VIETNAM MACROECONOMICS UPDATE

October 2026 (Monthly)

Shinhan Securities

Exports surge, high fuel prices keep CPI above 5%

Fuel prices keep headline CPI above 5% while core inflation cools

Headline CPI rose 5.09% YoY in October 2026, flat against September and below May's 5.60% peak, while core inflation fell to 4.04% from 4.45% and core prices slipped 0.05% MoM. The 1.05pp headline-core gap, the widest since July 2024, locates the pressure in fuel. Transport rose 15.57% YoY on fuel up 35.03% and contributed 1.55pp to the headline rate, against nil a year earlier, accounting for about 84% of the 1.84pp rise in inflation over twelve months. Housing and utilities added 1.47pp, with cooking gas up 51.2% YoY, and food and catering 1.28pp, down from 1.59pp in September. Monthly CPI rose 0.20%: transport added 0.27pp on petrol (+6.86% MoM), while pork (-2.33%), rice (-0.92%), off-season tourism (-0.87%) and lagged electricity (-1.99%) pulled the rest of the basket slightly negative. 10M2026 averages stand at 4.57% headline and 4.24% core.

From 1 November 2026, the Government and regulators cut electricity prices and the tax on petrol. The average retail electricity tariff fell 2% (from VND 2,204.1/kWh to VND 2,159.9/kWh, excluding VAT), and the special consumption tax on petrol was reduced to 0% until 31 March 2027. Global oil prices also fell sharply after the US midterm elections, in which the Democrats won control of both chambers of Congress: Brent dropped 8.7% on 4 November to USD 94.62/barrel. The market expects the result to hasten an end to the conflict with Iran and ease oil prices. This should relieve inflationary pressure in November and December, which could help average CPI for 2026 meet the target of around 4.5% set by the National Assembly at the start of the year.

Industry accelerates; the PMI flatters underlying momentum

Industrial production rose 14.98% YoY in October, the fastest since July, taking the 10M2026 pace to 12.36%. This is the strongest ten-month outcome since 2019. Manufacturing (+15.73%) and power (+15.65%) led, while mining slowed to +4.88% from +13.35%. The PMI edged up to 52.3, a 16th month above 50, but new orders grew at the slowest pace of the upturn, output at a six-month low, export orders fell and employment declined for a third month; part of the rise reflects longer delivery times, which lift the inverted index. Input-cost inflation was the fastest since June. Consumption maintains its momentum: retail sales rose 14.74% YoY (13.5% in 10M2026, 7.7% in real terms) with accommodation and catering up 19.5% and travel 21.8%, and foreign arrivals of 1.85 million took the 10M total to 19.5 million (+13.8%).

Exports deliver the largest monthly surplus in three years

Exports reached USD 64.67bn in October 2026 (+8.2% MoM, +53.5% YoY) against imports of USD 57.36bn, giving a USD 7.31bn surplus, the second in a row and the largest in the 36-month window. The FDI sector drove the gain (+61.2% YoY), and electronics exports reached USD 149.4bn in 10M2026 (+71.0%). The ten-month balance is still a USD 12.06bn deficit, against a USD 19.28bn surplus a year earlier, because imports grew 37.6% against 27.7% for exports. Demand from key international markets is showing positive signals: the US services PMI is at 56.1 and EU growth was +0.5% QoQ in Q3. Investment remains the second support. Public disbursement hit a 2026 high of VND 121.6tn in October (+34.7% YoY), taking 10M2026 to VND 780.1tn (+23.7%). Registered FDI of USD 54.85bn is up 74.0% YoY, the highest ten-month total since 2009, and disbursed FDI of USD 24.08bn is up 13.1%.

VND firm YTD as interbank rates rebound and SOCBs cut deposit rates

The free-market VND/USD rate closed October 2026 at 26,140, 1.0% weaker MoM but 2.3% stronger than at end-2025, despite the DXY rising 2.39 points in October. Interbank rates rebounded: overnight reached 5.79% on 30 October from 0.87% in late September and 3-month 7.47% from 6.92%, with SBV reverse-repo injections concentrated in the final week. Deposit rates saw a notable change in October: SOCBs cut the 12-month rate to 5.40% from 5.90%, the first cut since April 2024.

