

Macroeconomics

Global Macroeconomics

**United States:** At the FOMC meeting on December 10, 2025, the Federal Reserve decided to cut interest rates for the third time by 25 basis points, aiming to further support labor market conditions. In addition, the Fed announced plans to begin purchasing approximately \$40 billion in short-term Treasuries per month starting mid-December 2025 to enhance market liquidity. The Fed views the current policy rate of 3.75% as neutral—providing a balance between fostering economic growth and maintaining inflation control. Any further rate cuts in 2026 will depend on incoming economic data, while the likelihood of rate increases next year remains limited. The gradual shift toward a more accommodative monetary stance has strengthened investor confidence in the market’s growth outlook for 2026.

Vietnam Macroeconomics

Macroeconomic outlook remains positive

Vietnam’s economic outlook in 2026 remains favorable, anchored by strong public investment and resilient external demand. Accelerated infrastructure spending is expected to sustain growth momentum and generate spillover benefits across industries. While global trade uncertainties and climate-related disruptions pose near-term challenges, Vietnam’s competitive tariff regime, solid fiscal position, and proactive policy stance provide a robust foundation for achieving its ambitious growth targets.

Inflation pressures intensified amid flood-related disruptions

Headline CPI rose 0.45% MoM and 3.58% YoY in November, reflecting notable price pressures from foodstuffs and transportation. Food and catering services surged 0.95% MoM, contributing 0.34 percentage points to overall inflation, as supply chains were disrupted by storm-related flooding. Domestic gasoline prices climbed 2.41%, pushing transportation costs up 1.07% MoM. These factors underscore the vulnerability of consumer prices to weather shocks and supply constraints, even as inflation remains below the government’s 4.0% - 4.5% target range.

Retail activity slowed sharply due to storm impact

Retail sales growth decelerated to +7.1% YoY, marking the weakest monthly performance of 2025. Storm No. 13 and subsequent flooding curtailed consumption, particularly in goods categories, despite ongoing strength in tourism-related services. While November was subdued, the report anticipates a rebound in December driven by housing repair programs, seasonal demand for holidays, and increased hiring of temporary workers ahead of Lunar New Year. This temporary dip highlights the sensitivity of domestic demand to climate-related disruptions.

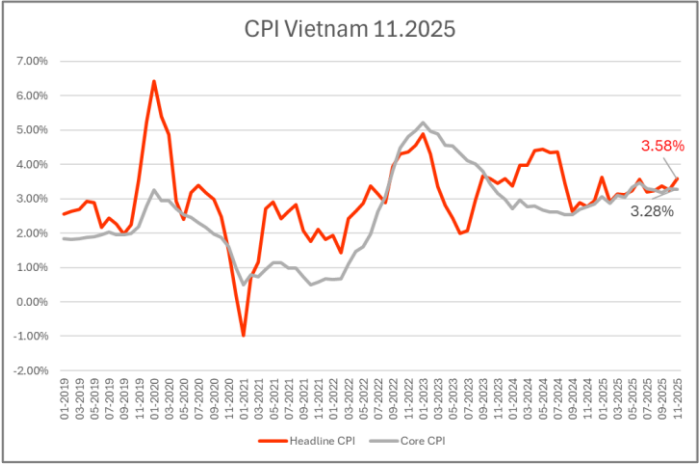
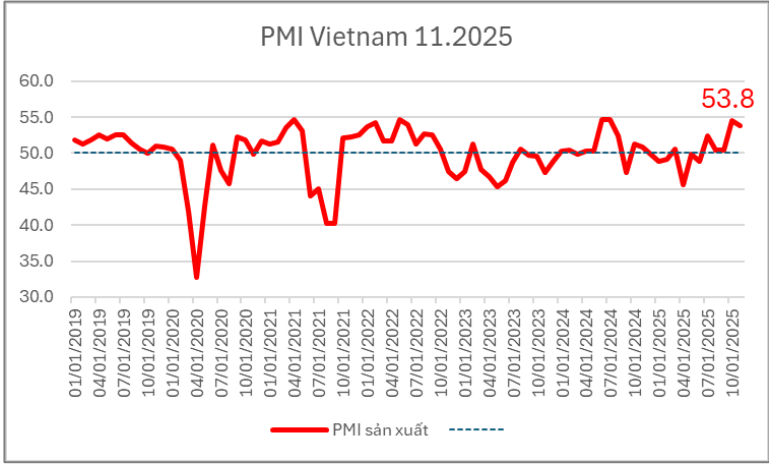
Manufacturing maintained strong momentum

