

VIETNAM MACRO UPDATE

22 December 2025

Flood affected the food CPI

Food and foodstuff CPI surged

November inflation increased by 0.45% MoM, being attributable to (1) food and foodstuff group and (2) transportation group. The total contribution of these two groups equals the overall increase. Three major floods in November were severe, resulting in significant loss of life and property. Due to the scale of the disaster, widespread inundation occurred in many areas, causing damage to agricultural products. Food supply was disrupted. The food & foodstuff group increased by 0.95% MoM, contributing 0.34 percentage points to the headline CPI. Vegetable prices increased sharply with 12.7% MoM. Other food such as seafood, poultry, and eggs all increased, except for pork which decreased by 0.42% MoM. Domestic rice prices also increased by 0.14% MoM, corn grew by 2.97%, potatoes grew by 2.6%, and cassava increased by 1.47%. Provinces affected by floods witnessed a sharp increase in the food price index in November. Gia Lai increased by 3.72% MoM. Da Nang, Khanh Hoa, Quang Ngai, Lam Dong, Hue and Daklak all saw increases of over 2%-3%. Due to the increase in food material prices, the price index for eating out also increased. We believe that food prices may decrease slightly in December but would remain high due to seasonal factors and the supply could not recover immediately. The price index for food and foodstuff services could increase significantly in early 2026 because of the Lunar New Year holidays.

The transportation group increased by 1.07%, contributing 0.11 percentage points to the overall increase. In particular, the diesel price index increased by 5.23% MoM, and the gasoline price index increased by 2.41% due to domestic fuel price adjustment. The increase in gasoline prices led to a 3.61% MoM increase in mix passenger transportation costs. However, gasoline prices decreased slightly in December. The retail price of diesel on 18 December 2025 was only 17,470 VND/liter, increasing by 11.8% compared to the peak on 20 November 2025 (19,820 VND/liter).

In term of YoY growth, the overall CPI increased by 3.58% YoY in November 2025. After excluding food, energy, and items managed by the State such healthcare and education; core inflation rose 3.28% YoY in November. In 11M2025, the headline CPI increased by 3.29% YoY. Core inflation in 11M2025 reached 3.21% YoY.

Manufacturing continued the momentum

The Industrial Production Index (IIP) increased by 10.76% YoY in November and 9.34% in 11M2025. The PMI in November reached 53.8 points, a slight decrease from 54.5 points in October. However, the PMI consistently remained above 50 points since July, marking a long streak of continuous expansion in manufacturing activity. Export orders in November increased significantly, driven by strong demand from both China and India. Because of the flood impact, there were some disruptions to the supply chain and the ability to fulfill orders on time. Therefore, the inventory level of finished goods decreased significantly.

Exchange rate remained high in November and cooled down in December

The VND/USD exchange rate in the free market remained stable at a high level around 27,700 VND/USD in November. However, on 12 December 2025, the exchange rate decreased to 27,100 VND/USD on the free market, equivalent to a 2.4% decrease from its peak. On 10 December 2025, the Federal Reserve System (FED) cut interest rates by 0.25 percentage points for the third consecutive time. Meanwhile, domestic interest rates in Vietnam rose again in December. On 17 December 2025, Vietnamese state-owned banks simultaneously increased deposit interest rates for 6-12 month term by 50bps. The average interest rate of the four state-owned banks increased from 4.68% to 5.2%. Exchange rate pressure in 2025 was largely due to the interest rate differences between Vietnam and the US. At the end of 2025, the increase in Vietnamese interest rates and the decrease in US interest rates narrowed the gap. On 12 December 2025, the 10Y bond yield spread between Vietnam and the US fell to 0.2%, a significant reduction from 1.7% at the end of 2024.

