

VIETNAM MACRO UPDATE

11 February 2026

Prepare for the Lunar New Year

Production surges thanks to a low base

The Industrial Production Index (IIP) increased by 21.5% YoY in January 2026. Specifically, the manufacturing sector increased by 23.6% YoY; electricity production and distribution increased by 14.1%; water supply, waste management and wastewater treatment increased by 13.6%; and mining increased by 10.3%. The high growth in January 2026 was attributable to the last year's low base. January 2025 coincided with the Lunar New Year holiday, resulting in intermittent production activities. Regarding specific products manufactured in January 2026 compared to the same period last year, mobile phone components were the item with the largest increase, reaching a record growth of 92.7% YoY in terms of production value (trillion VND). Other items showing impressive increases include automobiles (+48.5% YoY, unit: thousands), motorcycles (+54.3%, unit: thousands), cement (+48.9%, million tons)... With the Lunar New Year approaching, demand for house renovations is high, leading to increased demand for construction materials.

The PMI index for January 2026 reached 52.5 points, extending the streak of consecutive months above 50 since July 2025. Being above 50 points indicates a clear monthly improvement in business conditions. The total number of new orders was supported by export orders. Several manufacturers received new orders from major Asian economies such as India. Businesses also increased purchasing activity to meet higher production demands. This also resulted in very large imports in January 2026, growing faster than exports.

Exports in January 2026 grew by 29.7% YoY, reaching 43.19 USDbn. Meanwhile, imports increased sharply by +49.2% YoY, reaching 44.97 USDbn. The fact that imports exceeded exports resulted in Vietnam experiencing a trade deficit for two consecutive months. In January 2026, Vietnam's trade deficit reached US\$1.7 billion.

Impressive increase in purchasing power due to preparations for the Lunar New Year

Shopping in preparation for the Lunar New Year in February led to positive growth in the economy's consumption in January. In January 2026, total retail sales of goods and consumer service revenue increased by 9.3% YoY. The number of tourists visiting Vietnam in January 2026 also reached a record high of 2.5 million people, an increase of 18.5% YoY and 21.4% MoM. The number of tourists visiting Vietnam in January 2026 was higher than in all months of 2025.

Despite pressure from high consumer demand, the consumer price index only increased slightly by 0.05% MoM in January 2026. Headline inflation increased by 2.53% YoY and core inflation increased by 3.19% YoY. Headline inflation was lower than core inflation due to a decrease of the transportation group, which decreased by 3.8% YoY and 2.32% MoM. Consumer demand for the Lunar New Year only affected two groups: (1) beverages and tobacco (increased by 0.58% MoM) and (2) housing, electricity, water and building materials (+0.7% MoM). The demand for gifts for the major holiday and home repairs for Tet were the main reasons for the sharp increase in CPI of these two groups.

Interbank interest rates soared in early February

In January 2026, interbank interest rates remained at 5-6% for overnight maturities. However, in the first three trading days of February (from the 2nd to the 4th), overnight interbank interest rates surged to 9%, 16.4%, and then returned to 10%. The main reason was the simultaneous occurrence of seasonal factors leading up to the Lunar New Year holiday. This resulted in a high demand for cash liquidity. Additionally, some smaller banks may not have been able to mobilize deposits in a timely manner during the early days of February, causing this unusual phenomenon. Because this is a seasonal and internal, we believe that the liquidity of the economy will return to normal after the Lunar New Year holiday. On 10th February 2026, overnight interbank interest rates returned to around 8%.

