



WORLD ECONOMY



VIETNAM ECONOMY

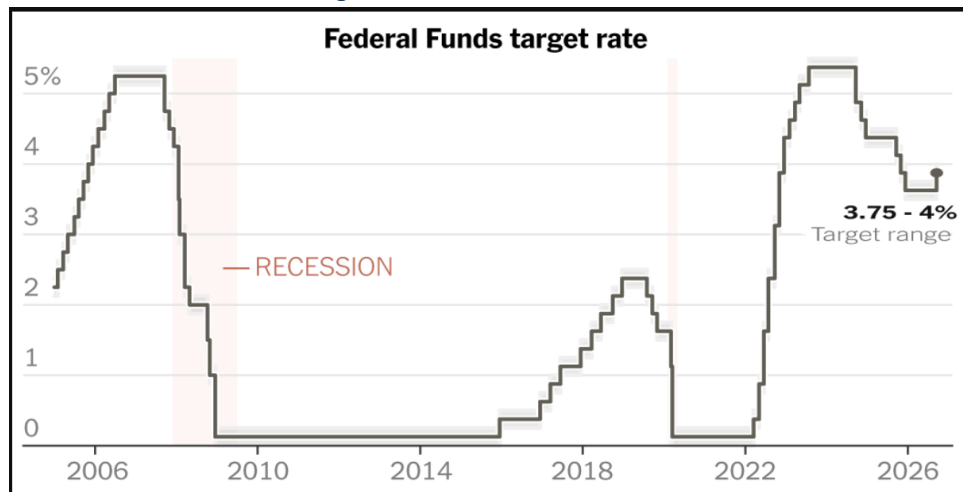


SBS' COMMENTARY

1. WORLD ECONOMY

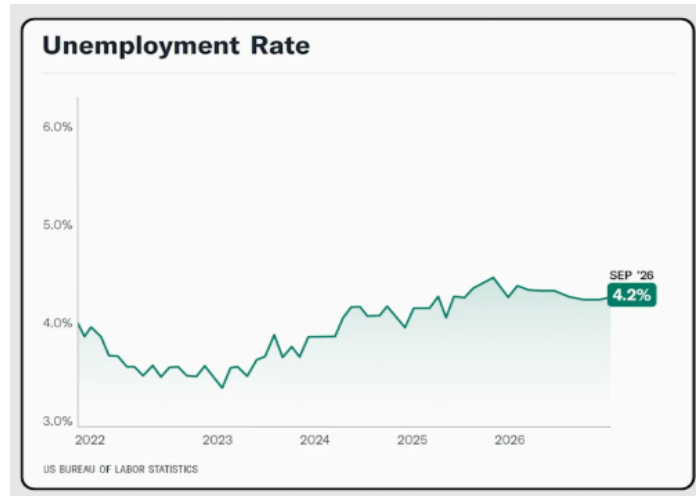
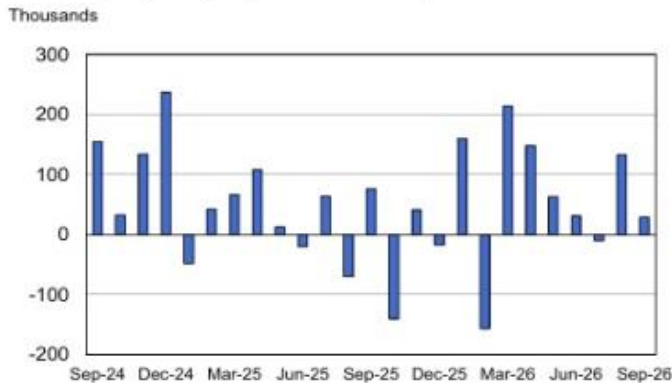
1.1 Monetary Policy:

- The US Federal Reserve (Fed) raised interest rates by an additional 25 basis points in September 2026, bringing the target range to 3.75% – 4.00%. However, the US labor market showed signs of cooling down (nonfarm payrolls increased by only 29,000 jobs, and the unemployment rate rose to 4.2%), leading to a low probability of further rate hikes by the Fed in October, although the possibility of an additional hike in December remains open.



Source: The New York Times

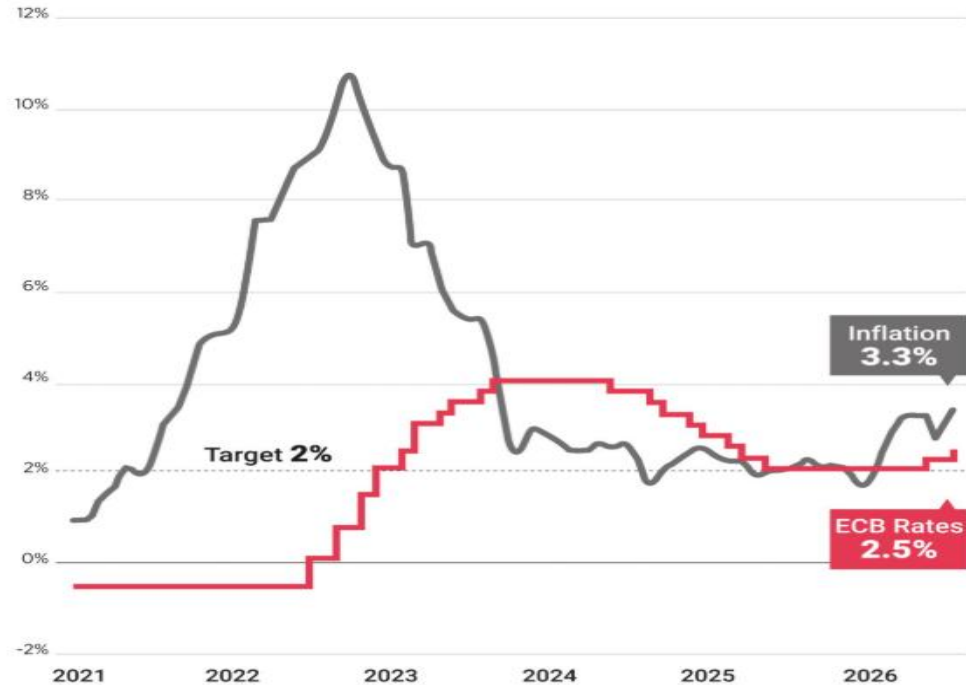
Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, September 2024 – September 2026



