

Monthly Updates on Macroeconomics and Financial Market

Hanoi, June 2026

Prepared by Economic and Financial Market Analysis Team

VIETNAM'S ECONOMY AMID GLOBAL UNCERTAINTY WAVES

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Executive Summary

Global Economy:

- ▶ **Geopolitics & Oil Prices:** Brent oil prices dropped to the ~\$83-84/barrel range, driven by expectations of a US–Iran cooldown, though subsequent developments stay unpredictable with many lingering unknowns in negotiations.
- ▶ **US Tariffs:** The US is considering imposing tariffs under Section 301 (expected at around 10–12.5% for many countries, including Vietnam), further making the global picture unpredictable.
- ▶ **US Inflation & Unemployment:** The labor market was stronger than expected (Non-farm payrolls increased by 172 thousand, the unemployment rate maintained at 4.3%) while inflation anchored high (Core CPI at 2.9%), showing that price pressures have not yet cooled down.
- ▶ **The Fed:** High inflation and a resilient labor market caused interest rate easing expectations to be almost extinguished, highlighting the role of the upcoming FOMC meeting on June 16-17.
- ▶ **The ECB & Stagflation:** The ECB just raised interest rates to 2.25% amid ~3.2% inflation and sub-50 PMI, highlighting how it remains squeezed between elevated prices and weakening Eurozone growth.

Vietnamese Economy:

- ▶ **Trade:** We maintain our forecast that exports will sustain double-digit growth this year. However, several risks are emerging, including a widening trade deficit, reaching a 20-year high with a cumulative shortfall of USD 13.8 billion in the first five months, and PMI data that have yet to signal a sustained recovery in manufacturing activity;
- ▶ **FDI:** Foreign inflows, particularly in high-tech sectors, are expected to remain robust as Vietnam increasingly positions itself as a key export hub for AI-related products;
- ▶ **Consumption:** Domestic consumption is showing signs of slowing, partly reflecting adverse spillovers from geopolitical uncertainties and rising inflationary pressures;
- ▶ **Public investment:** Disbursement progress has shown modest improvement, rising around 30% month-on-month, but further acceleration will be needed to meet the full-year target;
- ▶ **USD/VND:** We maintain our forecast that the USD/VND exchange rate will rise by around 2% on average in 2026, facing seasonal pressures and potential upside risks to the DXY, although partially offset by stronger external borrowing and robust FDI disbursement;
- ▶ **Interest rates:** Deposit rates are expected to remain flat or decline modestly (by around 50bps) through end-2026, mainly due to still-tight system liquidity, while public investment disbursement is expected to provide partial support by injecting liquidity into the banking system.

Global Economy

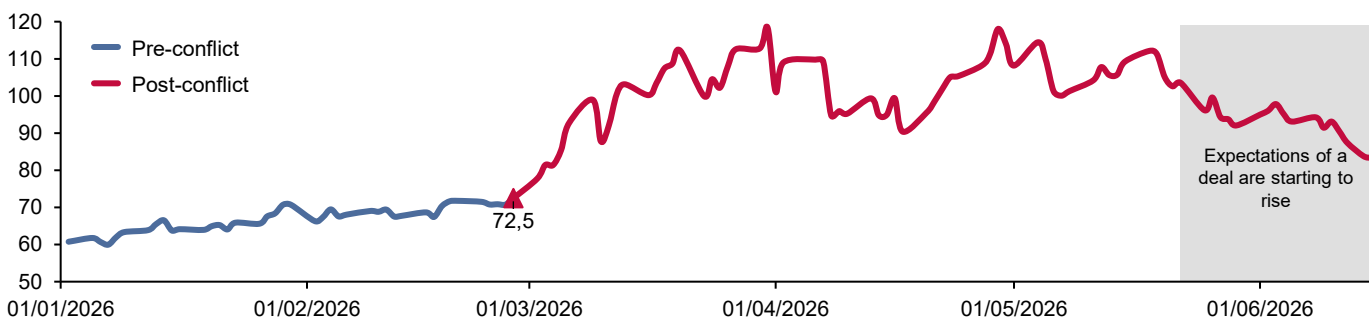
The global economic context continues to contain numerous uncertainties due to new developments in geopolitical conflicts and the looming risk of tariffs. Amid this complex macroeconomic picture, the newly announced US inflation and unemployment indices serve as core highlights, directly creating a challenging dilemma for the new Fed Chairman in navigating future monetary policy

Global oil prices have cooled from May levels, driven by new geopolitical developments in US-Iran relations.

During the first half of June, Brent crude traded mostly around \$90/bbl before dropping sharply to approximately \$83-84/bbl by June 15, marking a nearly 20% decline from May's average of ~\$103.7/bbl. This correction reflects strong market expectations for US-Iran diplomacy, following the recent confirmation of a temporary peace agreement framework. Scheduled for official signing this Friday (June 19), the pact mandates an immediate ceasefire across all fronts, lifts the maritime blockade in the Strait of Hormuz, and opens a 60-day window for intensive negotiations. Nonetheless, the outlook remains uncertain due to several key wildcards: (1) - Numerous differences in the desires of both sides that could stall talks; (2) - Strong domestic pushback from conservative factions in both nations; (3) - the potential for Israel to disrupt the diplomatic process.

Parallel to geopolitical developments, on June 7, 2026, OPEC+ decided to increase July production by 188,000 barrels per day, marking the fourth consecutive month of increases. However, this move appeared to have no significant impact on the trend of oil prices in the context where the Strait of Hormuz has not yet been cleared. In other words, although nominal supply increased, a significant amount of that oil remains trapped in the Middle East, making the current decisions of the OPEC+ group temporarily not too influential on the global available oil flow. Therefore, subsequent developments on the negotiation table continue to be the focus that we will closely follow; any new progress related to the normalization of the flow through Hormuz will have a huge impact, not only on oil prices but also on global inflation trends.

Figure 1: Brent Oil Price Movements (Unit: USD/Barrel)



Global Economy (cont.)

Tariffs return to the center stage: Highly unpredictable outlook As commented in last month's publication, although slightly overshadowed by geopolitical developments over the past months, the topic of tariffs under President Trump is gradually regaining market attention, revolving around possibilities related to Section 301 - which is being considered to supplement/replace Section 122. Specifically, on June 2, the Office of the United States Trade Representative (USTR) announced its conclusions in the Section 301 investigations regarding 60 economies that failed to implement adequate measures to prevent the import of goods produced by forced labor. Accordingly, the USTR announced a proposed rate of 10% for a group of economies including Canada, the EU, Mexico, Pakistan, Argentina, Bangladesh, Cambodia, Malaysia, Taiwan, the UK... While 12.5% is applied to the remaining 45 countries on the investigation list, including Vietnam and China. To proceed toward official application, an additional public hearing will be required, scheduled for this upcoming July 7. According to experts from Bloomberg Economics, if this Section 301 tariff rate is deployed alongside the expiration of the Section 122 tariff, the US effective tariff rate will increase by an additional 0.5% compared to the current level of 10.7%. Even when officially implemented, the legal basis of Section 301 still faces the risk of being challenged by the US Supreme Court. Accordingly, the Trump administration could consider activating alternative tools such as Section 338 or Section 232.

