



Analyst

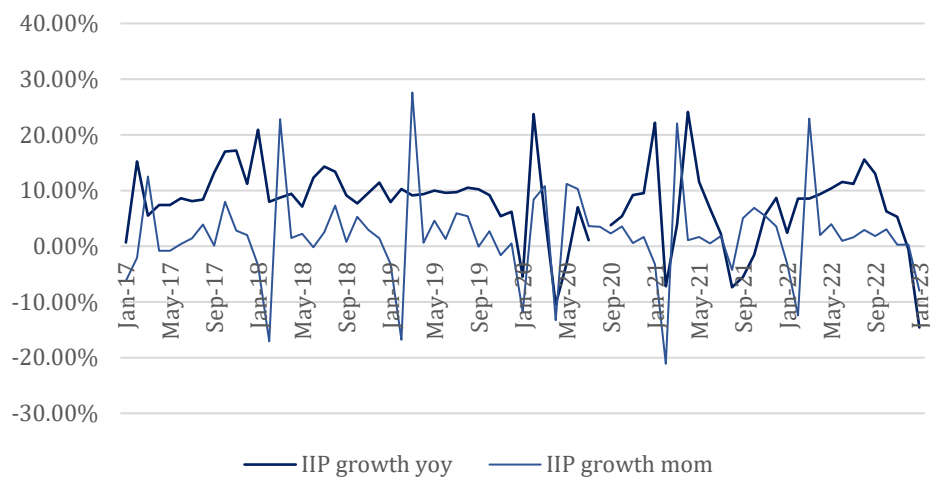
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MANUFACTURING AND TRADING HAVE NOT RETURNED TO OLD TRAJECTORY

The index of industrial production (IIP) in April 2023 was estimated to increase by 3.6%mom and by 0.5% over the same period last year. However, in general, key manufacturing sectors still recorded a decline in the first 4 months of the year.

Monthly IIP

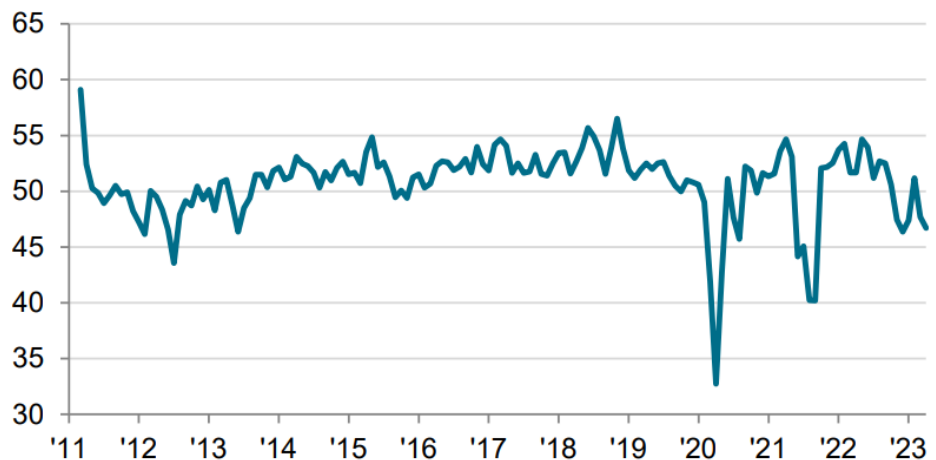


Sources: GSO, GTJASVN

PMI continues below the threshold of 50. The highlight is the sharp drop in the number of new orders.

S&P Global Vietnam Manufacturing PMI

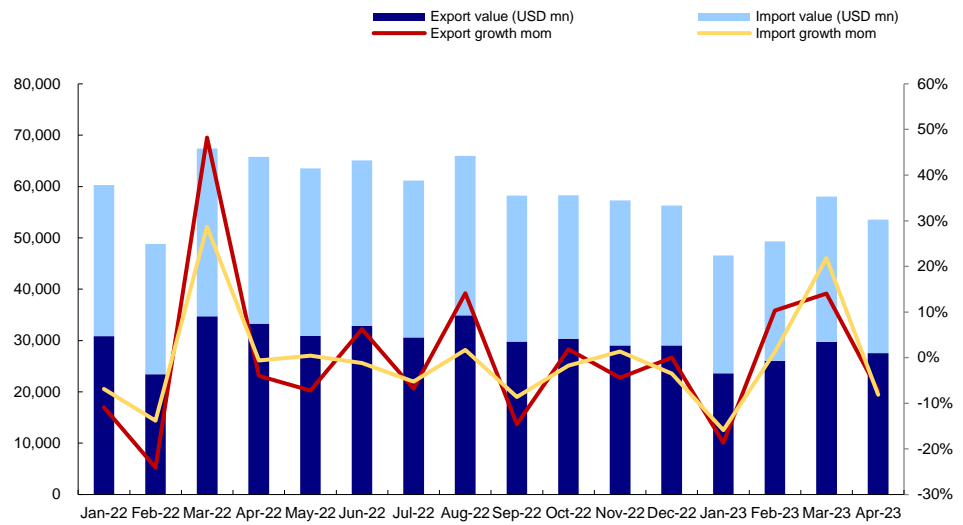
sa, >50 = improvement since previous month



