

Macroeconomics

Global Macroeconomics

United States (Fed): On September 17, the Federal Reserve cut interest rates by 25 basis points to a range of 4.0–4.25%, marking the beginning of a new easing cycle after nearly a year of policy pause. The Fed is expected to implement two more rate cuts this year to support growth and a weakening labor market.

European Union (ECB): The European Central Bank held rates steady at 2.15%, signaling a potential end to the current disinflationary cycle. Monetary policy in the EU is gradually shifting toward a more balanced stance, though the ECB has not provided clear forward guidance on future rate moves.

China (PBoC): The People's Bank of China continues to pursue a moderately accommodative stance, flexibly deploying monetary tools, including rate cuts and reserve requirement reductions, to support growth. While recovery signals are emerging, deflationary pressures and real estate risks remain key concerns. The 3-year and 5-year loan prime rates are currently maintained at 3.0% and 3.5% per annum, respectively.

Vietnam Macroeconomics

Macroeconomic Outlook Remains Positive Despite External Risks

Vietnam’s outlook for 2025 and 2026 remains optimistic, anchored by strong public investment and supportive monetary policy. Accelerated infrastructure spending is expected to sustain growth momentum and create multiplier effects across sectors. Vietnam’s tariff regime remains competitive within ASEAN, though uncertainties around U.S. trade policy and potential new tariffs on electronics persist. While global trade risks and geopolitical tensions pose challenges, Vietnam’s solid fiscal stance and accommodative monetary environment provide a robust foundation for achieving the government’s ambitious GDP growth targets in the future.

Q3 2025 GDP Growth Surged to the Highest Level Since 2011

Vietnam’s economy posted an exceptional performance in Q3 2025, with GDP expanding 8.23% YoY, marking the strongest quarterly growth since 2011. This acceleration was broad-based across sectors. In Q3 2025, industry and construction grew by 9.46% YoY, supported by manufacturing’s robust 9.98% YoY increase, while services advanced 8.56% YoY, driven by administrative services, cultural activities, and transportation. Agriculture also contributed positively with 3.74% YoY growth in Q3 2025. The surge reflects resilient domestic demand and strong export momentum, aided by Vietnam’s competitive tariff positioning and improved global outlook.

Inflation Edged Higher on Education and Food Costs

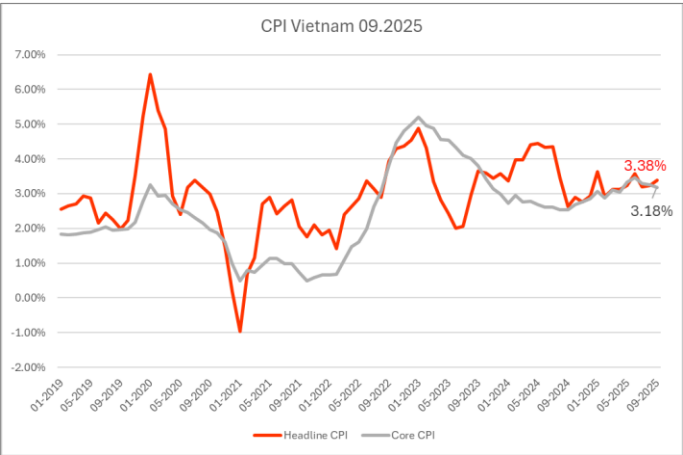
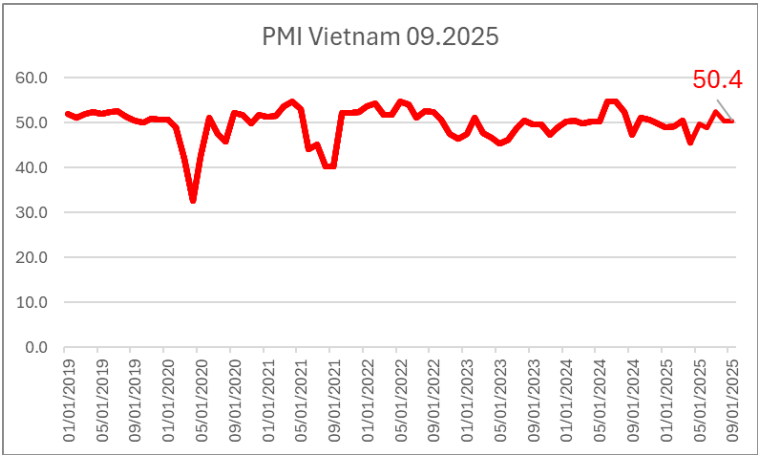
Headline CPI rose 3.38% YoY and 0.42% MoM in September, primarily due to hikes in non-public education tuition fees and seasonal food demand during National Day and the Mid-Autumn Festival. Education costs increased 2.22% MoM, adding 0.14 percentage points to CPI, while foodstuffs rose 0.49% MoM, contributing another 0.10 points. Despite these pressures, inflation remains below the government’s 4.5% ceiling, leaving room for continued accommodative monetary policy.