Figure 2: US Non-Farm Payrolls over the month

Unit: In thousands

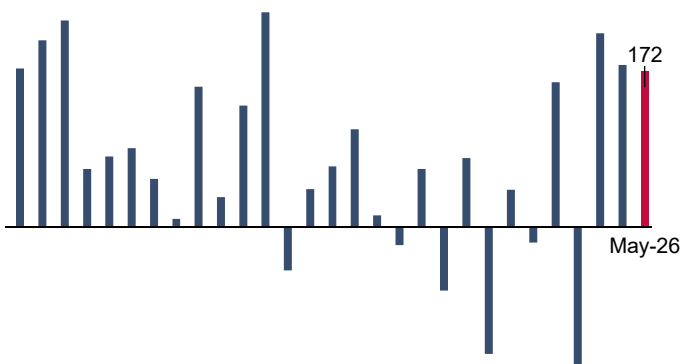
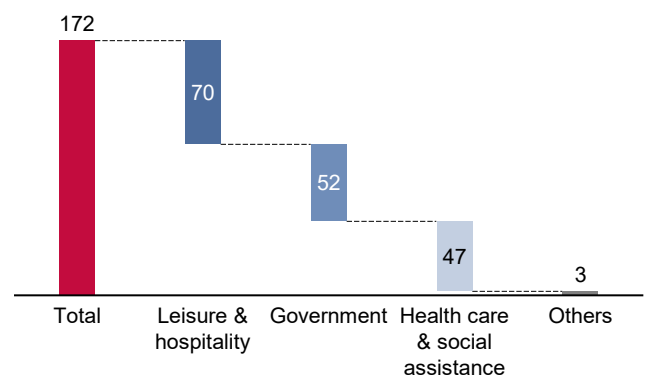


Figure 3: NFP by Industry Sector (May 2026)

Unit: In thousands



US job growth far exceeds expectations ...

The US Labor Market Report newly released on June 5 shows an unexpected improvement as the economy added 172,000 non-farm jobs in May, which means double the previous forecasts (only around more than 80,000). Unemployment held at the 4.3% rate for the third consecutive month; accordingly, this rate has maintained within a narrow range around 4.3-4.5% since July 2025. Data for March and April were also revised upward by a combined total of 93,000 jobs, raising the total number of newly created jobs in the March-May period to 565,000, further reinforcing...

Global Economy (cont.)

Tariffs Return to the Center Stage: Highly Unpredictable Outlook

...the positive picture of the labor market. Through our investigation, we have identified several notable observations. **First**, businesses' hiring demand has improved after a period of caution due to policy uncertainty, especially during the recent 3-month period as mentioned. Some economists argue that this demonstrates better adaptation to external risks such as tariffs, geopolitical conflicts, or artificial intelligence. **Second**, newly created jobs are heavily concentrated in the leisure & hospitality, government and healthcare. Meanwhile, the manufacturing and construction industries only improved moderately, while the financial services sector even declined. Thereby, we continue to monitor and assess this relatively positive picture of the US labor market in the coming months. On one hand, geopolitical or tariff risks could entirely escalate again and continue to affect corporate hiring plans. On the other hand, although the structure of new job creation has become more diversified compared to the previous period by no longer being overly dependent on the healthcare sector, a clear leadership has not yet appeared from industries that are investment-oriented, production-based, and highly sensitive to the economic cycle. This indicates that the sustainability of the current recovery momentum of the labor market still needs to be further observed.

Figure 4: Inflation and Wage Growth

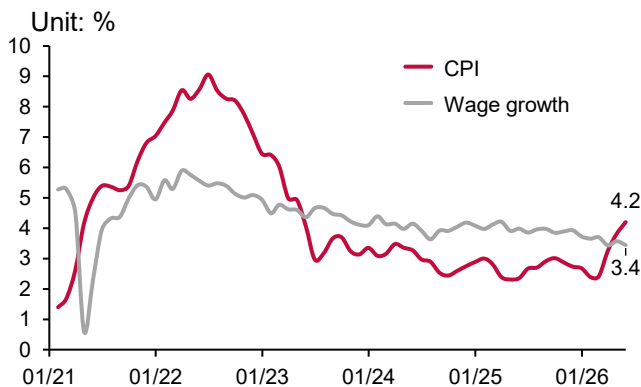
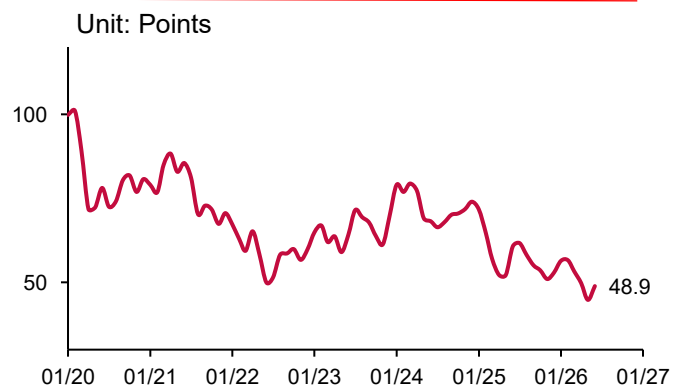


Figure 5: Consumer Sentiment Index



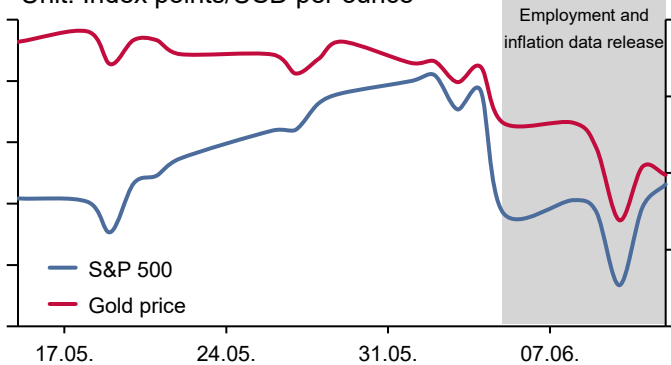
Regarding inflation, the US Department of Labor's June 10 report showed May CPI rose 0.5% month-on-month and 4.2% year-on-year, marking the highest level since April 2023. These increases aligned with market forecasts, despite a slight MoM growth deceleration from April. Additionally, core CPI (excluding food and energy) grew 2.9% year-on-year, up from the previous month's 2.8% and still far exceeding the Fed's 2% target. Commodity price pressure continues to erode US household purchasing power, as inflation exceeded year-on-year income growth for the second consecutive month, dragging down the consumer confidence index. This new inflation and labor market data caused market expectations...

