

Macroeconomics

Global Macroeconomics

The U.S. inflation rate decreased to 2.5% in August, as reported by the CPI on September 11, 2024. This marks a 0.4% decline from the previous month's rate of 2.9%. The manufacturing sector in the U.S. experienced a rapid contraction, while the services sector continued to expand. The Manufacturing PMI dropped by 1.7 points to 47.9 from 49.6. Meanwhile, the Services PMI rebounded by 0.7 points in August, rising from 55.0 to 55.7.

Non-farm payroll changes in August, reported on September 5, 2024, showed 99,000 new jobs, falling short of the expected 144,000 and down by 12,000 from July. This indicates a significant decline in hiring demand within the economy. The unemployment rate slightly decreased by 0.1%, as forecasted, down to 4.2% from 4.3% in July. Currently, the market is confident that the Fed will begin lowering interest rates at the upcoming FOMC meeting on September 18, 2024.

Vietnam Macroeconomics

Inflation slower.

Inflation in August 2024 was slow down, with the Consumer Price Index (CPI) increasing by 3.45% YoY, but decreasing by 0.91% MoM. A significant factor in restraining inflation was the decline in domestic gasoline prices, which fell by 5.8% MoM, helping to curb transportation costs.

Industrial Index continues its recovery momentum.

Vietnam's industrial production continued its recovery in August 2024, with the overall index of industrial production (IIP) rising by 9.5% YoY. The manufacturing sub-sector saw a notable increase of 10.6% YoY, driven by solid new orders and ongoing recovery in production.

Solid recovery from Exports and Imports.

Vietnam recorded a trade surplus of USD 4.5 billion in August 2024, the highest level since August 2020. Exports grew by 14.5% YoY to USD 37.6 billion, while imports increased by 12.4% YoY to USD 33.1 billion. The strong recovery in new export orders and growth in key export categories such as PCs, electronic items, and machinery contributed to this surplus.

Tourism continues to contribute to Retail sales rebound.

Retail sales of goods and services grew by 7.9% YoY in August 2024. For the first eight months of the year, retail sales increased by 8.5% YoY, supported by a strong rebound in the tourism sector, particularly from foreign visitors.

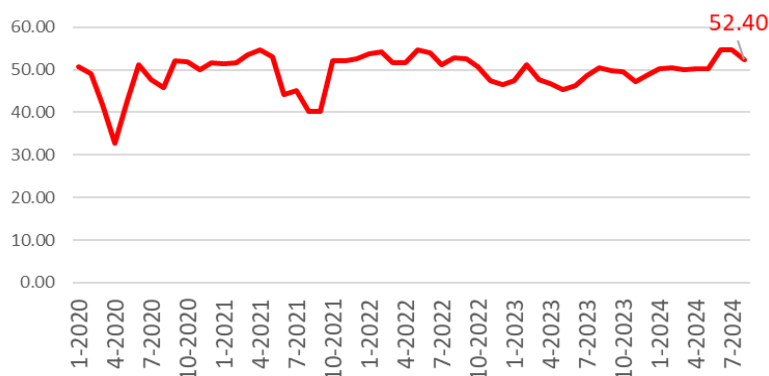
FDI disbursement continues its high record momentum.

Foreign Direct Investment (FDI) disbursement in August 2024 reached USD 1.6 billion, marking a 5.3% YoY increase. For the first eight months of 2024, FDI disbursement totaled USD 14.2 billion, the highest level since 2012. This growth is attributed to large registrations recorded in 2023 and Vietnam's fundamental advantages, including its strategic location, free trade agreements, and competitive labor costs.