Source: angrybearblog.com/2026/10/employment-september-2026, finance.yahoo.com

- The European Central Bank (ECB) also simultaneously raised its interest rates by 25 bps (deposit facility rate up to 2.50%) to control Eurozone inflation, which is forecasted to hover around 3%.

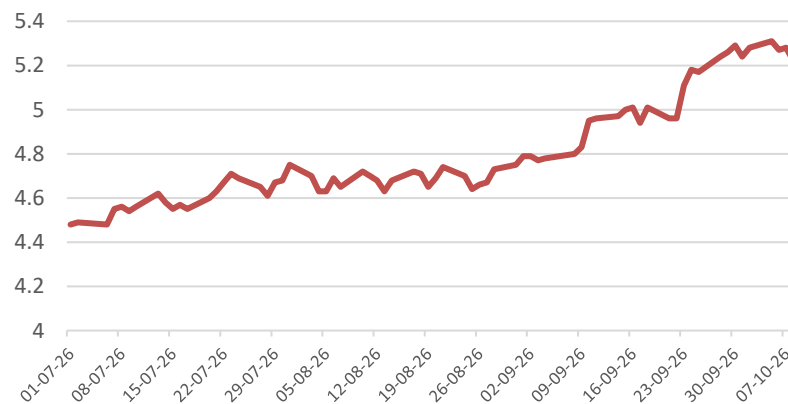
Trend of deposit rates and inflation in the Euro Area, 2021-2026



Source: www.eunews.it

- The 10-year US Treasury yield remained anchored at a high level (5.29% at the end of September); the US Dollar Index (DXY) maintained its elevated level around 99.5 – 101.9 points (in the second half of September).

US Treasury yield-10 years (%)





Source: <https://www.tradingview.com/>

1.2 Commodity Markets & Geopolitics:

- Geopolitical tensions in the Middle East and the Strait of Hormuz remained complex, keeping Brent crude oil prices at a high level (averaging around 114 USD/barrel in September, up 23 USD/barrel compared to August). Elevated fuel prices exacerbated pressures on logistics costs, inflation, and global supply chains.



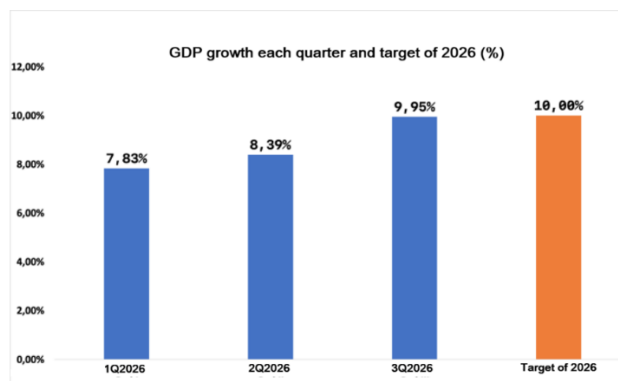
Source: <https://tradingeconomics.com/>

- Pressures from trade defense policies, green standard barriers, and the risk of Section 301 tariffs from the US continued to create significant uncertainties for global trade flows.

2. VIETNAM ECONOMY

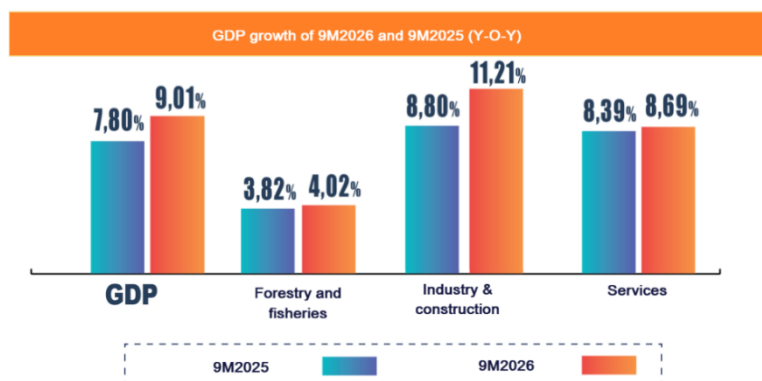
2.1. GDP Growth, Investment, and International Trade

2.1.1 GDP Growth:



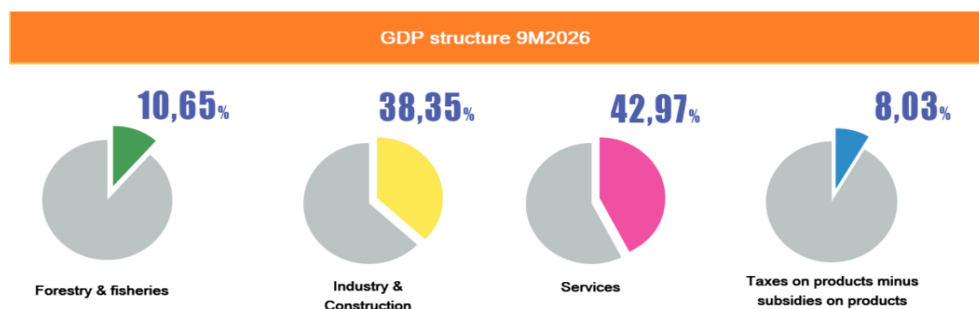
Source: General Statistics Office of Vietnam

- Q3/2026 witnessed a strong breakthrough: Real GDP in Q3/2026 expanded by 9.95% YoY. Cumulatively in the first 9 months of 2026 (9M/2026), GDP grew by 9.01% YoY, marking the second-highest growth rate in over a decade (only behind 2022).