Global Economy (cont.)

...regarding a 2026 Fed rate cut scenario to be almost extinguished: CME FedWatch data shows a nearly 97% probability that rates will remain unchanged in June, with some even betting on a rate hike by year-end. That pressure caused US stocks to react quite negatively, with the S&P 500 plummeting ~9%. Simultaneously, gold prices decreased about 4.2% as the opportunity cost of holding this non-yielding asset was pushed higher. Additionally, expectations of a 'higher-for-longer' interest rate cycle became a launchpad pushing the DXY to the 100-point threshold for the first time since early April. However, positive sentiment from the temporary US-Iran peace agreement framework partially relieved these macroeconomic pressures, helping gold and stocks experience significant recovery sessions.

Figure 6: Performance of Selected Assets

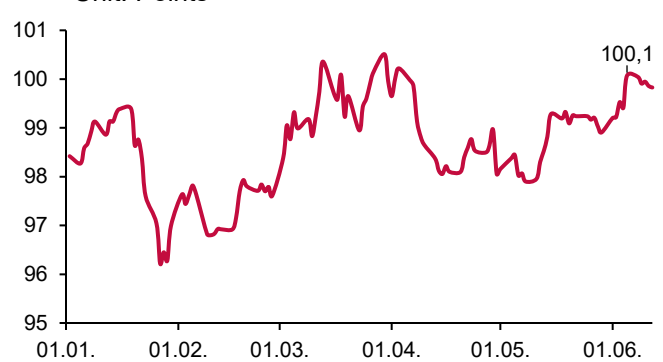
Unit: Index points/USD per ounce



This macroeconomic landscape is far from what the Fed Chair wants to see.

Figure 7: DXY Index

Unit: Points



The new Fed Chair - Mr. Kevin Warsh is truly being 'besieged' by numerous unfavorable macroeconomic factors right in the first weeks of his new term: persistent core inflation, unexpectedly strong employment data, and market interest rate hike expectations. Not only that, the continuous pressures regarding interest rate cuts coming from President Trump - the person who directly selected Mr. Kevin Warsh for the 'hot seat' at the Fed, certainly make this new chair even more awkward in the dilemma between political pressure and the inflation control objective. Market attention is being directed toward the upcoming FOMC meeting taking place on June 16-17, the first meeting chaired by Mr. Warsh. In this first appearance of Mr. Warsh as chair at the Federal Reserve's interest rate meeting, we expect that he will deliver a clear enough signal regarding whether to prioritize inflation control or lean toward the desires of the White House. However, the final decision on the Fed interest rate still depends on all 12 members of the FOMC. It is worth recalling that, at the April 29 meeting, the Fed maintained the policy rate in the range of 3.50% to 3.75% but with a ratio of 8 votes in favor and 4 votes against. This is the highest level of disagreement since October 1992, showing that...

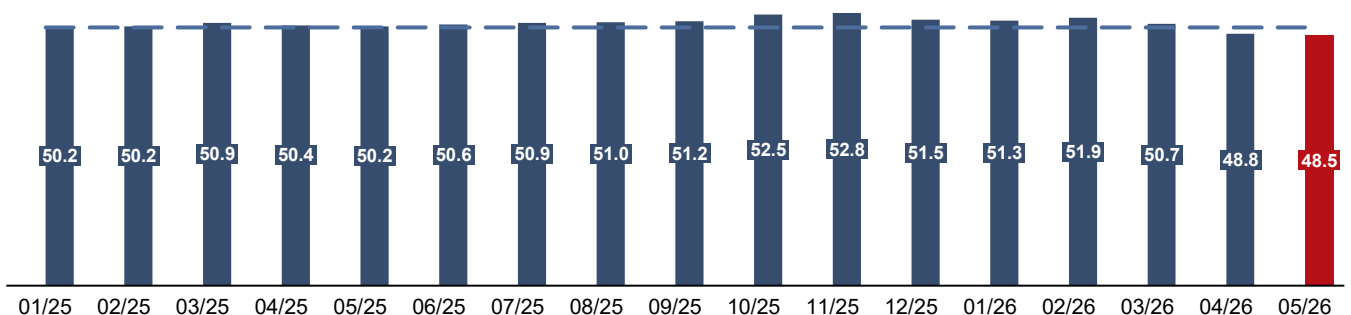
Global Economy (cont.)

... the positions of the members are strongly diverging. Therefore, the developments of the upcoming meeting, along with the published Summary of Economic Projections and Dot Plot chart, will outline more clearly the perspectives of Fed members over the next two years. For the time being, although we do not yet see a rate hike as a baseline scenario for 2026, we have considered additional scenarios where interest rates are held unchanged this year before potentially increasing once in 2027. Our previously stated view that there could be a single rate cut at the end of this year or early next year now has a reduced probability of occurring, given the developments up to the time of this report.

ECB Remains Caught in Stagflation Risks

Compared to the Fed, the ECB's rate policy faces greater pressure from weakening growth and inflation. May inflation rose to 3.2% YoY from 3.0% in April, with energy up 10.9%, services up 3.5%, and core inflation at 2.5%. This shows the energy price shock remains the main inflation driver, but price pressures have spread from energy into services. Conversely, May's composite PMI stayed below 50, reflecting contracting private sector activity under inflation pressure. In its recent June meeting, the ECB raised interest rates by 0.25% to 2.25% - the first hike since 2023, aligning with market expectations. Furthermore, over 60% of experts in a Reuters survey expect at least one more tightening round, likely in September. We maintain that Europe's tightening trend is necessary to anchor inflation expectations, but the pace must be calculated cautiously. If price pressures stem primarily from an energy supply shock, an overly hawkish monetary policy could stifle the credit market, consumption, and investment. Especially with the European economy shrinking 0.2% in Q1, excessive tightening could push the region into a technical recession with two consecutive quarters of decline. Therefore, the upcoming focus is how the ECB assesses inflation risks spilling into services and wages. If the ECB signals persistent price risks, the market will continue pricing in new hikes; conversely, if growth weakens deeply, room for tightening past June will certainly be limited.