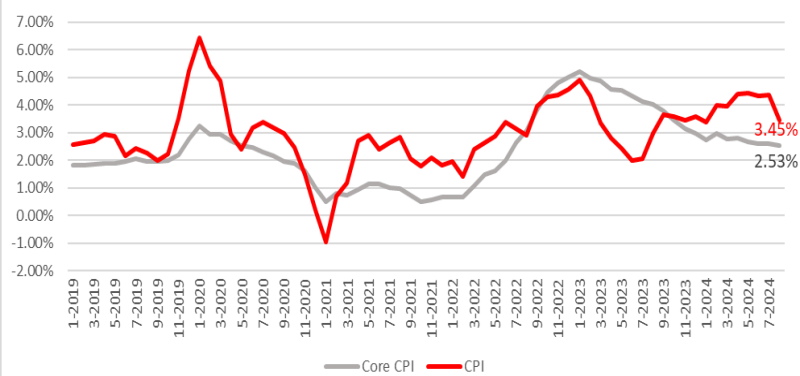
VND is strongly recovering.

The Vietnamese Dong (VND) posted its strongest gain in 20 months, appreciating by 1.5% against the USD in August 2024. This appreciation was driven by favorable US CPI data, which increased the likelihood of a rate cut by the Federal Reserve, and Vietnam's substantial trade surplus of USD 4.5 billion in August. The VND's recovery is expected to continue, supported by strong net foreign exchange inflows from trade, FDI, and remittances.

Vietnam August PMI



Vietnam August Inflation rate



Stock Market

Market Overview

VN-Index Shows Resilience Amidst Challenges

In August, the VN-Index closed at 1,283.90, reflecting a 2.6% increase MoM and a notable 13.6% rise YTD. This positive performance was driven by a global equity market rally, higher expectations about the removal of the "prefunding" bottleneck, the appreciation of the Vietnamese Dong (VND), and amendments to real estate laws.

Foreign Investors continue their outflows.

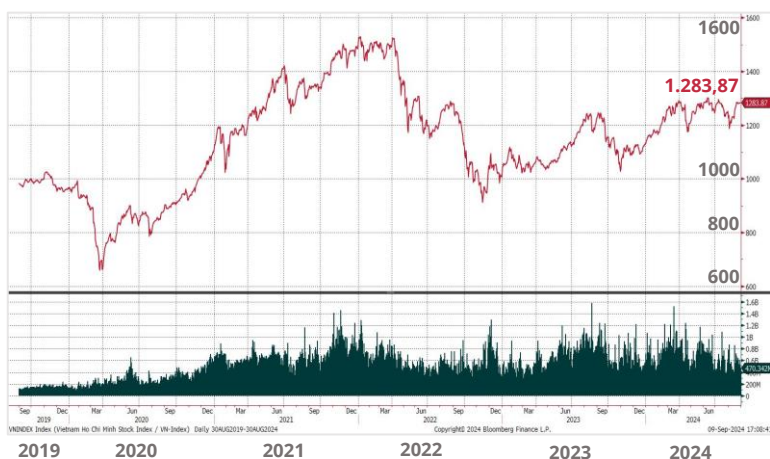
Market liquidity declined for the second consecutive month, with the average trading value on the HSX dropping by 2.4% MoM to \$662.9 million. Foreign investors continued their net selling trend for the seventh consecutive month, resulting in net outflows of \$151.8 million in August and a cumulative \$2.6 billion outflow year-to-date; however, the net selling has been significantly lower than in previous months, amounting to only half of July's outflow of \$331.3 million. The VN-Index's trailing P/E ratio stood at 15.4x, which is lower than several regional markets such as Thailand's SET and Indonesia's JCI.

