

Macroeconomics

Global Macroeconomics

In July, U.S. inflation decreased to 2.9%, as reported by the CPI index on Aug 14, 2024. This inflation rate declined by 0.1% compared to June. Despite positive inflation news, the U.S. economy showed rapid deterioration in July. The Purchasing Managers' Index (PMI) for manufacturing shifted from expansion (51.6 in June) to contraction (49.6 in July). Additionally, the services PMI decreased by 0.3 points from 55.3 in June to 55.0 in July.

Non-farm payrolls in July, announced on July 31, 2024, added 122,000 new jobs, falling short of the expected 147,000 and declining by 33,000 compared to June. The unemployment rate rose rapidly from 4.1% in June to 4.3% in July, raising concerns about an impending economic recession when the Fed decided to maintain interest rates after the FOMC meeting on July 31, 2024. Market expectations are now leaning toward the Fed implementing an earlier or more substantial interest rate cut in September, possibly by 0.5%.

Vietnam Macroeconomics

Inflation increased slightly.

Inflation increased 4.36% (YoY) and increased slightly 0.02% (MoM). This increase was caused by food prices, housing prices, construction materials, education costs and health care.

Industrial Index recovered.

Vietnam's macroeconomic landscape is showing strong recovery. The PMI remained stable at 54.7, the same as the previous month. The Industrial Production Index (IIP) recorded double-digit growth for the third consecutive month, with an 8.5% (YoY) increase for the whole sector, driven by a 13.3% year-on-year rise in manufacturing.

Solid recovery from Exports and Imports.

Exports and imports maintained a solid recovery, with a trade surplus of USD2.1 billion in Jul 2024. July exports reached USD35.9 billion, up 20.35% (YoY), driven by good demand for electronics, textiles, and agricultural products. Imports were USD33.8 billion, up 24.5%, reflecting strong recovery momentum. For the first 7 months 2024, Vietnam's trade balance had a surplus of USD14.08 billion.

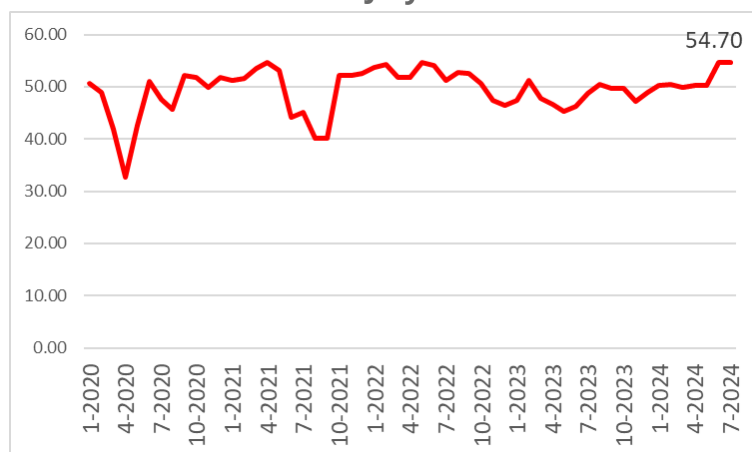
Retail sales improved.

Retail sales increased by 9.4% (YoY) in July, supported by Travel with the arrival of over 9,900 international visitors to Vietnam in July, a 51% increase (YoY), and the reduction of VAT.

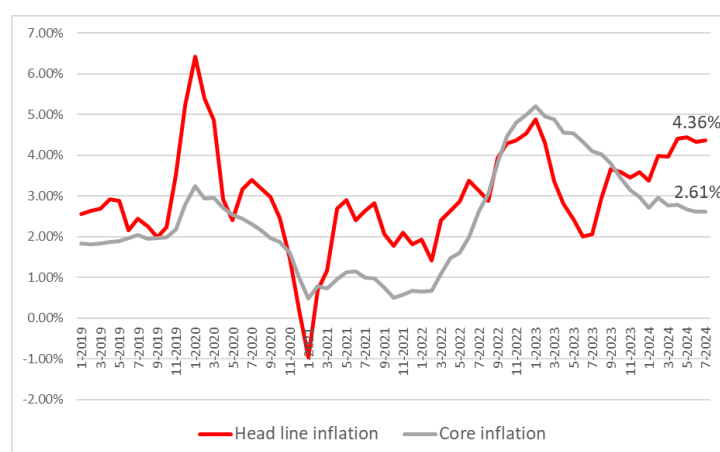
FDI disbursement continues its high record momentum.

