

## Macro Strategy Report

# H2 2024 Macro Strategy Update: Vietnam could maintain QE if FED starts cutting rate from September

**Global economy – We believe that the FED will cut interest rates in September 2024. If this happens, the rate cut will provide room for other countries, including Vietnam, to ease their monetary policies.**

TVS Research updates our view that the FED will implement two interest rate cuts of 0.25% each, expected to start in September 2024. The main reason is the rapidly deteriorating condition of the U.S. labor market, with a significant increase in the unemployment rate, and the country potentially entering a recession by the end of 2024 to early 2025.

In Europe, TVS Research continues to believe that the region's economy will remain weak in the latter part of the year, further impacted by geopolitical volatility in the Middle East.

For China, the central bank cut the MLF rate in July 2024 after GDP growth in Q2 reached only 4.7%. TVS Research maintains our view from the Q1 2024 Macroeconomic update report, with a full-year 2024 GDP target of 5%, supported by interest rate cuts taking place in the second half of 2024.

## **Vietnam Macroeconomics – Continued economic growth driven primarily by exports**

Vietnam's GDP growth reached 6.4% YoY in H1 2024. The main driver of this growth was exports (+16% YoY), led by FDI sectors. Vietnam continues to maintain its position as an attractive destination for foreign direct investment (FDI), with registered FDI increasing by 11% YoY. Meanwhile, the exchange rate was stabilized at the end of Q2 after the State Bank of Vietnam sold over USD 6 billion to commercial banks and maintained a net withdrawal position in the open market operations (OMO) to keep interbank interest rates above 4%.

In H2 2024, we maintain our GDP growth forecast at 6.3-6.5%, driven by exports. We also expect improved incomes to boost retail growth stronger than in H1. Meanwhile, the exchange rate is expected to cool down in the final months of the year after the FED cuts interest rates.

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## Global Macro

### The trend of lowering interest rates began globally in Q2 2024.

In Q2 2024, central banks in several countries and regions around the world, such as Europe and China, began cutting interest rates as their economies grew more slowly than planned at early of 2024. Meanwhile, the FED has maintained interest rates at the current level and has signaled that it might begin cutting rates from September 2024 as negative signs start to appear in the U.S. economy.

Indicator	Q1 2024				Q2 2024				2024			
	U.S.	China	EU	Global	U.S.	China	EU	Global	U.S.	China	EU	Global
GDP (%)	1.6	5.2	0.3	N/A	2.8	4.7	0.6	N/A	2.4	5.0	0.5	3
Inflation (%)	3.5	0.3	2.4	N/A	2.9	0.3	2.4	N/A	3.4	0.5	3	5.8
PMI	50	51.4	46.1	49	48.5	51.8	45.8	49	51	53	47.5	50.5
Export (%)	-0.2	-4.6	-3.6	N/A	6.4	8.6	N/A	N/A	2.6	2.5	0.7	N/A
Import (%)	-0.2	-5.5	-0.8	N/A	6.4	-2.3	N/A	N/A	2.9	3	1	N/A
Base rate (%)	5.5	3.45	4.75	N/A	5.5	3.3	4.5	N/A	5.25	3	4.25	N/A

Source: Bloomberg, TVS Research

### We update our view that the Fed may implement two interest rate cuts this year as the labor market and unemployment figures rapidly deteriorate.

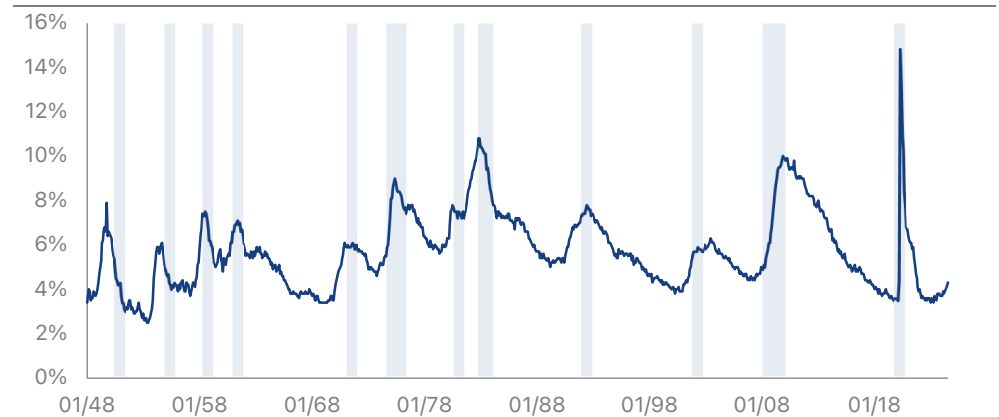
We update our view on FED's action that they may implement two interest rate cuts starting from September 2024, mainly due to the following reasons:

- **The unemployment rate in the U.S. has risen rapidly in recent months, increasing from 3.8% in March to 4.3% as of July 2024.** In the past, a rapid rise in the unemployment rate exceeding 4% has been an early indicator that the economy may be entering a recession.
- **The U.S. labor market is slowing down,** with the growth in new non-farm jobs decelerating rapidly and currently falling below the levels seen during the COVID-19 pandemic.
- **U.S. inflation data in Q2 2024 fell below 3% and has remained around 3% since the beginning of Q2 2024.** With inflation not rising again in Q2, we believe the Fed may have room to sacrifice the inflation target and gradually shift towards supporting economic growth.

Therefore, we expect FED will cut rates in their FOMC in this September to support the economy.

