Pinetree Research recommends investors to watch closely the VN-Index at 1,700

Pinetree Research continues to recommend watching the VN-Index around 1,700. We stay cautious in the short term, as the index's rebound lacks liquidity support. Prolonged buyback obligations weigh on PNJ's profitability after its restructuring.

VN-Index extends its rebound toward 1,700

VN-Index rose 8 points (+0.49%) to 1,697, its first gain after four straight declines, in line with our scenario of a short rebound from 1,670 to 1,700. Breadth turned positive for the first time since 10 November, with 164 gainers versus 136 decliners. However, we see the rebound as low quality. The Vingroup group still drove most of the gain, contributing 5.5 of the 8 points. Liquidity kept falling, with matched-order value at only VND 8,312bn, down 28% from the previous session and 28% below the MA20. Foreign investors were net sellers for a fifth straight session, though the amount narrowed to VND 419 bn. Falling liquidity on an up day shows that money has yet to flow strongly into the rebound.

We stay cautious, consistent with our previous report. The VN-Index held the 1,670 zone for a second straight session and rebounded more than 25 points, but still closed below 1,700, a strong resistance level and the medium-term trendline. Technical breadth improved only slightly, with the share of stocks above their MA20 rising from 22% to 24%, and the VN30F1M basis narrowed to -1.8 points. These signals are not enough to change the index's short-term downtrend. We see the current rebound as a retest of 1,700, and the index may face pressure at this level if liquidity does not improve. Investors should maintain their equity exposure and avoid new purchases. We will revisit our view only if the VN-Index closes above 1,700 on a strong rise in liquidity above the MA20. Conversely, a close below 1,670 would invalidate the short-term rebound scenario.

Figure 1: VN-Index needs close monitoring around the strong 1,700 resistance and the medium-term trendline

VN-Index daily technical chart, points



Source: Pinetree Research.

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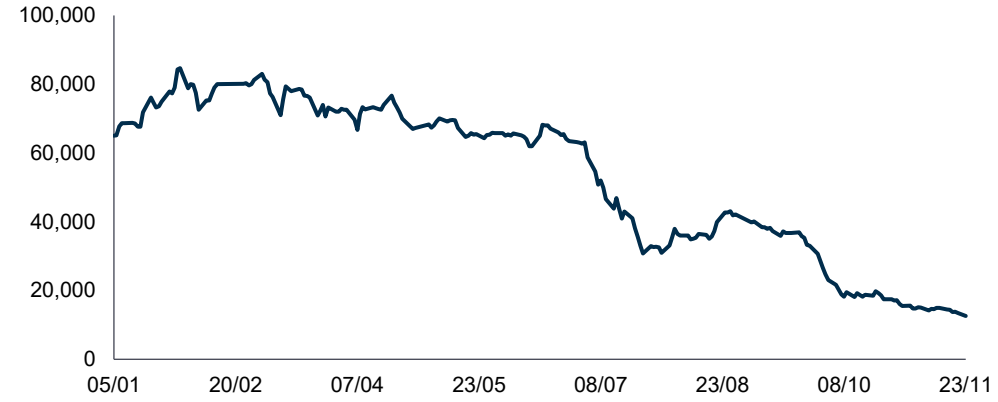
Phu Nhuan Jewelry JSC (HOSE: PNJ): Legacy diamond buyback liabilities constrain earnings recovery

NOT RATED, TP: N/A, 2027 P/E 133.8x

PNJ closed at its daily trading floor of VND 12,600/share on 23 November 2026, more than 85% below its late-January peak. The decline followed the resignation of four senior executives and CEO Phan Quoc Cong's admission that PNJ could no longer fully honour its T+120 diamond cash buyback commitments. We believe PNJ can ease its immediate liquidity pressure by encouraging customers to exchange returned diamonds for other products, potentially reducing the ultimate cost of settlement. This comes at the expense of less attractive resale terms for new customers, which we expect to weigh on diamond sales and gross margins. The proposed share issuance, which would more than double the existing share count, adds further pressure to EPS and ROE after the restructuring.