Macro indicators - 11/2025

Economic indicators	11/25	10/25	09/25	08/25	07/25	06/25	05/25	04/25	03/25	02/25	01/25	12/24	11/24
CPI (YoY)	3.58%	3.25%	3.38%	3.24%	3.19%	3.56%	3.24%	3.12%	3.13%	2.91%	3.63%	2.94%	2.77%
CPI (MoM)	0.45%	0.20%	0.42%	0.05%	0.11%	0.48%	0.16%	0.07%	-0.03%	0.34%	0.98%	0.29%	0.13%
PMI	53.80	54.50	50.40	50.40	52.40	48.90	49.80	45.60	50.50	49.20	48.90	49.80	50.80
IIP (YoY)	10.8%	10.8%	13.6%	8.7%	7.4%	8.0%	9.6%	9.6%	9.9%	17.2%	0.6%	8.8%	8.0%
IIP (MoM)	2.3%	2.4%	0.1%	2.2%	0.5%	4.1%	4.3%	1.4%	12.0%	-2.2%	-9.2%	0.8%	2.3%
Retail (YoY)	7.1%	7.2%	11.3%	10.6%	9.2%	8.3%	10.2%	11.1%	10.8%	9.5%	9.5%	9.3%	8.8%
Export (USD bn)	39.07	42.11	42.88	43.49	42.40	39.84	39.70	37.74	38.57	31.17	33.16	35.53	33.80
Import (USD bn)	37.98	39.63	39.91	39.79	40.04	36.72	39.02	36.84	36.87	32.67	30.14	35.01	32.80
Balance of trades (USD bn)	1.09	2.49	2.97	3.70	2.36	3.12	0.69	0.90	1.69	-1.50	3.02	0.52	1.00
Acc. Disbursed FDI (USD bn)	23.6	21.30	18.80	15.40	13.60	11.72	8.90	6.74	4.96	2.95	1.51	25.35	21.68
Acc. Registered FDI (USD bn)	33.69	31.52	28.54	26.14	24.09	21.51	18.40	13.82	10.98	6.90	4.33	38.23	31.38
Public Investment (VND trillion)	97.48	90.28	87.56	83.13	77.57	71.47	58.06	49.61	43.97	37.70	35.25	86.38	75.88
Credit growth	16.56%	15.09%	13.86%	11.78%	10.24%	9.91%	6.72%	5.32%	3.91%	0.76%	0.55%	15.08%	11.90%
Deposit growth	n.a	n.a	10.86%	n.a	9.68%	8.91%	7.61%	6.69%	5.73%	4.26%	1.74%	8.15%	7.16%
Overnight interbank rate	5.40%	4.45%	4.38%	2.03%	3.35%	6.45%	3.1%	2.54%	4.02%	4.59%	3.92%	4.04%	3.11%
Average deposit rate at SOCBs	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%
10Y Government bond yield	3.89%	3.82%	3.62%	3.55%	3.32%	3.21%	3.11%	3.07%	2.97%	3.09%	3.00%	2.97%	2.68%
VND/USD exchange rate	27,650	27,760	26,490	26,650	26,380	26,370	26,260	26,420	25,860	25,670	25,450	25,750	25,690

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



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Shinhan Securities Vietnam Co., Ltd.
 Niền Nguyễn – Associate Manager
 ☎ (84-8) 6299-8000

