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Monthly Updates on Macroeconomics and Financial Market

Hanoi, August 2023

Prepared by Economic and Financial Market Analysis Team

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Recent Existence of Economic Indicators Signalling a More Positive Outlook for Global and Vietnam Economies

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Section 1

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Executive Summary

Global economy:

- *Although the global economy has been gloomy, its outlook is expected to be better thanks to the geopolitical risk reduction, the ease of supply chain disruptions, the recovery of the Chinese economy, and the disinflationary trend in many countries.*
- *US economy is on track for a soft landing. 2Q2023 US GDP was surprisingly well above economists' expectations. Notably, annualised month-on-month growth of core Consumer Price Index (CPI) in June has been below 2% for the first time since February 2021, which was considered as "a turning point" and "a game changer".*
- *Eurozone's 2Q2023 GDP figure continues its resilience, supporting European Central Bank (ECB) president's growth forecast of 0.9% this year. Meanwhile, although service inflation rose to a record high, headline CPI has been following the disinflationary trend.*
- *China's economy has been slowly recovering, yet it is still on track for the 5% GDP target this year. The market is expecting fiscal and structural policies would be implemented soon as proactively communicated by the Chinese government.*

Vietnam economy:

- *Vietnam's geopolitical risk index has remained significantly low, boosting FDI and international tourism. Amid global downturn, both FDI disbursement and registration have displayed signs of improvements thanks to the contribution of FDI in the manufacturing sector. International tourism also witnessed some recoveries and new VISA policies would further push up the recovery of international tourism in the coming time.*
- *However, low external demand has negatively affected Vietnam's exports, making firms proactively cut down raw material imports. Hence, although exports and imports both continue the downward trends, exports have been decreasing at a slower pace than imports. Trade surplus is expected to soon reach or even pass 2020 record high.*
- *Public development investment has become key economic engine and is expected to grow rapidly in the coming months to stimulate economic growth in 2023.*
- *The rise in July headline CPI resulted from pork and electricity prices, and there exist potential risks from oil and rice prices. Though we forecast August inflation would be 0.8% on month-over-month basis, we hold the belief that inflation would remain stable and well below the 4.5% target.*
- *Given well-below-target inflation, rates would follow downward trend. G18 term deposit rate is expected to drop further 40 basis points by the end of this year, while interbank rate has fallen close to COVID-19 levels.*
- *USDVND is expected to be stable for the rest of the year due to the expectation of significant Dollar Index (DXY) fall next year and FX inflows.*

Section 2

Global Economy

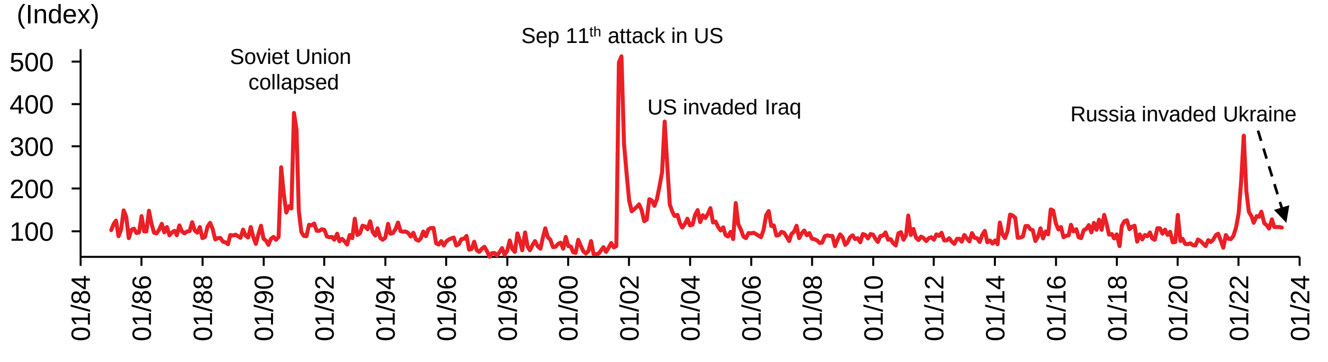
Global economy has been gloomy but is showing improvement signals. US economy is expected to have a soft landing. Eurozone's most recent 2Q GDP growth rate demonstrates the economy's resiliency. Chinese economy is gradually recovering and is on track to meet its 5% GDP goal for this year.

Global economy remains gloomy, but its outlook is expected to get much brighter

In March 2022, geopolitical tensions from the Russia-Ukraine war have been the main cause of global economic turbulence for the past year and a half as it was a sudden and shock event, driving commodity prices sky-high, yet it is to be believed that things are getting easier (or the market is getting more used to). According to the geopolitical risk index created and published by Caldara, Dario, and Matteo Iacoviello (2022), "Measuring Geopolitical Risk," in the American Economic Review, the index has decreased considerably, getting close to its 2014-2019 average. High commodity prices, including energy and food, caused by the war have also been easing.

Therefore, the global economic outlook is expected to be better thanks to the geopolitical risk reduction, the ease of supply chain disruptions, the improvements of Chinese economy, and the disinflationary trend occurring in many countries.

Figure 1: Geopolitical Risk Index (2019 base = 100)



IMF revised upward its forecast for the global economic growth

This view is also aligned with International Monetary Fund's (IMF) expectations. According to the latest World Economic Outlook update by IMF, the forecast of 2023 global growth has been revised upward by 0.2 percentage point to 3.0%, while global growth in 2024 remains at 3.0%. The revisions mainly come from additional 0.2 and 0.7 percentage point of 2023 growth in the US and UK economies, respectively. The positive view is supported by the actual growth data in 1Q2023, showing global economy's resilience thanks to the strong growth of service sectors.

Sources: Caldara, Dario, and Matteo Iacoviello (2022), "Measuring Geopolitical Risk; IMF, Financial Times

Global Economy *(Cont.)*

Yet, ironically, it is also a reason why the battle against inflation has become more challenging, leading to low global economic growth projections in 2024 (below the 2000-2019 average annual growth rate of 3.8%).

