VIETNAM MACROECONOMICS UPDATE

June 2026

Growth accelerates as inflation cools with the oil-price reversal in June

GDP growth accelerates in Q2

GDP growth in Q2 2026 reached 8.39% YoY, bringing 6M 2026 growth to 8.18% YoY — the highest 6-month growth rate in the 2022-2026 period, keeping Vietnam on track toward its full-year double-digit growth target. Industry and construction led growth with a 10.51% YoY increase in Q2, contributing 50.07% to the overall gain; services rose 7.87%, contributing 44.28%. The Industrial Production Index (IIP) rose 10.8% YoY over 6M 2026 — the highest rate since 2019 — while the PMI held above the 50-point expansion threshold, reaching 51.8 in June.

Other growth drivers were equally positive: total retail sales and consumer service revenue rose 12.9% YoY over 6M 2026, and international visitor arrivals reached 12.3 million (+14.9% YoY). Public investment disbursement reached 31.2% of the annual plan, ahead of the same-period pace last year (29.3%). Cumulative registered FDI jumped 61.0% YoY to USD 34.65bn, while disbursed FDI reached USD 13.03bn (+11.2% YoY) — the highest 6-month figure in five years, indicating foreign investor confidence remains intact.

Following the growth momentum in the first half of 2026, the Government aims for 11.9% growth in the second half of 2026 to achieve double-digit growth targets for 2026.

Inflation cools as oil prices reverse

After surging on the earlier oil-price shock, CPI began to reverse course in June: headline CPI fell 0.39% MoM, mainly as gasoline prices fell 10.05% and diesel fell 10.63% in line with world oil prices. On a YoY basis, however, June CPI still rose 4.69%, and average Q2 2026 CPI rose 5.25% YoY, reflecting a high year-earlier base. Core inflation rose just 4.50% YoY and 0.14% MoM in June, with the gap to headline CPI narrowing markedly versus earlier in the quarter — a sign that most of the recent price pressure stemmed from energy items excluded from the core measure. Transportation's contribution to headline CPI fell sharply to 0.51 percentage points in June from 1.21 points in May, clear evidence that easing oil prices are now feeding through to the broader price index. For 6M 2026 overall, average CPI rose 4.38% and core inflation rose 4.12% YoY.

However, US and Iran started their battle again in July. This time, not only the Strait of Hormuz was blocked, but also Red Sea was threatened. The Red Sea was an alternate route for the Strait of Hormuz. The oil price increased to nearly USD 90 per barrel once again. The inflation risk re-appeared.

Quarter-end liquidity squeeze as credit growth moderates

Banking-system liquidity came under visible pressure toward the end of Q2: the overnight interbank rate spiked to 12.49% on 30 June 2026 amid quarter-end funding demand, before easing quickly to around 6% in the first week of July. Meanwhile, economy-wide credit growth reached 7.73% YTD as of end-June — notably below the 9.91% pace seen over the same period in 2025, suggesting credit expansion has slowed even as policy remains broadly growth-supportive. In the FX market, the VND remained one of the region's most stable currencies, depreciating just 0.05% against the USD year-to-date in 2026 — outperforming the KRW (-7.6%), THB (-5.5%), PHP (-4.3%) and JPY (-3.7%). This stability has been helped in part by Vietnam's 10-year government bond yield (4.40%) continuing to narrow its gap with the US 10-year yield (4.48%), alongside a DXY index that has traded sideways around the 100 mark — well below the near-110 peak seen in February. The average 12-month deposit rate at state-owned commercial banks held steady at 5.9% for a third consecutive month, suggesting deposit rates have stabilized following the rapid increase earlier in the year.

