Upstream Leaders Shaping Industry Prospects

Chuyên viên phân tích:

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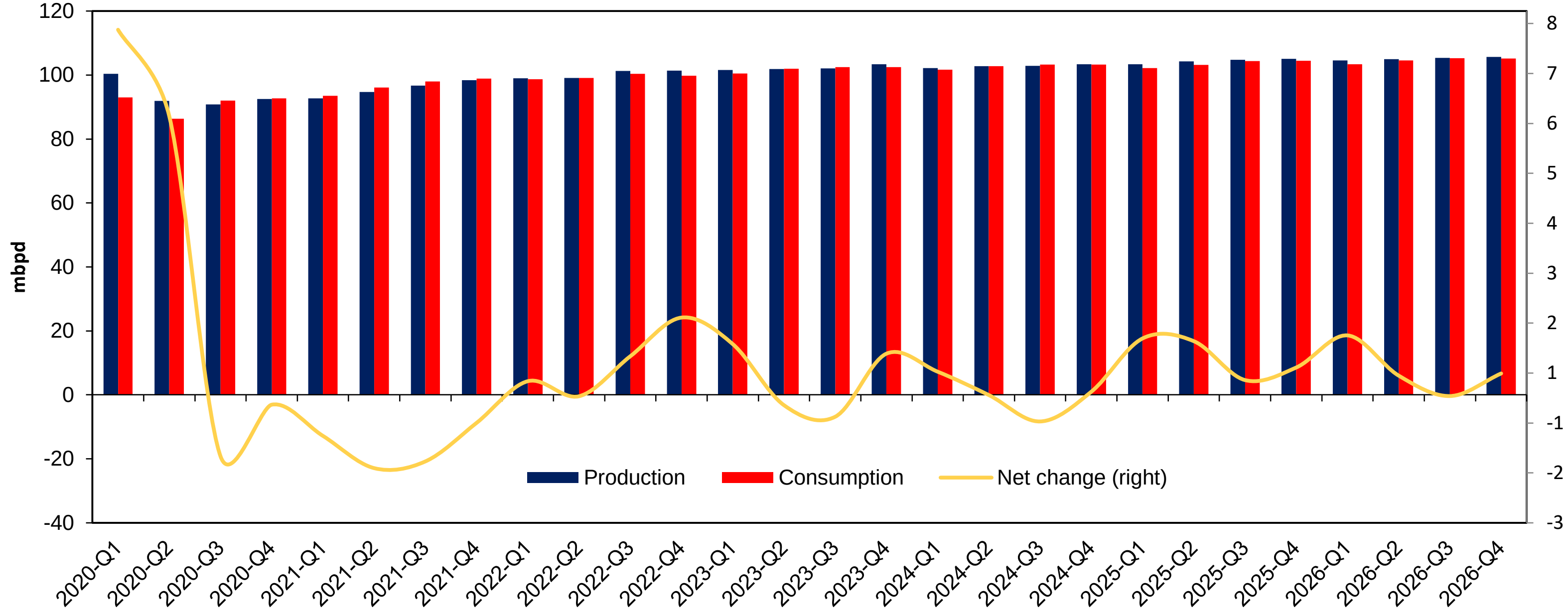
Oil Price Outlook 2H 2025: Key Drivers Behind Global Crude Oil Price Dynamics

Global Liquid Fuels Supply–Demand Balance Outlook



Source: EIA, MBS Research

Supply: Remain stable

- OPEC+ Eases Output Cuts: In its June 2025 meeting, OPEC+ announced an output increase of 411,000 barrels per day starting July. This move is seen as a strategic effort to defend market share amid rising supply pressure from the U.S. and Kazakhstan.
- U.S. and Brazil Supply Growth Underperforms Expectations: Contrary to earlier projections, including optimistic statements from former President Donald Trump, U.S. crude output is showing signs of decline, driven by a drop in the number of active drilling rigs. Brazil's output growth has also lagged behind initial forecasts.
- Global oil supply is projected to reach 105 mbpd in 2025–2026 (up 2 mbpd from 2024).

Demand: Slightly grow

- China's Demand Weakens: Despite Q1 2025 GDP growth of 5.4%, China faces near-term headwinds from weak consumption and a sluggish property sector. By end-2025, EVs and hybrids may comprise 20% of the vehicle fleet, weighing on oil demand.
- India Emerges as a Key Driver of Global Oil Demand: India's oil consumption is set to rise by 330,000 bpd in 2025, up from 220,000 bpd in 2024, cementing its role as a key demand engine.
- Colder Winter in the Northern Hemisphere Expected to Boost Heating Oil Demand: A harsher winter forecast for 2025 across Europe, the U.S., and Japan is expected to drive higher oil consumption for heating purposes.
- Global oil demand is projected to reach ~104 mbpd in 2025–2026 (up 1 mbpd from 2024).

Other factors

- Iran–Israel Conflict: Escalating tensions may lift oil prices on supply disruption fears.
- Fed Rate Path: A lower interest rate environment supports energy investment & consumption and vice versa.
- Russia–Ukraine War: Further escalation could disrupt Russian oil and gas supply to global markets.