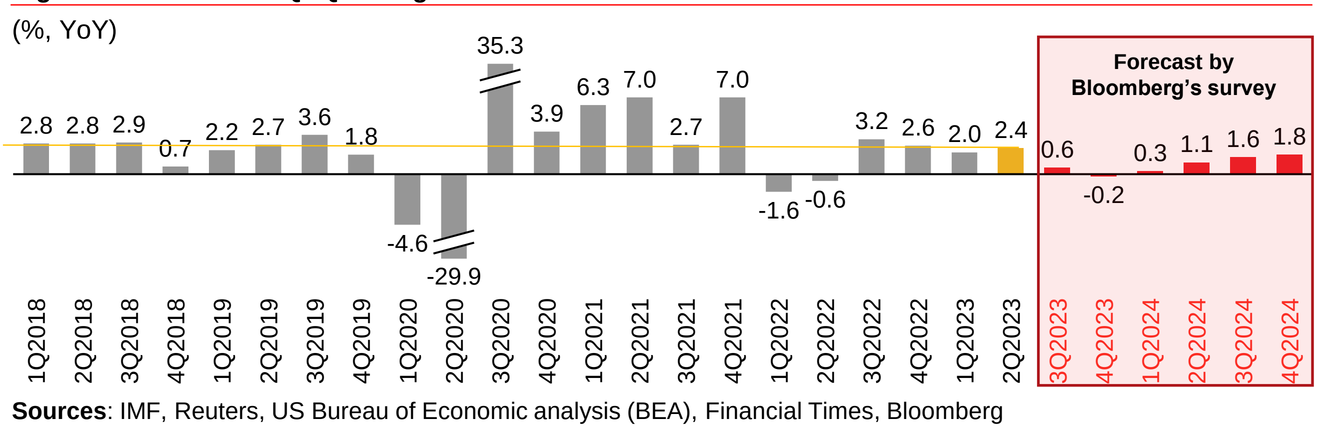
According to IMF, it is not until 2025 that inflation target will be achieved

The first bullet point on IMF's downside risk list is the persistence of inflation. Although disinflationary trends have appeared in many countries, unfortunately, it will take a while for inflation to reduce to targeted levels based on IMF's calculation. Among 72 inflation-targeting economies, 96% are projected to have inflation above their targets in 2023, 89% in 2024, and 50% in 2025. As more recent economic data from the US and EU turned out to be even more positive, the global inflation battle is expected to be prolonged. On the bright side, economists from IMF and Federal Reserve (Fed) do not see the existence of wage-price spirals, and long-term inflation expectations are well anchored. Hence, global inflation will get there eventually, although it takes a little bit longer than previously expected.

US economy is on track for a soft landing. 2Q2023 GDP of US economy was a big surprise

In the latest July meeting, Fed Chairman Jerome Powell said the central bank's staff is no longer forecasting US economy would fall into recession, which is against their previous view in November, when they said a recession was "almost as likely". This surely convinced the market, as just a few days after the meeting, annualised quarter-over-quarter (QoQ) growth rate of 2Q2023 US GDP was announced to be 2.4%, well above economists' expectations of 1.8% and higher than 2% in 1Q2023. The latest figure surprised everyone, as the economy has been maintaining a high interest rate environment for almost a year now and still managed to get consumer spending and fixed investment to contribute 1.9 percentage points to overall GDP growth in the second quarter.

Figure 2: Annualised QoQ GDP growth in the US



Sources: IMF, Reuters, US Bureau of Economic analysis (BEA), Financial Times, Bloomberg

Global Economy *(Cont.)*

Fixed investment has grown for the first time after four quarters of consecutive declines

Fixed investment has grown by 4.9% QoQ annualised for the first time after four quarters of consecutive declines. Strong improvements in nonresidential structure (factories) and equipment were key drivers, thanks to Biden administration's attempts to bring semiconductor production back to the US, according to Reuters.

On the other hand, 1.6% annualised growth of consumer spending in 2Q2023 was much slower than 4.2% growth in 1Q2023, yet it still pushed GDP growth rate by 1.1 percentage points. Compared to the previous quarter, spending on services, particularly housing, utilities, and financial services, surged. Meanwhile, spending on motor vehicles, clothing and footwear, food services, and accommodation was reduced, which is surely good news for Fed, who hopes inflation continues to cool off.

Figure 3: Contribution to US real GDP growth

(%, annualised QoQ)

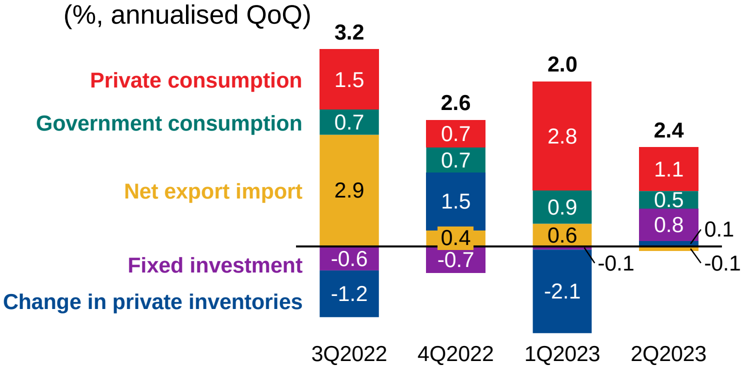
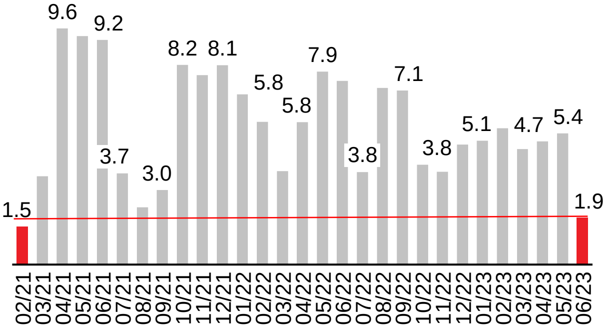


Figure 4: US Core CPI

(%, annualised MoM)



Annualised MoM growth of core CPI in June has been below 2% for the first time since February 2021, which Goldman Sachs and Standard Chartered considered a "turning point" and a "game changer"

US inflation has been significantly slow in many measurements. The latest year-over-year (YoY) Personal Consumption Expenditure (PCE) price change has fallen below 3% for the first time since March 2021. YoY Producer Price Index (PPI) change was only 0.1% in June, lower than market's expectation of 0.4%, which is a huge drop from the peak of 11.7% in March 2022 and has been the lowest since 2020 deflation. The core Consumer Price Index (CPI) in June rose by 0.2% on month-over-month (MoM) basis, equivalent to 1.91% annualised growth, which has been below 2% for the first time since February 2021. According to Financial Times, a "turning point" and a "game changer" were what Goldman Sachs and Standard Chartered commented about this figure, and now the market is expecting another 0.2% MoM core CPI for July. In the short term, the disinflationary trend of headline CPI for the past 12 months is likely to stop in July due to higher gasoline price and high base effects. YoY headline CPI change is expected to fluctuate around 3% for a while before reaching the Fed's 2% target.

