Pinetree Research expects a short-term VN-Index rebound after reaching 1,670

VN-Index fell below 1,700 and is heading toward 1,670, with selling pressure possibly easing. We expect the index to test 1,670, where a short rebound may emerge. FPT's new contract growth slowed to 3% in October, with a 2027 P/E of 7.4x.

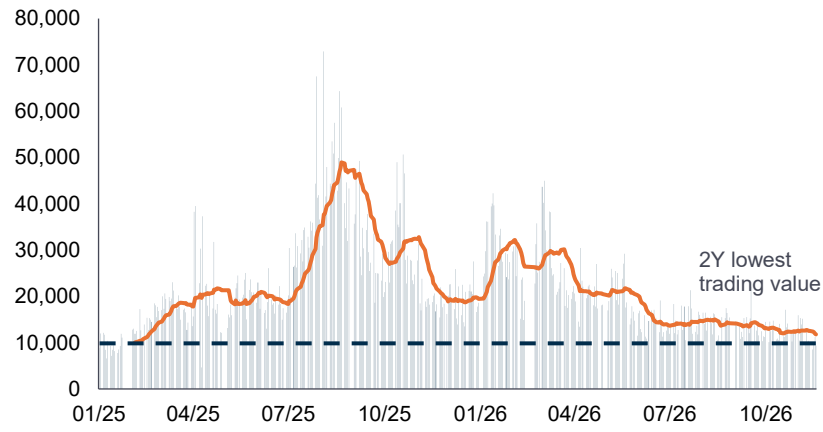
VN-Index closes below 1,700 as selling pressure shows signs of easing

VN-Index fell 13 points (-0.79%) to close at 1,690, below the 1,700 mark. This was its third straight decline, a total loss of 45 points this week, and the index remains below last week's 1,714-1,747 range. The VN30 fell 18 points (-1.0%) to 1,789. Selling was concentrated in large caps: VIC alone cut 8 points from the index, while Banks such as CTG, LPB, STB and TCB took off about 2 points. HOSE trading value reached about VND15,000bn (-14% from the previous session), with matched-order value at VND9,328bn, 22% below the MA20. Falling liquidity during the decline suggests selling pressure may ease over the next few sessions.

We believe investors should watch the index around 1,670, where a short rebound toward 1,700 may emerge. With the RSI nearing oversold territory, further downside may be limited. Any such rebound would not change the downtrend, as market breadth remains deeply negative and Banks have yet to exit their downtrend. Investors could use any rebound to reduce exposure and rebalance their portfolios to a safe level. They should avoid new bottom-fishing positions for now, as any rebound would be purely technical and the VN-Index remains in a downtrend. We will revisit our view if the VN-Index climbs back above 1,700 on liquidity above the MA20. The November VN30F1M contract expires today at 1,788, with the basis narrowing to -0.6 points. For the December contract, investors should stay on the sidelines and avoid long positions until the short rebound is confirmed.

Figure 1: Selling pressure appears to be easing, as market liquidity has fallen to a two-year low

HOSE matched-order trading value, MA20, VND bn



Source: FiinX, Pinetree Research.

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FPT Corporation (HOSE: FPT): New contract value growth slows to 3% in October, with shares trading at 7.4x 2027E P/E

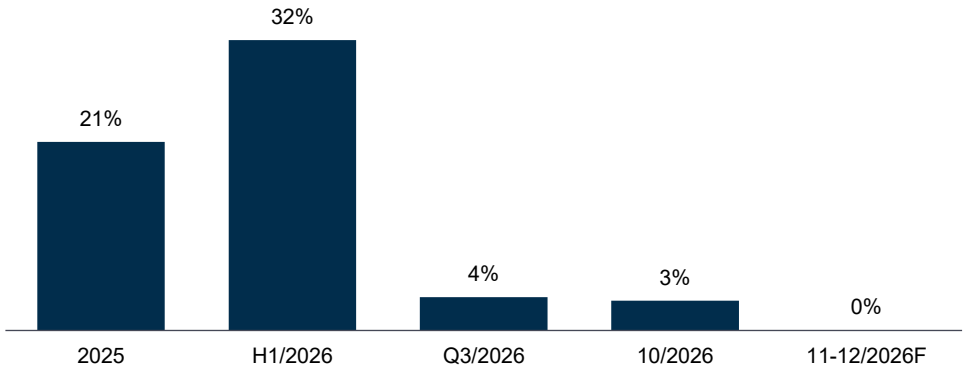
BUY, TP: VND 68,000/share, upside 48.8%, 2027 P/E 7.4x

FPT reported revenue of VND 44,959 bn (+12.5% YoY) and NPAT-MI of VND 8,836 bn (+13.0% YoY) for 10M/2026. Growth in overseas IT services accelerated to around 17% YoY in October, against bookings growth of just 3%. We see scope for further revenue recovery over the coming quarters as contract negotiations in Japan conclude. The longer-term outlook, however, increasingly reflects the structural changes that AI adoption brings to the IT services industry.