Industrial production continued to expand, with manufacturing IIP (The Index of Industrial Production) up 3.1% MoM and 11.8% YoY, supported by broad-based gains across subsectors such as motor vehicles and non-metallic minerals. The Manufacturing PMI stood at 53.8, signaling sustained improvement in business conditions despite storm-related logistical challenges. New orders have grown for three consecutive months, underpinning output and employment gains. These indicators suggest that Vietnam’s manufacturing sector remains resilient, positioning itself for seasonal demand and export growth.

External trade and investment were robust

Exports reached USD 39.1 bn in November, up 15.1% YoY, while imports totaled USD 38.0 bn, rising 16.0% YoY, resulting in a trade surplus of USD 1.1 bn. Export growth was driven by electronics and machinery, with the U.S. retaining its position as Vietnam’s largest market. On the investment front, disbursed FDI stood at USD 2.3 bn, increasing 9.5% YoY, led by manufacturing and processing sectors. Public investment disbursement accelerated to VND 67 tn in November, contributing to a cumulative VND 553 tn (+39.2% YoY) for 11M 2025, fulfilling 70% of the annual plan. This surge in capital spending reflects the government’s commitment to infrastructure development and growth stabilization.

Market Overview



Equity market overview.

Vietnam’s equity market remains an appealing long-term investment destination.

The VN-Index closed November at 1,691.0, rising 3.1% MoM and extending its YTD gain to 33.5%. This rebound followed two months of declines and was driven by VIC — and improved sentiment from expectations of U.S. Fed rate cuts. Despite the index’s strength, market liquidity deteriorated sharply, with average daily trading value on HSX falling to USD 863.9 million, down 32.3% MoM, marking the lowest level in five months. Foreign investors continued to exert selling pressure, recording net outflows of USD 312.4 million across all three bourses. Valuation edged higher, with the VN-Index trailing P/E rising to 16.4x from 15.9x in October, reflecting the index’s recovery.

Vietnam’s equity market remains an appealing long-term investment destination, underpinned by reasonable valuations, supportive monetary conditions, and a significant market upgrade. FTSE Russell has confirmed that Vietnam will move from Frontier Market to Secondary Emerging Market status, effective September 2026. This reclassification is expected to boost investor confidence, enhance liquidity, and lift valuations, particularly as it coincides with Vietnam’s strong GDP growth outlook. These structural improvements are poised to attract substantial foreign capital and broaden investor participation. However, challenges remain. External risks, especially potential shifts in U.S. trade policy, pose risks to Vietnam’s export performance and ability to sustain FDI inflows. Successfully managing these uncertainties will be essential to maintaining momentum and unlocking Vietnam’s equity market’s full potential in the years ahead.

Sector performance.

Sector performance in November was uneven, with Real Estate surging 15.2%, making it the top-performing sector thanks to VIC’s outsized gains and broad strength across property names. Telecommunications followed with an 8.8% increase, while Consumer Services advanced 5.7%, led by VPL and VJC. In contrast, Technology posted the steepest decline at -6.5%, while Financial Services fell -4.0%, and Basic Materials dropped -2.7%.