Exhibit 2: PNJ shares have declined more than 85% from its January 2026 peak

PNJ share price performance in 2026, VND/share



Source: FiinProX, Pinetree Research

Changes to PNJ's finance and retail leadership increase execution risk during a critical phase of its restructuring. Four senior directors have resigned as the company prepares its audited financial statements and a substantial private placement. Management also plans to replace more than half of its senior leadership team and reduce personnel expenses by approximately 30%. We expect the cost reductions to take effect sooner than any meaningful recovery in retail sales. Changes to the finance and retail teams could also delay the capital raise and the implementation of PNJ's revised buyback policy.

Figure 3: Four senior directors resigned from PNJ in November 2026

Senior management departures, positions and effective dates

Name	Position	Effective date
Nguyen Minh Hai	Senior Director - Finance	17 November
Dao Trung Kien	Senior Director - Strategy and Operational Efficiency	26 November
Nguyen Chi Kien	Senior Director - Human Resources	26 November
Truong Hoai Anh	Senior Director - Customer and Retail	26 November

Source: PNJ, Pinetree Research

PNJ's generous diamond buyback terms helped support historical sales but left the company exposed to falling secondary-market prices. Customers have an incentive to exercise their buyback rights when PNJ's contractual repurchase value exceeds what the company can recover from reselling the merchandise. Following the PNJ Lab incident, PNJ repurchased approximately VND 5,600 bn of merchandise in July 2026 alone. Diamonds subsequently increased from around 41% to 52% of total inventory, while cash and short-term investments fell to VND 1,325 bn at end-Q3/2026. We expect returned diamonds to continue absorbing working capital and weighing on

margins as PNJ sells merchandise originally repurchased at prices above current market levels.

Merchandise exchanges offer PNJ a means of reducing cash settlements, although tighter buyback terms will likely weaken demand for new diamonds. Management estimates that approximately VND 21,000 bn of historical sales fall within the scope of its buyback assessment. PNJ also holds around VND 7,000 bn of slow-moving diamonds and diamond jewellery. Under the policy effective from 21 November, the company continues to settle diamond buybacks in five instalments over 120 days and permits exchanges into diamonds, coloured gemstones and pearls.

Figure 4: Diamond buyback settlements extend to T+120, compared with T/T+1 for gold

PNJ buyback and product exchange terms effective 21 November 2026

Terms	Gold and gold jewellery	Diamonds, gemstones and pearls
Cash payment at T/T+1	100%	10%
Remaining settlement		20% at T+30, 25% at T+60, 25% at T+90 and 20% at T+120
Product exchange	Exchanges into other categories permitted	Restricted to diamonds, coloured gemstones and pearls
Cash buyback locations	141 designated stores	141 designated stores

Source: PNJ, buyback policy effective 21 November 2026, Pinetree Research

We expect PNJ to carry legacy buyback obligations well beyond its planned 2027 capital raise. Our estimates put the outstanding incremental obligation at VND 3,000 bn at end-2027 and VND 1,000 bn at end-2028. We believe PNJ will encourage merchandise exchanges to reduce cash settlements and clear part of its diamond inventory. This should lower the realised cost of buybacks relative to management's original provision. The commercial trade-off is less favourable resale protection for customers. We expect that change to restrain new diamond purchases even as PNJ gradually reduces its outstanding liabilities.

Historical restructuring cases highlight three risks relevant to PNJ: legacy financial guarantees, inventory losses and weaker demand following changes in pricing strategy.

Figure 5: Historical cases involving legacy commitments, inventory losses and pricing adjustments

Causes and financial outcomes at Equitable Life, Opendoor and Pandora

Company	Causes and outcomes
Equitable Life (UK)	The insurer sold policies with guaranteed annuity rates that subsequently exceeded prevailing market rates as interest rates declined. A House of Lords ruling in 2000 created approximately GBP 1.5 bn of additional liabilities. Equitable Life closed to new business later that year.
Opendoor (US)	Opendoor buys homes directly from owners for resale. Rising interest rates and falling house prices led to a USD 737 mn inventory write-down in 2022. After clearing properties acquired at elevated prices, its margin improved from -3.7% in 2023 to 4.7% in 2024. The company nevertheless reported a USD 392 mn net loss in 2024.
Pandora (Denmark)	Pandora raised prices by approximately 15% globally in 2011, following earlier increases in the US and UK. Consumers reduced purchases and retailers cut orders. Pandora subsequently adjusted prices and its product range. Revenue grew 35.4% in 2013, while net profit rose from DKK 1,202 mn to DKK 2,220 mn.

