



VIETNAM MACRO UPDATE

14 May 2026

Inflation was high

High inflation in April

Headline inflation in April 2026 increased by 5.46% YoY and 0.84% MoM. The average CPI increase in 4M2026 was 3.99% YoY, still below the 4.5% target set by the Government for 2026.

The high inflation in April was due to increased fuel costs caused by the Iran conflict. Although fuel prices cooled down compared to March, the transportation group decreased by 0.81% MoM; in term of YoY, the transportation group had the highest increase among the CPI components, rising by 11.08% YoY. Fuel costs have dragged up increases in other groups, especially housing, electricity, water, fuel, and construction materials.

The housing, utilities, fuel, and building materials group increased by 8.0% YoY (contributing 1.5 points to the overall increase) and 2.6% MoM (contributing 0.59 points). Gas prices increased by 35.3% MoM and oil prices increased by 26.95% MoM. Rising gasoline, gas, and oil prices have driven up transportation and production fuel costs. Prices of building materials such as bricks, stone, cement, and steel also increased this month.

Several groups that had not seen significant MoM increases in the past two years were showing signs of doing so. This is mainly due to increased raw material, labor, transportation, and import costs. The beverages and tobacco group saw the second highest increase at 0.85% MoM, while the household appliances and supplies group saw the third highest increase at 0.78% MoM.

We believe that price increases in essential goods led to a strong 12.1% YoY increase and a 1.7% MoM increase in total retail sales of goods and consumer service revenue in April 2026. It appears that overall economic consumption has not yet been significantly affected by the price increases. However, it is still too early to assess the long-term impact of fuel cost increases on aggregate demand in 2026.

Production remained strong, but concerns about inflation began to emerge

In April 2026, the Industrial Production Index (IIP) grew by 9.9% YoY (+3.0% MoM). In 4M2026, IIP increased by 9.2% YoY. The manufacturing sector continued its high growth in April 2026 with a 10% YoY increase. Machinery, equipment, and motor vehicle manufacturing achieved double-digit growth of over 20%, at 24.3% YoY and 23.6% YoY respectively in April 2026.

However, PMI data painted a less optimistic picture. The PMI in April 2026 fell to 50.5 points from 51.2 points in March. Throughout 2026, the PMI had declined for several consecutive months, nearing the 50-point mark. Manufacturing output was the only factor to increase in April. The remaining PMI factors, such as new orders, inventories, purchasing activity, employment, and business sentiment, all declined. Notably, foreign orders decreased for two consecutive months.

Vietnam continued to experience a trade deficit in April 2026. Exports in April reached USD 45.52 billion (-2.0% MoM and +21.0% YoY) and imports reached USD 48.8 billion (+3.6% MoM and +32.5% YoY). In 4M2026, Vietnam recorded a trade deficit of USD 7.11 billion.

Interbank interest rates stabilized again

After temporary and seasonal spikes over 10% in the first three months of 2026, interbank interest rates stabilized. The average overnight interbank interest rate in April fluctuated between 3.84% and 8.81%, reaching 3.88% on the last trading day of the month. Similarly, the 3-month rate fluctuated between 7.08% and 8.3%, reaching 7.08% at the end of the month.