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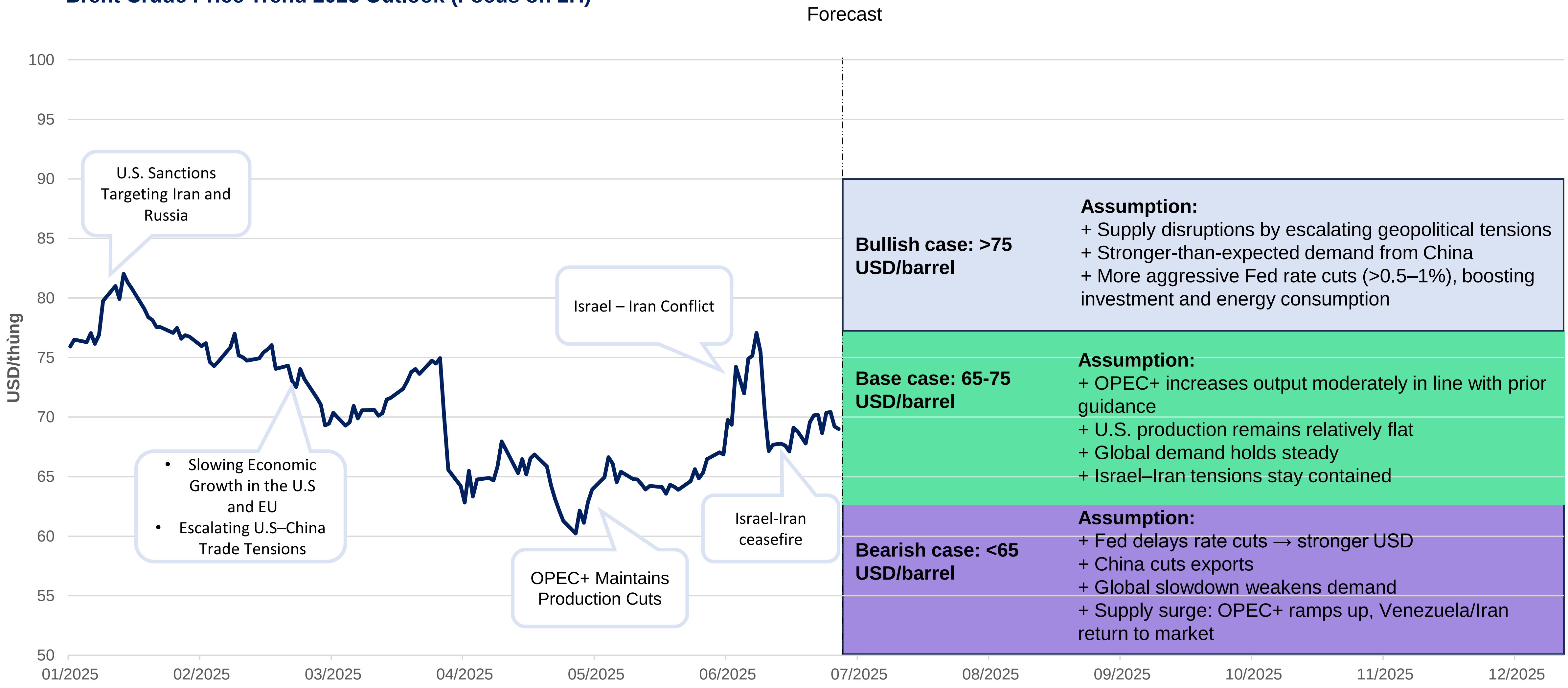
Brent Crude Price Trend 2025 Outlook (Focus on 2H)



Source: Investing.com, MBS Research

Oil price outlook by end-2025 from several global institutions: JP Morgan – 66 USD, Goldman Sachs – 60 USD, EIA – 66 USD

Upstream: Urgent need to commission new exploration and production projects.

- According to PVN, Vietnam's domestic crude oil output is declining by around 10% annually as key fields like Bach Ho, Rang Dong, and Su Tu Den enter depletion after decades of extraction (since the 1980s–2000s). Natural gas production is also falling, with a CAGR of ~5%/year. From 17.3 million tons in 2010, crude output is projected to drop to 8.5 million tons in 2024 (–50% in 14 years). As a result, Vietnam increasingly relies on crude imports from Kuwait and refined fuels from Singapore.

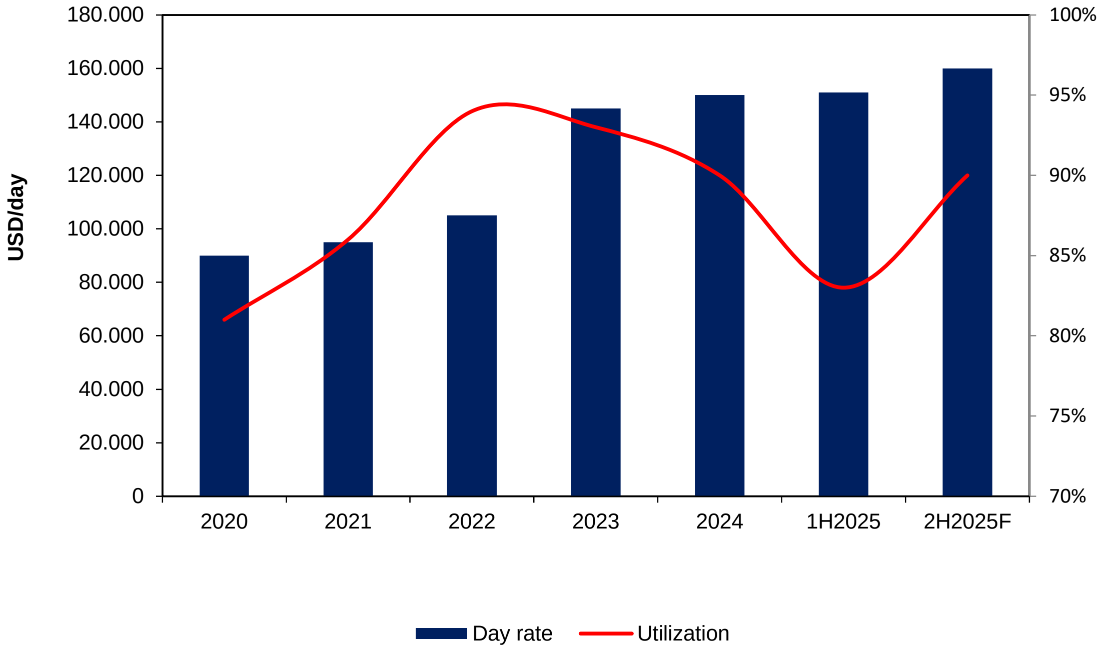
- In contrast, long-term domestic energy demand is rising. According to data from the Ministry of Industry and Trade, Vietnam imported 13.44 million tons of crude oil in 2024, up 24.9% YoY, reflecting a clear domestic supply–demand gap. Nationwide gas demand is projected to reach 35 million m³/day, primarily for power g eneration (~26 million m³) and for industrial, commercial, and petrochemical use.