Macroeconomics Update - 06/2026

	26-Jun	26-May	26-Apr	26-Mar	26-Feb	26-Jan	25-Dec	25-Nov	25-Oct	25-Sep	25-Aug	25-Jul	25-Jun
CPI (YoY)	4.69%	5.60%	5.46%	4.65%	3.35%	2.53%	3.48%	3.58%	3.25%	3.38%	3.24%	3.19%	3.56%
CPI (MoM)	-0.39%	0.29%	0.84%	1.23%	1.14%	0.05%	0.19%	0.45%	0.20%	0.42%	0.05%	0.11%	0.48%
PMI	51.8	52.8	50.5	51.2	54.3	52.5	53	53.8	54.5	50.4	50.4	52.4	48.9
IIP (YoY)	12.71%	8.79%	9.30%	7.20%	1.00%	19.40%	10.10%	10.80%	10.80%	13.60%	8.70%	7.40%	8.00%
IIP (MoM)	3.53%	3.27%	2.97%	18.82%	-18.40%	0.20%	2.20%	2.30%	2.40%	0.10%	2.20%	0.50%	4.10%
Retail (YoY)	14.80%	11.83%	12.06%	12.05%	8.50%	8.20%	9.80%	7.10%	7.20%	11.30%	10.60%	9.20%	8.30%
Export (USD bn)	50.79	47	45.72	46.52	33.19	43.3	44.05	39.95	42.11	42.88	43.49	42.4	39.84
Import (USD bn)	53.43	52.41	50.48	47.38	34.22	45.24	44.69	38.7	39.63	39.91	39.79	40.04	36.72
Balance of trades (USD bn)	-2.64	-5.42	-4.77	-0.87	-1.03	-1.94	-0.64	1.25	2.49	2.97	3.7	2.36	3.12
Acc. Disbursed FDI (USD bn)	13.03	9.75	7.4	5.41	3.21	1.68	27.62	23.6	21.3	18.8	15.4	13.6	11.72
Acc. Registered FDI (USD bn)	34.65	24.81	18.73	15.2	6.03	2.58	38.42	33.69	31.52	28.54	26.14	24.09	21.51
Public Investment (VND trillion)	79.03	67.37	56.84	48.24	38.89	44.64	111.54	100.21	90.28	87.56	83.13	77.57	71.47
Credit growth (YTD)	7.73%	5.96%	4.59%	3.18%	1.33%	1.19%	19.07%	16.85%	15.31%	13.86%	11.78%	10.24%	9.91%
Deposit growth (YTD)	n.a	n.a	n.a	0.98%	1.01%	0.69%	8.54%	5.71%	4.54%	11.53%	9.89%	8.75%	9.32%
Overnight interbank rate	12.49%	6.97%	3.88%	9.57%	4.70%	5.09%	1.77%	5.40%	4.45%	4.38%	2.03%	3.35%	6.45%
Average deposit rate at SOCBs	5.90%	5.90%	5.90%	5.90%	5.20%	5.20%	5.20%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%
10Y Government bond yield	4.40%	4.32%	4.23%	4.21%	4.12%	4.06%	4.03%	3.89%	3.82%	3.62%	3.55%	3.32%	3.21%
VND/USD exchange rate	26,720	26,400	26,700	27,920	26,680	26,450	26,750	27,650	27,760	26,490	26,650	26,380	26,370

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

9 July 2026 · Nien Nguyen – Associate Manager

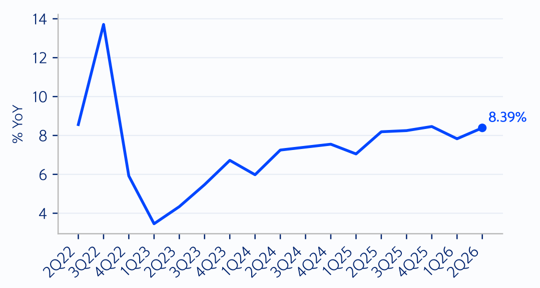
VIETNAM MACROECONOMICS UPDATE

June 2026

Economic Growth – Industrial Production

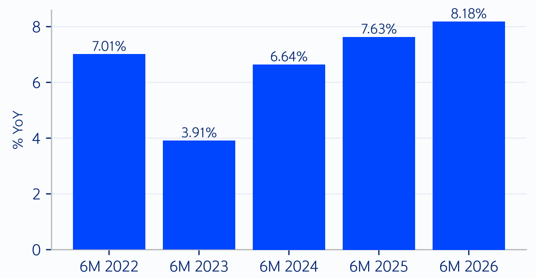
GDP growth in Q2 2026 reached 8.39% YoY, bringing 6M 2026 growth to 8.18% YoY — the highest 6-month growth rate in the 2022-2026 period. Regarding GDP utilization in 6M 2026, final consumption rose 8.15% YoY, asset accumulation rose 15.20%, exports of goods and services rose 20.18%, and imports of goods and services rose 26.44%.