Macro indicators - 10/2026

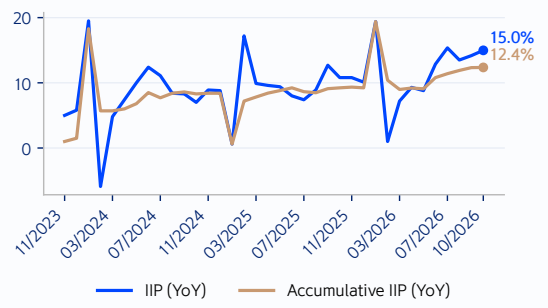
	10/26	09/26	08/26	07/26	06/26	05/26	04/26	03/26	02/26	01/26	12/25	11/25	10/25
CPI (YoY)	5.09%	5.08%	4.89%	4.45%	4.69%	5.60%	5.46%	4.65%	3.35%	2.53%	3.48%	3.58%	3.25%
CPI (MoM)	0.20%	0.62%	0.47%	-0.12%	-0.39%	0.29%	0.84%	1.23%	1.14%	0.05%	0.19%	0.45%	0.20%
PMI	52.3	51.9	53.3	52.9	51.8	52.8	50.5	51.2	54.3	52.5	53	53.8	54.5
IIP (YoY)	14.98%	14.17%	13.50%	15.36%	12.87%	8.79%	9.30%	7.20%	1.00%	19.40%	10.10%	10.80%	10.80%
IIP (MoM)	2.27%	3.26%	1.50%	1.18%	3.53%	3.27%	3.00%	18.80%	-18.40%	0.20%	2.20%	2.30%	2.40%
Retail (YoY)	14.74%	14.12%	14.95%	14.48%	14.80%	11.83%	12.10%	12.10%	8.50%	8.20%	9.80%	7.10%	7.20%
Export (USD bn)	64.67	59.75	54.78	53.6	50.72	47	45.72	46.52	33.19	43.3	44.05	39.95	42.11
Import (USD bn)	57.36	58.44	55.12	57.01	53.65	52.41	50.48	47.38	34.22	45.24	44.69	38.7	39.63
Balance of trade (USD bn)	7.31	1.27	-0.34	-3.41	-2.93	-5.42	-4.77	-0.87	-1.03	-1.94	-0.64	1.25	2.49
Acc. Disbursed FDI (USD bn)	24.08	21.07	17.25	15.2	13.03	9.75	7.4	5.41	3.21	1.68	27.62	23.6	21.3
Acc. Registered FDI (USD bn)	54.85	50.36	40.63	38.06	34.65	24.81	18.73	15.2	6.03	2.58	38.42	33.69	31.52
Public Investment (VND tn)	121.64	114.37	105.27	97.7	85.18	67.37	56.84	48.24	38.89	44.64	111.54	100.21	90.28
Credit growth (YTD)	n.a	11.59%	10.24%	8.97%	8.37%	5.96%	4.59%	3.18%	1.33%	1.19%	19.07%	16.85%	15.31%
Deposit growth (YTD)	n.a	9.78%	6.84%	5.20%	4.99%	2.73%	1.92%	0.98%	1.01%	0.69%	8.54%	5.71%	4.54%
Overnight interbank rate	5.79%	6.95%	1.19%	5.72%	12.49%	6.97%	3.88%	9.57%	4.70%	5.09%	1.77%	5.40%	4.45%
Avg deposit rate at SOCBs	5.40%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.20%	5.20%	5.20%	4.68%	4.68%
10Y Govt bond yield	4.47%	4.47%	4.45%	4.41%	4.40%	4.32%	4.23%	4.21%	4.12%	4.06%	4.03%	3.89%	3.82%
VND/USD exchange rate	26,140	25,890	25,860	26,250	26,720	26,400	26,700	27,920	26,680	26,450	26,750	27,650	27,760