Sources: Reuters, US Bureau of Economic analysis (BEA), Financial Times, Bloomberg

Global Economy *(Cont.)*

Eurozone's 2Q2023 GDP figure continues to show how resilient the economy is

Tourist attractions in Western Europe, in the summer this year, have been so congested that they reached their maximum capacity as complained by local people living in many cities in Italy, Spain, and France. They even have criticised tourism promotion due to the overcrowding risk. Yet, to some extent, this helped Eurozone economy grow by 0.3% QoQ in 2Q2023 after no growth in the first quarter, which is slightly higher than the market's forecast of 0.2%. France and Spain continued to maintain sustainable growth, with positive GDP growth in four consecutive quarters. Meanwhile, Italy's growth unexpectedly diminished as a result of lower manufacturing and agricultural production shrinkage that even outpaced the service sector expansion. Given an upward revision of GDP growth estimate for the first quarter of 2023, Eurozone avoided a technical recession. Additionally, this supported European Central Bank (ECB) president Christine Lagarde's GDP growth forecast of 0.9% this year, despite the fact that many believe it to be overly optimistic.

Figure 5: Eurozone's GDP growth by countries

(%, QoQ)

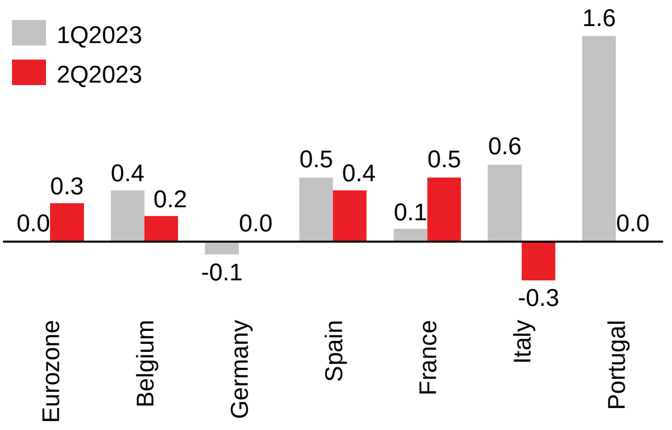
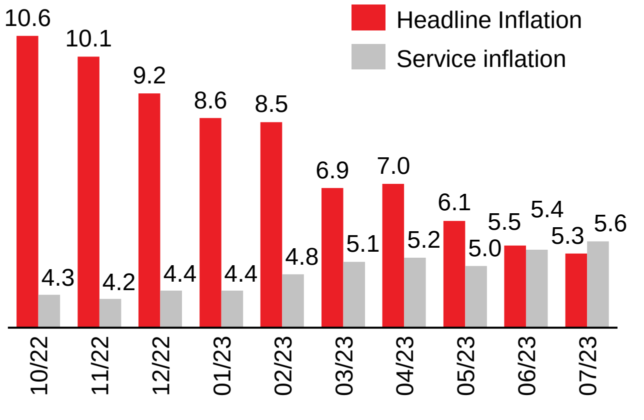


Figure 6: Eurozone's inflation

(%, YoY)



Eurozone service inflation rose to a record high

The belief that Lagarde's target seems to be overly optimistic is backed by high service inflation in Eurozone. Accordingly, it continued its upward trend and rose by 5.6% in July, setting a record high. Notably, the service sector tends to be less sensitive to rate hikes as it requires less capital investment compared to manufacturing sector. Hence, service sector is mainly impacted by consumption reduction. Therefore, the ECB might need to hike rates further to discourage spending. According to Bloomberg's survey, the market expects at least one more hike in 2023. On the bright side, headline CPI has been following a disinflationary trend since October 2022.

Sources: Eurostat, Cafef, Financial Times

Section 2

Global Economy *(Cont.)*

China's economy shows a slow recovery, yet it is still on track for the 5% GDP target this year

Chinese economy grew by 5.5% YoY in the first half of the year and is likely to achieve 4.5% growth in the third quarter and 5.0% in the fourth quarter, according to Bloomberg's survey. That would make 2023 GDP growth rate roughly equal to 5.1%, surpassing the 5% target this year. The GDP growth expectation of 5.1% also aligns with IMF's latest forecast in its July report. IMF has been expecting China's GDP growth to record 5.2% in 2023, as the figure was unchanged in comparison with April and January reports. Compared to the previous quarter, the economy expanded by 0.8%, seasonally adjusted. Although this figure was considerably lower than 2.2% in the first quarter, it was still higher than the market's expectation of 0.5%.

China's MoM inflation rate has been in negative territory for the past 5 months

Chinese economy is on the edge of deflation as consumer prices flattened in June and MoM inflation has been in negative territory for the past 5 months. It is implied that the issue of Chinese economy comes from not only the global demand slowdown resulting in weak exports, but also domestic demand. Unlike other big economies, Chinese people did not receive any cash transfers from the Government during COVID-19. A weak social security system has also been forcing people to save money for health protection. Hence, it is not easy to boost private consumption unless there is a structural change from the Government.

So far, Chinese government has been proactively communicating in the media that they would take action to boost the recovery, yet we have not seen much of their drastic fiscal policies. Given the record-high youth unemployment rate and low inflation, monetary policies have been implemented for a while; but fiscal and structural policies are key drivers to stimulate Chinese economy. The market is also expecting these policies to be implemented soon.

