

## Macroeconomics

### Global Macroeconomics

The U.S. economy remains stable ahead of the final Federal Reserve interest rate decision meeting of 2024 on December 18. The October Manufacturing Purchasing Managers' Index (PMI) showed signs of recovery, reaching 49.7 points, up 1.2 points from the previous month and nearing expansion territory. The October Services PMI continued to expand, rising to 56.1 points, up 1.1 points from the previous month. The October Personal Consumption Expenditures (PCE) inflation index increased by 0.2% month-over-month, which did not dampen investor hopes that the Fed will continue to cut rates by 0.25 percentage points at the upcoming FOMC meeting.

In China, both the manufacturing and non-manufacturing PMI indices grew and expanded thanks to recent government economic stimulus measures. However, deflationary pressures persist as the November Consumer Price Index (CPI) rose only 0.2% year-over-year, below the 0.5% of the expectation.

The European Central Bank (ECB) is expected by investors to continue cutting interest rates by another 0.25% for the fourth time on December 12 to support the bloc's economy. Indicators show that the economy is slowing rapidly, and concerns about an economic recession in 2025 are gradually increasing.

### Vietnam Macroeconomics

#### A Positive Outlook

Vietnam's macroeconomic potential remains strong, supported by several key factors. The return of both local and foreign visitors is boosting tourism related services and supporting retail sales. The manufacturing sector continues to benefit from a good export outlook. Effective monetary policies by the State Bank of Vietnam further contribute to a favorable environment for the recovery. Additionally, the country's continuing supportive fiscal measures, especially room for further public investment, which continue driving economic growth. The government's strategic focus on infrastructure development, including highway, railway, airport will stimulate growth. These factors collectively position Vietnam for sustained economic growth and resilience in the face of global challenges.

#### Inflation Moderates Amidst Economic Recovery

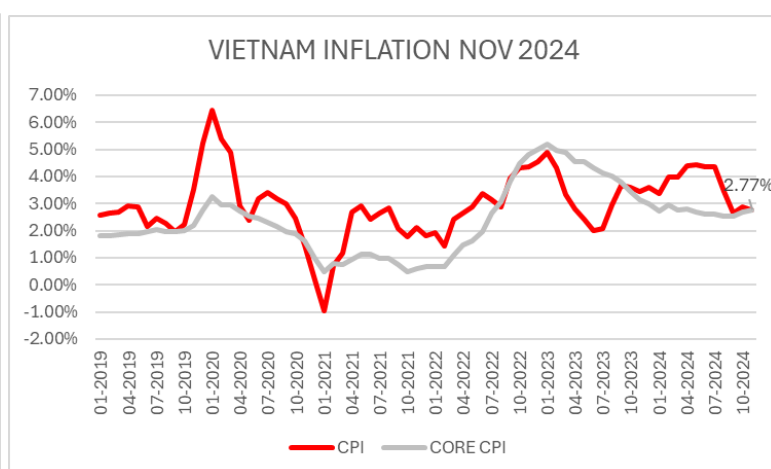
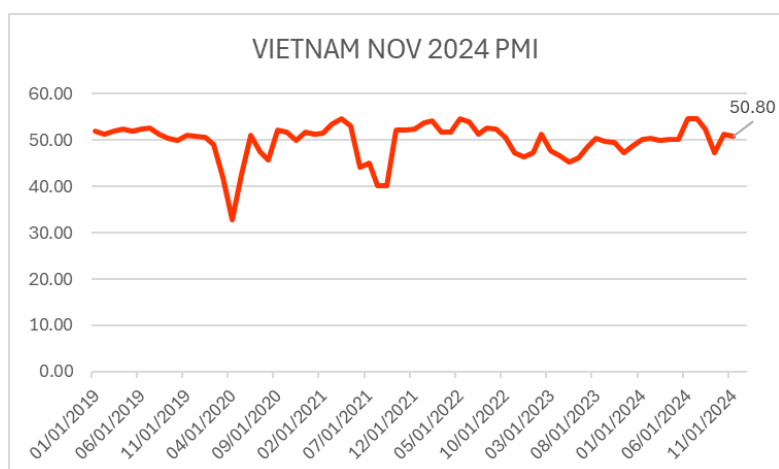
In November 2024, Vietnam's inflation rate moderated to 2.77% YoY, down from 2.89% in October, bringing the 11-month average to 3.69%. This deceleration was primarily driven by lower oil prices, a slowdown in food and healthcare costs. The moderation in inflation supports the ongoing economic recovery amid global economic volatility.

