

## Earnings strength meets market consolidation



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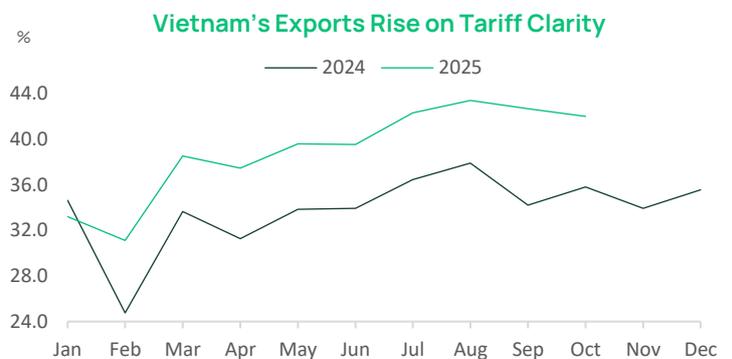
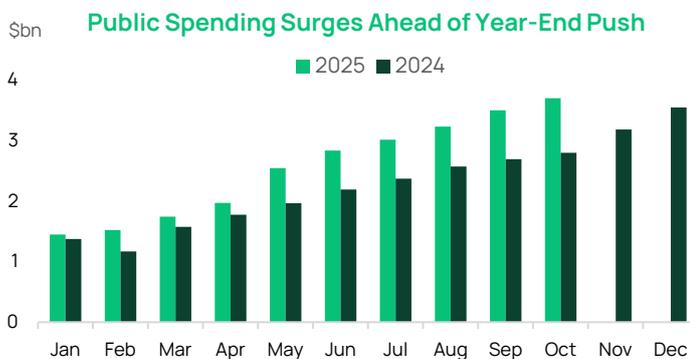
### Macroeconomics:

- ▶ Vietnam sustained growth momentum with industrial output up 10.8% YoY and PMI jumping to 54.4, signalling a rebound in manufacturing orders and export demand.
- ▶ Public and private investment remained key growth pillars, with public disbursement up 27.8% and FDI disbursement at a five-year high of \$21.3bn.
- ▶ Inflation remains stable at 3.3%, allowing policymakers to sustain liquidity support and credit growth, though FX pressure remains a key watchpoint.

### Stock Market:

- ▶ The VNI eased 0.7% in USD terms in October after touching a record 1,794, reflecting post-upgrade consolidation and global risk rebalancing.
- ▶ Combined average daily liquidity held at \$1.4bn but below previous month's highs, with over 310,000 new retail accounts offsetting foreign outflows of \$825mn.
- ▶ IPO momentum accelerated with VP Bank Securities' \$480mn listing and VPS preparing a \$460mn offering under the new fast-track listing regime.

## CHARTS OF THE MONTH



## Monthly Insights

The Vietnam Index reached a new intraday high of 1,794 in October before easing 0.7% by month-end. The mild pullback reflects profit taking after a long rally rather than any deterioration in fundamentals. Average daily trading value was steady at \$1.4bn, while retail investors opened more than 310,000 new accounts, the highest monthly figure in a year. Foreign investors continued to net sell around \$825mn, taking total outflows to approximately \$5.0bn YTD. The ability of domestic liquidity to absorb these outflows underscores the depth of local participation, but the persistent foreign selling remains a pain point. Global appetite for emerging markets is still cautious, constrained by high returns in developed markets amid geopolitical uncertainty, while pressure on the Vietnamese dong has been compounded by seasonal FDI profit repatriation.

Nonetheless, macro indicators continue to confirm Vietnam's underlying momentum. Industrial production rose 10.8% YoY in October and PMI climbed to 54.4, signalling renewed strength in both domestic and export demand. Public investment disbursement reached \$24.3bn YTD, up 27.8% YoY, as infrastructure projects move from approval to implementation at a steady pace, and disbursed FDI hit \$21.3bn, up 8.8% YoY, the highest in five years. CPI remained contained at 3.3%, providing room for the State Bank to maintain accommodative policy conditions.