We see less predictive value in bookings as an indicator of medium-term revenue growth. At its investor meeting on 18 November 2026, FPT highlighted a shift towards one-year contracts as rapid technological advances reduce clients' visibility over future IT requirements. Shorter contract cycles can depress bookings growth even as annual IT budgets expand, while increasing the frequency with which FPT must compete for renewals. The number of deals exceeding USD 10 mn fell to 16 in 9M/2026 from 19 a year earlier, including just two in Q3/2026 versus eight in Q3/2025. The divergence between bookings growth of 32.3% and overseas IT revenue growth of 13.4% in H1/2026 suggests that management's expectation of 15-20% bookings growth in 2027 is compatible with revenue growth of around 9-10%.

Figure 2: Management's guidance implies near-zero bookings growth in November-December, down from 32.3% in H1/2026

Overseas IT services bookings growth, % YoY



Source: FPT, Pinetree Research

AI could erode the labour cost advantage of offshore IT services providers in Vietnam and India. Productivity gains lower the cost of expanding in-house engineering capabilities for enterprises in the US, Europe and Japan, weakening the economics of offshoring routine development work. Lower software development costs could, at the same time, stimulate demand by making previously uneconomic projects commercially viable. We expect the software development market to continue expanding, with a growing share of expenditure going towards consulting, industry-specific solutions and systems integration.

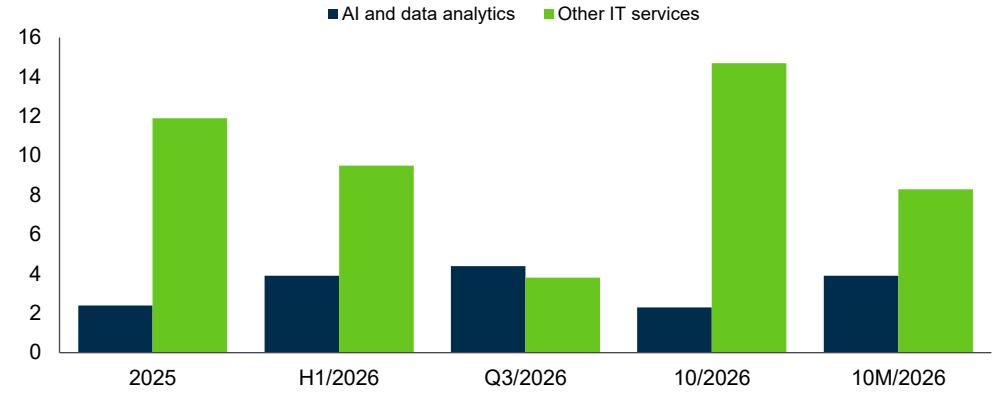
Structural labour shortages in Japan give FPT scope to capture AI-driven productivity gains through changes in pricing and contract terms. Demand for legacy system modernisation should allow FPT to redeploy engineering capacity across additional projects for existing clients. Management indicated that its new delivery model can replace a team of 100 engineers with around 60 engineers using AI, improving project gross margins by around 5ppt while passing approximately 20% of the cost savings on to clients. Pricing power remains evident in conventional time-and-materials (T&M) contracts, where blended billing rates in Japan increased around 9.2% QoQ in Q4/2026. We expect further rate increases in 2027 to partly offset lower

billable hours. Over time, however, competition among service providers could allow clients to capture a growing share of these productivity gains.

Enterprise AI adoption should also stimulate demand for conventional IT services. Large-scale deployment typically requires investment in data architecture, legacy systems and integration with existing enterprise applications. FPT's AI and data analytics revenue grew 50.4% YoY to VND 3,292 bn in 10M/2026, representing 10.3% of overseas IT services revenue and contributing around 3.9ppt to its growth. Other services drove much of October's revenue recovery, contributing 14.7ppt to growth versus 3.8ppt in Q3/2026. Given FPT's revenue mix, we expect investment by existing clients, including the modernisation of IT infrastructure ahead of AI deployment, to remain the primary source of revenue growth in 2027.

