

## Energy Sector

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## Oil prices to edge up YoY in 2026 on escalating political risk

**Event: Israel/US and Iran tension is escalating.** On February 28, Israel and the United States launched a large-scale offensive against Iran. It is confirmed that Israel Defense Force (IDF) strikes on Tehran killed Iranian Supreme Leader Ayatollah Ali Khamenei. Conflict continues at a high intensity. US Defense Secretary Pete Hegseth has suggested the conflict could last three weeks or up to two months. According to Goldman Sachs, volume via the Strait of Hormuz (accounting for ~20%/30% of world oil and LNG, respectively) has declined ~80-85%. As of March 4, they assume volume through the Strait of Hormuz will remain at 15% of normal levels for the next five days, recover to 70% over the following two weeks, and return to full capacity within the subsequent two weeks. On March 8, Goldman Sachs warned that global oil prices could breach the USD100/bbl level within days and reach USD150/bbl by the end of March if no signs of solutions emerge by then. They estimate that the impact has been 17 times larger than the peak in April 2022 related to Russia - Ukraine, which pushed the oil price to USD120/bbl

**The price of oil surged ~50% after the strikes to USD109/bbl as of today, which we attribute largely to chokepoint at risk rather than an oil deficit.** According to Rystard Energy, supply disruptions from the Strait of Hormuz's closure are estimated at a loss of 8 to 10 million bpd of crude oil supply (8-10% of global supply) after diverting some flows through Saudi Arabia's East-West pipeline and Abu Dhabi pipeline. Meanwhile, Iran is a major oil producer, with output of around 3 million bpd, ~3% of total global oil production. We note that even though sanctions have limited its exports, its oil still enters markets, especially to China. **Historical data shows that the Strait of Hormuz was usually disrupted in 30-45 days and the oil price cools down after war/conflict events** (page 4&5). If we assume 10 mb/d were disrupted by ~2 months, then oil supply loss potentially is 0.8m b/d, accounting for ~1% of global oil supply.

**Global oil inventories provide a near-term buffer, but prolonged Strait of Hormuz disruption could tighten supply for Asia materially.** As of February 10, EIA forecasts of ~3 mb/d oil surplus for 2026 have not yet incorporated the event. This surplus projection might reduce or switch to a deficit if the disruptions last months. Global observed oil inventories stood at approximately 8.23 billion barrels in early 2026, according to IEA data. Assuming a supply disruption of 5-10 mb/d, it would take approximately 66-133 days for global inventories to fall to the inventory level of the Russia-Ukraine conflict. In 2025, about 13.4 million barrels of crude oil per day passed through the Strait of Hormuz. More than 80% of that volume was destined for Asian countries, underscoring the region's heavy reliance on the route. According to Khaosodenglish, crude oil inventory days in Asia countries is ~68. China and Thailand recently announced stopping petroleum/oil products exports.

**We have two scenarios for Brent oil prices and raise our projections for the Brent oil price by 9% and 19% on average, respectively for the 2026-2030 period.** Our base case is USD70/bbl for 2026 (17% higher than our previous forecast of USD60/bbl), while our high case is USD90/bbl for 2026 (50% higher than our previous forecast). Our forecast for the 2026 Brent oil price of USD70/bbl edges up +2% YoY and is similar to PetroVietnam Group's planning.

**Gas price: We raise our 2026-30F average FO price assumptions (output gas price benchmark) by 10%/20% in our base/high case,** driven primarily by 9%/19% uplifts to our Brent projections. **We raise our 2026-30F Vietnam LNG import price (tariff-inclusive) by 2% on average in the base case,** mainly to front-loading in 2026F (+29% vs previous, +22% YoY) while lowering 2028-30F projections in line with the softer back-end curve. We raise our 2026-30F Vietnam LNG import price (tariff-inclusive) by 9% on average in the high case.

**Coal price:** For 2026-2030F, we increase our forecast for mixed coal prices at 5%/10% on average in our base case/high case, respectively, due to increasing coal demand as an energy alternative when oil & gas prices go up.

**Vietnam's energy security: Vietnam usually imports 2/3 of crude oil, 1/3 of petroleum/oil products, ~70% of LPG, and ~15% of its total gas demand via LNG.** Despite rising crude import dependence, Vietnam's refiners and petroleum distributors stated that they have secured at least two months of combined inventories, including around 30 days at the refinery level and 25–30 days at the distributor level. On March 2, 2026, PVGas Trading (a subsidiary of PetroVietnam Gas) declared force majeure on its deliveries due to circumstances beyond its control. LPG cargoes scheduled to be delivered to clients from then to March 10, 2026, are delayed/reduced while deliveries after March 10 might be suspended. **However, on March 3, 2026, GAS quickly announced that it secured LPG supply by diversifying LPG sourcing beyond the Middle East,** prioritizing domestic demand (balancing imports/exports) and boosting output at its Dinh Co and Ca Mau gas processing plants by ~5%; it says LPG supply for March, and the coming period is secured. In addition, GAS stated that LNG supply is stable with input sources mainly from Australia and partly from the US.

**We expect a bright outlook for domestic exploration and production activities. A series of Resolutions including Resolution 70, 66, and 79 are set to strongly support the recovery and development of Vietnam's oil & gas sector.** We believe the special mechanism for PVN will be approved in H1 and the revised oil & gas Law will be approved in H2, boosting the multi-year investment cycle for Vietnam's oil & gas sector.

**Sector top picks: PVS.** *We are not changing our earnings forecasts/target prices for our coverage in this Sector Update Report but will factor in our revised oil price forecasts in our forthcoming company updates. Stocks directly benefit includes BSR, PVT, DPM DCM.*

**GAS: Slightly positive impact** due to potentially higher-than-expected output gas price (the benchmark for FO prices) for its gas trading segment (which we estimate to account for 23% of its total volume in 2026), higher LPG prices for internal LPG production; these factors might outweigh lower LPG and LNG volume (due to high prices). The 2026 YTD FO price was USD386/tonne (-17% YoY), ~107% of our 2026F forecast. LPG/LNG prices jumped 22%/41% following the strikes.

**PVS, PVD: Slightly positive** from potentially higher service prices in the medium term. Higher oil prices improve profitability for oil producers, which typically supports higher demand for EPC services, higher drilling activities, and higher jack-up rig day rates in the medium term.

**BSR: Positive** from inventory gains and higher crack spreads between input and output prices amid the rising oil prices. We anticipate strong Q1 2026 results. As of March 6, 2026, Singapore diesel crack spreads reached USD58/bbl (2.0x vs end-February), while gasoline crack spreads stood at USD24/bbl (2.1x vs end-February).

**PVT: Positive.** PVT could benefit from rising tanker rates, particularly for its spot and pool contracts, which account for approximately 25–30% of total transport volume. YTD average, Aframax time charter rates (crude oil tankers) increased 49% YoY, Medium Range time charter rates (oil product tankers) rose 22% YoY, and Handysize time charter rate (chemical tankers) increased 12% YoY. Going forward, tanker rates could increase further with potential rerouting of vessels to avoid the Strait of Hormuz, including diversion via the Cape of Good Hope, which would extend sailing distances and increase freight rates. As of March 5, 2026, the Baltic dirty tanker index (proxy for crude oil tanker spot rates) reached 3,083 points (+55% vs end-February), and the Baltic clean tanker index (proxy for oil product/chemical/LPG spot rates) reached 1,654 points (+83% vs end-February).

**DPM DCM: Positive.** Iran accounts for ~10% of global urea export trade. International urea prices increased ~22% post-strikes to USD600/ton. We see positive impacts on DCM/DPM as rising urea prices might potentially outweigh elevating gas prices.

**PLX OIL: Neutral.** Higher oil prices potentially benefit PLX/OIL in the short-term (i.e., Q1 2026) with low input sources obtained in Q4 2025. We anticipate strong Q1 2026 results. However,

prolonged high oil prices usually lead to loss as the output price is still regulated (until a new petroleum Decree is approved and if the Government adjusts petroleum prices lower than input prices) while facing an input price surge. **Impact moves from Neutral in base case to Negative in high case.**

**NT2 POW QTP PPC: Slight negative.** Elevated oil & gas and coal prices may result in a slightly negative impact on gas & coal fired power plants. These plants pass on fluctuations in gas prices & LNG prices and coal entirely to Vietnam Electricity Group (EVN) for contracted volume (~80% of its total volume). However, higher input prices may could lead to lower mobilization levels.

**Figure 1: Impact of change of oil price/FO/LNG/coal price assumptions on stocks under our coverage under base case scenario**

Ticker	Share price, VND ps	Target price, VND ps	Target price & rating last updated	Upside %	Div yield %	TSR % (*)	Rating in the latest update (*)	Upside /downside risk
<b>Oil &amp; gas companies</b>								
PVS	47,400	58,100	2/26/2026	22.6	0.0	22.6	BUY	Slight upside
DCM	42,950	41,600	1/29/2026	-3.1	4.7	1.6	BUY	Upside
PLC	33,200	31,900	9/12/2025	-3.9	3.0	0.9	BUY	Downside
PVT	24,050	24,100	1/26/2026	0.2	0.0	0.2	O-PF	Upside
DPM	27,600	25,300	1/29/2026	-8.3	4.3	-4.0	O-PF	Upside
GAS	107,900	98,200	1/23/2026	-9.0	2.3	-6.7	M-PF	Slight upside
PVD	38,600	35,600	1/9/2026	-7.8	0.0	-7.8	BUY	Slight upside
PLX	57,800	41,100	10/13/2025	-28.9	2.1	-26.8	BUY	Neutral
OIL	19,200	12,700	10/17/2025	-33.9	0.5	-33.4	O-PF	Neutral
BSR	31,200	12,300	8/28/2025	-60.3	0.0	-60.3	BUY	Upside
<b>Power companies</b>								
QTP	12,700	14,600	12/10/2025	15.0	7.9	22.8	BUY	Slight downside
PPC	10,100	11,000	12/10/2025	8.9	5.0	13.9	O-PF	Slight downside
NT2	27,750	30,300	02/26/2026	9.2	9.0	18.2	BUY	Slight downside
POW	14,500	14,300	12/10/2025	-1.4	0.0	-1.4	O-PF	Slight downside

Source: FiinPro, Vietcap. Note: (\*) TSR is calculated based on the closing price on February 27, 2026, while our ratings are from our latest Update Reports.

