Monthly Updates on Macroeconomics and Financial Market

Hanoi, March 2024

Prepared by Economic and Financial Market Analysis Team

BE GREATER

Sufficient recovery signs of Vietnam's economy in 2024

Section 1

TECHCOMBANK

Executive Summary

- **Global Economy:**
  - *The market consensus shifted towards a Federal Reserve rate cut in mid-2024 as the US economy demonstrated unexpected signs of resilience in January 2024.*
  - *China's pursuit of ambitious objectives has culminated in the adoption of monetary easing policy measures in 2024. The Chinese currency (CNY) is under pressure as experts expect the PBOC to cut key rates in 1H2024.*
  - *With 2024 high goals, monetary easing in Thailand is crucial due to the country's slowing economic growth and deflation situation. The Thai Baht (THB) is likely to continue experience currency depreciation as policy rate cut is expected to happen in 1H24.*
  - *Upcoming monetary easing policies in several regimes might put depreciation pressure on their currencies amid the recent US economic resilience.*
- **Vietnamese Economy:**
  - *Strong growth in both exports and imports of Vietnam, with +19.2% and +18.0% YoY, respectively.*
  - *Manufacturing sector has demonstrated a modest recovery in 2M24, supported by the improvement of output and new orders.*
  - *There is a strong rebound in registered FDI of both manufacturing sector (USD 2.5 billion, +28.0% YoYreal estate (USD 1.4 billion).*
  - *The current recovery in both domestic and international tourisms shall facilitate the demand side of the economy.*
  - *We raise our 2024 forecast for average CPI to 4.1% which is still under the 4.5% target set by the Government.*
  - *VND is currently among the least depreciation countries against USD in Asia. We anticipate that the exchange rate could fluctuate in the first half of 2024, before decreasing in the last months of the year after staying in the high level in previous periods.*
  - *The 6-month interest rate of the G18 group is forecast to increase slightly by 50 points, driven by economic recovery and stronger credit growth.*

Section 2

Global Economy

Strong US economy maintaining the dollar's strength and recent monetary easing in various regimes such as China have created devaluation pressure on numerous non-USD currencies.

The market consensus shifted towards a Federal Reserve rate cut in mid-2024 as the US economy demonstrated unexpected signs of resilience in January 2024

January data of the US economy exhibited resilience, surprising the market and resulting in a shift in expectations for a Federal Reserve (Fed) rate cut to June 2024. **Firstly**, although the revised US 4Q23 GDP year-on-year (YoY) growth was 3.2%, slightly lower than the initial estimate of 3.3%, it still exceeded market expectations. Notably, consumer spending was upwardly revised to 3% compared to the earlier estimate of 2.8%, driven by a stronger increase in services at 2.8% and a moderate rise in goods at 3.2%. **Secondly**, the January inflation rate proved higher than anticipated, reaching 3.1% and surpassing forecasts of 2.9%. Prices of food, shelter, new vehicles, transportation services, and medical care commodities were observed at higher-than-expected increases. **Thirdly**, non-farm payrolls experienced a significant surge, reaching 275k, well above the market consensus of 198k, and, hence, supporting consumer income resilience. **Lastly**, Atlanta Federal Reserve President Raphael Bostic, in recent meeting, indicated that there is no urgent need to cut interest rates given the strength of the U.S. economy. He also emphasised on potential risks that inflation would stay above Fed's 2% target or further increase due to “pent-up exuberance” known as the sudden and vigorous release of accumulated economic demand and optimism following a period of suppression or uncertainty. Consequently, the Dollar index (DXY) remained resilient in the first two months of 2024. Therefore, there is a possibility that the actual Fed rate cut might occur later than market anticipation.

Figure 1: US annualised QoQ GDP by Bloomberg

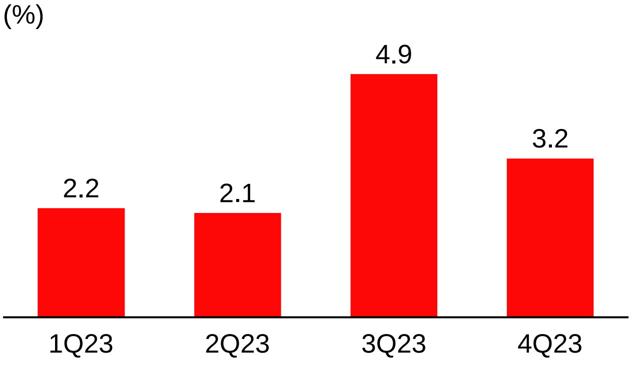
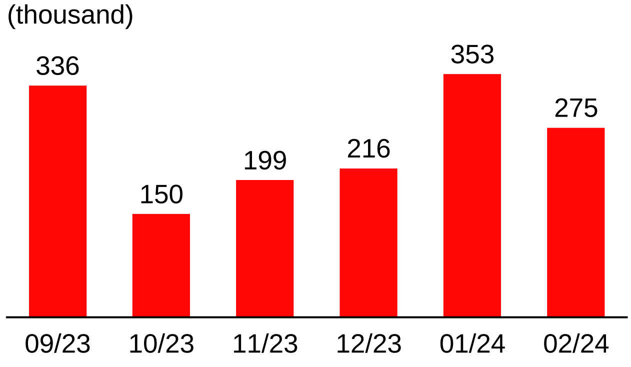


Figure 2: US non-farm payrolls

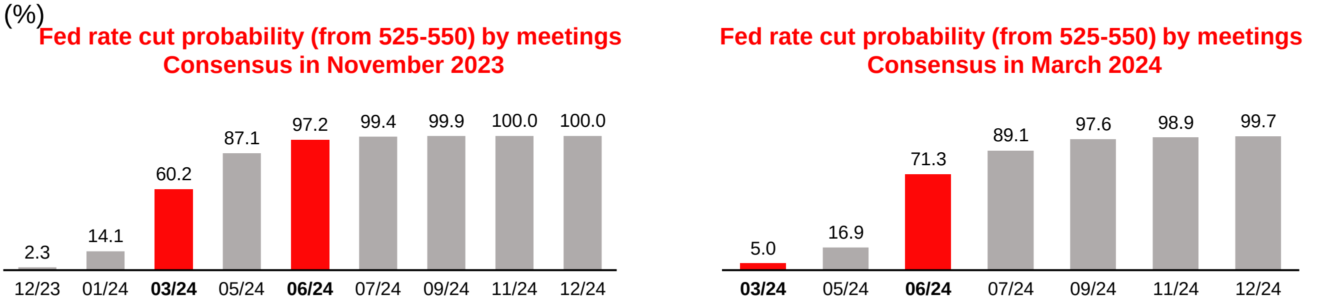


Source: Bloomberg (BL), CME, Reuters, BLS, Fed, Trading Economics

Section 2

Global Economy *(Cont.)*

Figure 3: Fed rate cut probability consensus by CME FedWatch in November 2023 vs March 2024



