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30/10/2025

Vietnam Macro Update in September 2025 and Key Information in October

Summary of key information:

- The global economy is showing difficulties; however, this is becoming a driving force for major countries to sit down at the negotiating table, and many important compromises are being proposed.
- China is entering the stage of preparation for its next Five-Year Plan, which is expected to create a turning point in the country's economic and social transformation process.
- Vietnam's economy continues to grow strongly and is likely to achieve the plans set at the beginning of the year; however, some higher targets that the Government has set for itself will face challenges.
- The stock market is rising in the context of somewhat declining liquidity, and foreign investors continue to withdraw capital despite positive news about the market's upgrade.

The global economy as well as international financial markets seem to have adapted well to recent geopolitical developments. While economic and political events continued to occur intensively during the third quarter, the volatility indexes as well as market trends did not show major changes compared to the previous quarter. This may be because the world has already gone through four years of surprises during Mr. Trump's first term, and another four years during Mr. Biden's term to prepare for the shifts in the United States' approach. However, there have appeared some concerns regarding recent developments, especially after the bankruptcies of several enterprises related to private credit, a market that lacks the supervision of regulatory authorities as well as the transparency that is usually seen in more traditional financial products.

GLOBAL MACROECONOMICS

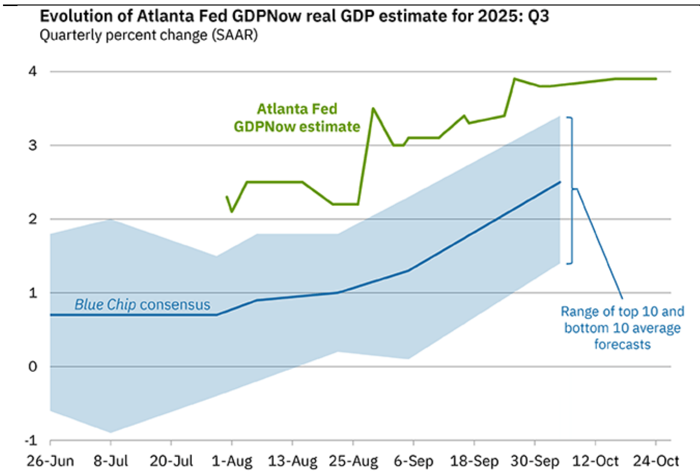
UNITED STATES ECONOMY

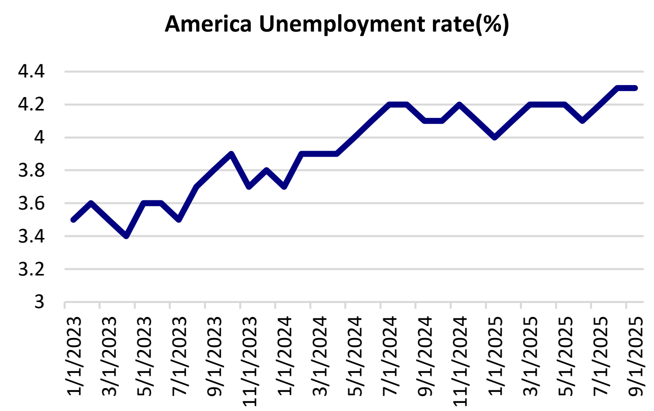
The U.S. economy is projected to maintain steady growth in Q3 2025, according to the Atlanta Fed's estimates. With positive GDP growth recorded in the last two consecutive quarters, short-term recession fears have eased. The estimated growth rate of around 2–2.5% in Q3 remains consistent with the U.S.'s long-term average, indicating that the economy is holding up well amid both domestic and global challenges - many of which stem from policy decisions under President Donald Trump.

While the U.S. continues to post solid GDP growth, labor market conditions tell a different story. The unemployment rate has been gradually rising in recent months, reaching 4.3% in September - the highest level since the COVID-19 pandemic - adding pressure to the country's social welfare system.

Major U.S. corporations, including Microsoft, Amazon, and several AI sector firms, have recently announced significant workforce reductions, further intensifying pressure on the labor market. These cuts coincide with the U.S. government's own downsizing efforts, even though the public sector has contributed about 41% of all new job creation between 2019 and the end of 2024, equivalent to approximately 638,000 jobs.

However, the official labor statistics may not fully reflect the underlying situation. Compared to preliminary data releases, subsequent revisions have shown downward adjustments. For the most recent fiscal year (ending March 2025), employment figures were revised down by 911,000 jobs, with an additional 250,000 jobs cut in May and June 2025. As a result, the actual unemployment situation in the U.S. may be worse than reported, as highlighted by several economists and labor market analysts.





Source: Atlanta Fed, Bureau of Labour Statistic, Bloomberg Termnial, GTJA RS team

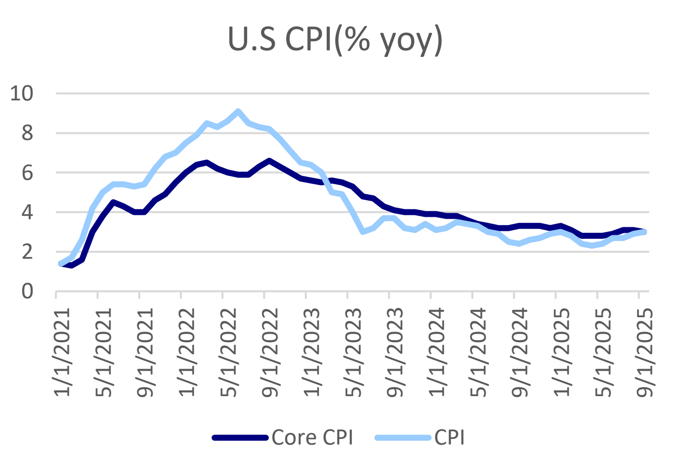
While the economy continues to expand, the unemployment rate keeps goes up, and inflation remains influenced by many contrasting factors. On one hand, rising production and business costs, particularly those driven by President Trump's commercial war, have created upward price pressure. However, a large portion of these costs has been absorbed by wholesale and distribution firms, effectively mitigating the inflationary pressure on consumers in America.

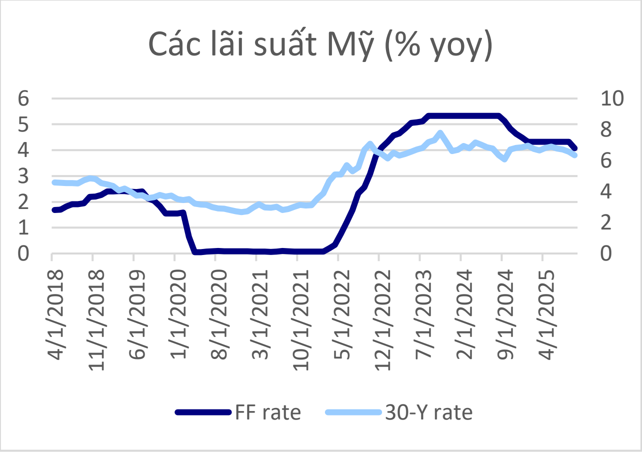
On the other hand, the increase in unemployment and labor mobility, as workers relocate to adapt to new job opportunities, have helped ease inflationary pressure. Overall, these opposing forces have resulted in a continued upward trend in the U.S. Consumer Price Index (CPI), which reached 3.0% in October.