GDP growth rate by quarter (YoY)



Source: GSO, Shinhan Securities Vietnam

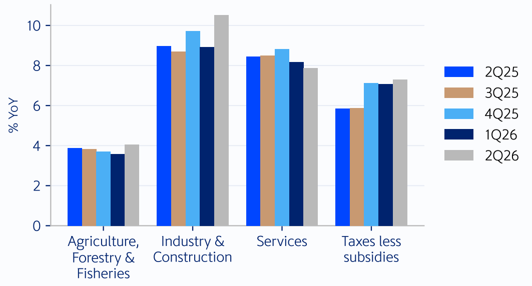
GDP 6M growth rate over years



Source: GSO, Shinhan Securities Vietnam

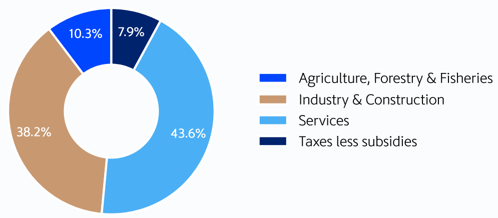
The industry and construction sector led growth in Q2 2026 with a 10.51% YoY increase, contributing 50.07% to overall value-added growth. The service sector rose 7.87% YoY, contributing 44.28%. Agriculture, forestry and fisheries grew 4.06%, contributing 5.65%. For 6M 2026 overall, industry and construction rose 9.81% YoY (contributing 47.20%), services rose 8.09% (contributing 47.14%), and agriculture, forestry and fisheries rose 3.87% (contributing 5.66%).

GDP growth by sector (YoY)



Source: GSO, Shinhan Securities Vietnam

GDP contribution (%) by sector in Q2 2026

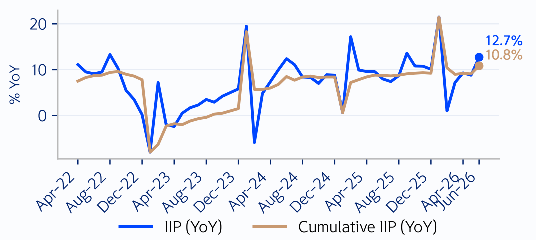


Source: GSO, Shinhan Securities Vietnam

The Industrial Production Index (IIP) rose 12.71% YoY in June 2026, bringing the 6-month cumulative rate to 10.84% YoY. Per GSO estimates, Q2 2026 IIP grew an estimated 11.2% YoY and 6M 2026 IIP rose 10.8% YoY — the highest rate since 2019 — led by manufacturing, which grew 11.4%.

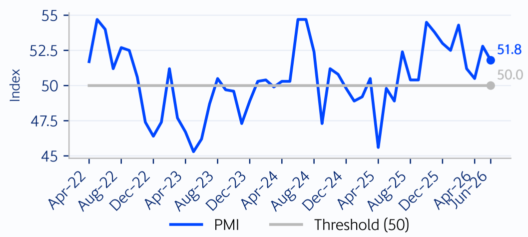
Vietnam's PMI stood at 51.8 in June, easing slightly from 52.8 in May but holding above the 50-point expansion threshold for a fifth consecutive month, indicating manufacturing activity continued to expand, albeit at a somewhat slower pace than earlier in the quarter.

Index of Industrial Production (IIP)



Source: GSO, Shinhan Securities Vietnam

Purchasing Managers' Index (PMI)

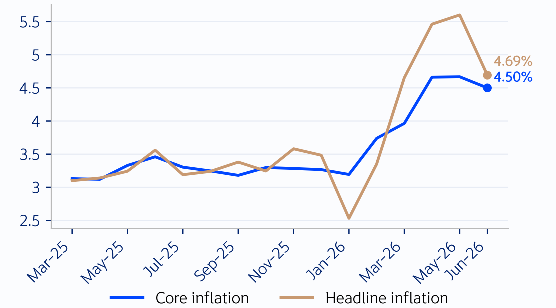


Source: S&P Global, Shinhan Securities Vietnam

Inflation

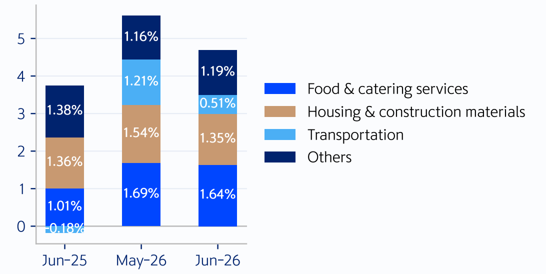
Headline CPI rose 4.69% YoY in June 2026, while core inflation rose 4.50% YoY — a narrowing gap versus earlier in the quarter as the oil-price shock began to reverse. Average Q2 2026 CPI rose 5.25% YoY; for 6M 2026, average CPI rose 4.38% and core inflation rose 4.12%. By contribution, food and foodstuff added 1.64 percentage points to June's headline CPI and housing added 1.35 points, while transportation's contribution fell sharply to 0.51 points from 1.21 points in May — a clear sign of falling fuel prices feeding through.