Figure 7: China GDP growth rate

(%, QoQ seasonally adjusted)

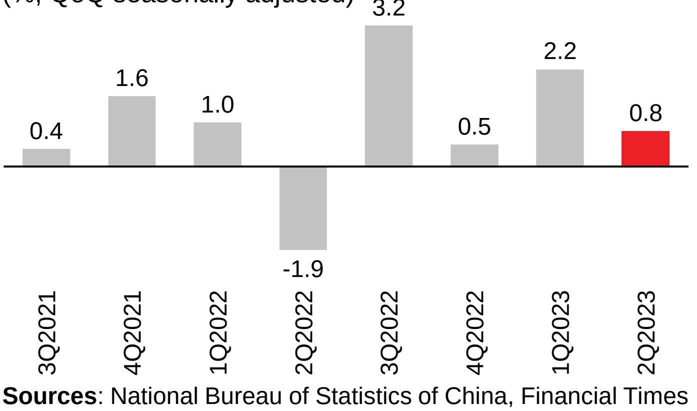
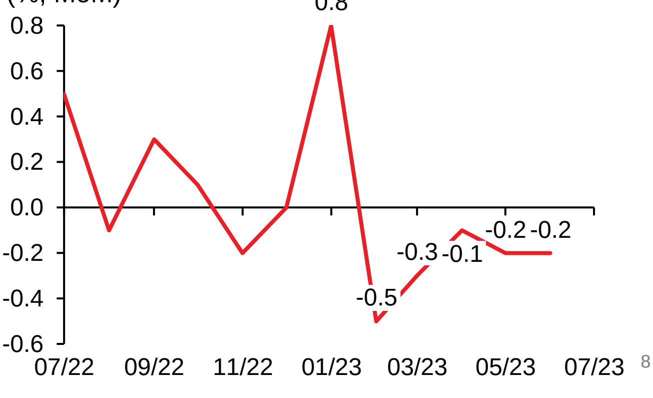


Figure 8: China inflation

(%, MoM)



Sources: National Bureau of Statistics of China, Financial Times

Section 3

Vietnam economy

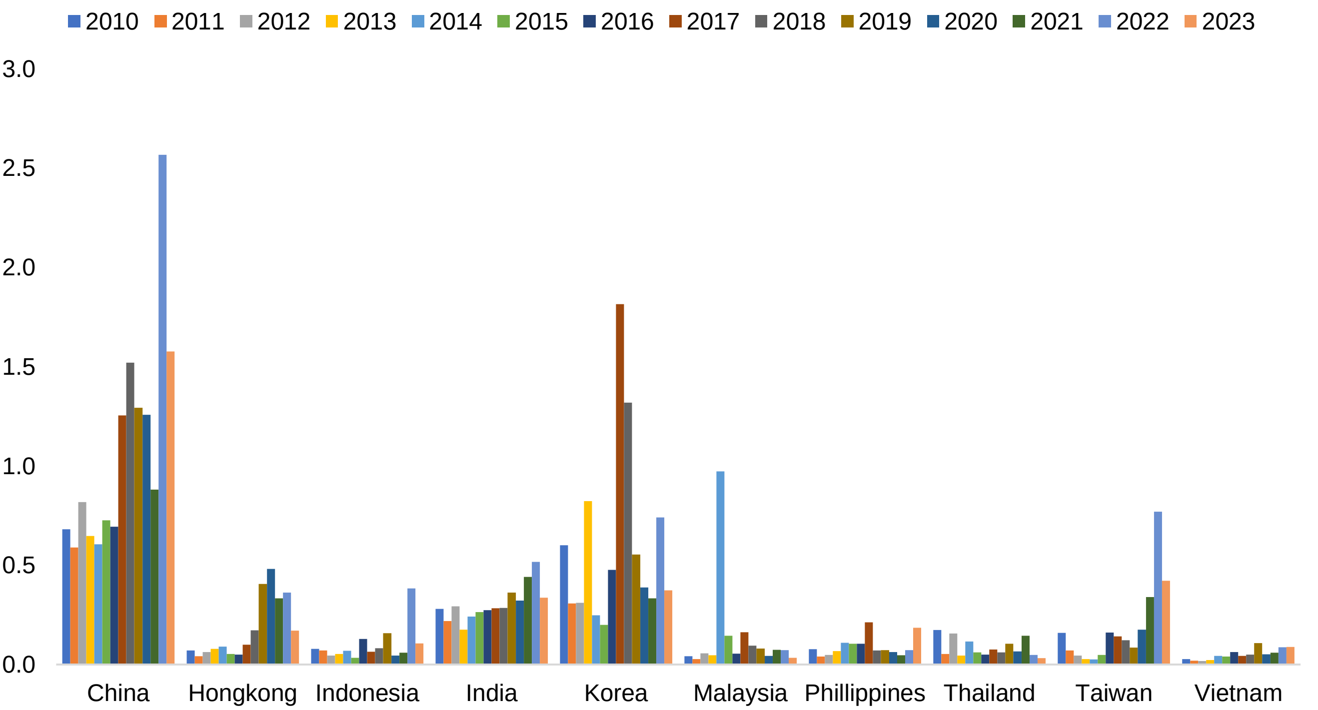
Given global weakness causing continuously subdued demand, Vietnam has still suffered from the production shrinkage in the manufacturing sector. However, looking on the bright side, Vietnam has maintained macroeconomic stability including FDI and tourism improvements, well-managed inflation, and low interest rate environment. Public development investment is still the key economic engine to move towards the Government's GDP target

Vietnam's geopolitical risk index has remained at its significantly low level

At the end of 2022, when Chinese government was still very conservative with China's zero-COVID policy and strict lockdown, the world saw a wave of foreign investments shifting from China to other countries. Vietnam has become one of the top spots as it has the advantages of competitive labour costs, favourably geographical location, open foreign investment policies, etc. Yet, we believe the most attractive factor for investors is political stability. In comparison with other countries in the region, Vietnam's geopolitical risk index has remained at a significantly low level for a long time. That implies Vietnam possesses necessarily long-term stability, which creates great potential to attract FDI and boost international tourism.