Source: GSO, SBV, FiinPro-X, Shinhan Securities Vietnam

Production – Consumption

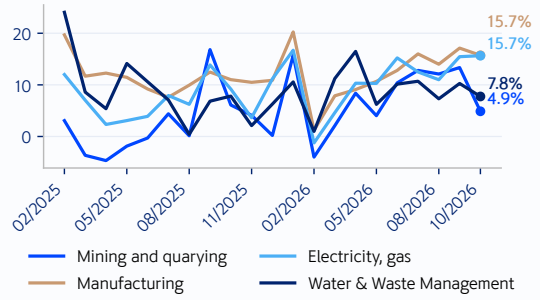
Industrial production rose 14.98% YoY in October 2026 (+2.27% MoM), the fastest pace since July's 15.36% and a fifth consecutive month above 12%. The 10M2026 cumulative pace edged up to 12.36% YoY, which GSO reports as the strongest ten-month outcome of 2019-2026. Manufacturing (+15.73% YoY) and electricity and gas (+15.65%) carried the month, while mining slowed sharply to +4.88% from +13.35% in September. Over 10M2026, manufacturing alone contributed 10.2pp of the overall increase, led by basic metals (+25.6%), beverages (+17.5%), electronics and computers (+15.2%) and motor vehicles (+14.6%).

Index of Industrial Production (IIP)



Source: GSO, Shinhan Securities Vietnam

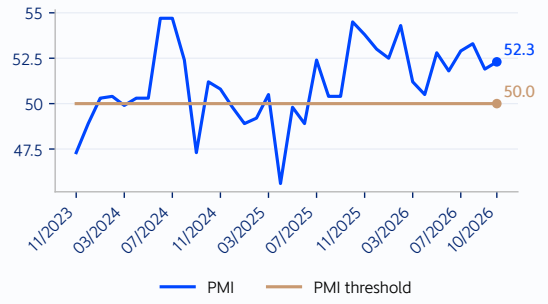
IIP by sub-sectors (monthly YoY)



Source: GSO, Shinhan Securities Vietnam

The S&P Global PMI edged up to 52.3 in October from 51.9, extending the run above 50 to 16 months, but the composition is weaker than the headline. New orders rose at the slowest pace of the current growth sequence, output growth eased to a six-month low, new export orders fell again and employment declined for a third month. Suppliers' delivery times lengthened the most since April on higher fuel costs and poor weather; as that component enters the index inverted (15% weight), supply strain itself lifted the headline. Input-price inflation was the fastest since June and output prices rose more sharply. Despite the current operating difficulties, business confidence rose to an eight-month high.

Purchasing Managers' Index (PMI)



Source: S&P Global, Shinhan Securities Vietnam

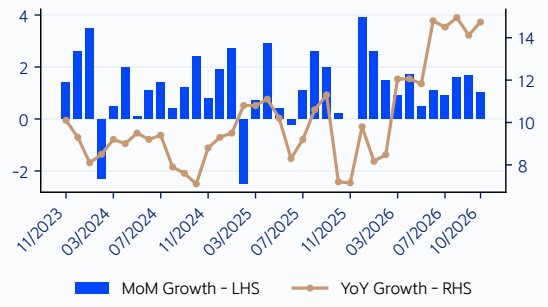
PMI summary

New orders	Increase
Production	Increase
Inventories	Decrease
Purchasing	Increase
Employment	Decrease
Business confidence	Increase

Source: S&P Global, Shinhan Securities Vietnam

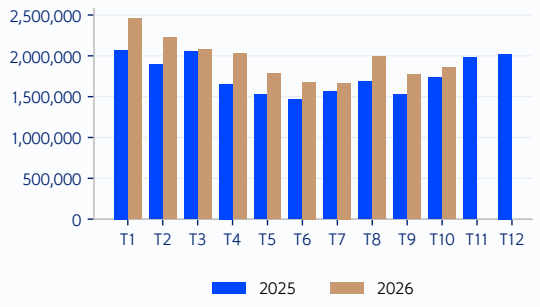
Retail sales and consumer service revenue rose 14.74% YoY in October 2026 (+1.03% MoM), up from 14.12% in September and within a 14-15% band since June, against 8-12% in January-May. GSO puts 10M2026 growth at 13.5% YoY, or 7.7% excluding price effects (7.4% in 10M2025). Services led in October: accommodation and catering +19.5% YoY and travel +21.8%. Foreign arrivals reached 1.85 million, +7.0% YoY and +4.9% MoM, taking the 10M total to 19.5 million (+13.8% YoY).