Macro indicators - 1/2026

Economic indicators	01/26	12/25	11/25	10/25	09/25	08/25	07/25	06/25	05/25	04/25	03/25	02/25	01/25
CPI (YoY)	2.53%	3.48%	3.58%	3.25%	3.38%	3.24%	3.19%	3.56%	3.24%	3.12%	3.13%	2.91%	3.63%
CPI (MoM)	0.05%	0.19%	0.45%	0.20%	0.42%	0.05%	0.11%	0.48%	0.16%	0.07%	-0.03%	0.34%	0.98%
PMI	52.50	53.00	53.80	54.50	50.40	50.40	52.40	48.90	49.80	45.60	50.50	49.20	48.90
IIP (YoY)	21.5%	10.1%	10.8%	10.8%	13.6%	8.7%	7.4%	8.0%	9.6%	9.6%	9.9%	17.2%	0.6%
IIP (MoM)	0.2%	2.2%	2.3%	2.4%	0.1%	2.2%	0.5%	4.1%	4.3%	1.4%	12.0%	-2.2%	-9.2%
Retail (YoY)	9.3%	9.8%	7.1%	7.2%	11.3%	10.6%	9.2%	8.3%	10.2%	11.1%	10.8%	9.5%	9.5%
Export (USD bn)	43.19	44.05	39.95	42.11	42.88	43.49	42.40	39.84	39.70	37.74	38.57	31.17	33.16
Import (USD bn)	44.97	44.69	38.70	39.63	39.91	39.79	40.04	36.72	39.02	36.84	36.87	32.67	30.14
Balance of trades (USD bn)	-1.78	-0.64	1.25	2.49	2.97	3.70	2.36	3.12	0.69	0.90	1.69	-1.50	3.02
Acc. Disbursed FDI (USD bn)	1.68	27.62	23.60	21.30	18.80	15.40	13.60	11.72	8.90	6.74	4.96	2.95	1.51
Acc. Registered FDI (USD bn)	2.58	38.42	33.69	31.52	28.54	26.14	24.09	21.51	18.40	13.82	10.98	6.90	4.33
Public Investment (VND trillion)	43.12	111.54	100.21	90.28	87.56	83.13	77.57	71.47	58.06	49.61	43.97	37.70	35.25
Credit growth (YTD)	n.a	17.87%	16.56%	15.09%	13.86%	11.78%	10.24%	9.91%	6.72%	5.32%	3.91%	0.76%	0.55%
Deposit growth (YTD)	n.a	n.a	n.a	n.a	10.86%	n.a	9.68%	8.91%	7.61%	6.69%	5.73%	4.26%	1.74%
Overnight interbank rate	5.09%	1.77%	5.40%	4.45%	4.38%	2.03%	3.35%	6.45%	3.1%	2.54%	4.02%	4.59%	3.92%
Average deposit rate at SOCBs	5.20%	5.20%	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	4.06%	4.03%	3.89%	3.82%	3.62%	3.55%	3.32%	3.21%	3.11%	3.07%	2.97%	3.09%	3.00%
VND/USD exchange rate	26,450	26,750	27,650	27,760	26,490	26,650	26,380	26,370	26,260	26,420	25,860	25,670	25,450

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



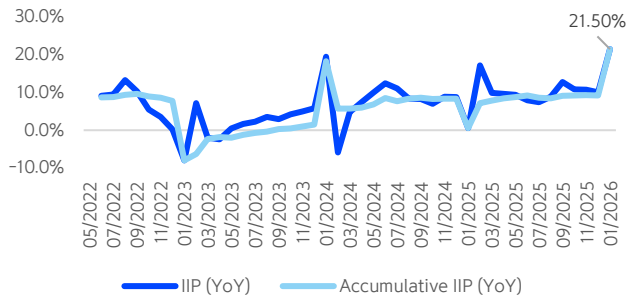
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Production – Consumption

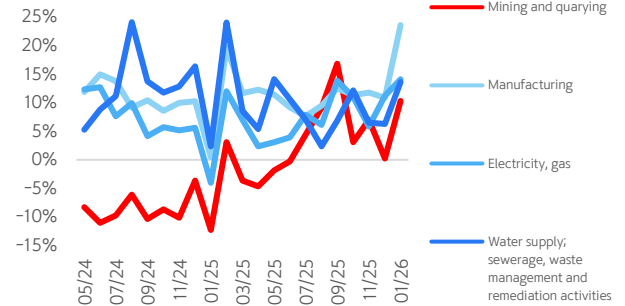
In January 2026, the Industrial Production Index (IIP) grew by 21.5% YoY (-0.2% MoM). The high YoY growth was due to a low base caused by the Lunar New Year falling in January last year. The manufacturing sector saw the strongest growth at 23.6% YoY. Other high-growth manufacturing sectors included paper production (+31.9% YoY), chemical production (+35.2%), production of other non-metallic mineral products (+41.9%), and motor vehicle production (+36.6%). The mining sector also showed notable growth at 10.3% YoY, with metal ore mining being particularly impressive at 6.0% YoY (+20.7% MoM).