At this backdrop, where economic growth remains positive but unemployment is rising, the America Federal Reserve's meeting on October 29 concluded with a 0.25% cut in interest rate. Both unemployment and inflation remain elevated, while domestic and global uncertainties have led to increasing divergence among Fed policymakers regarding the future path of monetary policy. Fed officials have issued widely differing projections. Notably, Stephen Myran, the newest member of the Board of Governors and a supporter of President Trump, suggested that the Fed funds rate should be lowered by approximately 2% from the current level nearly double the median projection of other members.

At the U.S. government shutdown's background since early October, stemming from disagreements over the federal budget, has delayed the release of key economic data, making it more difficult for the Fed to steer monetary policy effectively. Even prior to this, the central bank faced strong political pressure from President Trump to ease monetary conditions, while Chair Jerome Powell's term is set to end in May 2026, raising concerns about the Fed's institutional independence, particularly following the appointment of pro-Trump Governor Stephen Myran.

In this context, Myran's dual role as an economic adviser to the White House may be viewed as an exception rather than the norm, highlighting how qualitative and political factors may outweigh quantitative ones in shaping policy during this administration. Overall, consensus forecasts suggest that the Fed will continue to lower interest rates in the coming months, though the extent and pace of easing remain uncertain. In addition, the central bank is expected to halt its Quantitative Tightening (QT) program, and a return to Quantitative Easing (QE) remains a distinct possibility should economic conditions deteriorate further.





Source: Bloomberg Terminal, Fred St.Louis, GTJA RS team

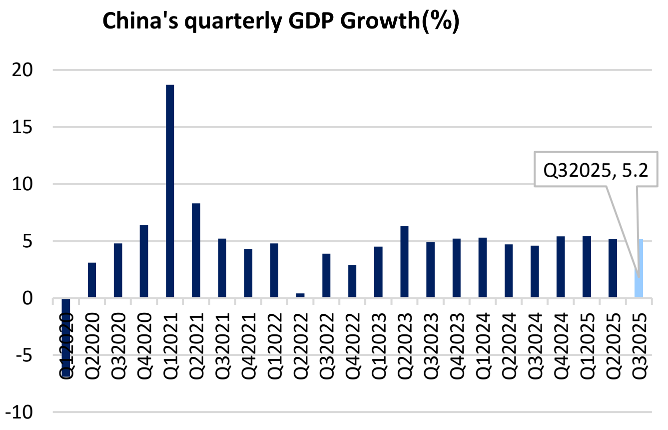
CHINA

While the United States pursues an uncertain strategy to create maximum pressure on other countries, China firmly pursues a stable policy and its multipolar approach. With this approach, the role of China in the region and in the world is becoming more and more important, and the BRICS bloc, led by China together with other founding members such as Russia, Brazil, and India, is increasingly attracting attention as well as adding more members. Most recently, Vietnam has also become a partner of BRICS, similar to Thailand and Malaysia, while Indonesia has quickly upgraded its partnership since late 2024 to become a member right in this year 2025.

This late-2025 period is a very important stage for China. Besides the parade activities commemorating September 3, this is the period when China reviews results of the 2021–2025 five-year plan and prepares to build important economic and social goals for the 2026–2030 period. Being the second largest economy in the world (by nominal GDP), or the largest (by purchasing power parity, PPP), and at the same time having one of the largest populations in the world, stretching across a vast territory with diverse terrains, the five-year plans have long been the backbone helping China's government orient the development of this nation.

It is expected that China's GDP will grow 5.2% in the third quarter, helping average growth in the first nine months of 2025 stay at 5.2%. Thus, China will complete the growth target of about 5.0% for the year 2025, heading toward sustainable growth milestones in the next five-year period.

The unemployment rate in China also slightly decreased from 5.3% in the previous month down to 5.2%. However, data show that unemployment among youth and fresh graduates remains at a high level (estimated to reach 15–20%), showing there are still certain pressures in China's economy issues that the next five-year plan will consider and provide guidance and solutions for.



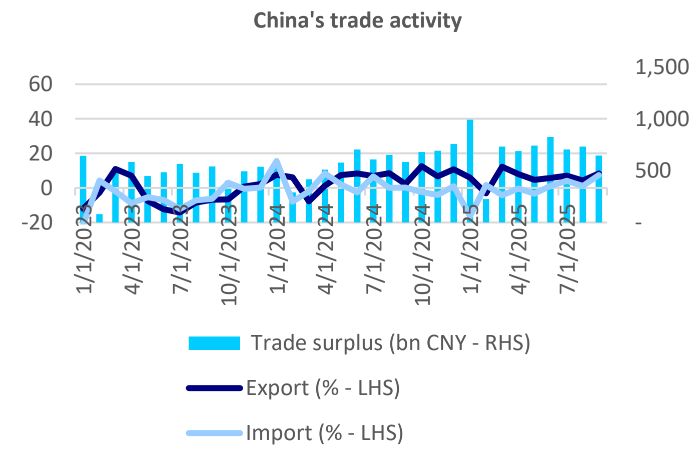
Source: Bloomberg Terminal, China's National Bureau of Statistics, GTJA RS team

In the storm of the trade war, President Trump continuously made decisions unfavorable to China. During the early stage of the trade war, the tariff levels that Mr. Trump imposed on China continuously increased, reaching over 100% before both sides temporarily paused to make way for negotiation and diplomatic efforts. After succeeding in temporarily reducing the tariff level to 30%, Mr. Trump continued to threaten to raise tariffs to 100–150% due to disagreements over the issue of rare-earth exports as well as China's suspension of purchasing agricultural products from the United States (specifically soybeans or beef). And as usual, Mr. Trump immediately afterward also gave soothing messages, with the negotiations on tariffs between the two countries seemingly getting closer to an agreement that could satisfy all involved parties. The official result will need to wait until after the APEC summit at the end of October, where a meeting between Mr. Trump and President Xi Jinping is expected to take place to unify the terms.

In the context of continuous uncertainties in tariff policy coming from the United States, it is not surprising that China's exports to the U.S. decreased by 18% in the first nine months of 2025. What is surprising is that China's overall exports still continued to grow positively, with trade surplus levels recording new records, showing that China had prepared very well for global shifts, and that the country is now in a much stronger position compared to Mr. Trump's first term to carry out its development orientations.