Figure 8: Eurozone Composite PMI (Unit: Points)



Vietnamese Economy

Exports are expected to maintain double-digit growth despite renewed tariff risks from the US, while domestic consumption remains sluggish. In the near term, growth will likely continue to be driven by public investment disbursement. From the financial market perspective, the USD/VND exchange rate is projected to remain stable in the short run, while deposit rates expected to stay flat or ease slightly through end-2026.

Despite a volatile global backdrop, Vietnam’s exports are expected to sustain double-digit growth, with downside risks remaining

Against the backdrop of ongoing tensions in the Middle East, which continue to exert pressure on global production costs and consumer demand, Vietnam’s trade performance has demonstrated solid growth, albeit with rising underlying risks. **On a more positive note**, export growth accelerated to 18.1% YoY in May 2026, marking the strongest expansion in the past five years (excluding May 2025, when growth was significantly supported by front-loading activities aimed at avoiding the imposition of new US tariffs). However, the positive export performance has been largely driven by the electronics sector, while other key export categories such as textiles and footwear recorded negative growth on a year-on-year basis. This divergence points to increasing structural imbalances in both trade and industrial production across sectors, as well as between foreign-invested enterprises (FDI) and domestic firms. Nevertheless, looking ahead, we expect Vietnam’s exports to sustain double-digit growth, supported by two key drivers. **First**, US import demand for electronics related to AI infrastructure remains robust. As global technology companies accelerate investments in data centers, Vietnam is emerging as a notable beneficiary of this trend. Recent trade developments increasingly reflect this shift. As of February 2026, exports of data center-related products from China to the US declined by 28.1% YoY, while shipments from Vietnam to the same market recorded triple-digit growth. This suggests that Vietnam...

Figure 9: Vietnam’s exports in May each year

Unit: % YoY

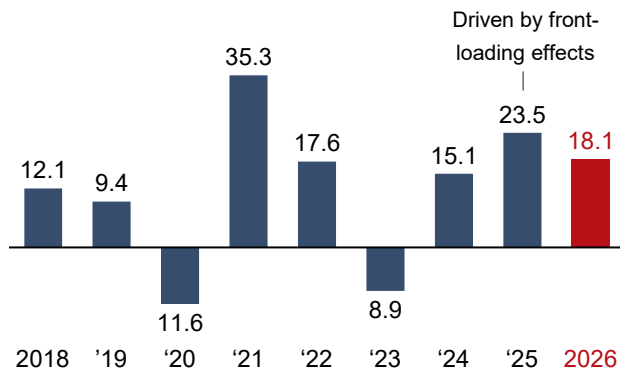
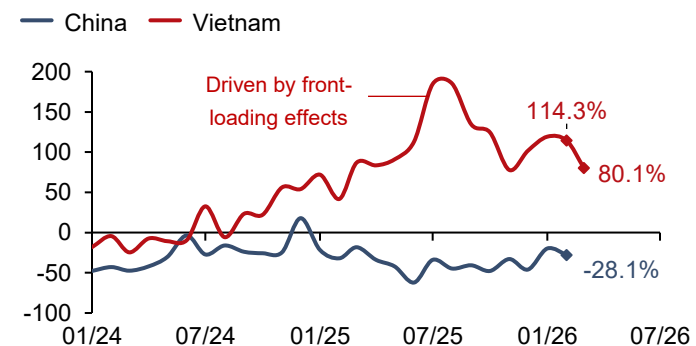


Figure 10: Vietnam and China electronic exports

Unit: % YoY growth in export volumes to the US*



Note: Only a subset of HS codes related to data centers is included, with volumes measured in “units”

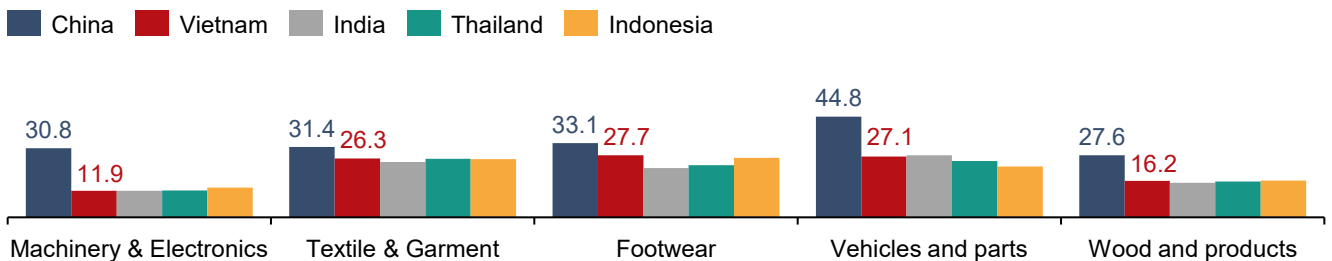
Sources: NSO, UNComtrade, TCB CIBG Research analysis

Vietnamese Economy (Cont.)

...is gradually gaining market share within the global technology supply chain supporting the AI wave. **Second**, while the re-emergence of US tariff risks may weigh on the sentiment across export-oriented economies, this development should be viewed more as an adjustment in the implementation of trade policy rather than a new tariff shock. Specifically, the US may invoke Section 301 to impose an additional tariff of around 12.5% on Vietnamese goods starting in the second half of 2026. However, this move is unlikely to materially undermine Vietnam’s export performance for two main reasons: (1) - Competing economies will face similar adjustments, leaving relative tariff positioning broadly unchanged; and (2) - For the textile and garment sector in particular, the risk may even tilt to the upside, as the US is expected to introduce tariff reductions on selected imported apparel items. Taken together, we maintain our forecast that Vietnam’s export growth will remain in double-digit territory this year.

Figure 11: US tariffs, simulated new scenario

Unit: %, based on a scenario in which Section 122 expires and is replaced by Section 301, implying an additional 12.5% tariff, with the assumption that items exempted under Section 122 will remain exempt under the new policy



However, on the downside, we believe the trade balance is beginning to signal noteworthy risks. Specifically, the trade deficit widened sharply in May, reaching USD 6.7 billion, the largest monthly deficit in our dataset since January 2011. The pressure continues to be driven primarily by the “computers and electronic components” category, where imports are, in our view, largely intended for downstream production of final goods, which would in turn support a rebound in exports in subsequent months. This is evidenced by the fact that, alongside the strong acceleration in import growth, exports have also recorded robust expansion, rising by 46% YoY. At the same time, elevated global crude oil prices have pushed up energy import costs significantly. Accordingly, Vietnam’s crude oil imports surged by 108% YoY in May, while imports of refined petroleum products increased by 36% YoY, further exacerbating the trade deficit. Looking...