### Chart 1: Recessions in the U.S. typically occur after the unemployment rate rises and stays above 4%

Unemployment rate in the US from 1950 - 2024 [%]

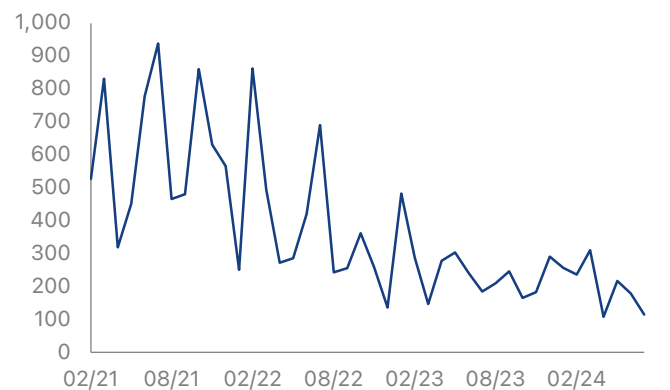


Source: FRED, TVS Research

Note: The shaded areas represent periods of the US economic recession

### Chart 2: The number of new non-agricultural jobs has dropped to its lowest level since 2021

Number of new non-agricultural jobs in the US from 2021-now [thousands of jobs]



Source: FRED, TVS Research

### Chart 3: The US inflation gradually decreased in Q2 2024

Inflation in the US during the period 2021 - 2023 [%]



Source: FRED, TVS Research

**We believe that China will continue to cut interest rates after having already done so once in July 2024.**

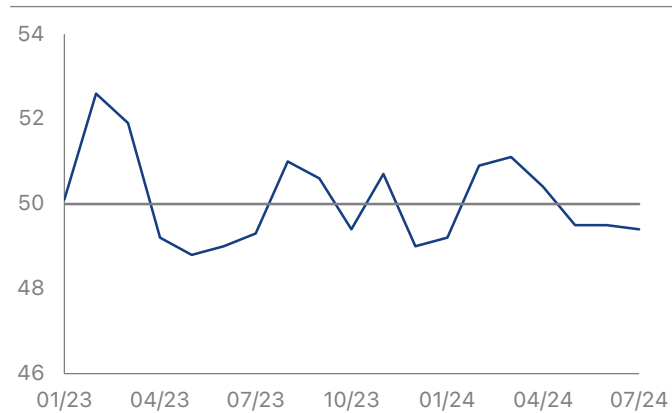
**We maintain our target of China's GDP growth in 2024 at 5%.**

The Chinese economy weakened in Q2 2024 with GDP growth for Q2 reaching 4.7%, below the government's 5% target. This was primarily due to the real estate market continuing to freeze and industrial production starting to slow down.

To support the economy, People's Bank of China (PBOC) began cutting interest rates from June 2024 and we have observed that this policy is starting to have an effect with the CPI index improving to 0.5% in July, helping China avoid the risk of deflation. TVS Research believes that PBOC may continue to use monetary easing policies to support economic growth with an additional interest rate cut in 2024.

#### Chart 4: Industrial production gradually weakened in Q2

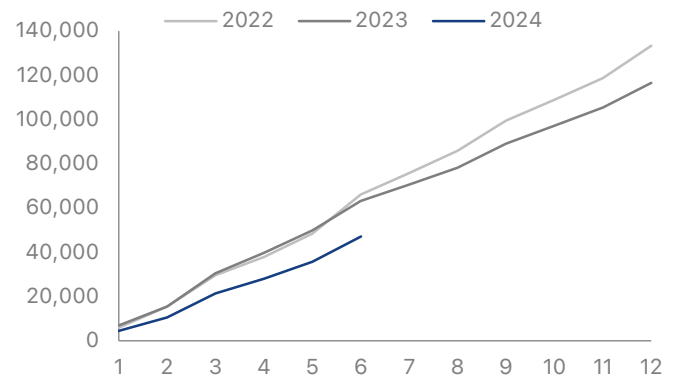
PMI Index [points]



Source: Bloomberg, TVS Research

#### Chart 5: Real estate market transactions in China remained weak in the first half of 2024.

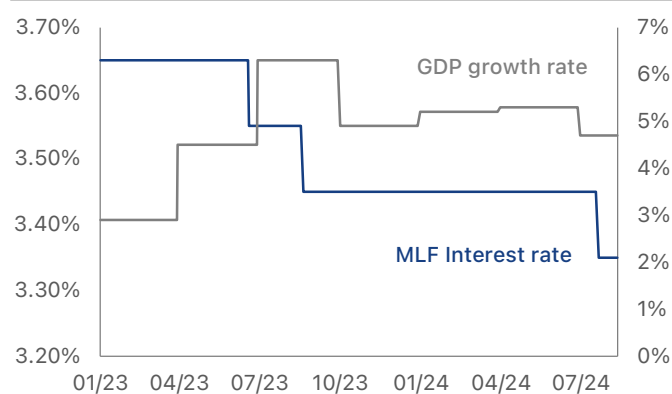
Real estate market transaction value in China during the period 2022 – June 2024 [CNY bn]



Source: Bloomberg, TVS Research

#### Chart 6: PBOC began cutting interest rates after Q2 GDP fell below the 5% target.

GDP growth and MLF interest rate of China [%]



Source: Bloomberg, TVS Research

#### Chart 7: The increasing Chinese CPI showed that China is gradually getting out of deflation

CPI growth of China [%]



Source: Bloomberg, TVS Research

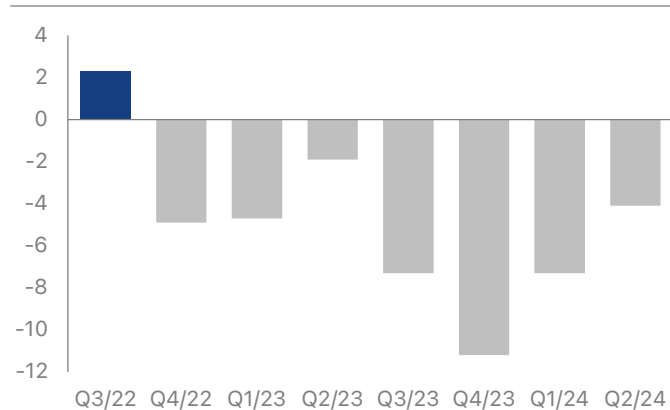
**European economic growth was weak in Q2, and the European Central Bank need to continue cutting interest rates.**

European GDP growth in Q2 2024 reached 0.6%, below the ECB's target of 0.8% set at the beginning of the year, due to weak industrial production and a lack of recovery in consumer demand in the region.

With the macro data not improving in July 2024, we believe this will press the European Central Bank to continue cutting interest rates, potentially this September. We also think that if the FED cuts interest rates in September, it will create room for the ECB to ease monetary policy more quickly, potentially with two additional rate cuts in 2024 if the European economy remains sluggish.