**Figure 2: Energy stocks – Summary valuations (\*)**

Ticker	Share price VND ps	EPS g 2025 %	EPS g 2026F %	EPS g 2027F %	P/E TTM x	P/E 2025 x	P/E 2026F x	P/E 2027F x	EV/EBITDA 2026F x	ROE 2026F %	P/B LQ x	Net D/E LQ %
<b>Oil &amp; gas companies</b>												
PVS	47,400	98.9	4.3	18.2	16.6	16.6	16.0	13.5	7.0	11	1.6	-99.1
DCM	42,950	34.9	22.7	6.0	12.9	12.9	10.5	9.9	5.2	18.1	2.0	-50.2
PLC	33,200	-68.6	N.M.	11.6	197.8	197.8	10.6	9.5	5.0	19.3	2.2	93.9
PVT	24,050	-5.0	11.6	24.6	11.4	11.4	10.2	8.2	3.4	12.4	1.1	31.6
DPM	27,600	99.7	13.4	28.4	21.1	21.1	18.6	14.5	7.4	9.4	1.4	-42.6
GAS	107,900	9.8	17.9	22.3	23.3	23.3	19.7	16.1	13.0	18.0	3.9	-55.5
PVD	38,600	46.7	24.2	60.3	24.1	24.1	19.4	12.1	9.0	7.1	1.1	11.1
PLX	57,800	-6.7	19.4	47.2	30.0	30.0	25.1	17.1	9.5	10.2	2.8	-37.6
OIL	19,200	3.1	39.0	12.3	58.5	58.5	42.4	37.7	15.3	5.0	1.6	-76.9
BSR	31,200	721.7	-24.3	6.7	30.1	30.1	39.8	37.3	19.8	4.8	2.0	-55.0
<b>Power companies</b>												
QTP	12,700	61.8	-34.0	16.7	5.7	5.7	8.7	7.4	7.7	12.7	1.0	-25.8
PPC	10,100	-59.9	-98.9	58.5	19.9	19.9	10.0	6.3	10.2	7.5	0.7	-1.8
NT2	27,750	1,106.0	10.1	-18.3	8.3	8.3	7.5	9.2	6.5	21.3	1.7	-42.7
POW	14,500	110.5	-22.1	45.0	17.4	17.4	20.0	13.8	5.3	5.5	1.0	59.7

Source: FiinPro, Vietcap (\* Earnings growth and P/E based on reported earnings; data as of February 27, 2026)

## US/Israel - Iran conflict

### Overview

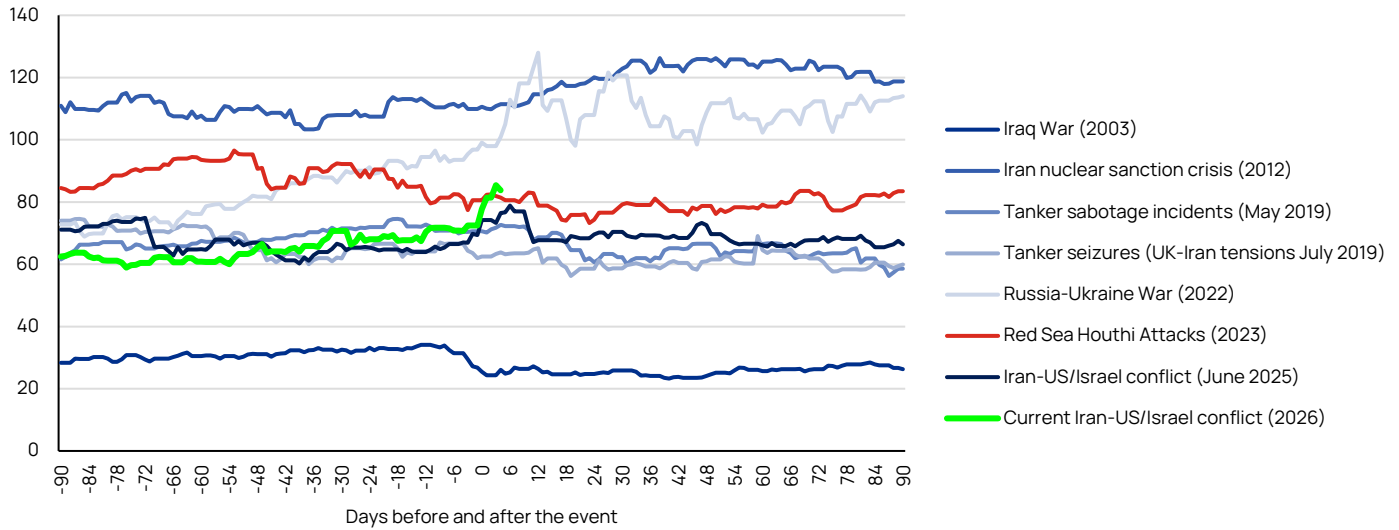
- February 28: The United States and Israel launched a large-scale offensive against Iran.** President Trump said the goal of the operation is to prevent Iran from obtaining a nuclear weapon and “to defend the American people by eliminating imminent threats from the Iranian regime.”
- The IDF’s strikes on Tehran killed Iranian Supreme Leader Ayatollah Ali Khamenei.** Iran retaliated with missile and drone attacks against Israel and US-aligned Gulf states, expanding the conflict across the Middle East. Explosions were reported in Bahrain, the United Arab Emirates, Qatar, Saudi Arabia, Kuwait, and Jordan.
- March 1: President Trump’s pledge to provide naval escorts for tankers in the Strait of Hormuz calmed immediate supply panic.**
- March 5: Conflict continued at high intensity. US Defense Secretary Pete Hegseth suggested the conflict could last 3 weeks or up to 2 months.**
- Strait of Hormuz:** The Strait of Hormuz is one of the most crucial routes for global energy – about 20% of the world’s oil and petroleum products transit through it daily. Supply disruptions from the Strait of Hormuz’s closure are estimated at a loss of 8 million to 10 million bpd of crude oil supply (8-10% of global supply) after diverting some flows through Saudi Arabia’s East-West pipeline and Abu Dhabi pipeline, according to Rystard Energy. Oil, gas, and other shipments from the Middle East via the Strait of Hormuz have come to a halt since February 28 after shipowners received a warning from Iran saying the area was closed for navigation.
- Status of Strait of Hormuz and expectation:** Oil, gas, and other shipments from the Middle East via the Strait of Hormuz have stopped since February 28 after shipowners received a warning from Iran saying the area was closed for navigation. According to Goldman Sachs, volume via this channel has declined ~80%. Goldman Sachs expects continued supply disruption in the near term. As of March 4, they assume through the Strait of Hormuz will remain at 15% of normal levels for the next five days, recover to 70% over the following two weeks, and return to full capacity within the subsequent two weeks. *Iran’s Islamic Revolutionary Guard Corps (IRGC) has said the Strait of Hormuz is closed only to vessels linked to the United States, Israel, Europe, and their Western allies.*
- Iran is a major oil producer, with output around 3 million barrels per day – roughly about 3% of total global oil production.** We note that even though sanctions have limited its exports, its oil still enters markets, especially to China.

Figure 3: Major Strait of Hormuz disruptions usually last 30-45 days

Period	Event	Approx. Duration of Disruption	What Happened	Oil price impact		
				Oil price at 90 days after the crisis (USD/bbl)	%vs the start date of the crisis	%vs the 90 days before)
1984–1988	Tanker War (Iran–Iraq War)	~1,460 days (4 years of intermittent disruption)	Iran and Iraq attacked ~400 oil tankers using missiles and mines	WTI: USD29/bbl	-5%	N.M
1987–1988	US escort operations (Operation Earnest Will)	~300 days	US navy escorted Kuwaiti tankers after heavy attacks	WTI: USD20/bbl	-3%	N.M
2003	Iraq War invasion	~10–15 days of heightened disruption risk	Iran placed naval forces on alert, mines feared	Brent: USD26/bbl	+3%	-7%
2012	Iran nuclear sanctions crisis	~20–30 days of shipping risk	Iran threatened closure, naval buildup in Gulf	Brent: USD119/bbl	+7%	+7%
May 2019	Tanker sabotage incidents	~30 days	6 tankers attacked near Fujairah and Gulf of Oman	Brent: USD59/bbl	-17%	-5%
July 2019	Tanker seizures (UK–Iran tensions)	~10–15 days	Iran seized British tanker Stena Impero	Brent: USD60/bbl	-4%	-19%
2022	Russia-Ukraine conflict	No impact on Hormuz	No impact on Hormuz	Brent: USD114/bbl	+15%	+57%
2023–2025	Red Sea Houthi Attack, US/Israel-Iran conflict	~20–40 days intermittent risk	Missile/drone threats to shipping	Brent: USD83/bbl	+4%	-1%

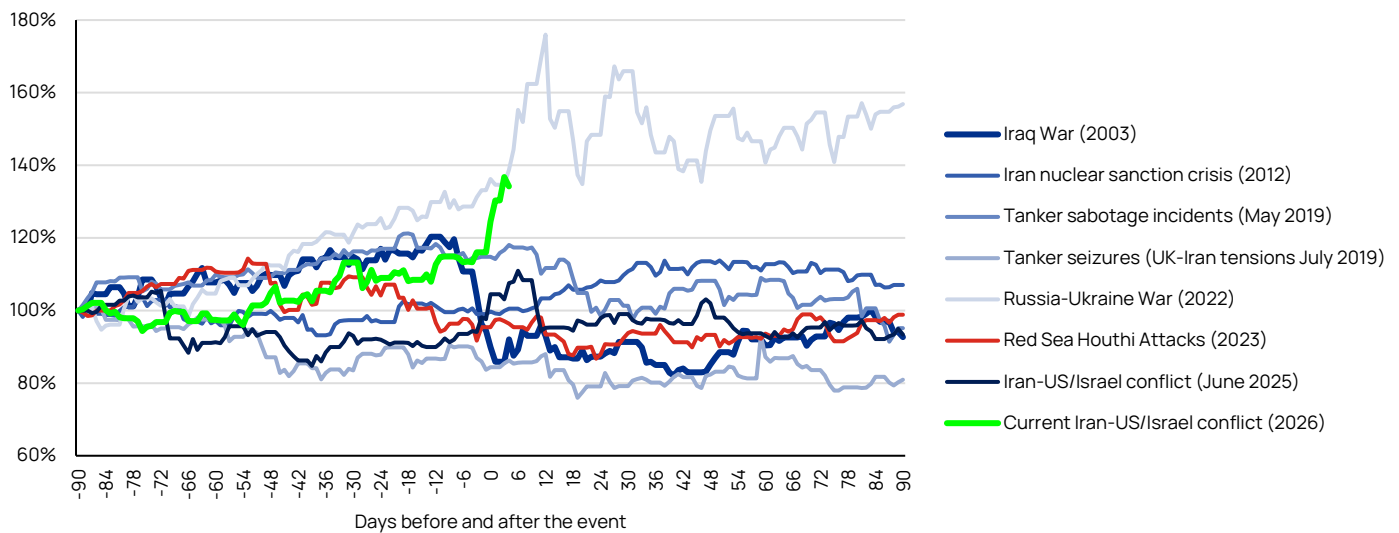
Source: Public media, Vietcap

**Figure 4: Brent Oil Price movements around geopolitical events in the past 25 years (USD/bbl)**



Source: Bloomberg, Vietcap (data as March 6, 2026)

**Figure 5: Oil price change (%) indexed to 100 & 90 days after vs 90 days before the event show that prices usually cool down, except for Russia-Ukraine conflict**



Source: Bloomberg, Vietcap (data as March 6, 2026)

**We believe a prolonged closure of the Strait of Hormuz is unlikely**

**Iran faces mounting pressure from multiple fronts:** diplomatic pressure from China, from the US to restore shipping through potential naval escorts, and its own economic constraints. Its storage could be filled within roughly one to two months if exports were halted. At the same time, the loss of oil revenues would quickly intensify fiscal pressure.