Figure 9: Geopolitical risk of Vietnam in comparison with other countries

(Index)



Source: Caldara, Dario, and Matteo Iacoviello (2022), "Measuring Geopolitical Risk

Vietnam economy *(Cont.)*

Both FDI disbursement and registration have displayed signs of improvements, thanks to the contribution of FDI in manufacturing sector

Vietnam's advantage from low geopolitical risk is reflected in FDI which has shown an improvement signal in both disbursement and registration amid global slowdown. Disbursed FDI has recorded YoY increase since May. FDI disbursement improvements resulted from manufacturing sector which accounted for 81.8% of total disbursement and recorded YoY growth rate at 7%. Similar to FDI disbursement, registered FDI displays a promising outlook with a significant growth of monthly July data at 122.7%. Its improvements are mainly driven by new FDI registration in manufacturing sector which recorded a 70% YoY growth in the first 7 months of 2023 (7M23).

Figure 10: FDI disbursement

(USD billion, YTD)

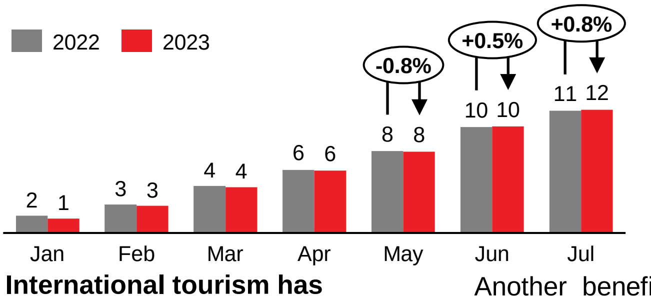
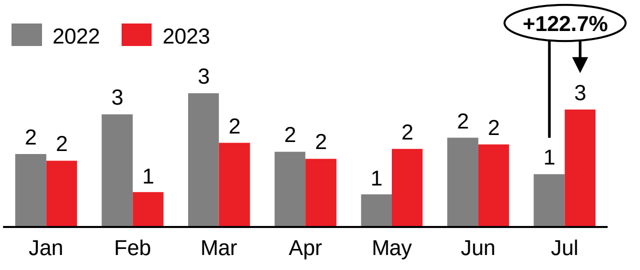


Figure 11: FDI registration

(USD billion, monthly)



International tourism has benefited from low geopolitical risk, and also had some improvements

Another benefit of a low-geopolitical-risk country is to become an attractive destination for international visitors, especially in the post-COVID period. Obviously, international tourism in Vietnam witnessed some recoveries. Monthly number of international visitors in July have reached more than 1 million for the first time since February 2020, making 7-month total number reach 6.5 millions. We believe 2023 target at 8 million international tourists would be achieved soon, as international tourism would improve in the coming time thanks to new VISA policies coming into effect in August 15th. These policies would raise e-VISA validity from 30 days to 3 months and temporary staying period from 15 days to 45 days. In terms of tourist origins, the number of tourists from almost all countries, especially China, Europe and Australia, followed an upward trend. YTD number of international tourists as % of 2019 was just 67.5% but has gradually increased.

Figure 12: International tourists as % of 2019

(%, YTD)

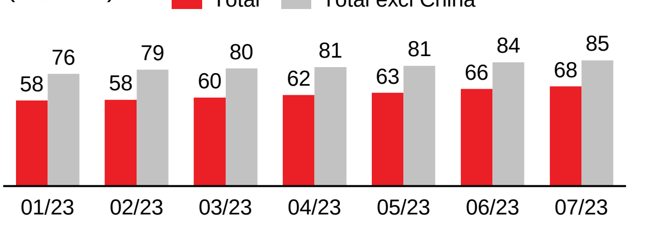
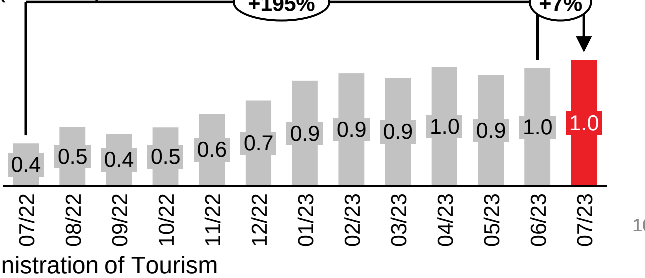


Figure 13: International tourists

(Millions)



Sources: General Statistics Office (GSO); Vietnam National Administration of Tourism

Vietnam economy *(Cont.)*

Trade surplus was recorded in July and would continue in the coming time, because exports have been decreasing at slower pace than imports

However, given low external demand from global economy, Vietnam's exports were apparently affected. For instance, as aforementioned, US consumption of footwear and clothing saw a QoQ reduction, while apparels are one of core export items of Vietnam and US is our largest export partner to which apparel exports account for 40%. Consequently, exports of clothing and footwear in 7M23 declined by 15.1% YoY and 17.1% YoY respectively. In the context of US weak export demand associated with the decline in new export orders from European countries according to S&P Global Market Intelligence, Vietnamese firms have proactively scaled back and limited their raw material imports since the beginning of 2023. Although both exports and imports continue their downward trends, exports have been decreasing at slower pace than imports have, which leads to a trade surplus of USD 16.5 billion in 7M23. The currently decreasing trends of both exports and imports would continue in the coming time, making trade surplus significant and soon reach or even pass 2020 record high at USD 20 billion. However, once global demand has recovered and new export orders have started to increase, trade surplus will be minor as seen in 2021 while exports surely get better.

Figure 14: International trade

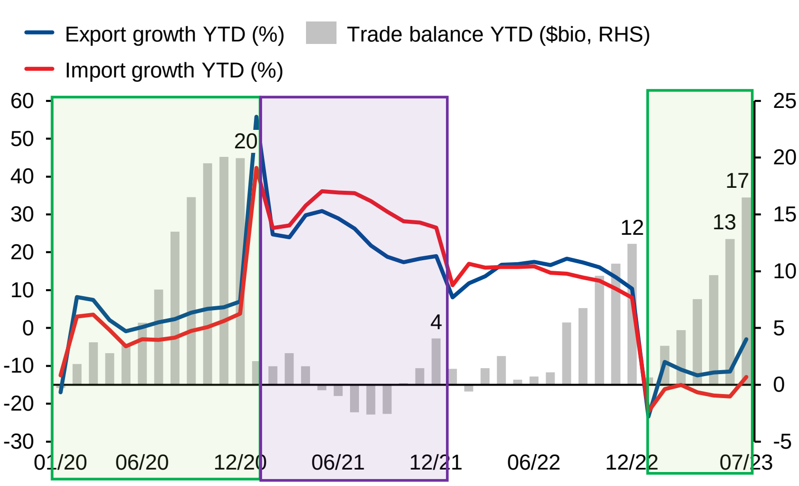
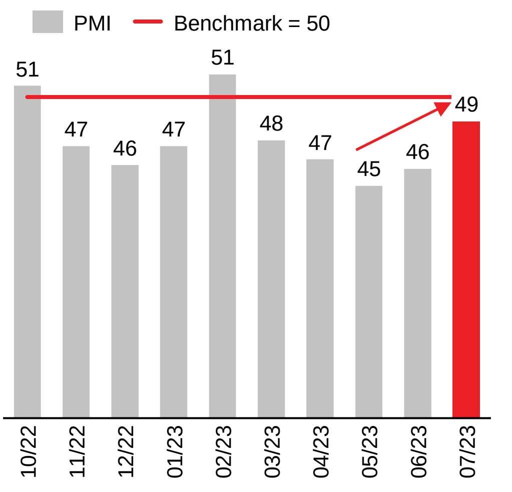