Domestic Demand and Production Maintain Strong Momentum

Retail sales grew 11.3% YoY in September, the highest monthly pace since April 2023, supported by cultural events and tourism recovery, with international arrivals reaching 1.5 million (+21.5% YoY). On the production side, the Index of Industrial Production (IIP) for manufacturing sub-sector climbed 12.7% YoY and 0.3% MoM, underpinned by strong gains in motor vehicles, rubber & plastics, and non-metallic minerals. Meanwhile, the Manufacturing PMI held steady at 50.4 in September 2025, signaling modest improvement in operating conditions as new orders returned and export order declines eased.

Trade and Investment Accelerated Ahead of Year-End

Vietnam’s external sector delivered impressive results in September. Exports surged 24.7% YoY to USD 42.7 bn, while imports rose 24.9% YoY to USD 39.8 bn, yielding a trade surplus of USD 2.8 bn. Foreign direct investment (FDI) disbursement reached USD 3.4 bn (+6.8% YoY) in September, the highest monthly level of 2025, with manufacturing attracting nearly 59% of pledges. Public investment also played a critical role, with VND 440.4 tn disbursed in 9M 2025 (+43.1% YoY), completing 55.7% of the annual plan and reinforcing infrastructure development.



Source: S&P Global, FiinproX, GSO, Bloomberg.

All data as of 30/09/2025 unless otherwise stated

Stock Market

Market Overview

Equity market overview.

Vietnam’s equity market offers attractive long-term potential, underpinned by a forthcoming market upgrade and solid macroeconomic fundamentals.

The VN-Index closed September at 1,661.7 points, marking a 1.2% decline after four months of gains, though it remains up 31.2% year-to-date (YTD). The pullback was driven by profit-taking as the index failed to break the 1,700-point threshold, compounded by weaker liquidity and investor caution ahead of the FTSE Russell Emerging Market upgrade review and strong net selling by foreign investors. Average daily trading value (ADTV) fell sharply to USD 1.3 billion, down 31.4% month-on-month. Foreign investors continued their strong net selling, with outflows totaling USD 1,021.3 million across all three bourses. Despite these pressures, valuations remain moderate with the VN-Index’s trailing P/E at 15.4x, positioning Vietnam between regional peers such as Thailand (14.7x) and Indonesia (19.6x).

Vietnam’s equity market continues to present compelling long-term opportunities, underpinned by reasonable valuations, supportive monetary policy, and a landmark market upgrade. FTSE Russell has officially announced that Vietnam will transition from Frontier Market to Secondary Emerging Market status, effective Monday, 21 September 2026. While an interim review remains scheduled for March 2026, FTSE Russell’s reaffirmation of confidence in Vietnam’s reform trajectory signals strong progress. This reclassification is not the destination. It marks the beginning of Vietnam’s deeper integration into global financial systems. The upgrade is expected to bolster market confidence, enhance liquidity, and lift valuations, particularly when combined with Vietnam’s robust GDP growth outlook. These structural improvements should attract significant foreign inflows and broaden investor participation, reinforcing Vietnam’s position as a key emerging market in Asia. However, the outlook is not without challenges. External risks, especially evolving U.S. trade policies, remain critical to Vietnam’s export performance and its ability to sustain foreign direct investment. Navigating these uncertainties will be essential for maintaining momentum and unlocking the full potential of Vietnam’s equity market in the years ahead.

Sector performance.

Sector performance diverged significantly in September. Real Estate was the standout performer, surging 14.9%, supported by a sharp rally in VIC (+36.3%). Other sectors posting gains included Health Care (+1.5%) and Industrials (+0.8%). In contrast, Financial Services suffered the steepest decline at -8.1%, followed by Technology (-7.9%) and Banks (-6.5%), as profit-taking and foreign selling weighed heavily on these segments.

Bond market overview

Bond Market – September 2025: Government Accelerates Issuance, Corporate Activity Slows.

In September 2025, the total value of government bond (GB) auction offerings reached VND 54 trillion, with a bid-to-cover ratio of approximately 31%, equivalent to 14% of the Q3 issuance target. The 10-year tenor continued to attract strong demand, posting the highest winning ratio. Average winning yields across most tenors rose compared to the previous month, reflecting upward pressure on interest rates. By the end of September, the State Treasury had successfully mobilized over VND 255.7 trillion through GB issuance, fulfilling 51% of the 2025 annual plan. Conversely, corporate bond (CB) issuance in September totaled VND 23.7 trillion, marking a sharp 48% decline month-over-month and remaining flat year-over-year. Cumulative CB issuance for the first nine months of 2025 reached VND 397.9 trillion, with the majority coming from the banking and real estate sectors. During the month, corporates repurchased VND 19.5 trillion worth of bonds before maturity, down 8% compared to the same period in 2024.