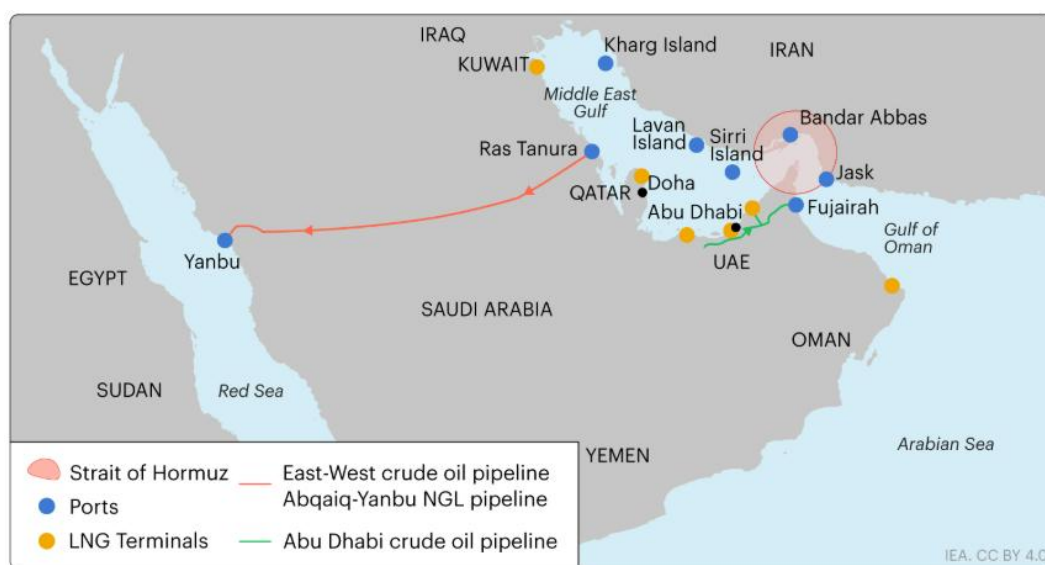
**China’s diplomatic pressure and US naval protection create strong incentives to restore shipping traffic, suggesting that the current disruption may be limited in duration.**

- Chinese Foreign Minister Wang Yi has already urged Iran to avoid disrupting energy flows through the Strait of Hormuz, emphasizing the importance of regional stability.

China is the dominant buyer of Iranian crude, accounting for 91% of Iran's oil exports, while also relying heavily on oil shipments from other Middle Eastern producers, including Saudi Arabia, the UAE, Iraq, and Qatar that transit the strait. As a result, any prolonged disruption would pose material energy security risks for China and broader Asian markets, while also weighing on global economic growth.

- There have also been reports suggesting Iran may prioritize vessels linked to Chinese buyers to maintain bilateral relations. However, in practice, such differentiation is difficult to enforce and could invite legal disputes from other countries seeking equal access. Nonetheless, even partial reopening such as allowing certain shipments could help ease immediate supply concerns.

**Figure 6: Strait of Hormuz and alternative routes**



Source: US Energy Information Administration, IEA, Vietcap

**In contrast, the US has signaled a willingness to ensure shipping security in the region.** President Donald Trump stated that the US navy could escort oil tankers through the Strait of Hormuz if necessary, while the US International Development Finance Corporation (DFC) is considering providing war-risk insurance to vessels transiting the route. This approach echoes the Operation Earnest Will mission during the Iran–Iraq War in 1987–1988, when the US escorted Kuwaiti tankers through the Gulf to ensure uninterrupted oil flows.

**Iran itself may face the largest economic cost from a prolonged closure.**

- **Iran has limited alternatives to bypass the Strait of Hormuz.** Saudi Arabia and the UAE operate pipelines that can redirect part of their exports to terminals outside the strait such as Saudi Arabia's East–West pipeline to Yanbu on the Red Sea and the UAE's Abu Dhabi pipeline to Fujairah. Iran lacks comparable infrastructure, meaning that a sustained disruption would directly constrain its own export revenues (Figure 6).
- **Iran's storage could be filled within approximately 26–52 days if exports are disrupted.** Iran currently produces around 3.5 mb/d of crude oil while domestic consumption stands at roughly 2.0 mb/d, leaving 1.5–1.7 mb/d available for export. If exports are halted, this surplus would quickly accumulate in storage. According to shipping infrastructure data, Iran's major export terminals including Kharg Island, Sirri Island, and Lavan Island have combined crude storage capacity of roughly 38 million barrels. Including an estimated 40 million barrels of floating storage, Iran's total storage capacity is around 78 million barrels. This relatively limited buffer suggests that Iran's logistics system is already tight and cannot absorb a prolonged export stoppage.

**Fiscal pressure could further limit the duration of disruption.**

- **Iran's economy remains heavily dependent on hydrocarbons.** Oil & gas revenues account for roughly 80% of export revenue and around 60–85% of fiscal income. According to IMF estimates, Iran's government revenue stands at around 10.4% of GDP, while expenditure is approximately 14.2% of GDP, implying an existing fiscal deficit of about 3.8% of GDP in 2024.
- **If oil & gas revenues were severely disrupted, fiscal income could drop significantly, potentially widening the budget deficit to 10–12.7% of GDP annually.** Such a scenario would place substantial pressure on public finances and foreign exchange stability.

## Vietnam's energy security

Vietnam usually imports 2/3 of crude oil, 1/3 of petroleum/oil products, ~70% of LPG, and ~15% of its LNG demand.

### Crude oil supply

Vietnam's crude oil supply has become increasingly reliant on imports in recent years as domestic production continues to decline. In 2025, crude oil imports accounted for 64% of Vietnam's total crude supply (domestic production plus net imports).

Import sources are highly concentrated. Kuwait is currently Vietnam's largest crude supplier, accounting for nearly 80% of total crude imports in 2025, followed by Nigeria and Brunei. This concentration indicates that Vietnam's crude supply chain remains strongly linked to Middle Eastern export flows.

Because crude shipments from Kuwait transit through the Strait of Hormuz, Vietnam's crude oil supply is directly exposed to potential disruptions along this key maritime route. As a result, any prolonged disruption in Hormuz could pose meaningful risks to Vietnam's crude feedstock supply, particularly for refineries dependent on Middle Eastern grades.

**According to PetroVietnam, the group has already secured sufficient crude supply for the next few months** despite the recent escalation of geopolitical tensions in the Middle East. At the same time, PetroVietnam has reportedly proposed broader crude import authority from the Government in order to maintain supply flexibility if global energy markets become more volatile.

### Petroleum/oil products supply

**Despite rising crude import dependence, Vietnam's refiners and petroleum distributors stated that they have secured at least two months of combined inventories, including around 30 days at the refinery level and 25–30 days at the distributor level.**

As end of 2025, the combined output of Binh Son Refinery (BSR) and Nghi Son Refinery (NSRP) supplies 75% of Vietnam's domestic petroleum demand. The remaining demand is covered through imports, primarily from Singapore, Malaysia, South Korea, China, Thailand, and Japan.

**On the refiner side:**

- **BSR (30-35% domestic market share):** Company said that its operations remain stable, as its crude sourcing does not transit through Hormuz. Approximately 65–70% of BSR's crude input comes from domestic fields, while imported crude is mainly sourced from West Africa, the Mediterranean region, the United States, and partly the Middle East. According to the MoIT and BSR, BSR has secured sufficient crude feedstock to maintain operations through April. If geopolitical tensions persist, the company has indicated that it has already begun seeking alternative crude supply sources. In addition, policymakers are considering temporary measures to prioritize domestic crude supply for the Dung Quat refinery and limit crude exports during periods of elevated geopolitical risk, potentially through Q3 2026 or until global markets stabilize, in order to safeguard national energy security.

- **NSRP (40-45% domestic market share):** Imports 100% of its crude from Kuwait via Hormuz. *According to the MoIT, the refinery has already secured sufficient crude shipments to support production through March–April.* However, if geopolitical tensions persist beyond this period, NSRP could face potential feedstock supply risks, given its heavy reliance on Kuwaiti crude.

**On the petroleum distributor side:** The two largest distributors, Petrolimex (PLX) and PV Oil (OIL), hold roughly 50% and 25% domestic market share, respectively. Both companies have already secured sufficient supply for March and are preparing procurement plans for April. Even in a downside scenario where NSRP faces crude supply disruptions, Vietnam retains the ability to increase imports of refined products from alternative regional suppliers, particularly South Korea, Japan, Malaysia, Singapore. In our view, the key risk in such a scenario would not be physical supply shortages, but rather higher import prices and elevated freight costs, which could gradually pressure margins for distributors if global oil prices remain elevated.

**According to Mr. Bui Ngoc Bao, Chairman of the Vietnam Petroleum Association, the current geopolitical tensions are unlikely to materially disrupt Vietnam’s petroleum supply.** This is because domestic refining capacity already covers nearly 80% of total demand, while the remaining portion can be flexibly sourced from multiple regional suppliers. The main impact would likely be higher energy prices rather than immediate supply shortages.

## Vietnam heavily imports LPG; however, GAS secures supply

**Vietnam imports 67% for its domestic LPG demand, in which ~51% from Middle East countries (Qatar, Saudi Arabia, UAE, Kuwait).**

**On March 2, 2026, PVGas Trading (a subsidiary of PetroVietnam Gas) declared force majeure due to circumstances beyond its control.** LPG cargoes scheduled to be delivered to clients from then to March 10, 2026, are delayed/reduced while deliveries after March 10 might be suspended.

**However, on March 3, 2026, GAS quickly announced that it secured LPG supply** by diversifying LPG sourcing beyond the Middle East, prioritizing domestic demand (balancing imports/exports), and boosting output at its Dinh Co and Ca Mau gas processing plants by ~5%; *it says LPG supply for March and the coming period is secured.*

**Figure 7: Vietnam;s 2024 LPG demand and supply**

	Volume (thousand tonnes)	% share
<b>Total volume available for sale</b>	<b>3,877</b>	<b>100%</b>
<b>Domestic demand</b>	<b>2,300</b>	<b>59%</b>
<i>Domestic production</i>	<i>764</i>	<i>20%</i>
<i>Import for domestic</i>	<i>1,536</i>	<i>39%</i>
<b>Import for re-export</b>	<b>1,577</b>	<b>41%</b>
<b>Total import</b>	<b>3,113</b>	<b>100%</b>
<i>Middle East countries</i>	<i>1,573</i>	<i>51%</i>
<i>Others</i>	<i>1,540</i>	<i>49%</i>

Source: Customs, Vietcap

## GAS sustains LNG supply post conflict

**GAS currently maintains a near-monopoly in the LNG market,** as its only competitor, Hai Linh, has yet to record any sales volume. By diversifying its procurement across multiple global vendors (Australia and the US), *GAS mitigates counterparty risk and remains susceptible only to broader market fluctuations rather than the instability of a single supplier.*

**Domestic supply remains secure despite the recent US/Israel-Iran conflict:** On March 3, 2026, GAS announced plans to import three LNG cargoes in H1 2026. Two of these (~70,000 tonnes each) have already been secured from Qatar and Southeast Asia at prices nearly 50% below current market rates due to strategic early purchasing. The company is currently finalizing a supplier for the third cargo, and management confirms that existing inventory combined with scheduled imports will *meet power-sector demand through April 2026*.

Furthermore, on January 7, 2026, **GAS signed its inaugural long-term Gas Sales Agreement (GSA) with Shell (a UK based firm)** to fuel the Nhon Trach 3 & 4 plants. Shell will provide 400,000 tonnes per annum from 2027 to 2031—covering roughly 40% of Thi Vai Phase 1 capacity and 10% of our projected 2027-30F LNG sales. We expect the remaining demand to be met through a mix of spot market purchases and additional term contracts.