#### Resilient Retail Sales and Robust Manufacturing

Retail sales in November grew by 8.75% YoY, aligning closely with the 11-month average growth of 8.82%. This performance was supported by a significant increase in international tourist arrivals, which surged by 38.8% YoY, reaching their highest level since January 2020. The manufacturing sector also showed robustness, with the Industrial Production Index (IIP) for manufacturing rising by 2.29% MoM and 8.94% YoY. The Manufacturing PMI stood at 50.8, indicating a new orders are still good during the weak season.

#### Positive Trade Surplus and FDI Inflows

Vietnam recorded a trade surplus of USD 1.067 bn in November, contributing to a YTD surplus of USD 24.31 bn. Exports grew by 8.16% YoY to USD 33.73 bn, while imports increased by 9.81% YoY to USD 32.67 bn. Key export products such as computers and electrical products saw significant growth, although exports of telephones and mobile phones continued to decline. Disbursed FDI in November was USD 2.1 bn, down 6.7% YoY due to high base last year, but the 11-month total reached USD 21.68 bn, reflecting a 7.06% increase YoY. This indicates sustained investor confidence in Vietnam's economic prospects, despite short-term fluctuations



## Stock Market

### Market Overview

#### Markets holds significant potential for long term growth.

In November 2024, the VN-Index closed at 1,250.5 points, marking a 1.1% decline from the previous month. This drop was primarily driven by ongoing foreign outflows and the lack of new support factors, despite strong macroeconomic results and rallies in the US stock market. Market liquidity also saw a significant decrease, with the average daily trading value falling by 10.4% to USD 566.6 mn. Foreign investors continued their net selling trend, with outflows totaling at USD 518.6 mn for the month, contributing to a YTD net outflow of USD 3.6 bn. The VNIndex's trailing P/E ratio stood at 14.7, reflecting its relative valuation compared to regional markets.

Vietnam's equity market holds significant potential for growth, driven by robust economic fundamentals and strategic initiatives. The VN-Index's trailing P/E ratio is relatively attractive compared to regional peers, indicating room for valuation expansion. The government's aggressive infrastructure spending plan, including projects like the North-South High-Speed Railway and extensive expressway expansions, is expected to stimulate economic activity and enhance market sentiment. Additionally, the anticipated recovery in the real estate and construction sectors, supported by sustained demand and improving homebuyer confidence, will likely boost related equities. The State Bank of Vietnam's commitment to maintaining a loose monetary stance further supports a favorable investment climate, encouraging both domestic and foreign investments.

#### Sector Performance

Among the sectors, Insurance and Technology were the top performers in November. The Insurance sector saw the highest monthly active return of 8.5%, driven by strong performances from BVH and PGI. The Technology sector followed with a 6.1% gain, led by CMG and FPT. Consumer Services also posted a positive return of 1.0%. On the other hand, Financial Services experienced the largest decline, dropping by 5.1%, followed by Oil & Gas at -4.6%, and Banks at -2.1%, all of which declined for the second consecutive month.

Industries	%1 M	%3 M	%YTD	P/E	P/B	ROE %	ROA %	EPS Growth (YoY,%)	Net Profit Growth (YoY,%)
Financials	-0.8%	-3.1%	1.9%	17.2	1.3	6.8%	2.3%	-15.4%	126.0%
Basic Materials	-1.4%	-1.9%	22.9%	18.8	1.6	8.8%	4.5%	131.1%	-25.5%
Oil & Gas	-5.5%	-15.7%	12.6%	19.2	1.3	6.6%	3.4%	-39.2%	-127.7%
Utilities	-1.3%	-3.6%	13.3%	16.4	1.8	10.7%	5.7%	-18.8%	8.3%
Banks	-1.0%	0.6%	22.3%	9.3	1.5	16.7%	1.5%	2.2%	-7.6%
Consumer Goods	0.4%	0.8%	27.3%	19.6	2.6	13.1%	6.2%	14.6%	3.0%
Industrials	5.7%	8.0%	52.2%	18.2	2.1	11.4%	5.1%	8.7%	-18.8%
Health Care	1.4%	2.2%	24.4%	15.8	1.7	11.0%	6.6%	-15.7%	-8.5%
Consumer Services	0.6%	-2.1%	43.2%	31.7	4.3	14.3%	3.2%	-315.6%	26.9%
Technology	6.4%	7.8%	69.3%	28.8	5.3	21.4%	10.7%	12.5%	9.3%
Telecommunications	22.6%	29.2%	238.3%	59.0	7.4	16.3%	8.9%	1483.0%	-43.6%
Real Estate	-0.2%	-2.8%	0.0%	18.0	1.2	6.1%	2.1%	-22.9%	264.1%

VnIndex

P/E ratio



Source: FiiiproX, Bloomberg.

