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Vietnam Power

May power consumption remains weak

May power consumption weak, with production & imports only up 1.6% YoY

— May power consumption measured by power production and imports grew by a modest 1.6% YoY to 21.58 billion kWh. Consumption for the first five months of the year was also weak at only 1.9% YoY growth to 97.4 billion kWh. This run rate remains down sharply from the 10% levels seen during the same period last year. Unfavorable weather conditions and natural gas shortages continue to negatively impact output from hydropower (down 33.8% YoY to 15.7 billion kWh) and thermal gas plants (down 15.9% YoY to 15.9 billion kWh). Shortfalls from these plants have been offset by greater use of thermal coal plants by the National Load Dispatch Center (NLDC), with output from coal plants up 16.8% YoY to 58.1 billion kWh since the start of the year. This has also led to the continued pick up in transmission activities in the North-Central-South direction as most of the fully operational power plants are located in the North. The North-Central trunk witnessed the largest activity at 2,080 MW followed by the Central-South trunk at 2,260 MW. Total power transmission in May was 17.8 billion kWh or down 0.5% YoY and 81.2 billion kWh for the first five months of the year or up 1% YoY.

Ongoing droughts should see continued use of thermal coal plants to meet needs

— EVN expects June power consumption to increase by 2% YoY to 22.2 billion kWh. The company also estimates peak capacity at 39,740 MW as it continues to generate power from coal and gas plants from available fuel supplies given the outlook for ongoing droughts in several regions of Vietnam. EVN expects water shortages to continue, with rainfall vs seasonal averages for past few years only at 25%-70% for the North, 40%-70% for the Central region and 20%-40% for the South.

Lost May revenue from 10% cut to electricity bills totals VND3,522 billion or 1% of sales

— EVN will reduce monthly electricity bills for customers by about 10% in May, June and July as part of COVID-19 relief measures after receiving approval from the Ministry of Industry & Trade. Lost revenue from this measure totaled VND3,533 billion in May or about 1% of annual sales after the company reduced billings for 26.6 million customers that included VND2,686 billion for two million businesses and VND847 billion for 24.7 million households.

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Investment ratings & definitions

Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

Buy:	Hold:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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