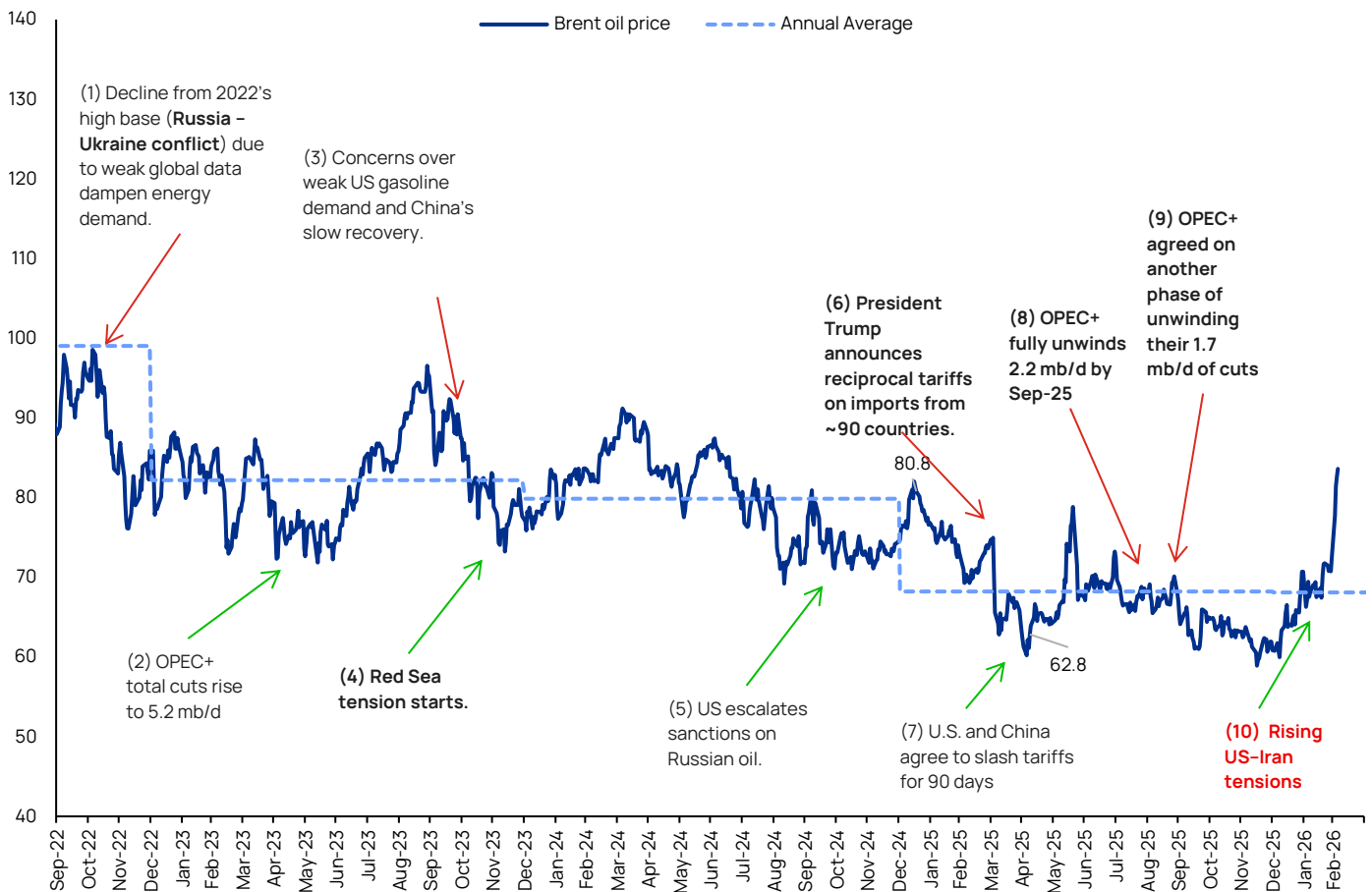
## Brent oil price outlook

### Oil price remains volatile amid elevated geopolitical risk premiums

As of March 05, 2026, the YTD average Brent price was USD68.1/bbl, 14% higher than our previous 2026F forecast of USD60/bbl.

**Looking ahead, we expect oil prices to remain volatile.** We note that while Brent oil price might surge to USD80-90/bbl in the short term, its sustainability depends on how material/how long strain of Hormuz is disrupted and how long this tension might last.

**Figure 8: Brent oil price movement (USD/bbl)**



Source: FiinPro, Vietcap

## Two oil prices scenarios: USD70 and 90/bbl for 2026

Figure 9: Brent oil average price forecasts (USD/bbl)

Institutions	2026F	2027F	2028F	2029F	2030F	Forecast as of
Bloomberg consensus	62	65	69	70	70	Mar-26
EIA	58	53	N/A	N/A	N/A	Feb-26
World Bank	60	65	N/A	N/A	N/A	Oct-25
<b>Average of above forecast (New)</b>	<b>60</b>	<b>61</b>	<b>69</b>	<b>70</b>	<b>70</b>	
<b>Average of above forecast (Old)</b>	<b>59</b>	<b>67</b>	<b>70</b>	<b>69</b>	<b>N/A</b>	<b>Sep-25</b>
Change %	2.2%	-9.8%	-1.7%	1.3%	N.M.	
<b>Vietcap's oil price base case (New)</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>Mar-26</b>
<b>Vietcap's oil price base case (Old)</b>	<b>60</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>Sep-25</b>
Change %	16.7%	7.7%	7.7%	7.7%	7.7%	
<b>Vietcap's oil price high case (New)</b>	<b>90</b>	<b>80</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>Mar-26</b>
<b>Vietcap's oil price high case (Old)</b>	<b>60</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>Sep-25</b>
Change %	50.0%	23.1%	7.7%	7.7%	7.7%	

Source: Institutions in the table, Vietcap

**In this Update, we introduce two Brent oil price scenarios for 2026, reflecting heightened geopolitical risks in the Middle East.** Our base case is USD70/bbl (17% higher than our previous forecast of USD60/bbl), while our high case is USD90/bbl (50% higher than our previous forecast). As of March 5, 2026, the YTD average Brent price stood at USD68.1/bbl, already 14% above our previous 2026 forecast, indicating that current market conditions are tighter than previously expected. We expect oil prices to remain volatile. We note that while Brent oil price might surge to USD80-90/bbl in the short term, its sustainability depends on how material/how long strait of Hormuz is disrupted and how long this tension might last.

**In the short term, the market still has a buffer from global oil inventories.** Suggesting the system can initially absorb supply disruptions roughly two months before translates into a meaningful physical shortage (as discussed on page 11). A prolonged disruption at the Strait of Hormuz could materially tighten supply, particularly in Asia, which receives more than 80% of the crude flows passing through the strait. Under such conditions, Brent prices could rise sharply as inventories decline and regional supply tightness emerges.

Based on these dynamics, **our USD90/bbl high-case scenario assumes a supply shock lasting more than two months**, which would trigger a strong geopolitical risk premium and regional supply shortages. Conversely, **our base case average of USD70/bbl for 2026. Assuming tensions ease within about one-two months**, oil prices could peak around April 2026 before gradually cooling.

Over the longer term, we continue to view USD65-68/bbl as a defensible structural floor for Brent, broadly aligned with US shale breakeven levels (WTI ~USD61-64/bbl).

Figure 10: US oil production share and breakeven point (BEP) by basin

Region	Share of US oil production (%)	WTI average breakeven point (USD/bbl)
Permian (Midland)		USD61/bbl
Permian (Delaware)	48%	USD62/bbl
Permian (other)		USD70/bbl
Eagle Ford	9%	USD62/bbl
Other US (shale)	N/A	USD63/bbl
Other US (non-shale)	N/A	USD66/bbl
<b>US's average</b>		<b>USD64/bbl</b>

Source: Federal Reserve Bank of Dallas survey (March 2025), Vietcap

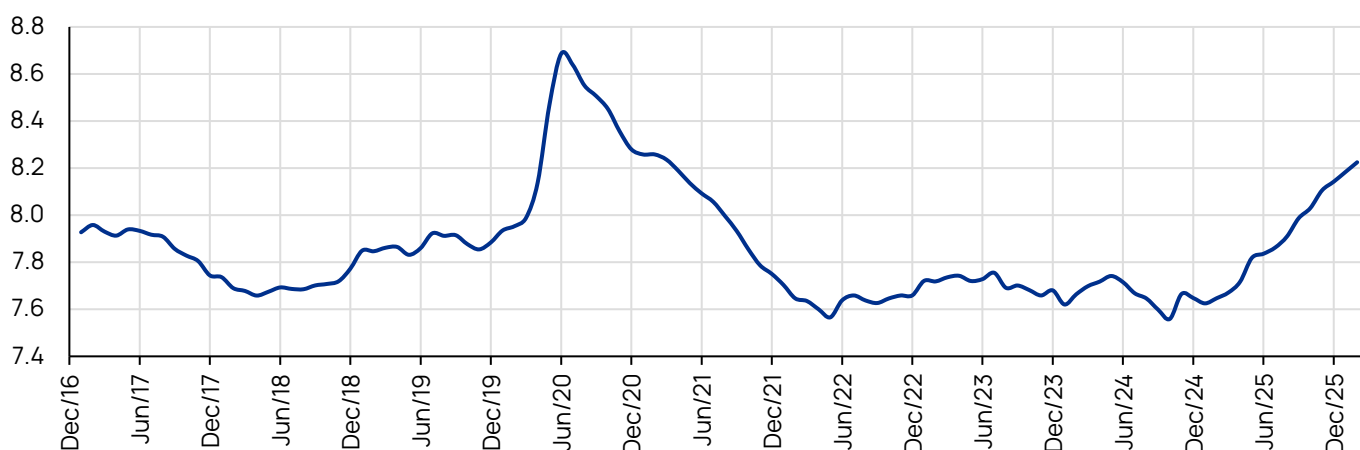
**We see US oil policy under President Trump as a dual track:** (1) keeping prices low enough to ease inflation and interest rates, yet (2) sufficiently high to sustain domestic drilling with an energy independence policy. Treasury Secretary Scott Bessent has targeted US production

growth of 3.0 mboe/d by 2028 vs 2024's level, implying a 5.3% CAGR from 2024–28. This requires prices to remain above breakeven levels.

**We observe the US's breakeven oil price at WTI USD61-64/bbl.** This implies Brent oil above USD65-68/bbl (based on the 5-year average Brent-WTI spread of USD4.1/bbl). The breakeven levels in the Permian Basin (Midland and Delaware) and Eagle Ford, which together account for 57% of US crude output, have costs of USD61-62/bbl. Other basins require USD66-70/bbl to remain profitable. As a result, sustaining US production necessitates WTI above USD61/bbl in the medium term.

## Global inventories provide a near-term buffer, but prolonged Strait of Hormuz disruption could tighten supply for Asia

**Figure 11: Global observed oil inventories (including crude oil, refined products, & others, billion barrels)**



Source: IEA, Kayrros, Kpler, FEDCom/S&P Global Platts, Enterprise Singapore (Data as of February 2026)

**Current global oil inventories suggest that the market still has a short-term buffer.** Global observed oil inventories stood at approximately 8.23 billion barrels in early 2026, according to IEA data. This remains well above the recent trough of 7.56 billion barrels recorded in May 2022, when Brent crude surged to around USD121/bbl during the Russia-Ukraine energy shock.