Source: General Statistics Office of Vietnam

- By economic sector (9M/2026):
 - Industry and Construction expanded by 11.21% (contributing 38.35% to overall growth), of which the manufacturing sector grew by 11.36% (contributing 11.36% to the sector's total value), and the construction sector grew by 12.2% (contributing 8.23% to the sector's total value).
 - The Services sector increased by 8.69% (contributing 42.97% to overall growth).
 - Agriculture, forestry, and fishery recorded a stable growth of 4.02% (contributing 10.65% to overall growth).

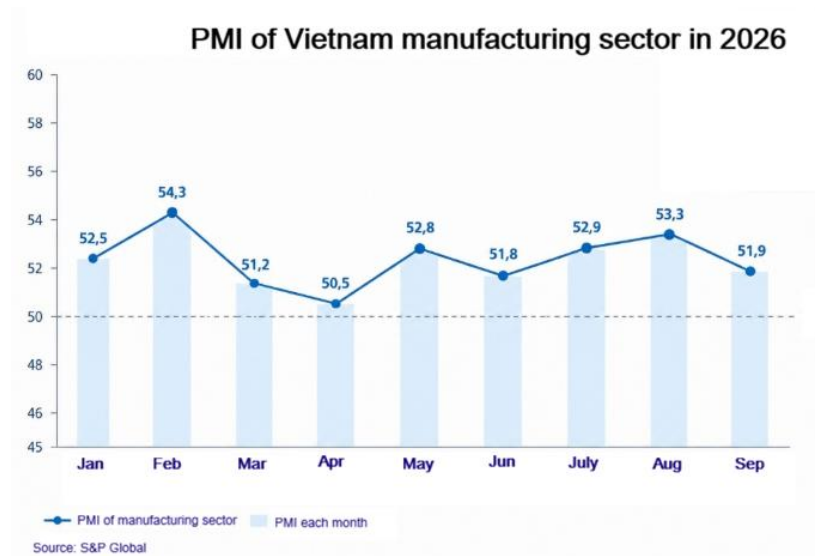


Source: General Statistics Office of Vietnam

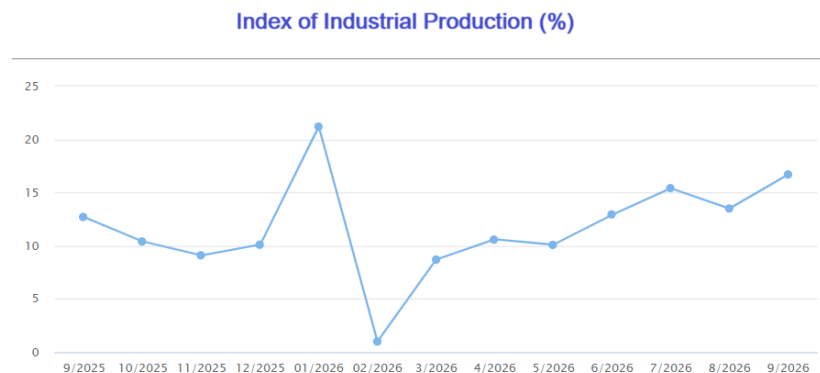
- Q4 Target: To achieve the government's full-year double-digit growth target ($\geq 10\%$), Q4/2026 GDP must reach a minimum of 12.3% – 12.5%, which poses a substantial challenge.

2.1.2 Industrial Production & Consumption:

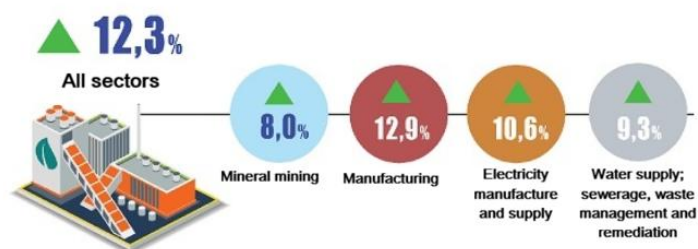
- The Index of Industrial Production (IIP) for the entire sector in 9M/2026 surged by 12.3% YoY (September alone saw a robust increase of 16.7%). The September PMI stood at 51.9 points (a slight decrease from August's 53.3 points but still maintaining a streak above the 50-point threshold); however, new export orders and employment showed some signs of weakening.



Source: <https://vnbusiness.vn/>



Index of Industrial Production (IIP) growth in 3Q2026 (yoy)



Source: General Statistics Office of Vietnam

- Total retail sales of consumer goods and services in 9M/2026 grew by 13.4% YoY in nominal terms. After adjusting for inflation, real retail sales grew by 7.8% YoY (compared to a 7.2% increase in the same period last year), indicating a genuine recovery in purchasing power, albeit at a slower pace than investment and production growth.



