# Resilient economy amid turbulence

- Vietnam's GDP grew robustly by 7.96% yoy in 2Q25 and by 7.52% yoy in 1H25. Thus, we expect the economy to expand by 7.9% - 8.1% yoy in 2025, supported by drivers from both public and private investment.
- Trade activities continue to thrive, yet the manufacturing sector still struggled with the PMI dipped to 48.9 amid a sharp drop in new export orders.
- Vietnam has successfully reached a tariff agreement with the US, with a 20% tariff rate for Vietnamese goods and 40% for transshipped goods, effective from August 1, 2025.

**Vietnam's GDP soars to 20-year high in 1H25**

Despite global turbulence, Vietnam's economy remained resilient with 2Q GDP surging by 7.96% yoy. By sectors, the agriculture, forestry, and fisheries sector grew by 3.9% yoy (contributing 5.2% to GDP growth); the industry and construction sector rose by 9% yoy (contributing 43.6%); and the service sector increased by 8.5% yoy (contributing 51.2%). The impressive 2Q results, together with an upwardly revised 1Q GDP to 7.05%, brought the 1H25 GDP growth to 7.52% - the highest first-half GDP growth in two decades.

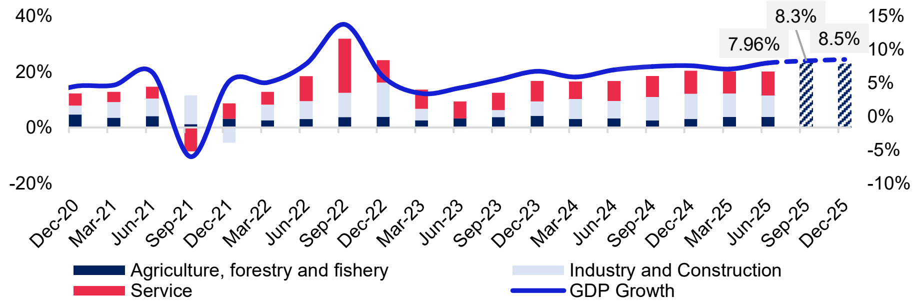
**Trade activities continue to thrive, while hurdles yet to be cleared for the manufacturing sector**

Exports in Dec expanded by 16.3% yoy, while imports surged by 20.2% yoy. For 1H25, exports and imports grew by 14.4% and 17.9%, respectively, resulting in a trade surplus of USD 7.63bn. Production activities linger positive growth with the Industrial Production Index (IIP) leaped by 10.8% yoy in June. Meanwhile, the manufacturing sector continued to struggle, with the PMI falling to 48.9 in June as new export orders declined for the eighth consecutive month, at the sharpest pace in the past two years.

**We expect the 2025 GDP growth to reach 7.9% - 8.1%**

On July 3, Vietnam became the first Southeast Asian country to reach a tariff agreement with the US, with a 20% tariff rate for Vietnamese goods and 40% for transshipped goods, effective from August 1, 2025. Although this is considered a relatively competitive rate compared to our key export competitors, we believe export growth is likely to slow in 2H25 due to lower demand, as the front-loading period has ended, and businesses may need time to await clear definitions for certain terms, such as regulations on the origin of "transshipped goods." However, this slowdown in exports will be partially offset by supportive fiscal policies and low interest rates that bolster domestic consumption recovery. Additionally, public investment is projected to maintain momentum toward year-end, contributing significantly to GDP growth. Therefore, we expect the economy to expand by 7.9% - 8.1% in 2025, supported by drivers from both public and private investment.

**Figure 1: GDP growth in sectors (yoy%)**




Source: GSO, MBS Research

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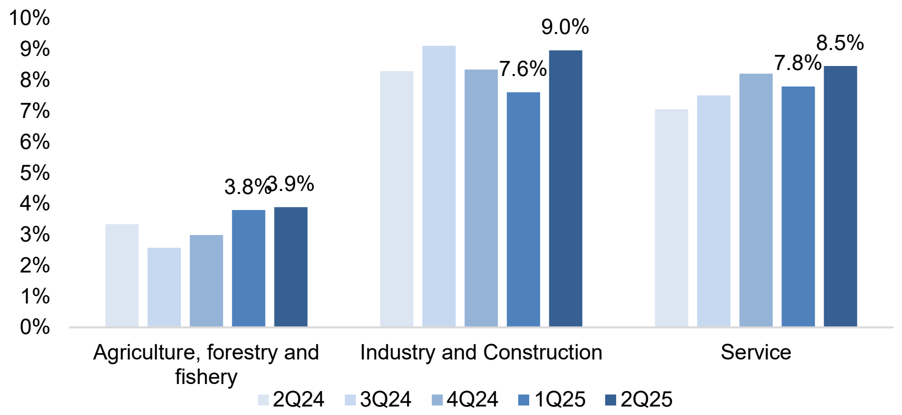
## Vietnam's GDP soars to 20-year high in 1H25

Gross Domestic Product (GDP) in 2Q25 increased by 7.96% yoy, only lower than the 8.6% growth rate of 2Q22 in the 2020 - 2025 period. This growth exceeded the 7% target set for 2Q25 under the full-year growth scenario of 6.5%-7%. However, it fell slightly short of the 8% annual growth scenario target, which aimed at 8.2% in 2Q25.

By sectors, the industry and construction sector recorded the highest growth among the three sectors expanded by 9%, contributing 43.6% to the overall growth. Of which, the processing and manufacturing industry stood out as the key growth driver with an increase of 10.8%. The agriculture, forestry and fishery sector increased by 3.9%, contributing 5.2% to the increase in total added value of the whole economy. Lastly, the service sector rose by 8.5% and contributing 51.2%. Of which, some industries possess solid growth such as: administrative activity & supporting service (+16.4% yoy); education and training (+11.5% yoy); and accommodation & catering services (+10.7% yoy).

**Figure 2: Quarterly GDP growth by sector (%yoy)**




Source: GSO, MBS Research

## Initial positive outcome of tariff agreement with the US

On July 3, Vietnam became the first Southeast Asian country to reach a tariff agreement with the United States, with a 20% tariff rate for Vietnamese goods and 40% for transshipped goods, effective from August 1, 2025. This tariff rate is generally lower than initially announced on April 2. Additionally, this is a positive signal as our key exporting competitors are currently facing higher tariffs (Figure 3). In return, Vietnam will reduce tariffs to 0% for most goods imported from the U.S. However, these are only initial positive signals, accompanied by certain risks for Vietnam's exported goods, as specific regulations defining what constitutes "transshipped goods" and "Vietnamese goods" have not yet been announced. Consequently, the impact of tariffs on Vietnam's export turnover to the U.S. remains quite uncertain.

