

Vietnam set to enter 2026 on solid foundations



Minh Dang
Head of Research

Macroeconomics:

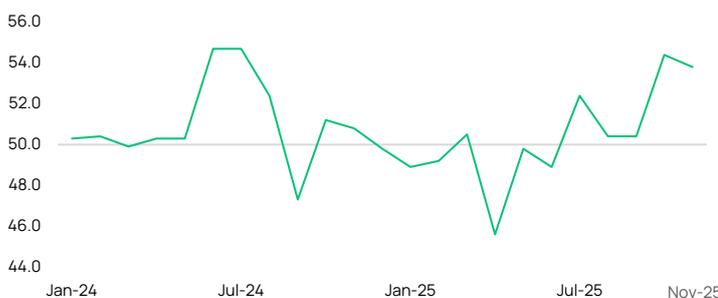
- ▶ Total trade reached a record \$839.8bn in 11M25 as exports and imports rose 16.1% and 18.4% YoY despite weather-related logistics disruptions.
- ▶ Disbursed public investment and FDI reached \$28.0bn and \$23.6bn, both higher YoY, while CPI averaged 3.3% YTD, comfortably below the official 4.5% ceiling.
- ▶ Manufacturing continued to recover, with industrial production up 10.8% YoY and PMI at 53.8, marking a fifth month of business optimism.

Stock Market:

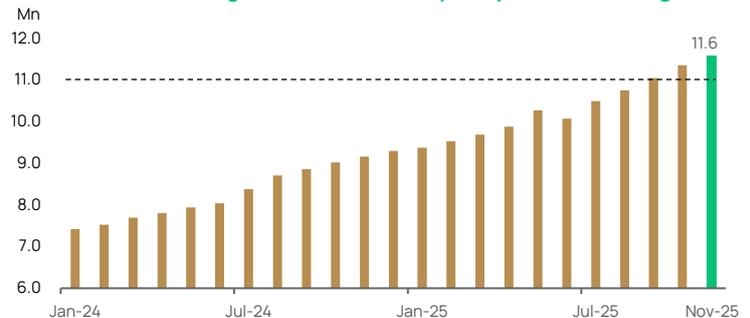
- ▶ The VNI gained 3.0% MoM in total return USD terms, with liquidity softening to \$960mn from \$1.4bn.
- ▶ 237,000 new accounts lifted the retail base to 11.6 million, well ahead of the government's 2030 target of 11 million total accounts.
- ▶ Foreign investors continued to withdraw around \$260mn, taking YTD outflows to a combined \$5.2bn, though the slowing pace of redemptions and intermittent net buying were encouraging signals.

CHARTS OF THE MONTH

PMI Firmly In Expansionary Territory



Retail Trading Accounts Already Surpass 2030 Target



Monthly Insights

November's data points to continued broad-based expansion, even as severe weather caused temporary disruption across Vietnam. Industrial production rose 10.8% YoY, extending the recovery in manufacturing after last year's slowdown. Retail sales of goods and services grew 9.1% YoY in the first 11 months, underscoring steady domestic consumption. Public investment disbursement reached \$28.0bn YTD, up 26.8% YoY, while registered and disbursed FDI were \$33.7bn and \$23.6bn, both higher YoY. In parallel, the government announced a \$37.4bn programme covering 198 strategic projects to be rolled out in December, with funding shared between the state and domestic private capital. Taken together, these trends underline investment momentum and signal a stronger focus on internal capacity, with a deliberate effort to expand the role of Vietnamese enterprises in the next phase of growth.

External trade softened, in part reflecting weather-related logistics disruptions, but 11M25 exports and imports were still up 16.1% and 18.4% YoY, taking total turnover to a record \$839.8bn. PMI came in at 53.8, holding firmly in expansionary territory and signalling sustained business optimism for a fifth consecutive month, with nearly half of respondents expecting stronger output over the next year. Inflation stayed well below the 4.5% ceiling, with headline CPI averaging 3.3% in 11M25. Food prices remain sensitive to severe weather, but the combination of expanding industry, steady consumption, strong investment, and tourism recovery provides a solid platform as Vietnam concludes 2025. This stability in inflation continues to support an accommodative monetary policy, even amid the recent uptick in interbank and deposit rates. We will continue to monitor these movements, but for now the rise appears driven more by short-term credit-demand pressures and is unlikely to indicate any shift in the broader macroeconomic policy stance.