Index of Industrial production (IIP)



Source: GSO, Shinhan Securities Vietnam

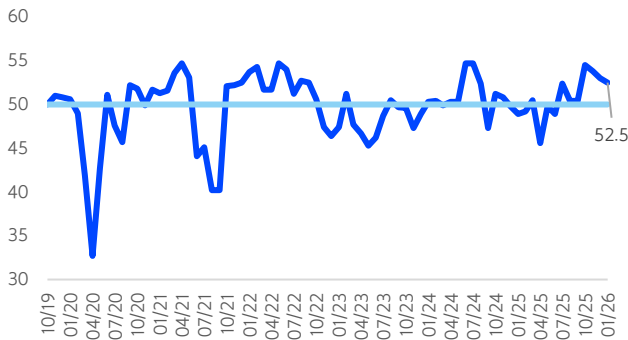
IIP by sub-sectors



Source: GSO, Shinhan Securities Vietnam

The PMI index reached 52.5 points in January 2026, a slight decrease from 53.0 points in December 2025. The PMI index has remained above the 50-point threshold since July 2025. The number of orders maintained its upward trend, albeit at a slower pace compared to the previous month. In particular, the number of new export orders increased rapidly, especially from the Indian market. Businesses increased purchasing activity to meet production demands and inventory levels for order fulfillment, resulting in a decrease in inventory during the month. While employment increased, most were temporary contracts due to holiday factors.

Purchasing managers' index (PMI)



Source: S&P Global, Shinhan Securities Vietnam

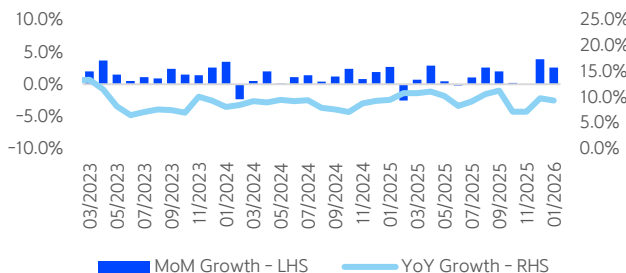
PMI summary

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

Source: S&P Global, Shinhan Securities Vietnam

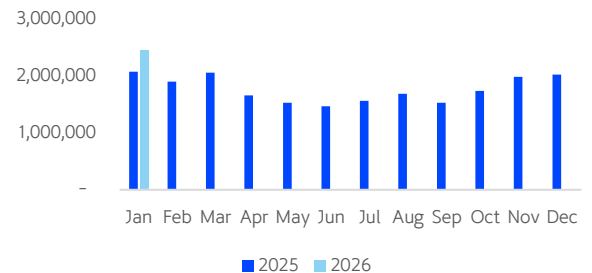
Total retail sales of goods and consumer service revenue increased by 9.3% YoY in January 2026 and by 2.6% MoM. February, the Lunar New Year, contributed to the strong buying power in January. Retail sales of goods increased by 9.3% YoY; accommodation and food services increased by 9.4%; and travel services increased by 14%. The number of tourists visiting Vietnam reached 2.5 million, an increase of 18.5% YoY and 21.4% MoM. This represents an impressive high for domestic tourism to start 2026.

Total retail sales growth



Source: GSO, Shinhan Securities Vietnam

Foreign tourist (pax)



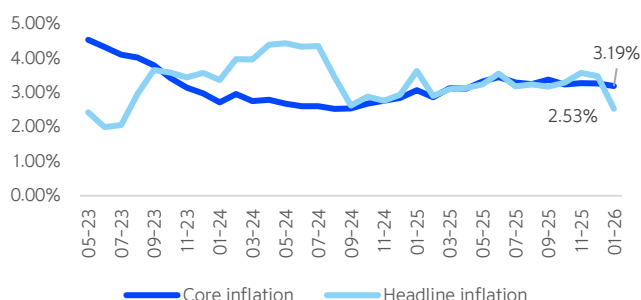
Source: GSO, Shinhan Securities Vietnam

Vietnam Economic Update – January 2026

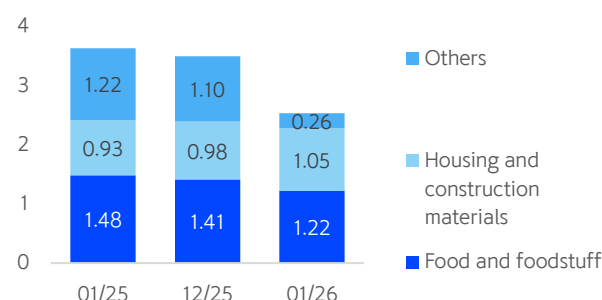
Inflation

In January 2026, headline CPI increased by 2.53% YoY. After excluding food, energy, and state-managed items such as healthcare and education, core inflation increased by 3.19% YoY in January 2026. Headline inflation was lower than core inflation due to a decrease in the transportation group, which fell by 3.8% YoY. The food and services group increased by 3.64% YoY, contributing 1.2 points to the headline CPI increase in January. The housing and building materials group saw a sharp increase of 5.6% YoY, contributing 1.05 points to the overall increase.