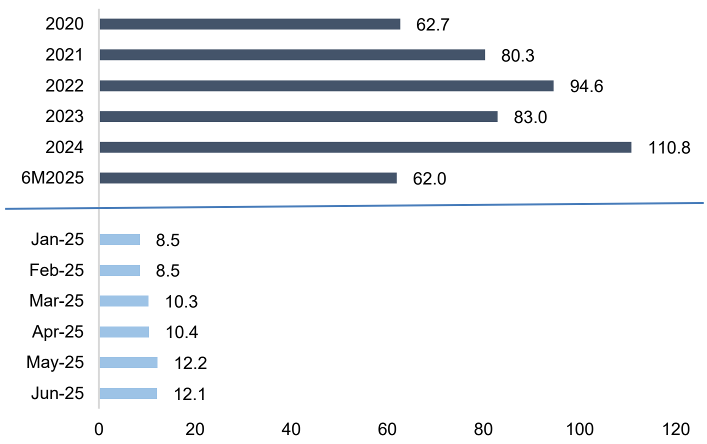
Nevertheless, we believe export growth will slow in the second half of 2025 due to: (1) reduced demand after international companies finished stockpiling goods before the tariff deadline on July 9; (2) the time needed to establish clear definitions for certain goods, such as regulations on the origin of "transshipped goods." However, there is a positive aspect, as this could incentivize Vietnamese enterprises to increase the localization rate of component and material sourcing, promote the development of the domestic supporting industry, and engage more deeply in global supply chains. Conversely, we believe that the 0% tariff reduction and increased imports from the U.S. to narrow the Vietnam - U.S. trade surplus will put pressure on the USD/VND exchange rate in the upcoming period.

**Figure 3: Update on Applicable Tariff Rates for Countries Competing with Vietnam in Exports as of July 9**

| Country | Import market share into the U.S. | Tariff rates announced on April 2 | Tariff rates announced on July 9 | Key industries competing with Vietnam |
|---|---|---|---|---|
| China | 13.4% | 55% | | Woods products, textiles & garments, chemicals, automobiles, electronics |
| Japan | 4.5% | 24% | 15% | |
| Vietnam | 4.2% | 46% | 20% | |
| Taiwan | 3.6% | 32% | | Electronics |
| India | 2.7% | 27% | | Attracting FDI |
| Thailand | 1.9% | 37% | 36% | Attracting FDI, exporting agricultural products: rubber, sugar, etc. |
| Malaysia | 1.6% | 24% | 25% | Attracting FDI |
| Brazil | 1.3% | 10% | 50% | Agricultural products: rubber, coffee, sugar, etc. |
| Indonesia | <1% | 32% | 19% | Attracting FDI, exporting rubber, electric vehicles, metals, etc. |
| Philippines | <1% | 18% | 19% | Attracting FDI, exporting electronic components, machinery, etc. |
| Cambodia | <1% | 49% | 36% | Garments & footwear |
| Bangladesh | <1% | 37% | 35% | |
| Pakistan | <1% | 30% | | |
| Sri Lanka | <1% | 44% | 30% | |
| Kazakhstan | <1% | 27% | 25% | Chemical |

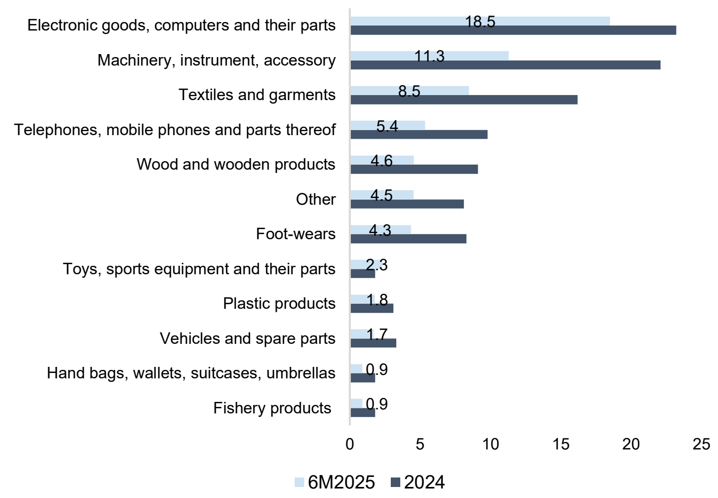
Source: CNBC, MBS Research

**Figure 4: The Vietnam - U.S. trade surplus widened in 2Q25 due to a surge in exports ahead of the tariff implementation (USD bn)**



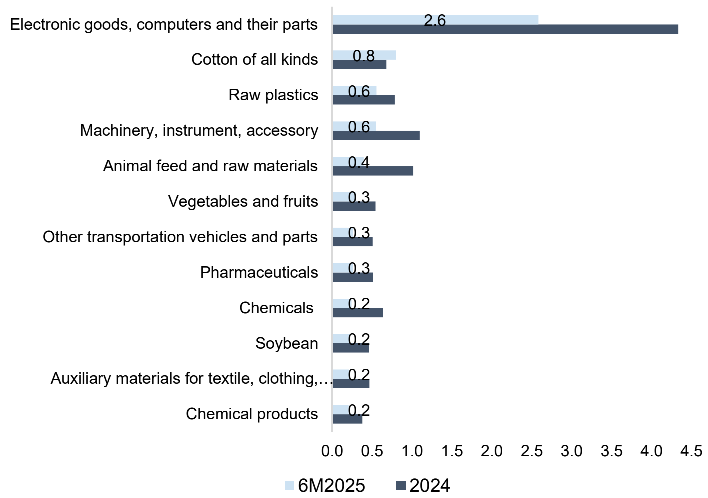

Source: GSO, MBS Research

**Figure 5: Top export products to the U.S. market, accounting for 91% of total export value (USD bn)**




Source: GSO, MBS Research

**Figure 6: Top imported products from the U.S., accounting for 74% of total import value (USD bn)**



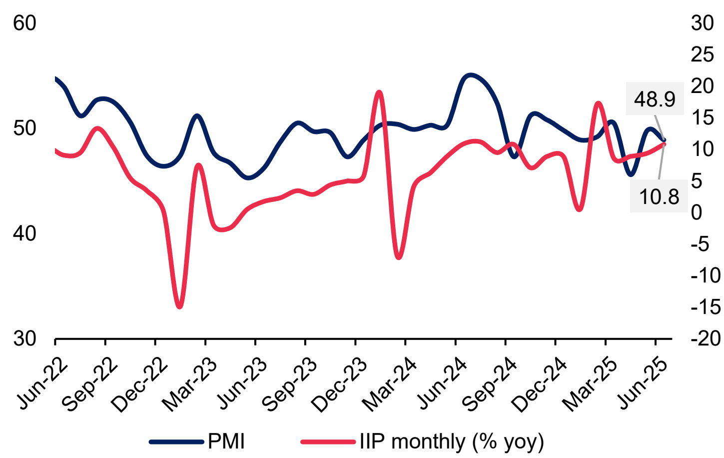

Source: GSO, MBS Research

## Hurdles yet to be cleared for the manufacturing sector

Industrial production nudged up by 4.1% mom and 10.8% yoy in June, driven largely by a 12.1% rise of the manufacturing sector. Industries that experienced strong production growth during the month include: manufacture of motor vehicles, trailers and semi-trailers (+34.9% yoy); manufacture of other non-metallic mineral products (+23.9% yoy); and manufacture of basic metals (+18% yoy). For 1H25, industrial production grew by 9.2% yoy, marking the highest growth for the period since 2020. The manufacturing sector saw an increase of 11.1% - higher than the 8.5% growth recorded in the same period last year.