Source: General Statistics Office of Vietnam

2.1.3 Investment Activities:

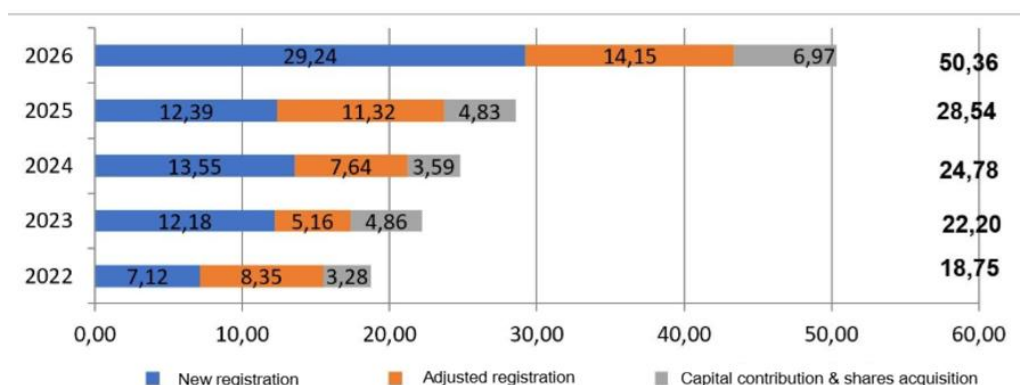
- Public investment:** Demonstrated impressive acceleration in September (increasing 1.58 times). Cumulatively for 9M/2026, the disbursement of state budget investment capital reached approximately VND 662 trillion, an increase of 19% YoY compared to 2025, fulfilling about 60% of the Prime Minister's assigned plan. The implementation of the disbursement KPI scoring mechanism starting in October 2026 is expected to further drive the progress of mega infrastructure projects.

Indicator	9M2026 (thousand billion VND)	Increase y-o-y (%)
Total investment capital	3,109,6	15,1
1. Private sector capital	1,649,2	14,0
2. State sector capital	931,0	17,3
-State budget capital	661,8	19,0
3. Foreign investment capital	529,4	14,5

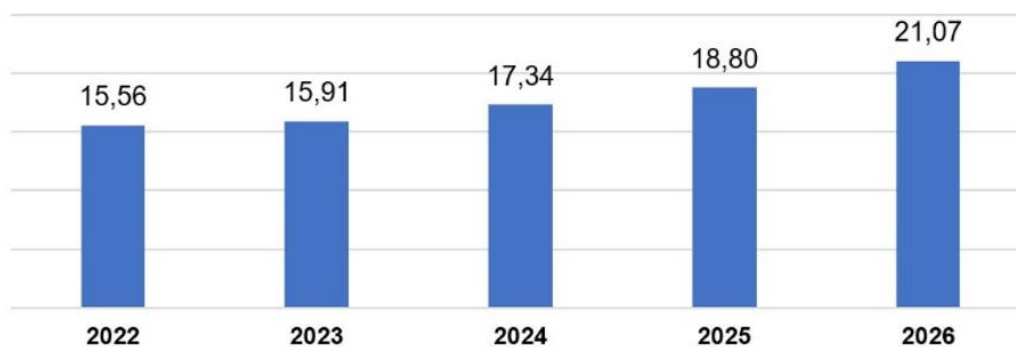
Source: <https://thitruongtaichinhthiente.vn/>

- FDI Capital:** Reached a new record high with total registered capital hitting USD 50.36 billion (+76.4% YoY). Newly registered capital accounted for USD 29.24 billion (2.4 times higher than the same period) driven by the emergence of a series of semiconductor, AI, and logistics infrastructure mega-projects (notably from Singapore and South Korea). Realized (disbursed) FDI in the first 9 months amounted to USD 21.07 billion (+12.1% YoY), the highest 9-month figure in the past 5 years.

REGISTERED FOREIGN INVESTMENT IN VIETNAM AFTER 9 MONTHS (2022-2026)



EXECUTED FOREIGN INVESTMENT IN VIETNAM IN THE FIRST 9 MONTHS (2022-2026)