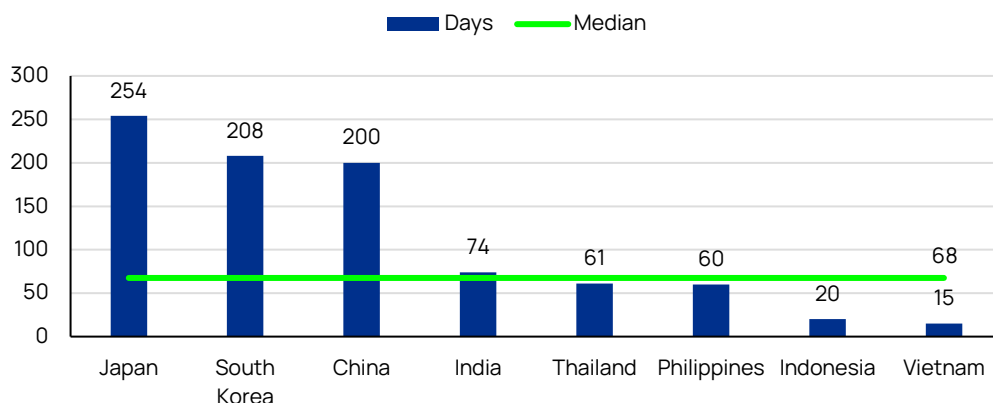
Based on these figures, global inventories would need to decline by roughly 669 million barrels to return to the tightness level seen in 2022. Assuming a supply disruption of 5-10 mb/d (after partial rerouting), it would take approximately 66-133 days for inventories to fall to that level.

**However, prolonged Strait of Hormuz disruption could tighten supply for Asia materially. A physical shortage for Asia would likely depend heavily on the duration of disruption as inventories are gradually drawn down.**

- **In 2025, about 13.4 million barrels of crude oil per day passed through the Strait of Hormuz.** More than 80% of that volume was destined for Asian countries, underscoring the region's heavy reliance on the route.
- **Short disruptions (one-two months):** Initially, oil prices could spike primarily due to risk pricing and market sentiment rather than actual supply shortages. Next, physical tightness could begin to emerge in Asia, forcing refiners to adjust crude slates or reduce utilization rates.
- **Two months or longer:** Supply shortages could happen. Inventories in Asia would fall rapidly, regional price differentials could widen, and logistics disruptions would intensify. While extremely high prices could trigger demand destruction, strategic petroleum

reserve releases. Under such a scenario, Brent prices could potentially move above USD100/bbl.

**Figure 12: Crude oil inventory days in Asia (2025 data)**



Source: Reuters, Bloomberg, Khaosodenglish, Vietcap compilation

**In Asia, inventory levels vary widely.** Northeast Asian economies maintain some of the largest reserves globally, with Japan holding around 254 days, South Korea about 208 days, and China approximately 200 days. Meanwhile, emerging Asian economies maintain significantly smaller buffers, including India (74 days), Thailand (61 days), the Philippines (60 days), Indonesia (20 days), and Vietnam (15 days). This suggests that Asian countries can delay the impact of supply disruption in near term.

### **Hormuz closure risk could flip the market from Surplus to Deficit in the worst-case scenario**

Oil prices are closely correlated to the balance of global crude oil supply and demand. When demand outpaces supply, stock draws occur, supporting higher prices, and vice versa.

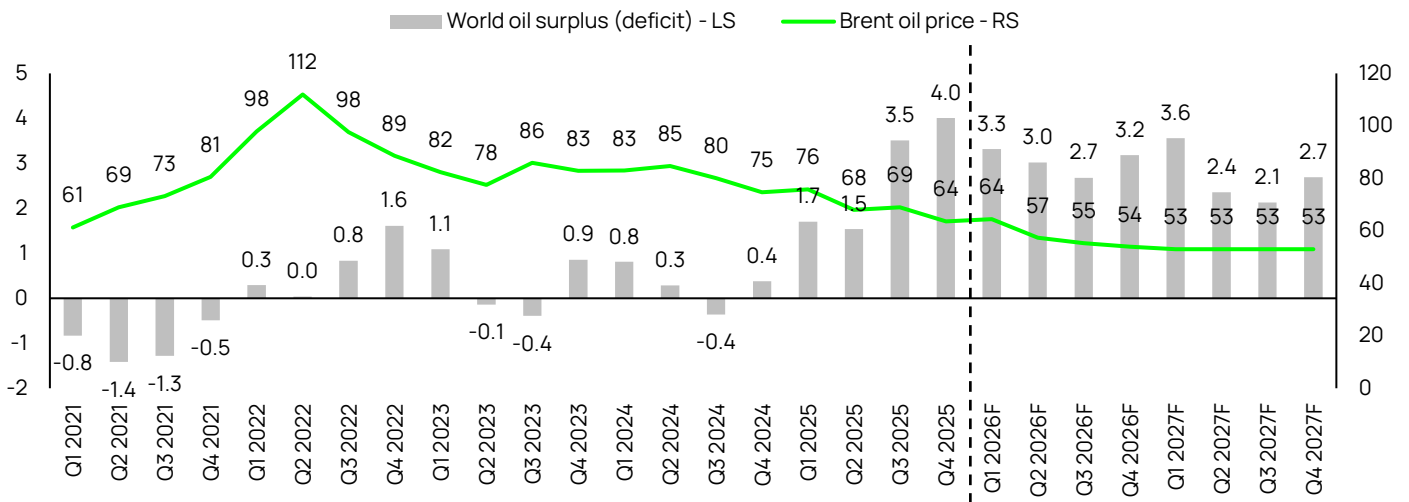
We note that the EIA projection of ~3 mbpd surplus for 2026 below was released on February 10, 2026, and therefore does not incorporate potential supply disruptions from Iran's warning to close the Strait of Hormuz (February 28, 2026).

According to Rystard Energy, supply disruptions from Strait of Hormuz closure are estimated at a loss of 8 million to 10 million bpd of crude oil supply (8-10% of global supply) after diverting some flows through Saudi Arabia's East-West pipeline and Abu Dhabi pipeline.

**If such disruptions were incorporated, the current projected surplus of ~3 mb/d could theoretically swing to a deficit of 5-7 mb/d (5-7% of global demand), representing a significant upward momentum to oil prices.**

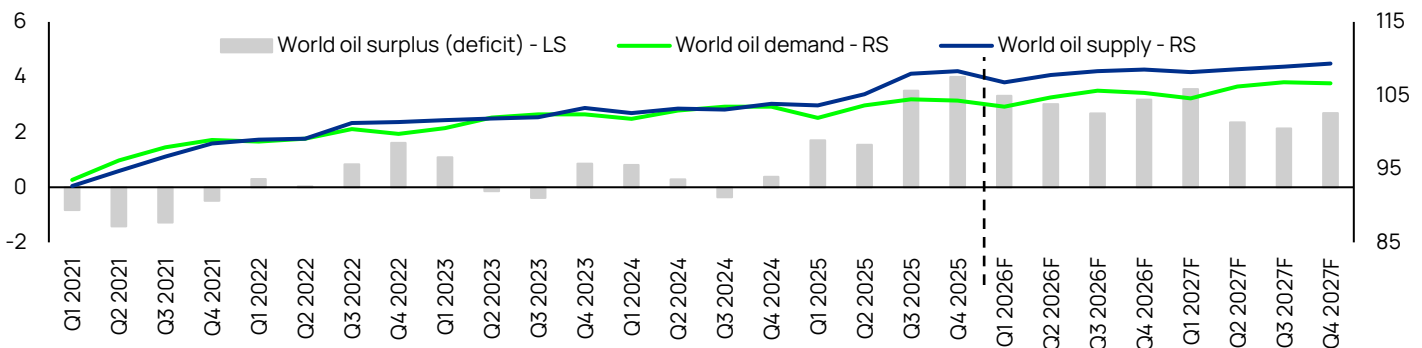
Having said that, if we assume 10 mb/d were disrupted by ~2 months, then oil supply loss potentially is 0.8 mb/d, accounting for ~1% of global oil supply, as such, just reduce surplus.

**Figure 13: EIA's world crude oil balance (mb/d) (\*) vs Brent oil prices (USD/bbl)**



Source: EIA's short-term energy outlook (February 2026 report), Vietcap. (\*) World oil supply includes the production of crude oil and a small amount of natural gas plant liquids, biofuels, and other liquids.

**Figure 14: World liquid oil supply and consumption forecasts (mb/d) (\*)**



Source: EIA's short-term energy outlook (February 2026 report), Vietcap. (\*) World oil supply includes the production of crude oil and a small amount of natural gas plant liquids, biofuels, and other liquids.

## OPEC+ continues to gradually unwind its production cuts, slightly lower than our previous forecast

**OPEC+ continues to gradually unwind its voluntary production cuts.** The group has begun reversing the 1.66 mb/d first voluntary cut, starting from October 2025 (we expect this to be fully completed by October 2026). This move reflects OPEC+'s strategy to regain market share.

- **First voluntary cut (1.6 mb/d):** On March 1, 2026, OPEC+ agreed to raise production by 206 kb/d for April, equivalent to 12.4% of the total cut. Cumulative unwinding from October 2025 to April 2026 reached 617 kb/d, representing 37% completion. While OPEC+ stated that this layer may be adjusted depending on market conditions, we assume a steady pace of 206 kb/d per month, implying a full reversal by October 2026.
- **Second voluntary cut (2.2 mb/d):** The group completed the full reversal of its largest output cut of 2.2 mb/d by September 2025, 12 months ahead of the original September 2026 schedule. Including an additional increase for the UAE baseline adjustment, total supply gains reached around 2.5 mb/d.

**We project average OPEC+ cuts at 2.67 mb/d in 2026 (6.1% higher than our September 2025 estimate), mainly because OPEC+ paused output increases for three months (January–March 2026).**

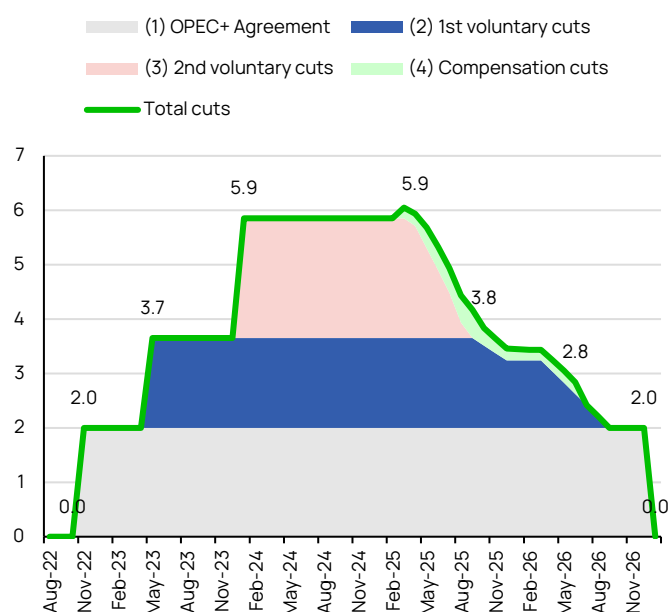
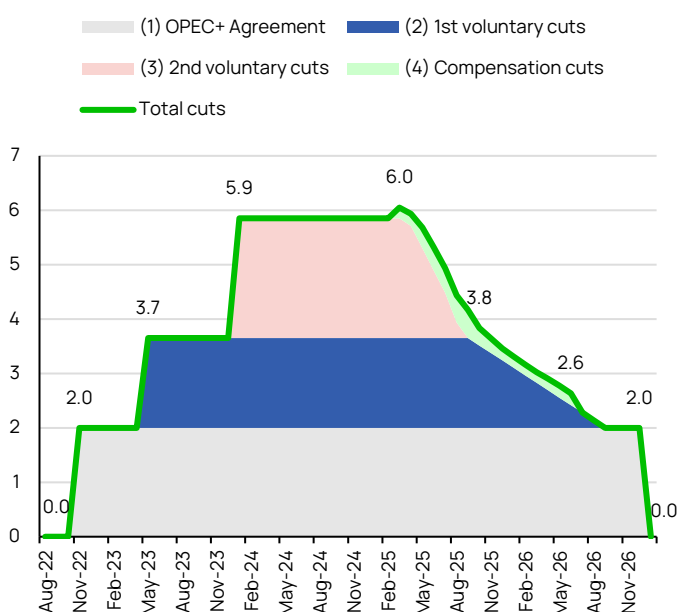
**OPEC+ will meet again in April 2026 to decide on the remaining 1.66 mb/d voluntary cuts.** The groupwide 2.0 mb/d cut remains in place until end-2026. OPEC+ stated that they retain monthly flexibility to adjust the pace if prices weaken.

