



# Macro Flash Note

## A reassuring start

January 29, 2024

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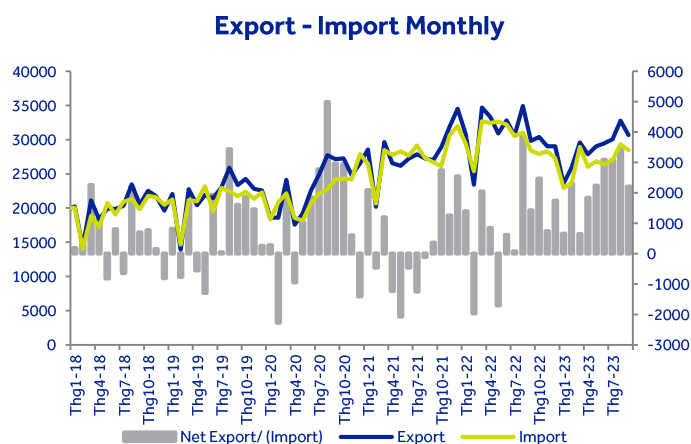
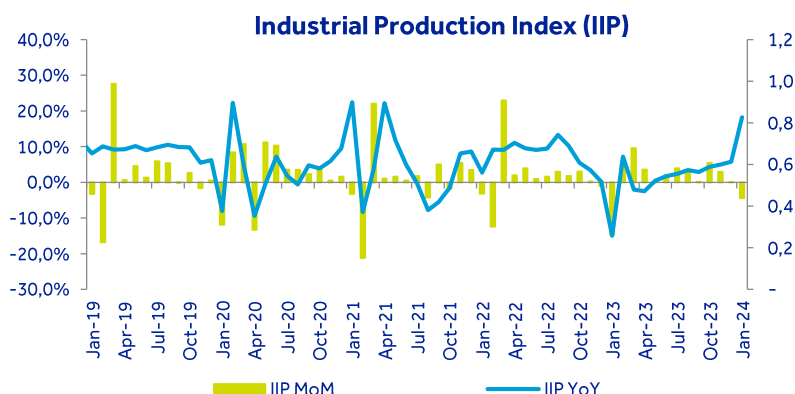
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## January Macro Indicators - positive signs for 2024

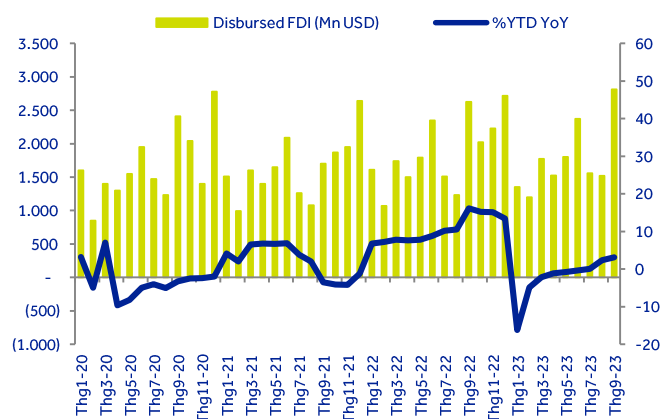
- **Index of Industrial Production - IIP** decreased by 4.4% MoM however increased by 18.3% YoY.
- **Foreign Direct Investment - FDI** disbursed USD1.5bn (+9.67% YoY), and registered USD2bn (+49% YoY).
- **Trade** From 1/1 to 15/2/2024 exports achieved USD15.08bn (+4.1%YoY); imports achieved USD14.7bn (+6.8%YoY), thus surplus of USD380mn.
- **Consumer Price Index - CPI** increased by 0.31% MoM and increased 3.37% YoY. Core CPI increased 2.72% YoY.
- **Retail Sales** retail sales reached VND524.1tn, increased by 8.1% YoY.
- **Realized Capital under State Budget** reached VND31.1tn in January 2024 (+12.5% YoY)
- **State Budget:** Govt. revenue reached VND43.7tn (about 2.6% budget), Govt. expenditure reached VND46.4tn (about 2.2% budget).
- **Our quick comments:**
  - + In Jan 2024, Vietnam's economy experienced a relatively positive start, as the supply side witnessed further recovery in industrial production and trade activities. The MoM drop in industrial production can be attributed to seasonal factors. January 2024 exhibited consistent growth compared to the previous period. Nevertheless, recovery on the side of demand remains modest. Despite the holiday season, there is a persistent lack of demand for goods and services, leading to the modest growth of retail sales of goods and services in January 2024(+8.3% YoY) . This growth rate remains below the average and falls short of the 10% level.
  - + The trade activities and foreign direct investment (FDI) remain the main growth drivers, with both exports and imports continue to recover, and FDI continues to flow into Vietnam.
  - + An important observation in this data is that the Consumer Price Index (CPI) had a relatively high value at the start of the year, with a YoY increase of 3.37%. Additionally, the core CPI experienced over 2.7% YoY increase.
  - + We expect that the Vietnamese economy will sustain its recovery momentum in 2024; however, the growth rate will be modest, ranging from 5.5% to 6.1%, owing to the subsequent factors. (1) Vietnam's key economic partners, including the United States, China, and Europe, are showing signs of a recession in 2024, which would further damage industrial activities; (2) weak consumer confidence will impede a robust recovery in consumption as employment activities and prospects continue to be bleak despite the precipitous decline in lending rates; and (3) the real estate sector is anticipated to encounter ongoing challenges and risks in 2024, primarily due to the substantial maturity of corporate bond's outstanding debt, particularly in the real estate sector.