Of course, China's economy still has systemic difficulties. Inflation in the country continues to fluctuate around 0%, with September inflation recorded at -0.3%, lower than the forecast of -0.2%. Inflation in China comes from both positive and negative causes, partly due to rising labor productivity and a competitive economy reducing prices, while the rest stems from the continuous fall in real estate prices after the sharp increases of the previous decade, which lowers the price index and at the same time reduces consumer demand among many citizens, leading to further price decreases.

Nevertheless, the Chinese government is also well aware of these challenges, and in recent years, especially since late 2024, it has introduced several policies to stabilize the situation. It is expected that China will continue to introduce many important policies to boost domestic consumption and address structural problems in the past period.



Source: Bloomberg Terminal, China's National Bureau of Statistics, GTJA RS team

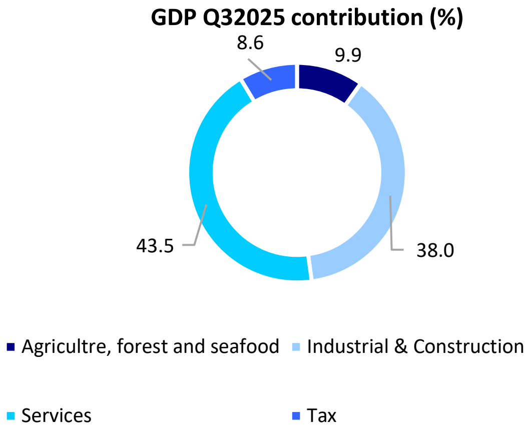
VIETNAM MACROECONOMICS

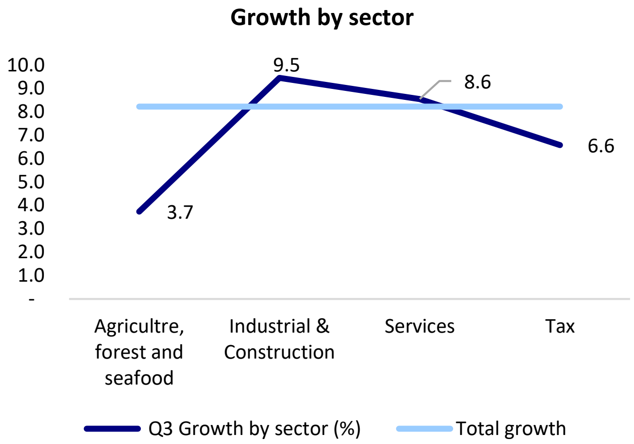
In the third quarter, Vietnam's economy continued to accelerate. GDP growth during this period reached 8.23%, only lower than the same period of 2022 due to the low base of the previous year (2021). Calculated for the first nine months of the year, Vietnam achieved a growth rate of 7.85%, firmly laying the foundation for achieving the target of over 8.0% growth set at the beginning of the year. However, the government is setting a growth target of 8.3–8.5%, and with the recent results, achieving this level of growth requires continued efforts during the remainder of the year. At present, we maintain our forecast that Vietnam's growth will reach 7.8–8.3% for this year 2025.

The proportion of agriculture in GDP in the third quarter reached 9.9%, slightly increasing from 9.5% in the previous quarter. This sector achieved a growth rate of 3.74% in the third quarter, consistent with the general growth rate of agriculture in the first nine months of the year at 3.83%. Agriculture remains the main component within the agricultural sector, accounting for over 70% of the created value-added. Thanks to the agricultural self-reliance policy, Vietnam overcame the Covid-19 period with the lowest possible losses. Therefore, although there are not many priority policies focusing on this sector in the current period, and the orientation is more toward industrialization and modernization of the economy, it can be affirmed that agriculture will still receive government attention to ensure the resilience of society as a whole.

Meanwhile, industry and construction are increasingly becoming important pillars of Vietnam's economy. This sector accounted for 38% of value-added in the third quarter, up from 36.4% in the previous quarter. The growth rate of this sector was also the highest in the third quarter, reaching 9.46%, higher than the previous quarter's 8.82%. Thus, for the first nine months of the year, Vietnam's industry and construction grew by 8.69%, which remains the highest growth rate among all sectors. Overall, industry and construction are considered sectors with significant spillover effects in the economy, so maintaining positive growth in this area is a good signal for the Vietnamese economy.

Accounting for the highest proportion of value-added is the services sector, with 43.5% of GDP in the third quarter. As one of Vietnam's development focuses, this sector's share slightly decreased from the previous quarter (which reached 45.4% of GDP in the second quarter). The growth rate of this sector also declined from 9.06% in the second quarter to 8.56% in the third quarter, bringing the nine-month growth of the services sector down to 8.49%, which is still a relatively high level compared to recent years.





In the third quarter, it is estimated that industrial output grew 10% compared to the same period of 2024. This is the highest increase of this year, after the revised announcement of the second quarter showed that the IIP of this period increased 9.3%, and the first quarter increased 8.3%.

In September, the IIP index grew 13.6%, higher than the average of the first nine months which was 9.1%. The growth of IIP contributed positively to the high growth of Industrial and Construction output, creating a solid foundation for Vietnam's economic development.

The Mining sector has had good output growth in recent months, reaching 22.4% in September and 8.2% in the third quarter, reversing the downward trend of previous quarters. However, due to negative growth in previous quarters, for the first nine months the mining sector increased only 0.1%. The recent good growth of mining came from increased output of coal mining, crude oil & gas extraction, and metal ore mining. These three areas grew respectively 63.0%, 15.2%, and 20.6% in September, bringing the quarterly increase to 11.4%, 4.8%, and 2.3%.

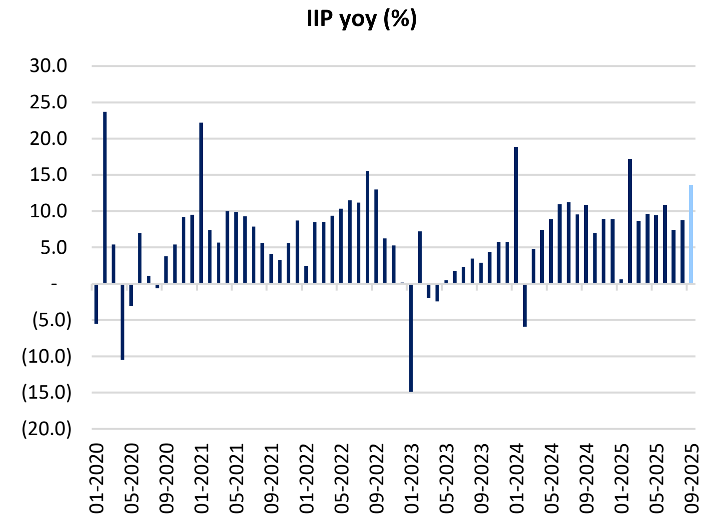
The Manufacturing and Processing Industry, which has long been the bright spot of Vietnam's economy, still maintains an impressive growth momentum, reaching 12.7% in September, 10.2% in the third quarter, and 10.4% in the first nine months of this year. The stable growth rate of this sector reinforces its position as the leading engine of growth, with the highest growth in the quarters and in the first nine months coming from the motor vehicle manufacturing sector. This is evidence of VinFast's contribution to Vietnam's industrial production. However, the growth rate shows signs of slowing down — from more than 30% in the early quarters of the year to only 15.9% in the third quarter.