**Chart 8: New orders in the European industrial sector continued to decline in Q2.**

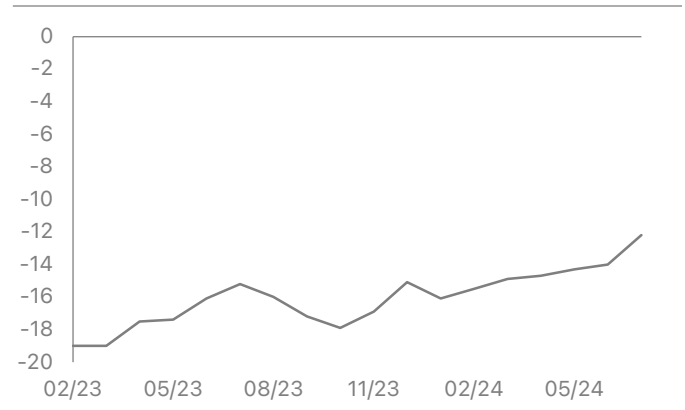
New orders index in the European Region [%]



Source: Bloomberg, TVS Research

**Chart 9: Consumption in Europe has recovered but remains weak in recent months**

Consumer confidence index [points]



Source: Bloomberg, TVS Research

**In H2 2024, TVS Research expects that geopolitical risks in the Middle East might dampen global economic growth.**

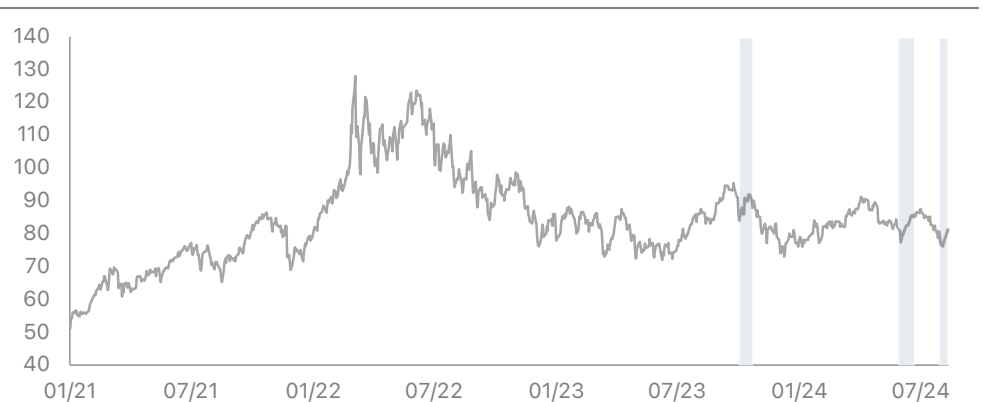
**The geopolitical risks in H2 2024 may arise from the ongoing conflict between Israel and Iran,** which might continue to disrupt the cargo transport through the Red Sea region and exacerbate global supply chain disruptions.

The political situation in the Middle East has become unstable since the escalation of the conflict between Israel and Hamas, leading to disruptions in transport through the Red Sea and the Suez Canal. Currently, the escalating conflict between Israel and Iran poses additional risks due to the strong military capabilities of these two countries, which could prolong the conflict.

TVS Research suggests that an escalation of the conflict in the Middle East could lead to a rise in oil prices in late 2024 and increase global inflation, thereby impacting the recovery of the global economy.

**Chart 10: Oil prices rise again as the risk of war in the Middle East increases**

Brent oil prices for the period 2021-2024 [USD/barrel]



Source: Bloomberg, TVS Research

Note: The gray shaded area represents the period of recent conflicts in the Middle East

## Vietnam Economy

### H1 2024 Macro Update

#### GDP in H1 2024 increased significantly by 6.4% YoY.

Vietnam's GDP growth reached 6.4% YoY in H1 2024. The Vietnamese economy has been recovering strongly in recent quarters, driven primarily by the rebound in domestic production as well as the trading activity.

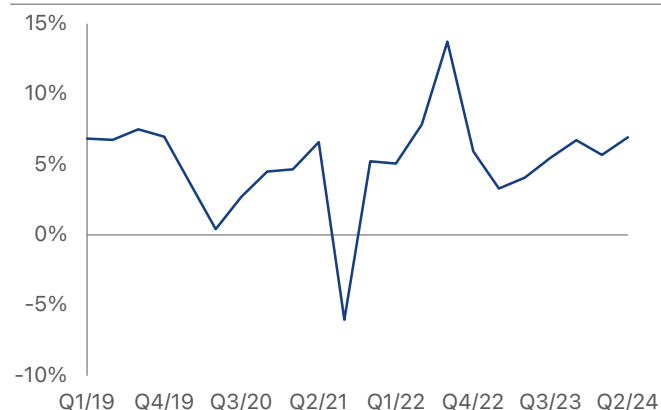
#### On the supply side, the Services and Industry & Construction sectors remained the main drivers of economic growth in H1 2024.

The Services sector grew by 6.6% YoY due to (i) domestic consumption support policies and government incentives for international tourism, and (ii) a strong rebound in exports leading to growth in supporting service industries such as transportation & warehousing. Additionally, the strong export performance also supported industrial production, which grew by 8.7% YoY, contributing to a 7.5% YoY increase in the Industry & Construction sector, which accounted for 44.3% of GDP growth in H1 2024.

On the demand side, the main contribution to GDP growth in H1 2024 came from final consumption (64.3% share), which grew by 5.9% YoY, an improvement compared to the 4.7% YoY growth in Q1 2024. This partially reflects the recovery signals in domestic consumption during H1 2024. Growth in H1 2024 reached 6.4% YoY, driven by the retail and goods export sectors, which grew by 8.2% YoY and 17.0% YoY, respectively.

#### Chart 11: GDP Growth in Q2 2024 Reaches 6.9% YoY

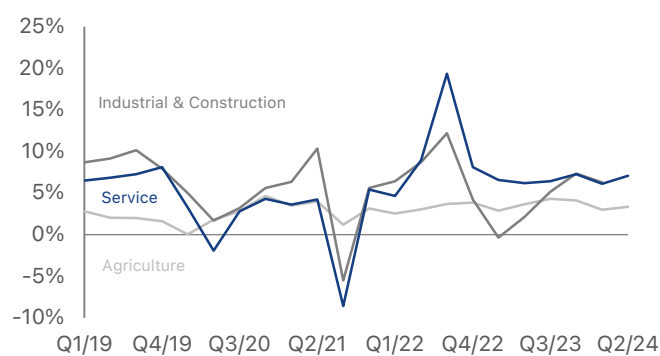
Quarterly GDP growth in Vietnam [% YoY]



Source: GSO, TVS Research

#### Chart 12: Services and Industry Remain Key Sectors Driving Economic Growth

Quarterly GDP growth by sector [% YoY]



Source: GSO, TVS Research

**We maintain our expectation of GDP growth reaching around 6.3-6.5% in 2024.**

In H2 2024, we believe that the top priority of government will be maintaining economic growth. Therefore, we expect fiscal and monetary support policies will be maintained to promote economic growth. We anticipate that GDP growth in 2024 could reach 6.3-6.5%, with key sectors supporting this growth, including import-export, retail, and FDI inflows.