Figure 15: Manufacturing PMI



Manufacturing PMI stayed at 48.7 in July, the fifth consecutive month of deterioration

In the context of international weakness causing subdued demand, new export orders remained the falling tendency, showing the difficulties for manufacturing sector and making firms continue to scale back output. Looking on the bright side, stabilisation signals have been seen as Vietnam's manufacturing Purchasing Managers' Index (PMI) in July rose to 48.7 from June level at 46.2, showing the softer declining pace.

Sources: Vietnam Customs, GSO, S&P Global Market Intelligence

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Vietnam economy *(Cont.)*

The recovery of domestic tourism has contributed to noticeable growth rates of both nominal and real retail sales

Regarding domestic demand, it has stayed resilient, as nominal and real retail sales in 7 months remained noticeable growth rates at 10.4% and 9.6%, respectively, thanks to retails sales in goods. Remarkably, nominal retail sales of travelling, accommodation and catering services have recorded double-digit growth rates since May 2022. The number of domestic tourists grew at a significant pace, as 7M23 number was as large as values of 11 months of 2019 or even full year 2018. Considering 3 recent months (May, June and July), total number of domestic tourists increased by 10% and doubled the figure reported in the same period in 2018.

Figure 16: 7-month number of domestic tourists

(Millions)

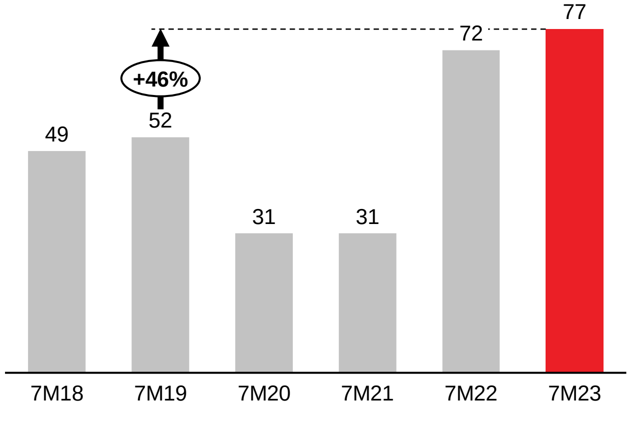
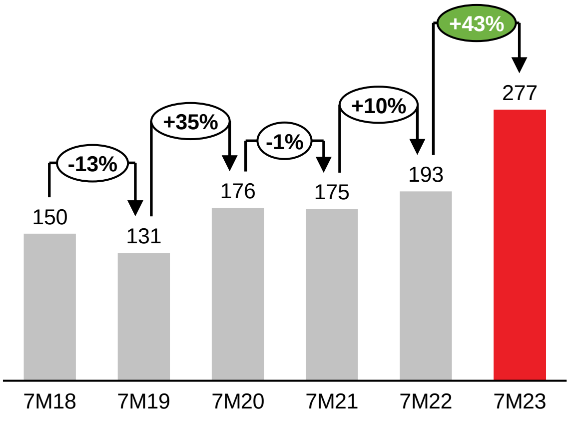


Figure 17: Public development investment

(VND trillion, 7-month)



7-month budget expenditures rose due to a 43.2% rise in development investments, which is expected to grow rapidly in the coming months

Vietnam's economic indicators in July has shown mild signals of improvements. Yet, to move towards 2023 GDP target at 6.5% set by the Government, our belief is public development investment has become key economic engine, which is also supported by IMF's recent recommendation in 2023 Article IV Mission. Particularly, development expenditures in 7 months reached VND 267 trillion, increasing by 43.2% and achieving 36.8% of budget plan. Despite stubborn challenges that delay the progress, nation-wide disbursements of public development investment have been increasing, thanks to the Government's huge efforts to push and flexibly arrange investment disbursements, i.e., regularly checking status and transferring funding among projects if necessary. Given the determination of the Government, public disbursements are expected to grow rapidly in the coming months as they are the key driver to stimulate economic growth in 2023.

Sources: GSO, IMF

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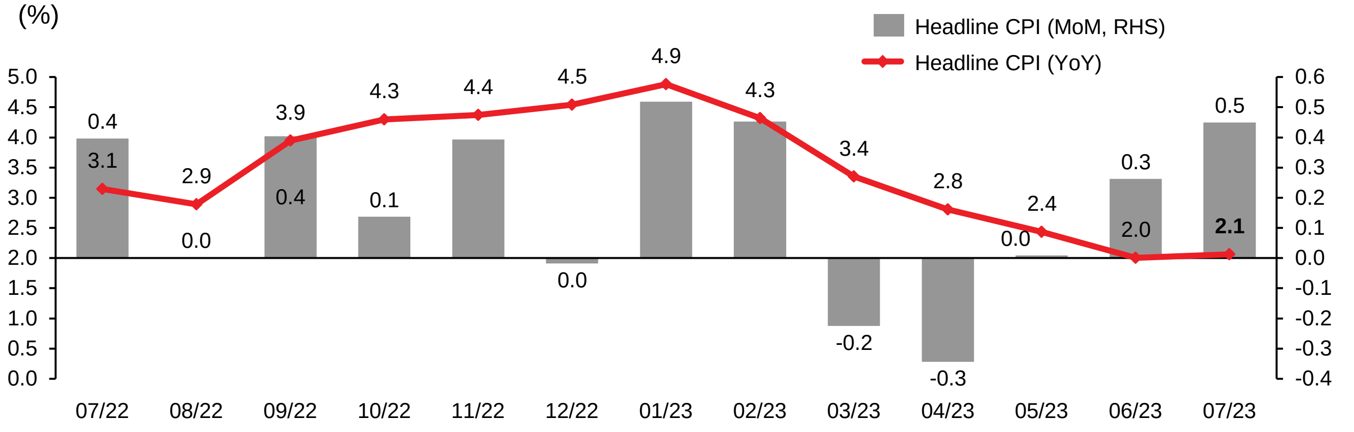
Vietnam economy *(Cont.)*

