

Macroeconomics

Global Macroeconomics

United States: Headline inflation accelerated to 2.9% YoY in August, exceeding the Federal Reserve’s 2% target, while labor market conditions showed clear signs of deterioration. Despite core inflation remaining elevated at 3.1% YoY, the Fed is widely expected to cut interest rates at its September meeting to support employment and economic momentum.

China: Consumer prices declined by 0.4% YoY, and producer prices fell 2.9% YoY, signaling deflationary pressures and subdued domestic demand. The People’s Bank of China continues to pursue a measured monetary easing stance, relying on exchange rate and liquidity tools to stabilize the yuan rather than deploying aggressive stimulus measures.

European Union: Headline inflation edged up to 2.1% YoY, with core inflation stable at 2.3% YoY. The European Central Bank maintained its policy rate at 2%, following eight consecutive rate cuts since 2024. The current monetary stance is deemed appropriate to anchor inflation expectations without destabilizing financial markets.

Vietnam Macroeconomics

Macroeconomic Outlook Remains Resilient Amid External Headwinds

Vietnam’s macroeconomic outlook for the remainder of 2025 remains favorable, supported by strong public investment and stable inflation. Accelerated budget disbursement is expected to drive infrastructure development and stimulate growth across sectors. While global trade uncertainties persist—particularly around transshipment risks and potential new tariffs on electronics—Vietnam’s alignment with ASEAN tariff norms and sound fiscal management provide a buffer. Despite currency depreciation, Vietnam is well-positioned to maintain its growth trajectory through the rest of the year.

Retail Sales Accelerated on Festival-Driven Consumption; Inflation Remained Contained

Vietnam’s domestic demand showed solid performance in August, led by a 10.6% YoY increase in retail sales and a 2.6% MoM rise. The surge was largely attributed to seasonal festivals that boosted consumer spending, particularly in accommodation, food, and beverages, which grew 13.2% YoY. Inflation remained contained, with headline CPI rising just 0.05% MoM and 3.24% YoY. The slight pickup was driven by a smaller decline in transportation costs and a 1.1% increase in fuel prices. Core inflation moderated to 3.2% YoY, indicating subdued demand-pull pressures and a stable pricing environment.

Manufacturing Activity Remains Steady as PMI Holds Above 50; But New Export Orders Soften

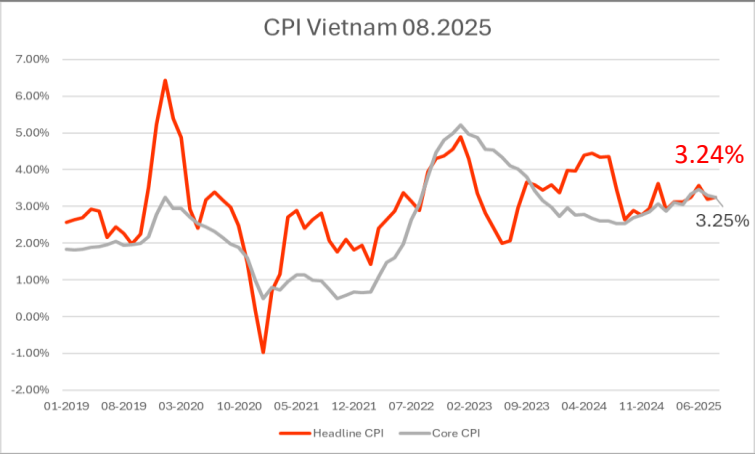
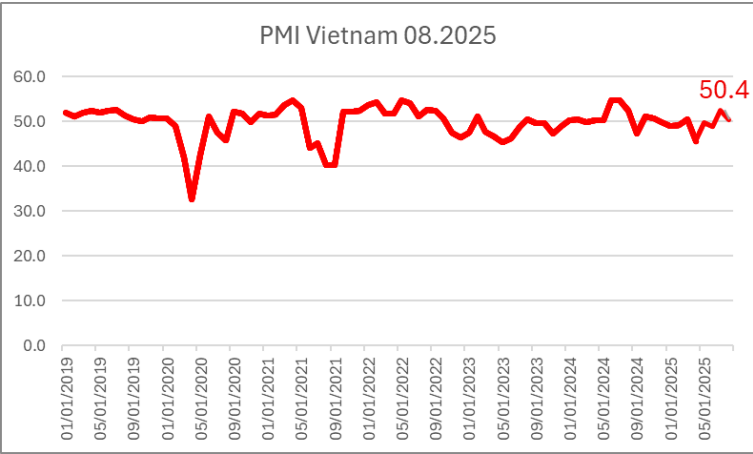
Vietnam’s manufacturing sector continued its recovery in August, supported by an 8.9% YoY increase in the Industrial Production Index, reflecting strong performance in electronics and machinery production. The Manufacturing PMI rose to 50.4, marking the second consecutive month of expansion. This rebound suggests improving business conditions and gradual stabilization in manufacturing output, likely aided by resilient export demand and easing supply chain disruptions. However, new export orders contracted for the tenth consecutive month.