Source: S&P Global.

Data were collected 12-20 April 2023.

Import and export turnover continued to decline sharply



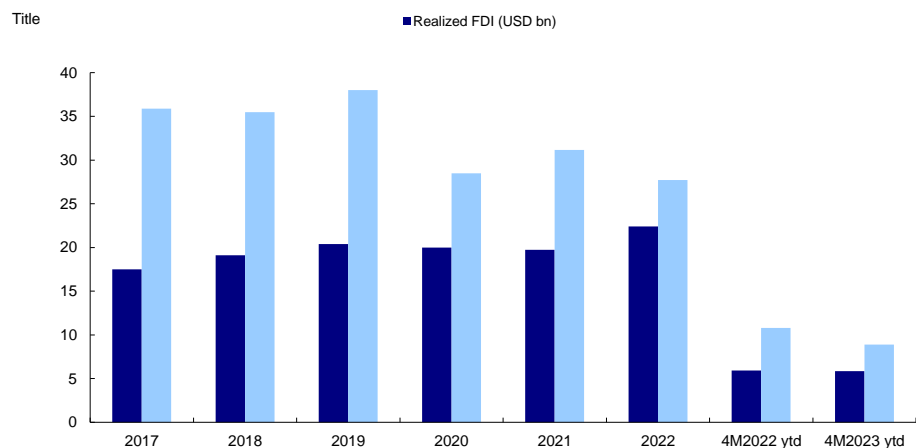
Sources: GSO, GTJASVN

Import and export value in April continued to decline over the same period last year. In addition, in April, the total turnover decrease compared to the previous month with a total value of 52.57 billion USD (compared to 58 billion USD in March). However, we still recorded 4 consecutive months of trade surplus since the beginning of the year, helping to strengthen foreign exchange reserves and reduce pressure on the exchange rate.

Based on the negative condition of export orders and domestic production, the business results outlook of enterprises in the manufacturing-export sector seems to be gloomy at least in the second quarter.

STABLE FDI DISBURSEMENT

Disbursed FDI in general is still relatively stable. Meanwhile, newly registered FDI in April improved compared to March.



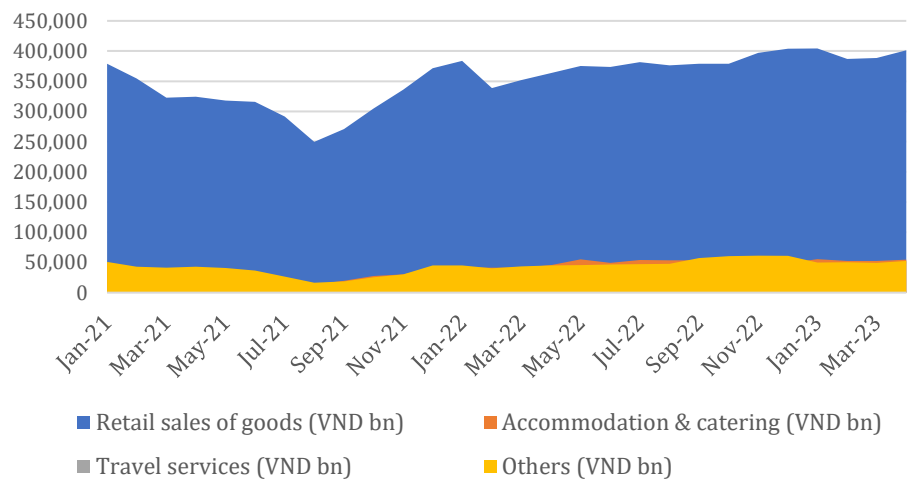
Sources: GSO, GTJASVN

The prospect of newly registered FDI is considered quite optimistic according to a survey from a number of enterprises that have invested in Vietnam and plan to increase their investment capital in the near future.