Total retail sales growth



Source: GSO, Shinhan Securities Vietnam

Foreign tourists (pax)

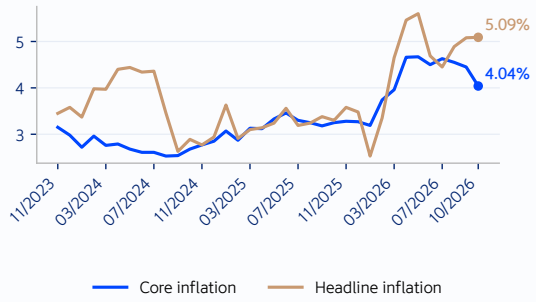


Source: GSO, Shinhan Securities Vietnam

Inflation

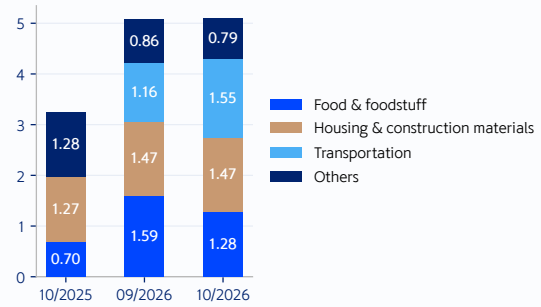
Headline CPI rose 5.09% YoY in October 2026, flat against September's 5.08% and below May's 5.60% peak; prices rose 0.20% MoM and 4.41% against December 2025. Core inflation fell to 4.04% from 4.45%, the largest monthly decline in the 36-month window, and core prices slipped 0.05% MoM, the only negative October reading in GSO's 2022-2026 comparison. The headline-core gap widened to 1.05pp, the widest since July 2024, placing the pressure in fuel and other excluded items. 10M2026 averages are 4.57% headline and 4.24% core (3.27% and 3.20% in 10M2025).

Monthly Consumer Price Index (YoY)



Source: GSO, Shinhan Securities Vietnam

CPI contribution by main group (pp)

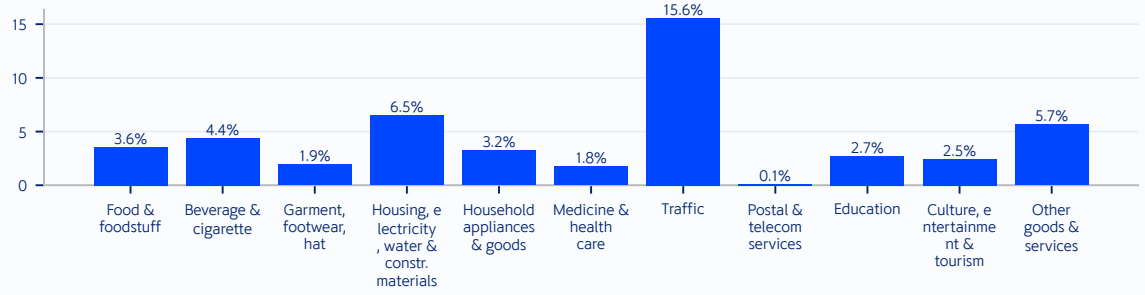


Source: GSO, Shinhan Securities Vietnam

Transport is the main reason inflation remains elevated. The group rose 15.57% YoY in October 2026, with fuel up 35.03% YoY, and contributed 1.55pp to headline CPI, up from 1.16pp in September and nil a year earlier. That single swing accounts for about 84% of the 1.84pp rise in headline inflation since October 2025.

Housing, electricity, water and construction materials added an unchanged 1.47pp on a 6.50% increase, with cooking gas up 51.2% YoY and kerosene 43.07%. Food and catering's contribution fell to 1.28pp from 1.59pp (group +3.58% YoY), and all remaining groups together added 0.79pp.

October 2026 CPI growth by components (YoY)