Trade Surplus Reached New High as Exports Surged in August

Vietnam recorded a trade surplus of USD 3.7 billion in August. Export value reached a record USD 43.4 billion, up 14.5% YoY, driven by strong shipments of computers and electrical products (+50.4%), telephones (+21.9%), and machinery (+8.6%). Imports also rose by 17.7% YoY to USD 39.7 billion, reflecting robust demand for production inputs and consumer goods, particularly from China. Despite the impact of US tariffs, Vietnam’s trade performance remained resilient, although the domestic sector’s export share declined to 25%, highlighting growing reliance on FDI-led exports.

FDI Inflows Accelerated, Reinforcing Economic Resilience

Disbursed FDI rose 12.5% YoY in August, reaching the highest monthly level in a decade. This growth was driven by strong equity inflows and project expansions, with total disbursements in the first eight months amounting to USD 15.4 billion (+8.8% YoY). The sustained momentum in FDI reflects investor confidence in Vietnam’s manufacturing capabilities and policy stability. Combined with a state budget surplus and accelerated public investment, these inflows are expected to support infrastructure development and broader economic activity.



Stock Market

Market Overview

Equity market overview.

Promising prospects alongside notable risks in the future

Vietnam’s equity market posted a robust performance in August 2025, with the VN-Index closing at 1,682.2 points, marking a 12.0% increase month-on-month (MoM) and a 32.8% gain year-to-date (YTD). This rally was fueled by optimism surrounding a potential FTSE market upgrade and strong Q2 earnings. Liquidity remained vibrant, as the average daily trading value (ADTV) on the VN-Index soared to USD 1.9 billion, up 41.5% from July. Despite the domestic strength, foreign investors recorded a net outflow of USD 1.6 billion in August across all three bourses, contributing to a YTD net selling of USD 2.8 billion. The VN-Index’s forward P/E stood at 14.1x as of the end of August 2025.

Vietnam’s equity market offers promising prospects alongside notable risks in the future. A potential upgrade to FTSE Emerging Markets status could attract increased foreign capital inflows. Moreover, regulatory reforms – including the adoption of a non-pre-funding model and enhanced English-language disclosures – are addressing key barriers to foreign participation. Despite structural progress, Vietnam’s market outlook is tempered by external risks – particularly evolving U.S. trade policies. These developments are critical to Vietnam’s export performance and its ability to sustain foreign direct investment.

Sector performance.

Financial Services sector led the market with a 20.2% monthly return, driven by aggressive margin lending and strong earnings results and the IPO plans of VPBank Securities and Techcombank Securities. Banks followed closely with a 19.0% gain. Real Estate also delivered a solid 13.3% return, buoyed by recovery in presales and new project launches. On the downside, Information Technology was the only sector in decline, falling 2.0% due to global IT headwinds. Health Care (+0.05%) and Utilities (+1.4%) also underperformed, showing limited investor interest.

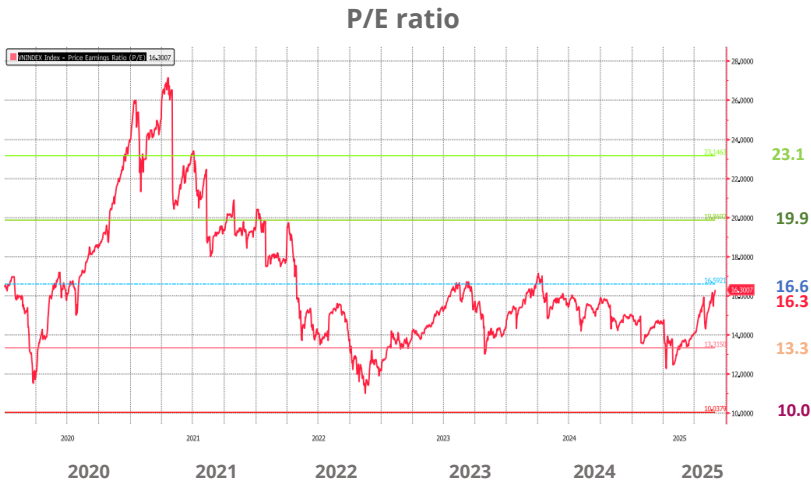
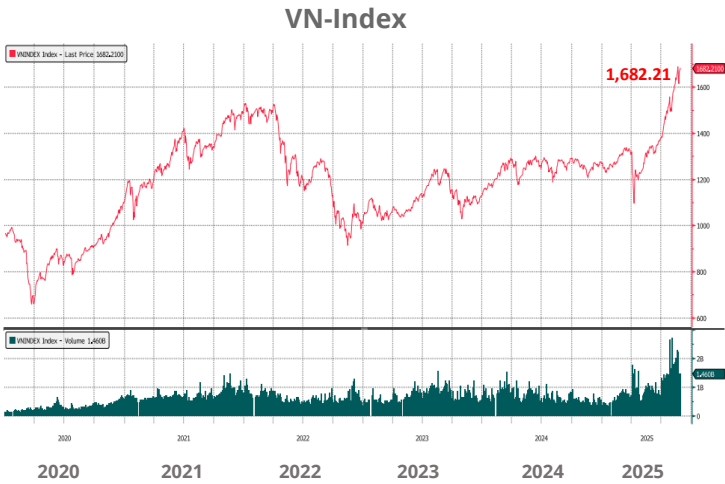
Bond market overview