Monthly Consumer price index (YoY)



CPI component in January 2026 (% YoY)

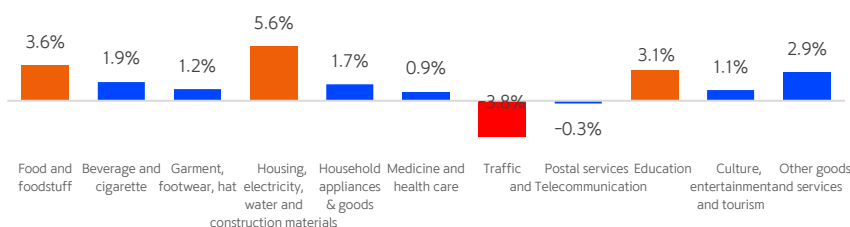


Source: GSO, Shinhan Securities Vietnam

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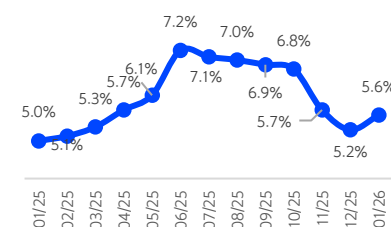
The high YoY growth streak of the medicine and medical services group has ended. In January 2026, the medicine and medical services group only increased by 0.9% YoY. The three groups with the highest increases were (1) food and foodstuff (+3.6% YoY); (2) housing, electricity, water and building materials (+5.6% YoY) and (3) education group (+3.1% YoY). Consumer demand for the Lunar New Year increased. The prices of eating out and home maintenance materials increased due to the increased demand for painting and renovating houses to welcome the new year. The education group increased due to some private schools, vocational schools, universities and postgraduate schools in some localities adjusting tuition fees.

January 2026 CPI growth by components (YoY)



Source: GSO, Shinhan Securities Vietnam

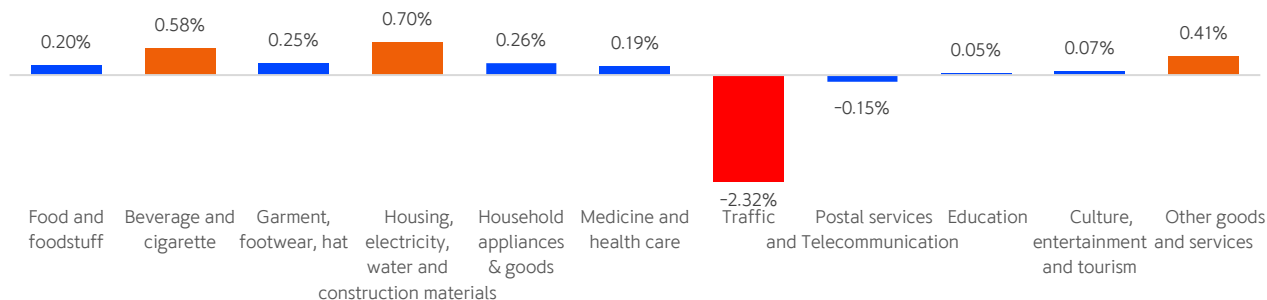
CPI of housing and construction material group (% YoY)



Source: GSO, Shinhan Securities Vietnam

According to MoM, the three groups with the strongest increases are (1) Housing, electricity, water and building materials; (2) Beverages and cigarette and (3) Other goods and services. Group (1) increased due to a 0.60% increase in the price of housing maintenance materials; a 0.57% increase in the price of housing repair services; and a 0.59% increase in the price of other services related to housing. Group (2) increased due to increased demand for gifts during the Lunar New Year, causing the price of alcoholic beverages to increase by 0.45% MoM. Group (3) increased mainly due to a 2.55% MoM increase in jewelry. The transportation group decreased most sharply with a decrease of 2.32% MoM due to a 5.34% MoM decrease in the gasoline price index, a 3.23% MoM decrease in the diesel price index; and a 0.14% MoM decrease in the new car price index.