## APPENDIX

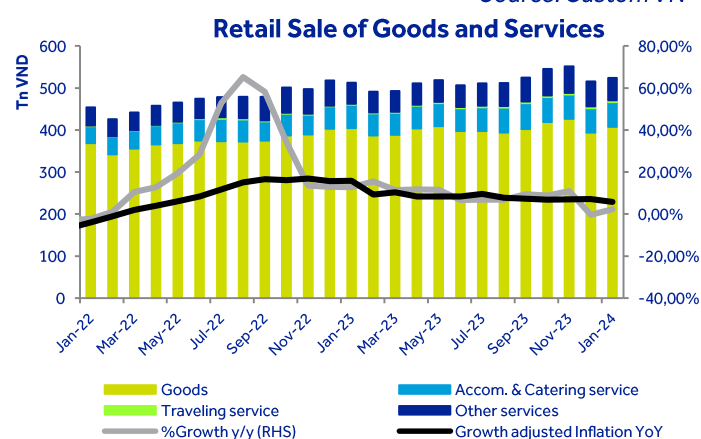
	IIP MoM	IIP YoY
Jan-13	-3.2%	27.5%
Jan-14	-6.2%	-1.7%
Jan-15	-2.8%	-2.8%
Jan-16	-2.6%	5.9%
Jan-17	-6.2%	0.7%
Jan-18	-3.4%	20.9%
Jan-19	-3.2%	8.1%
Jan-20	-11.8%	-8.0%
Jan-21	-3.3%	22.5%
Jan-22	-3.1%	2.8%
Jan-23	-14.6%	-14.9%



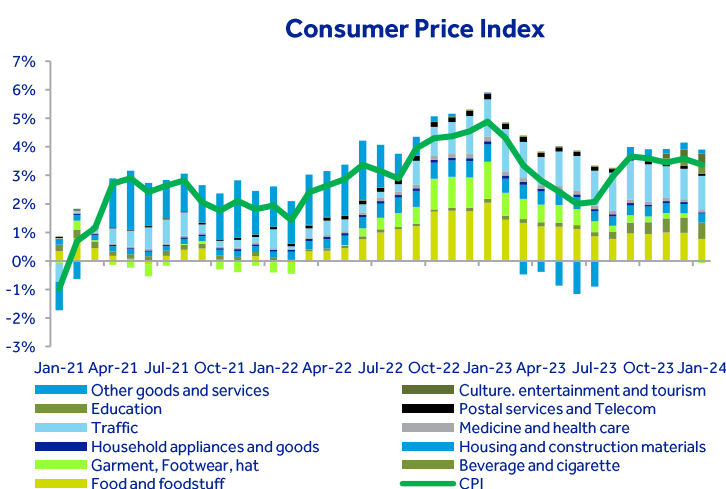
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