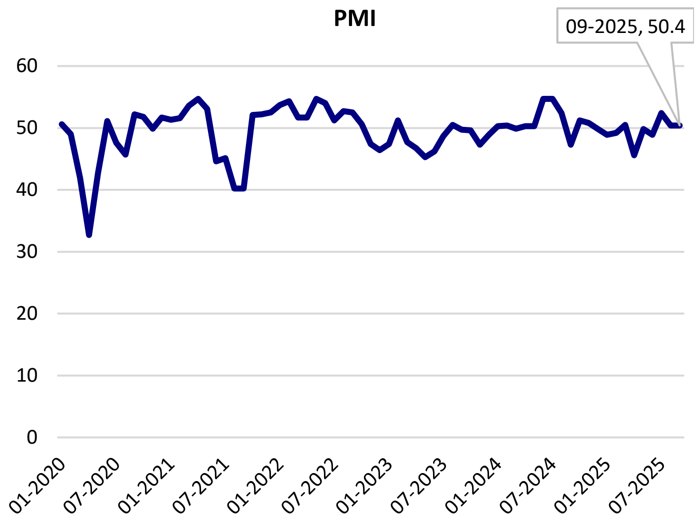
Another sector also worth noting is the production of beds, wardrobes, tables, and chairs, which is heavily affected by U.S. tariffs. The output growth rate of this sector has shown a declining trend in the three quarters of this year, from 12.6% down to 10.3% and 8.9%. The production of wooden furniture (beds, wardrobes, tables, chairs) in Vietnam benefited greatly from the first U.S. trade war, when production shifted from China to Vietnam, with exports to the U.S. increasing 20–50% each year. If Vietnam can reach a positive tariff agreement with the United States, it is expected that this industry could once again contribute more to domestic growth.

In September, Vietnam's PMI recorded a level of 50.4, unchanged from the previous month. In general, production units recorded a slight increase in orders after a decline in the previous month. However, export orders still recorded a decrease, although the decline rate was no longer high — likely receiving support from recent U.S. tariff developments.

Besides the slight increase in total orders, the decline in export orders, and ongoing labor cuts by production units, both input prices and output prices are increasing, partly due to exchange-rate pressures, creating minor obstacles for producers.

Overall, producers expect that the macroeconomic environment will continue to evolve in a more positive direction, helping increase orders both domestically and internationally — especially from the public investment sector — although business community optimism remains only moderate.





Source: General Statistics Office, GTJA RS team

Total retail sales in September grew by 11.3%, the highest growth rate of this year, reaching 598.7 trillion VND, higher than the average growth of the first 9 months of the year at 9.5%. Thus, retail sales of goods and services this year have achieved a higher growth rate than the same period of 2024 (8.8%).If excluding the price factor, retail sales in the first 9 months of this year grew by 7.2%, higher than the increase of 5.8% in the same period.

Retail sales of goods continue to be the sector accounting for the highest proportion, reaching 76.0% of total retail sales of goods and services in September. This sector showed improvement during the month, growing by 10.4% compared to the general growth of 8.3% this year, contributing positively to the increase in the growth rate of total retail sales.

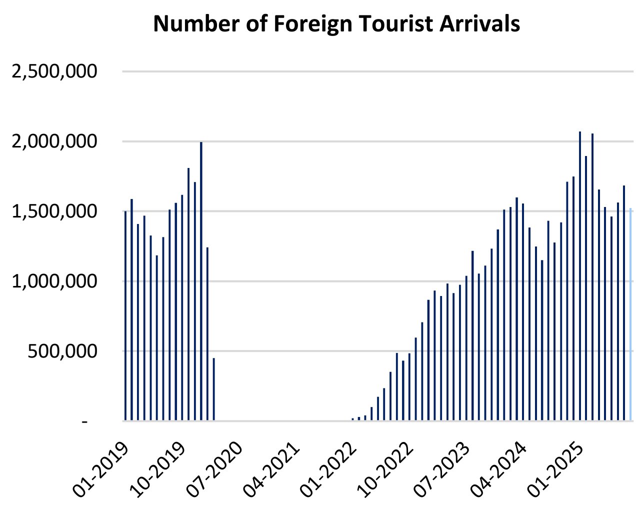
Meanwhile, the sectors with the highest growth rates are Accommodation and Food Services, and Travel Services, increasing by 15.0% and 19.7% respectively in September, while having increased by 14.8% and 20.5% since the beginning of the year. However, due to their low proportion in total retail (11.9% and 1.4% in September, 12.1% and 1.3% since the beginning of the year), the contribution of these two sectors to total growth is not much.

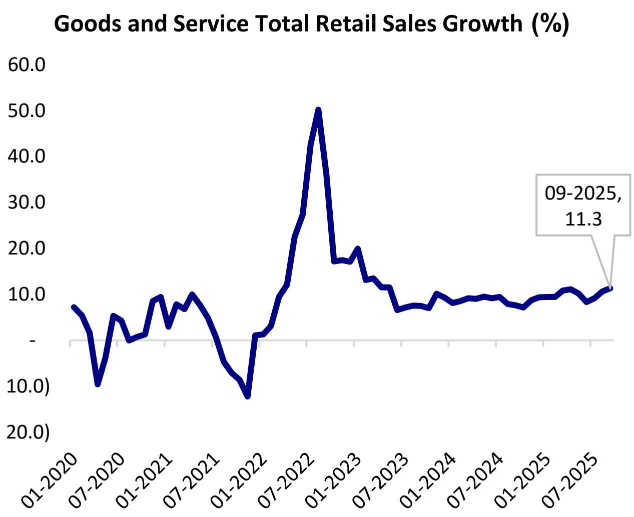
Foreign tourists still recorded positive growth in September, reaching 1.5 million arrivals in the month, up 19.5% compared to the same period in 2024. However, there has been a slowdown of foreign tourists in recent months, and September's growth has slowed compared to the overall 9-month growth of 21.5%.

Most foreign tourists coming to Vietnam are from the Asian region, reaching 81.7% of total foreign tourists in September, higher than the annual average of 79.3%, because tourists from this region had a high growth rate of 20.9% this year. Leading are tourists from China, accounting for 23.7% of total tourists in September, growing 40.2% compared to the same period in 2024. Following are tourists from South Korea, accounting for 21.6% of total tourists in September, decreasing 7.6% compared to the same period in 2024.

