

Macroeconomics

Global Macroeconomics

In April 2025, global markets saw sharp volatility after President Trump unexpectedly announced reciprocal tariffs on April 2, then delayed implementation for 90 days to allow negotiations. This uncertainty led the Fed to maintain a cautious stance at its May 7 FOMC meeting, holding rates steady amid inflation and unemployment concerns.

The ECB cut rates for the third time this year on April 17, lowering them by 25 basis points from 2.65% to 2.40% to support growth amid U.S.-EU trade tensions. Meanwhile, the PBOC reduced the reserve requirement ratio from 9.5% to 9.0% to counter deflation and mitigate the impact of a renewed trade war with the U.S., affecting over \$430 billion in exports.

Investors are closely watching U.S. trade talks, as successful agreements are key to stabilizing global trade, safeguarding supply chains, and avoiding currency wars.

Vietnam Macroeconomics

Macroeconomic Outlook: Optimism amid external risks.

Vietnam’s economic outlook for 2025 remains broadly positive, supported by robust public investment and accommodative monetary policy. Public investment disbursement rose 16.3% YoY in the first four months of the year, signaling the government’s commitment to infrastructure development and economic stimulus.

However, external risks persist, particularly from U.S. trade measures and potential retaliatory actions. While the 90-day suspension of reciprocal tariffs offers temporary relief, the outcome of ongoing trade negotiations will be crucial for Vietnam’s export and FDI prospects.

In response, the government has implemented strategic policy measures to cushion the economy, including fiscal support and targeted interventions. With sound macroeconomic management and a resilient domestic market, Vietnam is well-positioned to sustain growth through 2025 and beyond, despite global uncertainties.

Inflation holds steady as retail sales surge on holiday spending.

In April 2025, Vietnam’s Consumer Price Index (CPI) rose by a modest 0.07% (MoM) and 3.12% (YoY). The slight uptick was mainly driven by rising housing and construction material costs, reflecting ongoing infrastructure activity. However, this was partially offset by a 2.83% MoM drop in domestic gasoline prices, which helped ease transportation costs.

Meanwhile, retail sales surged 11.1% YoY, fueled by strong consumer demand during national holidays and a significant influx of 1.7 million international tourists. This seasonal boost highlights the resilience of domestic consumption and the positive impact of tourism on the retail sector.

Manufacturing output strong despite PMI contraction.

Vietnam’s Index of Industrial Production (IIP) for manufacturing rose 10.8% YoY in April, contributing to an overall IIP growth of 8.8% YoY. This robust performance was supported by anticipated export orders during a temporary 90-day tariff pause with the United States, which encouraged short-term production increases.

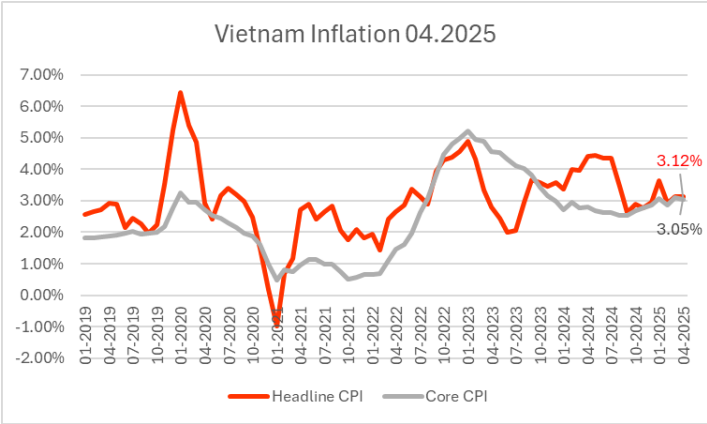
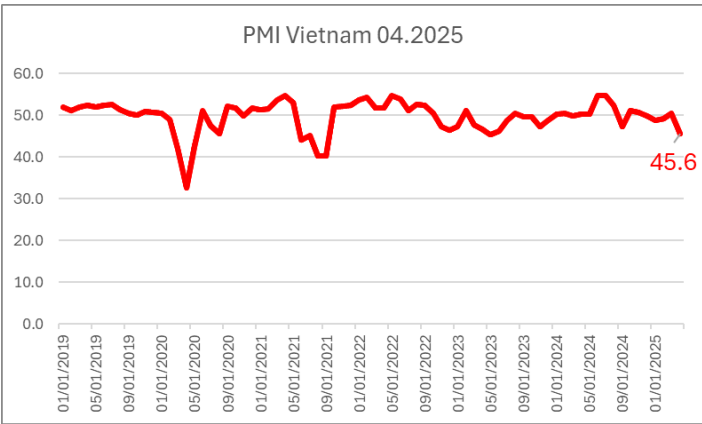
However, the S&P Global Manufacturing PMI dropped sharply to 45.6 in April, down from 50.5 in March, signaling a contraction in manufacturing activity. This marked the lowest PMI reading since May 2023, largely due to the impact of newly announced U.S. reciprocal tariffs. Export orders fell at the fastest pace in nearly two years, and output saw its steepest decline since January 2023. Business sentiment also weakened, with confidence hitting a 44-month low, prompting firms to reduce both purchasing and hiring.

Trade booms amid tariff pause.

Vietnam’s trade activity surged in April, with exports reaching USD 37.4 billion, up 19.7% YoY, and imports climbing 22.8% YoY to USD 36.9 billion. The electronics and machinery sectors led the gains, likely due to front-loading of shipments ahead of potential tariff reinstatements.

FDI remains resilient.

Foreign Direct Investment (FDI) disbursement remained solid, totaling USD 1.8 billion, a 7.8% YoY increase. The manufacturing and processing sector attracted the bulk of new capital, followed by real estate. Key investors included Singapore, South Korea, and China, reflecting continued regional confidence in Vietnam’s economic fundamentals.



