume net selling.** The rally is losing steam: the index drifts near the 50-session average, the large-cap VN30 has slipped below it, breadth narrowed (~39% of names above the 50-session average) and turnover is below average. Foreigners returned to net selling (~1,100 on Jun 30, ~80,300 over the half-year), a near-term drag until money flow broadens.
- **Inflation still above target.** June CPI rose 4.69% YoY — still above the 4.5% target on lagged earlier oil prices, though expected to ease as oil now sits low; room for domestic monetary easing thus stays limited.
- **The Fed stays cautious on inflation.** Even as the US labor market cools, easing Fed hawkishness, Chair Warsh insists 'inflation is still too high' and 9/18 members still lean toward at least one hike this year; core US inflation is stuck at 3.3%. US monetary-policy risk still hangs over foreign flows and FX.

THREE MARKET SCENARIOS — NEXT 1–3 WEEKS

OPPORTUNITY 40%

BULL CASE

VN-Index toward 1,900 → 1,933

Foreigners stop selling and turnover improves, the index clears 1,900 on volume; Q2 earnings confirm positive, heading back toward the 1,933 high.

ACTION
Raise equity to 65-70%; focus on banks with a strong Q2 outlook (VPB, HDB, MBB) and securities (SSI, HCM).

MOST LIKELY 40%

BASE CASE

VN-Index ranges 1,835 → 1,900

Accumulation around the 50-session average (1,861) as the market digests foreign selling and firmer inflation; strong growth and Q2 earnings keep a differentiated tone.

ACTION
Hold 60% equity; accumulate leaders near support, no chasing.

RISK 20%

BEAR CASE

VN-Index to 1,800 → 1,861

Foreigners sell harder or the Fed turns hawkish again / oil rebounds; the index loses 1,861 and slides to 1,800 - 1,835.

ACTION
Cut to 45-50%, raise cash; avoid high-leverage real estate and oil & gas on weak crude.

SECTORS TO HOLD / TO AVOID

▲ HOLD — UPWARD MOMENTUM

Banks — expecting strong Q2 profit, cheap valuation — **VPB, HDB, MBB**
Q2 profit expected to accelerate on the H1 credit recovery: VPB credit +20% YTD, HDB ROE above 24%, MBB benefiting from Circular 25 raising the medium-long-term lending cap. Cheap (P/E 7-8x) — accumulate into the banking pullback.

Securities — recovering liquidity and market reform — **TCX, SSI, HCM**
Beneficiaries as liquidity recovers and Q2 proprietary-trading and margin-lending results improve; the draft Securities Law amendment paves the way for an upgrade, drawing long-term capital. P/B 1.6-1.7x, below average.

Retail - consumer — strong domestic demand — **MWG, MSN**
Q2 GDP +8.39% and double-digit retail growth support domestic consumption: MWG's Dien May Xanh revenue +33% (ROE 25%), foreign net buying; Masan (MSN) with WinCommerce revenue +28% and H1 profit set to rise strongly.

▼ AVOID — SELLING PRESSURE

High-leverage real estate — weak core earnings — **NVL, DXG, PDR**
Heavy borrowers with thin core profit reliant on divestments (NVL profit declining; DXG very thin margins; PDR Q1 revenue -76%). All still below the 50-session average — await money flow and project legal clearance.

Oil & gas — crude at a 4-month low — **BSR, PVS**
Brent at 71.7 USD (lowest since March) and OPEC+ set to raise output from August pressure refining margins (BSR) and oilfield services (PVS); technicals still weak — wait for crude to base.

Note: This report is for reference only and is not a specific buy/sell recommendation. Investors should consider carefully before trading.