However, the road ahead remain quite bumpy for the manufacturing sector as the PMI is still stuck below the 50 no-change mark for the third month running, posted at 48.9 in June – lower than the 49.8 points in May. The manufacturing sector faced significant challenges due to U.S. tariffs, which led to a sharp decline in new export orders at the fastest rate in two years. This drop in exports caused a third consecutive decrease in total new orders, prompting companies to reduce employment and purchasing activities. Despite this, the latest PMI survey showed that firms continued to increase output, though sustained growth is unlikely without improved demand. Overall, the sector remained subdued in the first half of the year, with PMI readings below the 50 no-change threshold in five out of six months.

**Figure 7: Vietnam's PMI manufacturing and IIP (% change YoY)**




Source: GSO, MBS Research

**Figure 8: Change in IIP in sectors monthly (% change YoY)**

| | Apr-25 | May-25 | Jun-25 |
|---|---|---|---|
| Manufacture of other non-metallic mineral products | 8.9% | 20.3% | 23.9% |
| Manufacture of rubber and plastics products | 18.6% | 17.2% | 19.9% |
| Manufacture of basic metals | 15.3% | 19.9% | 18.0% |
| Manufacture of furniture | -3.6% | 32.4% | 15.9% |
| Manufacture of food products | 10.4% | 9.5% | 13.1% |
| Manufacture of textiles | 11.7% | 10.1% | 9.8% |
| Manufacture of computer, electronic products | 8.3% | 8.3% | 9.3% |
| Manufacture of chemicals and chemical products | 11.1% | 9.1% | 8.4% |
| Manufacture of beverages | 6.3% | 6.2% | 8.0% |
| Manufacture of electrical equipment | -18.6% | -9.5% | 5.9% |
| Manufacture of other transport equipment | 7.5% | 36.6% | 5.2% |
| Repair and installation of machinery and equipment | 3.1% | 29.7% | 4.3% |
| Manufacture of coke and refined petroleum products | 47.2% | 5.0% | 0.0% |
| Extraction of crude petroleum and natural gas | -11.1% | -0.7% | -2.7% |

Source: GSO, MBS Research

## Trade activities continue to thrive with double-digit growth

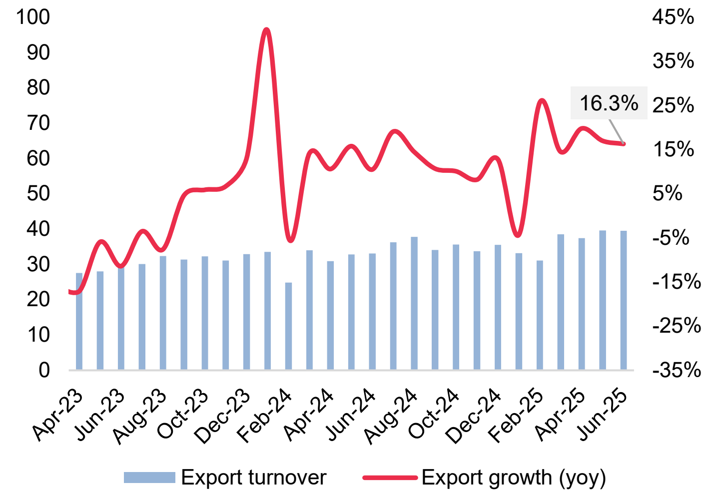
Export turnover in June amounted to USD 39.5bn (-0.3% mom), marking a year-on-year increase of 16.3%, driven by strong growth in several key categories, including: toys, sports equipment & their parts (+145.6% yoy); textile fibres (+73.4% yoy); electronic goods, computers & their parts (+40.9% yoy). The dominant driver for exports' surge in June was still the booming shipments to the US whose export turnover amounted to USD 13.7bn (+33% yoy) – accounting for 35% of June's export turnover amid front-loading during the 90-day reciprocal tariff reprieve. Subsequently, Vietnam's trade surplus with the US surged to USD 12.1bn in June (+33.4% yoy).

Cumulatively, in 1H25, export turnover reached USD 219.83bn (+14.4% yoy), with notable increases in items such as: Toys, sports equipment & parts (+103.4% yoy); electronics, computers & components (+40% yoy); iron & steel products (+31.6% yoy). On the other hand, some commodities experienced sharp declines, including iron & steel (-22.5% yoy); plastic materials (-14% yoy); cameras, camcorders, and components (-12.8% yoy).

In terms of export markets, the United States remained Vietnam's largest export market, with an estimated turnover of USD 70.9bn (+28.2% yoy). Exports to the EU increased by 10% yoy to USD 27.3bn, while exports to China reached USD 29.1bn (+4.2% yoy).

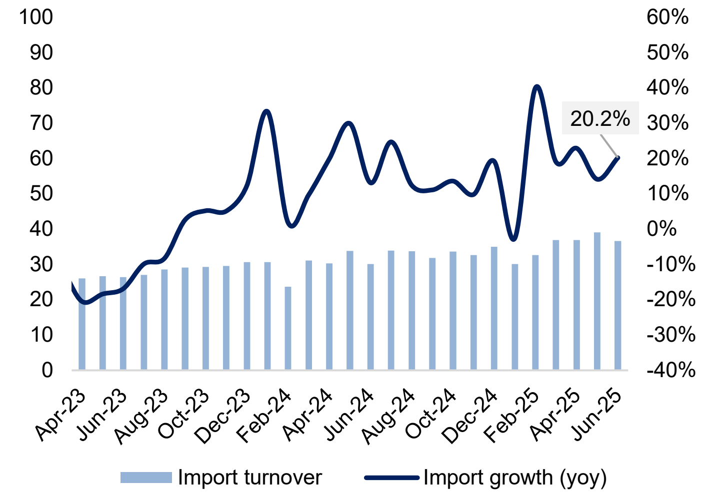
On the import side, June's turnover dropped by 6.1% mom to an estimated USD 36.7bn (+20.2% yoy). This resulted in total imports for 1H25 reaching USD 212.2bn (+17.9% yoy). China remained Vietnam's largest import partner, with imports valued at USD 84.7bn (+26.4% yoy). Besides, imports from the U.S. also witnessed significantly growth of 22.3% yoy, reaching USD 8.9bn. During this period, six product groups - electronics, computers & components; machinery, equipment & spare parts; fabrics; plastics; other basic metals; and iron & steel - exceeded USD 5bn in import value, accounting for 56.8% of total imports.

