

Macroeconomics

Global Macroeconomics

In June, the United States finalized tariff agreements with the United Kingdom and China. In early July, it announced a trade framework with Vietnam. Concurrently, President Donald Trump issued formal notices of reciprocal tariffs targeting multiple countries, urging negotiations ahead of the new tariff schedule taking effect on August 1, 2025. While trade tensions remain a concern for export-driven economies, their impact on financial markets has moderated. The S&P 500 reached a new all-time high of 6,290 in the first week of July, reflecting investor optimism.

Market sentiment was further buoyed by growing expectations of a shift in monetary policy, driven by increasing pressure from President Trump on Federal Reserve Chair Jerome Powell to lower interest rates.

At the European Central Bank Forum in Sintra, Portugal, global central bank leaders convened to discuss macroeconomic adaptation strategies. However, consensus on further rate cuts remained elusive amid persistent inflation concerns and uncertainty surrounding U.S. trade policy.

Vietnam Macroeconomics

Macroeconomic Outlook remains Promising despite Challenges ahead

Vietnam’s macroeconomic outlook for 2025 remains optimistic, supported by robust public investment and accommodative monetary policy. Public investment is expected to be a key growth driver, with a notable increase projected to accelerate infrastructure development and generate a strong multiplier effect across the economy. Additionally, Vietnam’s preliminary favorable tariff position under the U.S. trade deal strengthens its export competitiveness. While uncertainties in global trade persist, Vietnam’s sound fiscal and monetary frameworks provide a solid foundation for sustaining growth momentum throughout the year.

Vietnam’s Economy Sustained Strong Growth Momentum in Q2

Vietnam recorded a robust GDP growth of 7.96% YoY in Q2 2025, marking the second-highest Q2 performance since 2011. This expansion was driven by the industrial & construction sector and the services sector, expanding 9.0% YoY and 8.5% YoY in the quarter, respectively. The solid growth reflects resilient domestic demand and effective public investment, keeping the economy on track toward the government’s annual target.

Inflation Rose on Energy Costs. Retail Sales Supported by Tourism and Government Stimulus

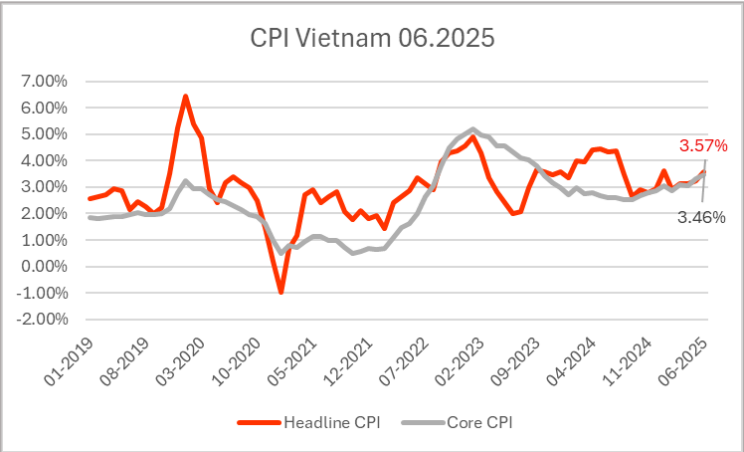
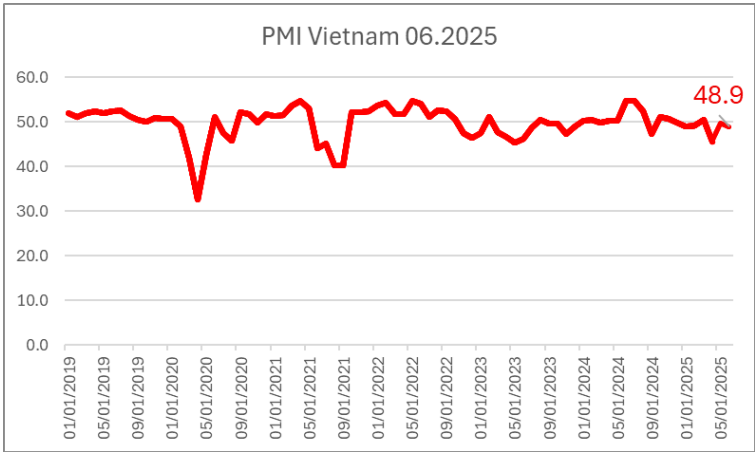
Headline inflation in June climbed to 3.57% YoY and 0.48% MoM, primarily driven by electricity and gasoline price hikes. These increases were linked to higher summer consumption and global oil market disruptions, notably the Iran-Israel conflict. Despite these pressures, the average CPI for H1 2025 remained moderate at 3.27%, suggesting inflation is being contained within manageable levels. Retail sales grew 8.3% YoY in June in nominal terms, supported by a surge in international tourist arrivals. Vietnam welcomed 1.5 million foreign visitors in June, up 17.1% YoY, boosting demand in accommodation, catering, and tourism services. Additionally, government measures further stimulate domestic consumption. These factors are expected to continue supporting retail activity in the coming months.

Manufacturing Output Expanded While Sentiment Softens

The Index of Industrial Production (IIP) rose 10.8% YoY and 4.1% MoM in June, led by manufacturing growth of 12.1% YoY. However, the Manufacturing PMI declined to 48.9, indicating a modest deterioration in business conditions. The drop was attributed to a sharp fall in new export orders, the steepest in over two years, as global demand weakened and concerns over US tariffs emerged. Despite this, business confidence remains resilient, with most firms expecting stable or improved conditions in Q3.