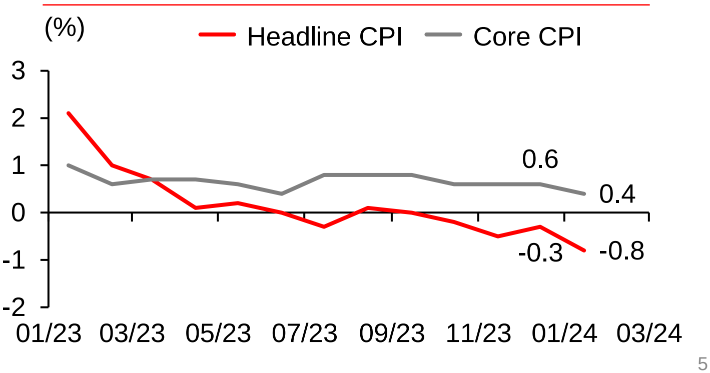
China's pursuit of ambitious objectives has culminated in the adoption of monetary easing measures in 2024

China's ambitious goals for 2024, with a target GDP growth of 5% and a CPI inflation rate of 3%, present an arduous challenge. **Firstly**, the current deflationary trend in consumer prices has further hampered economic performance. In January 2024, China experienced a 0.8% YoY decline in consumer prices, which has been the largest drop in over 14 years and was worse than market forecasts of a 0.5% fall. This marks the fourth consecutive month of decline in the Consumer Price Index (CPI), the longest streak since October 2009. **Secondly**, real estate sector in China has been facing a series of defaults and a liquidity crunch since 2021, and it has dragged down China's overall economic growth, leading to layoffs and financial instability. Recently, on February 28th, a liquidation petition has been filed against Chinese property developer Country Garden for failing to repay a USD 205 million loan, which adds pressure to an already strained property sector in China. This action could complicate the company's efforts to restructure its debt and, at the same time, could pose a risk to not only Country Garden but also the broader Chinese economy. Thus, analysts note that the ambitious goals of both 5% GDP growth and 3% CPI inflation would require the implementation of more aggressive monetary easing.

Figure 4: Timeline of China property crisis

01/08/2021	Construction halted on many projects due to overdue payments, leading to a rare warning from China's central bank to reduce debt risks.
01/09/2021	Evergrande missed $131 million in offshore bond payments, initiating financial advisory consultations.
01/03/2022	China suspended Evergrande' share trading due to audit issues and bank seizures of property management arm deposits.
01/03/2023	Evergrande announced offshore debt restructuring plans, offering creditors new bonds and equity-linked instruments.
01/01/2024	Evergrande faced liquidation as a Hong Kong court orders Evergrande's liquidation.

Figure 5: China Headline and Core CPI



Sources: Bloomberg (BL), JP Morgan Chase, Reuters, PBOC, National Bureau of Statistics of China

Global Economy *(Cont.)*

China is actively implementing policies to stimulate its economy. As part of these measures, on February 5th, the reserve ratio requirement (RRR) was reduced by 50 basis points (bps), which injected CNY 1 trillion as the long-term liquidity into the market. Furthermore, on February 20th, the People's Bank of China (PBOC) reduced the five-year loan prime rate (LPR) by 25 bps to 3.95%. The PBOC has maintained the MLF rate, one of the key policy rates used by Chinese banks to borrow funds from the central bank, at 2.5%. In the upcoming months, for the purpose of growth stimulation in strategic sectors, the Chinese government also expects to allocate CNY 1 trillion through the issuance of 10Y and 30Y government bonds. However, economists have highlighted the need for additional easing measures.

Figure 6: China Loan Prime Rate (LPR) 5Y & 1Y

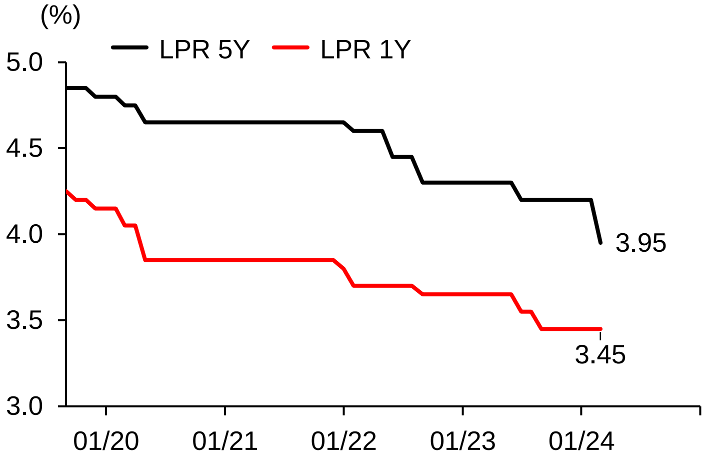
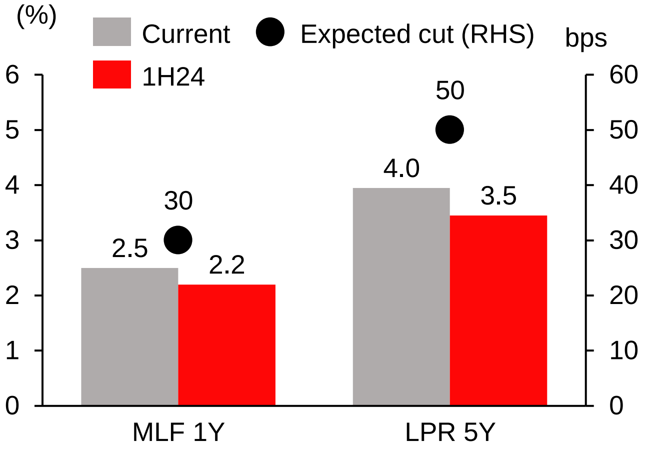


Figure 7: China key policy rate cut expectation



The Chinese currency (CNY) under pressure as experts expect the PBOC to cut key rates in 1H2024

According to experts' forecasts, there is an expectation of China's key rates cut in 2024. Ting Lu, Chief China Economist at Nomura, anticipates two rounds of rate cuts in 1H24, with a further reduction of 15 bpa each for both open market operations (OMO) and MLF rates. Xing Zhaopeng, Senior China Strategist at Australia and New Zealand Banking Group Co. Ltd., attributes the economic distress to the impact on domestic demand and projects a total of 20 bps cut to key policy rates throughout the year 2024. Thus, the anticipated rate cuts in the first half of 2024 in China are expected to contribute to the weakening CNY. As a result, the CNY might face downward pressures, potentially leading to a depreciation in its value relative to other currencies.

