VN-Index may retest 1,700 in the coming sessions

VN-Index moved in line with our previous report. We expect the index to keep recovering in the coming sessions toward around 1,700. Pinetree Research forecasts PVD's 2027 ROE at only 4.1% despite a larger rig fleet.

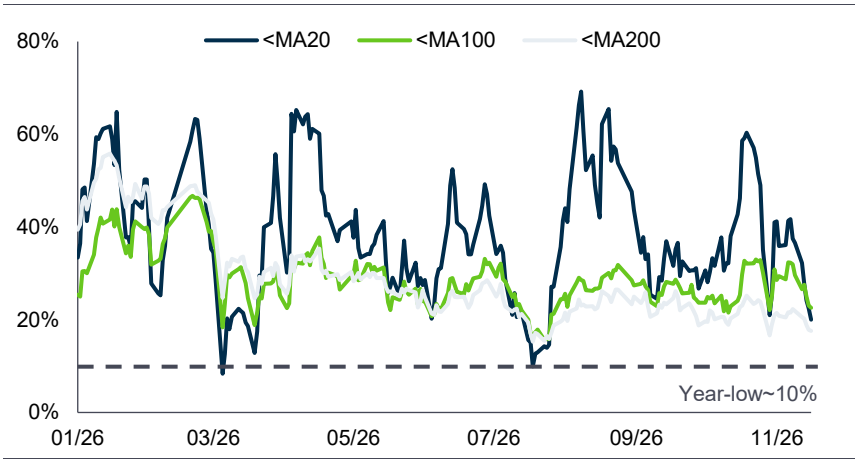
VN-Index recovers late in the session to near the reference level

VN-Index ended the week at 1,689, down 46 points (-2.7%), erasing all of last week's gains. After a slight gain at the start of the week, the index fell for four straight sessions and broke below 1,700 on 19 November, with pressure concentrated in Banks and the Vingroup group. Breadth was negative in all five sessions, matched-order liquidity stayed below the MA20, and foreign investors were net sellers of about VND3,300bn, mainly in FPT and Banks. The final session played out as we outlined on 19 November: the index touched 1,670, then rebounded nearly 20 points to close near the reference level, with liquidity approaching the MA20. However, we still see this rebound as purely technical, and the earlier short-term downtrend remains intact.

We stay cautious for next week. The rebound from 1,670 supports our 19 November view that a short rebound toward 1,700 may emerge. We see this as a retest of the recently broken 1,700 level, not a reversal signal, as the overall market structure has yet to improve. Only 22% of stocks trade above their MA20, 26 stocks hit 52-week lows, Banks have yet to exit their downtrend, and foreign investors have resumed heavy net selling. The VN30F1M basis also fell to -6.6 points, showing that short-term market expectations have not improved. We recommend investors maintain their equity exposure and avoid new purchases. We will revisit our view only if the VN-Index closes above 1,700 on liquidity above the MA20. Conversely, a close below 1,670 would invalidate the short-term rebound scenario.

Figure 1: The short-term downtrend continues, with most HOSE stocks trading below their MA20

Share of stocks trading above their MA20, MA100 and MA200, %



Source: Pinetree Research.

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Petrovietnam Drilling & Well Services Corporation (HOSE: PVD): Fleet expansion offers limited improvement in returns, with 2027F ROE of just 4.1%

HOLD, TP: VND 15,300/share, upside -5.6%, 2027 P/E 20.4x

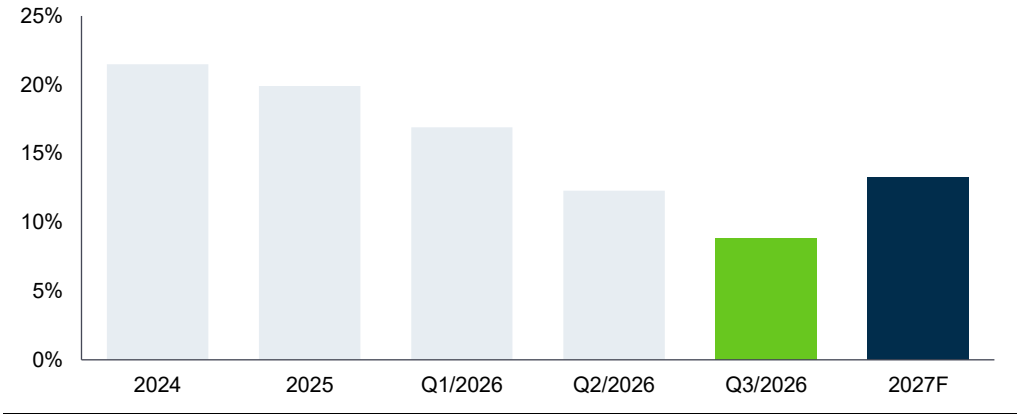
PVD shares rose 3.5% to VND 16,200 on 20 November, alongside gains in PVS, PVT and BSR. We believe the move may reflect renewed investor interest in oil and gas equities following a period of considerable underperformance. Between 28 August and 19 November, PVD fell 18.3%, against a 7.8% decline in the VN-Index. PVD's long-term, fixed-rate drilling contracts limit its near-term earnings exposure to oil price volatility. We see improved operating efficiency across its enlarged rig fleet as the primary driver of an earnings recovery in 2027.