Macro indicators - 4/2026

Economic indicators	04/26	03/26	02/26	01/26	12/25	11/25	10/25	09/25	08/25	07/25	06/25	05/25	04/25
CPI (YoY)	5.46%	4.65%	3.35%	2.53%	3.48%	3.58%	3.25%	3.38%	3.24%	3.19%	3.56%	3.24%	3.12%
CPI (MoM)	0.84%	1.23%	1.14%	0.05%	0.19%	0.45%	0.20%	0.42%	0.05%	0.11%	0.48%	0.16%	0.07%
PMI	50.50	51.20	54.30	52.50	53.00	53.80	54.50	50.40	50.40	52.40	48.90	49.80	45.60
IIP (YoY)	9.9%	7.2%	1.0%	19.4%	10.1%	10.8%	10.8%	13.6%	8.7%	7.4%	8.0%	9.6%	9.6%
IIP (MoM)	3.0%	18.8%	-18.4%	0.2%	2.2%	2.3%	2.4%	0.1%	2.2%	0.5%	4.1%	4.3%	1.4%
Retail (YoY)	12.1%	12.1%	8.5%	8.2%	9.8%	7.1%	7.2%	11.3%	10.6%	9.2%	8.3%	10.2%	11.1%
Export (USD bn)	45.52	46.52	33.19	43.30	44.05	39.95	42.11	42.88	43.49	42.40	39.84	39.70	37.74
Import (USD bn)	48.80	47.38	34.22	45.24	44.69	38.70	39.63	39.91	39.79	40.04	36.72	39.02	36.84
Balance of trades (USD bn)	-3.28	-0.87	-1.03	-1.94	-0.64	1.25	2.49	2.97	3.70	2.36	3.12	0.69	0.90
Acc. Disbursed FDI (USD bn)	7.40	5.41	3.21	1.68	27.62	23.60	21.30	18.80	15.40	13.60	11.72	8.90	6.74
Acc. Registered FDI (USD bn)	18.24	15.20	6.03	2.58	38.42	33.69	31.52	28.54	26.14	24.09	21.51	18.40	13.82
Public Investment (VND trillion)	54.81	48.24	38.89	44.64	111.54	100.21	90.28	87.56	83.13	77.57	71.47	58.06	49.61
Credit growth (YTD)	n.a	n.a	n.a	1.19%	19.07%	16.85%	15.31%	13.86%	11.78%	10.24%	9.91%	6.72%	5.32%
Deposit growth (YTD)	n.a	n.a	n.a	n.a	n.a	n.a	n.a	11.53%	9.89%	8.75%	9.32%	5.91%	4.50%
Overnight interbank rate	3.88%	9.57%	4.70%	5.09%	1.77%	5.40%	4.45%	4.38%	2.03%	3.35%	6.45%	3.1%	2.54%
Average deposit rate at SOCBs	5.90%	5.90%	5.20%	5.20%	5.20%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%
10Y Government bond yield	4.23%	4.21%	4.12%	4.06%	4.03%	3.89%	3.82%	3.62%	3.55%	3.32%	3.21%	3.11%	3.07%
VND/USD exchange rate	26,700	27,920	26,680	26,450	26,750	27,650	27,760	26,490	26,650	26,380	26,370	26,260	26,420

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



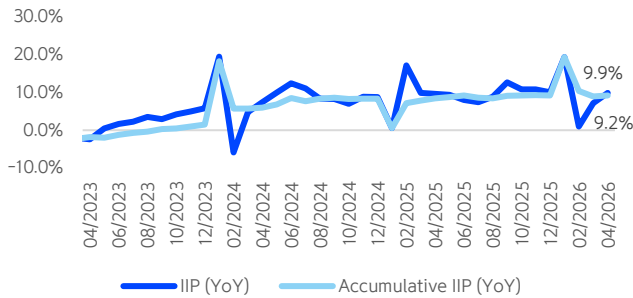
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Production – Consumption

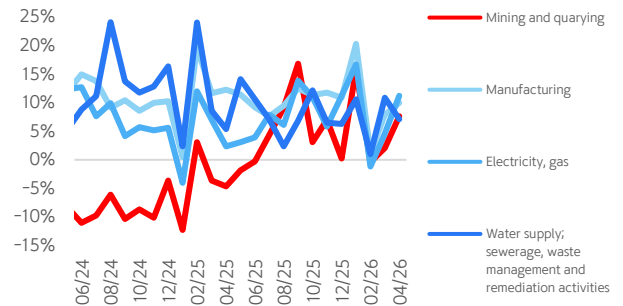
In April 2026, the Industrial Production Index (IIP) grew by 9.9% YoY (3.0% MoM). In 4M2026, the IIP grew by 9.2% YoY. The manufacturing sector continued its strong growth in April 2026 with a 10% YoY increase. Machinery, equipment, and motor vehicle production achieved double-digit growth of over 20%, at 24.3% YoY and 23.6% YoY respectively in April 2026. However, the highest growth rate in the month was in electricity production and distribution with a 10.9% YoY increase. The mining sector also showed impressive growth in April 2026 with a 7.6% YoY increase, with mining and quarrying support services increasing by 66.4% YoY.