Figure 3: Other IT services contribute 14.7ppt to overseas revenue growth in October

Contribution to overseas IT services revenue growth by service category, ppt



Source: FPT, Pinetree Research

Our forecasts incorporate 9.0% overseas IT services revenue growth in 2027 and a consolidated gross margin of around 31% through 2030. We expect wider AI adoption to improve engineering productivity, although tooling and employee reskilling costs will absorb part of the labour cost savings. Clients should also gain pricing leverage as competing suppliers achieve similar productivity improvements. A sustained expansion in gross margins will therefore require a shift in FPT's service mix towards higher-value activities.

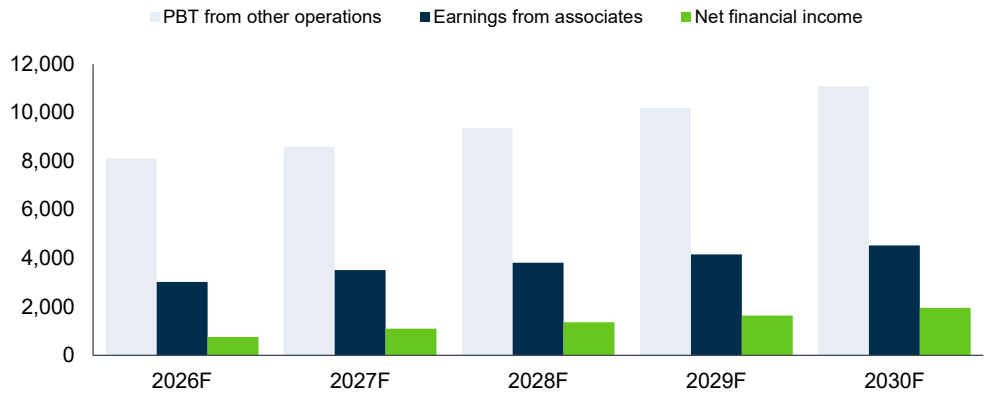
Domestic IT services offer a degree of insulation from these structural pressures. Public-sector and banking technology expenditure should help sustain workforce utilisation as overseas revenue growth moderates, while expertise in local regulations, business processes and client-specific systems provides a competitive advantage against international suppliers. We forecast domestic IT services revenue growth of around 15% in 2027. At the group level, modest gross margin compression and an SG&A-to-revenue ratio of around 17.3% translate into revenue and EBIT growth of 8.9% and 6.1%, respectively.

Earnings diversification beyond IT services underpins our expectation of annual NPAT-MI growth of around 10% over 2027-2030. FPT Telecom and FPT Retail provide exposure to domestic telecommunications demand and consumer spending, both of which have limited direct exposure to the structural challenges facing software outsourcing. We estimate earnings from associates will grow 15.9% to VND 3,510 bn in 2027. With capital expenditure growing more slowly than earnings, FPT should continue to accumulate cash and reduce debt, taking net cash from VND 13,951 bn at end-2026 to VND 34,550 bn at end-2030. Associates and net financial income account for around 64% of incremental PBT in our 2027 estimates. We

forecast NPAT-MI of VND 10,530 bn (+12.3% YoY) in 2026 and VND 11,655 bn (+10.7% YoY) in 2027.

Figure 4: Associates and net financial income to account for 35-37% of PBT over 2027-2030, on our estimates