# Eastspring Vietnam Newsletter – Nov 2024

## ENF Performance Update

### Introduction

Eastspring Investments Vietnam Navigator Fund (the “Navigator Fund” or “ENF”) is a Mutual Fund licensed by Vietnam State Securities Commission under license No. 09/GCN-UBCK (April 25th, 2014).

Fund Manager: Eastspring Investments Fund Management Limited Liability Company (“Eastspring Vietnam”).

### Investment objective

- Objective of the Navigator Fund is to deliver capital appreciation through exposure to multiple asset classes, including equity, bond, and bank deposit.
- Actively navigate the market through dynamic asset allocation to provide participation in equity upside when stock markets are performing well, while having a softening effect when stock markets are not performing well.

Inception date	25/03/2014	Dealing frequency	Weekly Wednesday & Friday (T day)
Total NAV	250.3 Bil VNĐ	Cut-off time	10.30 AM on Tuesday & Thursday
NAV/unit	36,512	Subscription fee	Determined by distributors (Max 3%)
Supervisory bank	Standard Chartered VN	Redemption fee	0%
Min. Investment	100,000 VNĐ	Management fee	1.5%/anum

### Accumulated net return (%)

	1 month	3 months	YTD	1 year	3 years	Since Inception
Net return	-0.1%	-0.8%	15.7%	19.5%	14.1%	265.1%

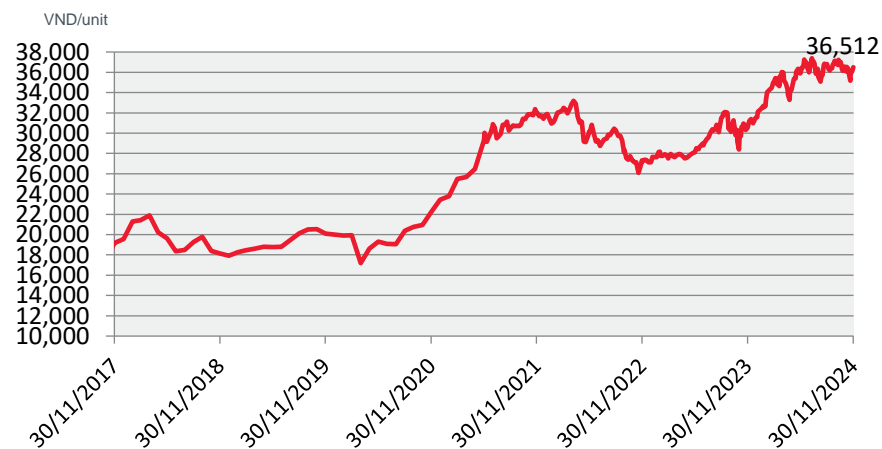
### Calendar year net return(%)

Year	2019	2020	2021	2022	2023
Net return	11.6%	17.1%	35.8%	-14.7%	16.3%
VNIndex	7.7%	14.9%	35.7%	-32.8%	12.2%

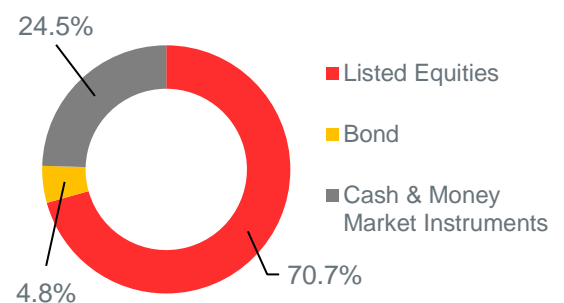
### Top 5 holdings

FPT Corporation	FPT	13.0%
Vietinbank	CTG	9.2%
Asia Commercial JS Bank	ACB	5.9%
Military Bank	MBB	5.8%
Hoa Phat Group	HPG	3.8%