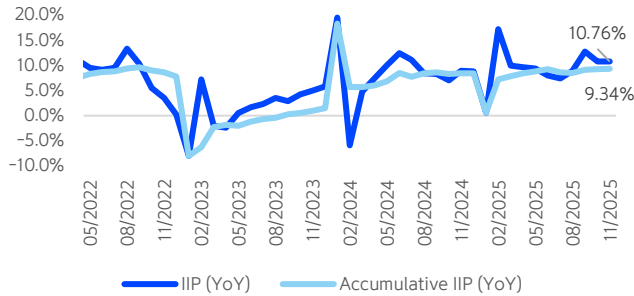


Vietnam Economic Update – November 2025

Production – Consumption

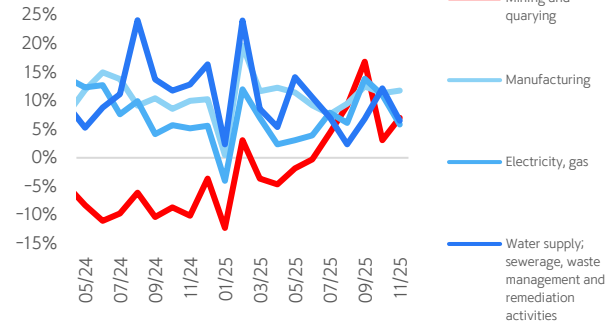
In November, the industrial production index (IIP) grew positively by 10.76% YoY (+2.3% MoM). The manufacturing sector grew the most with 11.8% YoY. In 11M2025, the manufacturing sector increased by 10.6% YoY. Motor vehicle production grew by a slower YoY rate with an increase of 8.6% YoY. In the 11M2025, motor vehicle production increased by 22.0% YoY.

Index of Industrial production (IIP)



Source: GSO, Shinhan Securities Vietnam

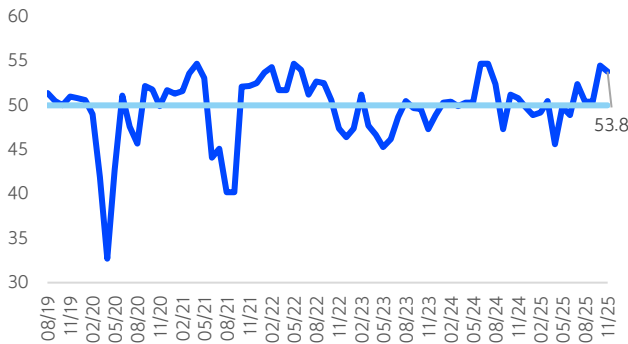
IIP by sub-sectors



Source: GSO, Shinhan Securities Vietnam

The PMI index reached 53.8 points in November, a slight decrease from 54.5 points in October. The PMI had remained above 50 points since July 2025. The number of orders maintained its upward trend, despite at a slower pace compared to the previous month. In particular, new export orders increased at a rapid pace, the fastest in the last 15 months. The survey noted improved demand in China and India. Severe weather conditions in November impacted supply chains and manufacturers' ability to complete work on time. Because orders increased faster than production capacity, inventories decreased significantly.

Purchasing managers' index (PMI)



Source: S&P Global, Shinhan Securities Vietnam

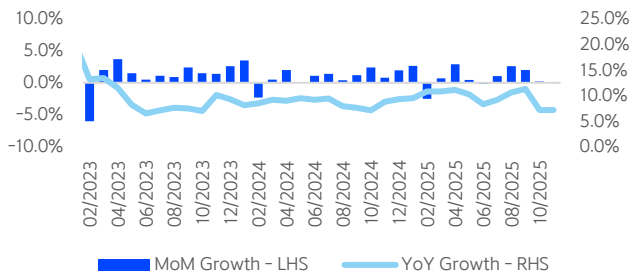
PMI summary

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

Source: S&P Global, Shinhan Securities Vietnam

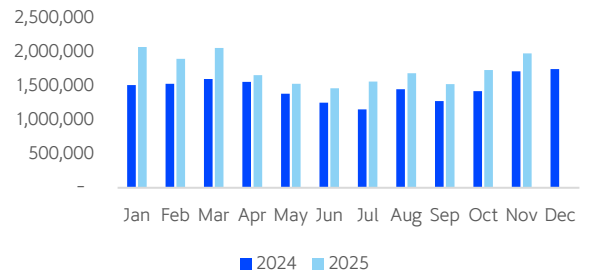
Total retail sales of goods and consumer services revenue increased by 7.1% YoY in October and nearly no growth in term of MoM. In 11M2025, total retail sales of goods and consumer services revenue increased by 9.1% YoY. Retail sales of goods increased by 6.0% YoY in November and 7.9% in 11M2025. Travel and accommodation and catering services continued to achieve double-digit growth with 13.6% YoY and 19.1% YoY in November, respectively. International arrivals to Vietnam increased by 15.6% YoY in November. In 11M2025, international arrivals to Vietnam increased by 20.9% YoY.