January 2026 CPI growth by components (MoM)

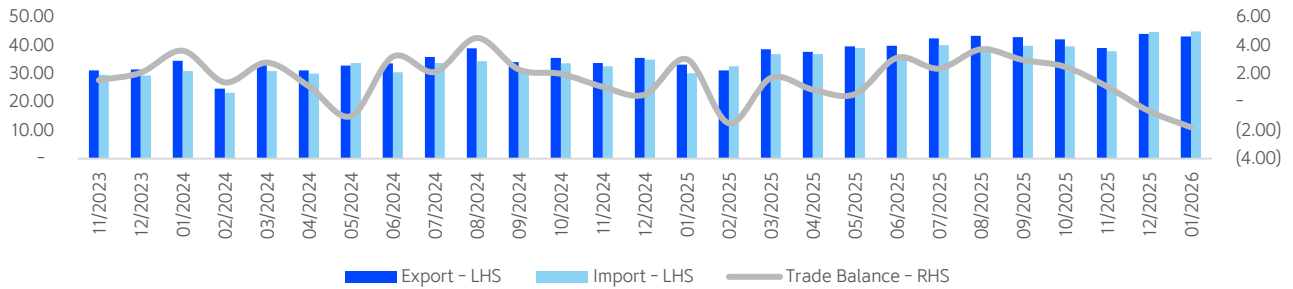


Source: GSO, Shinhan Securities Vietnam

Trading – Investment

Vietnam's exports in January 2026 reached 43.19 USDbn (-2.0% MoM and +29.7% YoY). Imports reached 44.97 USDbn (-0.6% MoM and +49.2% YoY). The trade deficit in January 2026 was 1.7 USDbn. Vietnam has experienced a trade deficit for two consecutive months. The US remains Vietnam's largest export market with a value of 13.9 USDbn, and China is Vietnam's largest import market with a value of 19.0 USDbn.

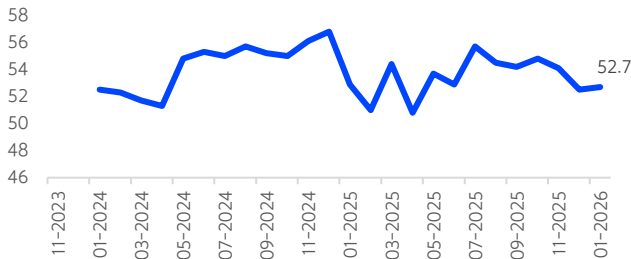
Total trading turnover (USD bn)



Source: GSO, Shinhan Securities Vietnam

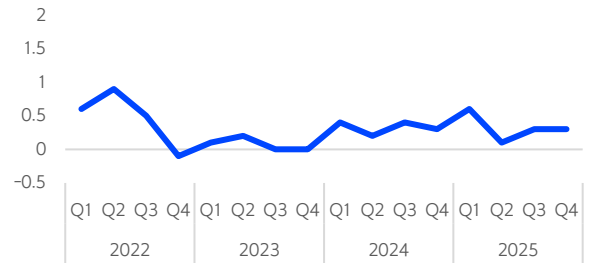
The US services PMI edged up to 52.7 points in January 2026 from 52.5 points in December 2025. This marks the third consecutive year that the US services sector has had a PMI above 50. Business activity grew strongly thanks to a surge in new business creation in early 2026. However, business confidence hit its lowest level since October due to concerns about political instability. The EU maintained positive growth throughout 2025 with a Q4 growth of 0.3% QoQ.

US service PMI



Source: S&P Global, Shinhan Securities Vietnam

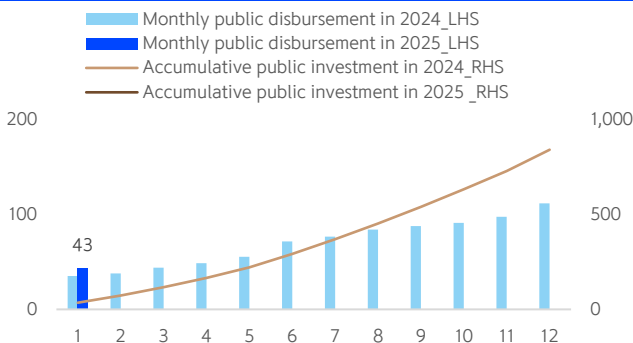
EU GDP growth rate (% - QoQ)