Index of Industrial production (IIP)



Source: GSO, Shinhan Securities Vietnam

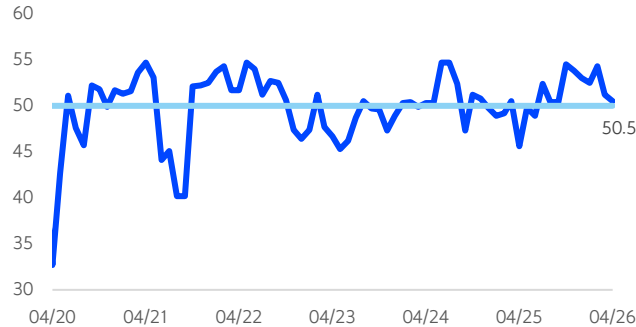
IIP by sub-sectors (monthly YoY)



Source: GSO, Shinhan Securities Vietnam

The PMI in April 2026 continued its downward trend for the year. In April, the PMI reached 50.5 points, down from 51.2 points in March. Staying above the 50-point mark was thanks to increased production. Production increased for the 12th consecutive month, reflecting the completion of existing projects and the sustained strength of underlying demand. However, the rate of increase was the slowest since June 2025 amid rising inflationary pressures. The number of new orders decreased as rising prices impacted companies' ability to secure new orders. The number of new orders from overseas decreased significantly for the second consecutive month.

Purchasing managers' index (PMI)



Source: S&P Global, Shinhan Securities Vietnam

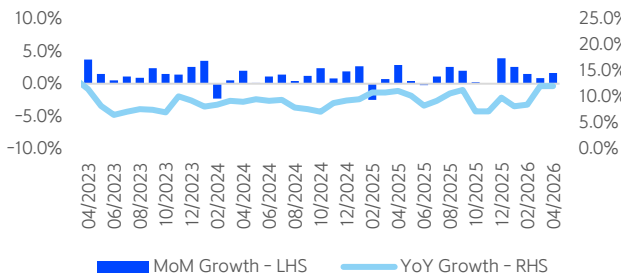
PMI summary

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

Source: S&P Global, Shinhan Securities Vietnam

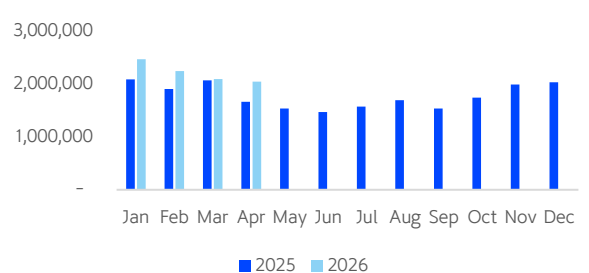
Total retail sales of goods and consumer service revenue increased sharply by 12.1% YoY in April 2026 and by 1.7% MoM. In 4M2026, total retail sales of goods and consumer service revenue increased by 11.1%. Retail sales of goods increased by 12.2% YoY; accommodation and food services increased by 14.1%; and travel services increased by 6.5% in April 2026. The number of tourists visiting Vietnam reached 2 million, an increase of 22.8% YoY. In 4M2026, the total number of tourists visiting Vietnam increased by 14.6% YoY.