Vietnamese Economy (Cont.)

...ahead, we maintain our view that the trade balance will register a narrower surplus compared to previous years, driven by two key factors: (1) - Import demand for electronic-related inputs is expected to remain elevated, and (2) - Energy prices show little sign of easing in a meaningful way, continuing to exert pressure on the trade balance through a widening energy deficit. An additional risk worth monitoring is that, although PMI has turned more positive, rebounding to 52.8 in May after a period of decline since February, the improvement appears to be driven by short-term order increases linked to inventory build-up, rather than a clear sustained recovery in final demand. This raises concerns over the durability of the recovery, as relatively low-cost inventories are likely to be gradually depleted while elevated energy prices remain a key risk and could continue to exert upward pressure on production costs in the near term.

Figure 12: Major deficit-contributing products

Unit: % YoY, 5M26 and 5M25 (cumulative)

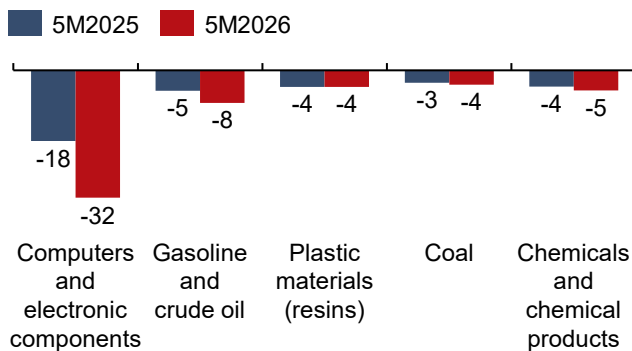
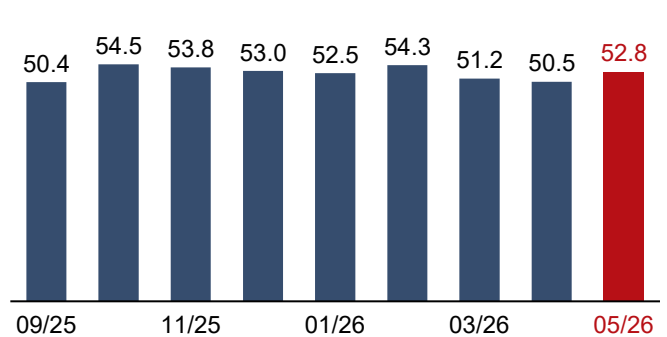


Figure 13: Vietnam manufacturing PMI

Unit: Point



Strong export performance continues to support robust FDI inflows into Vietnam

Despite a still uncertain global macroeconomic environment, Vietnam continues to stand out as a key destination for foreign direct investment (FDI). In May alone, total newly registered and additional FDI increased by 50% YoY. On a cumulative basis, FDI inflows rose by 33% YoY in the first five months of the year, with newly registered capital recording a particularly strong increase of 111% YoY. This trend suggests that multinational corporations are increasingly viewing Vietnam as a medium- to long-term production hub, rather than merely a short-term alternative. At the same time, disbursed FDI has continued to expand at a healthy pace, rising 9.6% YoY in the first five months of 2026 (compared to 7.9% in the same period of 2025 and 7.8% in 2024). We expect this momentum to remain intact in the period ahead, supported by continued double-digit export growth, driven in part by strong demand for AI-related electronics...

Vietnamese Economy (Cont.)

„In addition, large-scale high-tech projects, such as Samsung’s semiconductor plant, not only generate employment but also create spillover effects, attracting supporting industries and component suppliers to expand their manufacturing footprint in Vietnam.

Figure 14: Total newly registered FDI

Unit: USD bn, yearly comparison data

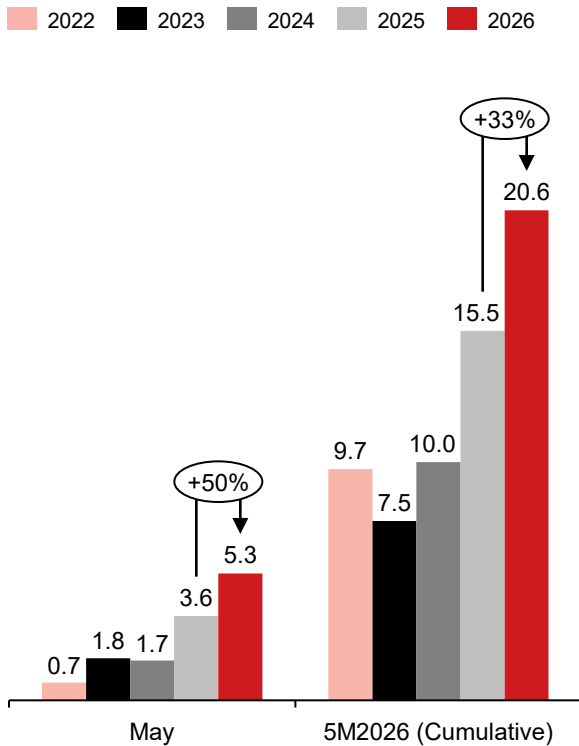


Figure 15: Selected FDI projects in the first 5M2026

Project	Capital (USD bil.)	Type
Samsung chip packaging	4.0	New
Samsung chip testing	1.5	New
Tan Phu AI Data Center	2.1	New
Evolution Data Center	0.5	New
Can Gio Transshipment Port	4.9	New
Nha Be Metrocity	2.2	New
Thu Thiem 2A Complex	1.2	New
Seojin Việt Nam	0.45	Adjustment
Techtronic processing	0.08	New
POSCO battery materials	0.4	New
TikTok Shop Vietnam	0.13	New
Future Textile fabric	0.35	Adjustment
Singvin steel production	0.38	New
Quynh Lap LNG	2.2	Adjustment

Retail sales data suggest a moderation in domestic consumption

In our [previous report](#), we noted that domestic consumption is unlikely to become a key growth driver in 2026, and the latest data for May continue to reinforce this view. Specifically, growth in retail sales of goods and services, on a cumulative basis for the first five months of the year (adjusted for inflation), reached only 6.1% YoY, edging down from 6.3% in the previous month and remaining notably below the 7.1% recorded in the same period last year (5M2025). Notably, although international tourist arrivals to Vietnam rose strongly by 16.5% YoY in May, significantly higher than the 10.5% growth recorded in May 2025, revenue from accommodation and food services increased by only 13.3% YoY, markedly lower than the 15.2% growth seen in the same period last year. This divergence suggests that the recovery in service demand has yet to fully catch up with the rebound in tourist arrivals, reflecting still-cautious consumer spending behavior.

