Monthly Updates on Macroeconomics and Financial Market

Hanoi, August 2024

Prepared by Economic and Financial Market Analysis Team

BE GREATER

Global economic outlook shows steady growth despite uncertainty, while Vietnam's recovery is expected to accelerate soon

Section 1

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Executive Summary

Global Economy:

- *Geopolitical tensions, US recession risks, and China's uncertain recovery are causing market volatility. However, the global economic outlook and IMF forecast steady growth, with a US slowdown, Euro area improvements in 2024, and slight global growth increase by 2025 due to easing price pressures and better adaptability to geopolitical issues.*
- *The risk of a US recession is rising, as labour market data softens. July's services PMI recovered to 51.4, but the manufacturing PMI hit its lowest since November. We believe the US economy will only experience a soft landing, despite some pessimistic views based on the latest labour market data.*
- *The EU economy is recovering, with second-quarter GDP exceeding expectations, but may weaken after the tourist season as we have seen rising unemployment and falling retail sales. ECB should consider more rate cuts this year, as inflation remains stable below 3%.*
- *China's economic recovery is challenged by weak demand and a property market downturn, with Q2 GDP growth at 4.7%. Forecasters have lowered 2024 GDP estimates below the Government's 5% target. President Xi Jinping has called for increased fiscal and monetary stimulus to boost domestic consumption.*

Vietnamese Economy:

- *Trade dynamics are evolving positively as businesses boost imports (+19% YTD YoY) with new orders to drive future export momentum.*
- *Industrial production exhibited sustained recovery in 7M24, with an influx of new orders and businesses reported a near-record production growth rate. IIP numbers of key sectors continue to signal positive trends. PMI manufacturing stay at high level of 54.7.*
- *Vietnam remains a compelling destination for foreign investment with the cumulative registered FDI recorded its greatest capital influx (15.7 billion USD) since 2018, especially for the manufacturing and high-tech sectors.*
- *Disbursements for public investments 7M24 have been sluggish (reached only 32.22% of the annual target) but are anticipated to improve with more aggressive Government actions.*
- *Total retail sales of goods and services have shown moderate growth of 8.7%, primarily driven by tourism. Purchasing power growth has underperformed compared to the same and the 2015-2019 average. Potential upsides only come from anticipated domestic stimulus measures, such as salary reforms and VAT reductions.*
- *The average Consumer Price Index (CPI) for 2024 is projected to range from 3.5% to 4.2%.*
- *The exchange rate is projected to continue its downward trend by year-end.*

Section 2

Global Economy

The global economic outlook is expected to achieve steady growth amid considerable uncertainty, supported by rate reductions and high capability of adaptability. The US economy may cool toward the end of 2024 before recovering, while the European economy is projected to rebound gradually, and China is likely to face ongoing challenges.

Ongoing geopolitical tensions, rising recession risks in the US, and uncertainties in China's recovery are causing significant fluctuations in global commodities and stock markets

Ongoing geopolitical tensions, rising recession risks in the US, and the unpredictable recovery of the Chinese economy are causing significant fluctuations in global commodities and stock markets. The CBOE Volatility Index, which measures the market's expectation of future US equity volatility, reached its highest point early this month since October 2020. Meanwhile, West Texas Intermediate (WTI) crude oil prices have fluctuated considerably this month. According to our calculations of the average daily change in absolute terms (a measure of volatility), this commodity price has been moving an average of 2.2% each day, the highest since October 2023. These factors indicate that the current state of uncertainty continues to remain high.

Figure 1: CBOE Volatility Index

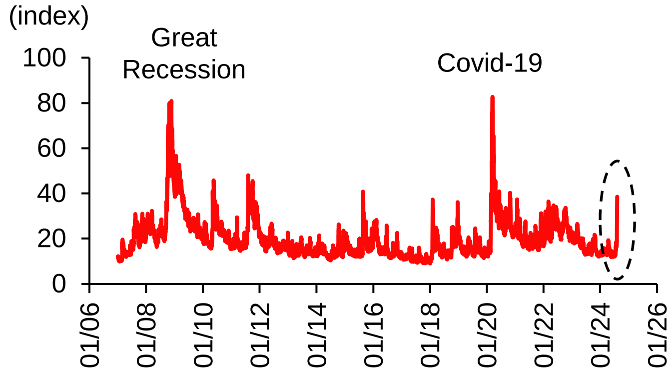
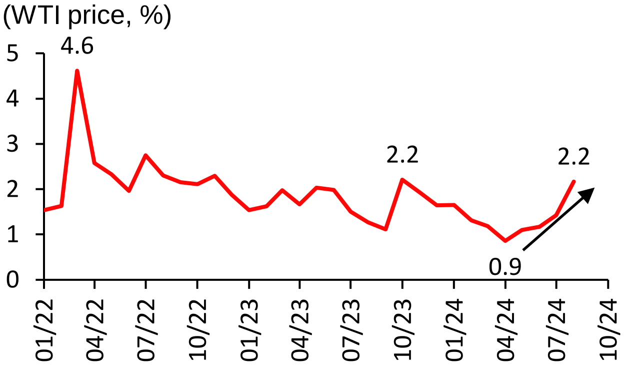


Figure 2: Monthly average of daily absolute change



IMF has raised its World GDP growth forecast for 2025 to 3.3%, slightly higher than the 3.2% projected for 2024.

Despite the high uncertainty in the current period, our global economic outlook of steady growth ahead aligns closely with the latest report from the International Monetary Fund (IMF). Accordingly, the IMF has recently revised down GDP growth forecasts for the United States while raising expectations for the Euro area (EU) in 2024, reflecting increasing evidence of a slowdown in the US economy and slight improvements in the EU. This viewpoint has been emphasized in our previous monthly reports. Notably, the IMF has raised its World GDP growth forecast for 2025 by 0.1 percentage points (ppt) to 3.3%, slightly higher than the 3.2% projected for 2024.

Sources: CBOE, Refinitiv, IMF. DoD: day over day

Section 2

Global Economy *(Cont.)*

This suggests an expectation of improving economic conditions in the future, although the projected growth rate remains below the average historical level. The upward revision for 2025 shall be attributed to a noticeable trend of rate reductions by many advanced economies (except for Japan) as global price pressures have eased significantly. Meanwhile, adaptability to current geopolitical tensions is expected to improve, as stable commodity prices are anticipated in the near term.