Government Bond Yields Rise, Corporate Bonds Show Strong Recovery

In August 2025, the total value of government bond (GB) auction offerings reached VND 48 trillion, with a bid-winning rate of approximately 24%, equivalent to 10% of the Q3 target. Notably, the 10-year tenor continued to record a high winning rate. Average winning yields across most tenors increased compared to the previous month. By the end of August 2025, the State Treasury had successfully mobilized over VND 238.7 trillion through GB issuance, fulfilling 48% of the annual plan. Meanwhile, the value of corporate bond (CB) issuance in August 2025 reached VND 45.7 trillion, up 53% month-on-month but down 7% year-on-year. The total CB issuance in the first eight months of 2025 amounted to VND 359.5 trillion, with the majority coming from the Banking and Real Estate sectors. In the same month, enterprises repurchased VND 27 trillion worth of bonds before maturity, marking a 70% increase compared to August 2024.

Source: FiinproX, Bloomberg.

Industries	%1 M	%3 M	%YTD	P/E	P/B	ROE %	ROA %	EPS Growth (YoY,%)	Net Profit Growth (YoY,%)
Financials	15.74%	37.28%	91.03%	21.03	2.15	10.15%	3.14%	53.56%	-42.27%
Basic Materials	2.96%	14.59%	20.36%	18.65	1.65	9.39%	4.75%	11.19%	36.79%
Oil & Gas	14.53%	28.64%	14.65%	34.18	1.40	4.35%	2.09%	-61.93%	146.71%
Utilities	1.85%	7.52%	11.49%	14.16	1.72	12.39%	6.55%	26.54%	55.74%
Banks	22.33%	37.14%	42.23%	11.69	1.87	16.86%	1.48%	0.24%	7.66%
Consumer Goods	4.29%	10.61%	2.17%	16.20	2.41	14.23%	6.46%	19.37%	72.75%
Industrials	-4.23%	-6.56%	-2.92%	14.85	2.17	12.35%	5.34%	7.34%	39.29%
Health Care	1.09%	2.70%	9.62%	16.22	1.59	9.19%	5.54%	-2.75%	2.42%
Consumer Services	3.63%	11.89%	28.75%	21.73	4.39	20.77%	5.42%	175.89%	-1.56%
Technology	-3.13%	2.39%	-20.33%	19.59	4.02	22.51%	11.15%	16.03%	-8.01%
Telecommunications	-3.32%	7.78%	-13.56%	30.63	5.72	22.54%	12.03%	33.58%	338.15%
Real Estate	12.43%	30.90%	100.63%	20.07	2.15	10.48%	3.36%	84.36%	-54.58%



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%
8M2025	17.4%	15.6%	11.7%	8.9%	6.2%	2.3%	2.9%	32.8%	55.6%	3.4%	3.7%

NAV data as of 28 Aug 2025

Commentary

As of 31 Aug 2025, **PRUlink** funds achieved returns as follows:

- **PRUlink** ESG Fund increased 17.4% from year to date (YTD).
- **PRUlink** Equity Fund increased 15.6% YTD.
- **PRUlink** Growth Fund increased 11.7% YTD.
- **PRUlink** Balance Fund increased 8.9% YTD.
- **PRUlink** Stable Fund increased 6.2% YTD.
- **PRUlink** Bond Fund increased 2.3% YTD.
- **PRUlink** Preserver Fund increased 2.9% 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.