PBT breakdown by source, 2026–2030, VND bn

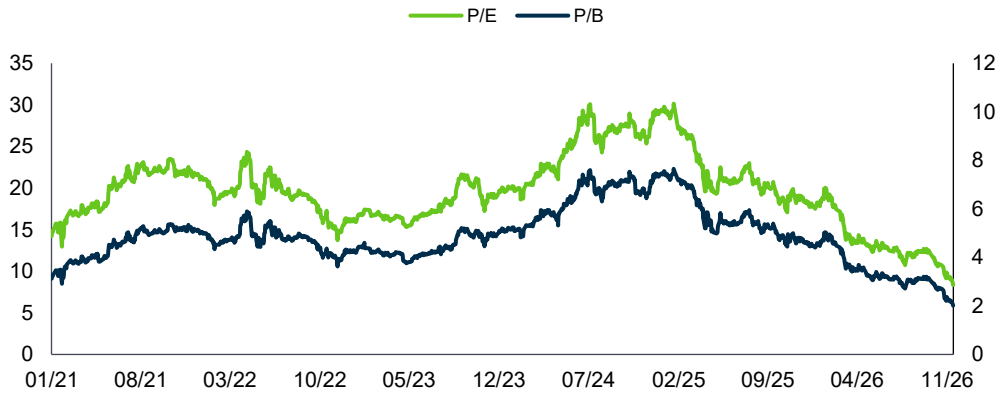


Source: Pinetree Research estimates

The market assigns an attractive implied valuation to FPT's underlying IT and education businesses. A 46.8% YTD decline in the share price has taken trailing P/E and P/B multiples to 8.3x and 2.0x, respectively, their lowest levels since early 2021. The structural changes in software outsourcing warrant a discount to historical multiples over 2021-2025. At the 18 November close, however, the market value of FPT's stakes in FPT Telecom and FPT Retail, together with net cash of VND 12,231 bn at end-Q3/2026, represented around 48% of its market capitalisation. Stripping out these assets leaves an implied valuation of approximately 6x our 2027 post-tax earnings estimate for the directly operated businesses. We see an attractive entry point at this level given the growth opportunities in Japan and Vietnam, even as demand growth in other developed markets moderates.

Figure 5: FPT's trailing P/E and P/B multiples reach their lowest levels in nearly six years

FPT's P/E (LHS) and P/B (RHS), x



Source: FiinPro-X, Pinetree Research

Figure 6: Our estimates imply NPAT-MI growth of 10.7% in 2027 and 10.1% in 2028

FPT"s financial forecasts and valuation, 2024–2028

Metric	2024	2025	2026E	2027E	2028E
Net revenue, VND bn	62,849	70,113	56,887	61,944	67,451
Revenue growth, % YoY	19.4%	11.6%	12.4%*	8.9%	8.9%
Gross margin, %	37.7%	36.9%	31.2%	31.0%	31.0%
Selling expenses/revenue, %	9.7%	10.8%	8.0%	8.0%	8.0%
PBT, VND bn	11,070	13,044	11,901	13,208	14,545
NPAT-MI, VND bn	**7,857**	**9,376**	**10,530**	**11,655**	**12,834**
NPAT-MI growth, % YoY	21.5%	19.3%	12.3%	10.7%	10.1%
EPS, VND/share	4,166	4,972	5,584	6,181	6,806
ROE, %	28.7%	28.3%	26.8%**	25.7%	24.6%
P/E, x	11.0	9.2	8.2	7.4	6.7
P/B, x	2.9	2.4	2.0	1.8	1.5

Source: FPT, FiinPro-X, Pinetree Research estimates. Valuation multiples use the closing share price on 19 November 2026.(*) Our 2026 revenue growth calculation uses comparable 2025 revenue of VND 50,606 bn following the transition to equity accounting for FPT Telecom.(**) Our 2026E ROE calculation uses average equity attributable to shareholders of the parent. Opening equity reflects the accounting treatment of FPT Telecom prior to the change.

We recommend BUY on FPT with a target price of VND 68,000/share, implying 48.8% upside. We see attractive risk-reward at 7.4x 2027E earnings, given our estimated ROE of 25.7% and medium-term earnings growth of around 10% p.a. Legacy IT modernisation in Japan, scope for further repricing and growth in earnings from associates should support group profitability through the transition in global IT spending. Key long-term risks include a narrowing labour cost advantage and increased competition for the economic gains from AI adoption, with clients potentially capturing a substantial share of the benefits.

Appendix: Event calendar and notable figures

Figure 7: Vietnam stock market and money market

Data updated at the end of 19 Nov 2026

Indices	Last	1D	1W	YTD
VN-Index	1,703	-1.4%	-2.5%	-9.0%
VN30	1,807	-1.7%	-2.6%	-13.1%
VN100	1,733	-1.5%	-2.6%	-11.4%
HNX-Index	243	-2.4%	-5.1%	-4.0%
Trading value, VND bn	17,508	16.8%	26.1%	-40.4%
Trading value	15,414	-0.9%	0.5%	-54.2%
Foreign investors	-360	21	478	-
Money market				
O/N, % (17/11)	4.9%	-0.1%	0.5%	1.5%
USD/VND	26,888	0%	0%	2.1%