PVD reported Q3/2026 revenue of VND 3,214 bn (+25.0% YoY), while NPAT-MI fell 74.5% YoY to VND 71 bn. For 9M/2026, revenue increased 47.3% YoY to VND 9,647 bn and NPAT-MI declined 19.8% YoY to VND 540 bn.

Drilling gross margin contracted from 24.1% in Q3/2025 to 8.8% in Q3/2026 despite broadly stable day rates. PV DRILLING V, VI and IX recorded fewer operating days than planned, raising fixed operating costs per working day. Meanwhile, the average number of chartered rigs increased from 1.1 to 3.7 YoY, diluting segment profitability given the relatively low gross margin of around 8.5% on re-chartering activities. Revenue from Vietnam, where PVD operates its chartered fleet and rig IX, grew 54.2% YoY at a gross margin of just 5.2%.

Figure 2: Drilling gross margin fell to 8.8% in Q3/2026 despite broadly stable day rates

Drilling segment gross margin, 2023-2027 (%)



Source: PVD, Pinetree Research estimates

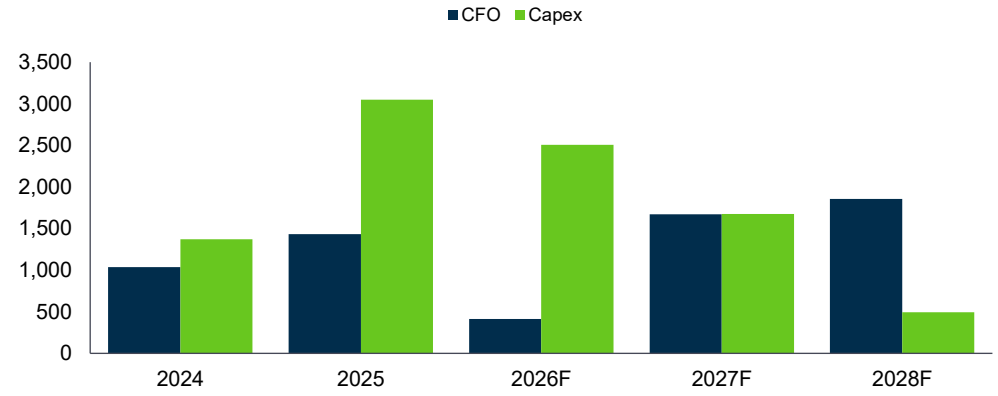
We expect day rates to remain broadly flat in 2027, given global marketed jack-up rig utilisation of 89.4% at end-September 2026 and PVD's three fixed-rate contracts extending through 2028. The scheduled commencement of operations at PV DRILLING X in Q2/2027 should reduce PVD's reliance on chartered capacity. We forecast the average number of chartered rigs to decline from 3.4 in 2026 to 2.7 in 2027, with drilling gross margin recovering to 13.3%. Higher operating costs and depreciation associated with the new rigs will likely keep profitability well below the 20-22% gross margins PVD achieved in 2023-2025.

Fleet expansion is driving financing costs higher at a faster pace than operating earnings. PVD's net debt increased from approximately VND 1,900 bn at end-2025 to VND 3,502 bn at end-Q3/2026 following investments in rigs IX and X. We forecast cumulative capex of VND 4,182 bn over 2026-2027, equivalent to twice the operating cash flow over the same period, keeping net debt at around VND 3,900 bn through

end-2027. We expect interest expense to reach VND 423 bn in 2027, more than double the 2025 level and equivalent to 34% of EBIT.

Figure 3: We expect capex to exceed operating cash flow by approximately VND 2,100 bn over 2026-2027

Operating cash flow and capital expenditure, 2024-2028 (VND bn)



Source: PVD, Pinetree Research estimates

We forecast NPAT-MI of VND 649 bn in 2026 (-37.5% YoY), recovering by 13.3% YoY to VND 735 bn in 2027. We expect earnings growth to accelerate to 33.3% YoY in 2028, reaching VND 980 bn, as rig X contributes a full year of earnings and drilling gross margin recovers to 16.0%. Even with this recovery, 2028E earnings remain approximately 6% below 2025 levels, despite a c.50% increase in owned rig capacity on a rig-year basis. We expect returns on the new rig investments to improve gradually, given limited scope for day-rate increases and persistently elevated financing costs.