Vietnamese Economy (Cont.)

Figure 16: Retail sales of goods and services

Unit: % YTD YoY

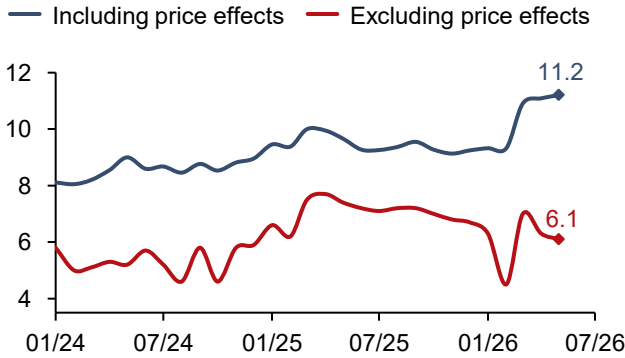
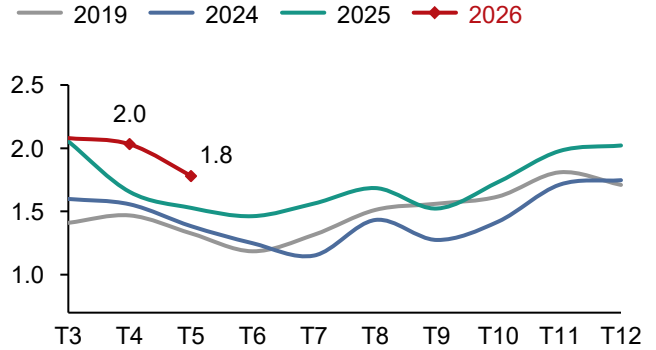


Figure 17: International tourist arrivals to Vietnam

Unit: Million visits

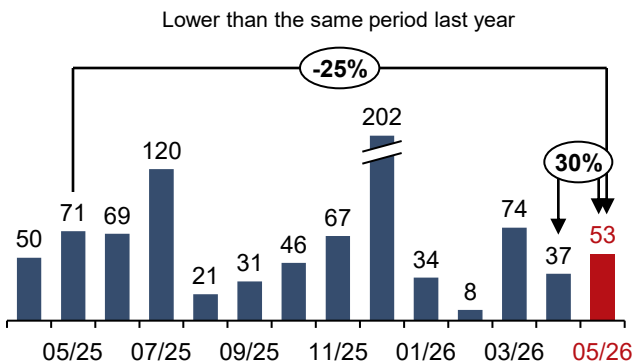


Public investment disbursement is gradually accelerating, but stronger efforts are still required

Public investment disbursement showed signs of acceleration in May; however, a more forceful push from the government will likely be required to meet the full-year target. Disbursement rose by around 43% month-on-month to VND 53 trillion, although it remained notably lower than the same period in 2025. On a cumulative basis, the disbursement rate reached approximately 18.4% of the annual plan in the first five months, still below the five-year average, suggesting overall progress remains modest despite recent improvements. Key bottlenecks include land clearance challenges, shortages and rising costs of construction materials, particularly sand and stone, as well as administrative hurdles delaying project execution. Against the backdrop of a softer contribution from external trade, amid stronger import growth relative to exports, and still-muted domestic consumption, public investment continues to play a critical role in supporting growth in 2026. We therefore expect the government to step up efforts in the coming months, with full-year disbursement potentially reaching at least 90% of the plan, equivalent to around VND 1 quadrillion.

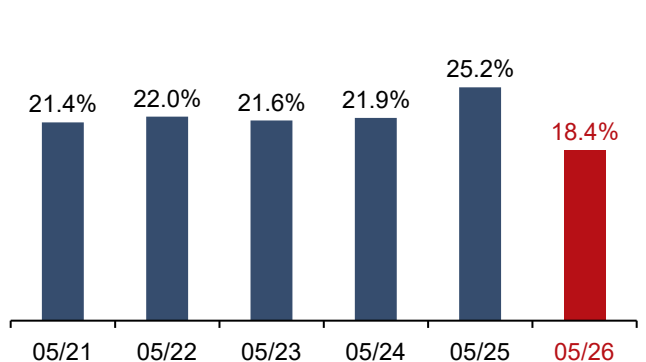
Figure 18: Public investment disbursement progress

Unit: VND trillion, monthly data



Hinh 19: Public investment actual vs. target

Unit: %, first five months in each year



Vietnamese Economy (Cont.)

Inflation continued to climb in May, suggesting spillover effects from Middle East tensions remain persistent

Although the increase in commodity prices in May was less surprising than in previous months, price pressures continue to pass through to the consumer basket. As a result, headline inflation rose to 5.6% YoY, the highest level since March 2020, indicating that price pressures have yet to meaningfully ease. A more noteworthy signal, however, comes from core inflation, which excludes more volatile items such as food and energy, as it continued to edge up to around 4.7% YoY, suggesting that underlying inflationary pressures remain on an upward trend. On a month-on-month basis, compared with April, key consumption categories such as eating-out services, apparel, housing, and construction materials recorded slower price increases but continued to trend upward, with no clear signs of reversal. Nevertheless, we maintain our baseline scenario of average inflation at around 4.5% in 2026, based on three main assumptions. **First**, oil prices, which have declined markedly from their May peak, are likely to continue easing gradually, thereby reducing input cost pressures and helping to contain increases in domestic goods and service prices. **Second**, government policy measures, particularly recent directives from the Prime Minister to stabilize prices of essential services such as healthcare and education, are expected to help prevent an overheating of inflation. **And third**, as highlighted in our [previous report](#), our internal analysis of past oil price shocks suggests that pass-through from oil prices to core inflation is currently quite limited and tends to fade rapidly, becoming negligible in the months following the initial shock. Accordingly, under the assumption of cooling oil prices, we expect monthly core inflation to decelerate going forward. That said, under a less favorable scenario in which global oil supply fails to normalize in a timely manner, average inflation could approach 5.5% YoY, its highest level since 2013 (6.6%).