Update on Key Domestic Oil & Gas Projects in Vietnam

No	Project	Location	Inv capital (bil USD)	Reserves	Investors	Progress update 1H 2025	Planned progress 2H 2025	First gas/oil
1	Block B – O Mon	Malay - Thổ Chu Basin	12	107 bcm	PVN, PVEP, MOECO, PTTEP	Completed 16.7% of EPCI#1 (design, procurement, construction, and installation of Central Processing Platform, Living Quarters Platform, and Flare Tower) and 34% of EPCI#2 (design, procurement, construction, transportation, installation, hook-up, and commissioning of Gathering Platform, Wellhead Platform, and in-field pipeline system). Completed PSTM processing in seismic survey.	EPCI#1 reached 60–70% overall progress. Completed PSDM processing in seismic survey. Major fabrication completed for Wellhead Platforms (WHPs) and Central Processing Platform (CPP) structures.	Expected 2026 - 2027
2	Ca Voi Xanh	Sông Hồng Basin	10	150 bcm	ExxonMobil, PVN	No FID yet as ExxonMobil has not taken any concrete action related to the project. June 2025: The Minister of Industry and Trade urged ExxonMobil to proceed with the Ca Voi Xanh field development in accordance with current laws and the signed petroleum contract.	If legal obstacles are resolved and FID is signed by year-end, the project will move from preparation to detailed design, platform fabrication, and infrastructure construction.	Expected 2030
3	Su Tu Trang – Phase 2B	Cửu Long Basin	1.38	24 tỷ bcm	Cửu Long JOC, ConocoPhillips, KNOC, SK, Geopetrol	April 2025: Petrovietnam/PVEP signed a Heads of Agreement (HOA) for the Su Tu Trang Phase 2B project (Block 15-1).	PSC & GSPA finalized: Contract signing expected to secure production rights and ensure new gas/oil flow. Three new wells planned: Procedures nearly complete, ready for drilling in 2H/2025.	Expected 2026
4	Nam Du - U Minh	Malay - Thổ Chu Basin	n/a	171 bcm	Jadestone Energy - JSE	March 2025: Jadestone submitted the Field Development Plan (FDP) to Petrovietnam.Hỏi ChatGPT	n/a	n/a
5	Thien Nga – Hai Au	Nam Côn Sơn Basin	0.3	7.5 bcm	Zarubezhneft - ZNEP	June 2025: PV Gas chaired a meeting to accelerate progress, urging completion of the GSA and pricing mechanism to ensure project development conditions.	Gas Sales Agreement (GSA/GSPA) signed with PV Gas. Field Development Plan (FDP) approved.	Expected Q4/2026
6	Bao Vang – Bao Den	Sông Hồng Basin	1.32	58 bcm	PVN, Gazprom	Exploration	Exploration	n/a
7	Ken Bau	Sông Hồng Basin	n/a	200 - 250 bcm	Eni Vietnam B.V; Essar E&P Limited	Exploration	FDP and GSA/GSPA term sheet submitted.	Expected 2028
8	Lac Da Vang	Cửu Long Basin	693	63 million barrels	Murphy Oil, PVEP, SK	February 2025: Murphy Oil plans to spend USD 90 million on development activities at the Lac Da Vang field, and USD 20 million on production drilling at the same field.	Development well drilling contract was signed in Q2/2025 with Murphy and is expected to be implemented in Q4/2025.	Expected 2026 - 2027
9	Kinh Ngu Trang – Kinh Ngu Trang Nam	Cửu Long Basin	650	6 million barrels	Vietsopetro, PVEP, AO Zarubezhneft	February 2025: Launched the accelerated completion and early production plan for the Kinh Ngu Trang – Kinh Ngu Trang Nam field development project, Block 09-2/09.	n/a	Expected 2025

Upstream: Long-term growth driven by oil drilling prospects in Southeast Asia

Estimated average day rate and utilization of jack-up rigs in Southeast Asia



Source: MBS Research

- In H1/2025, average jack-up rig day rates in Southeast Asia remained elevated at around USD 150,000/day, marking a peak pricing phase driven by sustained demand from Malaysia, Indonesia, Thailand, and Vietnam, amid no new rig additions. In H2/2025, rates are expected to rise slightly to USD 160,000/day due to ongoing supply tightness in both the Middle East and Southeast Asia. Additionally, Indonesia and Brunei are planning to intensify drilling activities in the second half of the year.
- In H1/2025, rig utilization in Southeast Asia stayed below 90%, potentially due to: (1) Jack-up rigs returning from India/Australia but not yet commencing drilling, temporarily weighing down regional utilization; and (2) Maintenance and reactivation of several rigs during this period (e.g., PV Drilling III officially resumed operations in Indonesia in May 2025). We forecast utilization to increase to 90–93% in the remainder of the year, as more rigs complete reactivation and regional drilling activity ramps up, particularly in Indonesia (e.g., jack-up rig NAGA 8).

In the context of no new jack-up rigs being added and drilling demand in Southeast Asia recovering after a period of delayed FIDs, charter rates are expected to remain at peak levels, accompanied by improved utilization rates above 90%. The profit outlook for companies owning jack-up rigs will be very positive, especially for those with short idle periods in the current phase, such as PVD.

Upstream: Regulatory framework unlocks oil and gas resources

No	Issue/Policy	Previous content	Updated content (2025)	Impact on upstream companies	Effective date
1	Decentralization and delegation in industry (Decree No. 146/2025/NĐ-CP)	Previously, many procedures required approval from the Prime Minister or inter-ministerial coordination, resulting in lengthy processing times.	The Ministry of Industry and Trade is authorized to issue licenses in the oil and gas sector, streamlining procedures by reducing multi-level approvals.	Licensing timelines and FID documentation are shortened, facilitating E&P activities, especially for marginal fields.	12/06/2025
2	Tổ chức – cơ cấu Bộ Công Thương (NĐ 40/2025/NĐ-CP)	The previous structure was fragmented, inefficient, and prone to overlapping responsibilities.	Streamlined from 28 to 22 units; the Petroleum Department was restructured to strengthen sectoral management functions.	Stronger policy enforcement and proactive governance help accelerate upstream project timelines.	01/01/2025
3	Decree 132/2024/ND-CP on overseas investment	Complex regulations and difficulties in obtaining investment licenses for overseas or joint venture oil and gas projects.	Facilitated overseas oil and gas investment, especially in E&P and international joint ventures.	Paves the way for state-owned groups like PVN to deepen participation in international exploration, enhancing long-term experience and profitability. It also fosters relationships with foreign oil and gas companies and supports future supply security.	05/12/2025
4	Decree No. 58/2025 – Incentives for the Renewable Energy Sector	The lack of clear incentive mechanisms and development guidelines for the renewable energy sector has made many investors and businesses hesitant to commit significant capital to this field.	Specific incentives on taxation and investment for wind and renewable power (not directly applicable to E&P, but influential in the broader energy restructuring process).	This is beneficial for the energy sector overall as it promotes the "greening" of the industry and diversifies energy supply. However, in the long term, it may lead to economic losses for upstream oil and gas companies. In the short term, the impact is limited, as renewable energy projects currently account for only 12–14% of actual power generation, so oil demand remains sustained.	03/03/2025

General assessment:

- Decree 146/2025 and Decree 40/2025 represent direct administrative reforms, helping shorten licensing timelines and enhance regulatory effectiveness - both playing a key role in supporting E&P prospects in 2025.
- Decree 132/2024 promotes international joint ventures, aiming to develop a globally integrated oil and gas value chain.
- Decree 58/2025 prioritizes the renewable energy segment and may pose long-term competitive pressure, potentially eroding profits for upstream oil and gas companies. However, the short-term impact remains limited, as renewables account for only a small share of actual power generation. Additionally, the decree indirectly supports financial and policy flexibility for PVN/EVN to balance large-scale energy investments.

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Upstream: PVS and PVD are the main upstream beneficiaries of project timeline shifts and policy changes

Overall Effect

Exploration & Assessment
- Decree 146/2025 accelerates the approval process for survey permits, benefiting promising fields such as Ken Bau and Lac Da Vang.

Exploration drilling
- Thien Nga – Hai Au is finalizing the GSA, with Decree 146/2025 expected to shorten the approval timeline for exploration drilling once the GSA is in place.
- Decree 132/2024 supports E&P joint ventures like Eni – Essar (Ken Bau), encouraging increased investment in well drilling.