Bond market overview

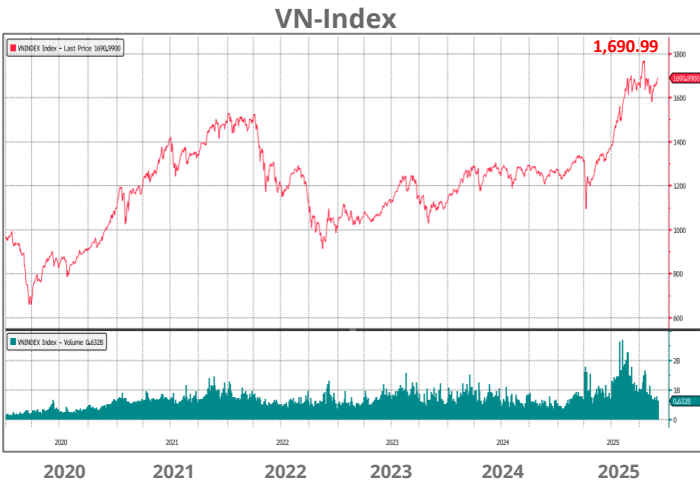
Vietnam bond market developments in November 2025: higher government bond yields, sharp decline in corporate bond issuance

In November 2025, the total value of government bond (G-bond) auction offerings reached VND 54 trillion, with a winning bid ratio of 43.5%, equivalent to approximately 16% of the Q4 issuance target. Among these, the 10-year tenor continued to record a high winning ratio, accounting for around 81.4% of the successful bids. Average winning yields across most maturities increased compared to the previous month. By the end of November 2025, the State Treasury had mobilized VND 306.9 trillion through G-bond issuance, representing 61.4% of the 2025 annual plan.

Meanwhile, corporate bond (C-bond) issuance in November 2025 totaled VND 19.6 trillion, down 71% from the previous month and 46% year-on-year. For the first 11 months of 2025, cumulative C-bond issuance reached VND 511.3 trillion, up 31% compared to the same period in 2024, with the majority still concentrated in the Banking and Real Estate sectors. In November, corporates repurchased VND 11.14 trillion of bonds before maturity, an increase of 2% year-on-year.

Source: FiinproX, Bloomberg, VBMA.

Industries	%1 M	%3 M	%YTD	P/E	P/B	ROE %	ROA %	EPS Growth (YoY,%)	Net Profit Growth (YoY,%)
Financials	4.78%	19.67%	128.46%	24.43	2.50	10.48%	3.15%	38.42%	19.49%
Basic Materials	0.31%	-0.88%	18.76%	15.58	1.56	10.51%	5.35%	22.68%	-6.12%
Oil & Gas	1.77%	-3.02%	12.50%	20.04	1.33	6.84%	3.21%	-32.59%	-19.15%
Utilities	3.13%	-0.17%	12.64%	13.58	1.71	13.40%	6.99%	24.12%	-24.53%
Banks	-2.84%	-10.44%	26.41%	9.82	1.59	17.04%	1.48%	5.21%	-1.91%
Consumer Goods	10.90%	12.31%	14.28%	17.53	2.57	14.55%	6.75%	17.91%	-13.59%
Industrials	-4.87%	-16.01%	-17.56%	12.41	1.97	13.70%	5.96%	23.63%	36.78%
Health Care	0.17%	4.09%	13.33%	17.64	1.68	9.01%	5.38%	-10.20%	-4.36%
Consumer Services	4.22%	14.22%	47.40%	23.18	4.42	20.30%	5.40%	64.49%	-34.85%
Technology	-3.96%	-5.56%	-22.77%	18.19	3.72	22.71%	11.21%	17.48%	10.34%
Telecommunications	3.22%	-1.89%	-14.68%	21.32	5.43	29.29%	15.39%	114.89%	38.86%
Real Estate	6.90%	31.04%	164.31%	28.53	2.78	9.93%	3.05%	41.12%	-4.06%



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%
11M2025	9.0%	9.3%	7.5%	6.2%	4.9%	3.1%	4.1%	33.5%	84.0%	3.3%	5.8%

NAV data as of 27 Nov 2025

Commentary

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

- **PRUlink** ESG Fund increased 9.0% from year to date (YTD).
- **PRUlink** Equity Fund increased 9.3% YTD.
- **PRUlink** Growth Fund increased 7.5% YTD.
- **PRUlink** Balance Fund increased 6.2% YTD.
- **PRUlink** Stable Fund increased 4.9% YTD.
- **PRUlink** Bond Fund increased 3.1% YTD.
- **PRUlink** Preserver Fund increased 4.1% 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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