**Figure 9: Vietnam's monthly export turnover (USD bn)**



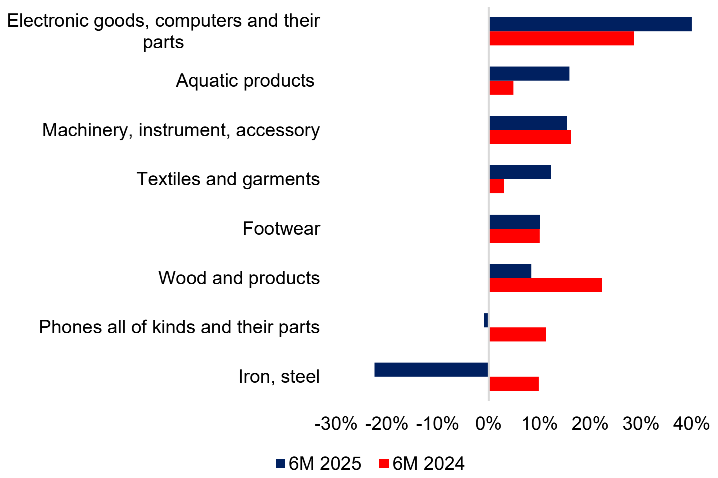

Source: GSO, MBS Research

**Figure 10: Vietnam's monthly import turnover (USD bn)**



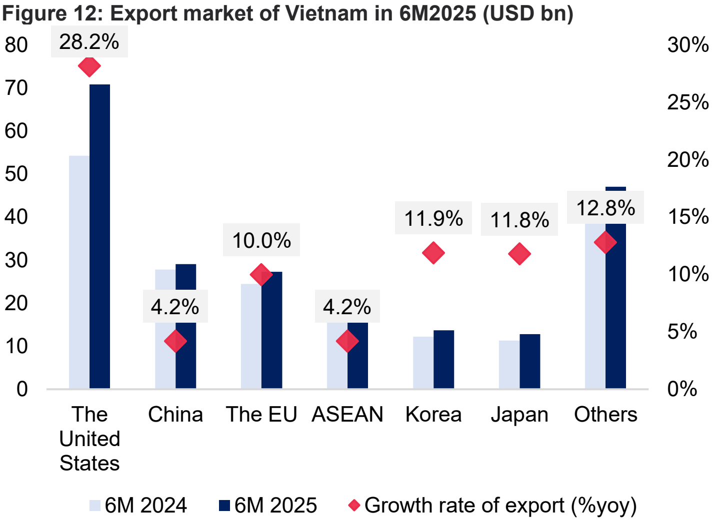

Source: GSO, MBS Research

**Figure 11: Growth of major export products in 6M2025 (%yoy)**




Source: GSO, MBS Research

**Figure 12: Export market of Vietnam in 6M2025 (USD bn)**




Source: GSO, MBS Research

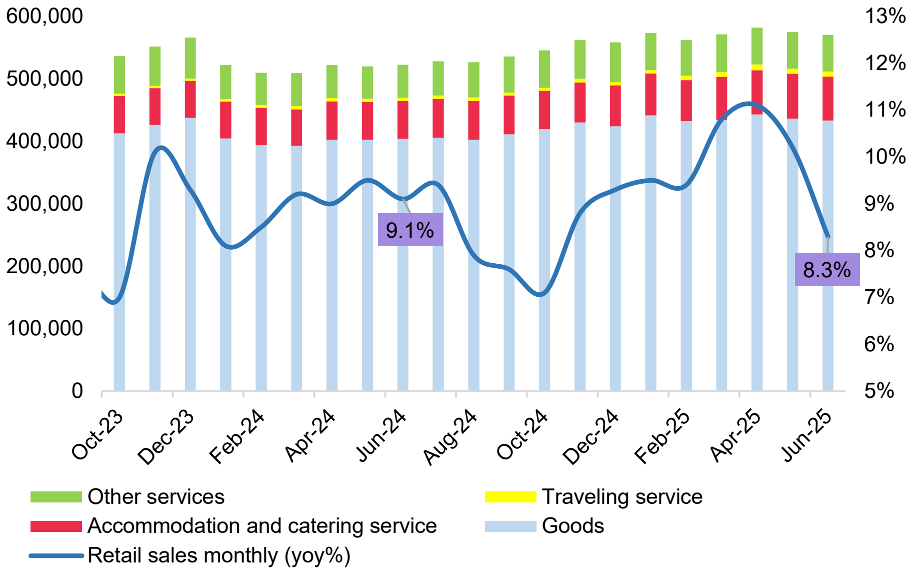
**We forecast that exports will increase by 9% - 10% in 2025** due to: (1) Subdued global demand after companies finished stockpiling goods before the tariff deadline on July 9. In fact, according to S&P's PMI report for June, new export orders have continued to decline for the eighth consecutive month, thereby, posting a gloomy outlook for export activities in 2H25. (2) The time needed to establish clear definitions for certain goods, such as regulations on the origin of "transshipped goods."

On the import side, shipments from China - which account for 40% of Vietnam's total imports - are expected to decelerate in 2H25 due to tighter rules on origin verification and the potential imposition of higher tariffs. However, this is likely to be offset by a strong surge in imports from the U.S., which has accelerated by 22% yoy in 1H25 and it is expected to maintain momentum toward the year-end. This was based on the assumption that Vietnam will tend to increase imports of goods from the U.S. with tariff rates approaching ~0% to demonstrate goodwill in narrowing the trade surplus with this nation. Hence, **we estimate imports will surge by 15% in 2025**. Consequently, Vietnam's trade surplus in 2025 is expected to narrow significantly to USD 4.2 – 8.2bn, much lower than the USD 24.8bn recorded in 2024. This shrinking trade surplus is likely to exert pressure on the exchange rate in the coming period.

## The momentum of domestic consumption has levelled out

In June, domestic consumption ended its three-month streak of double-digit growth, with total retail sales of goods and services rising by 8.3% yoy. In 1H25, the total retail sales of goods and services increased by 9.3% yoy (+7.2% when excluding the price factor), higher than the 2024 average of 8.6%, indicating a recovery in domestic consumer demand compared to the same period last year. However, this growth rate is still below the pre-pandemic growth levels as well as the Government's target of 12%. Of which, tourism remains a bright spot, as favorable visa policies, intensified tourism promotion programs, and activities celebrating major national holidays have increasingly attracted international visitors to Vietnam. In 1H25, Vietnam welcomed nearly 10.7mn international visitors, up 20.7% yoy. We expect domestic consumption to improve to 9% - 9.5% by year-end, driven by: (1) a low-interest-rate environment; (2) a positive recovery in production as tariff conditions gradually stabilize; (3) the 2% VAT reduction policy will be extended until the end of 2026, with expanded coverage to include transportation services, logistics, goods, and information technology services.