Total FDI disbursement reached USD12.6 billion for the first seven months, the highest since 2012. This reflects investor confidence and Vietnam's economic prospects.

Vietnam July PMI



Vietnam July Inflation rate



Source: FiinproX, GSO, Bloomberg.

Stock Market

Market Overview

VN-Index Shows Resilience Amidst Challenges

In July 2024, the VN-Index closed at 1,251.5, marking a modest 0.5% MoM increase and a robust 10.8% YTD rise, outperforming regional markets such as the Philippines' PCOMP, Indonesia's JCI, and Thailand's SET.

Low market liquidity and continuing foreign outflow.

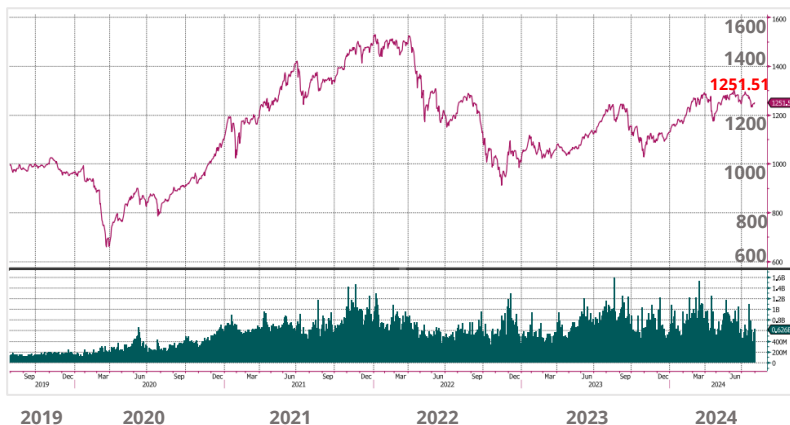
Market liquidity hit its lowest levels in six months, with the average trading value of VN-Index dropping by 26.7% MoM to 668.1 million USD. Foreign investors continued their net selling trend, resulting in a net outflow of 326.1 million USD for the month. In 7M 2024, foreign investors net sold USD2.4bn on Vietnam's stock market, similar to the trend of regional peers such as Thailand's SET, Philippines' PCOMP, and Indonesia's JCI. VN-Index's trailing P/E ratio stood at 14.7x, indicating a competitive valuation compared to regional markets.

Energy Leads, Financial Services recovered.

Energy sector emerged as the top performer in July, with a 7.7% increase, primarily driven by PLX. Banking sector followed with a 5.1% rise, led by HDB, NAB, BID, MBB, and TPB. Health Care sector also saw a significant gain of 4.3%, supported by IMP, DMC, and DBD. On the downside, Industrials and Financial Services sectors struggled, with declines of 5.0% and 4.1%, respectively.

Industries	% 1M	% 3M	% YTD	P/E	P/B	ROE %	ROA %	EPS growth (YoY,%)	PBT Growth (YoY,%)
Financials	-1.66%	-0.75%	0.44%	16.63	1.30	7.48%	2.51%	-19.04%	-11.74%
Basic Materials	-2.03%	10.86%	24.48%	22.37	1.65	8.09%	4.11%	134.93%	193.66%
Oil & Gas	6.40%	24.47%	26.67%	13.62	1.47	10.58%	5.34%	42.56%	-11.37%
Utilities	0.76%	13.20%	16.70%	19.48	1.95	9.79%	5.25%	-31.85%	-18.64%
Banks	4.98%	3.53%	18.40%	9.35	1.51	16.76%	1.50%	-0.30%	20.10%
Consumer Goods	-0.08%	15.18%	22.75%	20.87	2.44	12.44%	5.97%	5.31%	8.32%
Industrials	-3.58%	26.29%	40.35%	18.72	2.06	11.10%	4.91%	5.62%	16.41%
Health Care	6.93%	13.84%	22.56%	16.15	1.81	11.21%	6.89%	-15.15%	-11.03%
Consumer Services	-5.20%	14.98%	40.21%	74.11	4.38	6.27%	1.42%	-209.94%	-586.92%
Technology	-1.90%	21.32%	51.96%	26.58	4.91	21.34%	10.44%	8.37%	27.51%
Telecommunications	-26.17%	19.12%	170.15%	43.03	6.35	18.66%	10.03%	698.06%	-296.39%
Real Estate	-0.65%	-0.80%	-1.75%	17.14	1.24	6.99%	2.43%	-30.72%	-18.16%

VnIndex



P/E ratio



Source: FiiiproX, Bloomberg.