Trade Activities and FDI Show Resilience Amid Trade Challenges

Vietnam’s trade activities remained strong in June, with exports rising 16.4% YoY to USD 39.5 bn, led by electronics, particularly PCs and components. Imports grew 20.2% YoY to USD 36.7 bn, driven by demand for industrial inputs. The country maintained a USD 2.9 bn trade surplus. Meanwhile, FDI disbursement reached USD 2.8 bn, up 8.8% YoY, the highest monthly figure so far in 2025. This was supported by Vietnam’s favorable tariff treatment and solid investment fundamentals, reinforcing its attractiveness to foreign investors.



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

All data as of 30/06/2025 unless otherwise stated

Market Overview

Vietnam’s equity market offers promising prospects alongside notable risks

The VN-Index closed June 2025 at 1,376.10, rising 3.30% MoM and 8.60% YTD, marking a continued recovery despite strong foreign selling in the prior month. Market sentiment was lifted by easing US–China trade tensions, progress in Vietnam–US tariff negotiations, and rallies in global stock markets. However, market liquidity weakened, with average daily trading value (ADTV) on the HSX falling to USD 804.70 million, down 3.40% MoM. Foreign investors recorded net outflows of USD 54.0 million for the month. The VNIndex’s trailing P/E ratio rose to 14.1x as of end-June 2025, reflecting valuation expansion alongside price recovery.

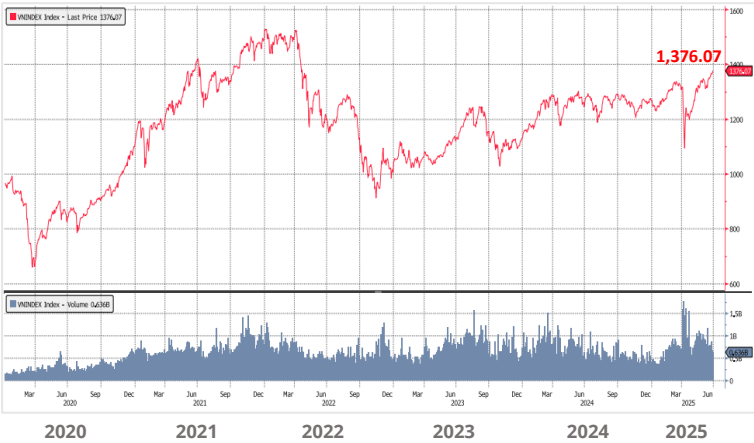
Looking ahead, Vietnam’s equity market offers promising prospects alongside notable risks. The launch of the Korea Exchange (KRX) trading system in May 2025 has modernized market infrastructure, which may enhance transparency and strengthen investor confidence. Furthermore, a potential upgrade to FTSE Emerging Markets status could attract increased foreign capital inflows. On the downside, investor sentiment may remain cautious due to ongoing uncertainties in global trade policies, particularly from the U.S. and other major economies. These developments are critical to Vietnam’s export performance and its ability to sustain foreign direct investment.

Sector performance.

Sector performance in June showed clear leadership from Oil & Gas, which posted an 8.6% monthly return, followed by Consumer Goods at 7.6% and Insurance at 5.2%, all outperforming the VN-Index. These sectors benefited from favorable market dynamics and stock-specific strength. On the downside, Real Estate (-0.4%) and Health Care (-0.2%) and Industrials (+1.9%) were the top underperforming sector in the month. Real Estate and Industrials retreated in June 2025 after a strong surge in May.

Industries	%1 M	%3 M	%YTD	P/E	P/B	ROE %	ROA %	EPS Growth (YoY,%)	Net Profit Growth (YoY,%)
Financials	1.4%	21.8%	41.2%	17.43	9.47%	165.0%	3.0%	20.6%	56.0%
Basic Materials	5.6%	1.0%	10.1%	18.90	8.76%	157.0%	4.4%	28.9%	-1.4%
Oil & Gas	9.1%	-2.7%	-4.9%	32.77	3.88%	118.0%	1.9%	-67.1%	-11.4%
Utilities	1.7%	2.5%	5.8%	15.51	10.78%	172.0%	5.7%	8.4%	14.0%
Banks	4.2%	1.4%	7.0%	9.34	16.80%	147.0%	1.5%	1.7%	4.2%
Consumer Goods	5.6%	3.0%	-3.2%	17.09	12.68%	236.0%	5.8%	6.1%	-10.1%
Industrials	-1.0%	0.4%	1.8%	13.65	12.48%	205.0%	5.4%	13.1%	-29.9%
Health Care	0.4%	3.3%	6.6%	15.36	9.37%	153.0%	5.7%	-20.4%	-9.5%
Consumer Services	5.2%	22.2%	19.5%	27.40	18.45%	445.0%	4.7%	458.7%	117.0%
Technology	3.1%	-0.9%	-20.2%	20.46	22.46%	416.0%	11.2%	27.7%	5.6%
Telecommunications	8.2%	5.4%	-14.1%	37.58	19.38%	586.0%	10.5%	74.4%	-81.5%
Real Estate	0.5%	29.5%	54.5%	17.45	9.77%	171.0%	3.2%	35.2%	60.1%

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 Vietnam S.D.E	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%
6M2025	0.9%	-1.4%	-0.4%	0.2%	0.9%	1.8%	2.2%	8.6%	41.9%	2.5%	2.9%

NAV data as of 30 Jun 2025

Commentary

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

- **PRUlink** ESG Fund increased 0.9% from year to date (YTD).
- **PRUlink** Equity Fund decreased 1.4% YTD.
- **PRUlink** Growth Fund decreased 0.4% YTD.
- **PRUlink** Balance Fund increased 0.2% YTD.
- **PRUlink** Stable Fund increased 0.9% YTD.
- **PRUlink** Bond Fund increased 1.8% YTD.
- **PRUlink** Preserver Fund increased 2.2% 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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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.

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