Figure 3: Expectation of further cuts from central banks

PBOC First cut in 8/23, expected more in 2024
SNP First cut in 3/24, expected more in 2024
BOC First cut in 6/24, expected more in 2024
ECB First cut in 6/24, expected more in 2024
BOE First cut in 8/24
FED Expected first cut in 9/24

Figure 4: WTI price forecast by Bloomberg

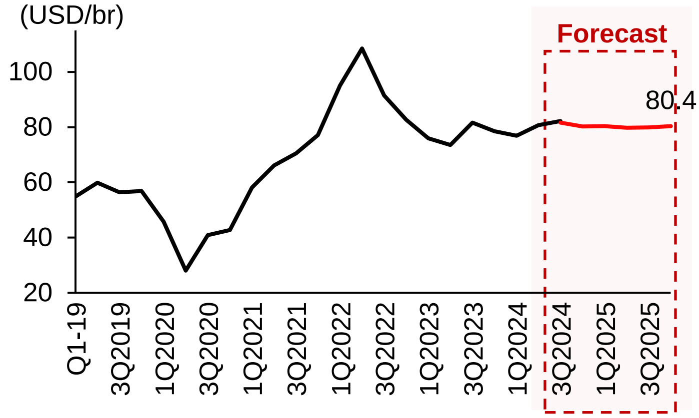
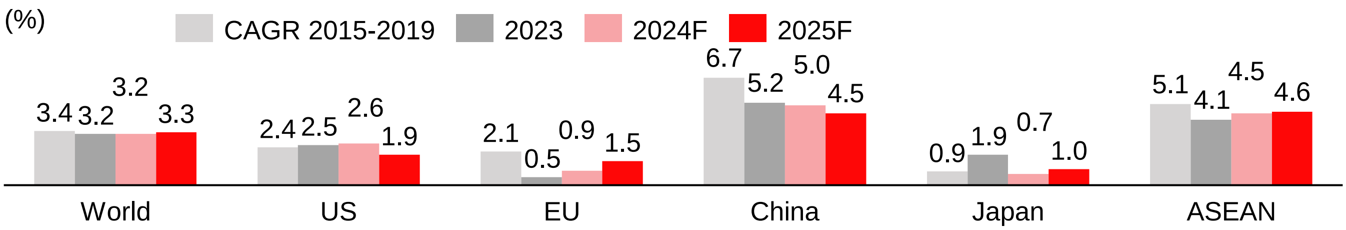


Figure 5: GDP growth forecast by IMF



The latest US unemployment rate indicates an early sign of recession, according to the Sahm Rule

The rising risk of a US recession is spreading quickly, as the latest data on the US labour market shows clear signs of softening. Analysts at Goldman Sachs and JPMorgan responded immediately by raising their estimated probabilities of a US recession to 25% and 35% for the next 12 months, respectively. Many analysts are using the Sahm Rule to express serious concerns about the US labour market's impact on the economy. This rule is triggered when the three-month moving average of the unemployment rate is 0.5 percentage points or more above its low over the prior twelve months, indicating that we are in the early months of a recession. The US labour market has actually been unwinding since April of this year, as mentioned in our previous reports. This trend is influenced by an ample labour supply due to a high immigration rate over the last few years, combined with a slowdown in labour demand, evidenced by the lowest number of job openings in more than three years.

Sources: IMF, Bloomberg, Refinitiv, BLS, TCB Market Research

Section 2

Global Economy *(Cont.)*

The latest unemployment rate of 4.3% is the highest recorded since October 2021 and exceeds the Federal Reserve's long-term expected value of 4.2%

Therefore, it is not surprising to observe that nonfarm payroll numbers have been consistently below the recalculated breakeven point of 265,000 by Morgan Stanley for the past four months. Additionally, the latest unemployment rate of 4.3% is the highest recorded since October 2021 and exceeds the Federal Reserve's (Fed) long-term expected value of 4.2%, as noted in the June version of the Summary of Economic Projections. Another leading economic indicator, the Purchasing Managers' Index (PMI), also depicts a gloomy situation for the US economy. Although the latest services PMI has recovered to 51.4 in July, the manufacturing PMI has continued to fall sharply since March, reaching its lowest value since November of last year. Notably, there have been two instances this year, in April and June, when both the manufacturing and services PMIs were below the 50 benchmark in the same month. This situation is infrequent, as it has typically occurred during recessionary periods in the past.

Figure 6: US average 3-month unemployment rate

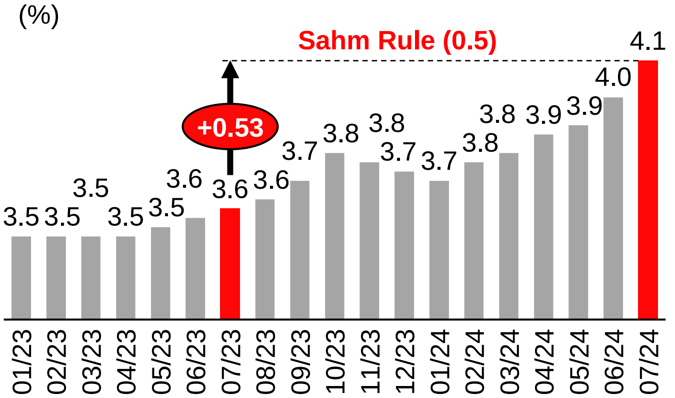
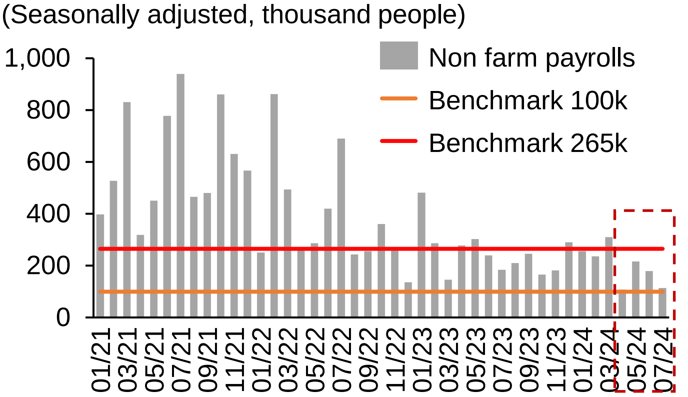


Figure 7: US Nonfarm payrolls



We maintain our stance that the US economy will experience a soft landing

Despite our anticipation of a slowdown in the US economy in 2024, as elaborated in our previous four monthly reports, we maintain our stance that the US economy will experience only a soft landing rather than a hard one or stagflation. While we all agree that recent data does not look great, it would be premature to adopt a pessimistic view based on a single month of poor labour market data. This is especially true given that the price level has been following a disinflation trend for the past four months, while wage growth has stabilised. Together, these factors have contributed to real wage growth, enabling Americans to sustain their spending in the near future. Moreover, the Fed may begin cutting rates this September to support the economy. The market is now expecting a 100% chance of a 25 basis point (bps) cut and an 88% chance of a 50 bps cut in September, ...

Sources: Bloomberg, BEA, Refinitiv, Census Bureau, FOMC, Morgan Stanley

Global Economy *(Cont.)*

...with a total of 114 bps in cuts anticipated for the rest of 2024, equivalent to nearly five 25 bps cuts. The probability of a US recession remains at 30%, while the Bloomberg survey indicates that the GDP forecast for the next two quarters is steady at 1.5%. The GDP growth forecast for the third quarter from the Atlanta Fed, published on August 6th, remained at 2.9% after the announcement of unemployment rate.

