

MACRO UPDATE

April 2026

EARLY INDICATORS OF INFLATIONARY UPSIDE RISK

Research & Market Strategy Department

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The logo for ACBS, consisting of the letters 'ACBS' in a bold, blue, sans-serif font. The letter 'C' is stylized with a yellow dot in the center.

KEY TAKEAWAYS ON MONTHLY ECONOMIC DATA

SPOTLIGHT

- **April 2026 macroeconomic data indicates sustained baseline expansion, underpinned by steady industrial production, solid FDI disbursement, inbound international arrivals, and accelerated public investment.** However, structural divergence is increasingly apparent. Relative to March, several constraints have materialized: headline inflation now exceeds core inflation, real consumption growth has moderated, import growth continues to outpace exports, and the manufacturing recovery remains concentrated within select sub-sectors.
- Headline CPI rose 0.84% MoM and 5.46% YoY in April. For the 4M2026 period, average headline CPI expanded 3.99% YoY (up from 3.20% in 4M2025), approaching the National Assembly's 4.5% target ceiling. Concurrently, average core inflation reached 3.89% YoY, marking an increase from 3.05% during the same period in 2025.
- Nominal retail sales reached VND646.3tn (+12.1% YoY) in April, driving the 4M2026 cumulative figure to VND2,546.6tn (+11.1% YoY, compared to +9.9% in 4M2025). Despite this nominal expansion, real retail sales growth (excluding price effects) moderated to 6.3% YoY in 4M2026, down from 7.7% in 4M2025. This divergence between nominal and real retail metrics suggests some compression in consumer spending capacity.
- IIP advanced 3.0% MoM and 9.9% YoY in April, bringing 4M2026 IIP growth to 9.2% YoY (4M2025: 8.6%). Manufacturing and processing sector remains the primary growth engine, expanding 10.0% YoY in April and 9.9% YoY in 4M2026.
- On the external front, April exports reached US\$45.52bn (+21.0% YoY, -2.0% MoM), while imports expanded to US\$48.80bn (+32.5% YoY, +3.6% MoM). This generated an April trade deficit of US\$3.28bn, pushing the cumulative 4M2026 deficit to US\$7.11bn and marking a clear shift from the US\$4.3bn surplus recorded in 4M2025.
- Cumulative registered FDI reached US\$18.24bn (+32.0% YoY) in 4M2026, driven by a structural divergence in capital flows. Newly registered projects generated US\$12.15bn (a 2.2x YoY expansion), while M&A activity contributed US\$2.96bn (+61.9% YoY). Conversely, adjusted capital injections from existing projects contracted 51.0% YoY to US\$3.13bn. Concurrently, FDI disbursement rose 9.8% YoY to US\$7.40bn, representing the highest four-month realization in five years.
- State budget disbursement for public investment reached VND54.8tn (+8.2% YoY) in April. Cumulative 4M2026 disbursement stood at VND187.1tn (+10.4% YoY), achieving 19.7% of the FY2026 plan and outpacing the 16.7% execution rate observed in 4M2025. Fiscal policy remains consolidated, with revenue collection continuing to front-load against expenditure. YTD total revenue reached 44.0% of the annual estimate (+15.2% YoY), while total expenditure stood at 21.2% (+11.6% YoY).

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Monthly Data	Apr-2026	MoM	YoY	YTD
PMI	50.5	-	-	-
IIP (YoY)	-	+2.97%	+9.88%	+9.20%
Retail Sales (Tn VND)	646.3	+1.67%	+12.06%	+11.09%
Export Value (Bn USD)	45.52	-1.97%	+20.95%	+19.74%
Import Value (Bn USD)	48.80	+3.58%	+32.53%	+28.72%
Trade Balance (Bn USD)	-3.28	-384%	-668%	-279%
Disbursed FDI (Bn USD)	1.99	-9.55%	+11.80%	+9.79%
Registered FDI (Bn USD)	3.04	-66.85%	+7.04%	+31.98%
Disbursement of public investment (Tn VND)	54.81	+13.61%	+12.54%	+13.02%

KEY TAKEAWAYS ON MONETARY POLICIES

SPOTLIGHT

- **As of April 23, credit growth reached approximately 4.11% YTD, outpacing deposit growth of 2.19% YTD. This widening spread between funding mobilization and aggregate credit demand continues to exert structural pressure on interbank liquidity.**
- The State Bank of Vietnam (SBV) managed these liquidity constraints through open market operations (OMO) in April, anchoring outstanding OMO balances near VND300tn. State Treasury deposit auctions and maturity cycles provided the primary liquidity backstop. Outstanding Treasury deposits consistently exceeded VND600tn throughout the month, closing April at an estimated VND670tn.
- Interbank interest rates stabilized at elevated levels relative to USD rates. This positive rate differential, coupled with sustained FDI inflows, absorbed the foreign exchange pressures generated by April's US\$3.3bn trade deficit.
- **Looking ahead,** deposit and lending rates are projected to remain elevated in 2H2026 relative to FY2025, as the banking system's funding base continues to lag lending demand. Against this backdrop, we expect the SBV to maintain nominal rates at levels sufficient to anchor exchange rate and inflation expectations. Concurrently, the central bank may introduce targeted macroprudential easing—such as adjusting liquidity coverage requirements or authorizing preferential lending conditions for designated strategic projects—to alleviate specific localized pressures without broadly lowering the rate floor.