Source: EuroStat, Shinhan Securities Vietnam

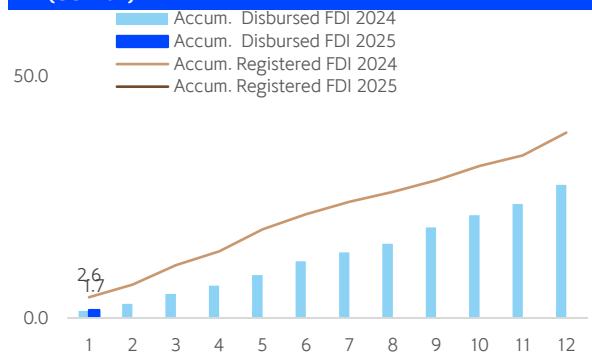
In January 2026, public investment started the year strongly with a value of 43.1 trillion VND, increasing by 19.3% YoY and reaching 4.8% of the annual plan. The Ministry of Construction achieved a high disbursement rate with a growth of 59.8% YoY in January. Cumulative FDI disbursement reached a high level with a value of 1.68 USDbn in January 2026, increasing by 11.26% YoY. Meanwhile, registered FDI only reached 2.58 USDbn, decreasing by 40.5% YoY in January 2026.

Public investment (VND trillion)



Source: GSO, Shinhan Securities Vietnam

FDI (USD bn)

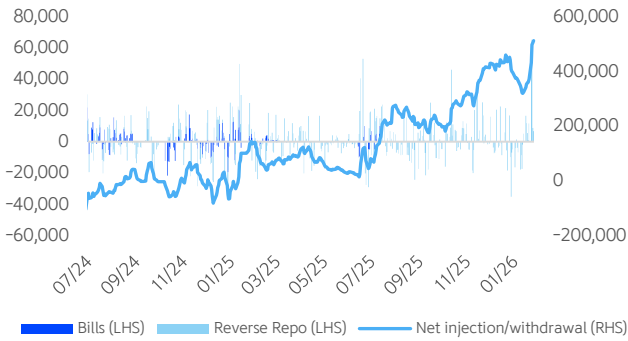


Source: Finpro, Shinhan Securities Vietnam

Money market

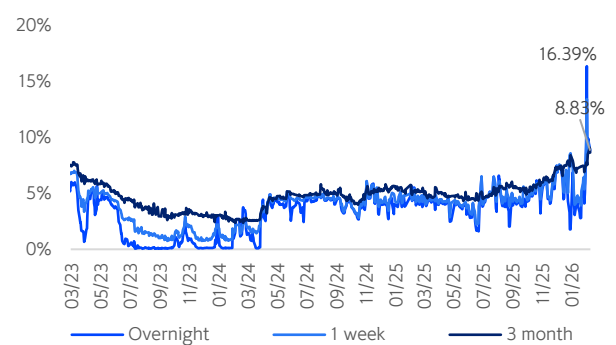
In January 2026, SBV withdrew a net 88 trillion VND through open market operations. However, within the first three days of February, the SBV injected 134 trillion VND back into the market. The overnight interbank interest rate surged to nearly 17% in early February. This was primarily due to seasonal factors occurring simultaneously with the Lunar New Year holiday, leading to a high demand for cash liquidity. Additionally, some smaller banks may not have been able to mobilize deposits in a timely manner during the early days of February, causing this unusual phenomenon. Because this is a seasonal and internal, we believe that the liquidity of the economy will return to normal after the Lunar New Year holiday. On 10th February 2026, overnight interbank interest rates returned to around 8%.

Open market operation (VND billion)



Source: SBV, FiinPro, Shinhan Securities Vietnam

Interbank interest rate



Source: SBV, FiinPro, Shinhan Securities Vietnam

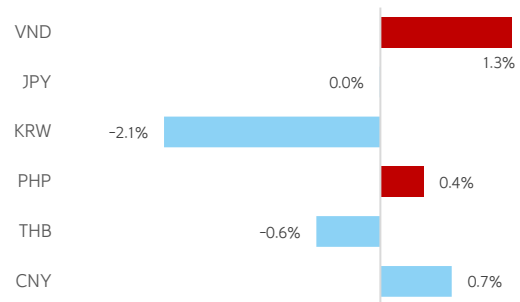
The VND/USD exchange rate on the free market fell sharply in January and then rebounded in early February, corresponding to developments in the interbank market. The exchange rate fell as the interest rate differential between the Vietnamese and US markets narrowed. To support market liquidity, the State Bank of Vietnam (SBV) also used USD/VND swaps in the early days of February. Despite this, until 06 February 2026, VND appreciated by 1.3% against the US dollar.