**Table 1: Forecast of important macroeconomic indicators for Vietnam**

Indicators	Unit	2019	2020	2021	2022	2023	2024F	2025F
Real GDP growth	% YoY	7.0%	2.9%	2.6%	8.0%	5.1%	6.3%	6.5%
Overall inflation	% YoY	2.8%	3.2%	1.8%	3.2%	3.3%	4.0%	3.8%
Retail growth of goods and service	% YoY	12.1%	2.3%	-7.8%	22.8%	9.3%	11.0%	14.0%
Export growth	% YoY	8.5%	7.0%	19.0%	10.4%	-4.5%	15.0%	17.0%
Import growth	% YoY	7.1%	3.7%	26.5%	8.0%	-8.7%	16.0%	18.0%
Public investment disbursement growth	% YoY	7.1%	34.7%	-7.9%	19.8%	21.2%	4.0%	5.0%
Actualized FDI growth	% YoY	6.7%	-2.0%	-1.2%	13.5%	3.5%	11.0%	15.0%
Credit growth	% YoY	10.8%	13.6%	12.2%	13.6%	14.2%	14.0%	14.0%
Policy interest rate	VND	6.0%	4.0%	4.0%	6.0%	4.5%	4.5%	4.5%
USDVND	%	23,173	23,223	22,934	23,429	23,839	24,800	25,000
FX reserves	tỷ USD	78.3	94.8	109.4	86.5	89.0	91.0	95.0

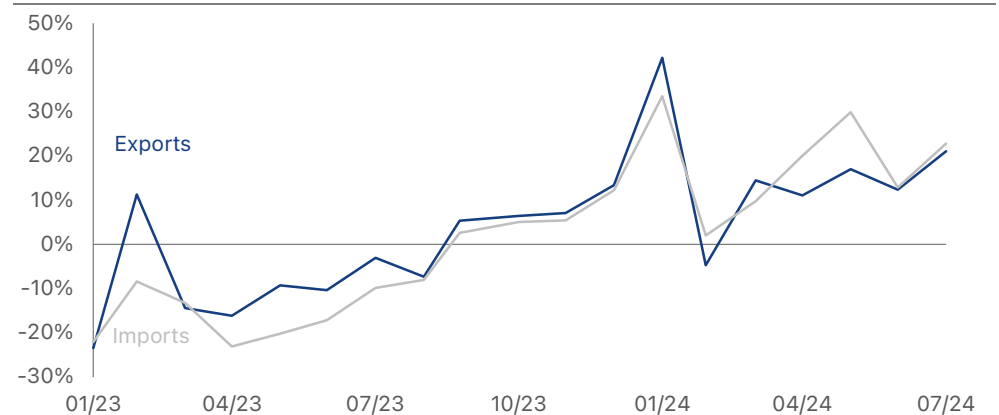
Source: FiinPro-X, Statista, Bloomberg, TVS Research

**Imports and exports grew strongly in 7M 2024 thanks to FDI-related sectors.**

Trading activity has remained the main growth driver of our economy since the early of 2024, as demand recovers in key markets (e.g. the US, China, etc.). In 7M 2024, Vietnam's exports and imports reached USD 227 bn (+15.7% YoY) and USD 213 bn (+18.5% YoY), respectively. Overall, the strong upward trend in 7M 2024 has been driven by FDI-related sectors such as phones, computers, and machinery & equipment, as demand of electronics devices is recovering in developing markets like Asia and Latin America. Meanwhile, key domestic export sectors such as textiles (+4.2% YoY) and seafood (+8.7% YoY) have recovered relatively slowly.

### Chart 13: Exports and imports grew strongly in 7M 2024

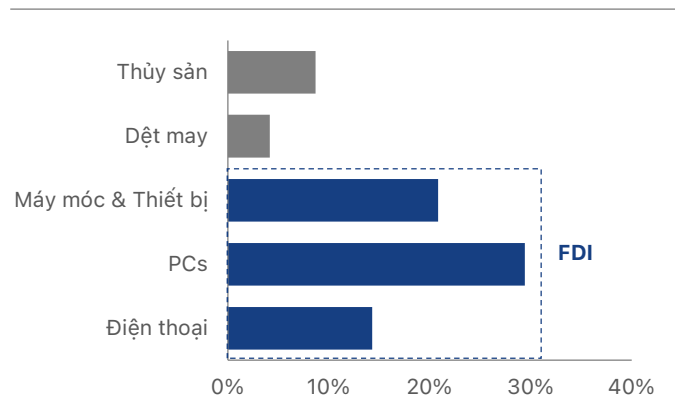
Monthly exports and imports growth from 2023-now [% YoY]



Source: GSO, TVS Research

### Chart 14: FDI-related sectors being the main drivers of exports growth in 7M 2024

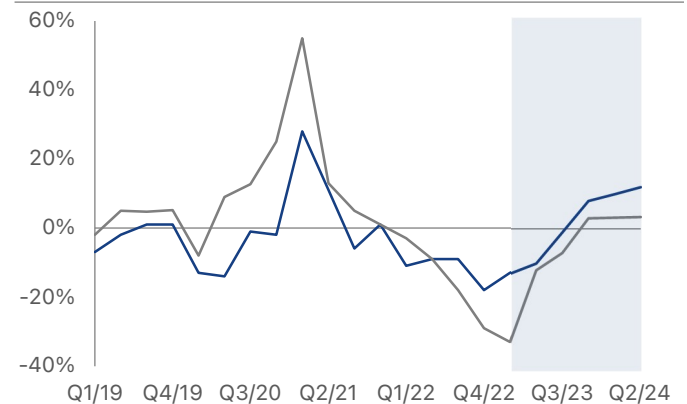
Growth of main export sectors in 7M 2024 [% YoY]



Source: GSO, TVS Research

### Chart 15: ... due to the global recovery in demand for electronic goods

Quarterly growth of the smartphone and computer shipment worldwide [% YoY]