Total retail sales growth



Source: GSO, Shinhan Securities Vietnam

Foreign tourist (pax)

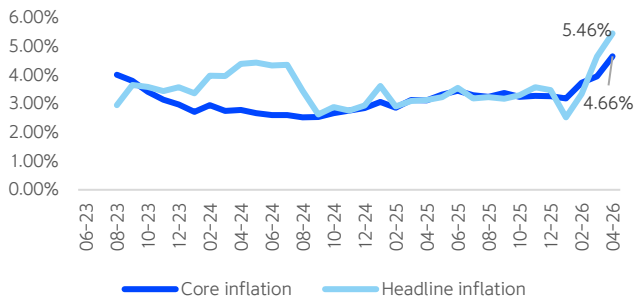


Source: GSO, Shinhan Securities Vietnam

Inflation

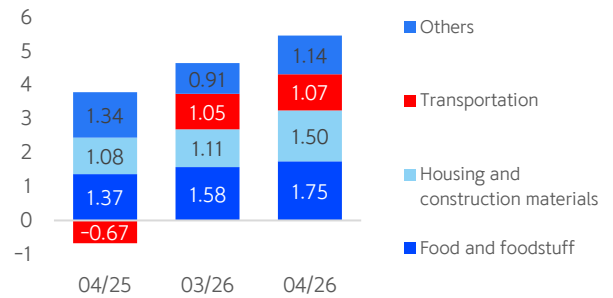
The headline Consumer Price Index (CPI) for April 2026 rose sharply to 5.46% YoY. After excluding food, energy, and state-managed items such as healthcare and education, core inflation increased by 4.66% YoY in April. In 4M2026, the headline CPI increased by 3.99%. Core inflation for 4M2026 reached 3.89%. High oil prices contributed to the overall increase. The transportation group contributed 1.07 points to the overall increase in April 2025. The high fuel costs due to the Iran conflict led to price increases across all sectors.

Monthly Consumer price index (YoY)



Source: GSO, Shinhan Securities Vietnam

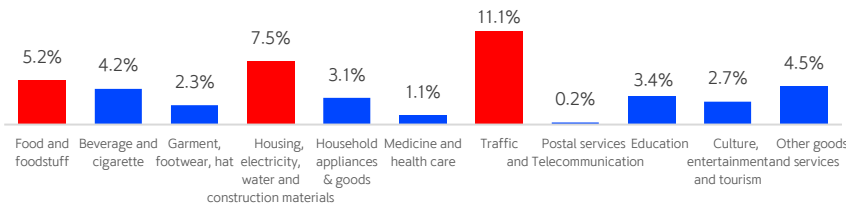
CPI component in April 2026 (% YoY)



Source: GSO, Shinhan Securities Vietnam

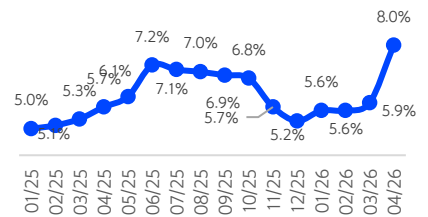
The three groups with the largest weight in the CPI were also the three groups with the largest increases in April. Food and foodstuff increased by 5.2% YoY. Housing, utilities and building materials increased by 8.0% YoY. Transportation increased by 11.1% YoY. The volatility in oil prices due to the Iran war created significant instability for the market. After a period of cooling down, the housing, utilities and building materials group surged to 8.0% in April 2026. The increase in gas prices, following oil prices, contributed to this group's strong growth.