Corporate earnings added weight to the recovery story. 3Q25 NPAT rose 21.2% YoY on 7.2% revenue growth, while 9M25 NPAT increased 22.4% YoY on 9.0% revenue growth. The improvement was driven by better margins and stronger volumes rather than one-off financial income, showing a genuine recovery in operating performance. Financials and industrials remained the main growth drivers, while strong signs of recovery in real estate and consumption suggest broader participation ahead. For Dragon Capital's Top 80 universe, base-case profit growth of 21% in 2025 and 17% in 2026 looks achievable as earnings quality strengthens and performance broadens beyond the large-caps.

Public debt remains moderate at around 33% of GDP, giving the government space to maintain its infrastructure drive without creating fiscal strain. Concurrently, capital market reform is gaining traction. VP Bank Securities completed a \$480mn IPO in October, and another large brokerage is preparing its own offering. A new Decree has shortened the IPO-to-listing window from 90 to 30 days, which should improve liquidity and reduce time-to-market for future issuers. With an estimated \$50bn IPO pipeline over the next few years, FTSE EM inclusion expected in 2026 followed by MSCI EM by 2030, the shift from policy design to execution is now well under way.

Risks remain centred on the global interest rate path and FX pressure, which will likely determine the pace of foreign re-engagement. Vietnam's fundamentals remain supportive, but near-term market direction will depend on policy consistency, foreign investor participation, and how well domestic liquidity holds up if external conditions tighten. The next stage of progress will be defined less by sentiment and more by execution.

## Key Indicators

Item	Unit	2020	2021	2022	2023	2024E	2025F
GDP	\$bn	346.6	366.1	408.8	430.0	476.3	529.5
Real GDP Growth	%	2.9	2.6	8.0	5.1	7.1	8.0
Services Growth	%	2.5	1.2	10.0	6.9	7.4	8.9
Agriculture Growth	%	2.8	2.9	3.4	2.6	3.3	5.5
Ind'l and Const'n Growth	%	3.3	4.1	7.8	3.5	8.3	8.7
Retail Sales Growth	%	2.6	-3.8	10.2	8.3	9.0	9.4
<b>Prices</b>							
CPI (Average YoY)	%	3.2	1.8	3.2	3.3	3.6	4.2
<b>Money, FX and Interest Rates</b>							
Money Supply M2	%	14.5	8.9	6.2	12.5	12.7	14.5
Average Lending Rate	%	8.6	8.5	13.7	8.7	8.4	8.4
5-yr VGB	%	1.1	0.9	4.7	1.6	1.4	1.9
VND:\$	\$1	23,085	22,800	23,550	24,250	25,450	26,500
<b>External Sector</b>							
Trade Balance	\$bn	19.9	3.3	12.4	28.0	24.4	18.8
Current Account	\$bn	15.1	-7.8	-1.5	17.4	20.7	14.6
Current Account / GDP	%	4.3	-2.1	-0.4	4.0	4.4	2.8
FDI Registered	\$bn	28.5	38.5	27.7	36.6	35.0	31.0
FDI Disbursement	\$bn	20.0	19.8	22.4	23.2	25.4	23.1
FX Reserves	\$bn	98.0	106.5	85.0	89.0	80.0	75.0
<b>Public Debt Fiscal Balance</b>							
External Debt	\$bn	130.1	138.8	141.2	138.0	140.3	151.0
Government	\$bn	49.0	47.9	48.8	44.4	44.5	47.8
Enterprises (incl. FDI)	\$bn	81.1	90.9	92.4	93.6	95.8	103.2
External Debt (% GDP)	%	37.5	37.9	34.5	30.3	30.3	30.1
Fiscal Balance (% GDP)	%	-3.9	-4.0	-4.0	-3.6	-3.6	-4.2

All forecasts are Dragon Capital estimates

## Key Stock Market Data

	HSX		HNX		UPCoM		Total	
	31-Oct-24	31-Oct-25	31-Oct-24	31-Oct-25	31-Oct-24	31-Oct-25	31-Oct-24	31-Oct-25
Market cap (\$m)	205,575	276,396	12,623	17,619	58,193	56,440	276,392	350,455
Number of stocks	394	394	312	303	881	882	1,587	1,579
Number of large cap stocks (> \$400m)	75	83	10	13	17	21	102	117
Stocks with no room for foreigners	65	59	94	102	266	292	425	453
Market cap of stocks with no room (\$m)	18,865	20,995	1,792	2,631	19,899	21,912	40,556	45,539
Share of Market Cap with No Room (%)	9.2	7.6	14.2	14.9	34.2	38.8	14.7	13.0