Source: Catalys, TVS Research

**We maintain our expectation for strong growth trends in imports and exports in the last months in 2024.**

Trade activity will continue to be the driving force of the economy in 2024, with forecasts for exports and imports growth in 2024 at 15% YoY and 16% YoY respectively, due to:

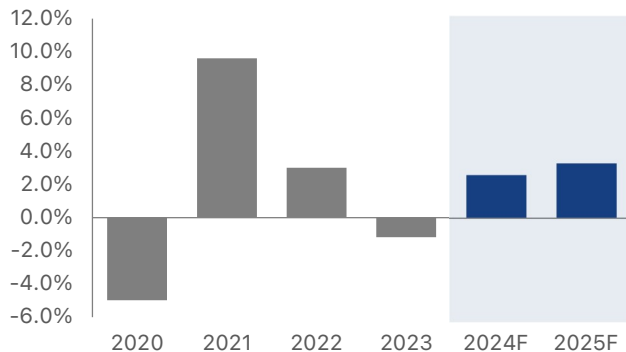
- According to the WTO, global merchandise trade is expected to recover by 2.6% in 2024, driven by economic recovery in developing regions such as Asia and Africa. Additionally, the trend of increasing inventory levels in major markets will also boost trade activity soon
- FDI-related products (such as phones and computers) will continue to lead Vietnam's export growth in 2024, benefiting from the long-term trend of increased global spending in the information technology sector (see [Q1 2024 Investment Strategy Update](#) for further details)
- Furthermore, export growth will also be supported by key export



sectors such as textiles, which are seeing a significant increase in raw material imports over the past 3-4 months to prepare for the year-end holiday season. This indicates a return of orders and will help drive export growth in the last two quarters of the year.

#### Chart 16: The trading activity will be recovered in 2024-2025

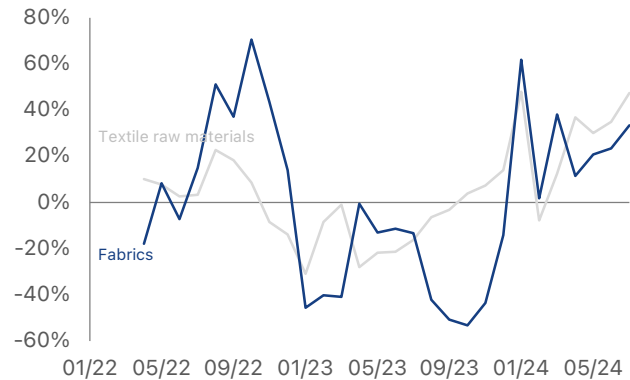
The merchandise trading volume annual growth [% YoY]



Source: WTO, TVS Research

#### Chart 17: Significant increase in textile raw material imports in the last 4 months

Growth in textile raw material imports [% YoY]



Source: GSO, TVS Research

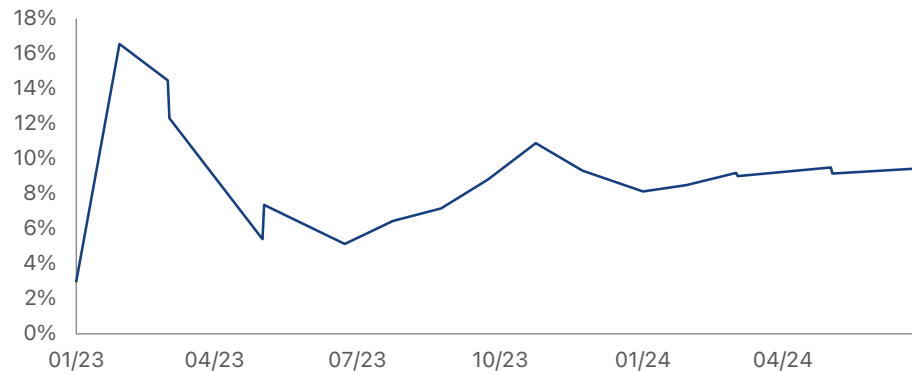
#### Retail growth grew a bit slowly in 7M 2024.

The total retail sales of goods and services' growth rate in 7M 2024 increased by 8.7% YoY and by 5.2% when excluding price effects. This indicates that the retail sector's recovery in 7M 2024 was quite slow. We expect the main reason is that workers' incomes in H1 2024 have generally remained flat compared to 2023. This is partly because labor-intensive sectors such as textiles and seafood have not recovered strongly, while FDI-related sectors have grown strongly whose accounted for only about 10% of the domestic workforce.

However, a bright spot in the retail sector during 7M 2024 was the tourism industry, with a total of 10 million international visitors to Vietnam (+51% YoY, +2% compared to the same period in 2019). The return of international tourists has also contributed to growth in the accommodation and travel sectors, which increased by 15.2% YoY and 31.8% YoY, respectively, in 7M 2024

**Chart 18: Retail sector's growth in 7M 2024 was 8.6% YoY**

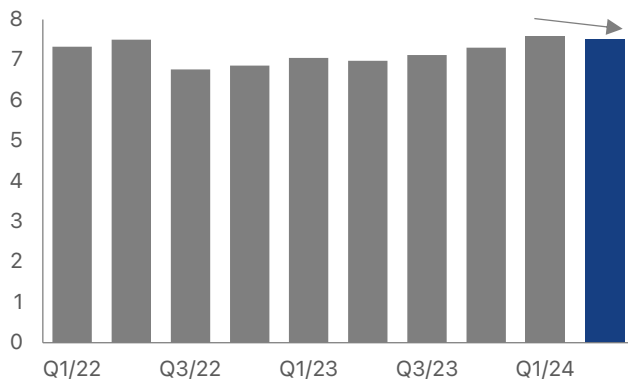
Growth of total retail sales of goods and services [% YoY]



Source: GSO, TVS Research

**Chart 19: Average Income of Workers in Q2 Slightly Decreased Compared to Previous Quarters**

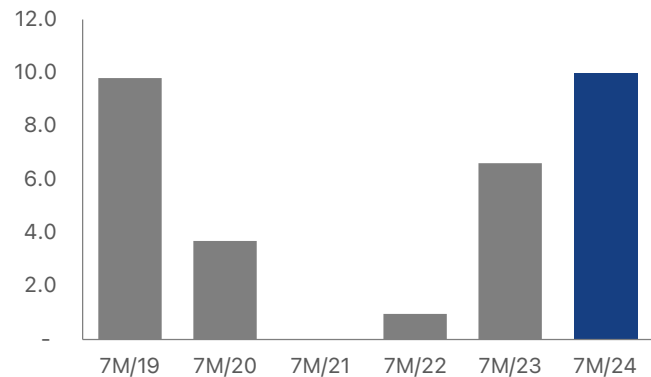
Average monthly income of labor workforce in Vietnam by quarters [VND mn]



Source: GSO, TVS Research

**Chart 20: Number of International Tourists in the First 7 Months of 2024 Exceeds Pre-COVID-19 Period**

Number of international visitors to Vietnam in 7M 2019-2024 [mn people]



Source: GSO, TVS Research

**We expect retail sector will grow stronger in H2 2024 thanks to the economic recovery.**

As mentioned earlier, we maintain our expectation for a strong recovery in trading activity in H2 2024. Additionally, labor-intensive sectors such as textiles are showing positive signs with increasing orders and higher imports of raw materials in recent months. We believe that improvements in income levels will directly support demand of the retail sector.