Sector Performance

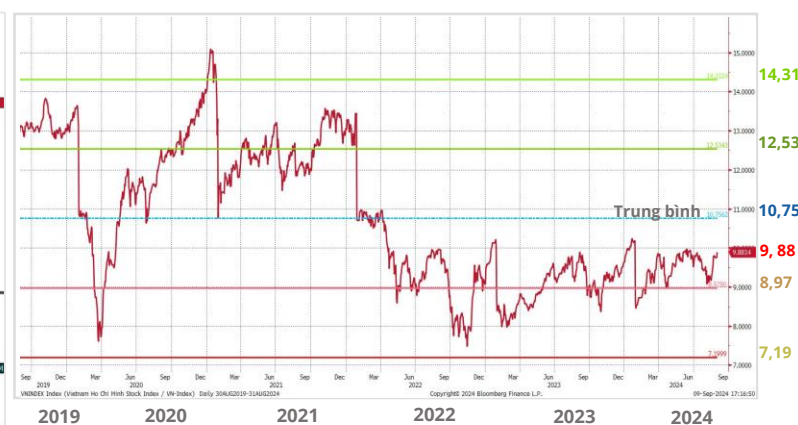
Financial Services led the market with a monthly active return of 5.2%, supported by FTS, HCM, BSI, VIX, MBS, and SSI. Real Estate sector followed closely with a 4.5% return, driven mainly by PDR, DXG, VHM, NVL, and VIC. Consumer Discretionary also showed strong performance, posting a 4.4% return thanks to MWG and FRT. Conversely, Industrials sector underperformed with -2% return, followed by Health Care at -0.4%, and Insurance at 0.3%.

Industries	%1 M	%3 M	%YTD	P/E	P/B	ROE %	ROA %	EPS Growth (YoY,%)	PBT Growth (YoY,%)
Financials	4.88%	-0.22%	5.24%	17.24	1.36	7.48%	2.51%	-18.84%	-11.74%
Basic Materials	-0.29%	-1.37%	25.69%	20.72	1.64	8.09%	4.11%	153.37%	193.66%
Oil & Gas	6.49%	9.95%	33.40%	14.11	1.50	10.58%	5.34%	43.26%	-11.37%
Utilities	1.80%	2.66%	17.61%	19.59	1.94	9.79%	5.25%	-31.71%	-18.64%
Banks	4.17%	5.79%	21.86%	9.60	1.55	16.76%	1.50%	-2.83%	20.10%
Consumer Goods	4.36%	6.88%	26.86%	21.25	2.50	12.44%	5.97%	5.64%	8.32%
Industrials	-0.71%	12.89%	41.37%	18.24	2.03	11.10%	4.91%	6.52%	16.41%
Health Care	-0.06%	9.13%	22.77%	15.97	1.78	11.21%	6.89%	-15.91%	-11.03%
Consumer Services	5.07%	4.74%	47.53%	52.72	4.56	6.27%	1.42%	-258.09%	-586.92%
Technology	4.48%	13.53%	58.14%	27.62	5.11	21.34%	10.44%	8.39%	27.51%
Telecommunications	-6.58%	-11.58%	161.40%	39.90	5.90	18.66%	10.03%	699.42%	-296.39%
Real Estate	4.74%	1.34%	2.94%	17.80	1.30	6.99%	2.43%	-30.30%	-18.16%

VnIndex



P/E ratio



Source: FiiiproX, Bloomberg.

Eastspring Vietnam Newsletter – Aug 2024

ENF Performance Update

Introduction

Eastspring Investments Vietnam Navigator Fund (the “Navigator Fund” or “ENF”) is a Mutual Fund licensed by Vietnam State Securities Commission under license No. 09/GCN-UBCK (April 25th, 2014).

Fund Manager: Eastspring Investments Fund Management Limited Liability Company (“Eastspring Vietnam”).

Investment objective

- Objective of the Navigator Fund is to deliver capital appreciation through exposure to multiple asset classes, including equity, bond, and bank deposit.
- Actively navigate the market through dynamic asset allocation to provide participation in equity upside when stock markets are performing well, while having a softening effect when stock markets are not performing well.