Figure 4: We forecast NPAT-MI growth of 13.3% in 2027 and 33.3% in 2028

PVD financial forecasts and valuation, 2024-2028

Metrics	2024	2025	2026E	2027E	2028E
Net revenue, VND bn	9,288	10,897	13,220	13,558	14,140
Revenue growth, % YoY	60.0%	17.3%	21.3%	2.6%	4.3%
Gross margin, %	18.9%	19.1%	15.5%	16.0%	17.8%
SG&A/revenue, %	6.8%	7.8%	7.3%	6.8%	6.8%
PBT, VND bn	937	1,386	983	1,032	1,375
NPAT-MI, VND bn	**698**	**1,039**	**649**	**735**	**980**
NPAT-MI growth, % YoY	19.3%	48.8%	-37.5%	13.3%	33.3%
EPS, VND/share	752	1,120	700	793	1,056
ROE, %	4.4%	6.2%	3.8%	4.1%	5.2%
P/E, x	21.5	14.5	23.1	20.4	15.3
P/B, x	1.0	0.9	0.9	0.8	0.8

Source: PVD, Pinetree Research estimates. Valuation multiples use the closing share price on 20 November 2026

We recommend HOLD on PVD with a target price of VND 15,300/share, implying 5.6% downside. At 20.4x 2027E P/E and 15.3x 2028E P/E, we believe the current valuation largely captures the earnings recovery over the next two years, while we expect ROE to remain around 4-5%. Higher-than-expected day rates for rig X and improved utilisation across the owned fleet represent the principal upside risks to our earnings estimates.

Appendix: Event calendar and notable figures

Figure 5: Vietnam stock market and money market

Data updated at the end of 20 Nov 2026

Indices	Last	1D	1W	YTD
VN-Index	1,689	0.0%	-2.7%	-7.7%
VN30	1,787	-0.1%	-3.1%	-11.5%
VN100	1,717	-0.2%	-3.1%	-9.3%
HNX-Index	235	-1.8%	-8.0%	-7.2%
Trading value, VND bn	16,022	6.6%	5.6%	-37.5%
Trading value	15,353	-0.3%	-1.2%	-54.3%
Foreign investors	-841	-360	75	-
Money market				
O/N, % (18/11)	4.5%	-0.4%	0.1%	1.6%
USD/VND	26,888	0%	0%	2.1%

Figure 6: Global stock and commodity market

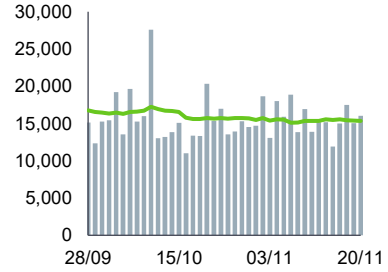
Data updated at the end of 20 Nov 2026

Indices	Last	1D	1W	YTD
S&P 500 (19/11)	7,176	-2.0%	-5.5%	4.4%
Nasdaq (19/11)	23,879	-2.3%	-5.9%	2.8%
Shanghai	3,534	-1.2%	-2.8%	-14.3%
KOSPI	4,870	-5.2%	-7.9%	-1.7%
Bond yield, %				
US 10Y	5.0	-0.07	-0.16	0.01
Japan 10Y	2.8	0.12	0.16	0.80
Commodity				
Brent, USD/bbl	90	-1.8%	-5.8%	40.9%
Gold, USD/ounce	3,572	-1.5%	-8.0%	-27.6%
Silver, USD/ounce	42	-1.5%	-13.2%	-56.0%

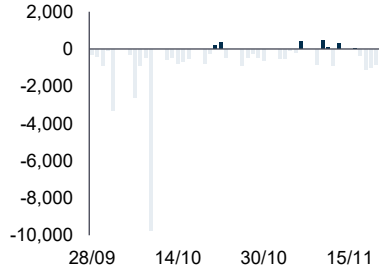
Figure 7: VN-Index's technical indicators

Data updated at the end of 20 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

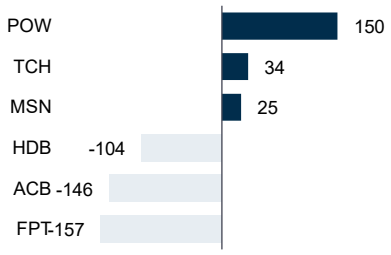
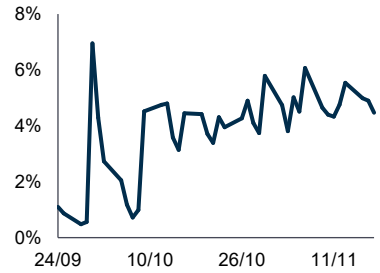


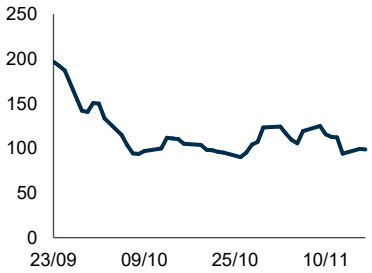
Figure 8: Vietnam money market numbers

Data updated at the end of 20 Nov 2026

Interbank ON, %, upto 18/11



OMO outstanding, VND tn, up to 19/11



USD/VND change, %Ytd

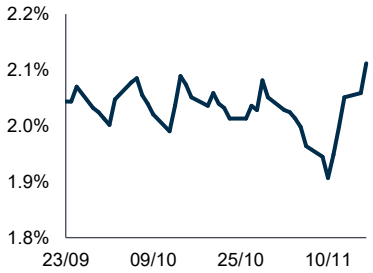


Figure 9: Macro events in the next 2 weeks

Data updated at the end of 20 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 10: Corporate events in the next 2 weeks

Data updated at the end of 20 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
BUY	Expected 12-month total return above 15%
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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