Core vs headline inflation (YoY)



Source: GSO, Shinhan Securities Vietnam

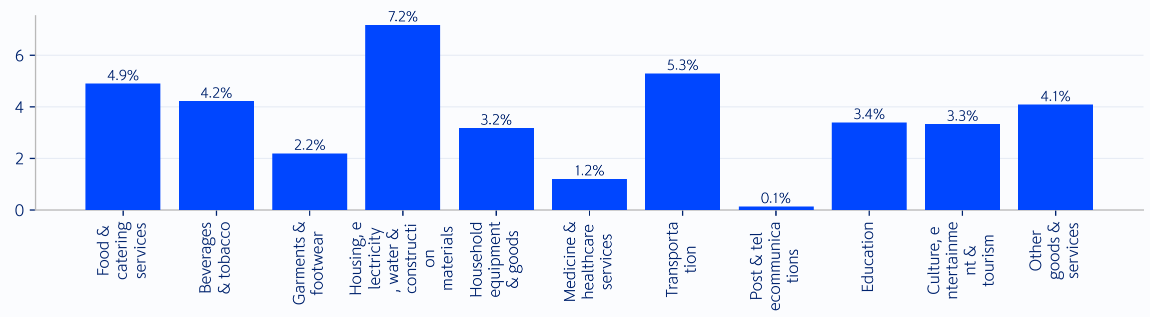
CPI contribution by main group



Source: GSO, Shinhan Securities Vietnam

Housing, electricity, water and construction materials posted the largest YoY increase in June at 7.17%, followed by transportation at 5.29% and food and foodstuff at 4.89%. Other groups such as culture/entertainment/tourism (+3.32%), education (+3.39%) and household appliances (+3.17%) rose more slowly than the CPI average, while medicine and health services rose just 1.2% YoY and postal/telecom services were nearly flat.

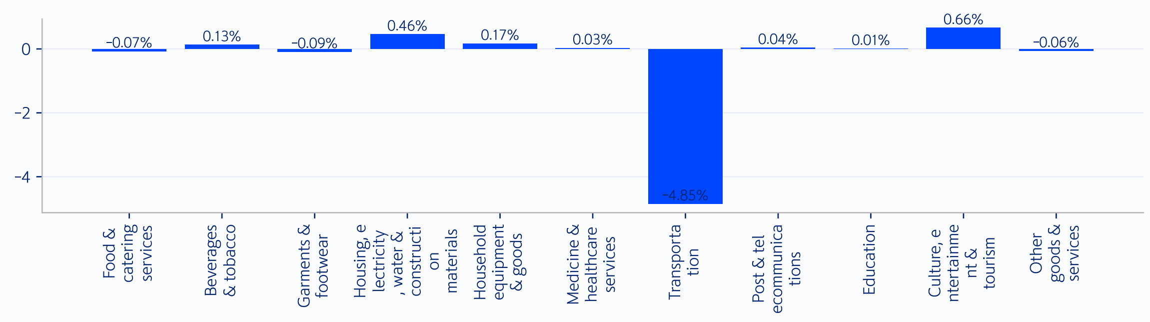
Monthly CPI YoY by group



Source: GSO, Shinhan Securities Vietnam

June 2026 CPI fell 0.39% MoM, mainly due to a sharp 4.85% MoM decline in the transportation group as gasoline prices fell 10.05% and diesel fell 10.63% in line with world oil prices. In contrast, housing, electricity and construction materials rose 0.46% MoM as electricity prices rose 2.0% and water prices rose 0.56% amid the hot season, while culture, entertainment and tourism rose 0.66% on stronger summer travel demand. Core inflation rose just 0.14% MoM in June, indicating that most of the recent price pressure came from categories excluded from the core measure.