Against this backdrop, Vietnam's equity market recovered in November. The VNI rose 3.0% MoM in USD terms, although combined average daily trading value fell to about \$960mn from \$1.4bn in the prior two months as investors consolidated positions after a strong run, consistent with a market digesting gains rather than a change in fundamentals. Domestic participation remained a key support, with 237,000 new trading accounts opened in November to now total 11.6 million, already surpassing the government's 2030 target of 11 million. The broadening local investor base is deepening market liquidity and reducing dependence on any single investor group. Foreign investors remained net sellers, however, with outflows of around \$260mn taking the YTD total to about \$5.2bn. Nonetheless, selling pressure slowed and there were periods of selective net buying. While it is still too early to draw firm conclusions, this may signal easing selling pressure and the potential for improved foreign flows in the near term. Primary market activity also stayed firm, highlighted by the VPS Securities IPO and a healthy pipeline of listings expected in 2026.

Vietnam is therefore entering 2026 on a firm macro footing, with broad-based growth, contained inflation and a more prominent private sector underpinning a solid earnings outlook. Infrastructure spending, FDI and a growing domestic investor base should support capital formation and equity-market returns.



Mai Vu
Portfolio Manager

At a Glance

- VEF rose 0.3% in November, supported by a strong gain in VIC despite broader market consolidation.
- We trimmed VIC to stay within UCITS limits, lifting cash to around 7% and giving us flexibility to add oversold names with strong fundamentals.
- We are positioning for policy-driven growth into 2026, with a focus on banks and names that will empower that growth.

Performance (%)

	Net Assets	NAV/Share	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
VEF A (USD)	\$201.06mn	\$38.29	17.1	0.3	-4.7	19.7	62.4	61.4	179.9
VEF B (EUR)	€41.05mn	€1,881.86	5.3	0.1	-4.0	9.5	47.2	70.6	N/A
VNI (Reference Index)	N/A	N/A	31.1	3.0	1.0	32.3	59.2	60.6	207.1

All reporting on this page is in total return US dollar terms to the last business day in Vietnam unless otherwise stated

Past performance cannot be relied upon as a guide to future performance

Fund Commentary

Vietnam's equity market continued to see profit-taking and consolidation through November, with one notable exception: Vingroup (VIC), which surged 36.1% MoM. As highlighted in last month's report, VEF has been required to reduce its holding in VIC to remain within the UCITS 5/10/40 limits; to date, the Fund has trimmed roughly one third of the position accumulated since May and June. VIC's strong run in November was supported by two key developments: its 1:1 bonus share issuance scheduled for 5 December, and the imminent groundbreaking of the HCMC-Can Gio rail line on 19 December – Vietnam's first high-speed line designed to the same specifications as the planned North-South High-Speed Rail (HSR). The \$4bn project will be fully financed by Vingroup and targeted for completion within 30 months of land handover, positioning the group as a potential contender for participation in the national HSR programme.

Beyond VIC, the broader market experienced a more pronounced pullback, particularly among stocks that had rallied sharply in previous months. We expect a period of sideways trading until earnings momentum and other catalysts for the next upward phase begin to emerge. For now, we remain comfortable with the Fund's core positioning. Following the reduction of our VIC exposure, cash levels stand at around 7%, allowing us to assess opportunities to redeploy into names that have corrected meaningfully but continue to offer strong fundamentals and reasonable value-for-growth characteristics as conditions stabilise.

We retain confidence in the government's commitment to its 10% growth target for 2026. Certain measures may be introduced to address banks' liquidity structures and support credit expansion in pursuit of this goal. We are monitoring these developments closely and identifying banks we believe are best placed to power Vietnam's next phase of economic growth and emerge as long-term winners. We are also hopeful for further capital market upgrades, which would open access to additional funding channels to support Vietnam's growth.

Stock in Focus: Dat Xanh Group (DXG)

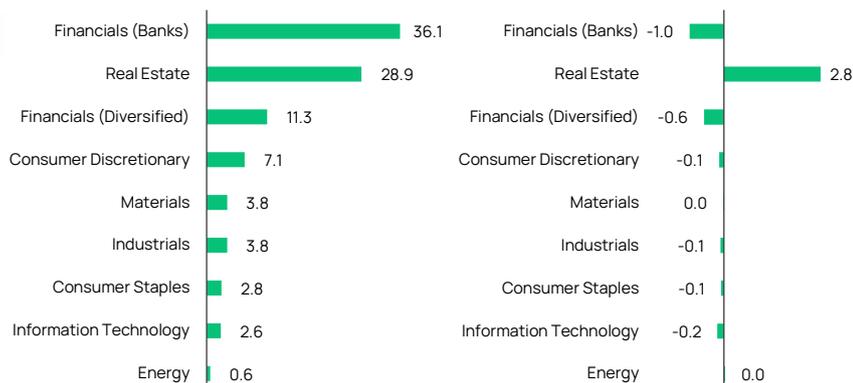
Dat Xanh Group (DXG) is one of Vietnam's leading mid-cap real estate developers, operating an integrated ecosystem that spans project development, brokerage, and property management. With a strong presence in Ho Chi Minh City and neighbouring provinces, DXG leverages its extensive brokerage network and strategic land bank in prime locations across HCMC and southern Binh Duong province to capture Vietnam's ongoing urbanisation and housing demand cycle.