April 2026 CPI growth by components (YoY)



Source: GSO, Shinhan Securities Vietnam

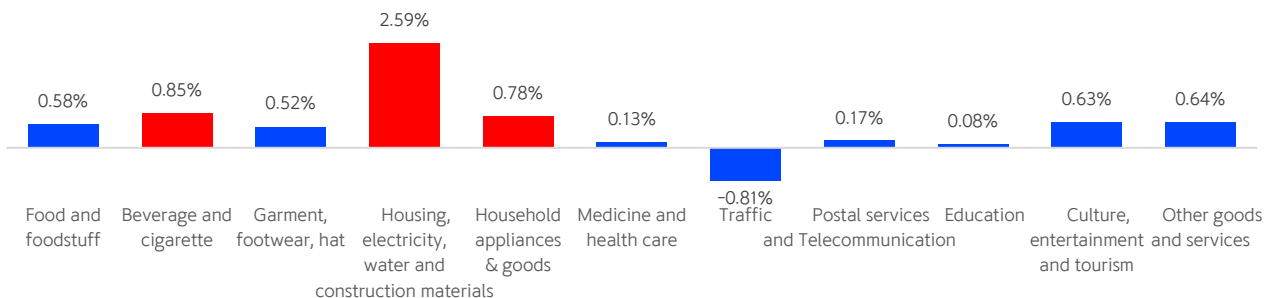
CPI of housing and construction material group (% YoY)



Source: GSO, Shinhan Securities Vietnam

The housing, utilities, and building materials group saw the largest MoM increase in April 2026, rising by 2.59%. This increase was largely due to a 35.3% MoM rise in gas prices and a 26.95% MoM rise in oil prices. The second strongest MoM increase was in the beverages and tobacco group, driven by higher import, production, and distribution costs. The third strongest increase was in the household equipment and furnishings group, driven by higher raw material, labor, and transportation costs. Several items within this group saw price increases, including a 1.40% increase in household appliance repair costs; and a 0.99% month-on-month increase in lighting and furniture (beds, wardrobes, tables, and chairs).

April 2026 CPI growth by components (MoM)

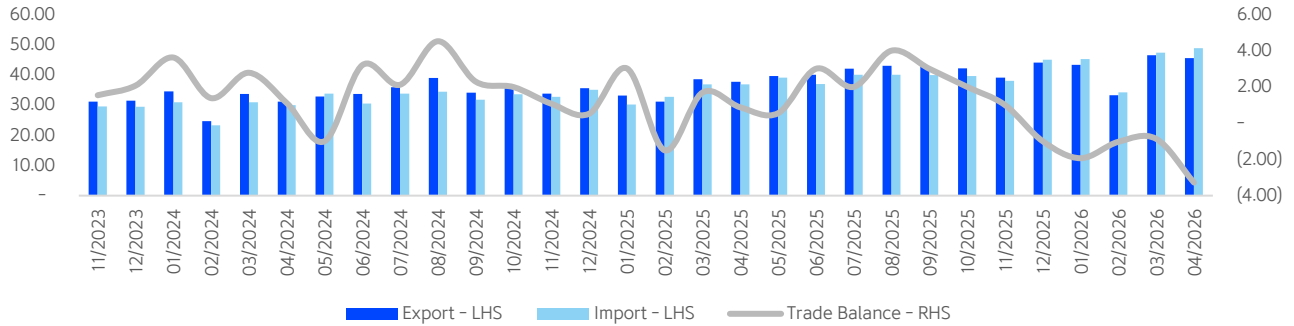


Source: GSO, Shinhan Securities Vietnam

Trading – Investment

Exports in April 2026 reached USD 45.52 billion (-2.0% MoM and +21.0% YoY). Imports reached USD 48.8 billion (+3.6% MoM and +32.5% YoY). The trade deficit in April 2026 was USD 3.28 billion. In 4M2026, Vietnam's trade deficit reached USD 7.11 billion. The US remained Vietnam's largest export market with a value of USD 53.9 billion, and China was Vietnam's largest import market with a value of USD 69.0 billion.