## Top 25 Companies by Market Cap

No	Company	31-Oct Price (VND)	Price YTD (%)	Mkt Cap (\$m)	Wt in VNI (%)	PER			PBV			Yield		
						2024 (x)	2025E (x)	2026E (x)	2024 (x)	2025E (x)	2026E (x)	2024 (%)	2025E (%)	2026E (%)
1	Vingroup	191,000	371.0	27,947	10.10	13.0	63.0	62.3	1.1	4.9	4.6	0.4	-	-
2	Vietcombank	59,600	-1.6	18,912	6.90	17.2	15.6	14.0	2.6	2.2	1.9	-	-	-
3	Vinhomes	99,200	148.0	15,473	5.60	5.2	10.2	8.9	0.8	1.6	1.4	0.4	-	-
4	Vietinbank	49,000	30.7	9,992	3.60	8.8	9.7	8.3	1.4	1.5	1.3	-	-	-
5	BIDV	37,400	0.7	9,972	3.60	13.3	13.0	11.5	1.8	1.6	1.4	-	-	-
6	Techcombank	35,100	46.2	9,446	3.40	8.1	10.6	8.9	1.2	1.5	1.3	3.0	1.9	2.3
7	VP Bank	28,700	53.5	8,647	3.10	9.4	10.0	8.5	1.0	1.4	1.2	5.2	3.0	3.5
8	Hoa Phat Group	26,700	20.2	7,782	2.80	14.2	12.2	9.0	1.5	1.6	1.4	-	1.6	1.6
9	Airports Corporation VN	55,400	-27.6	7,537	-	29.1	20.1	17.9	4.6	2.7	2.3	-	-	-
10	MB Bank	23,600	44.1	7,219	2.60	6.0	7.9	6.6	1.2	1.4	1.2	2.1	-	-
11	FPT	103,900	-21.0	6,721	2.40	31.0	21.2	18.2	7.5	4.7	4.0	1.5	2.2	2.5
12	Masan Consumer	159,500	-9.3	6,401	-	23.2	25.3	22.9	16.9	10.3	9.1	12.4	2.8	2.8
13	LienViet Post Bank	50,700	74.2	5,752	2.10	8.9	16.2	14.8	2.0	3.0	2.5	-	-	-
14	PV Gas	61,600	-3.9	5,645	2.00	15.2	12.3	13.4	2.6	2.3	2.2	8.7	5.7	5.7
15	Asia Commercial Bank	25,500	18.3	4,974	1.80	6.7	7.5	6.6	1.3	1.3	1.1	3.4	1.4	1.6
16	HD Bank	32,000	25.5	4,672	1.50	7.0	7.6	6.3	1.6	1.6	1.2	3.3	-	-
17	Mobile World	82,600	37.4	4,638	1.70	23.6	18.1	15.0	3.2	3.7	3.1	0.8	1.2	1.2
18	Vinamilk	57,600	-1.5	4,572	1.70	14.5	15.4	14.2	3.8	3.9	4.0	6.2	7.6	7.6
19	Masan Group	79,600	13.7	4,371	1.60	50.4	29.8	22.2	3.3	3.4	2.9	1.7	1.5	1.5
20	Vietjet Air	187,000	87.0	4,201	1.50	38.6	34.0	30.9	3.2	5.0	4.3	0.1	-	-
21	Sacombank	55,500	50.4	3,973	1.40	6.9	6.4	5.3	1.3	1.5	1.2	-	-	-
22	Vietnam Airlines	31,600	40.0	3,734	1.40	8.4	8.7	10.1	neg	11.8	6.4	0.4	-	-
23	Binh Son Refining	16,650	17.9	3,166	1.10	112.0	35.6	37.3	1.3	1.5	1.5	3.1	2.6	2.6
24	Vincom Retail	33,300	94.2	2,874	1.00	9.5	13.1	13.5	0.9	1.6	1.4	-	-	-
25	SSI Securities	34,300	35.0	2,704	1.00	17.9	16.9	14.5	1.9	2.1	2.1	3.0	-	-

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