Sources: Bloomberg (BL), Reuters, Trading Economics, CNBC, PBOC

Section 2

Global Economy *(Cont.)*

Monetary easing in Thailand is crucial given economic situation and 2024 goals

The need for monetary easing in Thailand is underscored by the country's GDP and inflation goals and the current economic situation. Thailand has been currently experiencing headline CPI deflation, with consumer prices falling by 0.77% YoY in February 2024. This marks the fifth consecutive period of consumer price decrease, primarily driven by the deflation in food and non-alcoholic beverages. Additionally, core inflation has reached its lowest rate since December 2021, standing at 0.43%. In terms of GDP, Thailand's growth in 4Q23 registered at 1.7% YoY, yet below expectations. Private consumption showed slower growth, while net trade negatively contributed to GDP. Given the challenging GDP target at 3.3% and the CPI goal in the 1% to 3% range, coupled with recent poor economic performance, monetary easing is a potential tool that Bank of Thailand could take into consideration.

Figure 8: Thailand GDP and goal

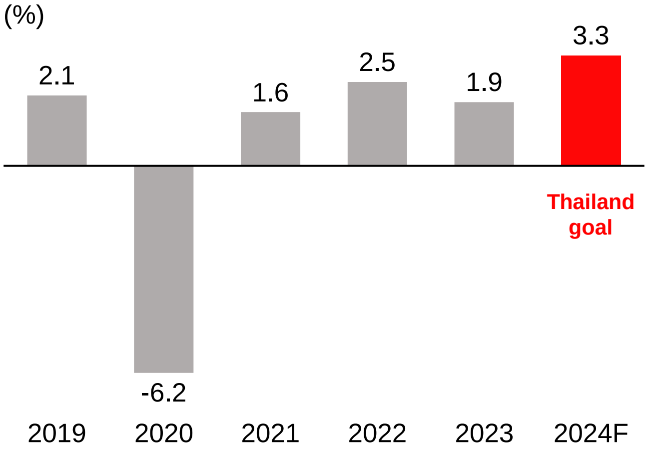
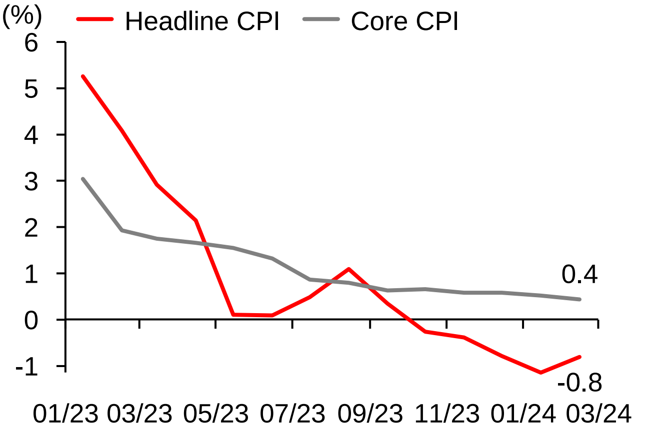


Figure 9: Thailand Headline and Core CPI



Thai Baht (THB) is likely to experience currency depreciation as policy rate cut is expected to happen in 1H24

Thailand's Prime Minister, Srettha Thavisin, is exerting pressure on the central bank to implement a rate cut as a response to the country's economic slowdown and deflation. While the central bank has expressed its willingness to lower borrowing costs in case of economic weakness persistence, recent statements did not indicate a clear shift towards easing policies. However, economists, such as Tim Leelahaphan from Standard Chartered Bank, predict that this stance from the Bank of Thailand might change following the confirmation of the growth slowdown in 2023. Leelahaphan forecasts two 25 basis-point cuts in the key rate during the second quarter. Therefore, the expectation of early monetary easing might lead to currency depreciation and affect THB stability.

Sources: Bloomberg (BL), Reuters, Trading Economics, Thailand Ministry of Commerce, Thailand NESDC

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Global Economy *(Cont.)*

Figure 10: Thailand key policy interest rate

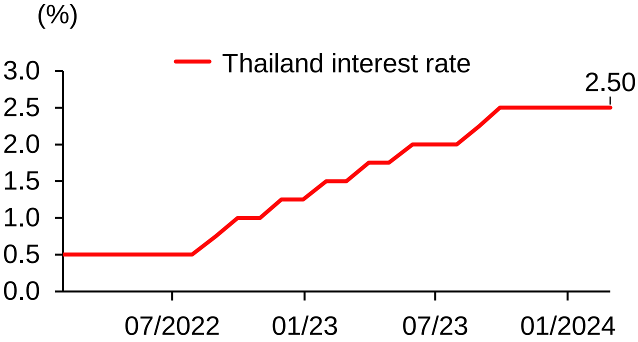
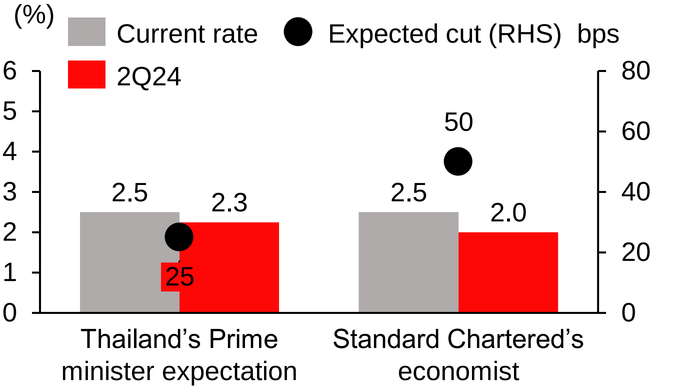


Figure 11: Thailand key rate cut expectation



Upcoming monetary easing policies in several regimes might put depreciation pressure on their currencies amid the recent US economic resilience

We believe that the weakening exchange rates in various nations stem from distinct factors. Primarily, countries like China and Thailand either are currently engaging in or are projected to undertake loose monetary policies within the first half of 2024, for the purpose of invigorating their economies. Concurrently, several currencies, including the CNY, THB, VND, JPY, and KRW, have observed the depreciation against the USD, as indicated in recent analyses (**Figure 12**). Additionally, the robustness of the US economy, mentioned earlier in this report, could potentially delay Fed rate cuts, thus maintaining the dollar's strength and creating pressure on the currency devaluation in these countries.