Monthly CPI MoM by group

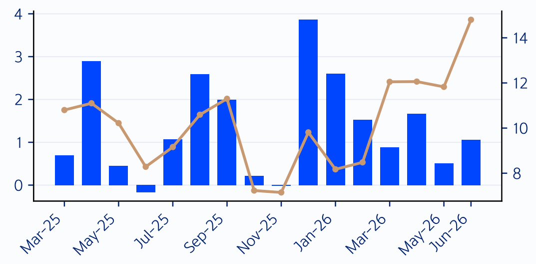


Source: GSO, Shinhan Securities Vietnam

Trade – Retail – Investment

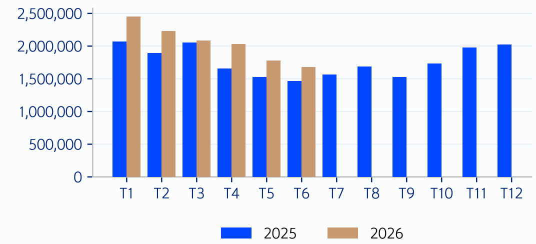
Total retail sales and consumer service revenue reached an estimated VND 665.6 trillion in June 2026, up 14.8% YoY; for 6M 2026, retail sales rose 12.9% YoY to VND 3,889.5 trillion. International visitor arrivals reached 1.68 million in June (+14.7% YoY); 6M 2026 arrivals totaled 12.3 million, up 14.9% YoY on favorable visa policy and expanded international markets.

Retail sales growth (MoM & YoY)



Source: GSO, Shinhan Securities Vietnam

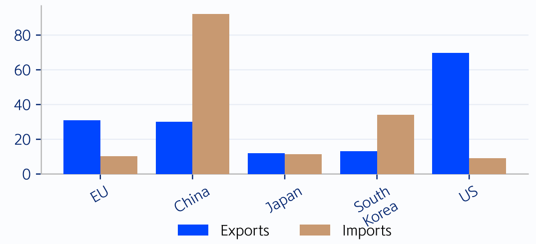
Foreign tourists visit (pax)



Source: GSO, Shinhan Securities Vietnam

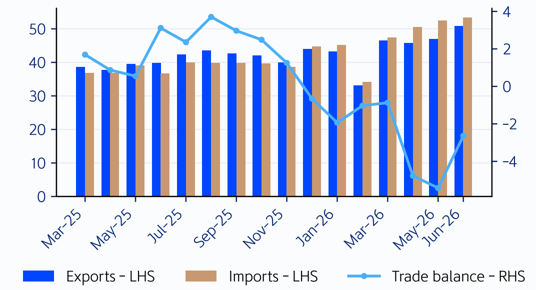
June exports reached USD 50.79bn (+8.2% MoM, +28.1% YoY); imports reached USD 53.43bn (+2.5% MoM, +45.2% YoY). The June trade deficit narrowed to USD 2.64bn from USD 5.42bn in May, as import growth slowed markedly while exports maintained a solid pace. The US remains Vietnam's largest export market, while China remains the largest import market.

Exports & imports by market (USD bn)



Source: GSO, Shinhan Securities Vietnam

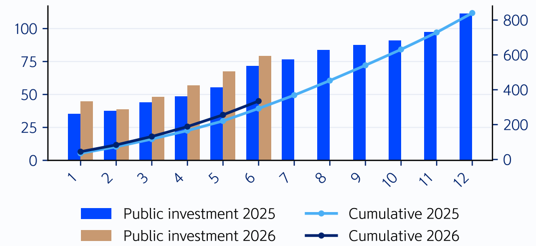
Trade balance



Source: GSO, Shinhan Securities Vietnam

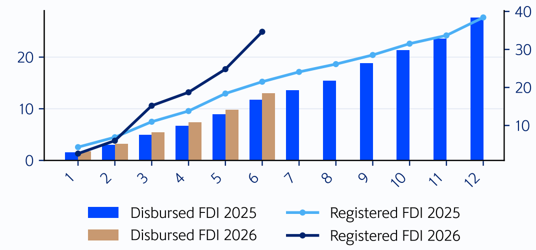
Public investment disbursement reached an estimated VND 79.03 trillion in June 2026; the 6-month cumulative total reached VND 335 trillion, equal to 31.2% of the annual plan and up 12.7% YoY — a faster pace than the same period last year (29.3%) though still needing to accelerate to meet the full-year target. Cumulative registered FDI for 6M 2026 reached USD 34.65bn (+61.0% YoY); cumulative disbursed FDI reached USD 13.03bn (+11.2% YoY) — the highest 6-month figure in five years.