Total retail sales growth



Source: GSO, Shinhan Securities Vietnam

Foreign tourist (pax)

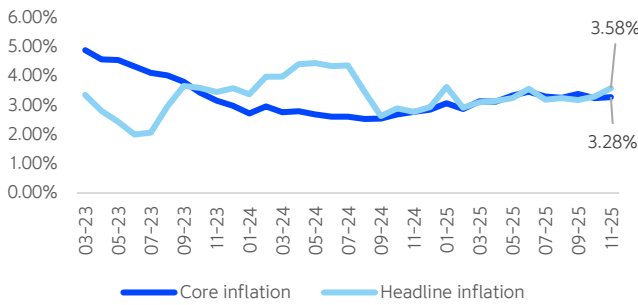


Source: GSO, Shinhan Securities Vietnam

Inflation

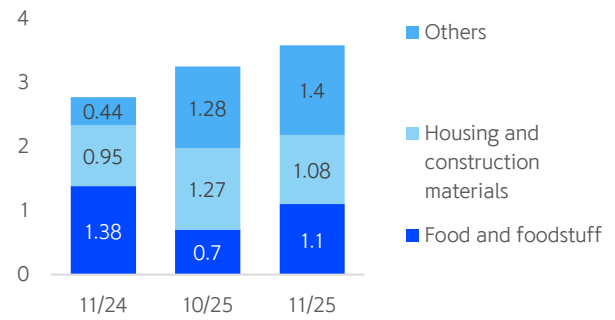
In November 2025, the headline CPI increased by 3.58% YoY. After excluding food, foodstuffs, energy and State-managed goods such as health care and education; core inflation increased by 3.28% YoY in November. In 11M2025, the headline CPI increased by 3.29%. Core inflation in 11M2025 reached 3.21%. The food and foodstuff component increased by 3.29% YoY, contributing 1.1 points to the overall increase of the November CPI. The housing, electricity, water, fuel and construction materials component increased by 5.73% YoY, contributing 1.08 points to the overall increase.

Monthly Consumer price index (YoY)



Source: GSO, Shinhan Securities Vietnam

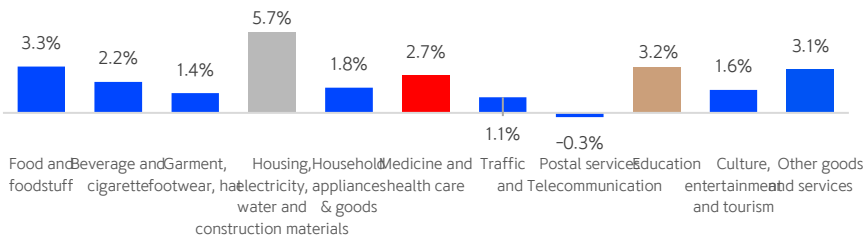
CPI component in November (% YoY)



Source: GSO, Shinhan Securities Vietnam

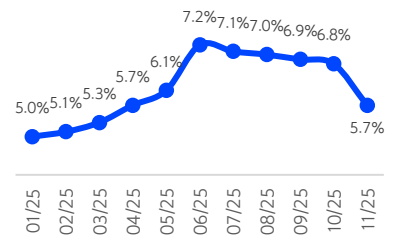
The component of medicines and medical services increased the highest YoY by 12.6% YoY and this would be the last high increase of this group in 2025. Next month, we believe that the effect of Circular 21/2024/TT-BHYT would no longer have an impact. The group of housing, electricity and water remained the second-highest-growth group; however, the factors that caused the strong YoY increase in previous months are no longer significant. The YoY increase for this group was also trending downwards towards the end of the year. The third-highest group was education. The start of the new school year, along with the adjustment of tuition fees for 2025-2026 at some universities, colleges, vocational schools, private high schools, and private kindergartens in some localities, caused the CPI for this group to increase.