Figure 12: YTD exchange rates of countries against USD (28/02/2024)

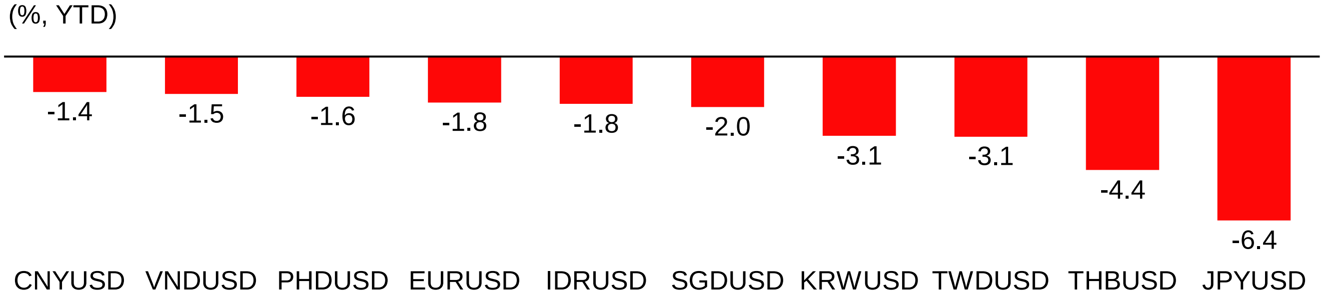


Figure 13: Monetary easing policy by countries and key policy rate cut expectation in 2024

Countries	Monetary Policy	Key policy rates	Expected rate cut timeline from Reuters poll		
			2Q24	3Q24	4Q24
China	Ease	3.95	Already cut in 1Q24, expect continue cut	continue cut	continue cut
Thailand	Ease	2.5	First cut	continue cut	continue cut
Vietnam	Unchanged	4.5	Unchanged	Unchanged	Unchanged
Korea	Ease	3.5	First cut	continue cut	continue cut
Indonesia	Ease	6.0	First cut	continue cut	continue cut

Sources: Bloomberg (BL), Reuters, Bank of Thailand, CNBC

Section 3

Vietnamese Economy

Vietnamese economy is expected to show a clear recovery in the second half of 2024, while other nations in the region would probably loosen their monetary policies. In the first two months, trade, tourism and foreign investment activities have recorded impressive strong growth.

There have been some improvements in both exports and imports of Vietnam

As aforementioned, the impact of expansionary monetary policies in other regional countries is forecast to be visible starting from 2H2024. Yet, Vietnam's macroeconomic indicators in February have already indicated positive signals, further strengthening the positive impact of the resilient global economy, along with the expansionary monetary policies in China. Accordingly, exports to all of Vietnam's major markets surged in the first two months of 2024 (2M24). As Vietnam's largest export market which contributes 29.3% to total exports, US witnessed a YoY growth of +33.7%, followed by EU (+14.2% YoY), ASEAN countries (+8.7% YoY), and China (+7.7% YoY). Improvement in exports has eventually elevated imports, with strong growth recorded in China (+49.7% YoY to USD 20.9 billion). Significant growth of key products was witnessed in both export and import activities, such as Wooden products, Iron & steel, and Electronic products. Overall, total exports and imports reached USD 59.3 billion (+19.2% YoY) and USD 54.6 billion (+18.0% YoY), respectively, lifting trade surplus to USD 4.7 billion - the highest level in the same period over the past ten years. Given the improvement in external merchandise trade in 2M24, we expect trade activities to sustain its momentum of recovery, especially in 2H24, when more regional countries are expected to execute their expansionary monetary policies. Export growth is forecast to range from 6% to 8%, while imports are expected to grow by about 10% to 12% for the whole year.

Figure 14: YoY Trade growth by countries in 2M24

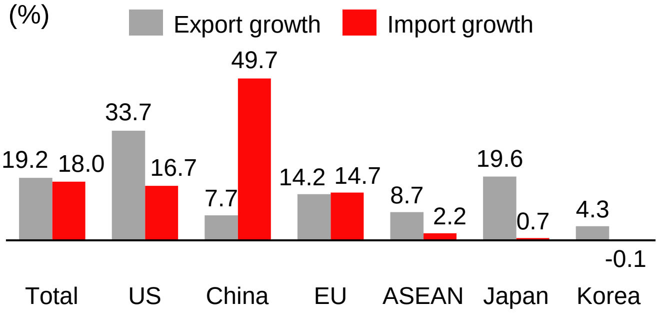
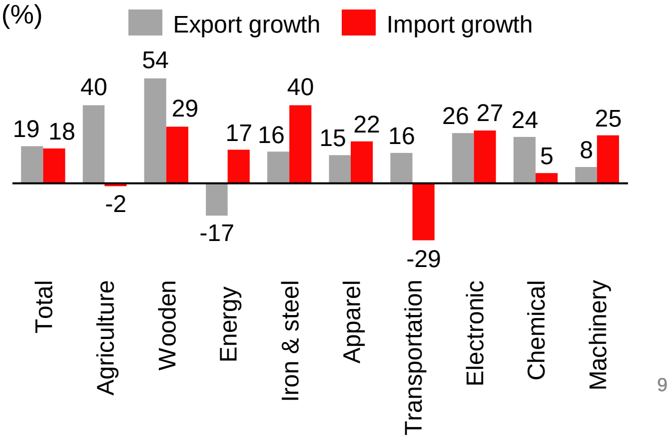