Public investment (monthly & cumulative)



Source: GSO, Shinhan Securities Vietnam

Cumulative FDI (disbursed & registered)

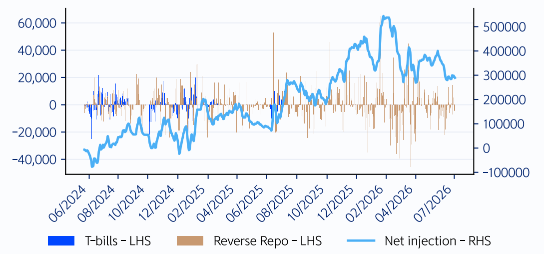


Source: GSO, Shinhan Securities Vietnam

Monetary Market

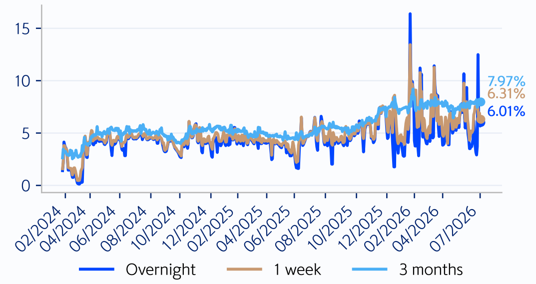
The overnight interbank rate spiked to 12.49% on 30 June 2026 amid elevated quarter-end funding demand, before easing quickly to 5.95%-6.62% in the first week of July. The 1-week and 3-month rates were more stable, ranging around 6.3%-7% and 7.7%-8% over the same period. The SBV continued to manage liquidity via OMO operations, with net injections/withdrawals fluctuating with system funding needs.

SBV OMO operations



Source: SBV, Shinhan Securities Vietnam

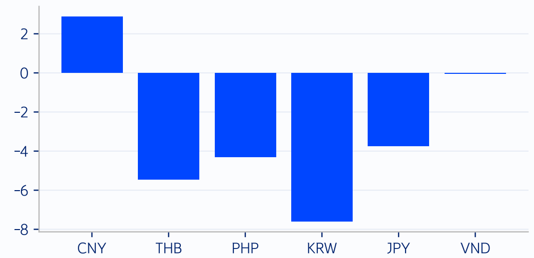
Interbank interest rates



Source: SBV, Shinhan Securities Vietnam

The USD/VND free-market rate ranged between 26,240 and 26,720 during June, ending the month at 26,720 before easing slightly to 26,620 in early July. Year-to-date in 2026, the VND has depreciated just 0.05% against the USD — notably more stable than regional peers such as the KRW (-7.6%), THB (-5.5%), PHP (-4.3%) and JPY (-3.7%); only the CNY appreciated (+2.9%) over the same period.

Regional currency change vs USD (2026 YTD)



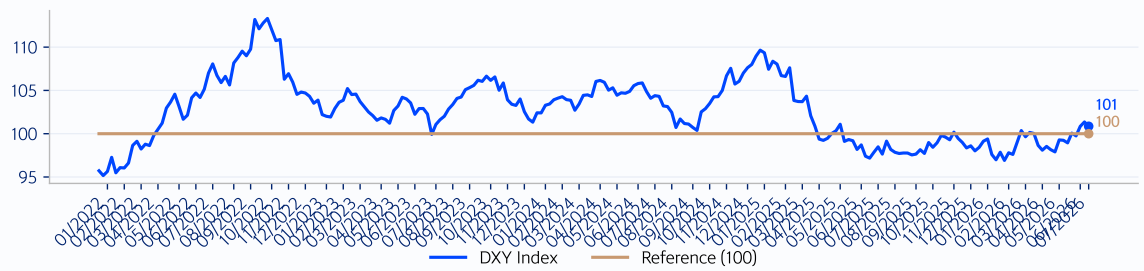
Source: GSO, Shinhan Securities Vietnam

USD/VND exchange rate (free market)

Source: Bloomberg, SBV, Shinhan Securities Vietnam

The DXY index traded in a 99-101 range through June and early July, relatively stable versus its recent low of around 97-98 in May but still well below the near-110 peak recorded in February 2026. This sideways DXY movement helped ease pressure on the VND exchange rate toward the end of Q2.