Reserve evaluation
- Decrees 146/2025 & 40/2025 improve dedicated FDP processing.
- Key to enabling appraisal drilling at fields like Lac Da Vang, Ken Bau, and Thien Nga – Hai Au.

Design & Construction
- Decree 146/2025 gives MOIT full authority to approve field development.
- Decree 58/2025 may indirectly pressure oil fields as renewables are promoted.
- Block B – O Mon is entering the EPC phase for WHP and pipeline. It is expected to benefit most at this stage.

Production
- Power Development Plan VIII positions gas-fired power as central through at least 2030 → supports gas offtake from fields like Block B and Su Tu Trang.

Maintenance & Expansion
- Project and policy changes in 2025 have little to no impact at this stage.

Enterprise Effect

Exploration & Assessment
- PVD: no direct benefit
- PVS: minor benefit from geophysical–seismic survey services, but negligible as it accounts for only ~1.8% of revenue

Minimal benefit

Exploration drilling
- PVD: more opportunities for jack-up rigs in early-stage projects like LDV, STT 2B; volume still limited in pre-production phase.
- PVS: growing technical services, especially well design and pre-EPC survey support.

Entering the benefit zone, but not yet in peak phase

Reserve evaluation
- PVD: emerging appraisal drilling opportunities at Ken Bau, Su Tu Trang, and Lac Da Vang; scale remains limited.
- PVS: potential for 3D geophysical–seismic surveys and PSDM data processing for reserve estimates; small orders, but healthy backlog maintained.

Positive impact on PVD (appraisal drilling) and PVS (survey data processing), but limited immediate revenue contribution.

Design & Construction
- PVD: Not yet at the development drilling stage.
- PVS: Direct beneficiary of EPCIC packages (WHP contractor for Block B & EPCIC FPSO for Su Tu Trang).

PVS benefits directly and most significantly; PVD has yet to record substantial revenue.

Production
- PVD: Provides rigs & technical services for long-term production fields; higher rig utilization & stable margins.
- PVS: Diminishing role post-EPCIC phase.

PVD sees clear upside; PVS maintains lower technical service revenue.

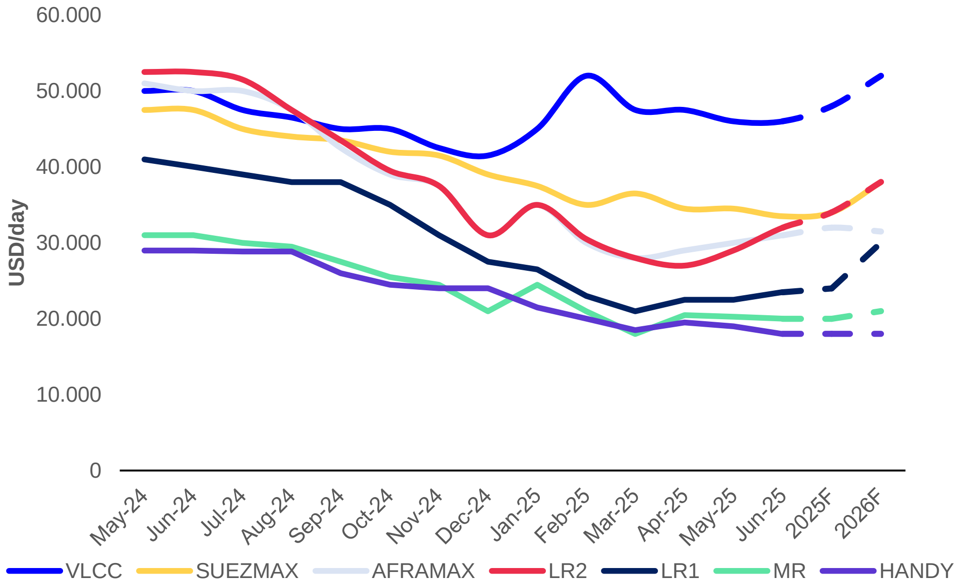
Maintenance & Expansion
- PVD: Rising demand for workover, well intervention, and maintenance.
- PVS: Performs maintenance for FPSOs, platforms, and pipelines.

PVD and PVS are both shifting from EPC projects to long-term operational services.

Midstream: No breakthrough expected in 2025

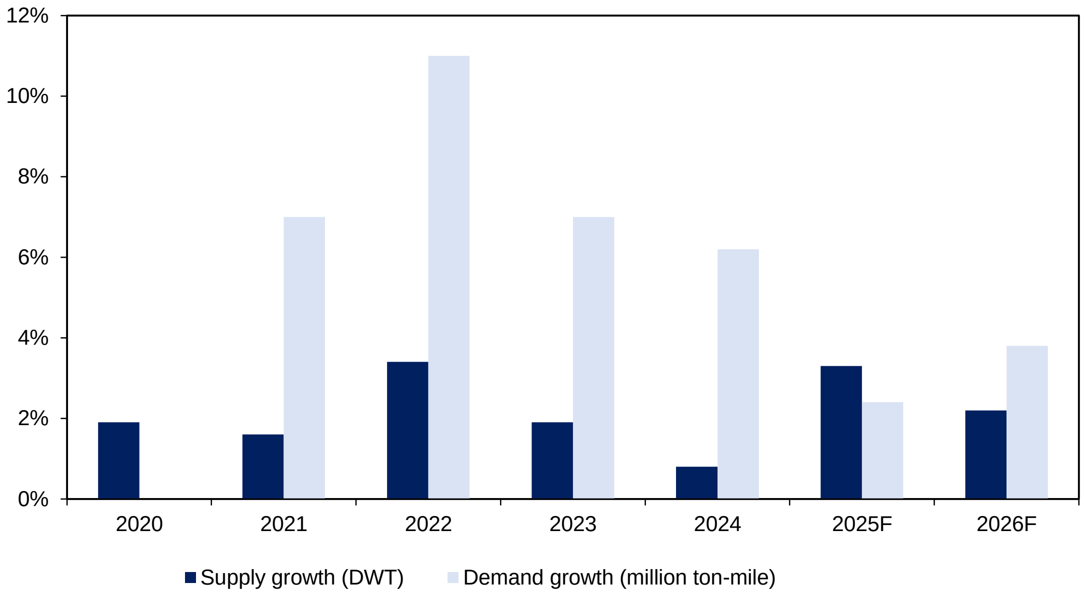
- From Q1 to Q2/2025, global oil tanker freight rates remain in a downtrend. We expect vessel oversupply to continue putting pressure on rates throughout the rest of the year.In 2022–2024, tanker demand (measured in ton-miles) surged mainly due to rerouting effects from the Red Sea/Suez crisis and the Russia–Ukraine war, which forced vessels to divert via the Cape of Good Hope, increasing voyage distances by 30–50%. Entering 2025, trade routes have largely stabilized, and there are no new demand catalysts, resulting in a notable slowdown in tanker demand growth.In 2026, vessel supply is forecast to grow ~2.2%, with ~35% of the current fleet over 15 years old → slower fleet growth. Meanwhile, tanker demand is projected to rise 3.8%, driven by global oil demand and Russia–India flows (per IEA).
- In Vietnam, domestic oil transport mainly uses Aframax and MR tankers (freight rates down 11% and 18% YTD), while crude imports rely on VLCCs (rates up 2%). However, local midstream players rarely own VLCCs, thus missing out on high-rate advantages.In H2/2025, domestic oil transport demand is expected to remain around 2.4–2.6 million tons to serve refinery needs. Persistently low freight rates may weigh on profit margins of midstream transporters like PVTrans.