Figure 20: Crude oil forecast in 2026

Unit: USD/barrel, Brent crude oil

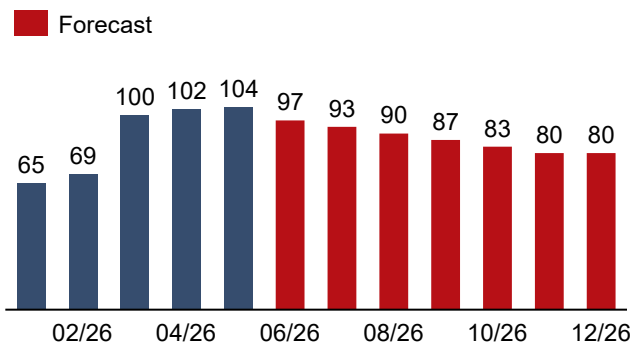
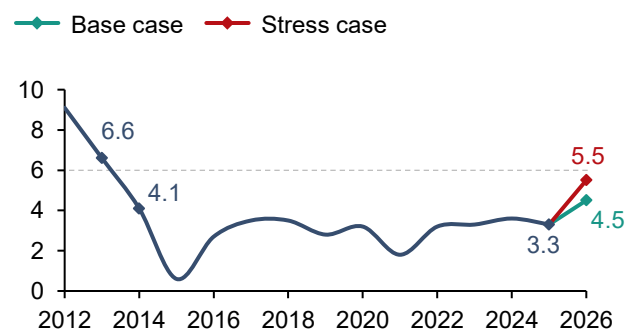


Figure 21: Vietnam annual inflation and forecast

Unit: % YoY



Vietnamese Economy (Cont.)

The USD/VND exchange rate remained broadly stable in May and is expected to remain range-bound in the near term

In theory, the USD/VND exchange rate could have faced notable pressure in May due to a widening trade deficit, raising USD demand for import payments, alongside profit repatriation by the FDI sector during the second quarter. In practice, however, supportive factors helped maintain stability in the foreign exchange market. Specifically, disbursed FDI inflows continued to accelerate in May, while the VND–USD interest rate differential did not move sufficiently to create incentives for holding USD. As a result, the average interbank USD/VND exchange rate in May remained stable at 26.340, up only around 0.2% from end-2025 and broadly unchanged from the previous month. Looking ahead, the USD/VND exchange rate is still likely to face some pressure, albeit at a mild level. **First**, Vietnam’s trade balance in 2026 is expected to post a smaller surplus than in previous years, with a cumulative trade deficit of around USD 13.8 billion recorded in the first five months of the year, reflecting still-strong import-related USD demand. **Second**, the risk of a reassessment of global USD interest rate expectations could place upward pressure on the DXY, given persistent US inflation and a resilient labor market. **Third**, seasonal factors related to profit repatriation by the FDI sector remain relevant. That said, these pressures are likely to be partially offset by several supportive factors. **First**, offshore capital raising by Vietnamese firms has been picking up, as evidenced by recent transactions such as Vingroup’s USD 350 million international bond issuance and Masan’s USD 750 million syndicated loan, which help bolster foreign currency supply in the domestic market. **Second**, the current VND–USD interest rate differential remains sufficiently wide to limit incentives for USD hoarding; even under a scenario in which the Fed continues to tighten policy, any adjustment is unlikely to materially alter the relative yield dynamics between the two currencies. On balance, we forecast the average USD/VND in 2026 to depreciate by around 2%.

Figure 22: USD/VND exchange rate

Unit: VND

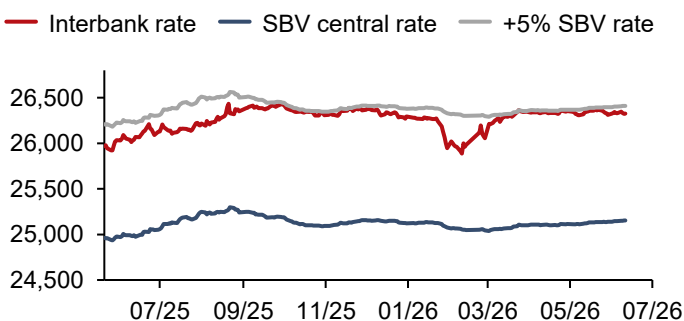
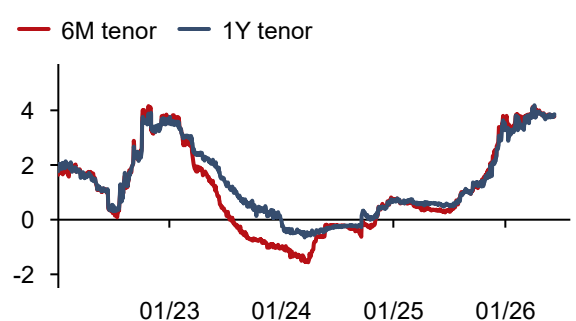


Figure 23: VND-USD interest gap

Unit: %, VN interbank rate and Fed rate gap



Vietnamese Economy (Cont.)

Deposit rates are expected to remain flat or ease slightly in the coming months

At this stage, we maintain our view that deposit rates will continue to move sideways or edge down slightly around current levels in the coming months, based on two main considerations. **First**, interbank interest rates, an important determinant of deposit rates, are unlikely to decline materially in the near term, particularly at longer maturities, thereby limiting the scope for further cuts in deposit rates. This largely reflects still-tight system liquidity, as evidenced by the persistent gap between credit growth and deposit growth, alongside the State Bank of Vietnam’s continued use of open market operations (OMO) and FX swaps, as well as a sizable stock of term deposits from the State Treasury, to support short-term liquidity conditions. In this context, interbank rates stabilizing around the 6% level are broadly consistent with the current policy stance. This level helps preserve a sufficiently wide VND–USD interest rate differential to mitigate exchange rate pressures, while also limiting spillover effects to deposit and lending rates. This is particularly important given that higher funding costs could weigh on production and business activity, thereby posing challenges to the objective of achieving double-digit economic growth. **Second**, as discussed earlier, public investment disbursement is expected to improve in the period ahead, which would inject a substantial amount of liquidity into the banking system (around VND 1 quadrillion). This factor should support system liquidity and help cap upside risks to interest rates. Taking these factors together, we maintain our forecast that deposit rates will remain broadly flat or decline modestly through end-2026.