November CPI growth by components (YoY)



Source: GSO, Shinhan Securities Vietnam

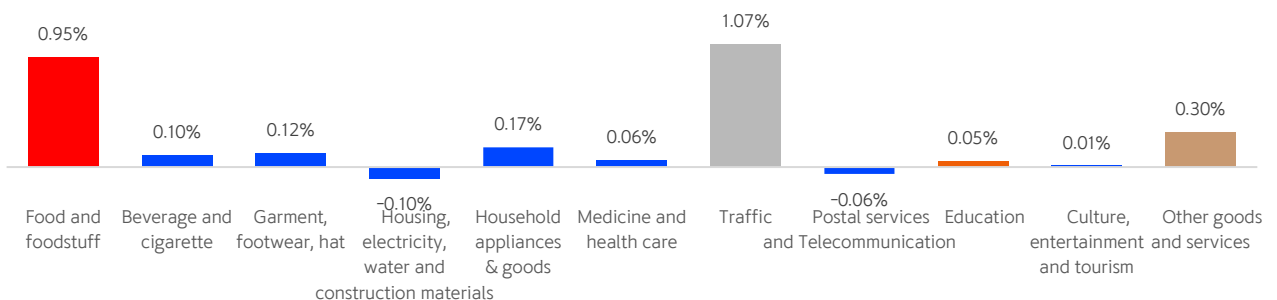
CPI of housing and construction material group (% YoY)



Source: GSO, Shinhan Securities Vietnam

In terms of MoM growth, the transportation group saw the strongest increase at 1.07%. The diesel price index rose by 5.23%, and the gasoline price index increased by 2.41% MoM due to domestic fuel price adjustments. Prices for motorcycles, auto parts, and passenger transport also increased. Food and catering services was the second strongest increase in November. Due to storms and floods causing heavy rains, agricultural products were damaged. Food supplies were disrupted. The price of vegetables increased by 12.71%, and other basic items such as seafood, poultry, and eggs also increased. The increase in food ingredient prices led to an increase in the price of services and dining out.

November CPI growth by components (MoM)

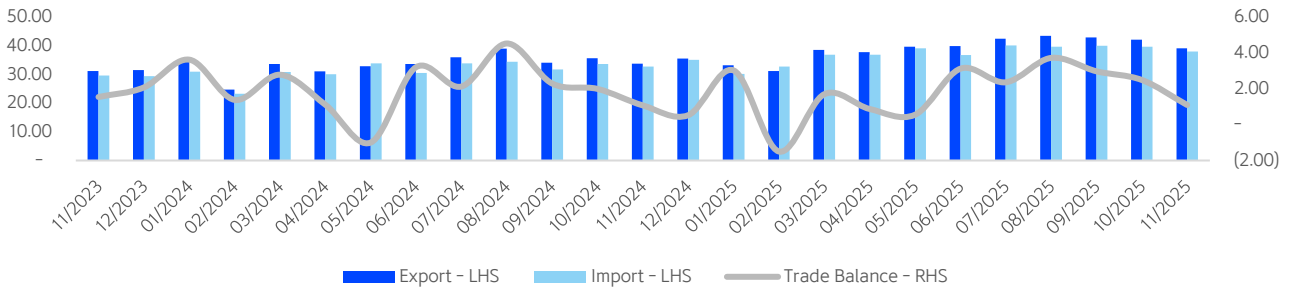


Source: GSO, Shinhan Securities Vietnam

Trading – Investment

Export turnover in November reached 39.1 billion USD (-7.1% MoM and +15.1% YoY). Import turnover reached 37.98 billion USD (-3.7% MoM and +16.0% YoY). Both exports and imports of mobile phones and components decreased significantly by 21.5% MoM and 29.4% MoM. Trade surplus in November reached 1.1 billion USD, accumulated in 11 months reached 20.5 billion USD (same period last year reached 24.4 billion USD). The US was still Vietnam's largest export market with turnover reaching 136.8 billion USD and China was Vietnam's largest import market with turnover reaching 167.5 billion USD.