Also, the government continues to implement supportive policies such as (i) a 2% reduction in VAT until the end of 2024 and (ii) wage reforms effective from early July 2024, which have increased the base salary by 30% and the minimum wage by 6% compared to previous levels. The total expenditure during the 2024-2026 period is projected to be VND 470,000 billion.

## FDI inflows continue to attract foreign investors as the domestic business environment has remained stable.

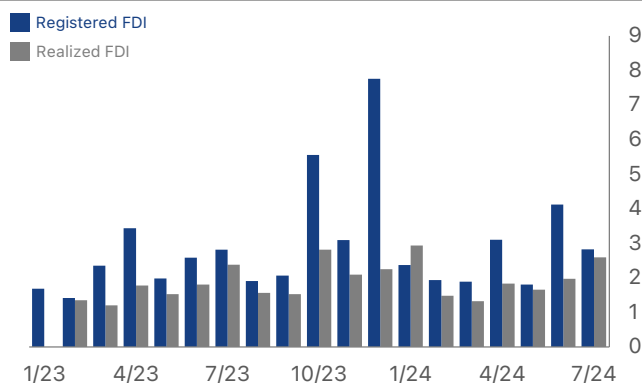
In 7M 2024, registered and realized FDI reached USD 18 bn (+10.9% YoY) and USD 12.6 bn (+8.4% YoY), respectively. The trend of FDI inflows into Vietnam remains concentrated in the manufacturing sector (+16% YoY, accounting for 70% of total registered capital) and real estate (+78% YoY, accounting for 16% of total registered capital). The prolonged growth in registered and disbursed FDI indicates that Vietnam's investment environment remains attractive to investors, particularly from Asian countries like Singapore and Japan.

In H2 2024, we maintain our expectation that registered and disbursed FDI in Vietnam will continue to increase steadily due to:

- The existing competitive advantages of the domestic manufacturing sector, such as the economic and social situation, strategic location, and abundant labor force, remain stable with no major fluctuations. A stable business environment will ensure uninterrupted business operations, which is a key concern for investors
- The upgrade of strategic partnerships to comprehensive strategic partners with the US, Japan (2023) and Australia (2024) will also help boost trade activities and attract FDI. Additionally, strategic cooperation with major countries contributes to social stability amid ongoing geopolitical uncertainties globally

**Chart 21: FDI disbursement and registration inflows has increased in 2024**

Monthly registered and disbursed FDI from 2023-now [USD bn]



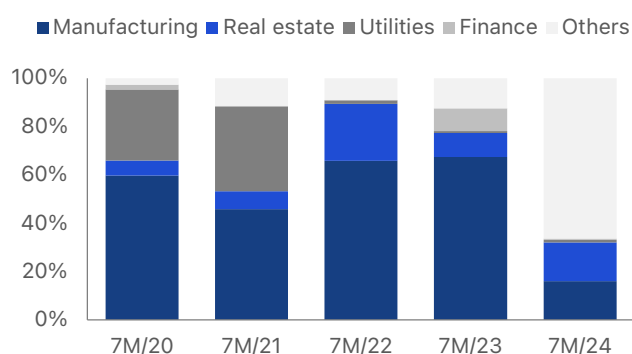
Source: Fiinpro-X, TVS Research

## Average inflation in 7M 2024 was 4.1% YoY.

The average overall CPI in 7M 2024 reached 4.1% YoY. The strong increase in inflation during this period is largely attributed to the Foods & Foods Services group, which rose by 4.0% YoY. Within this group, the Foods category increased by 15.6% YoY, contributing for 0.6 ppt to the CPI due to the high prices of key staple foods like rice and domestic

**Chart 22: Manufacturing & RE are the main sectors attracting FDI inflows in 7M 2024**

FDI registration breakdown by Sector [%]



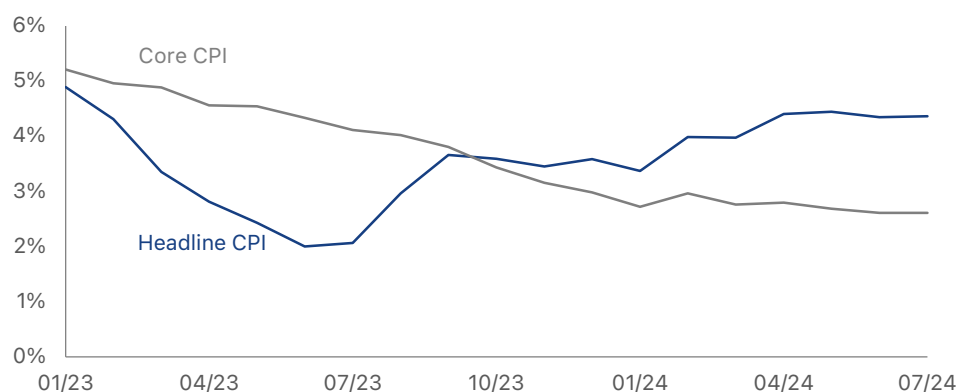
Source: Fiinpro-X, TVS Research

pork, which have remained elevating compared to the same period last year.

Additionally, prices for government-regulated services such as Education (tuition fees for the 2023-2024 school year increased in various localities) and Healthcare (increased medical fees from November 2023) have also risen since late 2023, with these sectors increasing by 8.5% YoY and 7.2% YoY, respectively, in the first 7 months of this year.