Figure 24: Vietnam interbank rates

Unit: %

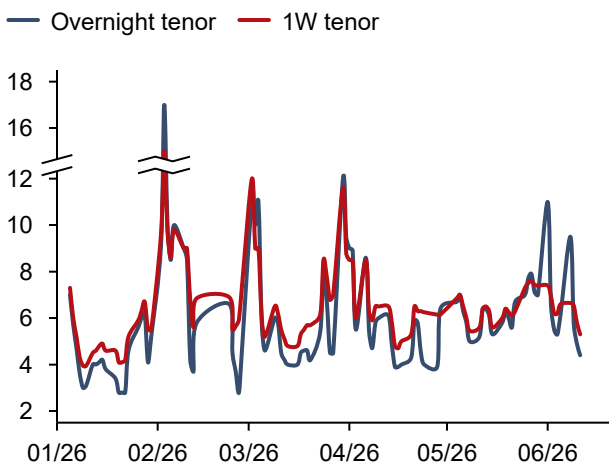
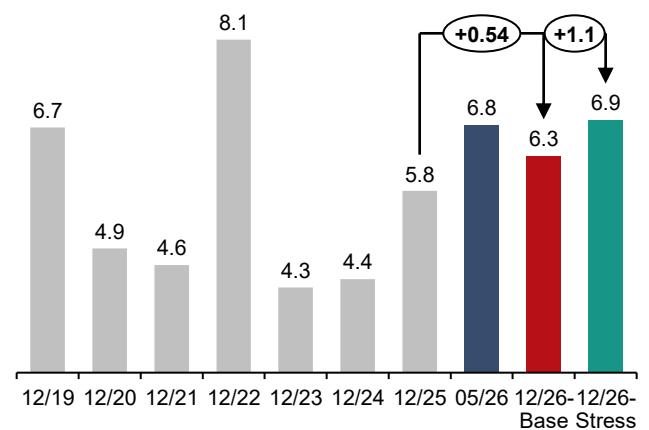


Figure 25: 6-month deposit rates

Unit: %, Weighted average of 8 JSBs*



Note: Includes 8 joint-stock commercial banks: TCB, MBB, VPB, VIB, TPB, ACB, STB, and MSB

Sources: Refinitiv, Press search, TCB CIBG Research analysis

Appendix

Updates on macroeconomics and financial market in the world

Indicators	Country	Unit	2025	2025								2026					
				05	06	07	08	09	10	11	12	01	02	03	04	05	
Real GDP growth	US	% YoY, Quarterly	2.1		2.1				2.3			2.0			2.7		
	Eurozone	% YoY, Quarterly	1.3		1.5				1.6			0.8			0.6		
	China	% YoY, Quarterly	5.0		5.2				4.8			4.5			5.0		
	Japan	% YoY, Quarterly	1.0		2.0				1.1			0.1					
CPI	US	% YoY, Monthly	2.7	2.4	2.7	2.7	2.9	3.0			2.7	2.7	2.4	2.4	3.3	3.8	4.2
	EU	% YoY, Monthly	2.1	1.9	2.0	2.0	2.0	2.2	2.1	2.1	2.0	1.7	1.9	2.6	3.0	3.2	
	China	% YoY, Monthly	0.1	-0.1	0.1	0.0	-0.4	-0.3	0.2	0.7	0.8	0.2	1.3	1.0	1.2	1.2	
	Japan	% YoY, Monthly	3.2	3.5	3.3	3.1	2.7	2.9	3.0	2.9	2.1	1.5	1.3	1.5	1.4		
Fed funds target rate	% End of month	3.75	4.5	4.5	4.5	4.5	4.25	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	
DXY	Index, Monthly Average	100.8	100.0	98.4	97.9	98.3	97.7	98.8	99.7	98.6	98.3	97.4	99.5	98.8	98.7		
USD/CNY	Index, Monthly Average	7.2	7.21	7.18	7.17	7.17	7.12	7.12	7.11	7.04	6.97	6.91	6.89	6.84	6.80		
10Y UST Yields	% Monthly Average	4.3	4.42	4.38	4.38	4.26	4.12	4.05	4.09	4.14	4.21	4.12	4.25	4.31	4.48		
WTI Oil price	USD/barrel, Monthly Average	64.7	60.1	67.33	67.24	64.02	63.5	60.1	59.5	57.9	60.3	64.5	91.0	98.7	98.51		

Updates on macroeconomics and financial market in Vietnam

Indicators	Unit	2025	2025								2026					Dự báo	
			05	06	07	08	09	10	11	12	01	02	03	04	05	2026	
Real GDP growth	% Quarterly, YoY	8.0		8.19				8.25			8.46			7.83		-	7.5
IIP	% Monthly, YoY	9.23	9.41	10.83	8.54	8.90	13.59	10.44	10.76	10.10	21.54	0.60	6.90	9.88	8.79	-	
Headline CPI	% Monthly, YoY	3.3	3.24	3.57	3.19	3.24	3.38	3.25	3.58	3.58	2.53	3.35	4.65	5.46	5.60	4.5	
Retail sales growth	% Monthly, YoY	9.2	10.2	8.3	9.2	10.6	11.3	7.2	7.1	9.8	9.3	9.3	12.1	12.1	11.8	-	
Registered FDI	USD billion, Monthly	31.4	3.6	2.7	1.8	1.7	2.0	2.5	1.4	3.8	2.4	3.2	7.0	2.7	5.3	-	
Disbursed FDI	USD billion, Monthly	27.6	2.2	2.8	1.9	1.8	3.4	2.5	2.3	4.0	1.7	1.5	2.2	1.9	2.4	-	
Trade exports	USD billion, Monthly	475.0	39.9	39.6	42.6	43.5	42.8	42.3	39.1	44.9	43.2	33.2	46.6	45.6	47.1	-	
Trade imports	USD billion, Monthly	455.0	39.0	36.6	40.1	39.7	39.9	39.5	38.2	45.4	45.0	34.4	47.2	49.1	53.8	-	
Trade balance	USD billion, Monthly	20.0	0.9	3.0	2.6	3.8	2.8	2.7	1.0	-0.5	-1.8	-1.2	-0.7	-3.5	-6.7	-	
Deposit growth	% YTD		5.5	8.6	8.0		10.8									-	14.6
Credit growth	% YTD		6.7	9.9	10.2	11.8	13.9	15.3	16.9	19.1	1.2					-	17.0
10Y Government bond yields	% Monthly Average	3.4	3.08	3.17	3.26	3.43	3.57	3.73	3.85	3.98	4.09	4.10	4.19	4.23	4.25	4.21	
1W Interbank rate	% Monthly Average	4.9	4.2	3.7	4.9	5.1	4.8	5.2	5.6	7.2	5.1	8.1	7.0	6.3	6.5	6.0	
6M Deposit rate*	% Monthly Average	4.7	4.5	4.6	4.6	4.6	4.7	4.7	4.9	5.5	6.0	6.0	6.8	6.7	6.8	-	
USD/VND	Monthly Average	26,027	25,959	26,089	25,151	26,294	26,398	26,347	26,349	26,332	26,219	26,014	26,291	26,337	26,340	26,579	

Note: *6M rate of G8 bank, including TCB, MBB, VPB, VIB, TPB, ACB, STB, MSB

Sources: GSO, Vietnam Customs, VBMA, Reuters, SBV, TCB CIBG Market Research analysis

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