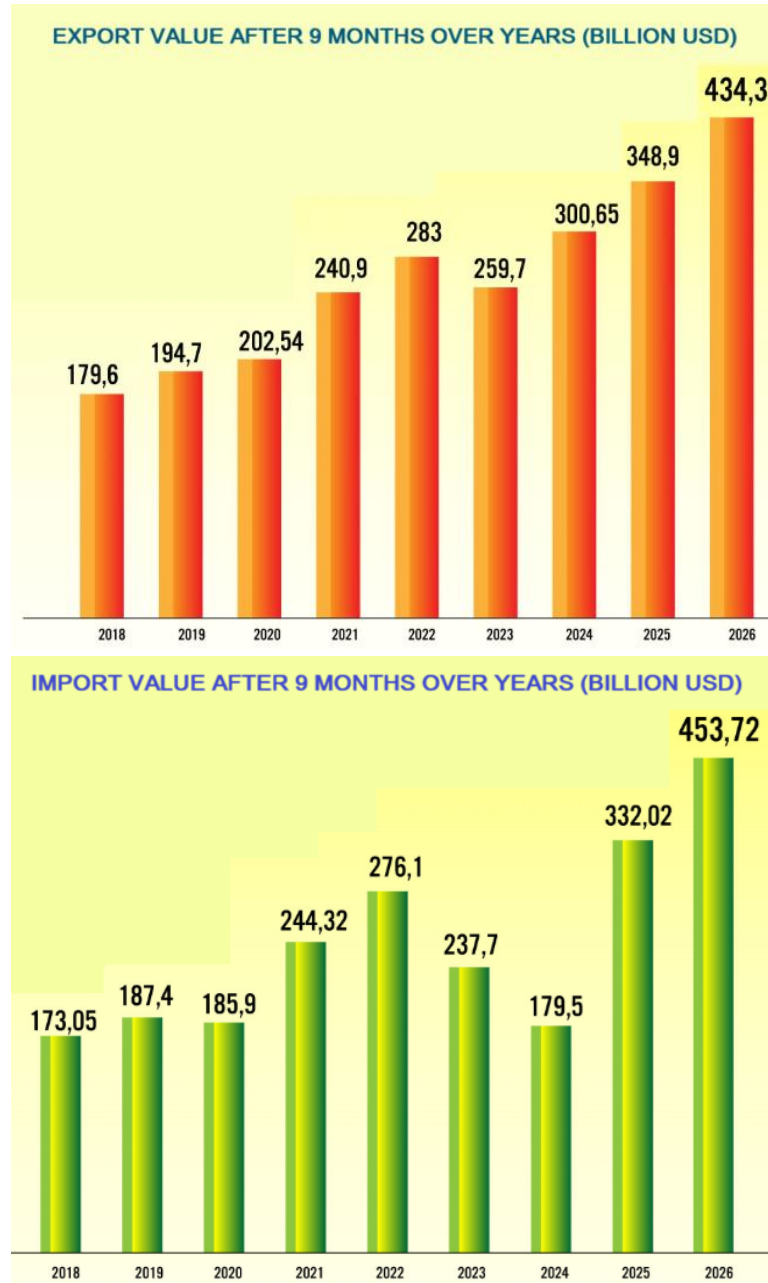
Source: <https://thitruongtaichinhthiente.vn/>

2.1.4 International Trade:

- September 2026 recorded a major bright spot as the trade balance reversed to a surplus of USD 1.27 – 1.29 billion (after a continuous deficit streak of 9–10 months).
- Cumulatively for 9M/2026, total import-export turnover reached USD 888.02 billion (+30.4% YoY). Exports reached USD 434.3 billion (+24.5%); Imports reached USD 453.7 billion (+36.7%). For the entire 9-month period, the economy still recorded a trade deficit of USD 19.42 billion (primarily due to the import of capital goods, electronic components, machinery, and elevated fuel prices).



Source: General Statistics Office of Vietnam



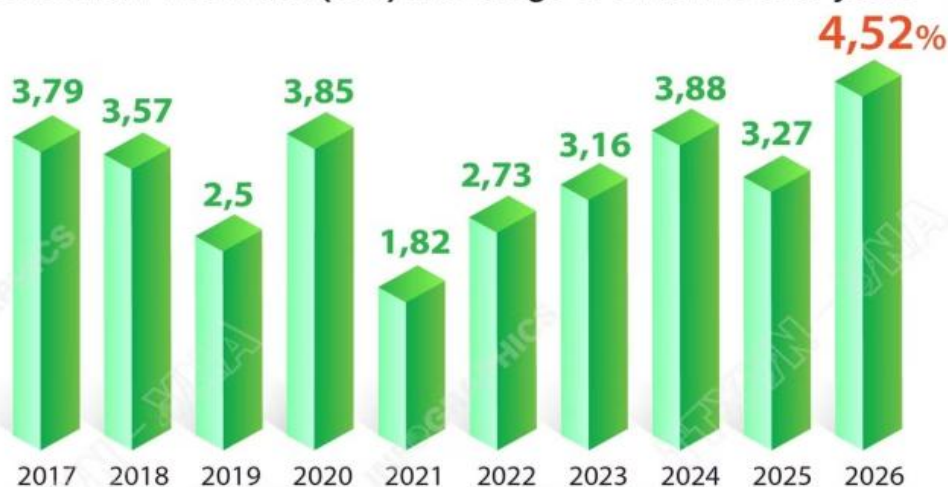
Source: General Statistics Office of Vietnam

- Export structure remains divergent: The electronics/machinery/phones group experienced breakout growth and contributed up to 77.7% of the total export value growth, while the FDI sector accounted for 80.7% of total exports. The domestic economic sector continued to suffer a massive trade deficit (-USD 34.28 billion).

2.2. Inflation (CPI)

2.2.1 September Index: Average CPI for 9M/2026 rose by 4.52% YoY, touching the Government's full-year inflation control target limit (4.5%). Q3/2026 alone saw a 4.8% YoY increase. Average core inflation for the 9-month period rose by 4.26% YoY.

Consumer Price Index (CPI) in average of 9 months over years



Source: *infographics.vn*

2.2.2 Structural Impacts: Core pressures largely stemmed from cost-push factors:

- Housing and Construction Materials maintained a high growth rate of +6.68% YoY over the 9-month period.
- The Transport group increased by 6.06% YoY due to upward adjustments in domestic retail fuel prices tracking global energy markets.