Time charter rates for some vessel types



Source: AlibraShipping, MBS Research

Tanker fleet supply/demand growth

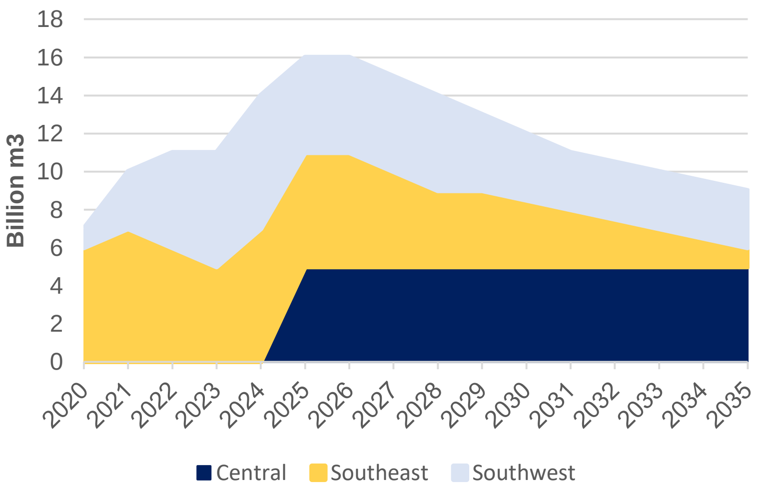


Source: MBS Research

Midstream: LNG imports & gas-to-power push are key drivers for midstream players at this stage

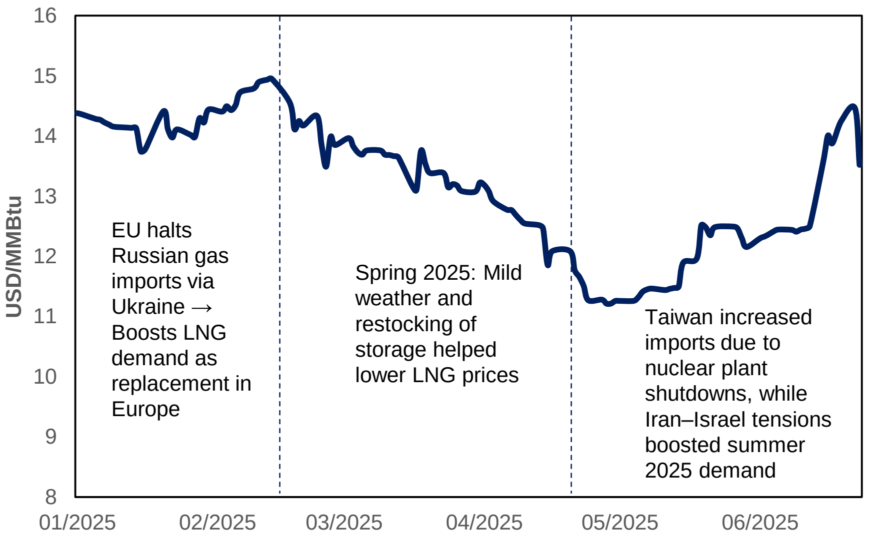
- Gas reserves for power generation in Vietnam mainly come from the southern region, but these fields are gradually depleting. The Southeast has faced gas shortages since 2021–2022, while in the Southwest, Block B gas can only supply the 3,800 MW O Mon power complex. Since 2024, gas from smaller fields is insufficient for new power plants. Ca Voi Xanh gas, starting 2024, is just enough for five planned 750 MW plants in Dung Quat and Chu Lai. With declining domestic output and rising gas power share, Vietnam must import gas, creating growth potential for midstream companies with LNG fleets.
- Asian LNG demand softened in H1/2025, except in Taiwan. Imports by China, Japan, and South Korea declined due to high storage levels and mild weather.Meanwhile, global supply continues to rise sharply, leading to a surplus from mid-2025.We project summer 2025 LNG prices to hold around 13–14 USD/MMBtu on geopolitical risks, but likely cooling to 10–12 USD/MMBtu by year-end if no major supply disruptions occur.
- Currently, Thi Vai is the only operational LNG import and regasification terminal in Vietnam. Cai Mep and Son My 1 are expected to reach COD in 2026–2027. Phase 3 expansion of Thi Vai is projected to raise domestic capacity to ~10 mtpa to meet rising LNG import volumes. According to PDP8, by 2030, Vietnam targets 13 LNG-fired power plants with a total capacity of 22.4 GW, requiring ~20–22 mtpa of imported LNG, indicating strong long-term growth potential for LNG handling capacity.

Estimated gas supply capacity for power generation



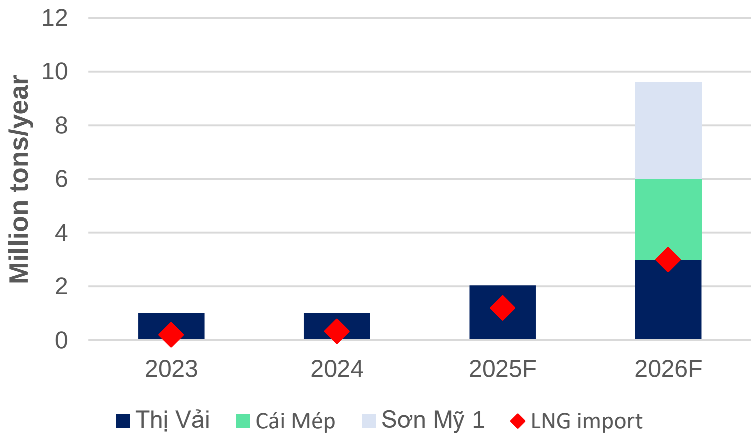
Source: Lngvietnam, MBS Research

LNG price movements (JKM) YTD 2025



Source: Bloomberg, MBS Research

LNG terminal capacity & import projections (forward 2026)