Figure 18: Headline CPI



The rise in July headline CPI resulted from pork and electricity prices, while there exist potential risks from oil and rice prices

In terms of inflation, headline Consumer Price Index (CPI) in July rose by 0.45% MoM and 2.06% YoY, higher than monthly CPI in June. The increase in monthly July headline inflation mainly resulted from pork and electricity prices. Specifically, pork price increased by 2.7% MoM due to higher demand in the peak season of tourism, leading to a 0.09%-point rise in monthly CPI, while higher electricity usage in the summer and EVN's decision on unit price changes led to a 3.87% MoM growth of electricity price.

In coming months, there are some potential risks that push up the inflation. Firstly, gasoline price has bounced back since July 21st, and crude oil price has increased substantially. The current crude oil price is the highest level in 3 recent months and is moving towards 2023 peak in April. This phenomena is derived from the expectation of global economic recovery exemplified by 2Q2023 US and EU GDP growth, and OPEC+'s determination to keep price at current levels. According to Bloomberg's forecasts, Brent crude oil price would reach 90 in the end of next year. Secondly, rice prices in Vietnam have been noticeably increasing, as Mekong delta witnessed a record high in the last 10 years due to recent export ban imposed by India. India's decision to restrict rice exports is to maintain reasonable prices in their domestic market; however, their ban has had significant impacts on Vietnam's domestic and export prices.

We forecast 2023 inflation is 2.9% YoY on average

Therefore, we forecast August inflation would be 0.8% MoM, the highest MoM rate since February 2021. However, we hold the belief that inflation would remain stable and well below the 4.5% target, as pork and electricity price increases are seasonal while pressures on domestic oil and rice prices are temporary. We forecast 2023 inflation is 2.9% YoY on average.

Source: TCB MA

Vietnam economy *(Cont.)*

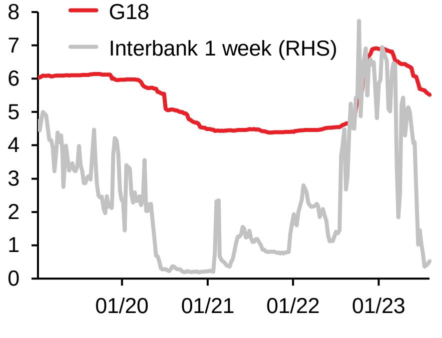
G18 term deposit rate is expected to drop 40 basis points more by the end of this year

Given well-below-target inflation, interest rates are expected to follow a downward trend. However, under current circumstances, YTD credit growth has remained low due to weak demand, while public investment disbursements would be strongly pushed to boost economic growth towards the 2023 target of 6.5%. Hence, we expect the liquidity in the banking system to be ample in the coming months.

This will force the bank to reduce the term deposit rate further. According to our estimation for the G18 6-month tenor, this rate has decreased by 140 basis points (bps) year to date and is expected to fall at least 40 bps more by the end of this year. Meanwhile, the interbank rate has fallen near the COVID-19 level. For less than a 1-month tenor, interbank rates are currently less than 1.0% and expect to stay below 2.5% for the rest of the year.

Figure 22: G18* deposit and interbank rates

(%, Weighted average)



(*) G18 includes 4 SOBs and top 14 joint-stock commercial banks

Figure 23: Implied Fed funds rate

(%)

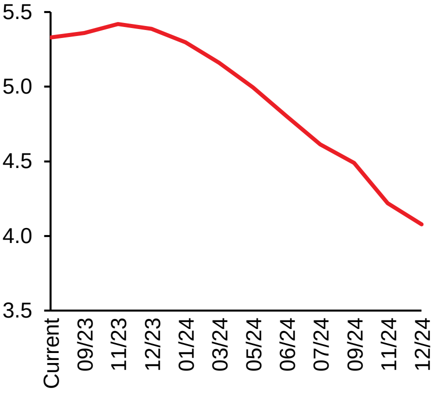
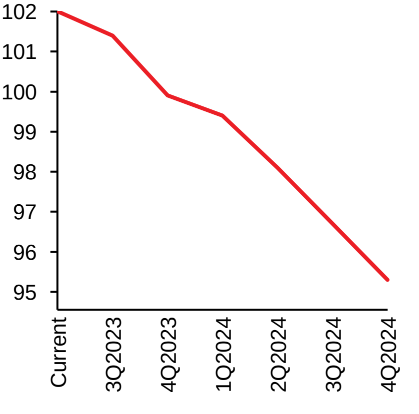


Figure 24: DXY forecasts by Bloomberg

(Index)



USDVND is expected to be stable for the rest of the year

Given that VND interest rate is expected to be at a low level this year, the recent rate hike by the FED has put pressure on the VND to depreciate. Yet, as previously mentioned in our special report (Link), we believe USDVND will be stable for the rest of the year. This is because of following reasons. **First,** Fed is at the end of its tightening monetary policy cycle, and the market is not weighting much on the chance of another rate hike this year while expecting a more than 100 bps cut in 2024. This also leads to a significant drop in Dollar Index (DXY) next year. **Second,** the trend of FX inflows will continue to happen in Vietnam. These inflows will come from huge trade surplus, FDI, M&A deals, and remittances by the end of the year.