To recap, the breakdown of cuts includes: (1) 2.00 mb/d: OPEC+ official agreement, extended through 2026; (2) 1.66 mb/d: first round of voluntary cuts, partially unwound by 617 kb/d from October 2025 to April 2026; (3) 2.20 mb/d: second round of voluntary cuts, fully unwound by September 2025; (4) 0.30 mb/d: compensatory cuts (introduced in April 2025), to be implemented from March 2025 to June 2026 by seven member countries to offset past overproduction.

**Figure 15: OPEC+'s plan for production cuts (mb/d)**

**Previous complication (plan released September 2025)**

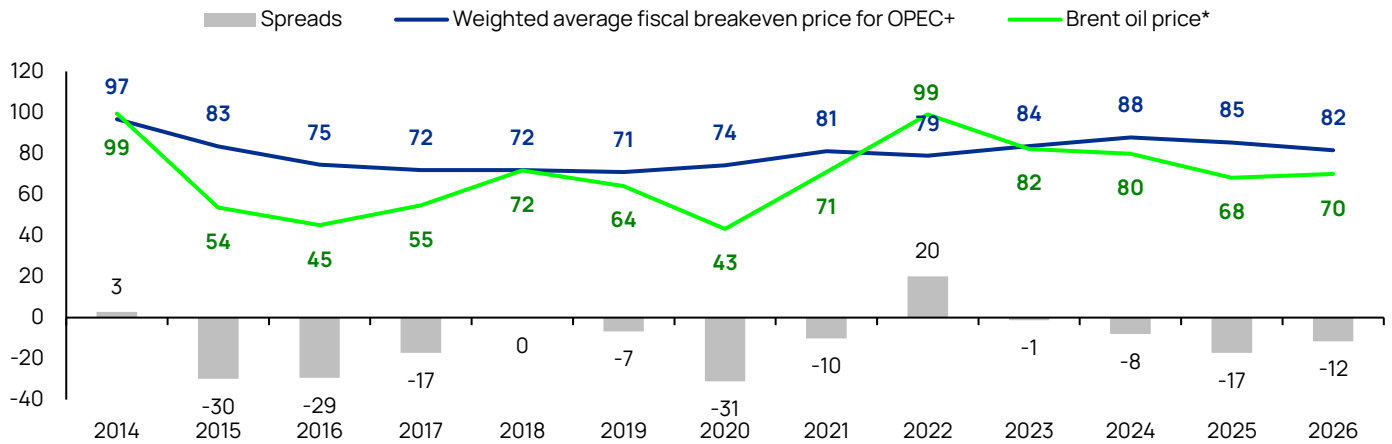
**Current complication (plan released March 2026)**



Source: OPEC+, Public media, Vietcap (Data as of OPEC+ current plans, released in early March 2026)

**OPEC+ still has room to unwind its production cuts.** History suggests OPEC+ reaches maximum fiscal stress when Brent falls more than USD30/bbl below the group’s weighted fiscal breakeven level, at which point the cartel typically pivots back toward output restraint. For example, OPEC+ implemented production cuts of 1.8 mb/d in 2016 and a record 9.7 mb/d in 2020 when the gap between Brent and fiscal breakevens widened sharply. Currently, the fiscal pressure on OPEC+ remains moderate, with the spread between Brent and the weighted fiscal breakeven estimated at around USD12–17/bbl in 2025–2026. This suggests OPEC+ still has considerable room to continue unwinding production cuts. Applying this historical framework, we continue to view USD50–55/bbl as the effective support floor, the level at which fiscal pressure would likely force OPEC+ to shift from its current volume-first strategy back to supporting prices in order to contain fiscal stress and prevent deeper deficits.

**Figure 16: Fiscal budget breakeven oil price and Brent oil price movement (USD/bbl)**

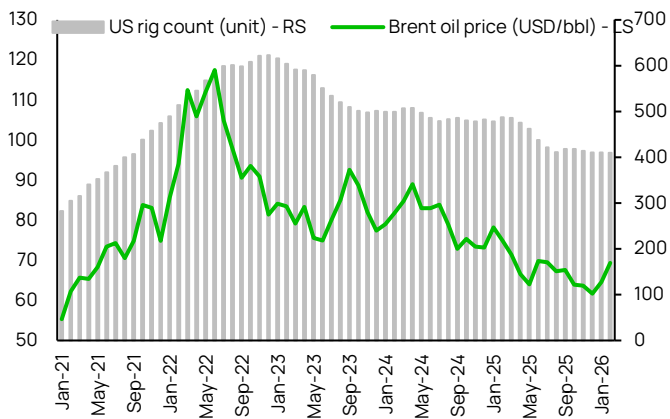


Source: OPEC+, IMF, Bloomberg, Vietcap (\*:Brent oil price 2026 is Vietcap's forecast), (the breakeven fiscal oil price is the minimum oil price needed for a country to balance its budget)

## US oil output flat in 2026 despite rig declines

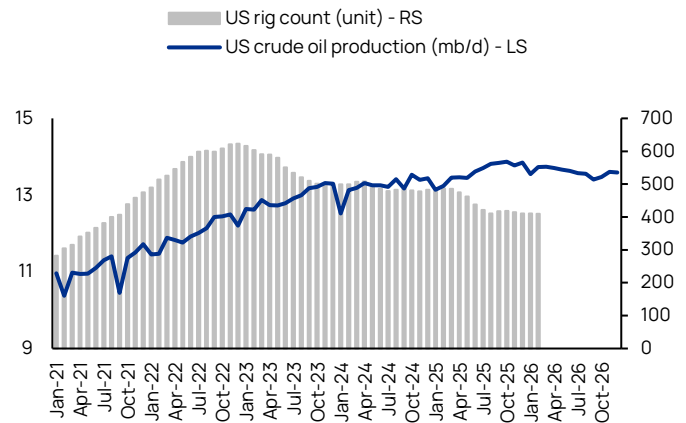
The US rig count extended its downtrend in 2026, averaging 410 units YTD (down 7.4% or 33 rigs vs the 2025 average) after a 10% drop in 2025. Despite fewer active rigs, the EIA forecasts for US crude oil production to remain flat YoY at 13.6 mb/d in 2026.

**Figure 17: US rig count and Brent oil price**



Source: Bloomberg, Baker Hughes, Vietcap (Data as of February 28, 2026)

**Figure 18: US crude oil production and number of rigs**



Source: EIA's short-term energy outlook (February 2026 Report; actual data to February 28, 2026; forecast data from March 2026 to December 2027), Baker Hughes, Bloomberg, Vietcap

## Forecast on global oil demand slightly lower vs previous forecast

For 2026, the median growth forecast is now +1.2 mb/d, slightly lower than the previous +1.3 mb/d (-0.1 mb/d revision). The IEA raised its 2026 growth forecast by +0.2 mb/d, while the EIA trimmed its projection by -0.1 mb/d; OPEC maintained its outlook.

For 2027, new projections from the EIA and OPEC point to growth of +1.2-1.4 mb/d, with a median of +1.3 mb/d, suggesting demand growth to accelerate after the softer 2025 base.

Figure 19: Global oil demand growth forecasts (mb/d)

Institution	2025A	New Compilation February 2026		Old Compilation September 2025		New vs Old	
		2026F	2027F	2026F	2027F	2026F	2027F
IEA	0.8	0.9	N/A	0.7	N/A	0.2	N.M
EIA	0.8	1.2	1.2	1.3	N/A	-0.1	N.M
OPEC	1.3	1.4	1.4	1.4	N/A	0.0	N.M
<b>Median</b>	<b>0.8</b>	<b>1.2</b>	<b>1.3</b>	<b>1.3</b>	<b>N/A</b>	<b>-0.1</b>	<b>N.M</b>

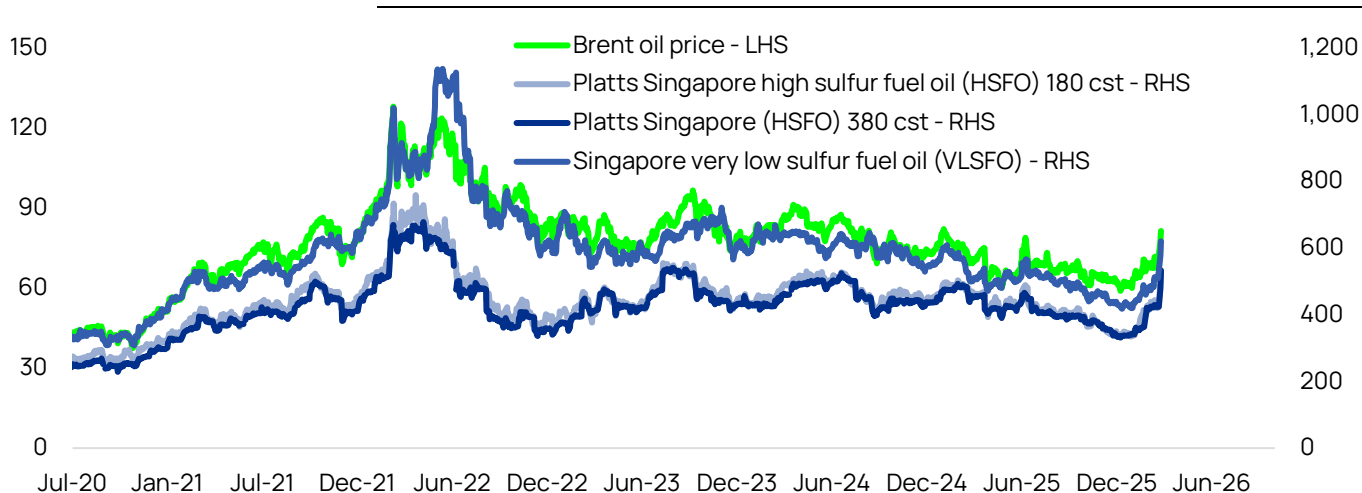
Source: Institutions in the table, Vietcap

## Fuel oil price outlook

### Fuel oil prices YTD fell YoY but escalated following geopolitical tensions

Q1 2026 QTD FO has averaged USD391/tonne (-17% YoY). Since the US/Israel-Iran conflict escalated, FO prices have surged ~24% to USD529/tonne as of March 3, 2026, vs pre-conflict levels.