Overall, the growth momentum of tourists from Asia is slowing down, appearing in the four main tourist groups of China, South Korea, Japan, and Taiwan. While tourist growth from China and Japan remains positive (43.9% and 16.8% in the first 9 months of the year), South Korea and Taiwan are recording negative growth (-3.9% and -2.9%).Although not yet large enough to cause a negative impact on tourist flows, this is a noteworthy signal because South Korea and Taiwan are two major countries investing in Vietnam as well as growth drivers of Vietnam's manufacturing and tourism in the previous period.

Tourists from the Americas also grew more slowly, increasing only 2.6% in September, lower than the 9-month average of 8.5%. Meanwhile, tourists from Europe grew by 57% in September and 34.9% since the beginning of the year, due to the pulling force from Russian tourists, who increased 240% in September and 173% since the beginning of the year. Tourist groups from other European countries such as the UK, France, and Germany grew by 10–20% during this period.

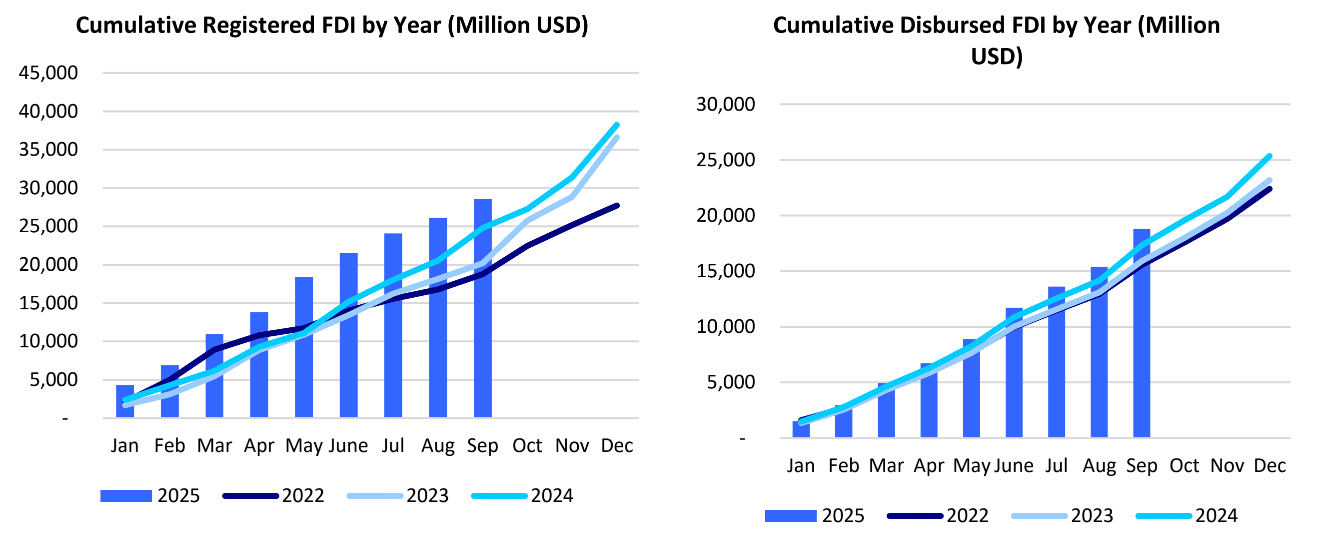




Source: General Statistics Office, GTJA RS team

Total registered FDI capital into the Vietnamese market continued to grow in the third quarter, reaching a cumulative figure of 28.5 billion USD since the beginning of the year, up 15.2% compared to the same period in 2024. Newly registered FDI capital focused on increasing capital in existing projects (11.3 billion USD, up 48% year-on-year) and purchasing shares in companies (4.84 billion USD, up 34.8%). Meanwhile, FDI capital in new projects continued to increase, but only reached 12.4 billion USD for the first 9 months of 2025, down 8.6% compared to the same period in 2024. The overall growth rate of registered FDI also slowed down, from an increase of 40–60% in the previous quarter to only 15.2% cumulative growth this quarter. This shows that foreign investors still consider Vietnam a potential destination; however, investment is mainly concentrated among those who already have operations in Vietnam, while new enterprises remain cautious, consistent with the recent complex geopolitical developments.

Disbursed FDI in September also reached 3.4 billion USD, the highest level this year, bringing total disbursed FDI to 18.8 billion USD, an increase of 8.42% compared to the same period in 2024. Compared to the disbursement rate of 7% in Q2, the accelerated disbursement rate indicates that investor confidence has returned, after Vietnam demonstrated a flexible and skillful diplomatic and negotiation strategy with international partners to ensure competitive advantages as well as maintain strategic and long-term partnerships with major powers such as the United States and China.

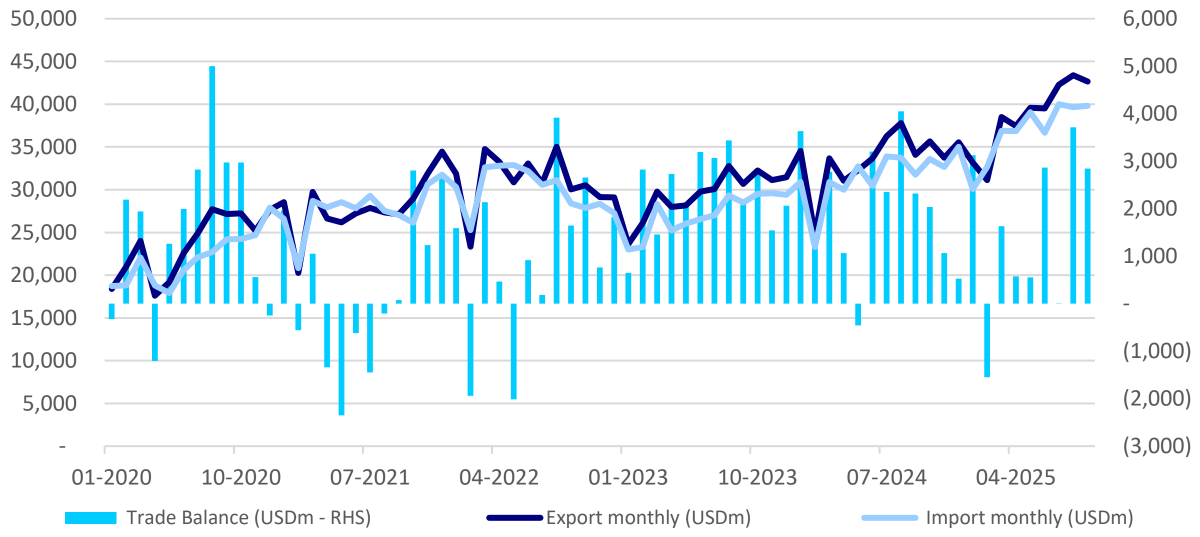


Source: Ministry of Planning and Investment, GTJA RS team

In the third quarter, Vietnam announced a framework trade agreement with the United States, although some technical details still need further discussion. Accordingly, Vietnam's tariff rate was sharply reduced from the previous level of 46% to 20%, similar to other countries in the region such as Thailand, Malaysia, and Indonesia (around 19–20%). With this tariff level, Vietnam maintains a relative cost advantage and continues to be a preferred manufacturing choice for international enterprises.