Figure 8: Contribution to US GDP

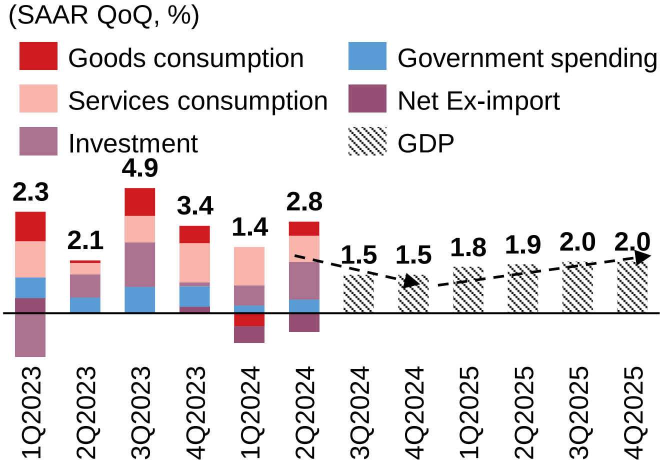
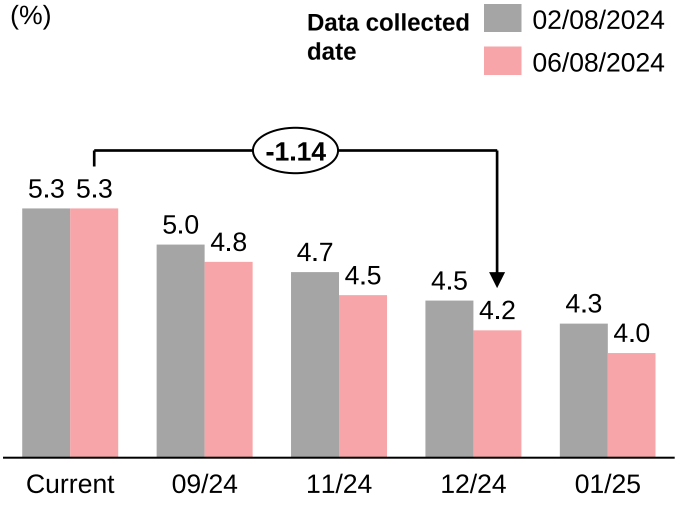


Figure 9: Market Fed funds rate expectation



The EU economy continues its recovery, with GDP in the second quarter surpassing both the first quarter's figures and economists' expectations

The recent upward revision of EU GDP in 2024 by the IMF, as mentioned previously, was clearly expected. We have seen that the EU economy has bottomed out since the second half of last year. The 0.6% YoY GDP growth in the second quarter has outpaced the 0.5% growth in the first quarter and exceeded economists' expectations. Notably, as indicated in our earlier forecasts in several monthly reports, the main driver of this growth has been consumption. Both household and Government consumption have outpaced overall GDP growth, with household consumption showing slight improvement compared to the previous quarter. This is largely due to a combination of lower inflation and stabilised wage growth, which has allowed consumers to maintain their spending. While the overall optimistic GDP growth of the bloc has been primarily driven by countries focused on tourism, such as Spain, France, and Italy. Germany, the largest economy in the EU, continues to struggle. Its economy has contracted YoY at negative rates for the past four consecutive quarters, with a decline of -0.1% in the second quarter of 2024 for both YoY and quarter-on-quarter (QoQ) figures. This persistent downturn is attributed to the manufacturing sector, which has yet to recover, as its PMI for the whole bloc has been below 50 benchmark for the past 25 months.

Sources: Bloomberg, Eurostat, BLS, Refinitiv, S&P Global

Section 2

Global Economy *(Cont.)*

We believe the ECB should act more decisively by seriously considering several cuts for the rest of the year to ensure the continuity of recovery for the entire bloc

Clearly, since the entire economy depends primarily on demand and the services sector, we are concerned that once the tourist season ends, this bloc's economy may begin to lose momentum. The unemployment rate slightly increased to 6.5% in June, while retail sales fell by 0.3% YoY after three consecutive months of growth. These are early indicators for us to monitor. We believe the ECB should act more decisively by seriously considering several cuts for the rest of the year to ensure the continuity of recovery for the entire bloc, as inflation has remained stable and below 3% since October of last year. The market now expects the ECB to reduce rates by 78bps, equivalent to three more cuts this year.

Figure 10: EU GDP growth & forecast by Bloomberg

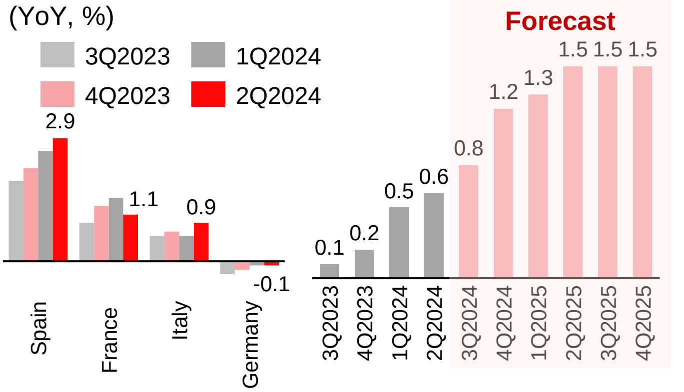
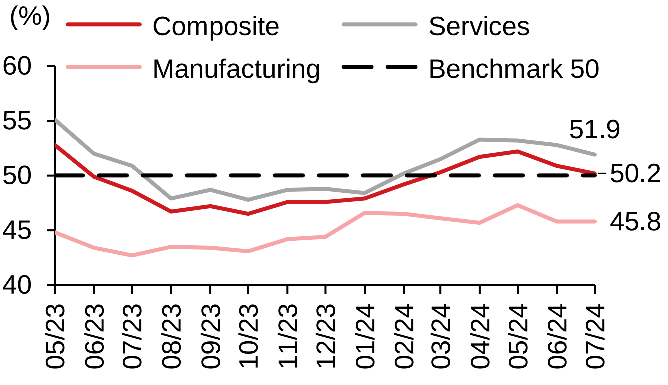


Figure 11: Eurozone PMI



China's economic recovery progress remains uncertain

China's economic recovery progress remains uncertain as the country faces numerous challenges, from weak demand to a prolonged downturn in the property market. The disappointing second-quarter GDP growth of 4.7% has led various forecasters to downgrade their estimates. Goldman Sachs, JPMorgan, and Oxford Economics have all revised their 2024 GDP forecasts below the Chinese Government's 5% target. Clearly, this economic growth has been supported more by the production side than by domestic demand. Positive trends in exports, imports, and industrial production can be attributed to a resilient global economic outlook. However, with new tariff schemes from both the US and the EU, some analysts believe that the upward trade cycle for the Chinese economy may be coming to an end, anticipating a slowdown in the third quarter. The latest Caixin Manufacturing PMI has fallen below the 50 benchmark for the first time since October of last year, indicating a decline in new orders. Given that the supply side is heavily dependent on external factors, China's President Xi Jinping has called for more measures to...

Sources: Bloomberg, Refinitiv, Financial Times, ECB, Eurostat, NBS, Trading Economic

Section 2

Global Economy *(Cont.)*

Chinese President Xi Jinping has requested for more measures to support domestic demand

...support domestic consumption. He specifically requested more expansionary fiscal and monetary policies, including the issuance of Government bonds to finance spending and stimulus programs focused on upgrading industrial equipment and consumer goods. He pointed out "insufficient domestic demand," which is indeed a reality. Retail sales in June fell MoM for the first time since July of last year, while YoY growth continues to decline. The real estate market further contributes to this bleak outlook. Despite various policies aimed at supporting the housing market, prices in both the primary and secondary markets continue to decline significantly. With persistently low inflationary pressure, many economists anticipate that the People's Bank of China (PBOC) will likely cut interest rates one or two more times this year. However, the PBOC also aims to avoid capital outflows resulting from the negative interest rate differential with the USD, which expected to be solved by Fed's cut in this September.