Figure 15: YoY Trade growth by products in 2M24



Sources: General Statistics Office (GSO), TCB Market Analysis

Section 3

Vietnamese Economy *(Cont.)*

Manufacturing sector has demonstrated a modest recovery in 2M24, supported by the improvement of output and new orders

According to General Statistics Office (GSO), the Index of Industrial Production (IIP) in 2M2024 rose by 5.7% YoY, primarily driven by the manufacturing activity with a 5.9% YoY growth. Among manufacturing subsectors, key products continued to deliver double-digit growth rates in 2M2024: chemical products (+27.7% YoY), coke and refined petroleum (+25.3%), furniture (+23.4%), pharmaceuticals & medicinal chemical (+23.1%), textiles (+17.6%) and machinery & equipment (+14.5%). While employment has only improved in February, thanks to more demands from both domestic and export markets, new orders and output all increased modestly for two months running, marking a recovery of the manufacturing sector. According to S&P Global, Manufacturing Purchasing Manager Index (PMI) in February registered at 50.4, above the 50-point threshold for the second consecutive month, sending the signal of an improving picture of export activities as mentioned above.

Figure 16: Vietnam's IIP in the first 2 months of each year

(YTD % YoY)

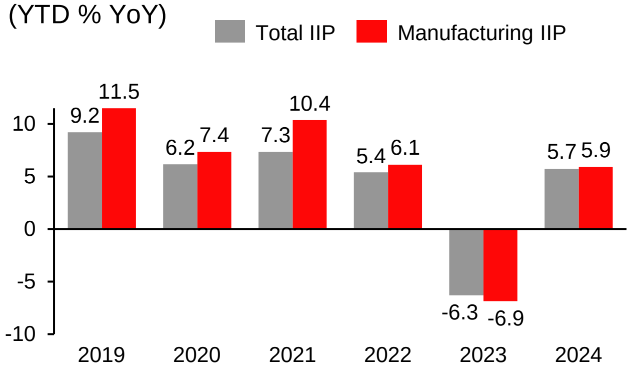
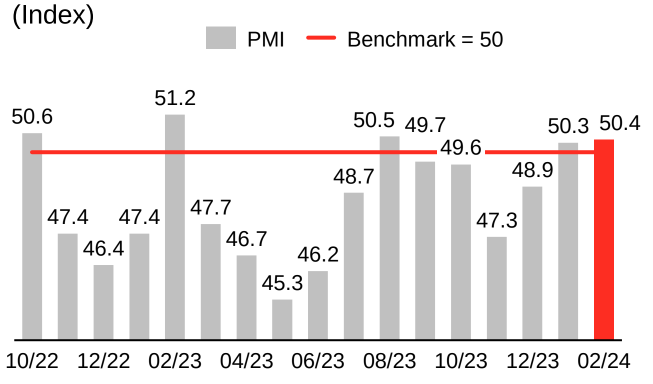


Figure 17: Vietnam's Manufacturing PMI

(Index)



Both manufacturing and real estate sectors experienced a rebound in registered FDI

Given its recovery momentum, foreign investors have become more optimistic in the outlook for manufacturing sector. Accordingly, out of USD 4.0 billion recorded in registered FDI (including both newly registered and adjusted FDI) in 2M24, manufacturing sector accounted for 62.5% (approximately USD 2.5 billion, up +28.0% YoY). Notable projects are from China investors (a USD 454 million investment by Trina Solar, a USD 270 million investment by Deli Group), Hong Kong investor (a USD 275 million investment by Gokin Solar). Besides manufacturing, real estate sector also recorded positive signal with registered FDI of USD 1.4 billion, accounting for 35.0% of total registered FDI value. This major contribution comes from Capital Land

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

Vietnamese Economy *(Cont.)*

(Singapore) with an investment of USD 662 million in Lumi Hanoi project. Regarding 2M24 FDI inflows, disbursed FDI expanded by 10% YoY to USD 2.8 billion. Investments in manufacturing area have been the largest among key sectors, in terms of both value and growth rates. Given the country's advantages, including its location, FTAs, and abundant labor force, we maintain our view that Vietnam would remain an attractive investment destination.

Figure 18: FDI registration and disbursement in 2 months

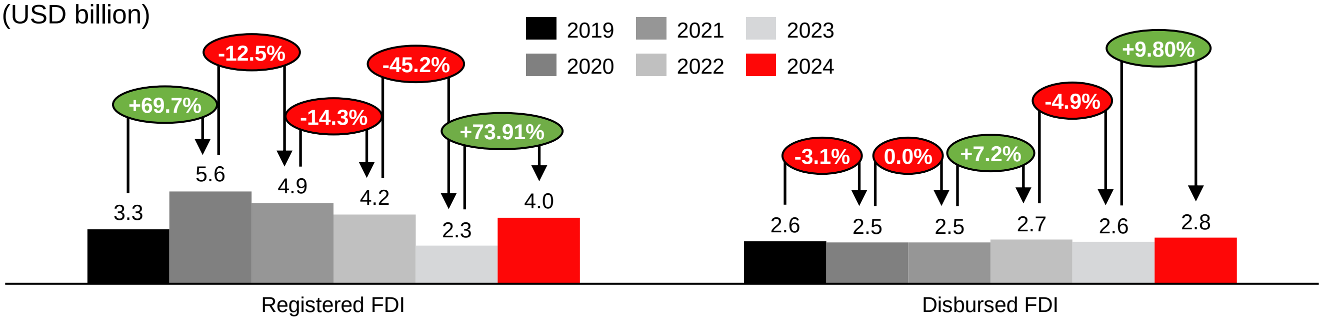


Figure 19: Registered FDI by sectors

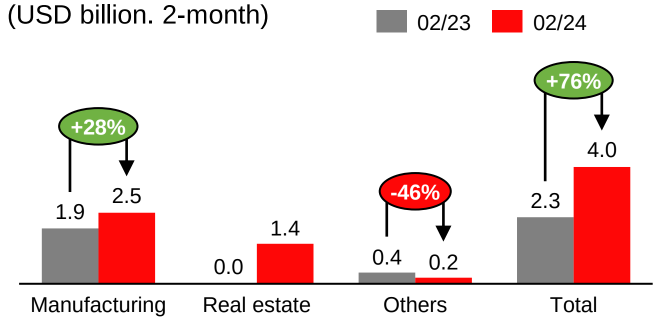
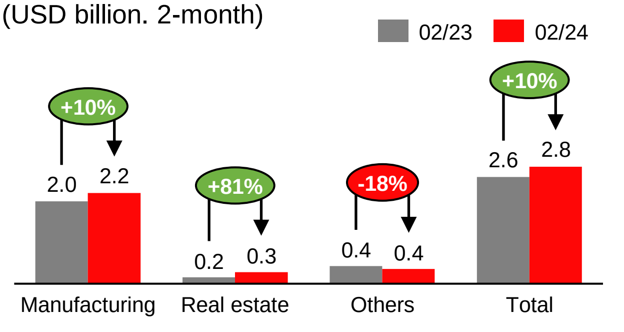