Source: S&P Global, FiinproX, GSO, Bloomberg.

All data as of 30/04/2025 unless otherwise stated

Market Overview

Vietnam equity market presents both opportunities and challenges.

VN-Index declined 6% MoM in April 2025, closing at 1,226.3 points, following a sharp sell-off triggered by the U.S. announcement of reciprocal tariffs, with Vietnam facing a high rate of 46%. The index initially dropped 17%, then partially recovered after a 90-day tariff suspension, but sentiment remained cautious, leading to a 3.2% YTD decline.

Market liquidity improved, with HSX average daily trading value rising 14.3% MoM to USD 921.2 million, marking the third monthly gain. However, foreign investors net sold USD 542 million, extending their 15-month selling streak. The VN-Index’s trailing P/E fell to 12.3x, making valuations more attractive regionally.

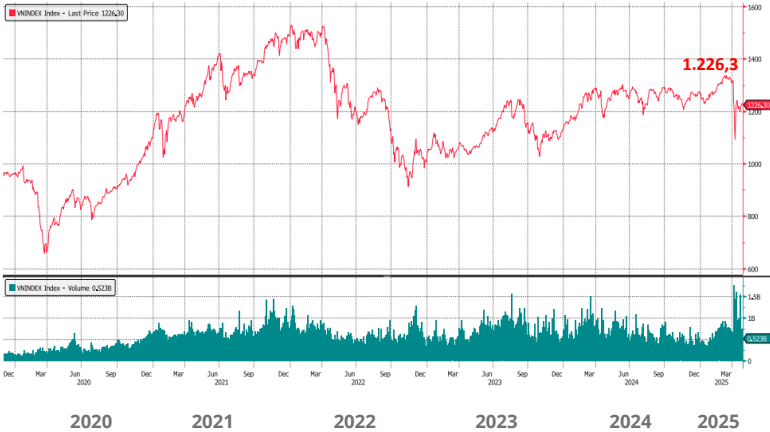
Looking ahead, low valuations, the launch of the KRX trading system, and a potential FTSE Emerging Markets upgrade could support market recovery. Still, investor caution may persist until there’s clarity on U.S.–Vietnam tariff negotiations, which are critical for export and FDI outlooks.

Sector performance.

In sector performance, real estate (+1.1%) and consumer services (+0.4%) were the only two sectors to post gains in April, supported by VRE (+23.5%), VIC (+17.2%), VHM (+13.8%), MWG (+3.1%) and FRT (+1.7%). On the other hand, oil & gas (-15.6%), basic materials (-11.4%), and insurance (-11.1%) were the worst-performing sectors, likely impacted by global commodity price volatility and investor risk aversion. The steep decline in oil & gas was particularly notable, reflecting concerns over global demand amid escalating trade tensions. The divergence in sector returns highlights a defensive rotation into domestic-focused sectors amid external shocks.

Industries	%1 M	%3 M	%YTD	P/E	P/B	ROE %	ROA %	EPS Growth (YoY,%)	Net Profit Growth (YoY,%)
Financials	-1.6%	16.6%	15.2%	17.22	1.37	7.9%	2.6%	1.8%	-9.9%
Basic Materials	-12.1%	-1.2%	-1.3%	17.84	1.46	8.8%	4.4%	32.3%	34.9%
Oil & Gas	-16.5%	-17.6%	-17.2%	21.05	1.05	3.9%	1.9%	-54.9%	-319.9%
Utilities	-5.6%	-1.5%	-1.9%	16.36	1.72	11.3%	5.9%	-2.8%	-21.2%
Banks	-7.6%	-3.8%	-2.1%	8.73	1.38	16.8%	1.5%	2.0%	12.3%
Consumer Goods	-7.0%	-8.0%	-11.9%	15.60	2.22	13.2%	6.0%	9.3%	-3.6%
Industrials	-6.1%	-7.8%	-3.9%	12.73	1.92	12.7%	5.5%	19.9%	37.6%
Health Care	-4.1%	-1.5%	-1.5%	14.60	1.61	10.7%	6.3%	-4.7%	24.8%
Consumer Services	2.1%	1.9%	1.4%	10.69	3.39	30.1%	7.3%	1019.0%	-18.2%
Technology	-11.9%	-27.7%	-27.4%	19.59	3.83	22.4%	11.0%	22.5%	12.2%
Telecommunications	-7.6%	-22.6%	-21.4%	29.06	5.46	19.4%	10.5%	120.2%	351.9%
Real Estate	1.4%	23.8%	22.3%	17.63	1.39	7.8%	2.6%	8.9%	-11.6%

VN-Index



P/E ratio



Source: FiinproX, Bloomberg.

Introduction

In April, **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
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%
2024	6.3%	17.9%	13.7%	10.5%	7.4%	2.8%	4.2%	12.1%	15.3%	5.9%	5.9%
4M2025	-8.2%	-9.7%	-6.5%	-4.3%	-2.1%	1.2%	1.4%	-3.2%	44.1%	2.0%	2.0%

NAV data as of 28 April 2025

Commentary

As of 30 April 2025, **PRUlink** funds achieved returns as follows:

- **PRUlink** ESG Fund decreased 8.2% from year to date (YTD).
- **PRUlink** Equity Fund decreased 9.7% YTD.
- **PRUlink** Growth Fund decreased 6.5% YTD.
- **PRUlink** Balance Fund decreased 4.3% YTD.
- **PRUlink** Stable Fund decreased 2.1% YTD.
- **PRUlink** Bond Fund increased 1.2% YTD.
- **PRUlink** Preserver Fund increased 1.4% YTD.

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.