Figure 12: China real estate market

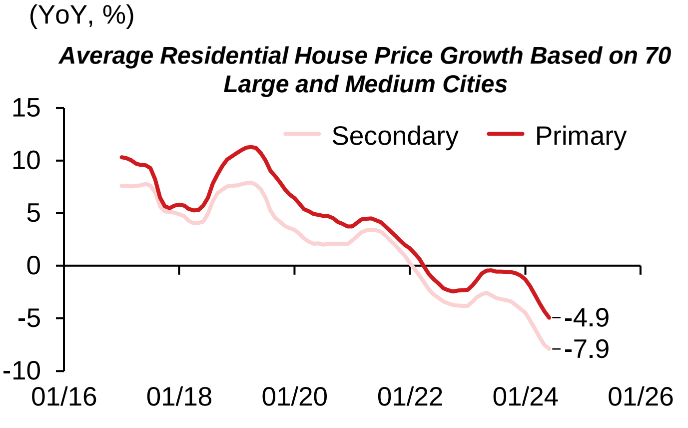
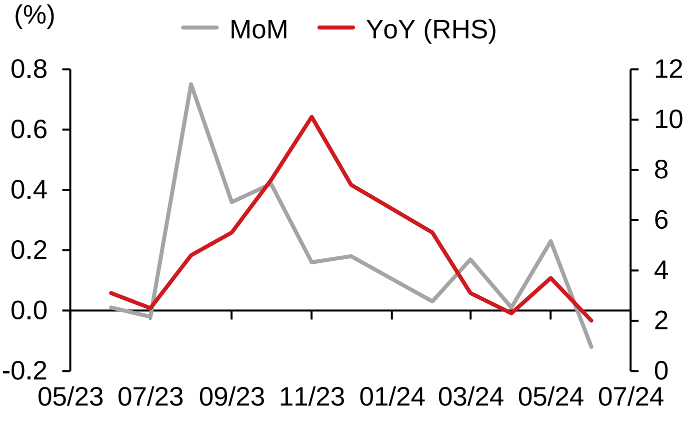


Figure 13: China retail sales growth



Sources: Bloomberg, Refinitiv, IMF, NBS, Financial Times, Trading Economics

Section 3

Vietnamese Economy

Amid the gradual revival of the global economy and anticipated rate cuts of global central banks, Vietnam's trade and manufacturing operations experience a favourable upswing thanks to new orders. Vietnam remains a compelling destination for FDI with greatest capital influx since 2018. Disbursements for public investments have been sluggish but are anticipated to improve. Economic recovery is forecasted in the near future.

Trade dynamics are evolving positively as businesses boost imports to drive future export momentum

Amid the anticipated gradual global economic recovery, Vietnam export experienced robust double-digit export growth in the first seven months. Key export markets like the US, EU, and China sustained positive expansion, influenced in part by a low comparative base from the previous year. Pivotal export sectors, such as electronic components, textiles, and wood products, were underpinned by an influx of new orders. Notably, according to the Vietnam Textile and Apparel Association (VITAS), most industry players have already recorded orders for the final two quarters of 2024. In July, Foreign Direct Investment (FDI) sector import growth surged to approximately 29.7% YoY, marking a three-year peak, reflecting proactive raw material imports and heightened production. This trend signifies enduring export potential. As mentioned in our previous reports, anticipating amplified import activity in the latter half of the year coinciding with economic recovery, import expansion has indeed surged. Cumulative import growth in the initial seven months of 2024 (7M24) reached 19.0% YoY, surpassing the 16.1% YoY export growth. Consequently, our adjusted forecast for 2024 anticipates a 14.0% YoY rise in exports and a 19.8% YoY increase in imports.

Figure 14: YoY trade growth by nation in 7M24

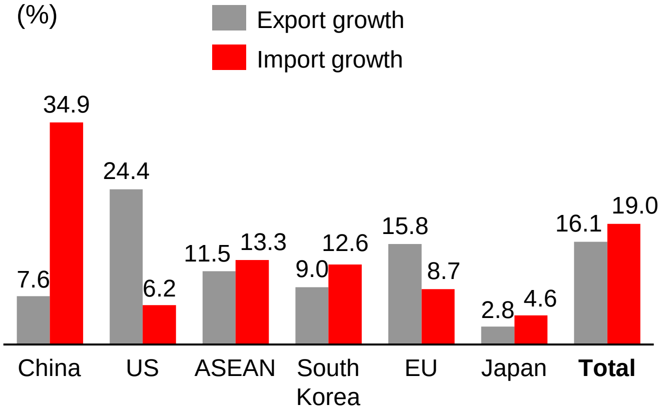
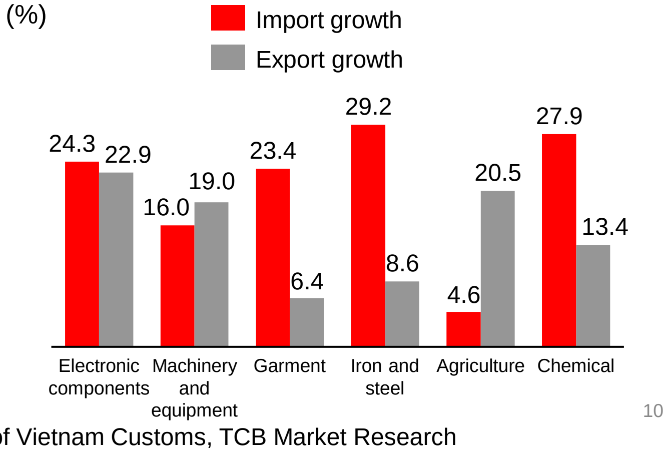


Figure 15: YoY trade growth by product in 7M24



Sources: General Statistics Office (GSO), General Department of Vietnam Customs, TCB Market Research

Section 3

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Vietnamese Economy *(Cont.)*

Industrial production exhibited sustained recovery in 7M24, with key sectors signaling positive trends

The volume of new orders surged in July, prompting manufacturing businesses to boost output. According to S&P Global, the manufacturing Purchasing Managers' Index (PMI) for July reached 54.7, sustaining a high level for the second consecutive month. In addition to an influx of new orders, businesses reported a near-record production growth rate, second only to that observed in March 2011. The industrial production index (IIP) for the processing and manufacturing sector also demonstrated robust recovery, showing an increase of 11.2% YoY in July, primarily driven by the electronics, rubber, and furniture manufacturing industries.

Figure 16: IIP by industry

(%, YTD YoY)

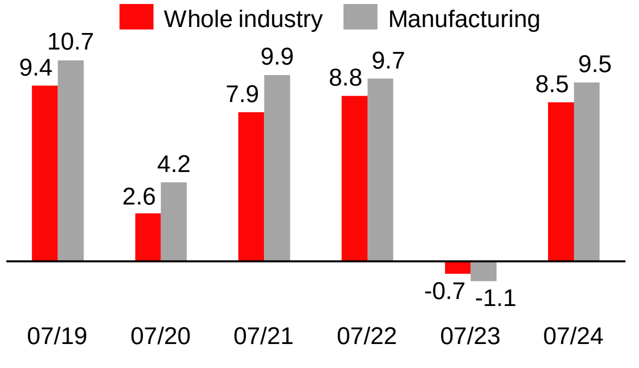
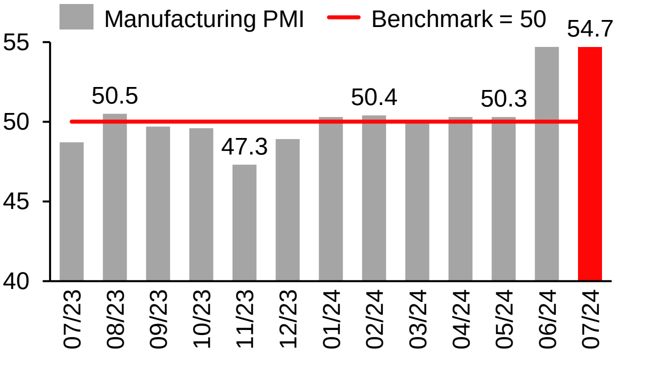