Inception date	25/03/2014	Dealing frequency	Weekly Wednesday & Friday (T day)
Total NAV	251.6 Bil VNĐ	Cut-off time	10.30 AM on Tuesday & Thursday
NAV/unit	36,814	Subscription fee	Determined by distributors (Max 3%)
Supervisory bank	Standard Chartered VN	Redemption fee	0%
Min. Investment	100,000 VNĐ	Management fee	1.5%/anum

Accumulated net return (%)

	1 month	3 months	YTD	1 year	3 years	Since Inception
Net return	1.5%	2.5%	16.7%	16.8%	20.8%	268.1%

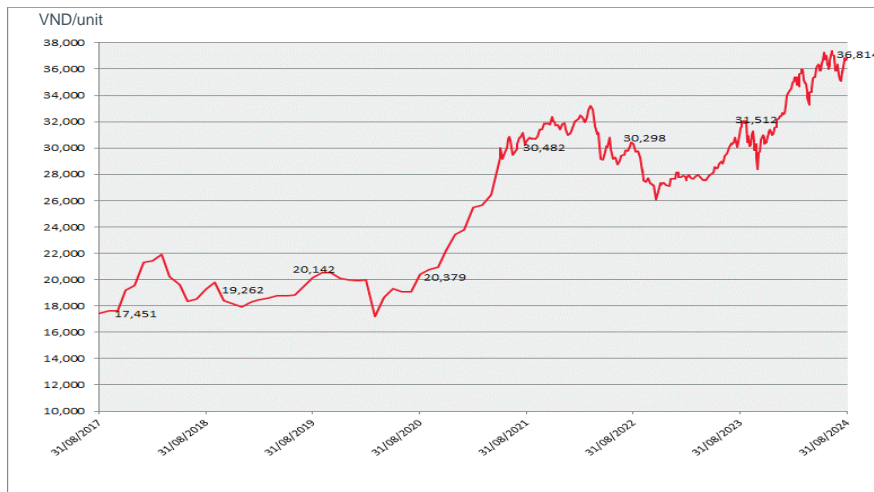
Calendar year net return(%)

Year	2019	2020	2021	2022	2023
Net return	11.6%	17.1%	35.8%	-14.7%	16.3%
VNIndex	7.7%	14.9%	35.7%	-32.8%	12.2%

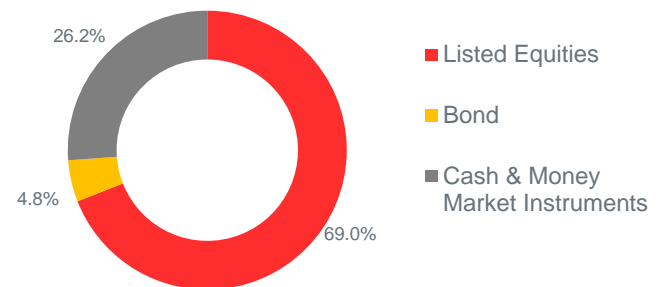
Top 5 holdings

FPT Corporation	FPT	12.1%
Vietinbank	CTG	8.6%
Military Bank	MBB	5.5%
Asia Commercial JS Bank	ACB	4.6%
Vinamilk	VNM	3.1%

Performance chart



Asset allocation



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KIS Vietnam Securities Corporation (KIS)

Tel: (84) 28 3914 8585

Introduction

In March, **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 ESG Since 08.03.24	PRUlink Vietnam Equity	PRUlink Growth	PRUlink Balance	PRUlink Stable	PRUlink Bond	PRUlink Preserver	VNIndex	Gold	USD	Deposit rate of 12 months
2019		9.8%	10.6%	11.0%	11.4%	12.2%	5.5%	7.7%	16.0%	-0.2%	6.8%
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%
8M2024	4.2%	18.1%	13.4%	10.0%	6.6%	1.7%	2.8%	13.6%	8.2%	2.7%	3.9%

NAV data as of 29 Aug 2024

Commentary

In July 2024, **PRUlink** funds achieve positive growth, specifically:

- **PRUlink** ESG Fund increased 4.2% since its launch on 08.03.24.
- **PRUlink** Equity Fund recorded the best results with an increase of 18.1%, outperformed VNINDEX (+13.6%) year to date
- **PRUlink** Growth Fund increased 13.4%
- **PRUlink** Balance Fund increased 10.0%
- **PRUlink** Stable Fund increased 6.6%
- **PRUlink** Bond Fund increased 1.7%
- **PRUlink** Preserver Fund increased 2.8%

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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