VND/USD exchange rate on free market



Source: Fiinpro, Shinhan Securities Vietnam

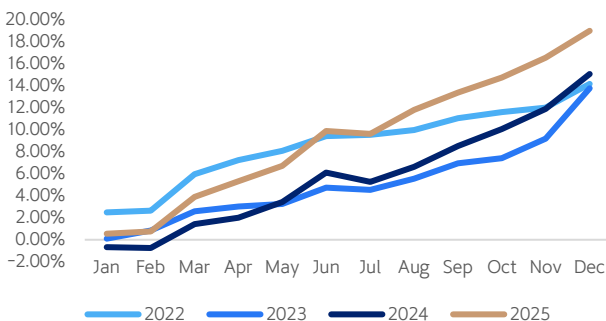
YTD depreciation against USD in some countries until 06/02/2026



Source: Bloomberg, Shinhan Securities Vietnam estimate

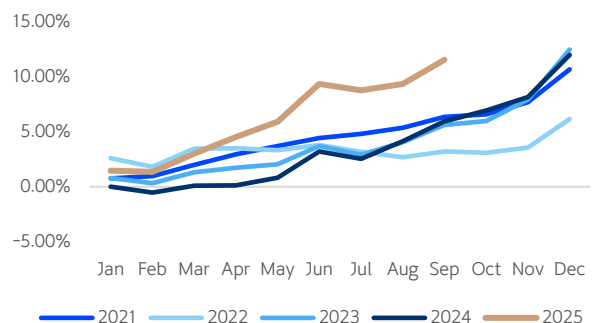
In 2026, the State Bank of Vietnam (SBV) aims for a 15% credit growth rate for the entire system. It particularly emphasizes strict control over credit growth rates for risky sectors and the real estate sector in 2026.

Credit growth rate (YTD)



Source: SBV, FiinPro, Shinhan Securities Vietnam

M2 money supply growth (YTD)

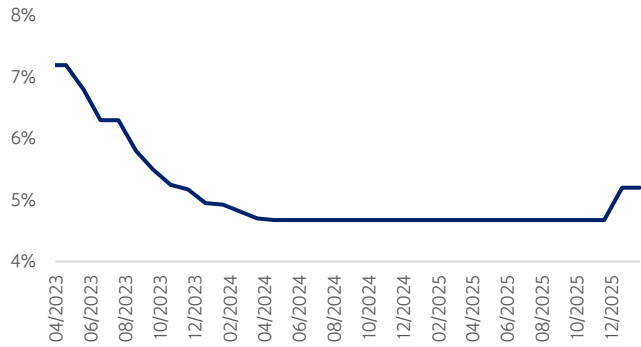


Source: SBV, FiinPro, Shinhan Securities Vietnam

Money market

The average 12-month deposit interest rate of state-owned commercial banks in January 2026 was 5.2%, the same as in December last year. After a long period since 2024, interest rates have increased from 4.68% to 5.2%, potentially establishing a new benchmark for 2026. The average lending interest rate at the end of the year, December 2025, was 7.85%, an increase of 10bps compared to November 2025. The average deposit interest rate for 6-12 month terms in December 2025 also increased, remaining at 5.3%, an increase of 20bps compared to November 2025.

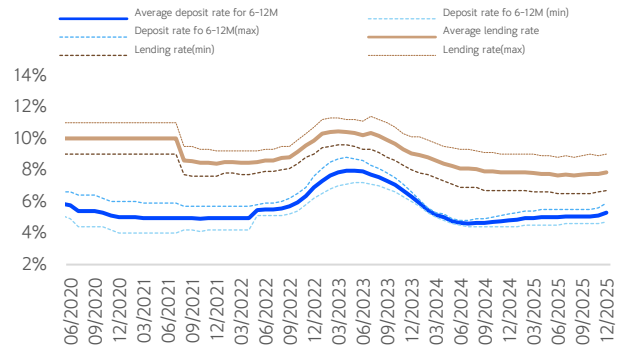
12M term deposit rate at SOCBs



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

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