### Chart 23: The overall CPI increased significantly in 7M 2024

Overall CPI and Core CPI Average from 2023-now [% YoY]



Source: GSO, TVS Research

**We maintain the forecast for the average inflation rate in 2024 to be between 3.8% and 4.0% YoY.**

**The exchange rate will cool down by the end of Q2 2024.**

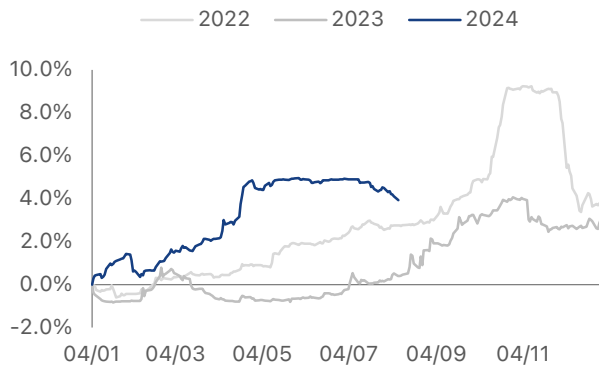
**We maintain our forecast that the average inflation rate in 2024 will be between 3.8% and 4.0% YoY, as in previous reports.** Prices for food items such as live hog prices and rice will remain high in 2024 compared to the same period last year due to (i) live hog prices being affected by a decrease in pork supply due to African Swine Fever. This will have a direct impact on the CPI, as the Food and Dining Services sector accounts for 33.6% of the CPI basket. Additionally, the impact of new pricing policies in the Health sector (increased healthcare fees from late November 2023) and Education sector (increased tuition fees in some regions from September 2023) will lessen by Q4 as the low base of 2023 is no longer a factor. Therefore, we expect inflationary pressures to ease by the end of this year.

As of July 2024, the USD/VND exchange rate has increased by 4.1% YTD. Exchange rate pressures on the economy during April-May were relatively high as the FED continued to delay the timing of interest rate cuts, allowing the USD to maintain its strength through the DXY index. Additionally, the low domestic interest rate environment maintained by the State Bank of Vietnam (SBV) has kept the interest rate differential between USD and VND high.

However, the USD/VND exchange rate has cooled down since early June after the SBV sold more than USD 6 bn in two months and maintained a net absorption stance on open market operations (OMO) to keep the interbank interest rate around 4.5%. Furthermore, recent signals of weakening U.S. economic performance have made the FED's interest rate cut trend clearer in the latter months of 2024.

**Chart 24: USD/VND exchange rate pressure has decreased since mid-Q2 2024**

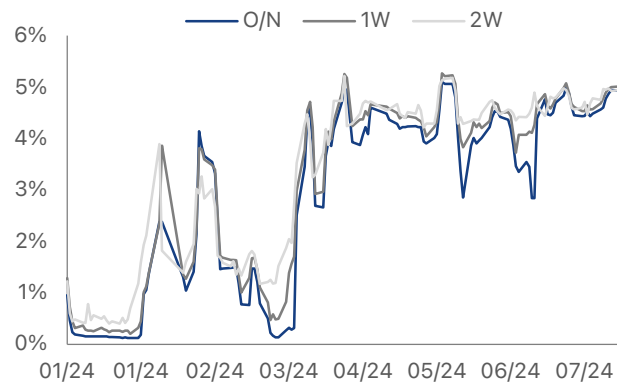
USD/VND exchange rate fluctuations between 2022-2024 [%]



Source: Bloomberg, TVS Research

**Chart 26: The SBV has maintained a high level of interbank interest rate...**

Short-term interbank interest rate in 2024 [%]



Source: Bloomberg, TVS Research

**We maintain the forecast that the USD/VND exchange rate will increase by approximately 3.0% to 3.5% in 2024.**

**We maintain the forecast that the exchange rate will be decreased towards the end of the year, with the VND expected to depreciate by approximately 3.0% to 3.5% in 2024.** We expect FED will accelerate the time of their rate cuts as the US economy was weakened recently. Also, we believe the 'darkest hour' in controlling the exchange rate fluctuation is already passed.

However, exchange rate pressures might be present in H2 2024 as

**Chart 25: DXY index was going down as the FED rate cut is expected to start since this Sept**

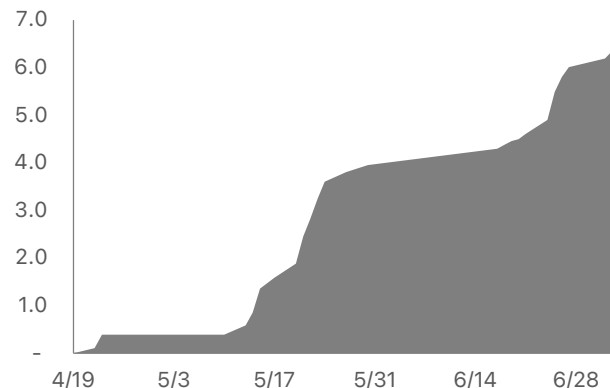
DXY [pt]



Source: Bloomberg, TVS Research

**Chart 27: and sold USD 6 billion to CBs in Q2 2024 to ease FX pressure**

SBV's USD value sold in Q2 2024 [USD bn]



Source: TVS Research

businesses increase imports to prepare for the year-end holiday season. The 4<sup>th</sup> quarter of 2024 may see the exchange rate stabilize if the FED proceeds with rate cuts in September, along with USD inflows from trade surpluses, abundant FDI, and revenue from tourism with the influx of foreign visitors to Vietnam. Although the exchange rate trend is expected to be favorable, we believe the SBV will maintain interbank interest rates above 4% to curb arbitrage activities.

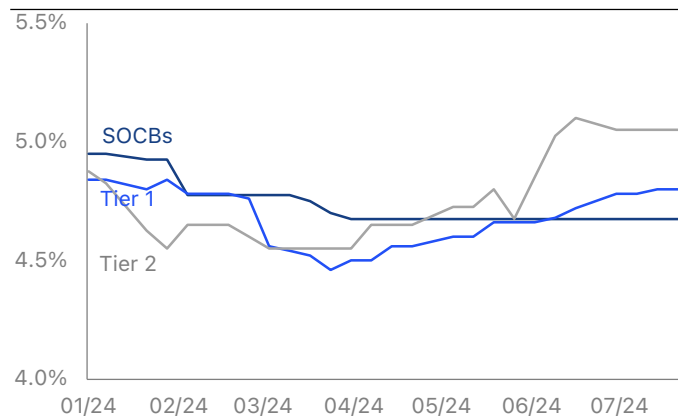
## Deposit interest rates increased slightly in Q2 2024.