Source: FiinproX, Bloomberg, VBMA.

Industries	%1 M	%3 M	%YTD	P/E	P/B	ROE %	ROA %	EPS Growth (YoY,%)	Net Profit Growth (YoY,%)
Financials	6.76%	44.43%	103.94%	22.67	2.33	10.15%	3.14%	52.39%	-42.27%
Basic Materials	0.43%	9.75%	20.88%	18.48	1.65	9.39%	4.75%	12.22%	36.79%
Oil & Gas	-2.30%	17.76%	12.01%	32.70	1.36	4.35%	2.09%	-61.34%	146.71%
Utilities	-1.85%	3.47%	9.42%	13.78	1.68	12.39%	6.55%	26.58%	55.74%
Banks	-5.88%	25.17%	33.87%	10.95	1.75	16.86%	1.48%	-0.69%	7.66%
Consumer Goods	-1.37%	4.13%	0.76%	16.05	2.39	14.23%	6.46%	18.82%	72.75%
Industrials	-7.06%	-11.37%	-9.78%	14.57	2.13	12.35%	5.34%	7.36%	39.29%
Health Care	3.01%	5.92%	12.92%	16.51	1.62	9.19%	5.54%	-4.03%	2.42%
Consumer Services	1.55%	9.39%	30.74%	21.70	4.43	20.77%	5.42%	176.48%	-1.56%
Technology	-7.72%	-7.88%	-26.48%	18.07	3.71	22.51%	11.15%	15.96%	-8.01%
Telecommunications	-6.37%	-5.80%	-19.06%	28.52	5.32	22.54%	12.03%	33.20%	338.15%
Real Estate	11.25%	44.45%	123.21%	22.77	2.44	10.48%	3.36%	82.59%	-54.58%

VN-Index



P/E ratio



Source: FiinproX, Bloomberg.

Introduction

In April, **PRUlink Sustainable Development Equity fund** has been launched in response to the investment trend in enterprises that commit to ESG of SDG – UN. Hence, up to now there are 7 **PRUlink Funds** established from premium of unit-linked product policies provided by Prudential Vietnam, with an aim to maximize total income in the medium-to-long term for policyholders who are signed policies with Prudential Vietnam and does not apply to other individuals. These funds are designed for customers with low to high risk tolerance levels corresponding to investment strategy into assets with stable income (such as deposits...) to high capital growth (such as stocks...) or both high capital growth and meet the **ESG** trend in the world.

PRUlink Funds Performance

Year	Prulink Vietnam S.D.E	PRUlink Vietnam Equity	PRUlink Growth	PRUlink Balance	PRUlink Stable	PRUlink Bond	PRUlink Preserver	VNIndex	Gold	USD	Deposit rate of 12 months
2020		16.4%	16.0%	14.7%	12.5%	9.0%	5.6%	14.9%	31.9%	-0.6%	7.1%
2021		40.0%	28.5%	20.8%	13.3%	3.0%	4.2%	35.7%	9.7%	-1.6%	6.2%
2022		-23.8%	-17.6%	-13.3%	-8.9%	-2.0%	4.8%	-32.8%	8.1%	3.4%	5.7%
2023		13.5%	15.5%	16.8%	18.1%	20.2%	6.7%	12.2%	10.8%	2.9%	6.7%
2024	6.3%	17.9%	13.7%	10.5%	7.4%	2.8%	4.2%	12.1%	15.3%	5.9%	5.9%
9M2025	14.2%	13.3%	10.2%	7.9%	5.7%	2.6%	3.3%	31.2%	62.5%	3.7%	4.2%

NAV data as of 28 Aug 2025

Commentary

As of 30 Sep 2025, **PRUlink** funds achieved returns as follows:

- **PRUlink** ESG Fund increased 14.2% from year to date (YTD).
- **PRUlink** Equity Fund increased 13.3% YTD.
- **PRUlink** Growth Fund increased 10.2% YTD.
- **PRUlink** Balance Fund increased 7.9% YTD.
- **PRUlink** Stable Fund increased 5.7% YTD.
- **PRUlink** Bond Fund increased 2.6% YTD.
- **PRUlink** Preserver Fund increased 3.3% YTD.

PRUlink funds customers are always recommended to focus on investment goals with a long-term vision rather than focusing on short-term fluctuations because the unit-linked investment product (ILP) is designed with specific investment goals and maximum maximize profits in the medium and long term.

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