With this result, exports in September reached 42.67 billion USD, up 24.7% compared to the same period in 2024, while imports recorded 39.82 billion USD, up 24.9%. The trade balance in September recorded a surplus of 2.85 billion USD, continuing to support the maintenance of the current account surplus and macroeconomic stability.

For the whole of 2025, exports have reached 347.7 billion USD, an increase of 16.7% compared to the same period in 2024. Imports recorded 331.7 billion USD, growing by 19.5%. The trade surplus for the first 9 months of this year reached 16.05 billion USD, down 21% year-on-year, as imports increased faster than exports. In addition, the FDI sector (including crude oil) posted a trade surplus of 37.08 billion USD, leading to a domestic sector trade deficit of 20.26 billion USD, indicating a structural imbalance in import–export activities and reducing the effectiveness of the trade surplus in supporting macroeconomic stability in Vietnam.



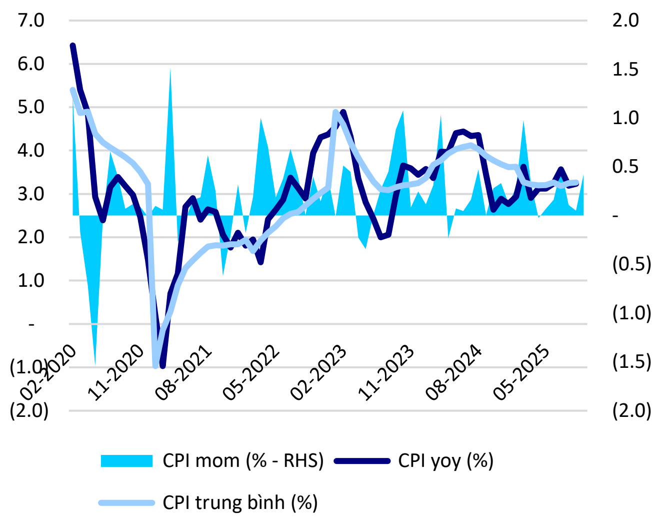
Source: Vietnam Customs, General Statistics Office, GTJA RS team

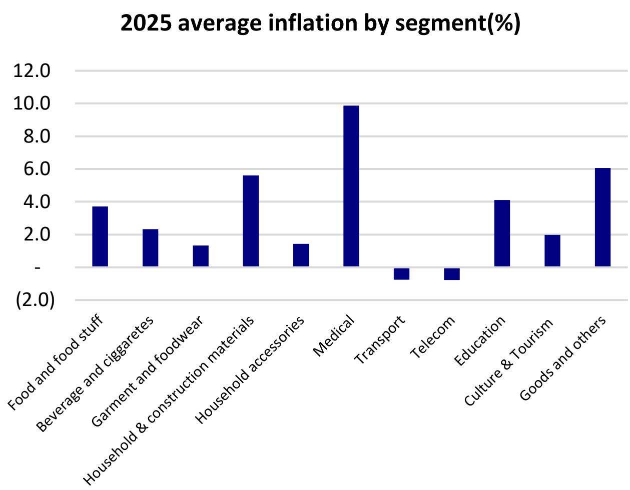
Inflation in the third quarter remained stable, hovering around 3.2–3.4%. By the end of September, monthly inflation was recorded at 3.38%, showing little change from 3.56% at the end of June. With this result, average inflation for the first nine months of 2025 reached 3.27%, almost certain to meet the government's target of keeping it below 4.5% for the year.

Types of goods in September don't have too much change compared to August. Healthcare and pharmaceuticals continued to record the highest price increases, up 12.62% in September. They were followed by housing and construction materials, which rose 6.86%. The only category showing a decline compared to the same period in 2024 was post and telecommunications, down 0.63% in September. Transportation reversed its recent downward trend — after a 1.91% decline in August, it rebounded by 1.45% in September due to rising fuel prices.

For the whole of 2025, medicines and medical services remained the category with the highest price growth, up 9.87% year-on-year. Housing and construction materials followed with a 5.61% increase in the first nine months of 2025. Meanwhile, both post and telecommunications and transportation recorded price declines on an annual average basis, down 0.79% and 0.76%, respectively.

Overall, by the end of the third quarter, inflation was no longer a major concern for the economy, despite strong credit disbursement and abundant money supply. This could be attributed to global deflationary concerns, which helped ease domestic inflationary pressure. Nevertheless, based on past experience, inflation remains a potential risk for Vietnam's economy, especially as exchange rates and gold prices have recently shown significant volatility.





Source: General Statistics Office, GTJA RS team

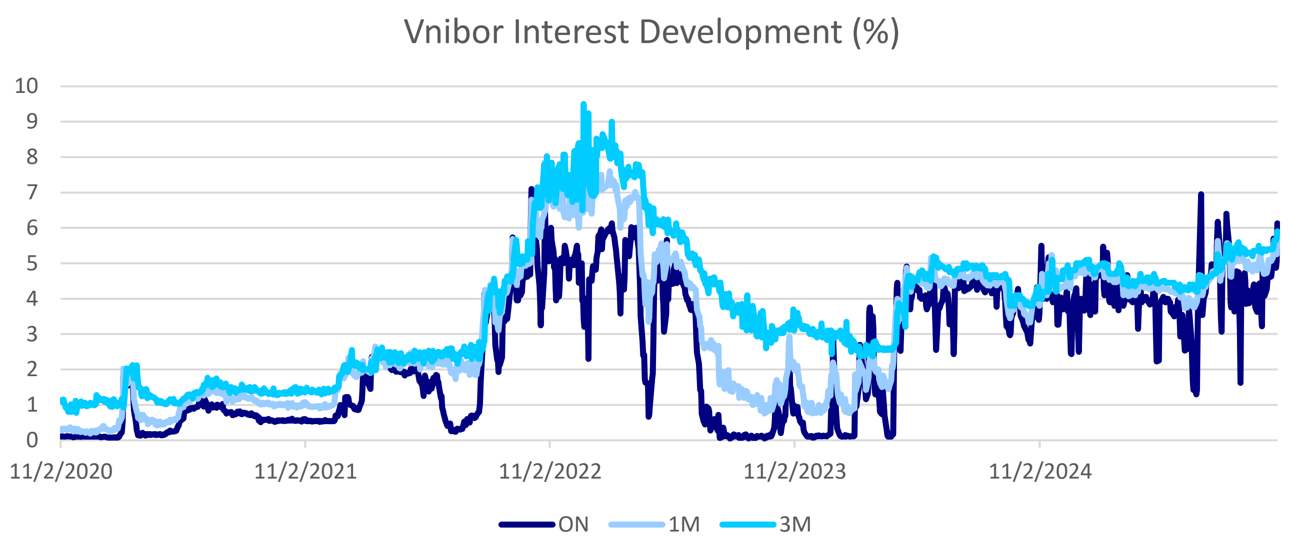
Credit disbursement activity continued to serve as a major driving force for Vietnam's economic growth. According to preliminary data from the State Bank of Vietnam (SBV), credit growth by the end of September reached 13.34% compared to the end of 2024 — the highest level recorded at the same time in recent years. Compared to the same period in 2024, this represents a nearly 20% increase, also considered a strong expansion. Earlier this year, SBV representatives stated that credit growth should be maintained at roughly twice the pace of expected GDP growth. Therefore, a 20% credit growth rate may be relatively high compared to the GDP growth target of around 8.0–8.5%.