Total trading turnover (USD bn)

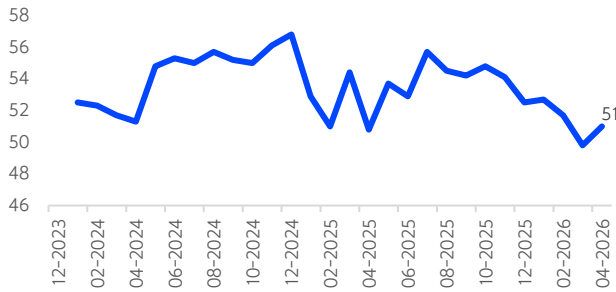


Source: GSO, Shinhan Securities Vietnam

The US services PMI rose to 51 points in April 2026 from 49.8 points in March 2026. Despite the increase from the previous month's low, growth remained subdued. Weak growth was driven by declining market demand, leading to a contraction in new business activity for the first time in two years. Negative sentiment intensified due to concerns about rising inflation and uncertainties stemming from the Iran conflict. US exports also declined in April, marking the fifth consecutive month of losses.

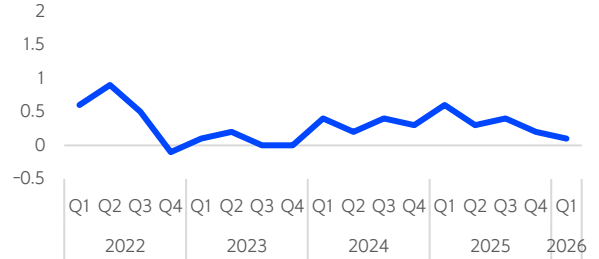
The European region also achieved only low growth in Q1 2026, with a 0.1% increase QoQ. Slowing industrial growth and rising energy costs weighed on the region's growth outlook.

US service PMI



Source: S&P Global, Shinhan Securities Vietnam

EU GDP growth rate (% - QoQ)

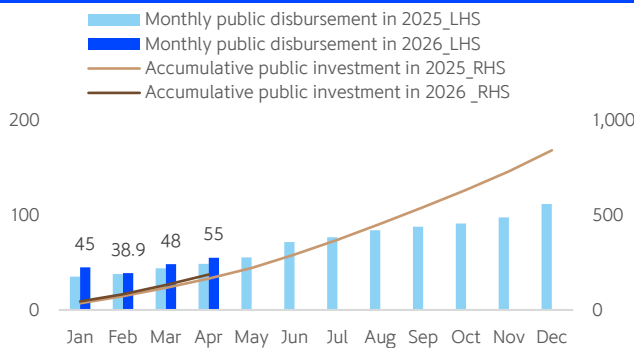


Source: EuroStat, Shinhan Securities Vietnam

In April 2026, public investment reached VND 54.8 trillion, up 10.5% YoY and reaching 19.7% of the annual plan. In 4M2026, public investment totaled VND 83.5 trillion, up 12.0% YoY.

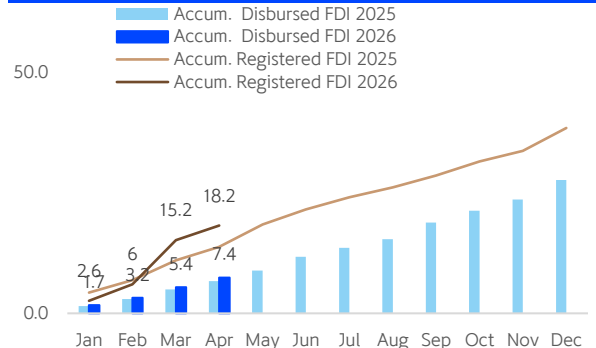
In April 2026, registered FDI reached USD 3.01 billion, up 7.0% YoY, and disbursed FDI reached USD 2.0 billion, up 11.7% YoY. In 4M2026, registered FDI reached USD 18.2 billion (+8.8% YoY) and disbursed FDI reached USD 7.4 billion (9.8% YoY).