Figure 20: Disbursed FDI by sectors



The current recovery in both domestic and international tourisms shall facilitate the demand side of the economy

While the supply side of the economy sends a signal of an improvement, the demand side seems to remain its resilience, as total retail sales in 2M24 increased by 8.1% YoY, reaching VND 1,031.5 trillion. 2M24 tourism revenue registered at VND 9.0 trillion, up +35.8% YoY, driven by the robust growth of both international and domestic tourism. Accordingly, international tourism has recovered to around 98.5% of 2019 figure, with 3 million international tourists visiting Vietnam in 2M24. Meanwhile, domestic tourism in 2M24 is vibrant with around 22 million arrivals, up +10% YoY, equivalent to an increase of 29.5% compared to 2019. Given the actual 2023 figures of 12.6 million foreign visitors and 108 million domestic visitors, the target set by Ministry of Tourism for 2024 (17-18 million foreign visitors and 110 million domestic tourist) seems attainable, given the current supportive visa policy for foreigners and consistent domestic tourism demand.

Source: GSO

Vietnamese Economy *(Cont.)*

Figure 21: Retail sales of goods and services

(YTD, % YoY)

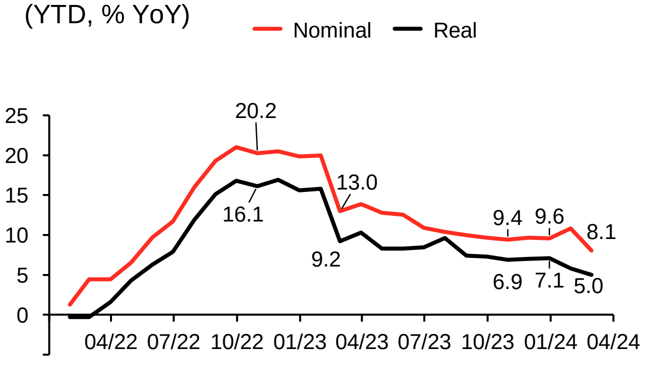
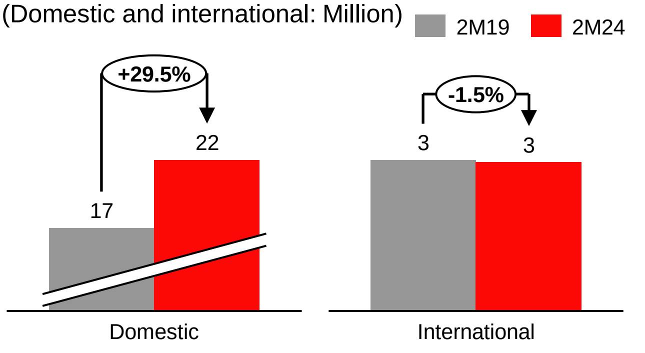


Figure 22: Number of tourists

(Domestic and international: Million)



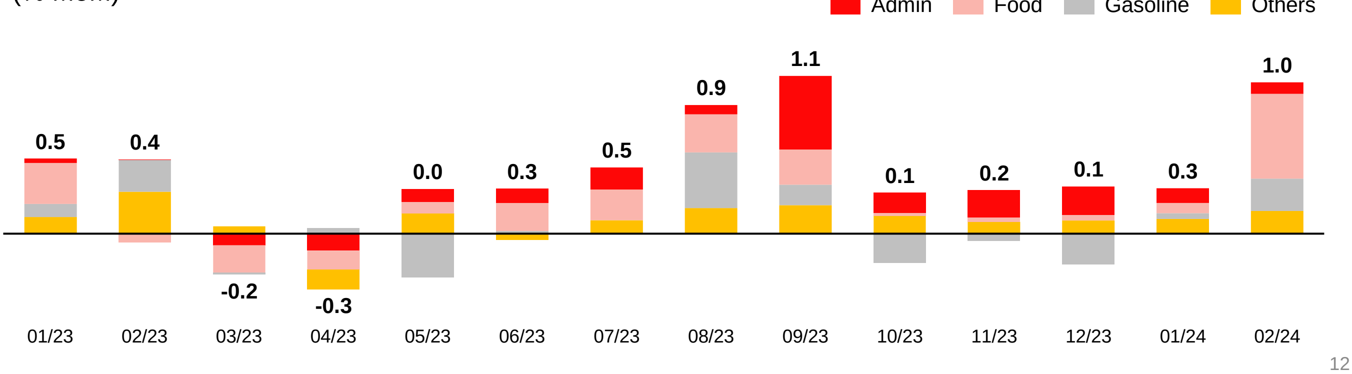
We raise our 2024 forecast for average CPI to 4.1% which is still under the 4.5% target set by the Government

Headline CPI in February expanded by 1.0% MoM and 4.0% YoY, resulting in an average inflation rate of 3.7% YoY in 2M24. The uptick in February inflation was largely driven by these factors. **Firstly**, food and foodstuff prices increased by 1.7% MoM, contributing 0.6% to headline CPI due to the surge in demand amid Tet's holiday. **Secondly**, the increase in gasoline and admin prices added 0.2% and 0.1% to the headline CPI, respectively.

In the context of high level of inflation in the first months of 2024, we raise our 2024 forecast for average CPI to 4.1% due to the following reasons. **Firstly**, the Government has planned to raise several admin prices such as electricity, healthcare and education. **Secondly**, the economic recovery as mentioned earlier, large public investment disbursement and the expansion of monetary policy shall build up demand-pull inflation pressure. **Furthermore**, state salary reform starting in July would contribute 0.7 percentage point to whole-year CPI. However, we hold the belief that inflation would be well under control, i.e. still below 4.5% target set by the Government.