Figure 17: Vietnam's Manufacturing PMI

(Index)



The manufacturing and high-tech sectors continue to attract foreign direct investment

In the first seven months of 2024, total registered FDI reached 15.7 billion USD, reflecting a significant year-over-year increase of 30%, the highest in six years. Notably, newly registered capital from Asian countries, including Singapore, Hong Kong, and Japan, has surged. Major investments are concentrated in the manufacturing, real estate, and high-tech industries. Vietnam persists in implementing both direct and indirect policies to enhance foreign investment, particularly in high-tech areas. Key initiatives include: (1) the national strategy for semiconductor development; (2) tax and land rental incentives for high-tech industrial parks; (3) a commitment to train 50,000 engineers for the semiconductor sector by 2030, with an estimated investment of approximately 26 trillion VND; (4) a roadmap for improving infrastructure, including electricity and transportation networks, to enhance the business environment and competitive costs relative to regional counterparts; and (5) a flexible foreign policy supported by senior Government officials to foster partnerships with countries such as the United States, China, and South Korea, etc.

Sources: GSO, S&P Global, TCB Market Research

Vietnamese Economy *(Cont.)*

In July, the country drew substantial investments from high-tech corporations, notably Foxconn, which announced an investment of 551 million USD. This followed a prior commitment of 383 million USD in June for the construction and expansion of a printed circuit boards (PCB) production facility in Bac Ninh, indicating the enterprise's sustained investment strategy in Vietnam. Given the current policies and economic landscape, it is anticipated that Vietnam will continue to attract foreign investment in the near future.

Figure 18: Registered FDI by sector

(USD billion)

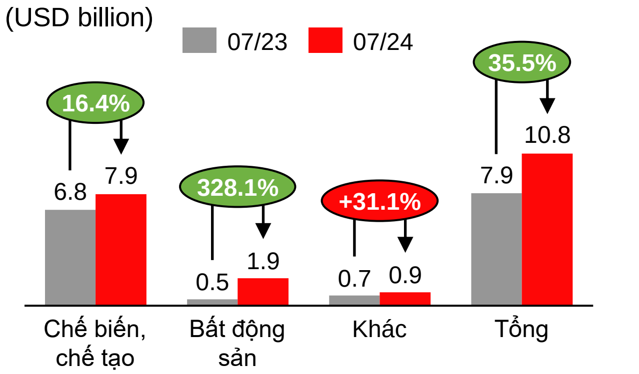


Figure 19: Registered FDI by nation

(USD billion)

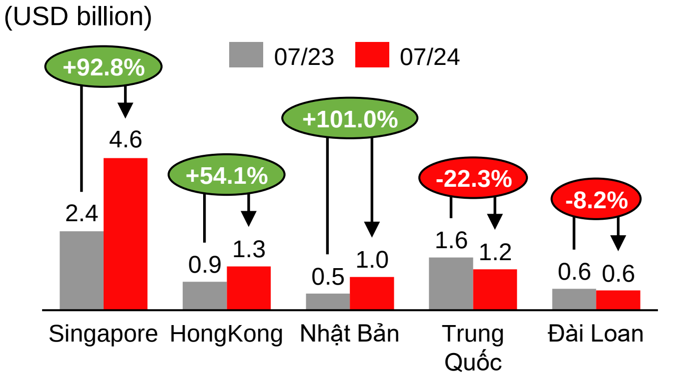


Figure 20: Cumulative registered FDI

(USD billion)

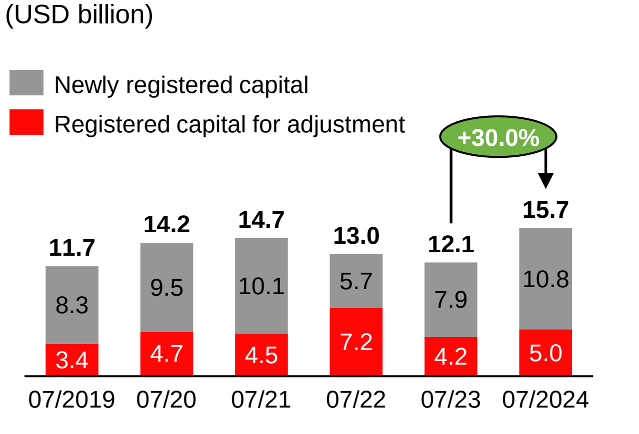
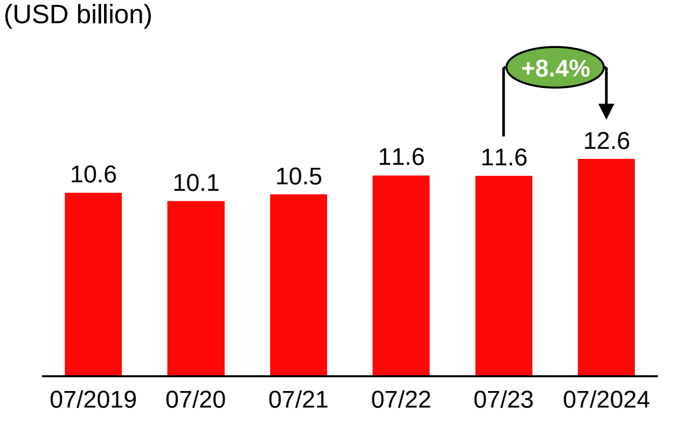


Figure 21: Cumulative implemented FDI

(USD billion)



Public investment disbursement still faces challenges

Despite strong growth in state budget revenues, overall budget expenditures are slowing, particularly in development investments, which have decreased by 13% YoY. As of July, public investment disbursement reached only 32.22% of the annual target, marking the lowest level in six years. The Ministry of Finance identifies key obstacles to disbursement stemming from policy mechanisms, land clearance issues, and complex procedures. In response, the Prime Minister has established a Steering Committee to address legal documentation challenges (Decision No. 603/QD-TTg) and issued…

Sources: GSO, Ministry of Planning and Investment (MPI), TCB Market Research

TECHCOMBANK

Vietnamese Economy *(Cont.)*

… a directive aimed at improving the management of advance payments for public investment (Directive No. 20/CT-TTg). These new directives are anticipated to mitigate existing difficulties and enhance public investment as a catalyst for economic development.