Source: UK House of Commons Library, Opendoor, Pandora, Pinetree Research

We expect PNJ's liquidity position to improve ahead of its earnings. Equitable Life illustrates the potential cost of commitments made under earlier market conditions, while Opendoor demonstrates how disposing of inventory acquired at unfavourable prices can delay an earnings recovery. Pandora offers a different lesson: changes in pricing and product strategy can restore consumer demand. PNJ faces all three issues simultaneously. We believe merchandise exchanges will help reduce its immediate cash requirements, although rebuilding diamond sales will be more difficult after the reduction in customer buyback benefits. Our forecasts therefore assume a prolonged period of lower gross margins through 2028.

PNJ will likely continue rolling over bank facilities until it completes its private placement. The company requires approximately VND 5,900 bn during Q4/2026-

Q1/2027, equivalent to 4.5x its cash and short-term investments at end-Q3/2026. To raise the targeted VND 8,000 bn through a maximum issuance of 550 mn shares, PNJ would need a placement price of at least VND 14,545/share, 15.4% above the 23 November closing price. The placement terms also impose a minimum offer price based on book value per share in the latest audited or reviewed financial statements. We expect PNJ to use its audited 2026 accounts, incorporating the substantial buyback provision, to establish a placement price that investors can accept. This would leave the company relying on existing credit facilities and lower cash buyback settlements during its period of peak funding requirements.

Figure 6: We forecast VND 3,000 bn of incremental buyback obligations remaining at end-2027F

Year-end incremental buyback obligations, cash and short-term investments, and inventories, VND bn

Item	2026F	2027F	2028F	2029F
Outstanding incremental buyback obligations	**6,250**	**3,000**	**1,000**	**0**
Cash and short-term investments	1,992	2,209	2,575	2,937
Net inventories	19,610	18,689	21,278	24,251

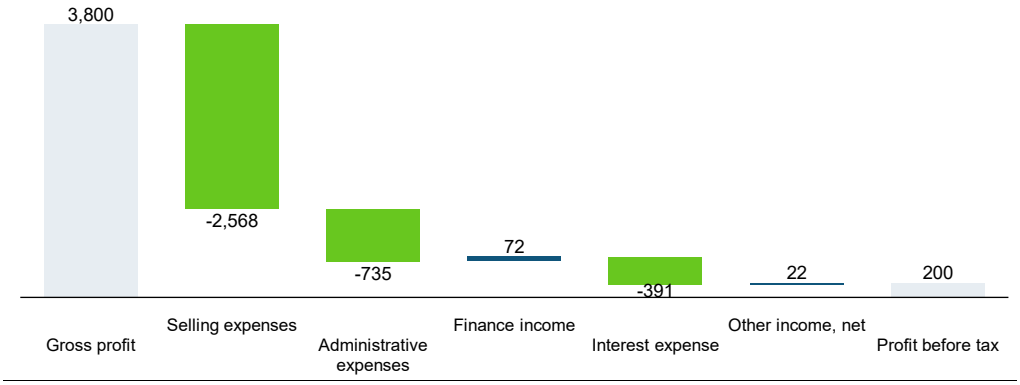
Source: Pinetree Research forecasts. Year-end balances.

Our base case assumes PNJ reduces borrowings substantially following the 2027 equity injection, before working-capital requirements drive renewed borrowing in 2028-2029. We forecast outstanding incremental buyback obligations of VND 3,000 bn at end-2027 despite the planned capital raise, falling to VND 1,000 bn a year later. Inventories should also increase as the retail business recovers, reaching VND 24,251 bn by end-2029. We expect PNJ to continue using bank credit to fund inventory growth after settling the bulk of its legacy buyback obligations. The new equity should relieve the current balance-sheet pressure, while the recovery in retail activity will again require substantial working capital.