DOMESTIC CONSUMPTION KEEPING UP, TOURISM SERVICES LEADED

Total retail sales of consumer goods and services in April continued to record an increase over the same period last year and compared to last month.

Total retail sales of goods & services



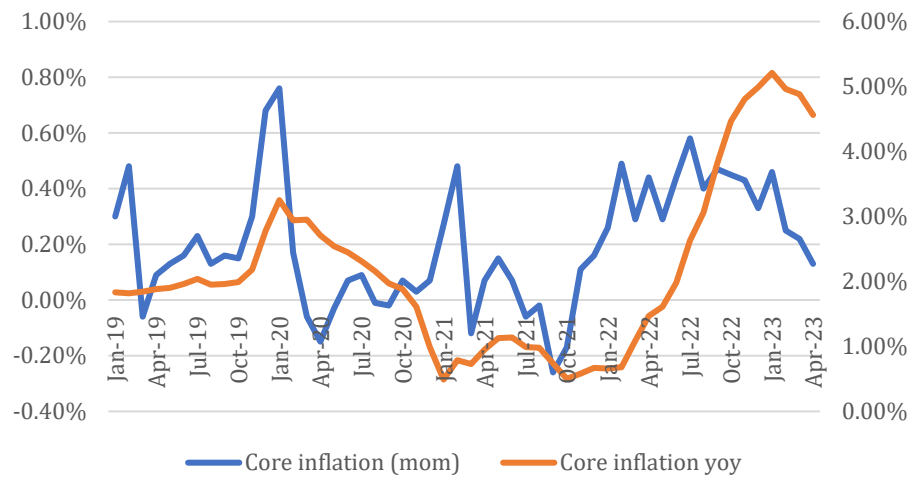
Sources: Fiinpro, GSO, GTJASVN

However, it can be seen that domestic consumption continues to weaken due to a decrease in domestic demand as income declines. We believe that higher prices are the main reason for the increase in retail sales while the return of tourism activities also contributed positively to the increase in retail sales in recent months.

RATE WILL CREATE PRESSURE ON INFLATION IN THE NEXT MONTHS

Inflation continued to cool down in April thanks to gas prices and prices of many commodity groups continuing to decrease (gas prices decreased by more than 12% in April, construction materials prices decreased by 0.83%, food and beverage prices decreased 0.38%). Accordingly, CPI in April decreased by 0.34% compared to the previous month with 7 groups of goods and services having a decrease in price index and 4 groups of goods with an increase in price index. Average CPI in 4 months increased by 3.84%yoy (in the first quarter increased by 4.18%yoy). Average core inflation in 4 months increased by 4.9%yoy compared to the figure at the end of Q1 of 5.01%yoy.

Monthly inflation



Sources: GSO, GTJASVN

However, it can be seen that inflation has only temporarily cooled down and remained at a high level. The Government has taken many actions such as directing not to increase tuition fees for the 2022-2023 year as well as proposing to reduce VAT from 10% to 8% to support the domestic economy and stabilize inflation. On the other hand, the challenge remains. According to the latest announcement on the increase in electricity prices from the Electricity of Vietnam, the official increase of the average retail electricity price by 3% from the current price from May 4 will put pressure on inflation in the coming months. Accordingly, CPI may be affected by increasing 0.1% according to the increase of electricity price as above.

COMPANY RATING DEFINITION

Benchmark: VN – Index.

Time Horizon: 6 to 18 months

Rating	Definition
Buy	Relative Performance is greater than 15% Or the Fundamental outlook of the company or sector is favorable
Accumulate	Relative Performance is 5% to 15% Or the Fundamental outlook of the company or sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the company or sector is neutral
Reduce	Relative Performance is -15% to -5% Or the Fundamental outlook of the company or sector is unfavorable
Sell	Relative Performance is lower than -15% Or the Fundamental outlook of the company or sector is unfavorable

SECTOR RATING DEFINITION

Benchmark: VN – Index

Time Horizon: 6 to 18 months

Rating	Definition
Outperform	Relative Performance is greater than 5% Or the Fundamental outlook of the sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the sector is neutral
Underperform	Relative Performance is lower than -5% OrThe Fundamental outlook of the sector is unfavorable

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