Figure 22: 7-month State budget components

(VND trillion)

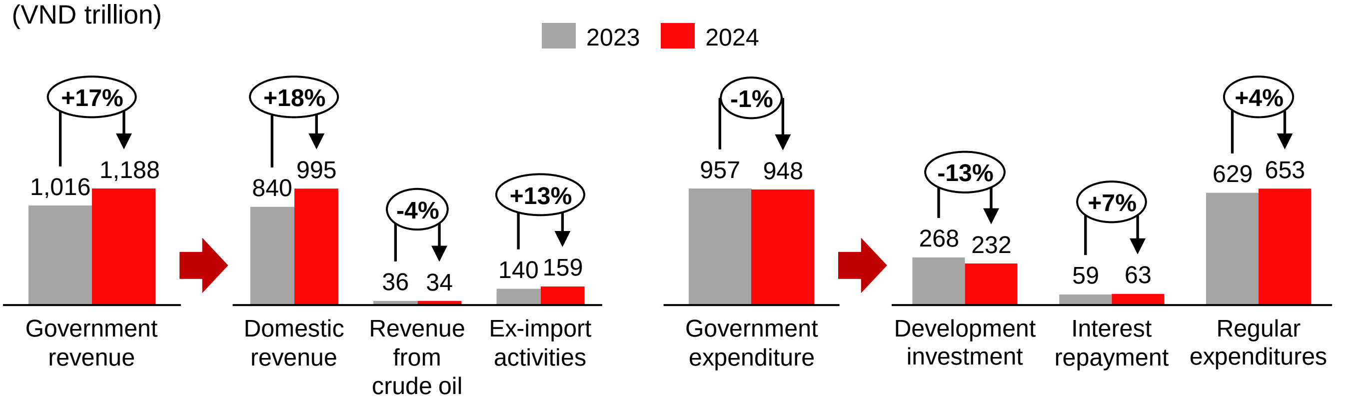
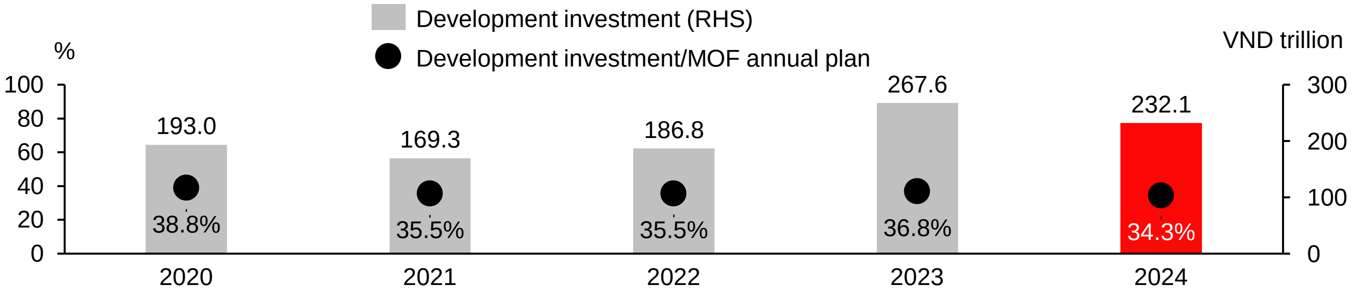


Figure 23: 7M24 MOF's estimated development investment disbursement versus its annual plan

(%, VND trillion)



Total retail sales of goods and services have shown moderate growth, primarily driven by the tourism

In the first seven months of the year, retail sales grew by 8.7% YoY; however, the exclusion of price factors reveals a growth rate of only 5.2% year-on-year. Minister of Planning and Investment Nguyen Chi Dung indicated that purchasing power growth has underperformed compared to the same period in 2023 and the 2015-2019 average. The key growth driver remains tourism and accommodation services, with both international and domestic visitor numbers slightly increasing relative to pre-pandemic levels. Looking ahead, there is considerable potential for continued tourism growth. Vietnam is expected to advance international tourism stimulus initiatives, including (1) initiating visa exemptions for selective countries and (2) establishing tourism cooperation agreements, particularly with India, aiming to …

Sources: GSO, The Ministry of Culture, Sports and Tourism, TCB Market Research

TECHCOMBANK

Vietnamese Economy *(Cont.)*

… double tourist arrivals to approximately 400,000 annually. The growth in tourism revenue and accommodation services is poised to positively influence total retail sales. Additionally, anticipated domestic stimulus measures, such as salary reforms and VAT reductions, may further support consumption in the upcoming days.

Figure 24: Cumulative retail sales of goods and services by segment

(% YoY)

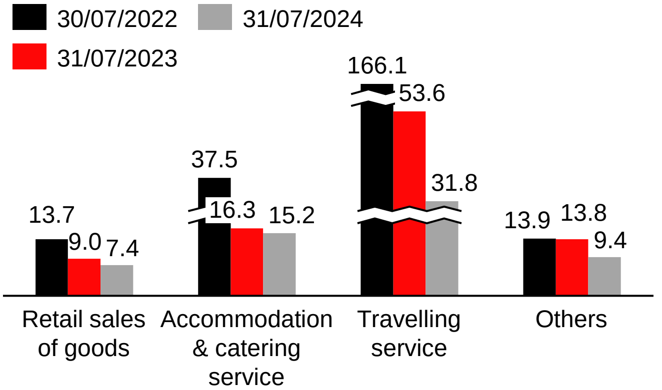


Figure 25: Growth in retail sales of goods and services

(YTD, % YoY)

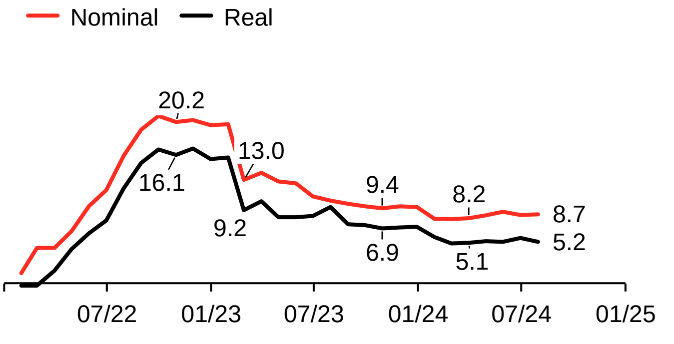


Figure 26: Domestic tourists

(million times)

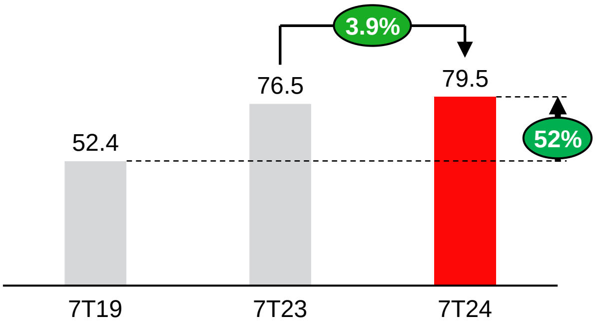
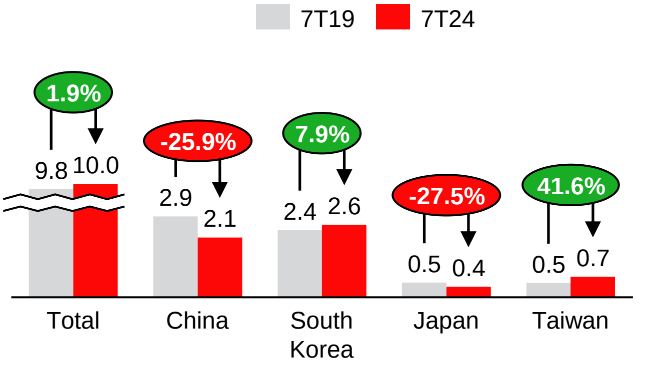


Figure 27: International tourists

(million times)



The average Consumer Price Index (CPI) for 2024 is projected to range from 3.5% to 4.2%

In July, the CPI registered a modest increase of 0.48% month-on-month (MoM) and 4.4% YoY, resulting in an average inflation rate of 4.1% YoY for the first seven months of 2024. Several factors contributed to July's inflation. First, food prices rose by 1.7% MoM, adding 0.6% to the CPI, primarily due to increasing pork prices resulted from the ongoing spread of African swine fever and low vaccination rates. Second, adjustments in gasoline prices accounted for an additional 0.14% contribution to the CPI. Finally, a 28.45% increase in health insurance premiums, triggered by an increment in the basic salary, led to a notable rise in the "other goods and services" category, contributing an increase of 0.17% to the CPI.