Public investment (VND trillion)



Source: GSO, Shinhan Securities Vietnam

FDI (USD bn)

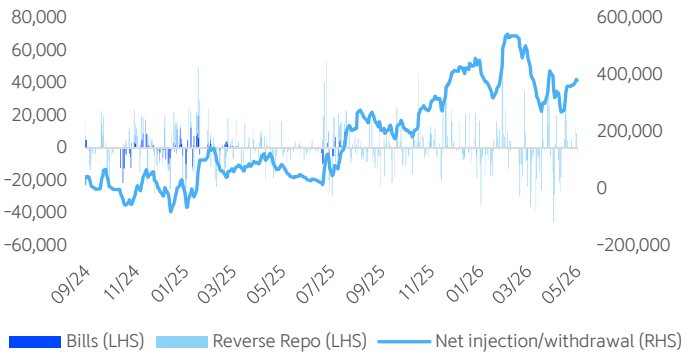


Source: Finpro, Shinhan Securities Vietnam

Money market

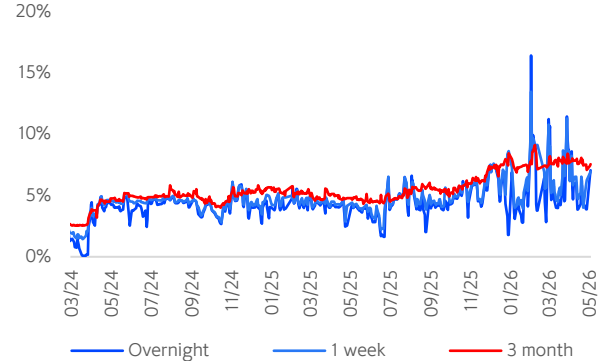
In April, the State Bank of Vietnam (SBV) injected a net amount of 19.8 trillion VND into the market. After the temporary sharp fluctuations in March, interbank interest rates fell back to a normal range in 2026. The 3-month interest rate returned to around 7.5%. On the last trading day of April 2026, the 3-month interbank interest rate was 7.08%. The overnight interest rate returned to 3.88% at the end of April.

Open market operation (VND billion)



Source: SBV, FiinPro, Shinhan Securities Vietnam

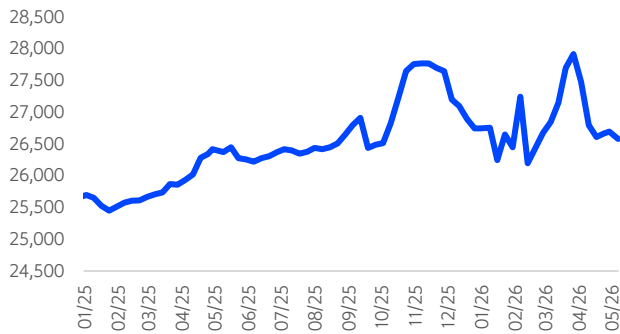
Interbank interest rate



Source: SBV, FiinPro, Shinhan Securities Vietnam

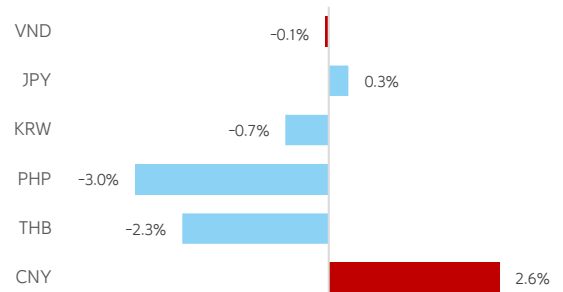
The VND/USD exchange rate in the free market decreased by 4.37% in April 2026, from 27,920 VND/USD in March 2026 to 26,700 VND/USD. As of May 7, 2026, the VND had only depreciated by 0.1% against the USD.