**Figure 13: Retail sales of consumer goods and services (Billion VND)**



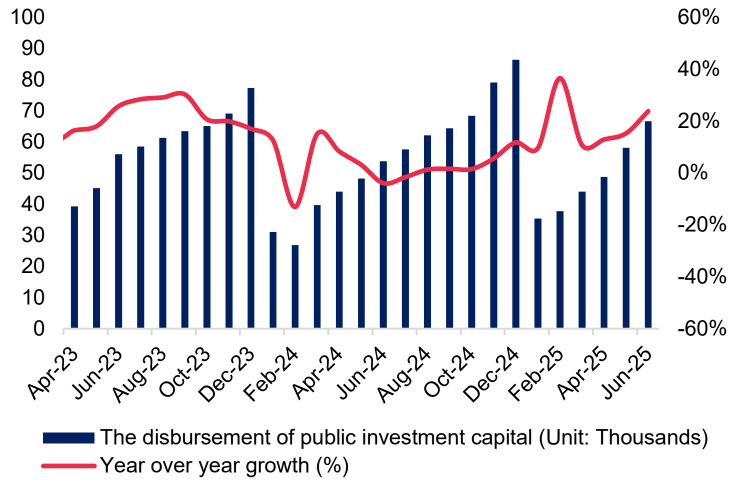

Source: GSO, MBS Research

## FDI and public investment disbursements are spurring swiftly

In June, newly registered FDI inflow surged by 41.9% compared to the same period last year, while disbursed FDI increased by 8.9% yoy. For 1H25, newly registered FDI amounted to USD 9.3bn (-9.6% yoy), while disbursed FDI rose by 8.1% to USD 11.7bn – marking the highest disbursed FDI for the first six months in the past five years. Of which, processing and manufacturing sector lured USD 9.56bn (accounting for ~ 81.6%), real estate sector attracted USD 932.2mn (accounting for ~ 8%), and utilities received about USD 444.7mn (accounting for ~ 3.8%). Accordingly, the total registered foreign investment capital in Vietnam for the first six months of 2025 was estimated at USD 21.52bn (+32.6% yoy).

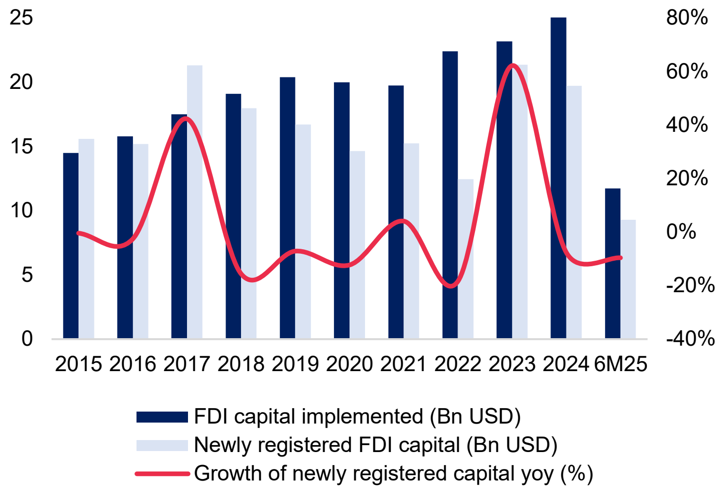
Disbursed state investment increased by 23.8% yoy to VND 66.6tn in June. For 1H25, disbursed state investment amounted to VND 291.1tn (+19.8% yoy), fulfilling 31.7% of the Government's target.

**Figure 14: Growth of realized investment capital from State budget**




Source: GSO, MBS Research

**Figure 15: Growth of foreign investment capital**




Source: GSO, MBS Research

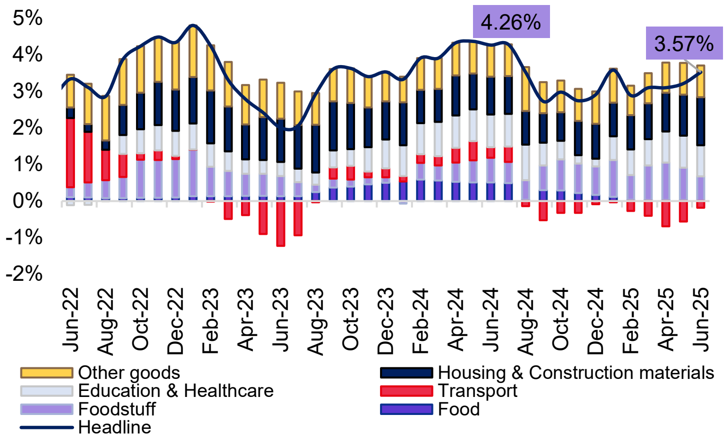
## Inflation in June ticked up to the highest level in 5 months

CPI in June rose by 0.48% mom and 3.57% yoy, marking the highest level since Jan 2025, driven mainly by: (1) The housing and construction materials index climbed 7.2% yoy, with prices of sand & stone surged by 6.5% amid supply shortage and electricity prices went up by 8.5% yoy following EVN's price adjustment in May 10. (2) Foodstuff rose 3.2% yoy, primarily due to an 4.1% yoy increase in pork prices due to diminished supply amid African swine fever. (3) Medicine and healthcare services surged 13.6% yoy, fueled by adjusted healthcare service prices. However, June's CPI remains significantly lower than the 4.34% increase recorded in June 2024, with the primary downward pressure stemming from a 8.3% yoy decline in domestic gasoline and oil prices.

On average, CPI surged by 3.3% yoy in 1H25 (while CPI in 1H24 increased by 4.1% yoy), and core inflation rose by 3.1%. The inflationary uptrend slowed mainly thanks to a 12.6% yoy decline in gasoline and oil prices. In contrast, key factors contributing to the increase in the average CPI include: a sharp 12.8% rise in pork prices due to supply shortage; a 5.5% yoy increase in electricity prices following EVN's price hike in October 2024 and May 2025.