Vietnam's rapid credit expansion has raised concerns among international institutions. Earlier this year, Fitch Ratings projected that Vietnam's credit-to-GDP ratio would reach approximately 145% by the end of 2025, up from 134% at the end of 2024. Compared with countries holding a similar credit rating, this ratio is about 2–2.5 times higher than the average. By the end of Q3, S&P Global also published a report warning about the accumulation of risks among small- and medium-sized banks in Vietnam.

Recent statistics show that while credit has been growing rapidly, capital mobilization has not kept pace, with a gap recently widening to around 3.0%. Similar patterns have been observed since 2023, indicating mounting pressure on banks' fundraising activities. This, in turn, could gradually push interest rates upward, despite ongoing efforts by the authorities to maintain stability.

As of mid-October, benchmark interest rates in the interbank market as well as deposit rates at several joint-stock commercial banks have been adjusted upward, though the increase varies across maturities and institutions.

At the international level, recent bankruptcies in the United States have highlighted potential liquidity shortages, underscoring the need for the SBV and domestic market participants to prepare proactively in order to avoid adverse scenarios.



Source: Bloomberg Terminal, GTJA RS team

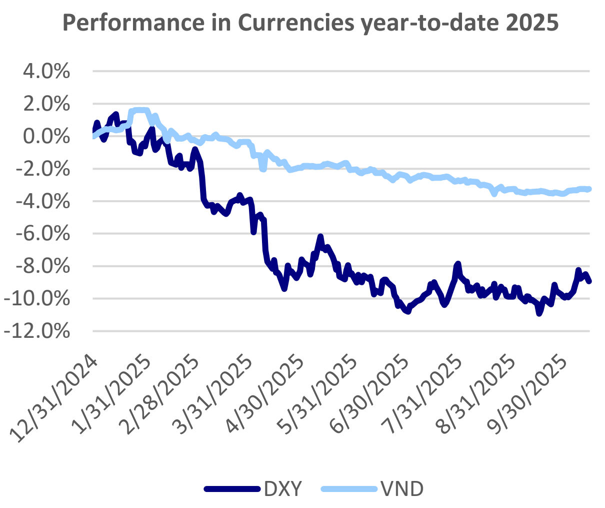
VND exchange rate continued to weaken slightly in recent months. As of mid-October, the VND had depreciated by as much as 3.3%, while the USD index had fallen by 8.9%. Compared with other regional currencies, the VND was among the weakest performers.

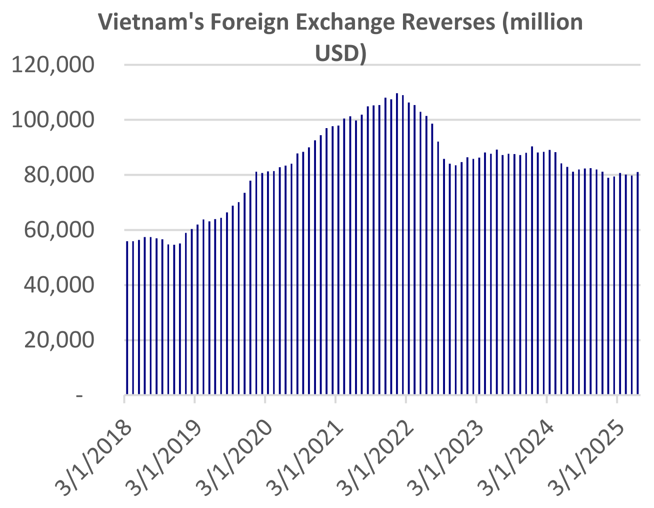
During the third quarter, to maintain exchange rate stability, the State Bank of Vietnam (SBV) conducted two rounds of foreign currency sales in the form of six-month cancellable forward contracts, totaling nearly USD 3 billion. Toward the end of October, the SBV carried out another sale of the same type, bringing the total outstanding forward contracts to around USD 4.8–5.0 billion. According to the IMF, Vietnam's foreign exchange reserves stood at approximately USD 81 billion at the end of Q2, implying a recent level of about USD 75–77 billion, relatively modest compared with the country's average monthly import demand of nearly USD 35 billion.

In addition, reports indicate that the USD exchange rate on the free market has been trading 4–5% higher than the official interbank rate, a significant divergence by historical standards, creating additional pressure on the interbank exchange rate. Recently, the SBV has instructed stricter monitoring and enforcement measures to prevent arbitrage activities that exploit this price gap.

Globally, the USD is likely to regain strength as the United States focuses on domestic economic growth and secures favorable trade agreements with allied nations. In this context, the VND is expected to remain under considerable pressure throughout 2025, potentially extending into 2026.

We currently maintain our forecast that the VND will depreciate by 3–5% in 2025, with the possibility of a sharper depreciation exceeding 5% under certain adverse scenarios.





Source: Bloomberg Terminal, IMF, GTJA RS team

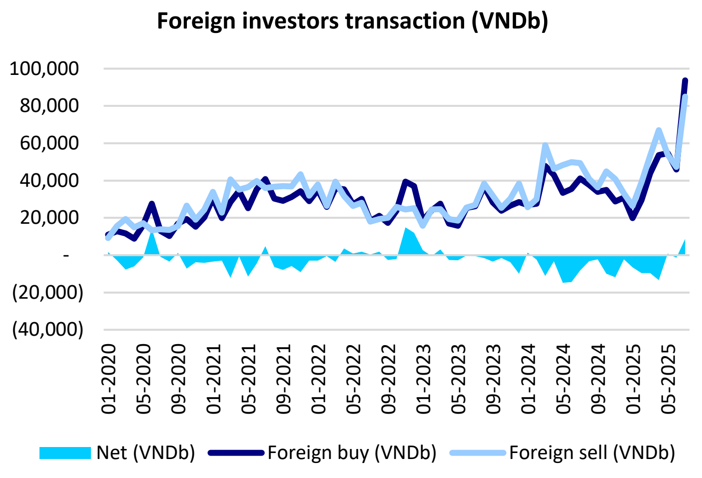
Foreign investors continued to record net selling on the Ho Chi Minh City stock exchange, with a net outflow of VND 25,299 billion. Cumulatively, from the beginning of the year to the end of September, foreign investors have sold a net amount of approximately VND 98,000–99,000 billion through order-matching transactions. Although FTSE recently announced its intention to upgrade Vietnam's stock market classification, the net selling trend has not yet reversed in the short term.