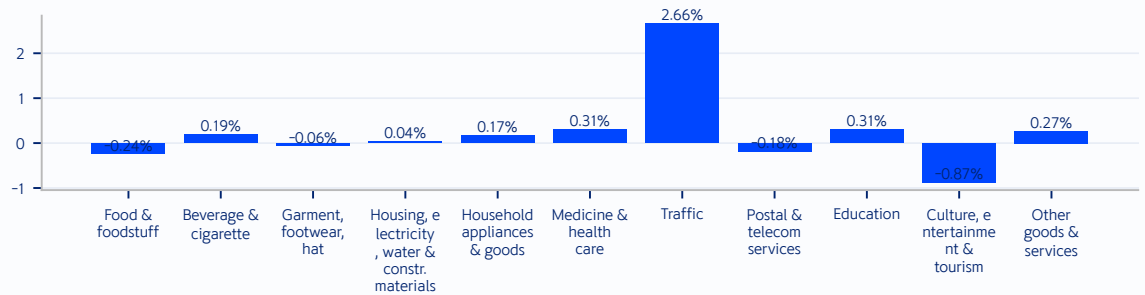


Source: GSO, Shinhan Securities Vietnam

Month on month, transport was the only large mover at +2.66% (+0.27pp): petrol rose 6.86% and diesel 0.75%, partly offset by a 10.58% fall in air fares in the low season. Housing rose only 0.04% as a 10.35% gas price increase was offset by electricity (-1.99%, reflecting September consumption with a one-month lag), rent (-0.22%) and water (-0.09%).

Four groups declined. Culture, entertainment and tourism fell 0.87% on off-season promotions (domestic tours -1.27%, hotels -1.72%); food and catering fell 0.24% (-0.09pp) as pork dropped 2.33% and rice 0.92%; postal and telecom fell 0.18% and garments 0.06%. Excluding transport, the basket subtracted 0.07pp from the monthly change.

October 2026 CPI growth by components (MoM)

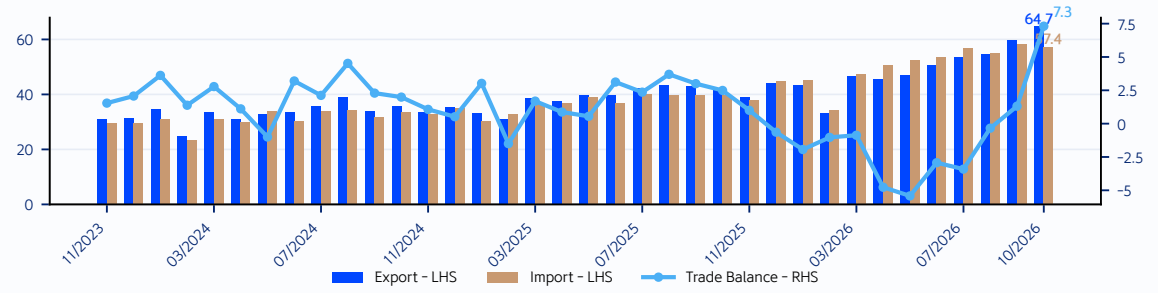


Source: GSO, Shinhan Securities Vietnam

Trading – Investment

Vietnam posted a USD 7.31bn trade surplus in October 2026, a second consecutive surplus and the largest monthly surplus in the 36-month window. Exports reached a window high of USD 64.67bn (+8.2% MoM, +53.5% YoY), led by the FDI sector (+61.2% YoY against +13.5% for domestic firms per GSO), while imports eased to USD 57.36bn (-1.8% MoM, +44.7% YoY). The 10M2026 balance remains a USD 12.06bn deficit, against a USD 19.28bn surplus in 10M2025, as imports (+37.6%) outpaced exports (+27.7%). Total trade passed USD 1,000bn for the first time. Electronics dominate both sides, with exports of USD 149.4bn (+71.0%) and imports of USD 215.3bn (+74.4%). The US remains the largest export market (USD 159.4bn) and China the largest import source (USD 212.5bn).

Total trading turnover (USD bn)



Source: GSO, Shinhan Securities Vietnam

The US services PMI eased to 56.1 in October 2026 from 58.8 in September, after four consecutive gains from 50.7 in May. EU growth moderated to +0.5% QoQ in Q3 2026 from +0.7% in Q2, the strongest quarter since Q2 2022, having troughed at +0.1% in Q1.

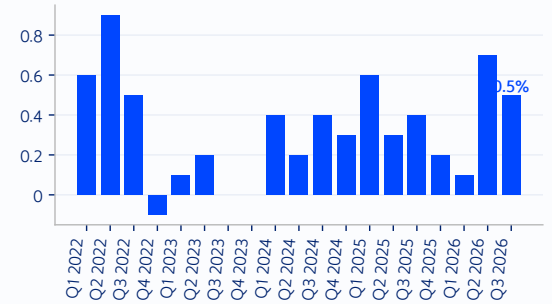
The external backdrop is firmer than at mid-year, consistent with GSO's 10M figures showing Vietnam's trade surplus with the US up 26.2% YoY to USD 140.1bn and with the EU up 26.8% to USD 40.8bn. PMI respondents nonetheless reported falling new export orders and difficulties importing and exporting, and the global macroeconomic environment still poses risks to overall growth.