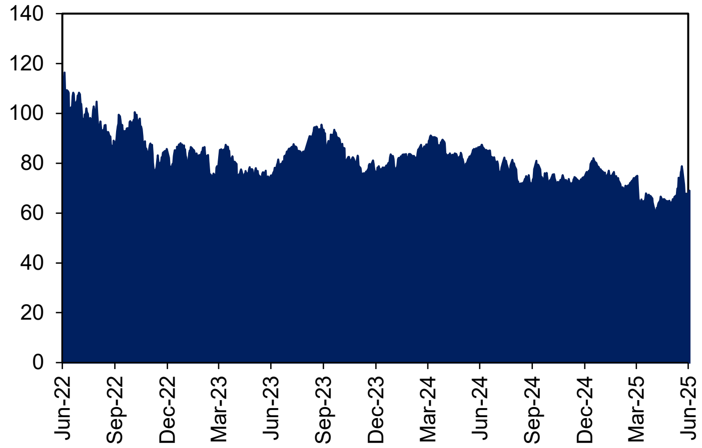
We expect the average CPI for 2025 to increase by 3.5% yoy - lower than the government's target of 4.5% - 5%, based on the following factors: Global oil prices expected to fluctuate around 70 USD/barrel in 2025 due to a weak demand-supply balance. Food price pressures are expected to ease due to ample rice supply; however, the impact may be limited as the decline in rice prices could be partially offset by surging pork prices. Besides, educational price pressures are expected to cool moderately thanks to the nationwide tuition fee exemption for all students from preschool to high school in the 2025 - 2026 academic year. However, retail electricity prices are expected to continue rising this year as the supply of low-cost electricity sources declines, forcing EVN to shift its focus toward developing new power sources under Power Plan 8, which prioritizes renewable energy - a higher-cost alternative requiring significant capital investment. Additionally, construction steel prices are expected to inch up by 3% in 2025, driven by higher construction demand and the Ministry of Finance's anti-dumping tax measures. Finally, the widespread geopolitical conflicts and the US' potential policy shift could lead to supply chain disruptions and drive-up commodity prices, which, in turn, raises the risk of imported inflation.

Figure 16: Contribution of commodity groups to CPI growth (%)



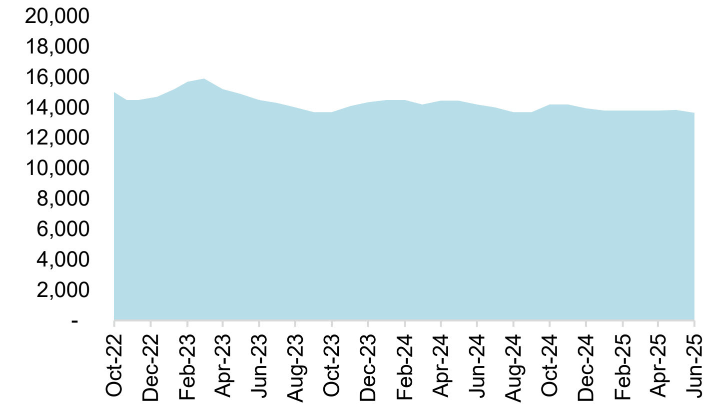

Source: GSO, MBS Research

Figure 17: Brent crude oil price (USD/Barrel)



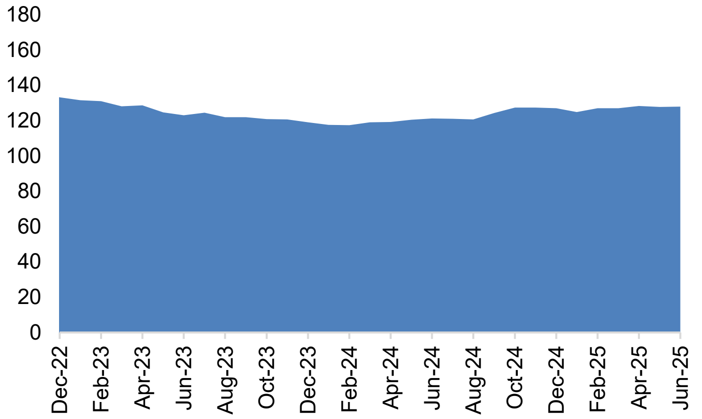
Source: Bloomberg, MBS Research

Figure 18: Steel price (Mn VND/ton)



Source: MBS Research

Figure 19: FAO food price index



Source: FAO, MBS Research

## Overnight interbank rate hit 7% reflecting liquidity shortage by the end of Q2

### The overnight interbank rate hit the highest level since Oct 2022

Since early June, the overnight interbank rate has consistently maintained a strong downward trend, even reaching a 15-month low of 1.3% on June 23. Consequently, this has exerted significant pressure on the exchange rate. In this context, the SBV resumed issuing treasury bills after nearly four months of suspension to raise the interbank interest rate level to support the exchange rate. During the month, the SBV issued VND 22.5tn in treasury bills with interest rates of 3.45% - 3.5% and a 7-day tenor. Concurrently, the SBV injected over VND 140.1tn through the OMO channel at a 4% interest rate for tenors ranging from 7 to 91 days, while the total matured capital was approximately VND 46.9tn. Cumulatively, the SBV conducted a strong net injection valued at nearly VND 70.8tn. However, by the end of the month, the overnight rate surged to 7% as liquidity demand typically spikes at the end of the quarter. Meanwhile, rates for tenors ranging from one week to one month fluctuated between 5% and 5.5%.

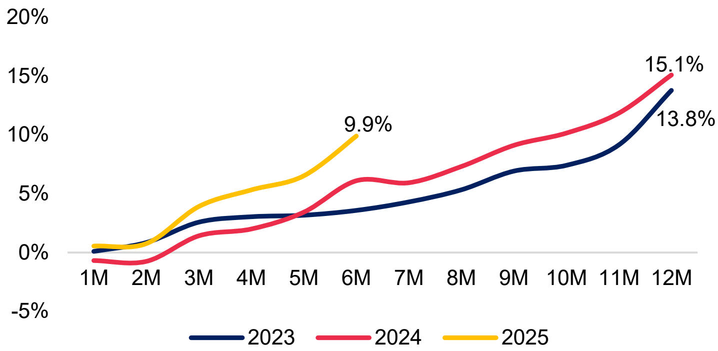
### The downtrend in the deposit interest rate level has generally stabilized

The downward trend in deposit rates generally stabilized in June, with very few banks reducing their rates, and all adjustments were within a narrow range. During the month, only three banks - LPB, BAB, and VPB - lowered deposit rates by 0.1% to 0.2% per year across various tenors. By the end of June, the average 12-month deposit rate at commercial banks decreased slightly by 2 bps compared to May and by 17 bps from the beginning of 2025, reaching 4.87%, while the rate for state-owned banks remained steady at 4.7%. Thanks to maintaining low deposit interest rates, commercial banks have been able to support lower lending rates. Specifically, according to the SBV, the average lending rate for new loans has decreased by approximately 0.6% compared to the end of 2024, reaching 6.38% per year.