Figure 23: Contribution to CPI of item groups

(% MoM)



Sources: GSO, Ministry of Tourism

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Vietnamese Economy *(Cont.)*

VND is among the least depreciation countries against USD in Asia

USDVND rate has been fluctuating moderately over the past few weeks. The exchange rate increased from 24,250 to 24,700, equivalent to a 1.9% YTD depreciation of VND. This could be attributed to several factors. Firstly, US dollar index (DXY) soared to a near 105 points, increasing by 3.6% YTD, due to higher-than-expected US inflation of 3.1% in January. Although DXY also cooled down by the end of February, it still increased by 2.7% YTD. VND is among the least depreciation countries against USD in Asia, with only a 1.5% YTD drop, while JPY, THB, and KRW had a sharp YTD devaluation of -6.4%, -4.6%, and -2.9%, respectively. Secondly, the prolonged negative interest rate gap between VND and USD continues to exert pressure on the foreign exchange rate. Moreover, the delay in Fed's rate cut would result in stronger dollar, making it a challenge for the negative VND-USD interest rate gap to narrow down, at least not until the second half of 2024.

We maintain our stance that the USDVND rate would decrease in the last months of the year after staying in the high level in previous periods

We anticipate that the exchange rate could fluctuate in the first half of 2024, before decreasing in the last months of the year after staying in the high level in previous periods thanks to Fed's policy reversal and a declining DXY. Given the stable foreign currency inflows from trade surplus, FDI disbursements and remittance, we expect the upward pressure on USDVND shall be lifted in the upcoming time. Thus, we forecast that VND shall only depreciate around 1% by the end of the year.

Figure 24: Selected currencies vs DXY (28/02/2024)

Figure 25: USDVND and DXY

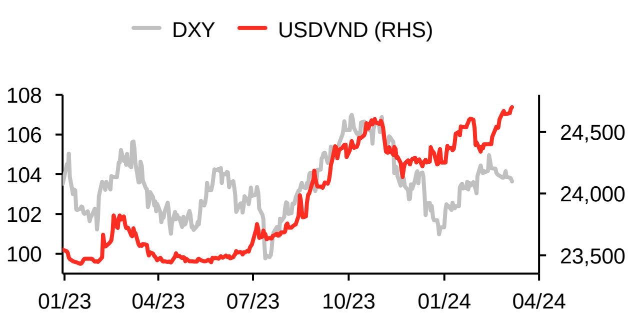
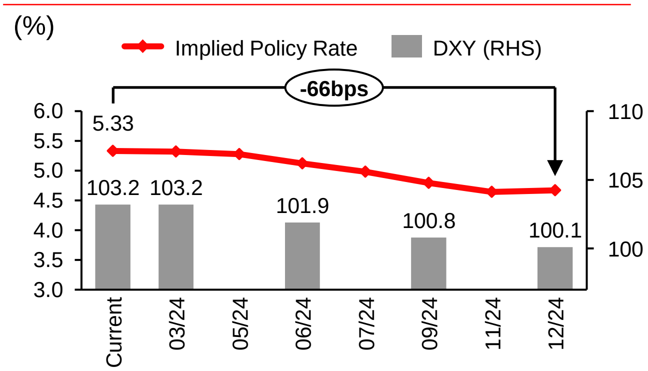


Figure 26: Implied rate and DXY



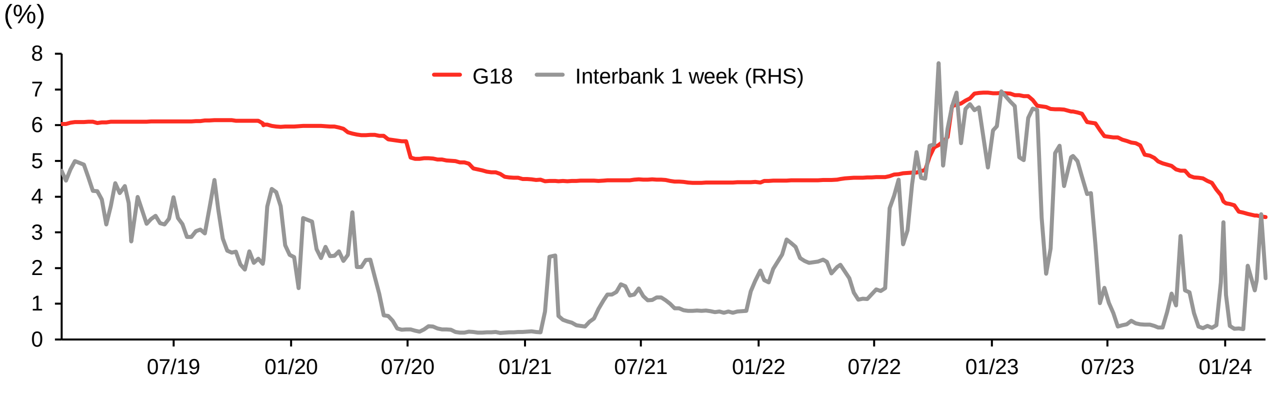
Sources: GSO, Reuters, Bloomberg

Vietnamese Economy *(Cont.)*

Term deposit rates would increase slightly as credit would grow at a faster pace than deposit

Term deposit rates have reached historically low levels under the context of easing monetary policy. According to our estimation, G18's 6-month deposit rate have decreased by 44 bps YTD to 3.4%. The low interest-rate environment is among key factors that put USDVND under pressure to climb up. Given the pressure on foreign exchange rate, SBV shall continue issuing notes as we already mentioned in the previous monthly report (Link), resulting in an increase in interbank rates at some points. However, this increase in interbank interest rates would not put pressure on deposit and lending interest rates, as maintaining low interest rates to support and promote economic growth remains the top goal of the Government in the near future. We believe that the economy will recover more clearly in the second half of the year, causing credit growth to exceed mobilization and liquidity to be less abundant. Accordingly, the 6-month interest rate of the G18 group is forecast to increase by 50 points, focusing mainly on the end of the year.