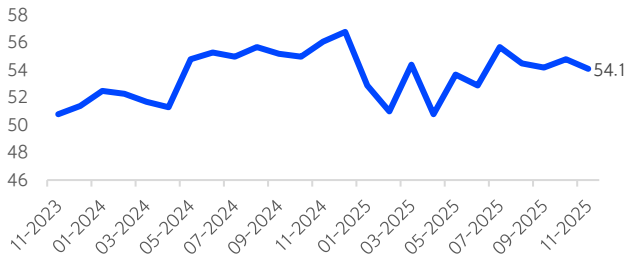
Total trading turnover (USD bn)



Source: GSO, Shinhan Securities Vietnam

The US services PMI edged lower to 54.1 in November from 54.8 in October. Along with solid growth in manufacturing output, the US economy was on track for 2.5% GDP growth in Q4. With lower interest rates and a booming capital market, financial services continued to grow in November. Consumption and services continued to expand, but pressures from higher costs began to emerge, fueled by concerns over reciprocal tariffs.

US service PMI



Source: S&P Global, Shinhan Securities Vietnam

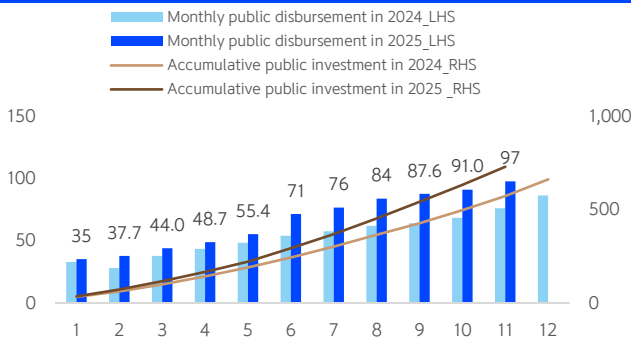
EU GDP growth rate (% - QoQ)



Source: EuroStat, Shinhan Securities Vietnam

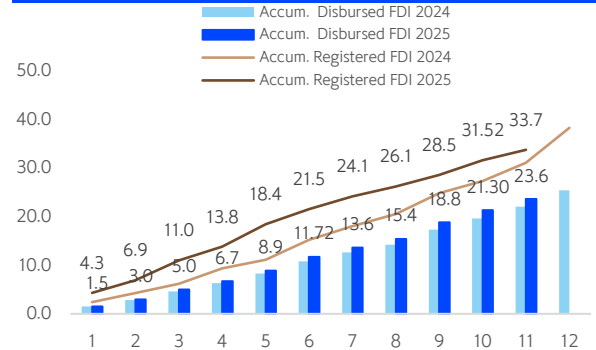
Public investment increased rapidly and strongly. In November 2025, public investment disbursement reached 97 trillion VND, increasing by 23% YoY. The 11-month cumulative figure reached 732 trillion VND, increasing by 27% YoY. In November 2025, registered FDI reached 2.17 billion USD. The 11-month cumulative registered FDI reached 33.69 billion USD, increasing by 7.3% YoY. Disbursed FDI reached about 2.3 billion USD in November. The 11-month cumulative disbursed FDI reached 23.6 billion USD, increasing by 8.8% YoY.