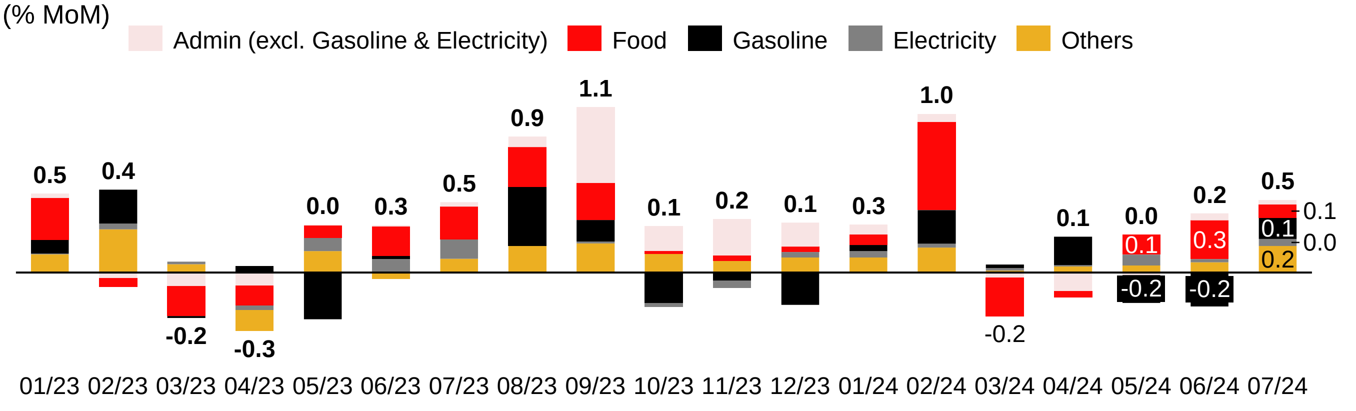
Sources: GSO, Ministry of Culture, Sports and Tourism, TCB Market Research

Section 3

Vietnamese Economy *(Cont.)*

In the coming months, inflation is expected to remain relatively stable. Firstly, according to Bloomberg's forecast, WTI crude oil prices are projected to stabilise around 80 USD per barrel, with minimal impact on the price index. Secondly, while prices for admin goods such as electricity, healthcare, and education may see upward adjustments, these are likely to have a limited effect on overall inflation. Thirdly, public sector salary reforms, the continuing of an 8% VAT rate to stimulate consumption, and anticipated economic recovery in the second half of 2024 could influence core inflation. However, the impact is expected to be modest, as indicated by a cumulative core inflation growth of 2.7% in July, down from 2.8% in June. Consequently, the average inflation rate for 2024 is forecast to range from 3.5% to 4.2%, remaining below the Government's target of 4.5%.

Figure 28: MoM CPI component contribution



The exchange rate is projected to continue its downward trend by year-end

In July, the USDVND exchange rate unexpectedly fell by approximately 200 points, from 25,450 to 25,248, influenced by market anticipations of an earlier Fed rate cut. Concurrently, the Dollar Index (DXY) decreased from around 105 to nearly 102. This decline in the exchange rate is expected to alleviate pressure due to several factors: (1) Foreign direct investment disbursements are showing a positive trend and are anticipated to improve further; (2) the trade balance remains in surplus; and (3) remittance inflows are likely to increase in the latter half of the year. Additionally, according to updated forecasts post-August 1 from Bloomberg, the DXY is expected to reach an average of 102.5 in 4Q24 and decrease to 97.1 by 2025. Therefore, we anticipate that the USDVND exchange rate will decline to approximately 25,000 by the end of 2024.

Sources: GSO, State Bank of Vietnam (SBV), TCB Market Research

Section 3

Vietnamese Economy *(Cont.)*

Figure 29: USDVND exchange rate

(% YTD)

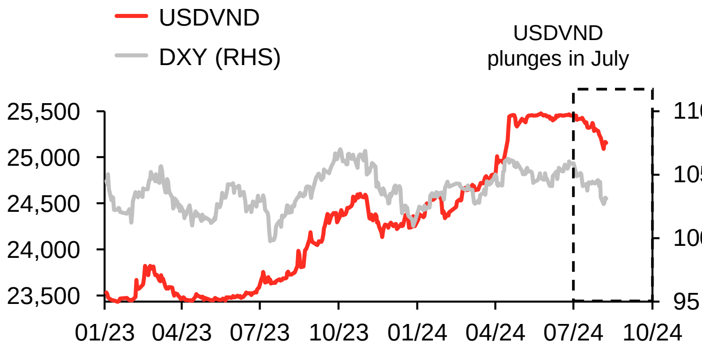
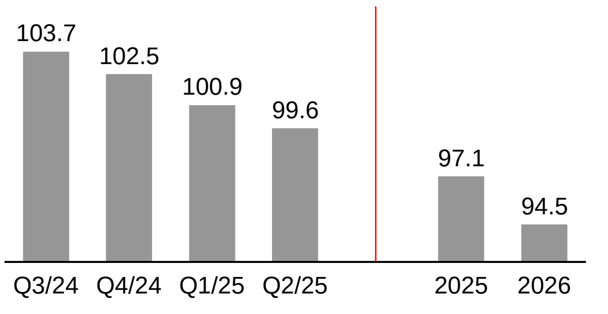


Figure 30: DXY forecast by Bloomberg

(Index)

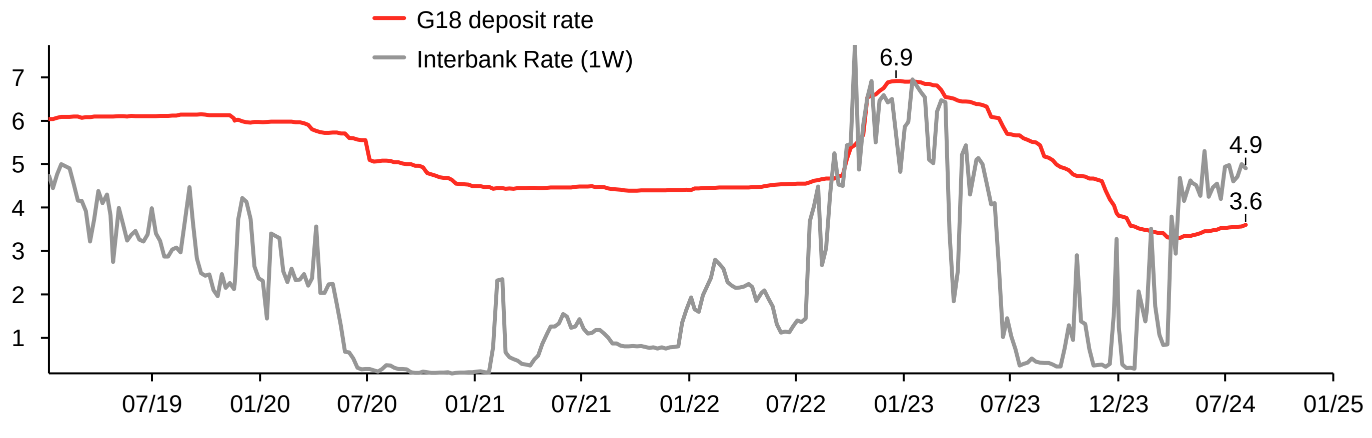


Deposit interest rates are anticipated to rise modestly by year-end as the economy continues its recovery

