

## Enter the Year of the Horse. A step up in class, steady reins.



**Tung Dang**  
Senior Economist

### Macroeconomics:

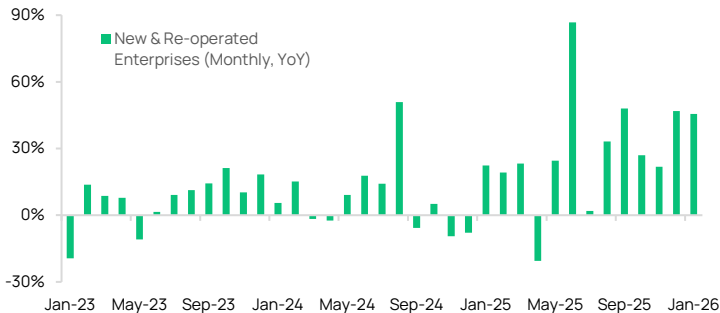
- ▶ Industrial momentum accelerated, with IIP rising 21.5% YoY and PMI at 52.5, reinforcing confidence in sustained manufacturing expansion.
- ▶ Business formation strengthened markedly, with nearly 49,000 enterprises launched or resumed (+45.6% YoY) and registered capital surging 92.3%.
- ▶ External and public-sector engines remained supportive, as exports climbed 29.7% YoY and public investment disbursement increased 19.3%.

### Stock Market:

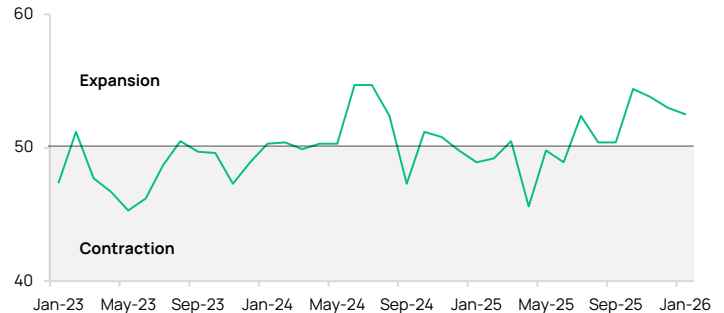
- ▶ The VN-Index reached a record 1,918.46 before consolidating, ultimately finishing January up 4.0% MoM in USD terms following last year's re-rating.
- ▶ Several SOEs outperformed as Resolution 79 lifted expectations for governance improvements, capital discipline, and potential valuation re-rating.
- ▶ Combined liquidity held firm at \$1.5bn/day while foreign investors recorded intermittent net buying.

## CHARTS OF THE MONTH

Corporate Formation Underpins Broadening Growth



PMI In Expansion For 7 Consecutive Months



## Monthly Insights

January's data indicates a synchronised expansion across production, demand, investment, and trade, reinforcing confidence that late-2025 momentum is carrying into 2026, and that Vietnam's expansion is beginning to broaden. Headline inflation remained contained at 2.5%, preserving policy flexibility, while state budget revenue increased 20.4% YoY and reached 14.7% of the annual estimate in January, supporting capacity to sustain growth-oriented expenditure.

PMI remained firmly in expansion territory at 52.5, while the Index of Industrial Production (IIP) rose 21.5% YoY, led by manufacturing at 23.6% as export demand strengthened. The upswing also broadened into cyclical areas, including non-metallic minerals up 41.9% and motor vehicles up 36.6%, suggesting the recovery is extending beyond a narrow electronics cycle. Industrial employment increased 4.3% YoY, led by foreign-invested enterprises, a pattern more consistent with firms adding capacity than simply raising utilisation.

Domestic demand remained supportive. Retail sales and services revenue grew 9.3% YoY in nominal terms, or 6.3% in real terms. Tourism continued to improve, with international arrivals close to 2.5 million, up 18.5% YoY, while passenger traffic rose 16.3% ahead of the Lunar New Year period, reinforcing a steady consumption backdrop as services continue to normalise.

Investment and external activity also began 2026 on a firm footing. Public investment disbursement reached \$1.7bn, up 19.3% YoY, while FDI disbursement matched this level at \$1.7bn, up 11.3% YoY and marking the strongest January in five years. Over 80% of realised FDI was in manufacturing, reinforcing Vietnam's role in regional supply chains. Private-sector activity strengthened materially, with nearly 49,000 enterprises newly established or resuming operations, up 45.6% YoY. Newly registered firms alone rose 126.8% and registered capital increased 92.3%, signalling domestic corporate expansion remains active despite an uncertain global backdrop. External trade turnover rose 39.0% YoY to \$88.2bn, with exports up 29.7%, led by electronics (+57.6%) and machinery (+40.2%), supporting the near-term industrial outlook.