### Performance chart



### Asset allocation



### DISTRIBUTORS

#### Eastspring Investments Fund Management Company (EIFMC)

Tel: (84) 28-39102848

#### SSI Securities Corporation (SSI)

Tel: (84) 28 – 3824 2897

#### VNDirect Securities Company (VNDS)

Tel: (84) 24 - 3972 4568

#### Viet Dragon Securities Corporation (VDSC)

Tel: (84) 28 - 6299 2006

#### Vietcapital Securities JS Company (Vietcap)

Tel: (84) 28 – 8882 6868

#### Vietcombank Securities Co., Ltd Company (VCBS)

Tel: (84) 24 – 3936 0262

#### BIDV Securities Company (BSC)

Tel: (84) 24 – 3935 2722

#### KIS Vietnam Securities Corporation (KIS)

Tel: (84) 28 3914 8585

### Introduction

In March, **PRUlink Sustainable Development Equity fund** has been launched in response to the investment trend in enterprises that commit to ESG of SDG – UN. Hence, up to now there are 7 **PRUlink Funds** established from premium of unit-linked product policies provided by Prudential Vietnam, with an aim to maximize total income in the medium-to-long term for policyholders who are signed policies with Prudential Vietnam and does not apply to other individuals. These funds are designed for customers with low to high risk tolerance levels corresponding to investment strategy into assets with stable income (such as deposits...) to high capital growth (such as stocks...) or both high capital growth and meet the **ESG** trend in the world.

### PRUlink Funds Performance

Year	Prulink ESG Since 08.03.24	PRUlink Vietnam Equity	PRUlink Growth	PRUlink Balance	PRUlink Stable	PRUlink Bond	PRUlink Preserver	VNIndex	Gold	USD	Deposit rate of 12 months
2019		9.8%	10.6%	11.0%	11.4%	12.2%	5.5%	7.7%	16.0%	-0.2%	6.8%
2020		16.4%	16.0%	14.7%	12.5%	9.0%	5.6%	14.9%	31.9%	-0.6%	7.1%
2021		40.0%	28.5%	20.8%	13.3%	3.0%	4.2%	35.7%	9.7%	-1.6%	6.2%
2022		-23.8%	-17.6%	-13.3%	-8.9%	-2.0%	4.8%	-32.8%	8.1%	3.4%	5.7%
2023		13.5%	15.5%	16.8%	18.1%	20.2%	6.7%	12.2%	10.8%	2.9%	6.7%
11M2024	2.6%	15.3%	11.8%	9.2%	6.5%	2.6%	3.9%	10.6%	17.5%	5.4%	5.3%

NAV data as of 30 Nov 2024

### Commentary

In November 2024, **PRUlink** funds achieve positive growth, specifically:

- **PRUlink** ESG Fund increased 2.6% since its launch on 08.03.24.
- **PRUlink** Equity Fund recorded the best results with an increase of 15.3%, outperformed VNINDEX (+10.6%) year to date
- **PRUlink** Growth Fund increased 11.8%
- **PRUlink** Balance Fund increased 9.2%
- **PRUlink** Stable Fund increased 6.5%
- **PRUlink** Bond Fund increased 2.6%
- **PRUlink** Preserver Fund increased 3.9%

**PRUlink** funds customers are always recommended to focus on investment goals with a long-term vision rather than focusing on short-term fluctuations because the unit-linked investment product (ILP) is designed with specific investment goals and maximum maximize profits in the medium and long term.

### Disclaimer

This document is only intended to provide the information and opinions of Eastspring Investments Fund Management Company Limited (“Eastspring Vietnam”) and may not be used for publication, circulation, republication or partial distribution or in whole to anyone else without the prior written consent of Eastspring Vietnam.

Eastspring Vietnam has taken all reasonable care so that the information contained in this document is not false or misleading when published. However, Eastspring Vietnam does not guarantee the accuracy or completeness of such information. The information and opinions contained in this document are subject to change without notice. Eastspring Vietnam does not accept any liability for the use or interpretation of the information contained in this presentation by others or for any loss arising directly or indirectly from any person's actions. based on any information or opinions contained in this presentation.

Note: EIVN's past investment results do not necessarily represent the future investment results of ILP Funds. Investing in ILP Funds is subject to investment risks, including the possible loss of initial investment. Investors should consult with a financial expert before deciding to invest in ILP Funds.

Eastspring Vietnam is a company of Prudential Group plc of the UK. Eastspring Vietnam and Prudential Group plc are not affiliated in any way with Prudential Financial Inc., a company headquartered in the United States of America, and Prudential Assurance Company, a company subsidiary of M&G Group plc, incorporated in the United Kingdom.