

Macroeconomics

Global Macroeconomics

In March 2025, the U.S. economy continued to demonstrate sustainable growth with the manufacturing PMI expanding for the third consecutive month at 50.2 points, and the services PMI further expanding, increasing by over 3 points from the previous month, ending the month at 54.4 points. Inflation remained stable for the second month at a 2.5% year-over-year increase after continuously rising for four consecutive months since late 2024. Contrary to the relatively optimistic economic backdrop, the U.S. stock market in March was engulfed in red, with major indices such as the S&P 500 losing 343 points (-5.75% month-over-month) and the Dow Jones losing 1,839 points (-4.20% month-over-month), driven by concerns over escalating trade wars from President Donald Trump's tariff policies. The market downturn, coupled with rising unemployment rates (4.2% in March) and the Fed's firm stance on early rate cuts, is increasing the risk of a potential economic recession within the next 12 months.

Despite facing numerous challenges from President Donald Trump's tariff war, China continues to pursue its 5% growth target for 2025. The government's policies are heavily focused on stimulating consumption to escape deflation and stabilize the real estate market. Although industrial production and retail sales have shown growth as recorded from early-year data, the decline in imports and the weakening real estate market maintain caution and have yet to provide the impetus for a broad-based economic recovery.

Vietnam Macroeconomics

Macroeconomic Outlook remains Positive despite Challenges ahead

Vietnam's 2025 macroeconomic outlook is positive, driven by stronger public investments and supportive monetary measures. Public investment will boost infrastructure and create economic growth. However, US tariff policies pose risks to exports and FDI. The 90-day pause in tariffs offers temporary relief, but ongoing negotiations are crucial. The government is proactively addressing these challenges, ensuring Vietnam's economy remains on a growth trajectory, supported by sound fiscal and monetary policies.

Q1 Vietnam's GDP Growth Remained High

Vietnam's market potential remains robust, with GDP growth reached 6.93% YoY in Q1 2025, marking the highest quarterly growth since 2019. This robust performance was driven by significant expansions in the services sector (+7.7% YoY), industrial and construction sector (+7.4% YoY), and agriculture, forestry, and fishery sector (+3.7% YoY).

Stable Inflation Amid Falling Gasoline Prices

In March 2025, Vietnam's CPI rose by 3.13% YoY. The monthly decline was due to a 3.61% drop in domestic gasoline prices following global oil price cuts. This decrease is expected to ease inflation, though holiday demand may boost consumption and transportation.

Retail Sales Boosted by International Arrivals

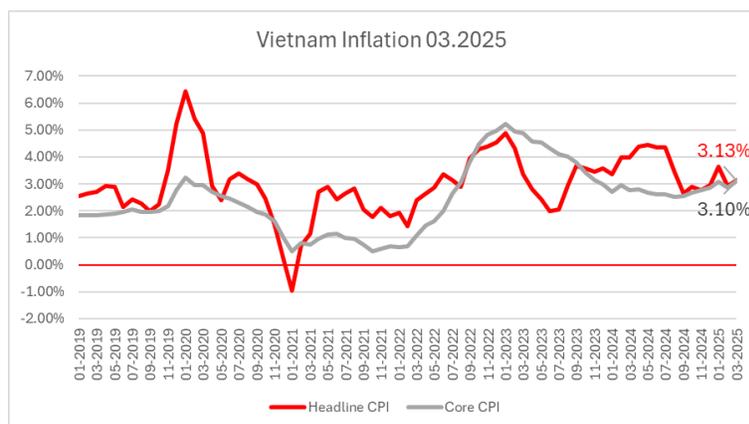
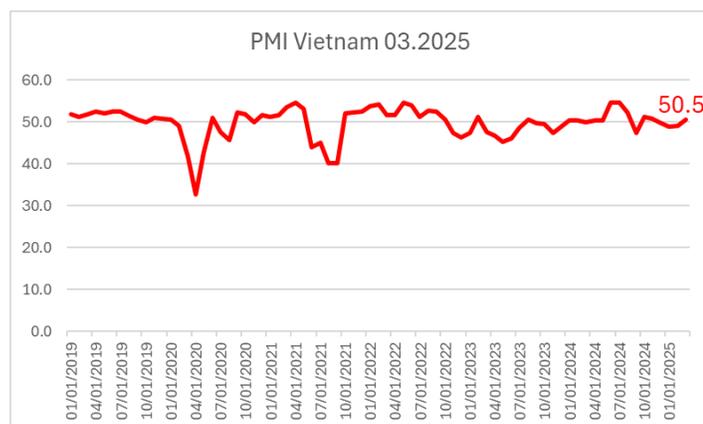
In March 2025, retail sales grew by 10.8% YoY, driven by international arrivals and domestic demand. Q1 2025 saw a 9.9% YoY increase. Key contributors were cultural and educational goods, food, textiles, and household appliances. The Prime Minister's tourism measures and upcoming holidays are expected to boost sales further.

Manufacturing Sector Was Strong along with Surging in Exports and Imports

The Index of Industrial Production (IIP) for March 2025 increased by 8.6% YoY, with manufacturing rising by 10.2% YoY. The Manufacturing PMI also improved to 50.5 in March, suggesting sustained production in the coming months, while the 90-day pause in reciprocal tariffs may support a recovery in new export orders to the US. Vietnam's export value reached USD 38.5bn in March 2025, up 14.5% YoY, while imports surged by 19.0% YoY to USD 36.9bn.

FDI Registration Reached New Highs since 2012

Registered FDI in March 2025 amounted to USD 4.1bn, marking a 33.4% YoY increase. The manufacturing and processing sector attracted the largest share of registered capital, followed by real estate. Despite strong momentum, US reciprocal tariffs could impact Vietnam's FDI outlook, particularly for export-focused investors targeting the US. The pause on tariff implementation provides a window for negotiation, but some FDI registrations and disbursements may slow as investors await further developments.