We forecast NPAT-MI of VND -6,271 bn in 2026, followed by VND 100 bn in 2027 and VND 1,200 bn in 2028. Our estimates assume PNJ recognises most of its incremental buyback losses in Q4/2026 and completes the issuance of 550 mn new shares in 2027. The earnings recovery will remain modest even after the one-off charge. We forecast 2027 gross profit of VND 3,800 bn against SG&A of VND 3,303 bn, leaving only VND 497 bn before finance costs and other income. Interest expense alone will reach VND 391 bn, bringing forecast PBT to just VND 200 bn. Our estimates already incorporate a reduction in SG&A/revenue from 11.9% in 2025 to 7.7% in 2027, despite an incomplete recovery in diamond sales. We see limited room for weaker gross margins or slower cost reductions without a further deterioration in earnings.

Figure 7: SG&A absorbs 86.9% of 2027F gross profit, leaving PBT of VND 200 bn

2027F profit bridge from gross profit to profit before tax, VND bn



Source: PNJ, Pinetree Research forecasts

We forecast a substantial recovery in revenue by 2028, but only a partial recovery in gross profit and NPAT-MI. Revenue should reach VND 50,013 bn, 43.0% above its 2025 level, while gross profit remains 28.4% lower at VND 5,500 bn. We expect PNJ to price diamonds more competitively to rebuild demand following the reduction in buyback benefits, while sales of returned merchandise continue to carry lower margins. We therefore forecast an 11.0% gross margin in 2028, half the 2025 level of 22.0%. Even with SG&A/revenue falling to 7.4%, NPAT-MI should recover to only VND 1,200 bn, or 42% of the 2025 result. We expect ROE to reach just 8.1% in 2028, reflecting both lower operating profitability and the enlarged equity base.

Figure 8: PNJ's 2028F NPAT-MI recovers to only 42% of its 2025 level

PNJ financial forecasts and valuation, 2024-2028

Metric	2024	2025	2026F	2027F	2028F
Revenue (VND bn)	37,823	34,976	38,683	42,897	50,013
Revenue growth (% YoY)	14.1%	-7.5%	10.6%	10.9%	16.6%
Gross margin (%)	17.6%	22.0%	-6.0%	8.9%	11.0%
SG&A/revenue (%)	10.6%	11.9%	8.7%	7.7%	7.4%
PBT (VND bn)	2,651	3,548	-6,059	200	1,600
NPAT-MI (VND bn)	**2,113**	**2,828**	**-6,271**	**100**	**1,200**
NPAT-MI growth (% YoY)	7.2%	33.8%	n.m.	n.m.	1,100.0%
EPS (VND/share)	4,129	5,527	-12,254	94	1,130
ROE (%)	20.1%	23.1%	n.m.	1.0%	8.1%
P/E (x)	3.1	2.3	n.m.	133.8	11.1
P/B (x)	0.6	0.5	1.0	1.0	0.9

Source: PNJ, Pinetree Research forecasts. Valuation multiples use PNJ's closing price of VND 12,600/share on 23 November 2026. Our 2027-2028 forecasts assume the issuance of 550 mn new shares, taking total shares outstanding to 1,061.7 mn

We leave PNJ unrated and do not set a target price. At VND 12,600/share, the stock trades at 11.1x 2028F P/E and 0.95x 2027F P/B, against forecast ROE of just 8.1% in 2028 versus 23.1% in 2025. We believe the share price already reflects a substantial part of the expected 2026 loss, while the post-restructuring earnings outlook offers limited scope for a recovery in ROE. Our base case incorporates the bulk of buyback losses in 2026 and a 550 mn-share placement in 2027. We expect merchandise exchanges to reduce realised settlement costs below the original provision, although less favourable buyback terms should also weigh on new diamond sales. PNJ has yet to disclose the outcome of its exchange arrangements or the final placement terms. We will revisit our valuation once the company establishes the realised cost of its legacy obligations and confirms the capital raise, including the resulting dilution to existing shareholders.