The residential market recovery has supported DXG, helped by the resolution of legal issues and the issuance of construction permits enabling new sales launches this year. Its high-profile project, The Privé, launched in mid-2025 and was well received, with customer advances for the first 1,000 units totalling \$57.0mn. Roughly one-third of this inflow has been allocated to construction, with the basement phase already completed. Expected revenue and profit from the project are \$1.2bn and \$500mn respectively, relatively attractive versus DXG's current market cap of \$760mn. Another flagship project, Gem Sky World, recorded bulk sales of \$53mn, providing a solid earnings base. These developments underpin projected earnings growth of 35% in 2025 and 70% in 2026. DXG reflects Vietnam's evolving growth landscape, benefitting from urban expansion and strategically developing residential projects along new multi-modal transport infrastructure, including metro lines and major road networks.

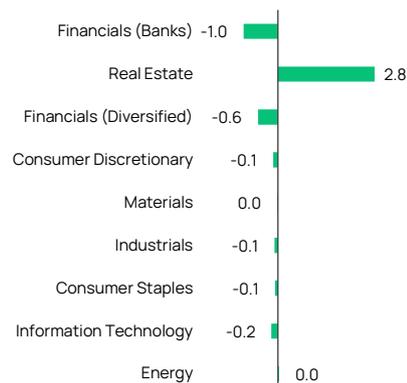
Top Ten Holdings (55.5% of AUM)

Company	Ticker	Sector	VEF (%)	VNI (%)	MoM (%)
Vingroup	VIC	Real Estate	9.9	13.4	36.1
Vinhomes	VHM	Real Estate	7.8	5.6	3.5
Vietinbank	CTG	Financials (Banks)	6.5	3.5	-0.2
MB Bank	MBB	Financials (Banks)	6.0	2.5	-1.7
BIDV	BID	Financials (Banks)	4.9	3.5	-1.0
Mobile World	MWG	Consumer Discretionary	4.7	1.6	-3.5
Techcombank	TCB	Financials (Banks)	4.6	3.2	-4.0
VP Bank	VPB	Financials (Banks)	4.0	3.1	1.7
Hoa Phat Group	HPG	Materials	3.8	2.7	-0.8
SSI Corp	SSI	Financials (Diversified)	3.3	0.9	-4.6

Sector Breakdown (%)



Monthly Contribution (%)



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Key Indicators

Item	Unit	2020	2021	2022	2023	2024E	2025F
GDP	\$bn	346.6	366.1	408.8	430.0	476.3	514.7
Real GDP Growth	%	2.9	2.6	8.0	5.1	7.1	8.2
Services Growth	%	2.5	1.2	10.0	6.9	7.4	8.5
Agriculture Growth	%	2.8	2.9	3.4	2.6	3.3	3.8
Ind'l and Const'n Growth	%	3.3	4.1	7.8	3.5	8.3	9.0
Retail Sales Growth	%	2.6	-3.8	10.2	8.3	9.0	9.4
Prices							
CPI (Average YoY)	%	3.2	1.8	3.2	3.3	3.6	3.5
Money, FX and Interest Rates							
Money Supply M2	%	14.5	8.9	6.2	12.5	12.7	12.5
Average Lending Rate	%	8.6	8.5	13.7	8.7	8.4	8.8
5-yr VGB	%	1.1	0.9	4.7	1.6	1.4	3.4
VND:\$	\$1	23,085	22,800	23,550	24,250	25,450	26,300
External Sector							
Trade Balance	\$bn	19.9	3.3	12.4	28.0	24.4	21.6
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	43.7
FDI Disbursement	\$bn	20.0	19.8	22.4	23.2	25.4	29.2
FX Reserves	\$bn	98.0	106.5	85.0	89.0	80.0	78.0
Public Debt Fiscal Balance							
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	
	30-Nov-24	30-Nov-25	30-Nov-24	30-Nov-25	30-Nov-24	30-Nov-25	30-Nov-24	30-Nov-25
Market cap (\$mn)	202,690	284,411	12,774	17,026	61,797	57,005	277,261	358,443
Number of stocks	392	395	312	303	887	879	1,591	1,577
Number of large cap stocks (> \$400m)	75	80	11	13	18	22	104	115
Stocks with no room for foreigners	65	57	94	104	267	296	426	457
Market cap of stocks with no room (\$mn)	17,445	6,450	1,775	2,459	22,652	21,294	41,872	30,202
Share of Market Cap with No Room (%)	8.6	2.3	13.9	14.4	36.7	37.4	15.1	8.4