Stock Market

Market Overview

Vietnam equity market presents both opportunities and challenges.

In March 2025, the VN-Index experienced a slight increase of 0.1% month-over-month (MoM), closing at 1,306.90 points. This modest growth was primarily supported by significant gains in key real estate stocks, VIC and VHM, which saw sharp increases of 40.8% and 24.5%, respectively. The market's liquidity surged, with the VN-Index Average Trading Value reaching 816.9 million USD, marking a substantial 31.6% MoM increase. Foreign investors continued their selling streak, resulting in net outflows of 428.2 million USD. As of end-March 2025, the VN-Index Trailing P/E stood at 14.4x, reflecting a competitive valuation compared to other ASEAN indices.

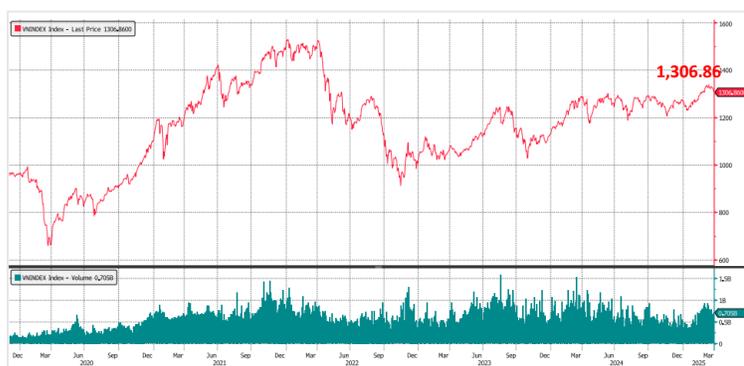
Looking ahead, the Vietnam equity market presents both opportunities and challenges. The VN-Index's valuation is currently undemanding, which suggests that the market remains attractively priced for potential investors. This valuation could serve as a catalyst for renewed interest, particularly if macroeconomic conditions remain supportive. The significant surge in trading turnover, which increased by 31.6% MoM, indicates heightened market activity and liquidity. Furthermore, efforts to upgrade the stock market infrastructure and a potential FTSE Emerging Markets status upgrade will enhance market performance. However, investors may remain cautious due to recent US tariff policies, posing risks to Vietnam's export growth and FDI inflows.

Sector Performance

The real estate sector emerged as the top performer in March 2025, with a remarkable 13.5% increase in the month, driven by the strong performance of VIC and VHM. In contrast, the technology sector faced significant challenges, declining by 13.3% in March 2025, making it the worst-performing sector for the month. Other notable underperformers included the oil & gas sector, which fell by 9.1%, and the basic materials sector, which dropped by 5.4% in the month. On the other hand, sectors such as banks, consumer goods, and insurance showed relatively stable performance, with banks remaining flat and consumer goods and insurance sectors experiencing minor declines of 3.5% and 3.6% in the month, respectively.

Industries	%1 M	%3 M	%YTD	P/E	P/B	ROE %	ROA %	EPS Growth (YoY,%)	Net Profit after tax growth (YoY,%)
Financials	10.18%	16.15%	16.15%	17.83	1.42	8.74%	2.58%	-4.23%	-9.92%
Basic Materials	-5.05%	9.09%	9.09%	20.51	1.66	8.62%	4.19%	47.56%	34.89%
Oil & Gas	-8.48%	-2.29%	-2.29%	24.81	1.24	5.59%	2.57%	-55.07%	-319.91%
Utilities	0.80%	3.22%	3.22%	17.42	1.87	10.63%	5.48%	-15.15%	-21.19%
Banks	0.16%	5.48%	5.48%	9.79	1.54	17.27%	1.49%	-4.73%	12.33%
Consumer Goods	-3.30%	-6.04%	-6.04%	17.12	2.47	14.60%	5.99%	14.26%	-3.64%
Industrials	-3.21%	1.40%	1.40%	16.53	2.08	14.19%	5.30%	30.36%	37.57%
Health Care	-1.26%	3.17%	3.17%	15.72	1.74	11.21%	6.48%	-12.07%	24.80%
Consumer Services	-0.11%	-1.32%	-1.32%	22.41	4.10	5.21%	0.92%	-580.95%	-18.18%
Technology	-13.18%	-19.44%	-19.44%	22.64	4.47	25.29%	10.32%	11.53%	12.19%
Telecommunications	-11.02%	-18.49%	-18.49%	30.94	5.71	23.53%	12.41%	174.69%	351.85%
Real Estate	14.73%	19.74%	19.74%	17.90	1.40	8.56%	2.57%	-2.56%	-11.63%

VnIndex



P/E ratio



2019 2020 2021 2022 2023 2024 2025

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Source: FiinproX, Bloomberg.

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
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%
3M2025	0.4%	0.2%	0.4%	0.5%	0.7%	0.9%	1.0%	3.2%	20.9%	0.3%	1.5%

NAV data as of 31 Mar 2025

Commentary

As of 31 March 2025, **PRUlink** funds achieve positive growth, specifically:

- **PRUlink** ESG Fund increased 0.4% from year to date (YTD).
- **PRUlink** Equity Fund increased 0.2% YTD.
- **PRUlink** Growth Fund increased 0.4% YTD.
- **PRUlink** Balance Fund increased 0.5% YTD.
- **PRUlink** Stable Fund increased 0.7% YTD.
- **PRUlink** Bond Fund increased 0.9% YTD.
- **PRUlink** Preserver Fund increased 1.0% 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.

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