Price changes of typical products after 9M (yoy)



Source: *infographics.vn*

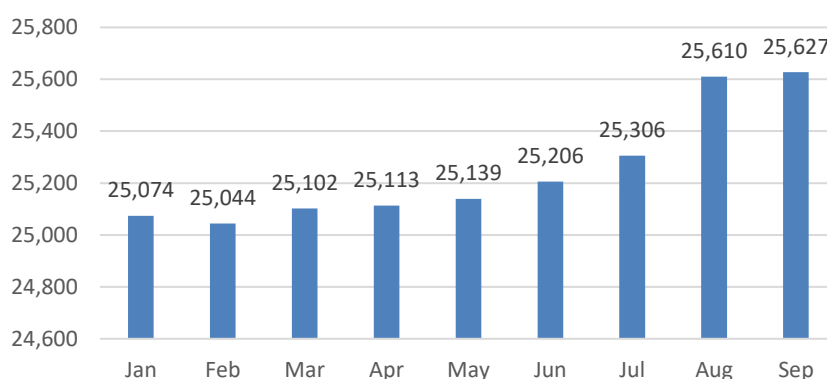
2.2.3 Pressures & Interventions: Extensions of environmental protection tax incentives and VAT cuts on fuel until December 31, 2026 (Resolution 43/NQ-CP) along with the Price Stabilization Fund helped restrain the upward momentum. However, if global crude oil prices remain above USD 100/barrel, Q4 CPI is projected to remain elevated around 4.8% – 5.0%.

2.3. Exchange Rates and Interest Rates

2.3.1 Exchange Rates:

- Movements were relatively stable with a cooling trend toward the end of Q3. At the end of September, the central exchange rate increased by nearly 2% year-to-date (VND 25,627/USD on September 30, 2026, vs. VND 25,121/USD on January 1, 2026). Conversely, the interbank spot exchange rate fell by roughly 1.6% after 9 months (from VND 26,387/USD on January 1, 2026, down to about VND 25,962/USD on September 30, 2026).

**Center exchange rate end of each month
2026 (VND/USD)**



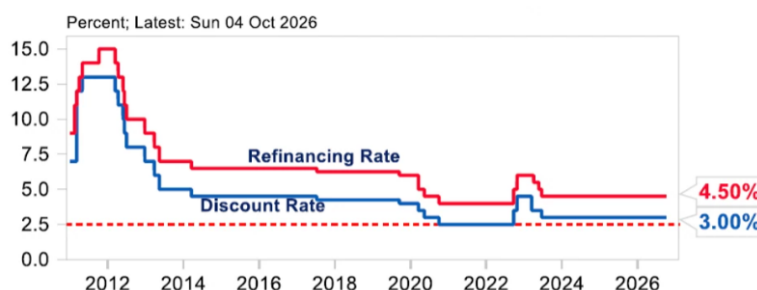
Source: SBV

- Supporting factors included: the trade balance swinging to a surplus in September, abundant disbursed FDI inflows, robust remittances, and the easing of speculative pressures on the free/gold markets.

2.3.2 Interest Rates:

- Policy rates: Remained stable (Refinancing rate at 4.50%, deposit rate cap for terms under 6 months at 4.75%).

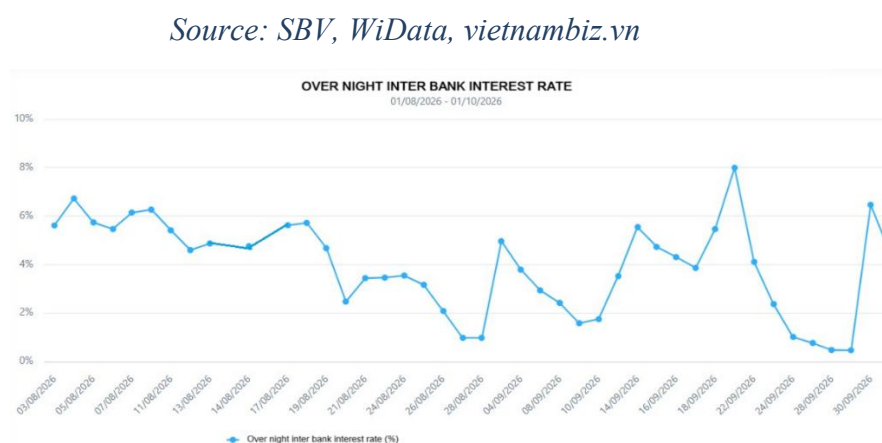
Vietnam, Policy Rates



Source: Macrobond, UOBGlobal Economics & Market Research

- Interbank market & OMO: Short-term liquidity was generally managed flexibly. The SBV net absorbed approximately VND 85,000 – 86,000 billion via open market operations in September to

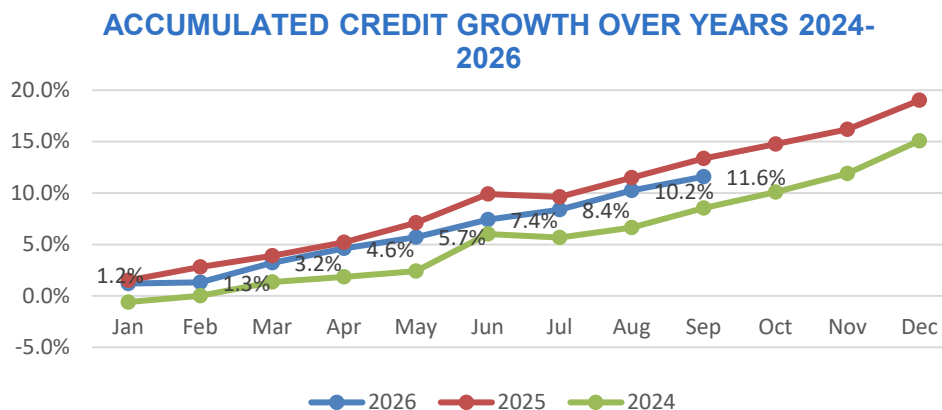
mitigate exchange rate pressures. Overnight interest rates fluctuated sharply at quarter-end/tax payment deadlines (surging from under 1% to nearly 6.5% on Sept 30).