**We expect deposit rates to reach 4.7% by the end of 2025**

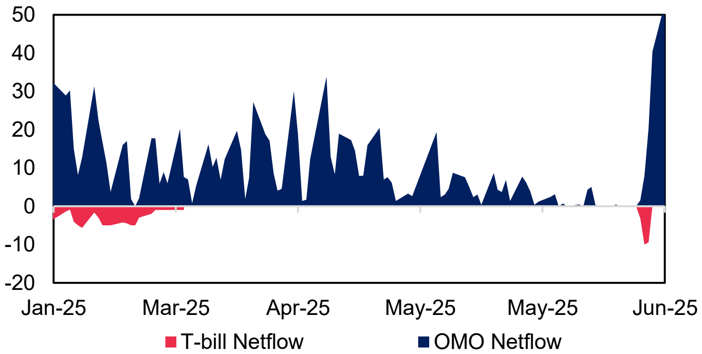
Although the average deposit interest rate has shown signs of stabilizing, we believe there is still room for a further reduction toward the year-end, based on: The expectation of a 50-basis-point interest rate cut by the FED in 2H25 will help to narrow the VND-USD interest rate gap, and create room for the SBV to maintain low interest rate environment. Furthermore, during the early July press conference, the SBV sent a clear message about maintaining the relative attractiveness of the VND, reducing the overall lending interest rate in the upcoming period to facilitate economic growth. Therefore, we anticipate that the average 12-month deposit rates of large commercial banks will reach 4.7% by the end of 2025.

**Figure 20: Credit growth (% ytd)**



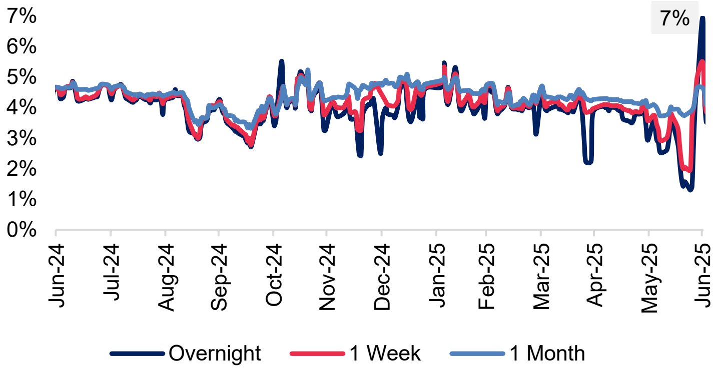

Source: Bloomberg, MBS Research

**Figure 21: SBV's Open Market Operation (Liquidity) [VND tn]**



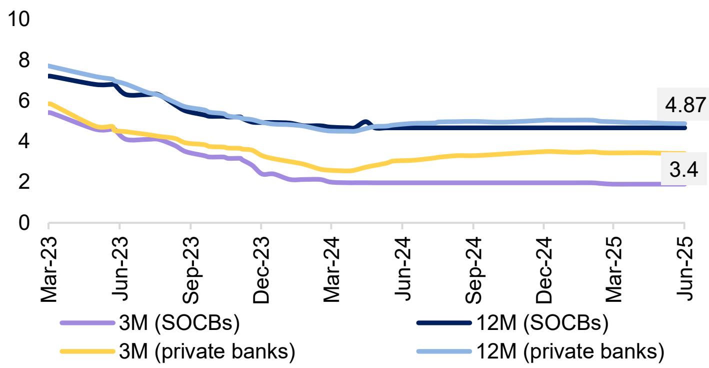

Source: SBV, MBS Research

**Figure 22: Interbank overnight lending rate (%)**



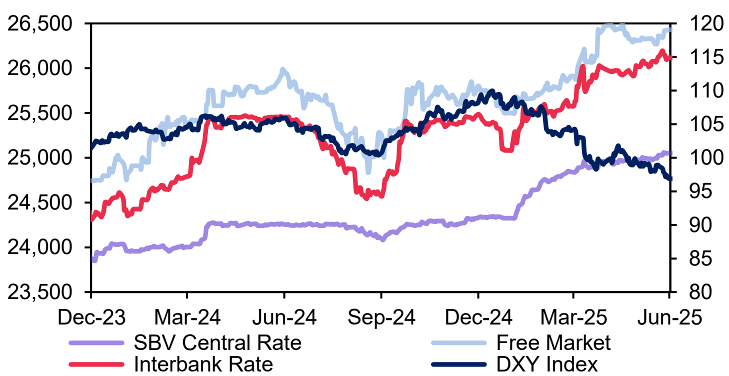

Source: Bloomberg, MBS Research

**Figure 23: Commercial banks deposit rate (%)**



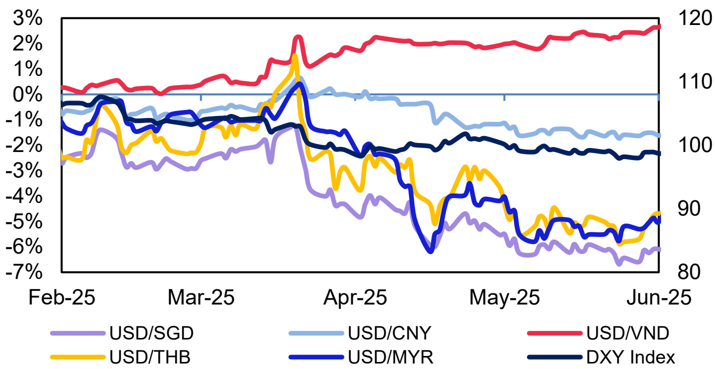

Source: Bloomberg, MBS Research

**Figure 24: VND/USD exchange rate**




Source: Bloomberg, MBS Research

**Figure 25: Regional currencies performance against USD**




Source: SBV, Bloomberg, MBS Research

## The interbank exchange rate continued to break records

### The DXY marked its worst half-year in more than 50 years

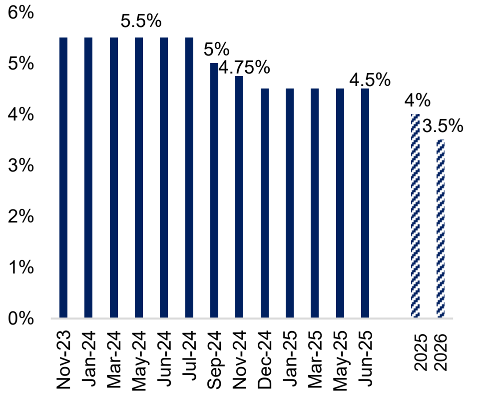
Kicking off June at 98.7, the DXY plunged 2.5%, marking its worst first-half since 1973 with a 12% drop. On the economic front, the picture is mixed: the resilient labor market saw unemployment rate fall to 4.1% in June, manufacturing PMI soared to a 3-year high of 52.9, but retail sales dipped 0.9% mom in May. Notably, inflationary pressures remained persistent, with the inflation rate drifting further from the 2% target as the PCE went up to 2.3% yoy in May. Consequently, the Fed opted to hold interest rates steady while lowering its US GDP growth forecast for the year to 1.4% and projecting inflation at 3%. Strikingly, the Fed Chair revealed that a July rate cut isn't off the table if the labor market shows signs of weakening beyond expectations. On the tariff front, by the end of June, only Vietnam, China, and the UK had secured trade agreements with the U.S., with the 90-day tariff suspension deadline looming, heightening fears of tariff impacts and exerting further downward pressure on the DXY. By the end of June, the dollar slumped to a three-year low of 96.6, a level not seen since March 2022 - a dramatic fall for the world's traditional safe-haven currency.