DXY Index



Source: Bloomberg, SBV, Shinhan Securities Vietnam

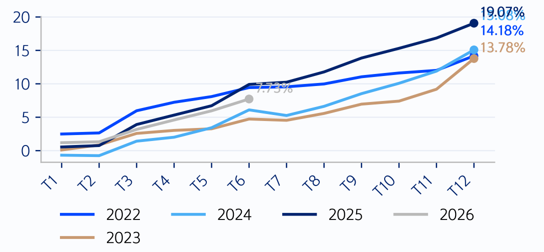
VIETNAM MACROECONOMICS UPDATE

June 2026

Monetary Market (continued)

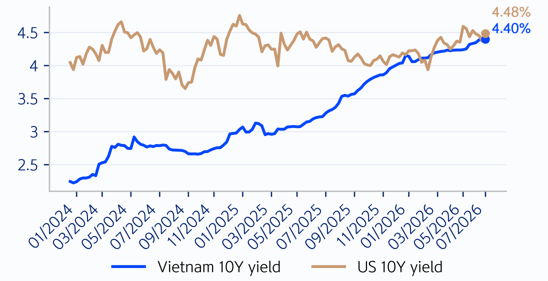
Economy-wide credit growth reached 7.73% YTD as of end-June 2026, below the 9.91% pace seen over the same period in 2025 — suggesting credit expansion has slowed even as monetary policy remains growth-supportive. Vietnam's 10-year government bond yield reached 4.40% in early July, continuing to narrow the gap with the US 10-year yield (4.48%) — a slightly negative spread that has helped support exchange rate stability.

Credit growth by year (YTD)



Source: GSO, Shinhan Securities Vietnam

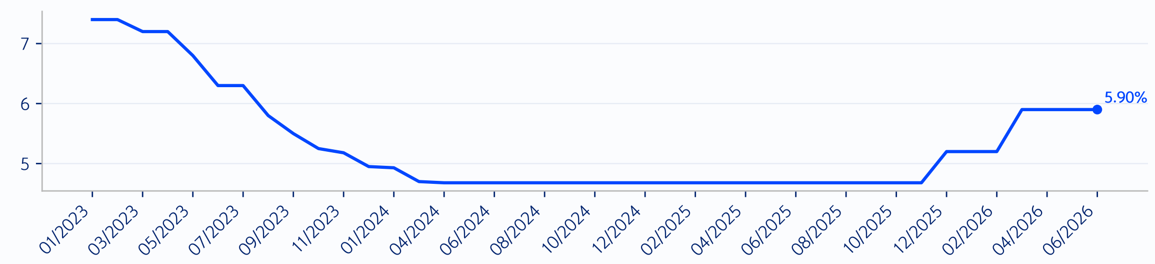
10Y government bond yield: Vietnam vs US



Source: Bloomberg, SBV, Shinhan Securities Vietnam

The average 12-month deposit rate at state-owned commercial banks held steady at 5.9% in June, unchanged for a third consecutive month since rising from 5.2% in March — suggesting deposit rates at this bank group have stabilized following the rapid increase earlier in the year.

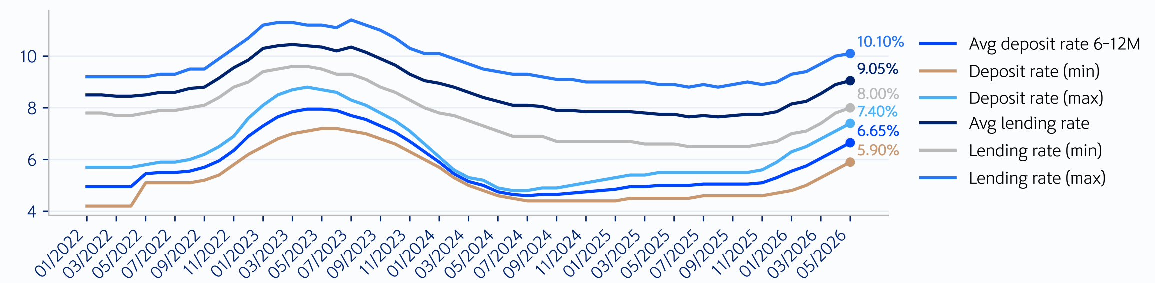
Deposit rate at SOCBs



Source: GSO, Shinhan Securities Vietnam

Based on data through May 2026, the system-wide average 6-12 month deposit rate rose to 6.65%, while the average lending rate reached 9.05% — both continuing an upward trend since bottoming in 2024, reflecting a broader rise in system-wide interest rates.

Average deposit & lending rates



Source: GSO, Shinhan Securities Vietnam

Shinhan Investment Network

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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