Equity markets opened 2026 strongly before entering a phase of consolidation. The VN-Index reached a new all-time high of 1,918.46 in the second week of January before ending the month at 1,829.04, up 4.0% MoM in USD terms. Liquidity held firm and foreign activity remained mixed, with intermittent strong net-buying sessions. Several state-owned enterprises (SOEs) outperformed, supported in part by improving expectations around Resolution 79, which emphasises operational efficiency and stronger accountability for SOEs. If implementation follows through, this could broaden market leadership by sharpening differentiation within the SOE universe and support valuations over time.

From an investor perspective, the January mix remains constructive because it points to both cyclical momentum and improving breadth. Manufacturing remains the anchor, but firmer services activity and real consumption reduce the risk that growth becomes overly reliant on external demand. The surge in new business formation and registered capital is particularly important, as it signals that domestic corporates are preparing to expand, a dynamic that could meaningfully broaden the future earnings pool. The primary caution is seasonality, as January data can be influenced by timing effects around the Lunar New Year, making follow-through in February and March a more important test of underlying momentum. If industrial strength persists and inflation remains contained, policy conditions should stay supportive. In that environment, the equity market's focus is likely to centre on earnings delivery and whether foreign participation evolves from episodic to sustained.

## Key Indicators

Item	Unit	2021	2022	2023	2024	2025E	2026F
GDP	\$bn	366.1	408.8	430.0	476.3	514.0	561.8
Real GDP Growth	%	2.6	8.0	5.1	7.1	8.0	9.3
Services Growth	%	1.2	10	6.9	7.4	8.6	9.5
Agriculture Growth	%	2.9	3.4	2.6	3.3	3.8	4.0
Ind'l and Const'n Growth	%	4.1	7.8	3.5	8.3	9	10.5
Retail Sales Growth	%	-3.8	10.2	8.3	9.0	9.2	10.0
<b>Prices</b>							
CPI (Average YoY)	%	1.8	3.2	3.3	3.6	3.3	4.0
<b>Money, FX and Interest Rates</b>							
Money Supply M2	%	8.9	6.2	12.5	12.7	15.0	12.5
Average 12M Deposit Rate	%	6.0	8.0	5.0	5.0	5.8	6.3
5-yr VGB	%	0.9	4.7	1.6	1.4	3.3	3.5
VND:\$	\$1	22,800	23,550	24,250	25,450	26,300	27,310
<b>External Sector</b>							
Trade Balance	\$bn	3.3	12.4	28.0	24.4	20.0	25.0
Current Account	\$bn	-8.1	1.4	25.8	30.5	34.5	40.0
Current Account / GDP	%	-2.2	0.3	6.0	6.4	6.7	7.1
FDI Registered	\$bn	38.5	27.7	36.6	35	38.4	41.9
FDI Disbursement	\$bn	19.8	22.4	23.2	25.4	27.6	30.1
FX Reserves	\$bn	106.5	85	89	80	78	80
<b>Public Debt Fiscal Balance</b>							
External Debt	\$bn	138.8	141.2	138	140.3	151.0	168.54
Government	\$bn	47.9	48.8	44.4	44.5	47.8	50.0
Enterprises (incl. FDI)	\$bn	90.9	92.4	93.6	95.8	103.2	118.54
External Debt (% GDP)	%	37.9	34.5	30.3	30.3	29.4	30.0
Fiscal Balance (% GDP)	%	-4.0	-4.0	-3.6	-3.6	-4.2	-4.0

All forecasts are Dragon Capital estimates

## Key Stock Market Data

	HSX		HNX		UPCoM		Total	
	31-Jan-25	31-Jan-26	31-Jan-25	31-Jan-26	31-Jan-25	31-Jan-26	31-Jan-25	31-Jan-26
Market cap (\$mn)	210,147	329,204	13,997	17,939	61,974	59,053	286,119	406,196
Number of stocks	393	402	309	301	887	854	1,589	1,557
Number of large cap stocks (> \$400mn)	77	88	11	13	17	21	105	122
Stocks with no room for foreigners	65	61	92	106	269	309	426	476
Market cap of stocks with no room (\$mn)	27,728	14,012	2,744	3,311	25,398	29,595	55,870	46,918
Share of Market Cap with No Room (%)	13.2	4.3	19.6	18.5	41.0	50.1	19.5	11.6