Appendix: Event calendar and notable figures

Figure 5: Vietnam stock market and money market

Data updated at the end of 23 Nov 2026

Indices	Last	1D	1W	YTD
VN-Index	1,697	0.5%	-2.3%	-5.9%
VN30	1,791	0.2%	-2.9%	-10.3%
VN100	1,720	0.2%	-2.6%	-8.0%
HNX-Index	232	-1.0%	-8.9%	-8.0%
Trading value, VND bn	12,754	-20.4%	7.2%	-63.2%
Trading value	15,312	-0.3%	-1.0%	-55.2%
Foreign investors	-419	-1,114	-876	-
Money market				
O/N, % (19/11)	4.7%	0.2%	-0.1%	1.9%
USD/VND	26,901	0%	0%	2.1%

Figure 6: Global stock and commodity market

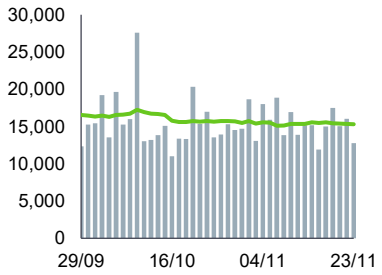
Data updated at the end of 23 Nov 2026

Indices	Last	1D	1W	YTD
S&P 500 (20/11)	6,910	-3.7%	-8.6%	0.0%
Nasdaq (20/11)	22,618	-5.3%	-10.0%	-3.5%
Shanghai	3,539	0.1%	-1.8%	-14.4%
KOSPI	4,709	-3.3%	-7.7%	-5.6%
Bond yield, %				
US 10Y	5.0	0.02	-0.17	0.01
Japan 10Y	2.8	0.12	0.16	0.80
Commodity				
Brent, USD/bbl	92	-0.6%	-0.4%	39.7%
Gold, USD/ounce	3,605	1.9%	-6.5%	-27.7%
Silver, USD/ounce	42	2.8%	-10.0%	-59.0%

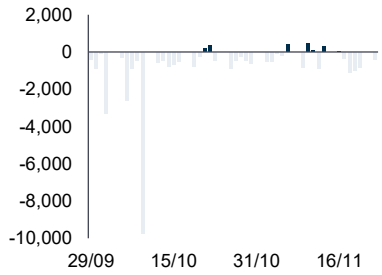
Figure 7: VN-Index's technical indicators

Data updated at the end of 23 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

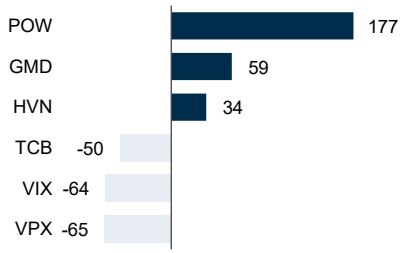
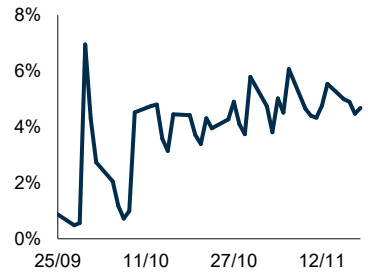


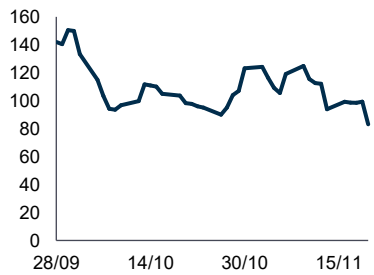
Figure 8: Vietnam money market numbers

Data updated at the end of 23 Nov 2026

Interbank ON, %, upto 19/11



OMO outstanding, VND tn, up to 20/11



USD/VND change, %Ytd

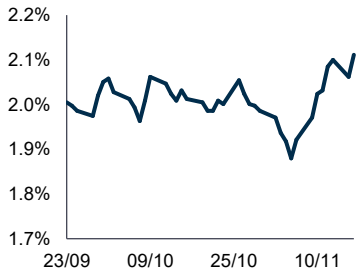


Figure 9: Macro events in the next 2 weeks

Data updated at the end of 23 Nov 2026

Date	Event	What we watch
01/12	**VN manufacturing PMI announcement**	Above 50-level PMI indicates expanding manufacturing and support export sector
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 23 Nov 2026

Date	Ticker	Event	Weight
26/11	BVH	Cash dividend, 809VND/share	0.53%
27/11	FPT	Cash dividend, 1,000VND/share	1.07%
03/12	IDP	Cash dividend, 3,200VND/share	1.30%
09/12	FOX	Cash dividend, 2,000VND/share	3.30%
09/12	VHC	Cash dividend, 3,000VND/share	0.13%

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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.
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