Figure 20: Historical Brent oil prices (USD/bbl) and fuel oil prices (USD/tonne)



Source: Bloomberg, Vietcap

### FO price deck lifted on Iran-Israel risk premium

**We raise our 2026-30F average FO price assumptions by 10%/20% in our base/high case,** driven primarily by 9%/19% uplifts to our Brent projections amid the escalating US/Israel-Iran conflict. The revision is front-loaded—we increase 2026F FO/Brent the most given the immediate impact on risk premium and freight/logistics, while applying smaller increases in 2027-30F as we assume the geopolitical effect gradually fades.

**We largely maintain our 2027-30F FO view, expecting FO to underperform Brent** (i.e., reversing the 2023-25 outperformance) as supply normalizes and the risk premium dissipates.

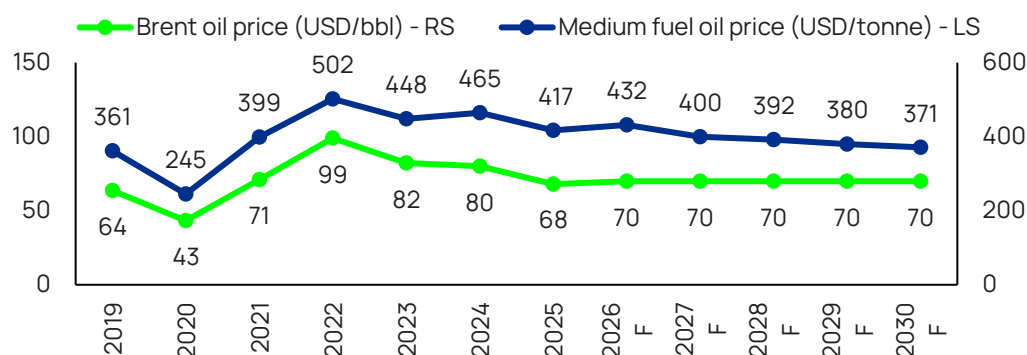
**In our base case, we now forecast 2026F FO at USD432/tonne (+4% YoY) and Brent at USD70/bbl (+3% YoY),** reflecting higher-than-expected Q1 2026 QTD FO and the sharper-than-anticipated escalation. This is broadly in line with Bloomberg consensus FO of ~USD455/tonne (+9% YoY).

Figure 21: FO (USD/tonne) and Brent (USD/bbl) average price forecasts

	2026F	2027F	2028F	2029F	2030F	Avg. 2026-30F change
Vietcap's old projected FO prices (USD/tonne)	360	360	357	357	357	
Vietcap's old projected Brent oil prices (USD/bbl)	60	65	65	65	65	
<b>New base case</b>						
<b>New projected FO prices</b>	<b>432</b>	<b>400</b>	<b>392</b>	<b>380</b>	<b>371</b>	
New vs Old	20%	11%	10%	6%	4%	<b>10%</b>
<b>New projected Brent prices</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	
New vs Old	17%	8%	8%	8%	8%	<b>9%</b>
<b>New high case</b>						
<b>New projected FO prices</b>	<b>556</b>	<b>457</b>	<b>392</b>	<b>380</b>	<b>371</b>	
New vs Old	54%	27%	10%	6%	4%	<b>20%</b>
<b>New projected Brent prices</b>	<b>90</b>	<b>80</b>	<b>70</b>	<b>70</b>	<b>70</b>	
New vs Old	50%	23%	8%	8%	8%	<b>19%</b>

Source: Vietcap

Figure 22: Vietcap's Brent oil and fuel oil price base case assumptions



Source: Vietcap. Note: Medium fuel oil is the average of HSFO 380 cst and HSFO 180 cst prices.

## LNG price outlook

### Asian LNG spikes on conflict risk premium; curve steepens then softens

Q1 2026 QTD Japan's spot LNG (JKM proxy) averaged USD10.7/MMBTU (-24% YoY). Since the conflict escalated, spot prices have surged ~41% to USD15.1/ MMBTU as of March 4, 2026 vs pre-conflict levels, reflecting Asia's high reliance on LNG imports and heightened perceived supply-risk tied to the Middle East.

As of March 4, 2026, CME consensus has lifted Asian LNG assumptions for 2026/27F by +48%/+7% vs the November 2025 curve, mainly on disruption risk and near-term inventory build. In contrast, CME consensus marks down 2028/29/30F by -8%/-10%/-12%, which we attribute to (1) an expected supply response and accelerated LNG infrastructure investment following the shock, and (2) higher inventory levels carried forward after 2026. Bloomberg consensus shows a similar "front up, back down" pattern.

Against this backdrop, we raise our 2026-30F Vietnam LNG import price (tariff-inclusive) forecast by 2% on average in the base case, mainly to front-loading in 2026F (+29%) while lowering 2028-30F projections in line with the softer back-end curve. We raise our 2026-30F Vietnam LNG import price (tariff-inclusive) projection by 9% on average in the high case.

**Our view:** The 2026F short-term LNG price surge could temporarily dampen demand from gas-fired power plants, however the softening trend from 2027F onward supports rising demand. We

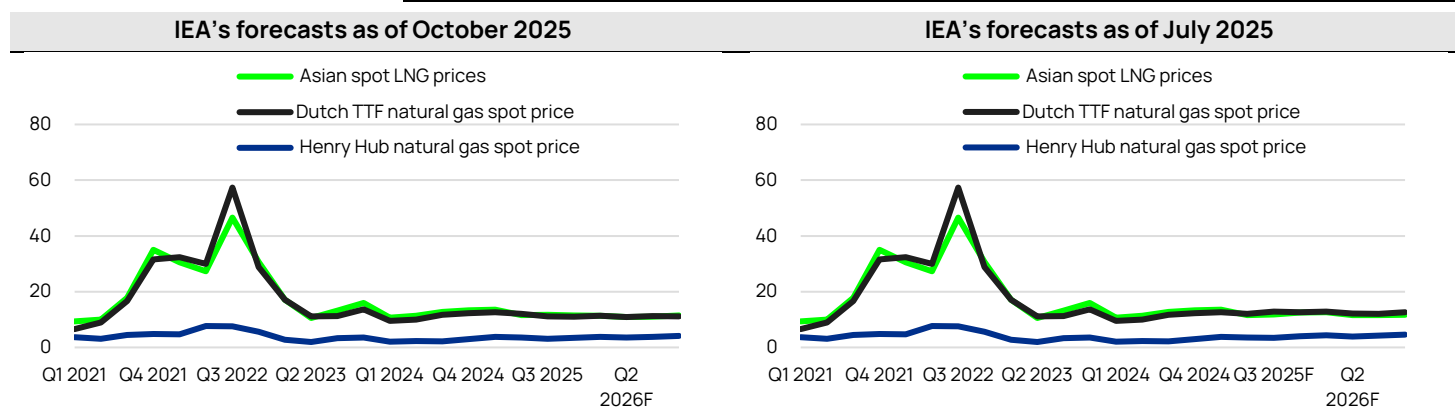
expect Vietnam's LNG price to power plants (incl. tariff) in 2027-30F at USD11-14/MMBTU, which is competitive with prices of domestic new gas fields (Block B, ~USD14-15/MMBTU).

**Figure 23: Vietnam LNG import (tariff incl., USD/MMBTU) and Brent (USD/bbl) average prices forecasts**

	2026F	2027F	2028F	2029F	2030F	Avg. 2026-30F change
Vietcap's old projected LNG prices (tariff incl., USD/MMBTU)	14.0	13.0	12.4	12.0	11.3	
Vietcap's old projected Brent oil prices (USD/bbl)	60	65	65	65	65	
<b>New base case</b>						
<b>New projected LNG prices</b>	<b>18.0</b>	<b>13.3</b>	<b>11.5</b>	<b>10.7</b>	<b>10.5</b>	
New vs Old	29%	2%	-7%	-11%	-6%	<b>2%</b>
<b>New projected Brent prices</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	
New vs Old	17%	8%	8%	8%	8%	<b>9%</b>
<b>New high case</b>						
<b>New projected LNG prices</b>	<b>20.3</b>	<b>14.8</b>	<b>11.5</b>	<b>10.7</b>	<b>10.5</b>	
New vs Old	46%	14%	-7%	-11%	-6%	<b>9%</b>
<b>New projected Brent prices</b>	<b>90</b>	<b>80</b>	<b>70</b>	<b>70</b>	<b>70</b>	
New vs Old	50%	23%	8%	8%	8%	<b>19%</b>

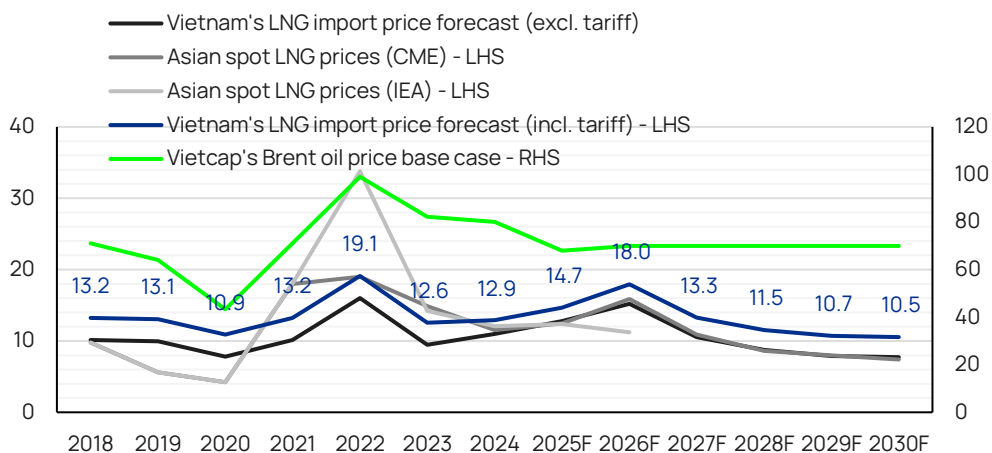
Source: Vietcap

**Figure 24: IEA gas price forecasts (USD/MMBTU)**



Source: IEA, Vietcap

**Figure 25: Brent oil price (USD/bbl) and LNG price forecasts (USD/MMBTU)**



Source: World Bank, IEA, CME, Vietcap. Note: The World Bank's forecast is as of April 2025, CME's consensus is as of March 2026, and IEA forecasts are from October 2025.

## Coal price outlook

We increase our 2026F mixed coal price forecast by 8% to VND2.55mn/tonne (+12% YoY) in our base case and by 25% to VND2.95mn/tonne (+30% YoY) in our high case. This adjustment follows 17%/50% increases in our 2026 Brent price forecast in base case/high case, respectively. As gas and coal are substitute fuels in power generation, higher gas costs led by oil prices may lead countries to switch more power generation to coal, increasing thermal coal demand.