VND/USD exchange rate on free market



Source: FiinPro, Shinhan Securities Vietnam

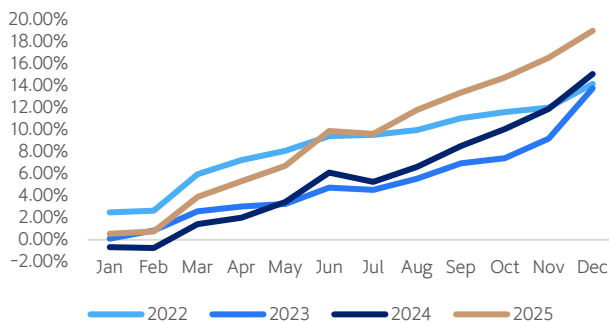
YTD depreciation against USD in some countries until 07/05/2026



Source: Bloomberg, Shinhan Securities Vietnam estimate

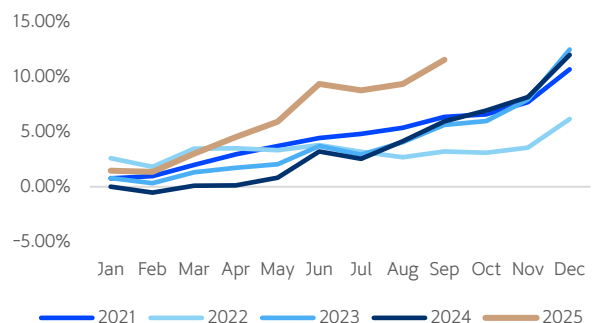
In 2026, SBV aims for a 15% credit growth rate for the entire system. Particular emphasis is placed on tightly controlling the credit growth rate for risky sectors and the real estate sector in 2026. Credit growth in January 2026 reached 1.19% YTD.

Credit growth rate (YTD)



Source: SBV, FiinPro, Shinhan Securities Vietnam

M2 money supply growth (YTD)



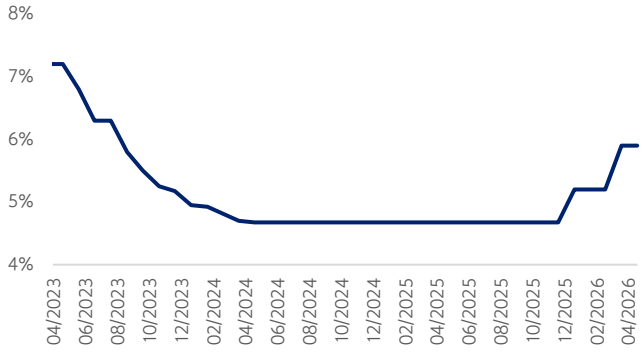
Source: SBV, FiinPro, Shinhan Securities Vietnam

Money market

The average 12-month deposit interest rate of commercial banks remained at 5.9% at the end of April 2026. The most recent interest rate increase was in March 2026.

Average lending and deposit interest rates of credit institutions also began to increase in March. The average deposit interest rate in March increased by 40bps, from 5.75% in February to 6.05% in March. Lending interest rates increased by 30bps from 8.25% to 8.55%.

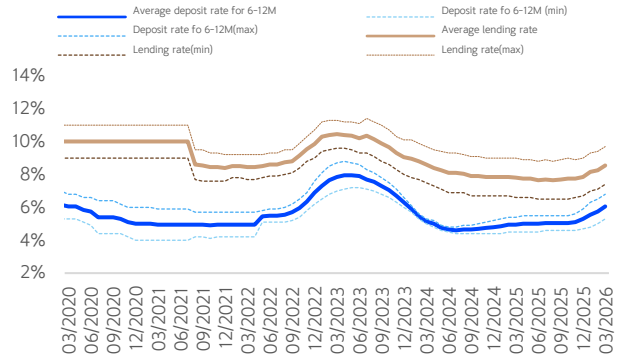
12M term deposit rate at SOCBs



Source: FiiinPro, Shinhan Securities Vietnam

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

Lending – deposit rates



Source: SBV, FiiinPro, Shinhan Securities Vietnam

Average rate is an average of max and min rates

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