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Monthly Data	Apr-2026	MoM	YoY	YTD
CPI	-	0.84%	5.46%	3.99%
Core CPI	-	0.88%	4.66%	3.89%
USDVND Exchange rate*	26,368	0.05%	0.72%	-0.03%
USDVND on the free market**	26,800	0.08%	1.13%	-0.07%
Refinancing rate	4.50%	+0 ppt	+0 ppt	+0 ppt
OMO Interest rate (Monthly Avg.)	4.50%	+0 ppt	+0 ppt	+0 ppt
ON Interbank Interest rate (Monthly Avg.)	5.53%	-0.79 ppt	+1.60 ppt	-0.35 ppt

*Ask rate by Vietcombank on 04/29/2026

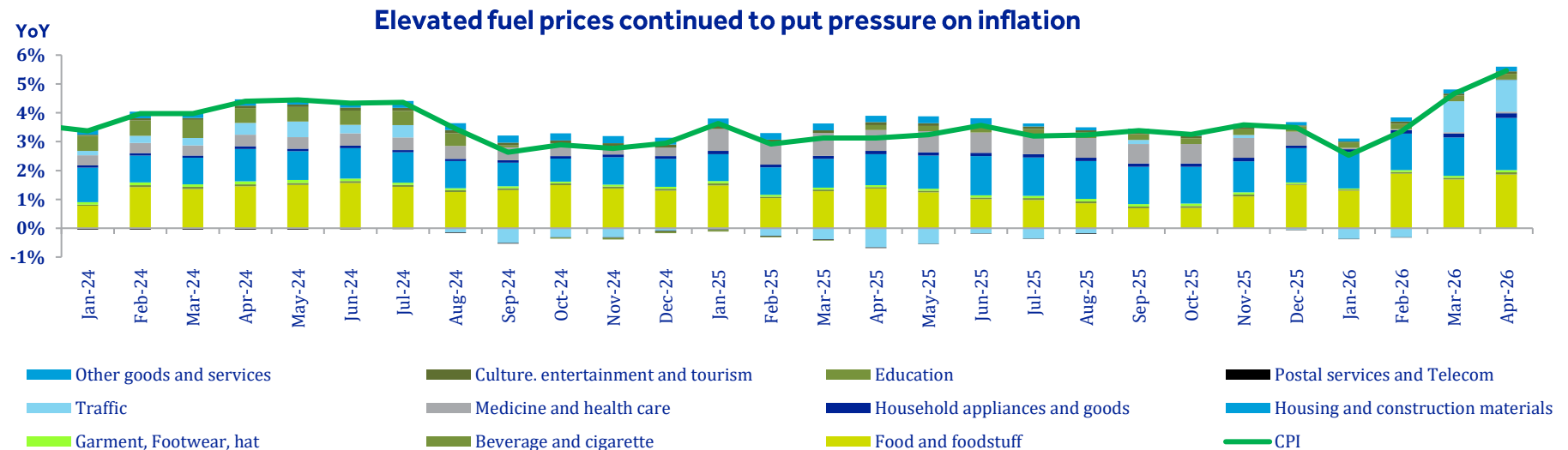
**Average bid-ask rate on 04/29/2026

INFLATION EXPECTED TO MODERATE IN MAY AS FUEL PRICES COOL



Interventions from the state effectively anchored domestic fuel prices in late April, mitigating near-term upside risks to inflation and setting the stage for a potential deceleration in May.

- **Headline CPI accelerated to 5.46% YoY (0.84% MoM) in April. On a YTD basis, average CPI for the 4M26 period advanced to 3.99% (4M25: +3.20%)—pushing the aggregate print closer to the National Assembly’s 4.5% inflation target.** Concurrently, underlying price pressures exhibited sustained upward momentum, with 4M26 average core CPI registering at 3.89%, up from 3.05% in 4M25.
- Inflation in April was influenced by surging costs within the housing, utilities, and construction materials basket. This segment jumped 2.59% MoM, contributing 0.59 percentage points (ppts) to the headline index, driven primarily by a severe 35.3% spike in retail gas prices. Food and catering services component rose 0.58% MoM (+0.21 ppts), underpinned by a 1.94% increase in away-from-home dining. Providing a partial downside offset, transport costs contracted 0.81% MoM (subtracting 0.08 ppts from headline CPI), directly reflecting a 3.19% decline in domestic gasoline prices over the month.
- **Key catalysts to monitor:** Looking ahead, inflation remains susceptible to structural headwinds. Pass-through effects from elevated import costs and sticky service-sector pricing continue to compound upward pressures. However, proactive state interventions—specifically targeted fuel tax relief until June and the strategic deployment of the price stabilization fund—successfully engineered a stabilization of energy costs in late April. While these measures offer a temporary reprieve, the medium-term inflation outlook will hinge heavily on global crude dynamics and the evolution of geopolitical frictions involving Iran, which remain the primary exogenous risk factors to domestic price stability.