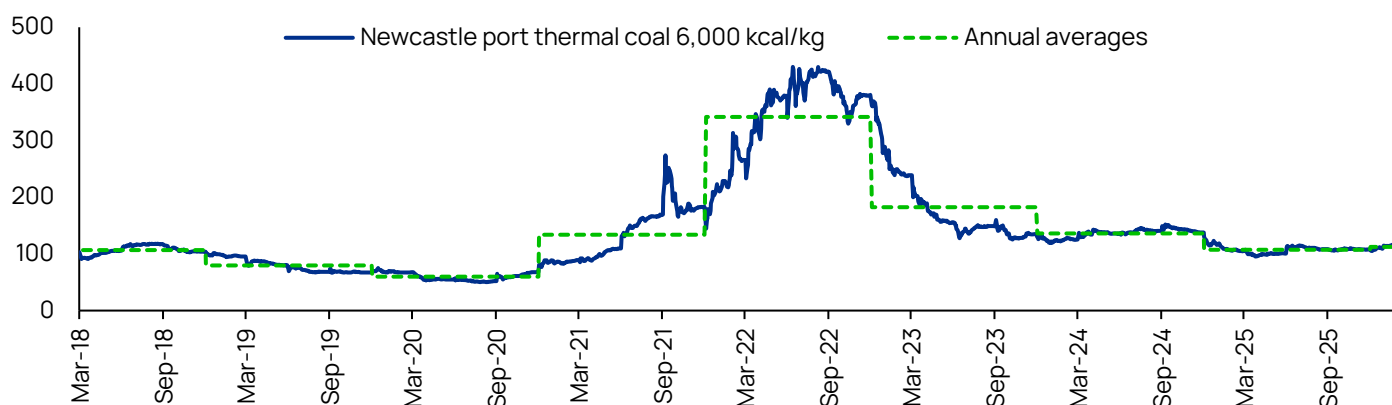
For 2026–2030F, we increase our forecast for mixed coal prices at 5%/10% on average in our base case/high case, respectively, driven by a gradual increase in the proportion of higher-priced imported coal. Industry guidance expects the import share to rise from 45% in 2024 to 51% by 2030F.

Figure 26: Forecasts of average prices of 5a domestic coal and its mixed coal equivalent

VND mn/tonne	2023	2024	2025	2026F	2027F	2028F	2029F	2030F
<b>Domestic coal, 5a (5,500 kcal/kg)</b>	<b>1.808</b>	<b>1.898</b>	<b>1.993</b>	<b>2.093</b>	<b>2.198</b>	<b>2.308</b>	<b>2.423</b>	<b>2.544</b>
YoY growth	-2.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
%New vs Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Mixed coal, 5a equivalent (*) - base case</b>	<b>2.238</b>	<b>2.460</b>	<b>2.275</b>	<b>2.550</b>	<b>2.384</b>	<b>2.631</b>	<b>2.642</b>	<b>2.735</b>
YoY growth	-18.3%	9.9%	-7.5%	12.1%	-6.5%	10.3%	0.4%	3.5%
%New vs Old	0.0%	0.0%	0.0%	8.2%	3.9%	3.8%	4.0%	4.1%
<b>Mixed coal, 5a equivalent (*) - high case</b>	<b>2.238</b>	<b>2.460</b>	<b>2.275</b>	<b>2.953</b>	<b>2.554</b>	<b>2.631</b>	<b>2.642</b>	<b>2.735</b>
YoY growth	-18.3%	9.9%	-7.5%	29.8%	-13.5%	3.0%	0.4%	3.5%
%New vs Old	0.0%	0.0%	0.0%	25.2%	11.3%	3.8%	4.0%	4.1%

Source: Ministry of Industry and Trade, Vietcap forecasts (\*: a mix of imported coal and domestic coal 6a)

Figure 27: Newcastle thermal coal 6,000 kcal/kg FOB (USD/tonne)



USD/Tonne	2018	2019	2020	2021	2022	2023	2024	2025	2026YTD
Annual average	107	80	60	134	342	183	136	108	112
%YoY	22%	-25%	-25%	123%	155%	-47%	-25%	-21%	4%

Source: Bloomberg, Vietcap (FOB price does not include transportation cost and VAT; data as of March 05, 2026)

Figure 28: Bloomberg consensus forecasts for Newcastle thermal coal price (6,000 kcal/kg)

USD/tonne	2025	2026F	2027F	2028F	2029F	2030F
<b>Bloomberg consensus (median)</b>	<b>108</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>108</b>	<b>106</b>
YoY change (%)	-21%	2%	0%	0%	-2%	-1%
Previous consensus (September 2025)		111	103	117	114	115
<b>New vs previous</b>		<b>-1%</b>	<b>7%</b>	<b>-6%</b>	<b>-6%</b>	<b>-8%</b>
<b>Select contributors</b>						
BMI, a Fitch Solutions company		100	98	92	90	85
Westpac Banking Corp		120	110	110	120	
Barclays PLC		103	100	100	90	90
Deutsche Bank AG		110	115	112		
Morgan Stanley		116	120	125	130	135

Source: Bloomberg, Vietcap compilation (FOB price does not include transportation tariff, logistic costs, and VAT; Bloomberg consensus data as of March 2026)

## Key conflicts impacting oil prices in the past 50 years

- Oil shocks hit hardest from producer-country disruptions (Russia, Iran, Iraq) while shipping rates spike from maritime chokepoints (Red Sea, Strait of Hormuz)
- After the 1990s, oil price shocks were lower due to: 1) lower OPEC cartel power, 2) the development of renewable power, and 3) slower demand growth.

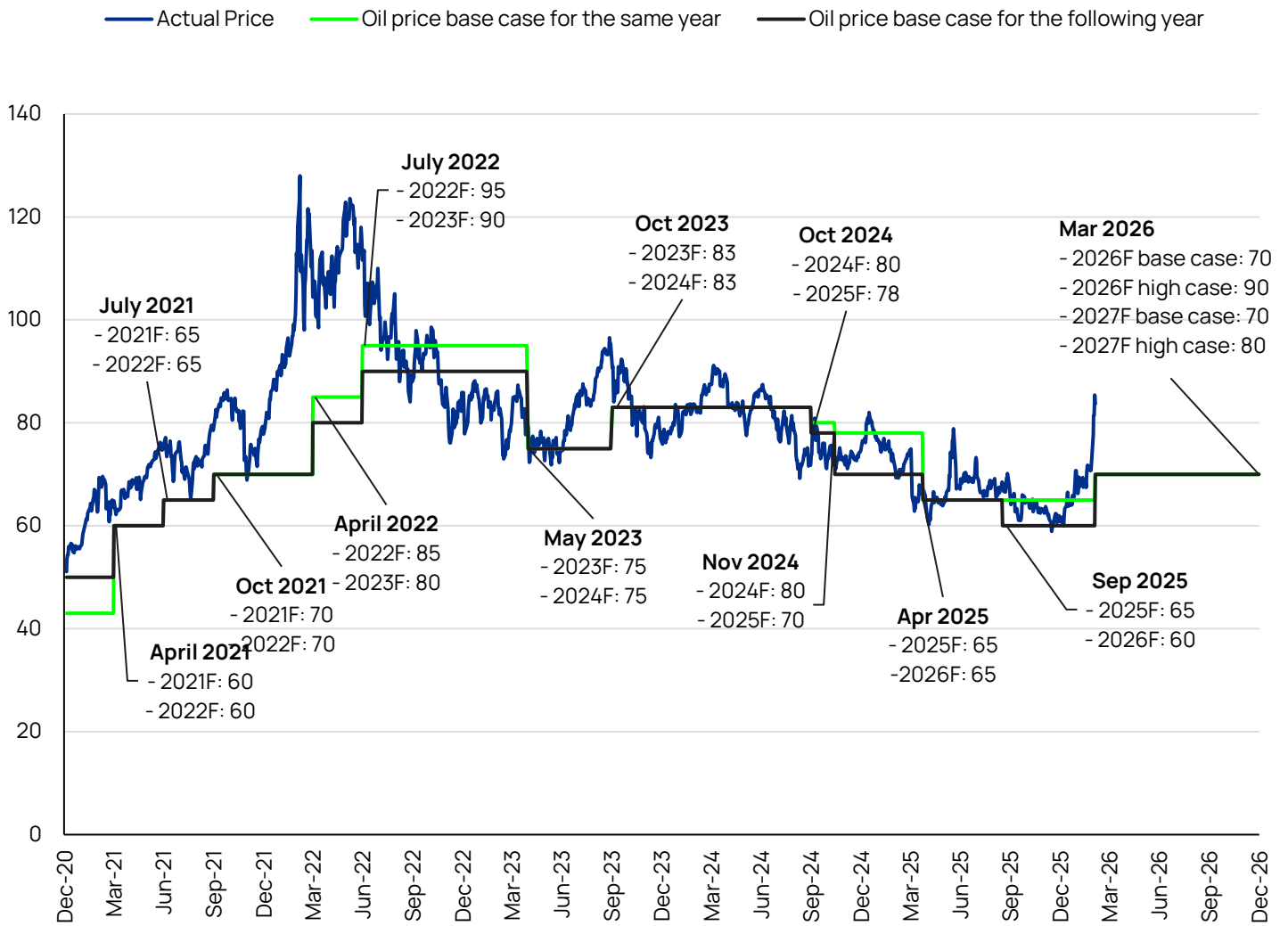
Figure 29: Historical major global oil supply shocks

Date/Event	% Global oil Supply Affected	Duration	Oil Price Reaction	Inflation Impact
Oct 1973-Arab Oil Embargo	~4-5% sustained OPEC embargo cuts ~5mb/d to the West	6 months	+300-400%	Severe, stagflation
1978 - 1979 (Iranian Revolution)	Revolution halts 4-5 mbpd, ~5% global demand	13 months	+150-180%	High inflation in years
1980 - 1988 (Tanker war)	~6% temporary	Total: 8 years, peak: months	+100%	Medium
2008 - 2009 (Somalia Piracy Crisis)	~7% temporary	Months	Minimal	Minimal
2019 (Houthi Attacks to Saudi Arabia)	~5% temporary	Days	+20% in 1 day	Minimal
2022 (Russia-Ukraine war)	~14%	4 Years (ongoing)	+35-60%	High global inflation pressure
2023 - 2025 (Red Sea Houthi Attacks)	~9% ~90% traffic is rerouted from Suez to Africa	2 Years	+5-10%	Potential increased inflation up to 1%
June 2025 (Strait of Hormuz Tensions)	~20% temporary	12 days	+14%	Modest impact
2026	0%-20% at risk	Unknown	Risk premium so far	Limited so far

Source: Public media, Vietcap.

## Historical oil price forecasts

Figure 30: Vietcap's historical oil price base case forecasts (USD/bbl)



Source: Bloomberg, Vietcap

## Vietcap Rating System

**Stock ratings** are set based on projected total shareholder return (TSR), defined as  $(\text{target price} - \text{current price}) / \text{current price} + \text{dividend yield}$ , and are not related to market performance.

Equity rating key	Definition
<b>BUY</b>	If the projected TSR is 20% or higher
<b>OUTPERFORM</b>	If the projected TSR is between 10% and 20%
<b>MARKET PERFORM</b>	If the projected TSR is between -10% and 10%
<b>UNDERPERFORM</b>	If the projected TSR is between -10% and -20%
<b>SELL</b>	If the projected TSR is -20% or lower
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