Source: MBS Research

Midstream: Midstream enterpirses benefit from new policies

No	Issue/Policy	Previous content	Updated content (2025)	Impact on midstream companies	Key beneficiaries
1	LNG-to-power price framework (Decision 983/QĐ-BCT)	No clear price cap → Difficulties in executing PPA contracts	Have framework: 3,069 VND/kWh	Helps gas sellers set clear pricing → Stabilizes commercial gas flow	PV GAS, PV Power
2	Circular 12/2025/TT-BCT	No clear regulations on cost component calculation in power pricing.	Recognition of FSRU services, LNG storage, and gas transportation in pricing structure.	Legalizes gas intermediary role, encourages FSRU & LNG storage investment, and strengthens service price negotiations.	PV GAS, PVTrans
3	Long-term GSA with Nhon Trach 3–4	Some projects lack GSA → Delays in EVN signing PPA	25-year GSA ensures stable gas offtake	Stabilizes midstream gas distribution volume	PV GAS
4	Decree 100/2025 – Priority for domestic gas	No priority mechanism for dispatching domestic gas or LNG	Priority given to domestic gas → LNG as flexible source must have long-term PPA with minimum offtake of 65% of average output, applied during debt repayment period (max 10 years from COD)	Possible reduction in LNG import volume → Impacts LNG shipping demand.	PV GAS
5	National Oil Reserve Strategy to 2030 (Official Letter 221/TTg-CN)	Crude oil & product storage facilities not yet specifically planned	Requires expansion of oil storage capacity and marine transportation	Rising demand for crude oil, petroleum import, and reserve transportation	PVTrans

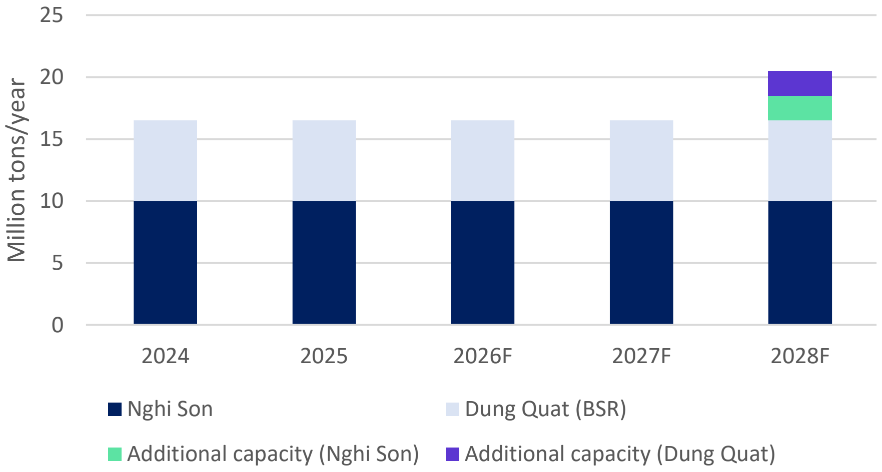
2025 policies have established a clear and favorable legal framework for midstream oil & gas. Companies like PV GAS, PVTrans, and PVOIL are well-positioned to expand operations and strengthen their role in the national energy value chain.

Downstream: Margins slightly decline as crack spread narrows

Refiners lack strong growth drivers as capacity remains flat and crack spread may face pressure from weak demand

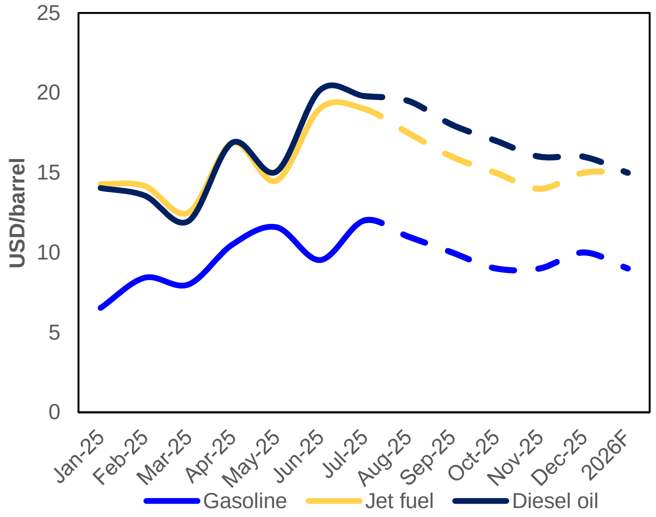
- In Q1/2025, refined fuel inventories at major distributors (PLX, OIL, PSH) hovered around the 5-year average. We expect low fuel prices to drive a slight stock buildup by year-end. In 2026, no significant changes in inventories are projected, as current levels meet the 20-day consumption reserve requirement. Elevated inventory levels and stable forecasts suggest domestic refining demand will see limited improvement in the short term.
- Vietnam's refining capacity is expected to remain flat until 2028 as Nghi Son and Dung Quat plan no major expansions. Crack spread may narrow in H2/2025 due to seasonality and the risk of crude oil prices rising faster than refined products. We expect a continued softening trend in crack spread through end-2026 driven by: (1) weak demand, (2) above-average inventory, (3) no major supply disruptions, and (4) mildly rising crude prices.

Refining capacity of Vietnam's refineries (projection to 2028)



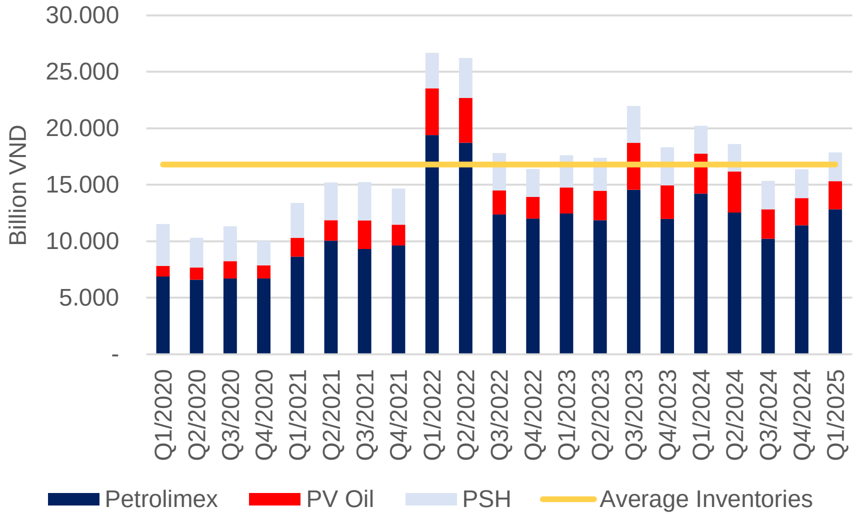
Source: MBS Research

Projected crack spread in the Asia



Source: MBS Research

Refined petroleum product inventories of some distributors



Source: FiinPro, MBS Research

Downstream: Long-term advantage shifts to major distributors

The draft Decree amending Decree 95/2021/NĐ-CP and Decree 83/2014/NĐ-CP on petroleum trading, expected to be issued in 2025, is set to reshape various aspects of competitive advantages in the fuel distribution sector:

No	Effect	Content	Key beneficiaries
1	Increasing the role of key wholesale petroleum traders	• The draft regulation stipulates that only key wholesale petroleum traders are allowed to import directly and sell to the market. • Distributors, general agents, and retail agents will no longer be permitted to import; they must purchase from wholesalers. • Retail networks will be reorganized into vertically integrated chains.	• Petrolimex • PVOil • Enterprises with extensive storage infrastructure and distribution networks.
2	Eased regulations on petroleum stockpiling	• The draft proposes reducing the mandatory stockpiling level from 30 days to 20 days of average consumption. • This helps lower financial costs by not having to maintain large inventories. • Especially beneficial during fuel price volatility, minimizing the risk of holding high-priced inventory.	• All key petroleum traders, especially PLX and OIL, benefit due to their large sales volumes and fuel inventories. • Enterprises with flexible storage capacity (extensive logistics and warehouse networks) also gain an advantage.
3	Allow flexible pricing within a ceiling price framework	• Key importers are allowed to set retail prices within a government-announced ceiling, instead of following a fixed pricing formula. • Removal of fixed cost and profit margin regulations. • Creates room for price increases during periods of high demand or limited supply.	• Major branded distributors (e.g., PLX, OIL) benefit most. • Retail chains with wide station networks can optimize flexible pricing by region.
4	Transparency in the supply chain structure	• Tightening intermediary roles. • Stricter and more transparent regulations on wholesalers, distributors, agents, and retail stations. • Aims to reduce price manipulation and fraud in the supply chain.	• Enterprises complying with standards (e.g., PLX, OIL). • Consumers benefit indirectly from greater price transparency.

General assessment:

- The new adjustments will enhance transparency in the retail fuel sector and reinforce the market leadership of major fuel distributors.
- A flexible pricing mechanism allows for margin optimization amid oil price volatility.
- Easing minimum fuel inventory requirements reduces financial pressure and stockholding costs, improving operating cash flow.
- Overall, if the Decree is passed, it will serve as a positive catalyst for significantly improving PLX and PVOil's business performance.

Projected Business Results of Selected Companies in the Industry for the Period 2025F–2027F

Billion VND	PVS			PVD			PVT			GAS			BSR			PLX		
	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F
Revenue	29,970	44,444	41,581	6,771	7,320	7,402	11,706	12,140	12,627	91,194	93,870	93,599	127,472	127,965	111,923	273,017	278,527	281,227
% svck	*26.1%*	*48.3%*	*-6.4%*	*-27.1%*	*8.1%*	*1.1%*	*-0.2%*	*3.7%*	*4.0%*	*-11.9%*	*2.9%*	*-0.3%*	*3.6%*	*0.4%*	*-12.5%*	*-3.9%*	*2.0%*	*1.0%*
Gross profit	1,795	2,015	2,055	1,828	2,021	2,064	2,713	2,749	2,708	16,420	16,804	16,659	3,767	3,820	2,892	14,589	14,934	15,395
Gross profit margin	*4.2%*	*3.7%*	*4.3%*	*27.0%*	*27.6%*	*27.9%*	*23.2%*	*22.6%*	*21.4%*	*18.0%*	*17.9%*	*17.8%*	*3.0%*	*3.0%*	*2.6%*	*5.3%*	*5.4%*	*5.5%*
EBITDA	706	1,067	1,442	2,111	2,376	2,428	4,001	4,216	4,330	16,186	16,733	16,938	5,356	4,686	3,940	3,402	3,550	4,396
EBITDA margin	*2.4%*	*2.4%*	*3.5%*	*31.2%*	*32.5%*	*32.8%*	*34.2%*	*34.7%*	*34.3%*	*17.7%*	*17.8%*	*18.1%*	*4.2%*	*3.7%*	*3.5%*	*1.2%*	*1.3%*	*1.6%*
Net profit	1,153	1,331	1,406	696	791	860	1,183	1,105	1,026	11,368	12,210	12,207	2,963	2,919	1,767	1,763	2,187	3,171
% svck	*7.8%*	*15.4%*	*5.7%*	*-0.3%*	*13.6%*	*8.7%*	*8.3%*	*-6.6%*	*-7.1%*	*9.3%*	*7.0%*	*0.1%*	*369.9%*	*-1.5%*	*-39.5%*	*-39.0%*	*24.1%*	*45.0%*
EPS (VNĐ/cp)	2,413	2,785	2,943	1,252	1,422	1,525	3,324	3,105	2,684	4,950	5,297	5,728	956	941	570	1,362	1,691	2,451
BVPS (VNĐ/cp)	29,340	30,510	31,786	28,406	29,741	31,253	24,858	27,758	32,752	28,540	31,709	38,669	18,097	18,284	18,279	18,555	16,942	15,259
Net cash/share (VND/share)	25,927	24,955	25,814	8,931	9,514	12,704	4,591	9,045	13,036	17,857	14,483	21,662	9,420	7,193	3,264	7,461	6,578	6,331
Debt to equity ratio	18.1%	27.1%	32.7%	25.7%	22.8%	20.2%	82.9%	81.3%	80.7%	4.0%	2.8%	1.2%	29.4%	31.8%	34.9%	87.9%	90.1%	93.3%
Dividend yield	2.2%	2.2%	2.2%	1.3%	1.3%	1.3%	4.2%	4.2%	4.2%	2.9%	2.9%	2.9%	1.7%	1.7%	1.7%	4.1%	4.1%	4.1%
ROAE (%)	8.4%	9.3%	9.4%	4.3%	4.7%	4.5%	14.3%	11.8%	8.5%	18.0%	17.3%	15.3%	5.3%	5.2%	3.1%	7.0%	9.5%	15.2%
ROAA (%)	3.3%	3.3%	3.2%	2.9%	3.1%	3.3%	5.3%	4.3%	3.2%	13.3%	13.1%	12.5%	3.3%	3.1%	1.9%	2.2%	2.8%	4.1%