## Top 25 Companies by Market Cap

No	Company	31-Jan Price (VND)	Price YTD (%)	Mkt Cap (\$m)	Wt in VNI (%)	P/E			P/B			Yield		
						2024 (x)	2025 (x)	2026E (x)	2024 (x)	2025 (x)	2026E (x)	2024 (%)	2025 (%)	2026E (%)
1	Vingroup	140,500	-17.2	41,724	12.70	13.0	97.2	91.7	1.1	8.8	6.7	0.4	0.2	-
2	Vietcombank	70,500	22.6	22,701	6.90	17.2	15.7	16.9	2.6	2.1	2.2	-	0.8	-
3	Vinhomes	106,000	-14.5	16,779	5.10	5.2	12.4	9.7	0.8	2.2	1.5	0.4	0.2	-
4	BIDV	53,900	38.6	14,584	4.40	13.3	11.9	15.7	1.8	1.6	2.1	-	1.2	-
5	Viettel Global Investment	123,300	74.2	14,463	-	49.1	23.1	29.1	8.0	5.3	-	0.4	1.9	-
6	Vietinbank	38,750	8.4	11,599	3.50	8.8	8.9	8.3	1.4	1.6	1.4	-	0.9	-
7	PV Gas	117,000	61.6	10,880	3.30	15.2	15.7	23.1	2.6	2.6	4.2	8.7	2.9	3.4
8	Techcombank	35,900	2.9	9,804	3.00	8.1	10.1	9.0	1.2	1.5	1.3	3.0	2.9	2.3
9	VP Bank	28,000	-2.3	8,561	2.60	9.4	9.5	6.7	1.0	1.4	1.2	5.2	1.8	4.5
10	MB Bank	27,200	7.5	8,443	2.60	6.0	7.8	6.9	1.2	1.5	1.3	2.1	1.0	-
11	Masan Consumer	159,100	-11.0	7,937	2.40	23.0	34.8	28.0	16.7	12.8	11.1	12.4	1.2	2.4
12	Hoa Phat Group	26,800	1.5	7,927	2.40	14.2	13.1	10.5	1.5	1.6	1.4	-	-	1.6
13	Airports Corporation VN	54,800	12.1	7,565	-	29.1	17.7	17.7	4.6	2.4	2.3	-	-	-
14	FPT Corporation	104,500	9.1	6,860	2.10	30.7	18.5	17.1	7.4	4.5	4.0	1.5	2.8	2.5
15	Vinpearl	92,500	-1.8	6,393	1.90	-	149.4	17.1	-	4.6	-	-	-	-
16	Vinamilk	70,600	15.4	5,686	1.70	14.5	15.2	16.0	3.8	4.2	4.8	6.2	8.8	6.0
17	HD Bank	28,300	-4.7	5,459	1.70	7.0	9.0	7.1	1.6	2.0	1.2	3.3	-	-
18	Mobile World	92,900	5.1	5,257	1.60	23.6	18.6	16.3	3.2	4.0	3.4	0.8	1.1	1.1
19	Techcom Securities	56,500	20.2	5,033	1.50	23.8	19.1	18.4	3.5	2.5	2.6	1.3	-	-
20	LienViet Post Bank	41,650	-0.4	4,795	1.50	8.9	10.9	12.1	2.0	2.6	2.0	-	6.0	-
21	ACB	24,100	0.4	4,771	1.50	6.7	8.0	6.8	1.3	1.3	1.1	3.4	3.6	1.5
22	Masan Group	84,000	9.1	4,681	1.40	50.4	27.1	25.2	3.3	3.1	3.1	1.7	0.8	1.4
23	Sacombank	63,000	8.6	4,577	1.40	6.9	18.4	10.0	1.3	1.8	1.5	-	-	-
24	Binh Son Refining	22,400	39.1	4,323	1.30	112.0	15.5	27.1	1.3	1.3	1.9	3.1	-	1.8
25	Vietjet Air	170,500	-18.4	3,887	1.20	38.6	53.3	39.9	3.2	4.6	4.3	0.1	-	-

All forecasts are Dragon Capital estimates

This document has been prepared by Dragon Capital Management (HK) Limited. It is provided to you following your express request to be included in such communications, and your confirmation of eligibility to receive the same. If you wish to unsubscribe from future updates at any time, please email [unsubscribe@dragoncapital.com](mailto:unsubscribe@dragoncapital.com).

This document is a review of the investment case for Vietnam, and all information is for background purposes only. The document is neither a prospectus nor an offer or invitation to apply for any securities or any other instrument or investment and neither this document nor anything contained herein shall form the basis of any contract of commitment whatsoever. Any investment performance and market information provided in this presentation, including information about any particular companies, are provided for illustrative purposes only and are not investment recommendations.

Past performance is not necessarily a guide to future performance. Certain statements included in this document are forward-looking and are therefore subject to risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied because they relate to future events. Consequently, the actual performance and results of the market or companies could differ materially from the expectations set out herein. Accordingly, no assurance can be given that any particular expectation will be met, and you are cautioned not to place undue reliance on forward-looking statements which speak only at their respective dates.

The information and opinions in this presentation (which includes information drawn from public sources) are subject to change without notice, update, revision, further verification and amendment. Dragon Capital makes no representation or warranty as to the accuracy, completeness or context of the presentation, and expressly disclaims all liability whatsoever arising from reliance upon this presentation or any part of it.

This document must not be distributed or otherwise made available to third parties without the consent of Dragon Capital, and then only to such recipients who have confirmed that distribution of such information is in compliance with all securities laws and regulations which apply to them.