### The interbank exchange rate continued to break records throughout June

Despite the USD's sharp decline, the USD/VND exchange rate continued to rise, indicating that pressure largely stemmed from domestic market dynamics. In June, the State Treasury announced plans to purchase USD from commercial banks, with a maximum total value of USD 300mn, thereby raising the total USD purchased since the beginning of the year to nearly USD 1.9bn (close to the USD 2.1bn bought in 2024), tightening USD supply. Furthermore, the VND-USD interest rate gap widened in June, with the overnight interbank rate staying low for most of the month, even hitting a 15-month low of 1.3%. This further intensified depreciation pressure on the VND. Consequently, the interbank exchange rate trended upward, closing the month at 26,118 VND/USD (+2.6% compared to early 2025). Meanwhile, the free-market rate rose to 26,430 VND/USD, and the central rate reached 25,052 VND/USD, up 2.6% and 2.9%, respectively, from the start of the year.

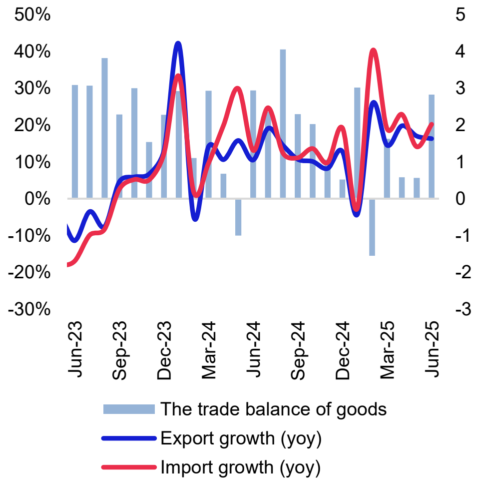
Although the USD is expected to continue declining toward the end of the year as the Fed is projected to start cutting interest rates, we believe intrinsic pressures will be a key factor contributing to the surge in exchange rates, including: (1) Persistent USD-VND interest rate differential despite the FED cutting rates to 4%. (2) Higher import demand due to 0% tariffs on U.S. goods. Conversely, exports will slow down in 2H25, leading to a narrower trade surplus in 2025. (3) Slower FDI inflows as investors await clearer tariff information. (4) Domestic-global gold price gap amid rising gold prices. Hence, **we expect the exchange rate to fluctuate in the range of 26,600 – 26,750 VND/USD by year-end, representing a year-to-date increase of 4.5% - 5%.**

**Fed has kept interest rates at 4.5% amid mounting uncertainty caused by the tariff crisis**




Source: Bloomberg, MBS Research

**Import-export growth and monthly trade**




Source: GSO, MBS Research

## Vietnam's economic indicators

| Economic indicators | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025F |
|---|---|---|---|---|---|---|---|
| **1. GDP, population & income** | | | | | | | |
| Nominal GDP (USDbn) | 310.1 | 334.3 | 346.6 | 366.1 | 430 | 476.3 | 512 - 514 |
| Real GDP growth (%) | 7.02 | 2.91 | 2.58 | 8.02 | 5.05 | 7.09 | 7.9 - 8.1 |
| Exports of goods and services (% yoy) | 8.1 | 6.5 | 19 | 10.6 | -4.4 | 14.3 | 9 - 10 |
| Imports of goods and services (% yoy) | 7 | 3.6 | 26.5 | 8.4 | -8.9 | 16.7 | 15.0 |
| GDP per capita (USD) | 3,267 | 3,491 | 3,586 | 3,756 | 4,163 | 4,700 | 5,000 |
| **2. Fiscal policy (%GDP)** | | | | | | | |
| Government debt | 49.2 | 51.5 | 39.1 | 34.7 | 34 | 34 | 35 |
| Public debt | 55.9 | 43.1 | 38 | 39.5 | 37 | 37 | 37 |
| Foreign debt | 47.1 | 47.9 | 38.4 | 36.8 | 37.2 | 33 | 34 |
| **3. Financial indicators** | | | | | | | |
| USD/VND exchange rate | 23,228 | 23,115 | 23,145 | 23,612 | 24,353 | 25,058 | 26,600 - 26,750 |
| Inflation rate (%) | 2.8 | 3.2 | 1.8 | 3.15 | 3.25 | 3.63 | 3.5 |
| Credit growth (%) | 18.7 | 18.2 | 13.9 | 12.1 | 13.5 | 15.1 | 17 - 18 |
| 12-month deposit rate | 7.2 | 6.8 | 5.8 | 8.5 | 5 | 5.1 | 4.7 |
| Trade balance (USD bn) | 9.9 | 19.1 | 4 | 11.2 | 28 | 31.0 | 4.2 - 8.2 |
| Goods: Exports (USD bn) | 263 | 281 | 336 | 371 | 355.5 | 405.5 | 442 - 446.08 |
| Goods: Imports (USD bn) | 253 | 262 | 332 | 360 | 327.5 | 380.8 | 437.9 |
| Foreign reserve (USD bn) | 78 | 94 | 109 | 86 | 95 | 80 | 84 |

## DISCLAIMER



## MBS INVESTMENT RECOMMENDATION

**Stock rating**

Our investment recommendations are based on the expected profitability of the stock, calculated as the sum of (i) the percentage difference between target price and market price at the time of publication, and (ii) expected dividend yield. Unless otherwise stated in the report, investment recommendations have an investment horizon of 12 months.

| | |
|---|---|
| ADD | The stock can generate a profitability of 15% or more |
| HOLD | The stock can generate a profitability of between -15% and 15% |
| REDUCE | The stock can generate a loss of 15% or more |

**Sector rating**

| | |
|---|---|
| POSITIVE | Industry stocks have Add recommendations on a weighted market capitalization basis |
| HOLD | Industry stocks have Hold recommendations on a weighted market capitalization basis |
| NEGATIVE | Industry stocks have Reduce recommendations on a weighted market capitalization basis |

## ABOUT MBS

Founded in May 2000 by the Military Commercial Joint Stock Bank (MB), MB Securities Joint Stock Company (MBS) is one of the first six securities companies in Vietnam. After years of development, MBS has grown into one of the premier brokerage houses in the country. In two consecutive years between 2009 and 2010, MBS leads the brokerage house in terms of market share on both Hanoi Stock Exchange (HNX) and HCMC Stock Exchange (HOSE) and continuously ranked among the Top 5 of market share at both stock exchanges.

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