In light of a stabilising exchange rate, the State Bank of Vietnam (SBV) reduced the OMO rate and Notes rate by 25 basis points to 4.25%. This adjustment indicates the SBV's intention to gradually lower interbank rates, thereby alleviating indirect pressure on deposit rates. In July, deposit rates for the G18 group remained stable at approximately 3.5%, with a slight increase to 3.6% in early August. Only when a significant cooling of the exchange rate can enable the Government to employ flexible monetary tools to sustain lower interest rates, aligning with its overarching objective of fostering economic growth. As the economy gradually improves in the second half of the year, credit growth is expected to outpace deposits, leading to moderate liquidity conditions. Thus, we project that the G18 six-month interest rate could increase by around 60 basis points, primarily towards the end of the year.

Figure 31: The average deposit interest rate for the G18* group with a 6-month term

(%)



Sources: SBV, Reuters, Bloomberg, TCB Market Research
Note: G18 consists of 4 state-owned banks and 14 other joint-stock commercial banks

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Appendix

Updates on macroeconomics and financial market in the world

Indicators	Country	Unit	2023	2023					2024						
				08	09	10	11	12	01	02	03	04	05	06	07
Real GDP Growth	US	%, YoY, Quarterly			2.90			3.1			2.9			3.1	
	Eurozone	%, YoY, Quarterly			0.0			0.0			0.4			0.3	
	China	%, YoY, Quarterly			4.90			5.2			5.3			4.7	
	Japan	%, YoY, Quarterly			1.60			1.2			-0.2				
CPI	US	%, YoY, Monthly		3.67	3.70	3.24	3.14	3.40	3.1	3.2	3.5	3.4	3.3	3.0	
	EU	%, YoY, Monthly	5.46	5.20	4.30	2.90	2.40	2.90	2.8	2.6	2.4	2.4	2.6	2.5	2.6
	China	%, YoY, Monthly		0.10	0.00	-0.20	-0.50	-0.30	-0.8	0.7	0.1	0.3	0.3	0.2	0.5
	Japan	%, YoY, Monthly		3.20	3.00	3.30	2.80	2.60	2.2	2.8	2.7	2.5	2.8	2.8	
Fed funds target rate		%. End of month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
DXY		Index. Monthly Average	103.25	103.10	105.28	106.35	104.49	102.69	102.95	104.1	103.7	105.41	104.95	105.17	104.63
USD/CNY		Index. Monthly Average	7.08	7.25	7.30	7.31	7.22	7.15	7.17	7.19	7.20	7.24	7.23	7.25	7.26
10Y UST Yields		%. Monthly Average	3.96	4.17	4.38	4.80	4.51	4.05	4.05	4.23	4.21	4.51	4.48	4.31	4.25
WTI Oil price		USD/barrel. Monthly Average	77.66	81.32	89.43	85.47	77.38	72.06	73.86	76.61	80.4	84.4	78.6	78.7	80.48

Updates on macroeconomics and financial market in Vietnam

Indicators	Unit	2023	2023					2024						
			08	09	10	11	12	01	02	03	04	05	06	07
Real GDP growth	%, Quarterly, YoY	**5.05**		5.33			6.72			5.87			6.93	
IIP	%, Monthly, YoY	**1.50**	2.62	2.89	4.38	5.79	5.76	18.86	-6.81	4.13	6.30	8.90	10.92	11.23
Headline CPI	%, Monthly, YoY	**3.25**	2.96	3.66	3.59	3.45	3.58	3.37	3.98	3.97	4.40	4.44	4.34	4.36
Retail sales growth	%, Monthly, YoY	**9.60**	7.6	7.5	7.0	10.1	9.3	8.1	8.5	9.2	9.0	9.0	9.1	9.4
Registered FDI	USD billion, Monthly	**28.10**	1.30	2.00	5.20	2.30	5.20	2.2	1.8	1.7	2.6	1.7	3.5	2.2
Disbursed FDI	USD billion, Monthly	**23.20**	1.50	2.80	2.10	2.30	2.90	1.5	1.3	1.8	1.7	2.0	2.6	1.7
Trade exports	USD billion, Monthly	**355.5**	32.70	30.80	32.50	31.20	32.1	34.5	24.7	33.7	31.1	32.3	34.5	36.2*
Trade imports	USD billion, Monthly	**327.5**	29.30	29.10	29.50	29.90	29.6	30.9	23.3	30.9	29.9	32.7	31.2	34.0*
Trade balance	USD billion, Monthly	**28.00**	3.40	1.70	2.90	1.30	2.40	3.6	1.4	2.8	1.2	-0.4	3.0	2.2
Deposit growth	%, YTD	**10.85**	4.86	6.76	7.09	8.88	13.20	-1.29	-1.70	-0.9	-0.1	0.0		
Credit growth	%, YTD	**13.50**	5.33	6.20	7.10	9.15	13.78	-0.68	-0.75	1.42	2.01	3.43	6.10	
10Y Government bond yields	%, Monthly Average	**3.07**	2.50	2.60	2.90	2.56	2.26	2.25	2.32	2.50	2.78	2.80	2.80	2.79
1W Interbank rate	%, Monthly Average	**2.60**	0.40	0.40	1.37	0.71	0.82	0.43	2.53	1.32	4.20	4.55	4.84	4.79
6M Deposit rate**	%, Monthly Average	**-3.04**	5.20	4.90	4.70	4.54	4.19	3.70	3.40	3.37	3.31	3.39	3.49	3.55
USD/VND	Monthly Average	**23,847**	23,882	24,246	24,488	24,321	24,283	24,476	24,520	24,724	25,153	25,446	25,443	25,370

Updated full-year forecasts for Vietnam

Indicators	Unit	2023					2024							Forecast
		08	09	10	11	12	01	02	03	04	05	06	07	2024
Real GDP growth	%		5.33			6.72			5.87			6.93		6.50
Headline CPI	%, YoY. Average	2.96	3.66	3.59	3.45	3.58	3.37	3.98	3.97	4.40	4.44	4.34	4.36	3.81
Deposit growth	%, YTD	4.86	6.76	7.09	8.88	13.20	-1.29	-1.70	-0.9	-0.1	0.0			10.10
Credit growth	%, YTD	5.33	6.20	7.10	9.15	13.78	-0.68	-0.75	1.42	2.01	3.43	6.10		14.00
USD/VND	Average	23,882	24,246	24,488	24,321	24,283	24,476	24,520	24,724	25,153	25,446	25,443	25,370	25,051
10Y Government bond yields	%, 10Y, Average	2.50	2.60	2.90	2.56	2.26	2.25	2.32	2.50	2.78	2.80	2.80	2.79	2.60
1W Interbank rate	%, Average	0.40	0.40	1.37	0.71	0.82	0.43	2.53	1.32	4.20	4.55	4.84	4.79	3.70

Sources: GSO. Customs. VBMA. Reuters. TCB Analysis

Notes:

* Estimated numbers

** Weighted average of 18 banks

The latest trade data updated by GSO. Previous data updated by Customs

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