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	247.4 Bil VND	Cut-off time	10:30 AM on Tuesday & Thursday
NAV/unit	36,253	Subscription fee	Determined by distributors (Max 3%)
Supervisory bank	Standard Chartered VN	Redemption fee	0%
Min. Investment	100,000 VND	Management fee	1.5%/anum

Accumulated net return (%)

	1 month	3 months	YTD	1 year	3 years	Since Inception
Net return	0.7%	5.9%	14.9%	19.3%	19.7%	262.5%

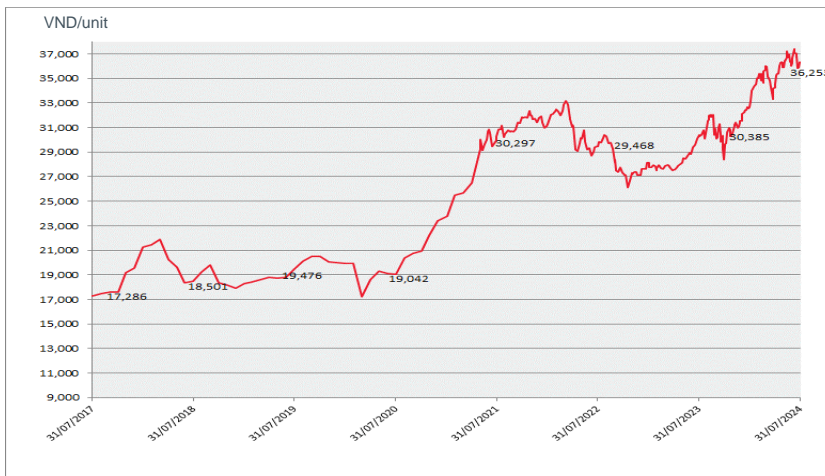
Calendar year net return(%)

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%

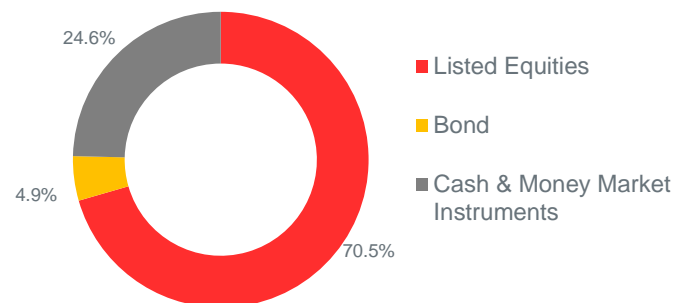
Top 5 holdings

FPT Corporation	FPT	11.7%
Vietinbank	CTG	7.6%
Military Bank	MBB	5.5%
Asia Commercial JS Bank	ACB	4.6%
Hoa Phat Group	HPG	4.2%

Performance chart



Asset allocation



DISTRIBUTORS

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Tel: (84) 28 – 3824 2897

VNDirect Securities Company (VNDS)

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Viet Dragon Securities Corporation (VDSC)

Tel: (84) 28 - 6299 2006

Vietcapital Securities JS Company (Vietcap)

Tel: (84) 28 – 8882 6868

Vietcombank Securities Co., Ltd Company (VCBS)

Tel: (84) 24 – 3936 0262

BIDV Securities Company (BSC)

Tel: (84) 24 – 3935 2722

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%
7M2024	0.9%	14.1%	10.5%	7.9%	5.2%	1.2%	2.4%	10.8%	5.5%	4.3%	2.9%

NAV data as of 29 July 2024

Commentary

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

- **PRUlink** ESG Fund increased 0.9% since its launch on 08.03.24.
- **PRUlink** Equity Fund recorded the best results with an increase of 14.1%, outperformed VNINDEX (+10.8%) year to date
- **PRUlink** Growth Fund increased 10.5%
- **PRUlink** Balance Fund increased 7.9%
- **PRUlink** Stable Fund increased 5.2%
- **PRUlink** Bond Fund increased 1.2%
- **PRUlink** Preserver Fund increased 2.4%

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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