- **Deposit & Lending rates:** The average listed deposit rate fluctuated around 6.8% – 7.0%/year. VND lending rates remained high, averaging around 10.7%/year due to elevated input funding costs and long-term bank bond issuance costs. The interest rate environment is not expected to decline sharply in Q4 due to peak year-end capital demand.

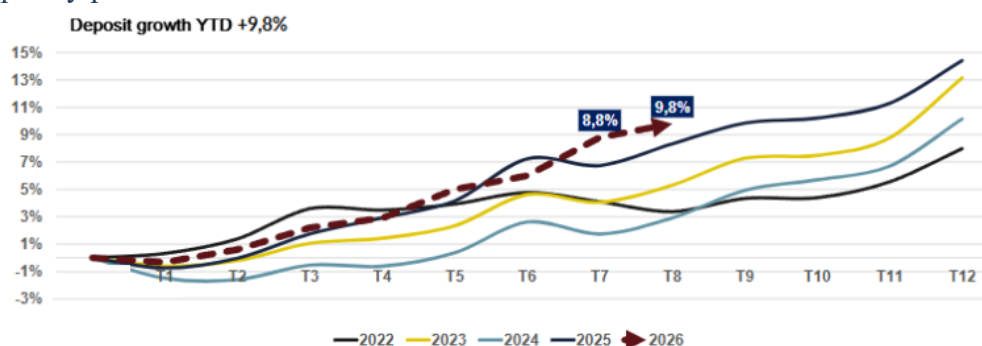
2.4. Credit Growth

- **Realized Figures:** As of September 30, 2026, system-wide credit growth reached 11.59% YTD (compared to the end of 2025), with total outstanding loans at approximately VND 20.76 quadrillion (up 16.69% YoY). Credit accelerated visibly in Q3 (September alone expanded by 1.35%).



Source: SBV

- Capital Supply-Demand Balance:** Deposit growth reached 9.78% YTD. The gap between credit growth and deposit growth narrowed to 1.11% (from 3.65% at the end of 2025), somewhat easing systemic liquidity pressures.



Source: CKG

- Policies & Orientation:** The State Bank of Vietnam (SBV) issued Circular 50/2026/TT-NHNN (effective Dec 1, 2026) adjusting the LDR ceiling ratio to 95% and establishing a roadmap for LCR/NSFR liquidity standards starting in 2028. Simultaneously, the implementation of Decision 1809/QD-TTg supported capital access for SMEs and channeled prioritized credit flows into manufacturing, infrastructure, and key macro projects.

2.5. Stock Market

2.5.1 VN-Index Movements in September 2026:

- The VN-Index closed September at 1,768.82 points, down 3.47% MoM (only slightly up 0.12% YTD). The HNX-Index fell by 4.61%.
- On September 21, 2026, the Vietnam market was officially upgraded by FTSE Russell to Secondary Emerging Market status; however, profit-taking and global market pressures caused the VN-Index to correct below the critical 1,800-point technical support and drop under its MA200. The index's decline was heavily impacted by the downward correction of large-cap stocks like Vingroup and the Banking sector.

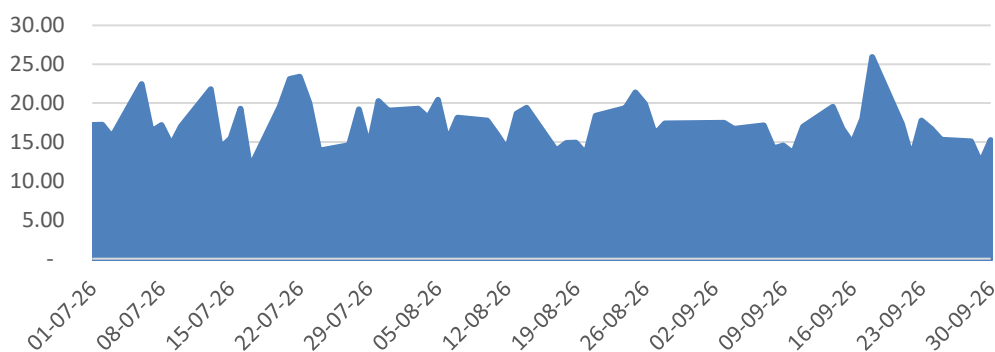


Source: vietstock.vn

2.5.2 Liquidity & Foreign Investors:

- Liquidity:** Plunged for the 4th-5th consecutive month. Average daily trading value across all 3 exchanges in September reached only USD 682 million/session (~VND 17,500 – 18,500 billion/session), a 23.2% drop from Q2.