In Q2 2024, deposit interest rates at CBs showed a noticeable increase starting from mid-Q2, with common rises of 30-50 bps for 12-month tenors. Some smaller private commercial banks saw increases of 70-100 bps. Although credit has not yet recovered strongly, TVS Research believes that CBs are raising deposit rates due to a significant contraction in system liquidity, as the SBV has maintained a net absorption stance through treasury bills and interbank interest rates have remained high since late April 2024.

Meanwhile, average lending rates remain low due to heightened competition, weak credit demand, and some banks maintaining customer support policies. This aligns with the government's direction to continue lowering lending rates to support economic growth.

**Chart 28: Deposit rates increased slightly in CBs in Q2 2024**

12M deposit rates in commercial banks [%]

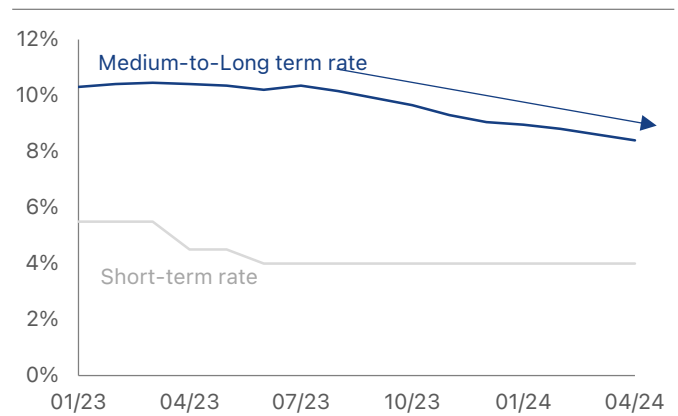


Source: Banks' website, TVS Research

Note: SOCBs: BID, CTG, VCB; Tier 1: MBB, VPB, TCB; Tier 2: HDB, LPB, VIB, MSB

**Chart 29: Lending rates continue to decrease since the early of 2024**

Average banks' lending rates for business [%]



Source: FiinPro-X, TVS Research

**We anticipate that interest rates may increase slightly in the H2 2024, but remain low throughout the year**

For deposit interest rates, TVS Research believes that rates will face higher pressure to increase compared to the early of 2024, due to the impact of interest rate and exchange rate conditions. However, the increase will not be substantial, but it will become more pronounced in H2 2024 as credit growth strengthens. Meanwhile, we still expect lending rates to recover in H2 2024 in response to credit demand.

## Forecast for Vietnam's Macroeconomic Indicators

Indicators	Unit	2019	2020	2021	2022	2023	2024F	2025F
<b>GDP &amp; Employment</b>								
GDP	USD bn	332	346	369	404	421	445	474
GDP Growth	% YoY	7.0%	2.9%	2.6%	8.0%	5.1%	6.3%	6.5%
Unemployment rate	%	2.0%	2.3%	3.2%	2.3%	2.3%	2.2%	2.2%
<b>Inflation</b>								
Overall inflation, average	% YoY	2.8%	3.2%	1.8%	3.2%	3.3%	4.0%	3.8%
<b>Production and Consumption</b>								
Manufacturing PMI (End of Year)	pt	50.8	51.7	52.5	46.4	48.9	51.0	52.5
Industrial Production Index	% YoY	6.2%	9.5%	8.7%	0.2%	5.8%	7.5%	9.0%
Retail Sales and Services	VND tn	4,940	5,060	4,789	5,680	6,232	6,918	7,887
Retail Sales and Services Growth	% YoY	11.8%	2.6%	-3.8%	19.8%	9.6%	11.0%	14.0%
<b>Trade and Investment</b>								
Exports	USD bn	264.3	282.7	336.3	371.3	354.7	386.6	436.9
Export Growth	% YoY	8.5%	7.0%	19.0%	10.4%	-4.5%	9.0%	13.0%
Imports	USD bn	253.4	262.7	332.2	358.9	327.5	366.8	418.2
Import Growth	% YoY	7.1%	3.7%	26.5%	8.0%	-8.7%	12.0%	14.0%
Trade Surplus	USD bn	10.9	19.9	3.3	12.1	28.3	19.8	18.7
Current Account	USD bn	12.2	15.1	-8.1	-1.1	21.8	18.0	15.0
Public Investment Disbursement	VND tn	347.1	467.3	430.6	515.9	625.3	609.7	615.8
Public Investment Disbursement growth	% YoY	7.1%	34.7%	-7.9%	19.8%	21.2%	-2.5%	1.0%
Registered FDI	USD bn	38.0	28.5	31.2	27.7	36.6	45.7	50.3
Registered FDI growth	% YoY	7.0%	-25.0%	9.5%	-11.2%	32.1%	25%	10%
Realized FDI	USD bn	20.4	20.0	19.7	22.4	23.2	25.7	29.6
Realized FDI growth	% YoY	6.7%	-2.0%	-1.2%	13.5%	3.5%	11%	15%
<b>Monetary Market &amp; Exchange rate</b>								
Policy interest rate	%	6.0%	4.0%	4.0%	6.0%	4.5%	4.5%	4.5%
Overnight interbank rate	%	3.3%	0.8%	0.7%	3.1%	2.3%	0.5%	0.5%
Credit growth	% YoY	10.8%	13.6%	12.2%	13.6%	14.2%	14.0%	14.0%
M2 money supply	VND tn	10,573	12,111	13,402	14,227	15,074	16,129	17,419
M2 money supply growth	% YoY		14.5%	10.7%	6.2%	6.0%	7.0%	8.0%
Foreign exchange reserves	USD bn	78.3	94.8	109.4	86.5	89.0	91.0	95.0
12M deposit rates of 4 SOCBs at year-end	%	6.8	5.8	5.5	7.4	5.0	5.5	6.0
USD/VND exchange rate	VND	23,173	23,223	22,934	23,429	23,839	24,800	25,000
Source: GSO, Fiin-ProX, Statista, Bloomberg, TVS Research								

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Stock ratings are set based on projected total shareholder return (TSR), defined as  $(\text{target price} - \text{current price}) / \text{current price} + \text{dividend yield}$ . Definitions of equity rating key:

Recommendation ratings	Definition
BUY	Expected stock total return over 1 year > 20%
HOLD	Expected stock total return over 1 year is between -10% to 20%
SELL	Expected stock total return over 1 year < -10%

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