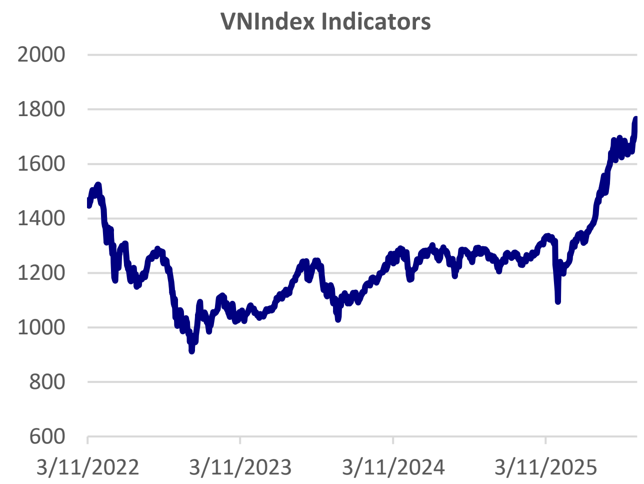
This situation may stem from both objective and subjective factors. First, the FTSE upgrade remains at the "proposed" stage and will depend on the review results in March 2026. In practice, Kuwait - a country in a similar situation to Vietnam - had to wait two years after the initial proposal before the upgrade was officially implemented, showing that such announcements do not guarantee an upgrade. Although Vietnam is very close to being upgraded, some cautious investors may prefer to wait for the official confirmation before considering new investments.

Second, Vietnam's stock market is no longer unfamiliar to many foreign investors. Despite still being classified as a frontier market, many foreign investors, particularly from South Korea, have already poured significant capital into Vietnam in recent years. As South Korea shifts its strategic focus toward India, and traditional investors such as SK Group restructure their portfolios by reducing exposure to Vietnam, some profit-taking outflows are understandable. Conversely, attracting new capital from investors who have not yet invested in Vietnam will require stronger promotion and engagement efforts in the coming period.

Lastly, there are expectations regarding passive capital inflows from ETFs once Vietnam is officially upgraded. However, these passive funds follow benchmark indices closely, and since Vietnam remains a frontier market, such inflows are unlikely to materialize before September 2026 at the earliest.

In summary, short-term foreign capital flows remain subdued. Nevertheless, as major powers such as the United States, China, and Russia actively return to negotiation tables and pursue mutually beneficial trade agreements, a more stable global environment could help Vietnam attract foreign investment once again. Meanwhile, domestic investors are increasingly taking the place of foreign ones, becoming a key driver helping the VN-Index maintain its recent high levels. By the end of Q3, margin loans at securities firms reached a new record of about VND 370,000 billion - equivalent to roughly 1.2 times their total equity. The strong disbursement and rising margin debt suggest that local investors are showing substantial interest and positive sentiment toward the Vietnamese stock market.





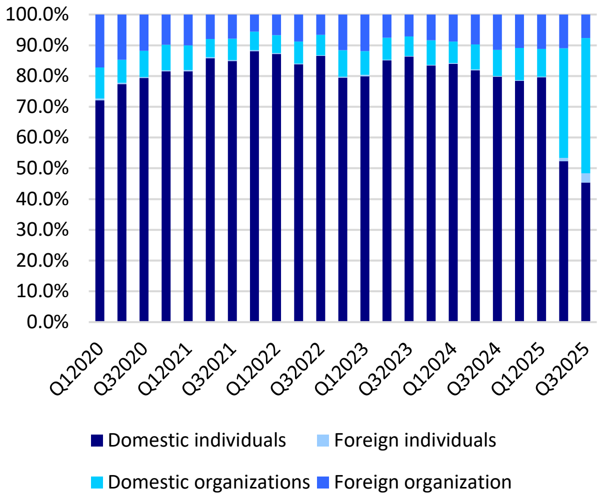
Source: Bloomberg, HOSE, GTJA RS team

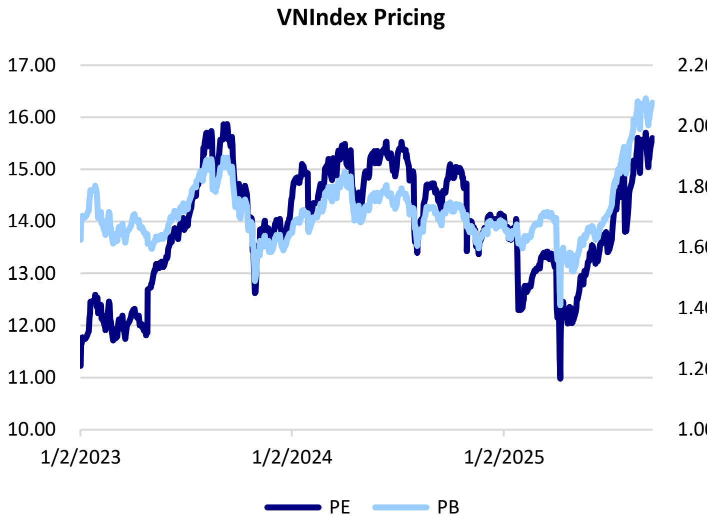
Overall, the Vietnamese stock market is moving in a projected pattern, forming a peak and now searching for new growth drivers. In the medium to long term, Vietnam's stock market remains highly attractive thanks to the country's strong economic growth momentum and government policies that emphasize financial market development and diversification away from traditional channels such as joint-stock banking.

However, in the short term, the market is facing several challenges. Global financial markets are experiencing unfavorable volatility accumulated over the past years, requiring time to stabilize. Meanwhile, significant structural adjustments are also taking place domestically, which will require investors' patience.

Market liquidity has shown signs of weakening recently, with gains concentrated in a few key stock groups, while many blue-chip stocks have returned to their price levels from early August, or even from June and July.

In general, investors may consider taking profits on stocks that have surged sharply and reallocating capital to those that have undergone deeper corrections but still maintain solid business fundamentals. This strategy would help them prepare for a potential breakout phase once the current economic adjustment period ends and positive market and capital flow factors converge in 2026.





Source: Bloomberg Terminal, FiinPro, GTJA RS team

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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