Sources: Reuters, Bloomberg, TCB MA

Section 4

Appendix

Updates on macroeconomics and financial market in the world

Indicators	Country	Unit	2022	2022						2023						
				07	08	09	10	11	12	01	02	03	04	05	06	07
Real GDP Growth	US	*%, YoY, Quarterly*	**2.1**			1.9			0.9			1.8			2.6	
	Eurozone	*%, YoY, Quarterly*	**3.5**			0.4			-0.1			0.0			0.3	
	China	*%, YoY, Quarterly*	**3.9**			3.9			2.9			4.5			6.3	
	Japan	*%, YoY, Quarterly*	**1.0**			1.5			0.4			1.3				
CPI	US	*%, YoY, Monthly*	**8.0**	8.5	8.3	8.2	7.7	7.1	6.5	6.4	6.0	5.0	4.9	4.1	3.0	
	EU	*%, YoY, Monthly*	**9.1**	8.9	9.1	9.9	10.6	10.1	9.2	8.6	8.5	6.9	7.0	6.1	5.5	5.3
	China	*%, YoY, Monthly*	**2.2**	2.7	2.5	2.8	2.1	1.6	1.8	2.1	1.0	0.7	0.1	0.2	0.0	-0.3
	Japan	*%, YoY, Monthly*	**3.1**	2.6	3.0	3.0	3.7	3.8	4.0	4.3	3.3	3.2	3.5	3.2	3.3	
Fed funds target rate		*%, End of month*	**4.5**	2.5	2.5	3.25	3.25	4.0	4.5	4.5	4.75	5.0	5.0	5.25	5.25	5.5
DXY		*Index, Monthly Average*	**104.4**	106.9	107.1	110.7	111.9	108	104.5	102.7	103.7	103.8	101.8	102.8	103.1	101.4
USDCNY		*Index, Monthly Average*	**6.7**	6.7	6.8	7.0	7.2	7.2	7.0	6.8	6.8	6.9	6.9	7.0	7.2	7.2
10Y UST Yields		*%, Monthly Average*	**2.8**	2.8	2.9	3.4	3.5	3.5	3.5	3.2	3.8	3.7	3.5	3.6	3.8	3.9
WTI Oil price		*USD/barrel, Monthly Average*	**91.8**	94.7	91.5	80.0	87.0	80.6	76.5	74.4	76.9	73.4	79.4	71.6	70.3	76.3

Updates on macroeconomics and financial market in Vietnam

Indicators	Unit	2022	2022						2023						
			07	08	09	10	11	12	01	02	03	04	05	06	07
Real GDP growth	*%, Quaterly, YoY*	**8.0**			13.7			5.9			3.3			4.1	
IIP	*%, Monthly, YoY*	**7.8**	11.2	13.3	10.3	5.5	3.5	0.2	-8.0	7.2	-2.0	-2.4	0.5	1.8	3.7
Headline CPI	*%, Monthly, YoY*	**3.1**	3.1	2.9	3.9	4.3	4.4	4.5	4.9	4.3	3.4	2.8	2.4	2.0	2.1
Retail sales growth	*%, Monthly, YoY*	**19.8**	42.6	50.2	36.1	17.1	17.5	17.1	20.0	13.2	13.4	11.5	11.5	6.5	7.1
Registered FDI	*USD bio, Monthly*	**22.6**	1.2	0.9	1.6	3.3	2.4	1.5	1.5	0.8	1.9	1.6	1.8	1.9	2.7
Disbursed FDI	*USD bio, Monthly*	**22.4**	1.5	1.2	2.6	2.1	2.2	2.7	1.4	1.2	1.8	1.6	1.7	2.5	1.6
Trade exports	*USD bio, Monthly*	**371.3**	31.3	35.3	29.7	30.6	29.2	29.1	23.6	26.1	29.7	27.9	28.1	29.5	30.1
Trade imports	*USD bio, Monthly*	**358.9**	31.0	30.9	28.5	27.8	28.2	27.4	22.9	23.3	28.3	25.2	26.0	26.3	27.0
Trade balance	*USD bio, Monthly*	**12.4**	0.3	4.4	1.3	2.8	1.1	1.7	0.7	2.8	1.4	2.7	2.1	3.2	3.1
Deposit growth	*%, YTD*	**6.0**	4.4	4.0	5.0	5.0	5.0	6.0	-0.4	0.4	1.7	2.0		3.3*	
Credit growth	*%, YTD*	**14.5**	9.5	9.5	10.5	11.5	12.1	14.5	0.1	0.9	2.6	3.0	3.2	3.6*	
10Y Government bond yields	*%, Monthly Average*	**3.5**	3.3	3.5	4.0	4.9	4.9	4.9	4.6	4.2	4.0	3.3	3.1	2.8	2.6
1W Interbank rate	*%, Monthly Average*	**3.5**	2.1	3.8	5.1	6.5	6.4	5.9	6.4	5.8	4.3	4.7	4.7	2.2	0.6
6M Deposit rate***	*%, Monthly Average*	**5.0**	4.6	4.6	4.8	5.7	6.7	6.9	6.9	6.8	6.6	6.4	6.3	5.9	5.6
USDVND	*Monthly Average*	**23,431**	23,383	23,407	23,657	24,340	24,817	23,736	23,460	23,651	23,592	23,469	23,464	23,515	23,670

Updated 2023 forecasts for Vietnam

Indicators	Unit	Actual							Forecast				
		01	02	03	04	05	06	07	08	09	10	11	12
Real GDP growth	*%*			3.3			4.1			4.6			5.8
Headline CPI	*%, YoY, Average*	4.9	4.3	3.4	2.8	2.4	2.0	2.1	2.8	2.7	2.8	2.5	2.5
Credit growth	*%, YTD*	0.1	0.9	2.6	3.0	3.2	4.5**	4.0**	4.2	5.3	6.1	7.8	10.5
Deposit growth	*%, YTD*	-0.4	0.4	1.7	2.0		4.1**	4.1**	4.6	5.9	6.9	8.2	10.8
USDVND	*Average*	23,46	23,651	23,592	23,469	23,464	23,517	23,670	23,689	23,752	23,837	23,740	23,582
10Y Government bond yields	*%, 10Y, Average*	4.6	4.2	4.0	3.3	3.1	2.8	2.6	2.5	2.5	2.4	2.3	2.3
1W Interbank rate	*%, Average*	6.4	5.8	4.3	4.7	4.7	2.2	0.6	0.5	0.7	0.8	1.1	1.0

Sources: GSO, Customs, VBMA, Reuters, TCB MA

Notes:

* Up to 20th of each month

** Estimated numbers

*** Weighted average of 18 banks

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