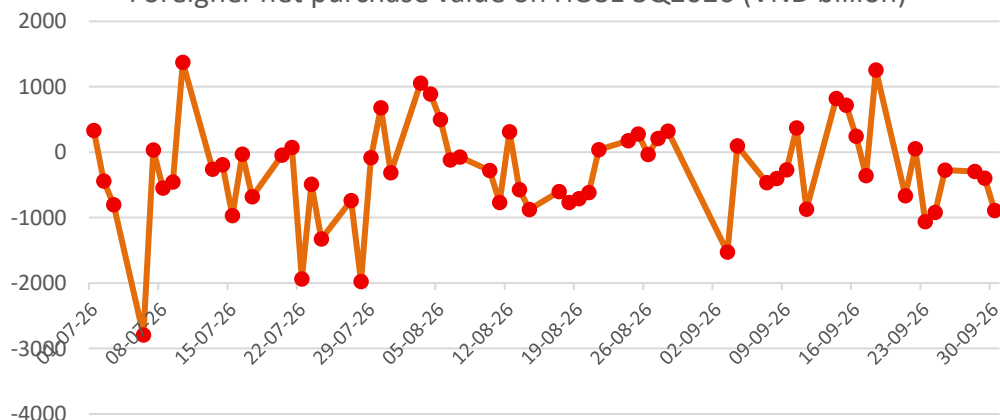
VN-Index total trading value in 3Q2026

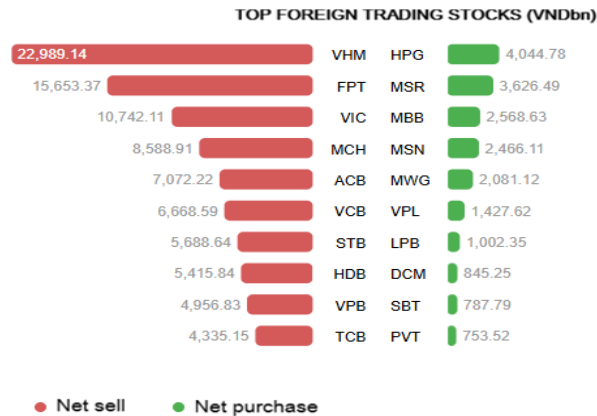


Source: Vietstock.vn

- Foreign trading:** Foreign investors continued to be strong net sellers on the HOSE with a net value of -VND 4,830 billion (-USD 182 million) in September, pushing accumulated YTD net selling to a record high of over VND 97,800 billion (~USD 3.7 billion).

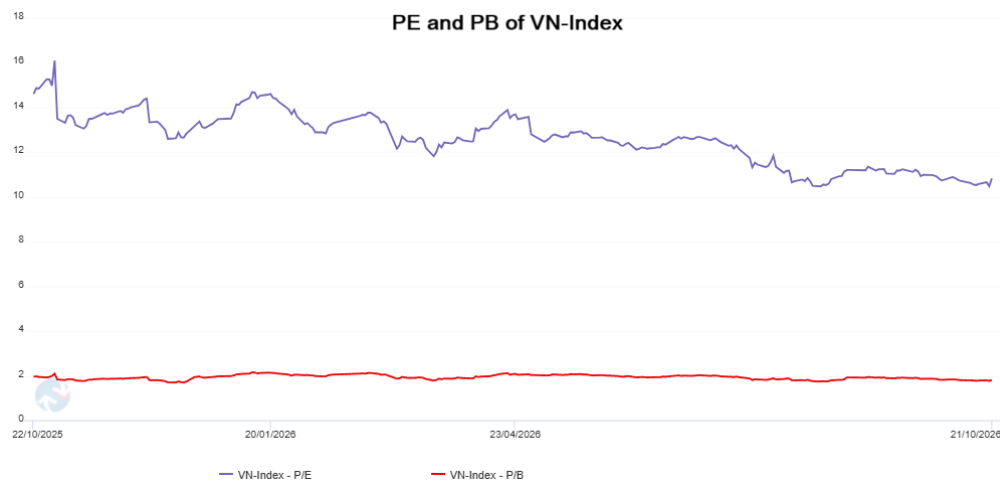
Foreigner net purchase value on HOSE 3Q2026 (VND billion)





Source: Vietstock.vn

- ETF Capital Flow Bright Spot:** ETF capital flows reversed to a slight net inflow of roughly USD 63 million in September (primarily from funds like KIM Index VN30 ETF, SSIAM Finlead) after 6 consecutive months of net withdrawals. However, funds tracking the VNDiamond basket continued to see net outflows exceeding VND 650 billion.
- Valuation:** Valuation: The trailing P/E of the VN-Index stood at 13.5x (forward 2026 P/E around 10.2x; P/B at 1.57x excluding the Vingroup group), hovering at the lowest valuation zone in 5 years and offering an attractive discount compared to regional peers. Q3 earnings growth for listed companies is forecast to expand by 20% – 25% YoY.



Source: vietstock

3. SBS' COMMENTARY

3.1 A Multi-dimensional Macroeconomic Picture:

Vietnam's economy delivered an impressive growth rate in the first 9 months of 2026 (GDP +9.01%, Q3 reaching 9.95%), fueled by the "troika" of Manufacturing, decisive Public Investment disbursement, and booming FDI inflows. The September trade balance returned to a surplus, helping to alleviate exchange rate pressures.

3.2 Major Risks and Challenges:

Cost-push inflation pressures (elevated energy and crude oil prices due to geopolitical conflicts) pushed average CPI close to the 4.5% target.

Funding costs and market interest rates remained high, causing corporate profit margins and domestic retail purchasing power to recover slower than expected.

External demand for export manufacturing orders showed signs of stalling (reflected in the PMI), compounded by the risk of tariff investigations from major export markets.

3.3 Stock Market Investment Strategy:

With the stock market discounted to historically cheap valuation zones while general cash flows remain cautious, divergence strategies and stock picking play a decisive role.

3.4 Prioritized Sectors:

Defensive Retail & Consumption: Positioned ahead of the peak year-end shopping season and the real recovery in consumer spending (MWG, FRT, MSN).

Banking: Driven by the peak year-end credit season, prioritizing banks with healthy asset quality, low NPL ratios, and high NPL coverage (TCB, MBB, CTG, VPB).

Seaports - Logistics & Public Investment: Direct beneficiaries of expanding import-export cargo volumes and the wave of year-end infrastructure disbursement acceleration (GMD, HPG, REE).

DISCLAIMER

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