Public investment (VND trillion)



Source: GSO, Shinhan Securities Vietnam

FDI (USD bn)

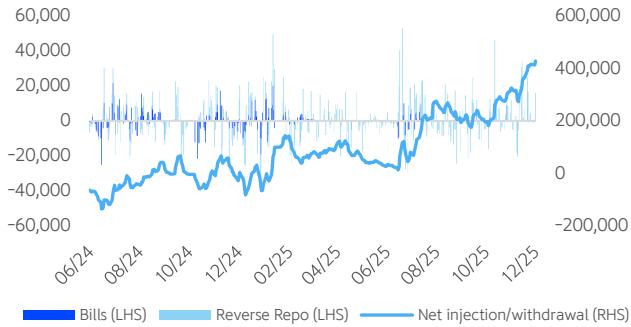


Source: Finpro, Shinhan Securities Vietnam

Money market

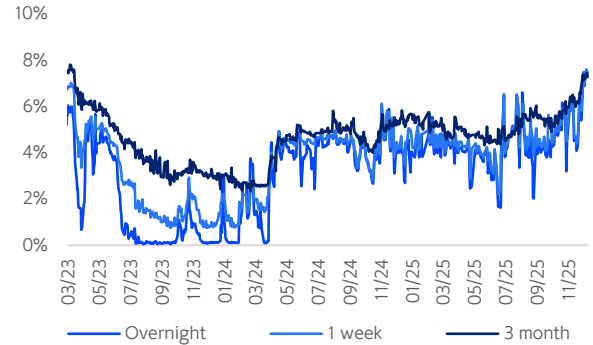
In November 2025, SBV injected VND 88.4 trillion through open market operations. Interbank interest rates in November 2025 increased significantly. The average interbank interest rates in November for overnight and 1-week were over 5% and the average interbank interest rate for 3M was above 6%. The average interest rate in November was higher than the interest rate of 4 state-owned commercial banks.

Open market operation (VND billion)



Source: SBV, FiinPro, Shinhan Securities Vietnam

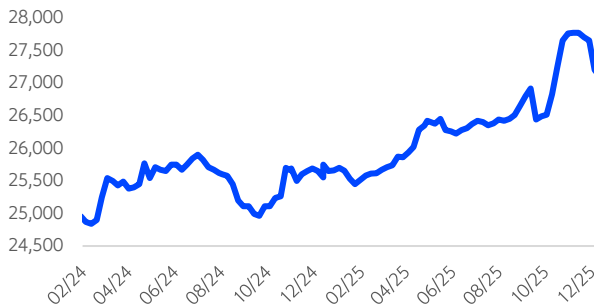
Interbank interest rate



Source: SBV, FiinPro, Shinhan Securities Vietnam

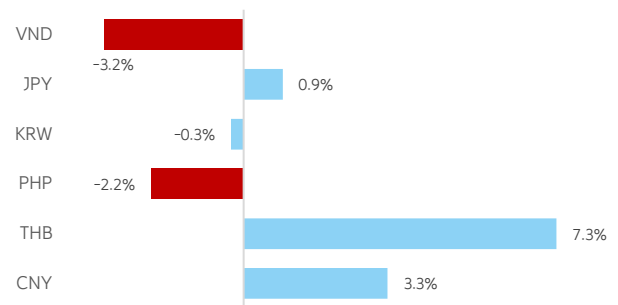
The VND/USD exchange rate on the free market remained stable at its peak in November and fell sharply in December. Exchange rate pressure eased as the interest rate differences between Vietnam and the US gradually narrowed. Interest rates in Vietnam tended to rise, while those in the US tended to fall due to interest rate cuts by the Fed.