Figure 8: Global stock and commodity market

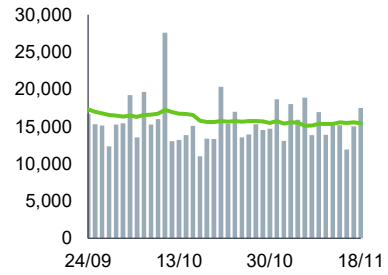
Data updated at the end of 19 Nov 2026

Indices	Last	1D	1W	YTD
S&P 500 (18/11)	7,324	-0.2%	-3.9%	7.8%
Nasdaq (18/11)	24,430	0.4%	-4.1%	6.4%
Shanghai	3,578	-0.3%	-2.1%	-13.1%
KOSPI	5,138	1.4%	-3.8%	4.6%
Bond yield, %				
US 10Y	5.1	0.01	-0.05	0.01
Japan 10Y	2.8	0.12	0.16	0.80
Commodity				
Brent, USD/bbl	93	0.6%	-3.4%	41.8%
Gold, USD/ounce	3,736	0.3%	-3.6%	-22.7%
Silver, USD/ounce	45	0.3%	-9.6%	-51.4%

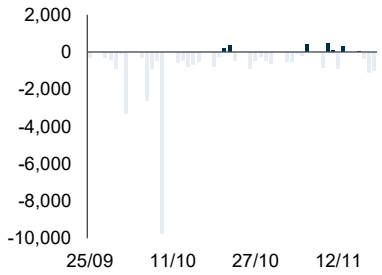
Figure 9: VN-Index's technical indicators

Data updated at the end of 19 Nov 2026

VN-Index trading volume and 20-day MA, VND bn



Foreign investors net trading value, VND bn



HOSE top buy/sell, VND bn

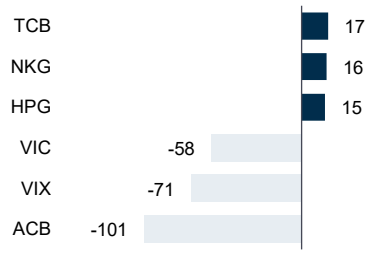
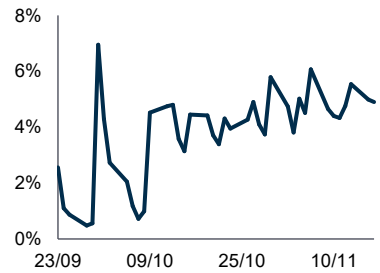


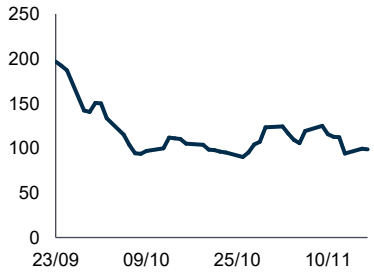
Figure 10: Vietnam money market numbers

Data updated at the end of 19 Nov 2026

Interbank ON, %, upto 17/11



OMO outstanding, VND tn, up to 18/11



USD/VND change, %Ytd

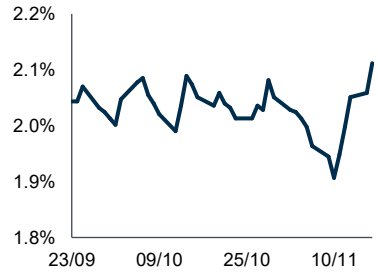


Figure 11: Macro events in the next 2 weeks

Data updated at the end of 19 Nov 2026

Date	Event	What we watch
19/11	**VN30 index futures expiryLimited impact on the VN-Index**	VN30 index futures expiryLimited impact on the VN-Index
03/12	**Vietnam's Nov macroeconomic data release**	Positive public investment and trade data could support investor sentiment
10/12	**FOMC meeting**	A 25-basis-point rate hike could weigh on global equities

Figure 12: Corporate events in the next 2 weeks

Data updated at the end of 19 Nov 2026

Date	Ticker	Event	Weight
19/11	BMC	Cash dividend, 650VND/share	0.01%
19/11	AST	Cash dividend, 2,000VND/share	0.04%
19/11	SIP	Cash dividend, 4,500VND/share	0.13%
26/11	BVH	Cash dividend, 809VND/share	0.53%

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Rating	Definition
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HOLD	Expected 12-month total return between -10% and +15%
SELL	Expected 12-month total return below -10%
UNDER REVIEW	A new event has made the forecasts no longer appropriate, so the previous rating and target price are withdrawn. This status is updated within 30 days or changed to NOT RATED.
NO RATING	The stock is mentioned for information purposes only. It carries no investment rating and may have no target price.

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