US Services PMI



Source: S&P Global, Shinhan Securities Vietnam

EU GDP growth rate (% – QoQ)

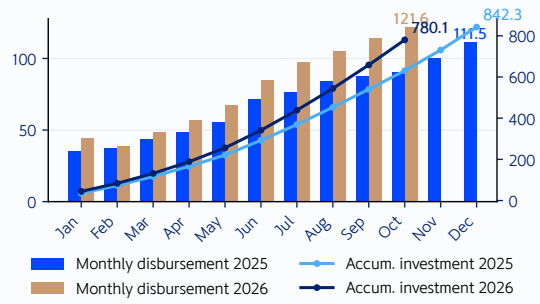


Source: EuroStat, Shinhan Securities Vietnam

Public investment disbursed VND 121.6tn in October 2026, the largest month of the year and 34.7% above October 2025. Cumulative 10M2026 disbursement reached VND 780.1tn, 23.7% ahead of 10M2025's VND 630.6tn, with every month of 2026 exceeding its 2025 counterpart.

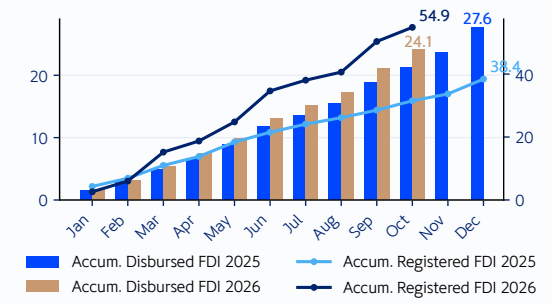
Registered FDI reached USD 54.85bn in 10M2026, +74.0% YoY and the highest ten-month total since 2009, including new registrations of USD 30.73bn (2.2x). Disbursed FDI of USD 24.08bn (+13.1%) is the highest for the period in five years, 82.9% of it in manufacturing. The registered-disbursed gap widened to USD 30.8bn from USD 10.2bn a year earlier.

Public investment (VND trillion)



Source: GSO, Shinhan Securities Vietnam

FDI (USD bn)

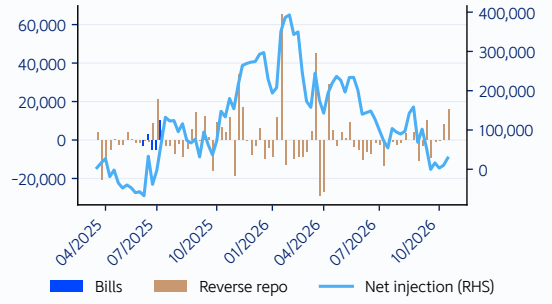


Source: Fiinpro, Shinhan Securities Vietnam

Money Market

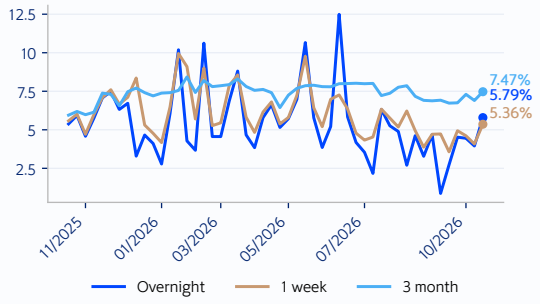
Interbank rates rebounded through October 2026. The overnight rate rose to 5.79% on 30 October from 0.87% on 25 September. In October, the overnight rate averaged 4.29%, against 3.36% in September; the 1-week rate closed at 5.36% and the 3-month at 7.47%, up from 4.73% and 6.92%. SBV reverse-repo operations were a net withdrawal in the first three weeks of October before injections of VND 8.05tn on 28 October and VND 16.07tn on 30 October.