VND/USD exchange rate on free market



Source: FiinPro, Shinhan Securities Vietnam

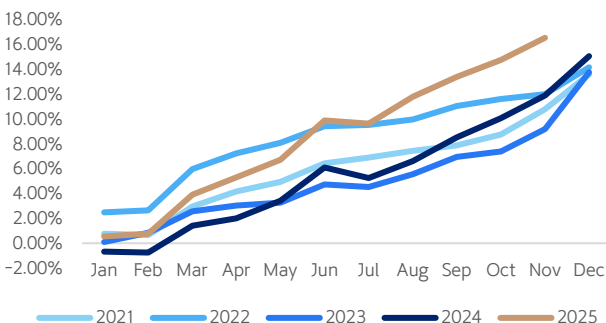
YTD depreciation against USD in some countries until 12/12/2025



Source: Bloomberg, Shinhan Securities Vietnam estimate

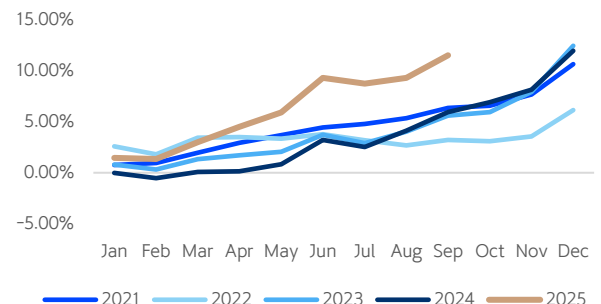
By the end of November, credit across the entire system had grown by 16.56% YTD, achieving the credit growth target set by the State Bank of Vietnam for 2025. The target for 2025 was 16%.

Credit growth rate (YTD)



Source: SBV, FiinPro, Shinhan Securities Vietnam

M2 money supply growth (YTD)

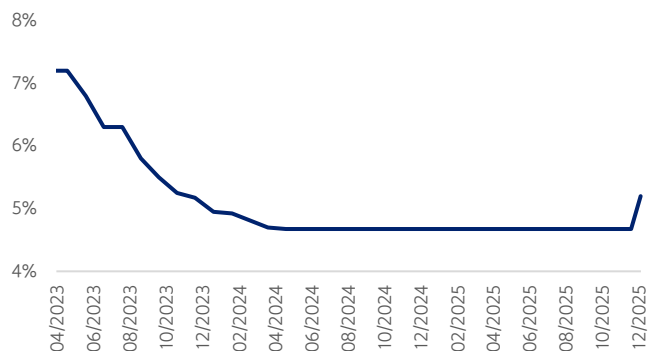


Source: SBV, FiinPro, Shinhan Securities Vietnam

Money market

The average 12-month deposit interest rate of state-owned commercial banks continued to move sideways at 4.68% in November and increased to 5.2% in December, marking the change of the interest rate level in the domestic capital market. The average lending interest rate in October 2025 fluctuated around 7.75%, increasing by 5 bps compared to September 2025. The average deposit interest rate remained sideways at 5.05% in October.

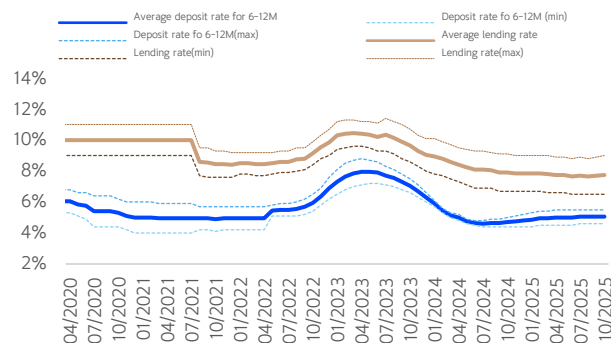
12M term deposit rate at SOCBs



Source: FiinPro, Shinhan Securities Vietnam

SOCBs: Average 12M deposit rate at Vietcombank, Agribank, BIDV and VietinBank

Lending – deposit rates



Source: SBV, FiinPro, Shinhan Securities Vietnam

Average rate is an average of max and min rates

SEOUL

Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HO CHI MINH

Shinhan Securities Vietnam Co., Ltd.
18th Floor, The Mett Tower, 15 Tran Bach Dang,
Thu Thiem Ward, Thu Duc City, HCM City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000



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