Investment Strategy: We prefer PVS and PVD

Symbol	Target price (VND/share)	Recommend	Assessment
PVS	**43,000**	ADD	- NĐ 40 and NĐ 146 accelerate project approval processes, especially for fields like Lac Da Vang, Su Tu Trang, and Block B - O Mon, which is expected to significantly boost PVS's M&C (EPCI and maintenance) activities. In 2026, the FSO at Lac Da Vang operated by the PVS–Yinson Holdings Berhad joint venture is also scheduled to be completed and put into operation, contributing positively to PVS's earnings. - Gross margin for the M&C segment is projected to improve in 2025 thanks to: (1) contributions from domestic oil & gas projects (Block B – O Mon, Lac Da Vang), where PVS has strong expertise, (2) improved efficiency in offshore wind projects after gaining experience from previous contracts. Expected M&C gross margin in 2025 and 2026 is 1.2% and 1.6%, respectively, compared to 0.8% at the end of 2024. - We forecast PVS's net profit to grow by 7.8%, 15.4%, and 5.7% during FY25-27F, driven mainly by the M&C segment amid an urgent need to bring new upstream projects into operation to meet domestic fuel demand and new EPCI contracts in offshore wind. The key risk in 2025 lies in potential delays to the Block B project, though we consider this risk low given the solid progress of EPCI#1 and EPCI#2 packages.
PVD	**27,100**	ADD	- Regional demand for jack-up rigs is expected to remain high during 2025F–2026F, driven by upstream oil and gas projects rolled out by national oil companies (NOCs). We expect PVD's average dayrate to stay stable at USD 94,800/day for both 2025F and 2026F. Rig utilization is projected to stay above 90%, supporting upstream drilling-related earnings. - The PV DRILLING III rig resumed operations in Indonesia in May after a 2-month maintenance period. Additionally, PVD acquired the PV DRILLING VIII rig in late 2024, which is now expected to commence operations in Q3/2025, one quarter earlier than our previous estimate. - PVD's net profit is forecast to fluctuate by -0.3% in 2025F and grow 13.6% in 2026F, with the new jack-up rig serving as the key growth catalyst. PVD stock is trading at P/E 16.1x and P/B 0.7x, significantly below its 5-year adjusted averages of P/E 139.2x and P/B 0.8x.
GAS	84,800	ADD	- Domestic gas output from existing fields is declining, while remaining reserves are priced relatively high. Therefore, distributing and utilizing liquefied natural gas (LNG) is essential to ensure national energy security and fulfill targets under PDP8. GAS's LNG output is expected to surge from 2026, once Thi Vai Terminal completes its capacity expansion, doubling its current throughput. LNG import demand is projected to reach 20–22 million tons/year to support Vietnam's gas-fired power roadmap. - The introduction of LNG power pricing frameworks and prioritization of renewable energy will be key long-term themes supporting GAS's earnings outlook in coming years. - We forecast GAS's net profit to grow by 9.6% in FY25F and 7.0% in FY26F. The stock is trading at P/E 14.9x and P/B 2.5x, both lower than its 5-year averages of P/E 17.3x and P/B 3.1x.

Investment Strategy: We prefer PVS and PVD

Symbol	Target price (VND/share)	Recommend	Assessment
PVT	20,500	HOLD	- Low ton-mile demand growth and stagnant freight rates during the 2025F–2026F period are expected to pose challenges for PVT's core operations. - We forecast PVT's net profit to fluctuate by +8.3% in 2025F and -6.6% in 2026F. In 2025, gross margin improvements from lower COGS will support earnings growth. However, weak freight market conditions and rising interest expenses from long-term debt used to expand and upgrade the fleet will likely weigh on profitability going forward. - The stock is currently trading at P/E 7.8x and P/B 1.0x, below its 5-year averages (P/E 8.8x, P/B 1.2x). With its attractive valuation, PVT remains a suitable hold in the current market phase.
BSR	20,500	HOLD	- In the short term (FY25–26F), we do not expect a recovery in Asian crack spreads, as global refining supply remains stable while crude oil prices are rising faster than product prices, placing downward pressure on margins. However, BSR has long-term growth drivers from its refinery upgrade and expansion project, expected to be operational from Q3/2028, which will increase capacity by 15% and enhance processing complexity. Once completed, BSR's crack spread is projected to align with the regional average by 2029. - We forecast BSR's net profit in 2025 to surge by +369.9% YoY, mainly driven by a gross margin recovery from a trough of 0.4% to 3.0%, in line with the company's historical average.
PLX	42,400	HOLD	- Petrolimex's (PLX) fuel sales volume is expected to remain stable at a high level, supported by ample inventories and uninterrupted supply in the upcoming period. However, we believe domestic demand is unlikely to see a breakthrough in the near term. - Upcoming policy changes in 2025 are set to benefit PLX as a reputable key trader, allowing the company to gain market share from smaller retailers, be more proactive in pricing within the ceiling framework, and optimize inventory management. While these regulatory changes are expected to positively impact PLX in the long run, the effects may not be fully reflected in PLX's financials during FY25–26F. - Like other downstream players, PLX will also be affected by weakening regional crack spreads and unclear demand recovery during FY25–26F. - We forecast PLX's gross profit margin to reach 5.3% in FY25F and 5.4% in FY26F, while net profit is expected to decline 39.0% in FY25F and then rebound 24.1% in FY26F.

Chiến lược đầu tư: Chúng tôi ưa thích PVS và PVD

Base case: Avg Brent oil price in 2025 = 70 USD/barrel	Symbol	Market price	Target price	Recommend	Mkt Cap	P/E (x)		P/B (x)		ROA%		ROE (%)	
Company		VND/share	VND/share		Billion VND	2024	2025F	2024	2025F	2024	2025F	2024	2025F
Petrovietnam Technical Services Corporation	PVS	33,100	43,000	ADD	15,821	14.8	13.6	1.1	1.1	3.5	3.3	8.1	8.4
Petrovietnam Drilling & Well Corporation	PVD	20,400	27,100	ADD	11,340	12.5	14.8	0.7	0.7	3.9	2.9	5.8	4.3
PetroVietnam Gas Joint Stock Corporation	GAS	67,700	84,800	ADD	158,599	15.0	12.9	2.6	2.3	12.3	13.3	16.7	18.0
PetroVietnam Transportation Corporation	PVT	18,000	20,500	HOLD	8,459	5.0	3.1	0.8	0.6	6.6	5.3	16.9	14.3
Binh Son Refining and Petrochemical JSC	BSR	18,450	20,500	HOLD	57,204	77.7	19.3	1.0	1.0	0.7	3.3	1.1	5.3
Vietnam National Petroleum Group (Petrolimex)	PLX	37,300	42,400	HOLD	47,393	12.1	27.4	1.9	2.0	4.9	2.2	15.3	7.
Mean					49,803	22.9	15.2	1.4	1.3	5.3	5.1	10.7	9.6

- *Closing prices as of July 15th, 2025. Source: MBS Research estimates.*

DISCLAIMER

MBS INVESTMENT RECOMMENDATION

Stock rating

Our investment recommendations are based on the expected profitability of the stock, calculated as the sum of (i) the percentage difference between target price and market price at the time of publication, and (ii) expected dividend yield. Unless otherwise stated in the report, investment recommendations have an investment horizon of 12 months.

ADD	The stock can generate a profitability of 15% or more
HOLD	The stock can generate a profitability of between -15% and 15%
REDUCE	The stock can generate a loss of 15% or more

Sector rating

POSITIVE	Industry stocks have Add recommendations on a weighted market capitalization basis
HOLD	Industry stocks have Hold recommendations on a weighted market capitalization basis
NEGATIVE	Industry stocks have Reduce recommendations on a weighted market capitalization basis

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