Open market operation (VND billion)



Source: SBV, FiinPro, Shinhan Securities Vietnam

Interbank interest rate



Source: SBV, FiinPro, Shinhan Securities Vietnam

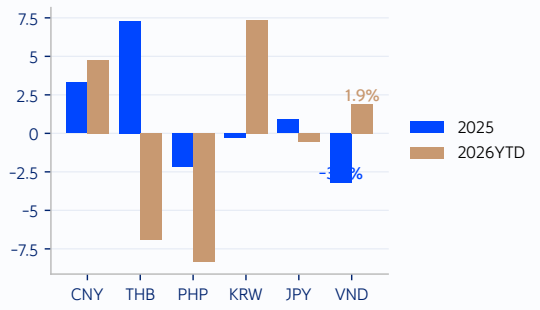
The free-market VND/USD rate ended October 2026 at 26,140, 1.0% weaker than 25,890 at end-September but 2.3% stronger than 26,750 at end-2025, while the DXY averaged 101.88 in October, up 2.39 points MoM (GSO). Regionally, the VND is up 1.89% against the USD in 2026 YTD, behind the KRW (+7.38%) and CNY (+4.77%) but ahead of the JPY (-0.54%), THB (-6.91%) and PHP (-8.35%).

VND/USD exchange rate on free market



Source: Fiinpro, Shinhan Securities Vietnam

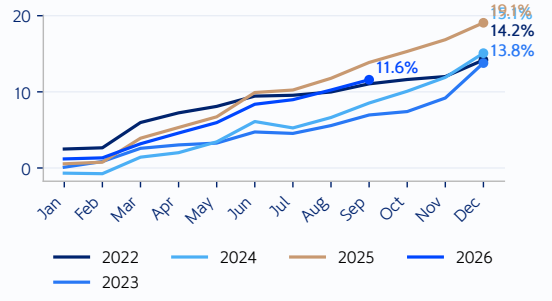
YTD depreciation vs USD, selected countries (to 30/10/2026)



Source: Bloomberg, Shinhan Securities Vietnam estimate

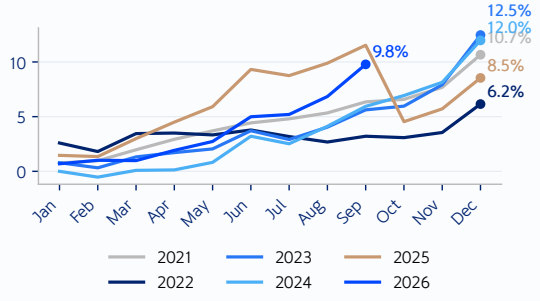
Credit growth reached 11.59% YTD as of September 2026, against 13.86% a year earlier, while deposit growth accelerated to 9.78% YTD from 6.84% in August (11.53% in September 2025). The credit-deposit gap narrowed to 1.81pp from 3.4-3.8pp in June-August.

Credit growth rate (YTD)



Source: SBV, FiinPro, Shinhan Securities Vietnam

Deposit growth rate (YTD)



Source: SBV, FiinPro, Shinhan Securities Vietnam

Money Market (continued)

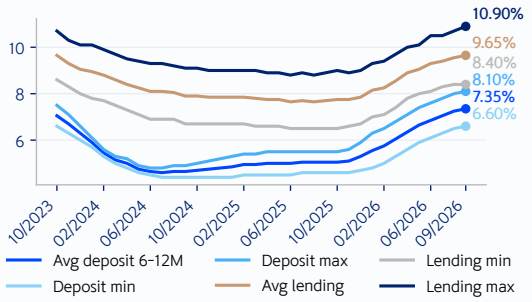
The average 12-month deposit rate at state-owned commercial banks fell to 5.40% in October 2026 from 5.90%, the first change since March and the first cut since April 2024. System-wide rates are still rising, but more slowly. The average 6-12 month deposit rate reached 7.35% in September 2026 (+10bps MoM, after +20bps in each of June-August) and the average lending rate 9.65% (+10bps). Year on year, deposit rates are up 230bps and lending rates 195bps, compressing the average spread to 2.30pp from 2.65pp. This series runs to September, one month behind, so October's SOCB cut is not yet reflected.

12M term deposit rate at SOCBs



Source: Fiinpro, Shinhan Securities Vietnam

Lending – deposit rates



Source: SBV, FiinPro, Shinhan Securities Vietnam

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