Top 25 Companies by Market Cap

No	Company	30-Nov 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	260,400	542.2	38,055	13.40	13.0	85.9	85.0	1.1	6.7	6.2	0.4	-	-
2	Vietcombank	57,400	-5.2	18,191	6.40	17.2	15.0	13.5	2.6	2.1	1.8	-	-	-
3	Vinhomes	102,900	157.3	16,031	5.60	5.2	10.6	9.2	0.8	1.7	1.4	0.4	-	-
4	Vietinbank	49,000	30.7	9,980	3.50	8.8	9.1	7.8	1.4	1.5	1.3	-	-	-
5	BIDV	37,100	-0.1	9,880	3.50	13.3	13.0	11.7	1.8	1.6	1.4	-	-	-
6	Techcombank	33,750	40.5	9,071	3.20	8.1	9.8	8.4	1.2	1.4	1.3	3.0	2.1	2.5
7	VP Bank	29,250	56.5	8,802	3.10	9.4	10.2	8.6	1.0	1.4	1.2	5.2	3.0	3.5
8	Masan Consumer	216,100	22.9	8,661	-	23.2	34.2	31.0	16.9	14.0	12.3	12.4	2.1	2.1
9	Hoa Phat Group	26,550	19.5	7,729	2.70	14.2	12.2	8.9	1.5	1.6	1.4	-	1.6	1.6
10	Airports Corporation VN	52,700	-31.1	7,161	-	29.1	19.1	17.0	4.6	2.6	2.2	-	-	-
11	Military Bank	23,250	41.9	7,103	2.50	6.0	7.7	6.5	1.2	1.4	1.2	2.1	-	-
12	FPT Corporation	97,100	-26.2	6,274	2.20	31.0	19.8	17.0	7.5	4.4	3.8	1.5	2.3	2.6
13	PV Gas	63,400	-1.1	5,802	2.00	15.2	12.6	13.8	2.6	2.4	2.3	8.7	5.4	5.4
14	LienViet Post Bank	48,600	67.0	5,507	1.90	8.9	15.6	14.2	2.0	2.9	2.4	-	-	-
15	Vinamilk	64,000	9.4	5,073	1.80	14.5	16.8	15.3	3.8	4.3	4.3	6.2	7.0	7.0
16	ACB	24,250	12.5	4,725	1.70	6.7	7.2	6.3	1.3	1.2	1.0	3.4	1.4	1.6
17	HD Bank	32,000	25.5	4,684	1.60	7.0	7.6	6.3	1.6	1.6	1.2	3.3	-	-
18	Vietjet Air	203,500	103.5	4,566	1.60	38.6	52.4	47.6	3.2	5.7	5.1	0.1	-	-
19	Mobile World	79,900	32.9	4,481	1.60	23.6	17.5	14.0	3.2	3.5	3.0	0.8	1.3	1.3
20	Masan Group	77,400	10.6	4,245	1.50	50.4	29.0	21.6	3.3	3.3	2.9	1.7	1.5	1.5
21	Sacombank	48,600	31.7	3,475	1.20	6.9	7.6	6.6	1.3	1.3	1.1	-	-	-
22	Vietnam Airlines	28,900	28.0	3,411	1.20	8.4	11.1	9.2	neg	10.8	5.8	0.4	-	-
23	Vincom Retail	34,250	99.7	2,952	1.00	9.5	11.8	13.8	0.9	1.6	1.4	-	-	-
24	Binh Son Refining	15,500	9.8	2,944	1.00	112.0	21.7	20.7	1.3	1.4	1.3	3.1	2.8	2.8
25	Becamex IDC	66,600	-6.1	2,615	0.90	33.6	24.9	23.2	3.7	4.0	3.5	1.4	-	-

All forecasts are Dragon Capital estimates

Fund	Bloomberg	ISIN	LEI	SEDOL	CUSIP	Listed
VEF-A	VIETNAM ID	IE00BD5HPH84		-	-	-
VEF-B	VIETEUR ID	IE00BV8WVB25	254900EVTJZ4VAUG4M43	-	-	-
VEF-C	VIETGBP ID	IE000LEKRJK0		-	-	-

Price Providers	Funds	Bloomberg	Contact
SEI Investments	VEF	-	Transfer Agency Department TADublin@seic.com

VEF
Subscription & Withdrawals Daily
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