Figure 27: G18* weighted average 6-month deposit rate and interbank rate



Sources: TCB Market Analysis

Section 4

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Appendix

Updates on macroeconomics and financial market in the world

Indicators	Country	Unit	2023											2024	
				03	04	05	06	07	08	09	10	11	12	01	02
Real GDP Growth	US	%, YoY, Quarterly		1.80			2.40			2.90			3.1		
	Eurozone	%, YoY, Quarterly		1.00			0.60			0.00			0.1		
	China	%, YoY, Quarterly		4.50			6.30			4.90			5.2		
	Japan	%, YoY, Quarterly		1.79			2.20			1.50					
CPI	US	%, YoY, Monthly		4.98	4.93	4.05	2.97	3.17	3.67	3.70	3.24	3.14	3.40	3.1	
	EU	%, YoY, Monthly	5.46	6.90	7.00	6.10	5.50	5.30	5.20	4.30	2.90	2.40	2.90	2.8	
	China	%, YoY, Monthly		0.70	0.10	0.20	0.00	-0.30	0.10	0.00	-0.20	-0.50	-0.30	-0.8	
	Japan	%, YoY, Monthly		3.20	3.50	3.20	3.30	3.30	3.20	3.00	3.30	2.80	2.60	2.2	
Fed funds target rate		%. End of month	5.50	5.00	5.00	5.25	5.25	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
DXY		Index. Monthly Average	103.25	102.05	102.34	103.01	103.08	101.40	103.10	105.28	106.35	104.49	102.69	102.95	104.1
USDCNY		Index. Monthly Average	7.08	6.89	6.89	6.99	7.16	7.19	7.25	7.30	7.31	7.22	7.15	7.17	7.19
10Y UST Yields		%. Monthly Average	3.96	3.66	3.46	3.57	3.75	3.89	4.17	4.38	4.80	4.51	4.05	4.05	4.23
WTI Oil price		USD/barrel. Monthly Average	77.66	73.37	79.44	71.62	70.27	76.03	81.32	89.43	85.47	77.38	72.06	73.86	76.61

Updates on macroeconomics and financial market in Vietnam

Indicators	Unit	2023											2024	
			03	04	05	06	07	08	09	10	11	12	01	02
Real GDP growth	%, Quarterly. YoY	**5.05**	3.28			4.14			5.33			6.72		
IIP	%, Monthly. YoY	**1.50**	-1.99	-2.43	0.48	1.75	3.69	2.62	2.89	4.38	5.79	5.76	18.86	-6.81
Headline CPI	%, Monthly, YoY	**3.25**	3.35	2.81	2.43	2.00	2.06	2.96	3.66	3.59	3.45	3.58	3.37	3.67
Retail sales growth	%, Monthly, YoY	**9.60**	13.4	11.5	11.5	6.5	7.1	7.6	7.5	7.0	10.1	9.3	10.8	8.1
Registered FDI	USD bio, Monthly	**28.10**	1.90	1.60	1.80	1.90	2.70	1.30	2.00	5.20	2.30	5.20	2.2	1.8
Disbursed FDI	USD bio, Monthly	**23.20**	1.80	1.60	1.70	2.50	1.60	1.50	2.80	2.10	2.30	2.90	1.5	1.3
Trade exports	USD bio, Monthly	**355.5**	29.70	27.90	28.10	29.50	30.70	32.70	30.80	32.50	31.20	32.1	34.5	24.8*
Trade imports	USD bio, Monthly	**327.5**	28.30	25.10	26.00	26.30	27.10	29.30	29.10	29.50	29.90	29.6	30.9	23.7*
Trade balance	USD bio, Monthly	**28.00**	1.40	2.70	2.10	3.20	3.60	3.40	1.70	2.90	1.30	2.40	3.6	1.1*
Deposit growth	%, YTD	**10.85**	1.70	2.00	2.70	4.70	3.50*	3.50*	5.90	7.10		13.47*		
Credit growth	%, YTD	**13.50**	2.60	3.00	3.30	4.70	4.50	5.33	6.20	7.10	9.15	13.70*	-0.60*	
10Y Government bond yields	%, Monthly Average	**3.07**	4.00	3.30	3.10	2.80	2.60	2.50	2.60	2.90	2.56	2.26	2.25	2.32
1W Interbank rate	%, Monthly Average	**2.60**	4.30	4.70	4.70	2.20	0.60	0.40	0.40	1.37	0.71	0.82	0.43	2.53
6M Deposit rate**	%, Monthly Average	**-3.04**	6.60	6.40	6.30	5.90	5.60	5.20	4.90	4.70	4.54	4.19	3.70	3.40
USDVND	Monthly Average	**23,847**	23,592	23,469	23,464	23,515	23,670	23,882	24,246	24,488	24,321	24,283	24,476	24,520

Updated full-year forecasts for Vietnam

Indicators	Unit	Actual 2023											2024	Forecast
		02	03	04	05	06	07	08	09	10	11	12	01	2024
Real GDP growth	%		3.28			4.14			5.33			6.72		6.00
Headline CPI	%, YoY. Average	4.31	3.35	2.81	2.43	2.00	2.06	2.96	3.66	3.59	3.45	3.58	3.37	4.10
Deposit growth	%, YTD	0.40	1.70	2.00	2.70	4.70	3.50*	3.90*	5.90	7.10		13.47*		12.80
Credit growth	%, YTD	0.90	2.60	3.00	3.30	4.70	4.50	5.33	6.20	7.10	9.15	13.70*	-0.60*	14.00
USDVND	Average	23,651	23,592	23,469	23,464	23,515	23,670	23,882	24,246	24,488	24,321	24,283	24,476	24,570
10Y Government bond yields	%, 10Y, Average	4.20	4.00	3.30	3.10	2.80	2.60	2.50	2.60	2.90	2.56	2.26	2.25	2.50
1W Interbank rate	%, Average	5.80	4.30	4.70	4.70	2.20	0.60	0.40	0.40	1.37	0.71	0.82	0.43	1.80

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

Notes:

* Estimated numbers

** Weighted average of 18 banks

The latest trade data updated by GSO (first 20 days). Previous data updated by Customs

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Economic and Financial Market Analysis
Corporate and Institutional Banking Group Division

TECHCOMBANK
Address: No. 6 Quang Trung, Hoan Kiem, Hanoi
Email: Tckh.ptkt@techcombank.com.vn
Website: https://techcombank.com/en/information/research

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