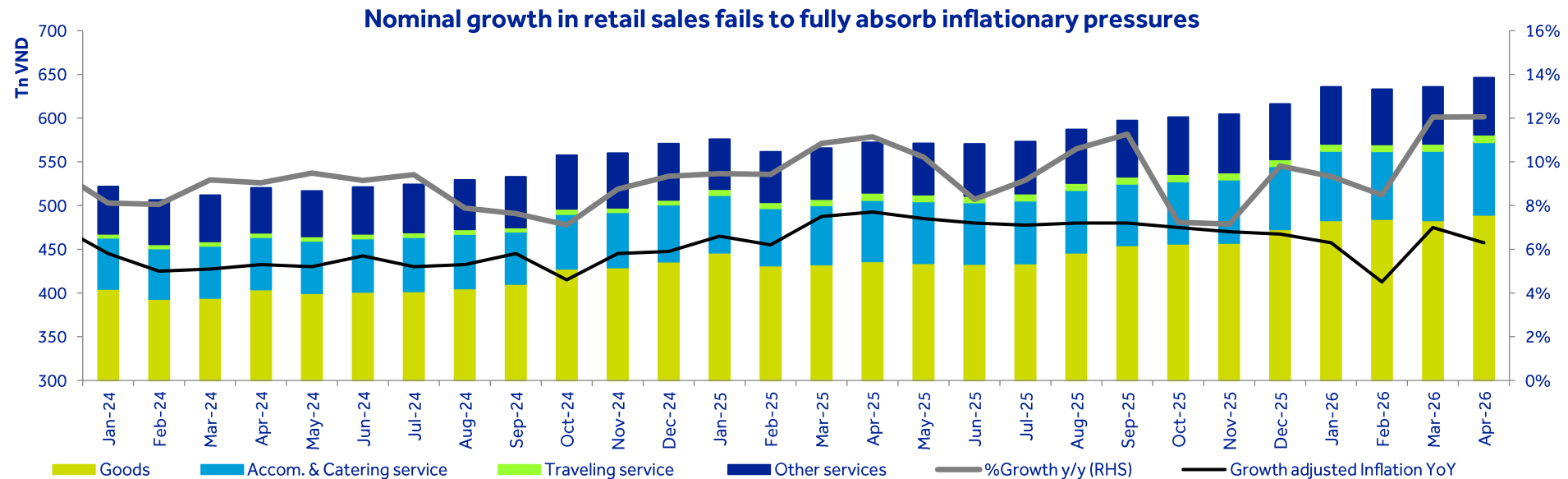
Source: GSO

RETAIL SALES EXHIBIT INCREMENTAL RECOVERY, YET UNDERLYING DOMESTIC DEMAND REMAINS SUBDUED



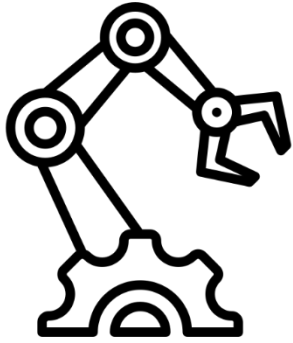
Robust revenues from service sectors and a record-breaking influx of inbound tourism continue to provide a critical counterbalance to secular headwinds weighing on real domestic consumption.

- **April retail sales reached VND646.3tn (+12.1% YoY), pushing the 4M26 aggregate to VND2,546.6tn (+11.1% YoY). However, this nominal expansion masks fading domestic purchasing power.** Adjusted for inflation, real YTD retail sales growth decelerated to 6.3%, a notable contraction from 7.7% in 4M25.
- This underlying weakness is subsidized by structural resilience in tourism. April logged 2.03 million international arrivals (+22.8% YoY), propelling the cumulative 4M26 volume to a record 8.79 million (+14.6% YoY) and serving as the primary catalyst for aggregate sales.
- **Key catalysts to monitor:** Against this backdrop, domestic consumer retrenchment is intensifying. While only 4% of households in April reported an outright drop in income, this distressed cohort highlights acute micro-level pressures: 36.9% cited escalating input costs, 25.7% flagged depressed output pricing, and 34.5% pointed to elevated living expenses. Ultimately, while record inbound tourism artificially buoys macroeconomic consumption optics, severe margin compression and persistent inflation are eroding real domestic demand, forcing households to prioritize fiscal consolidation.



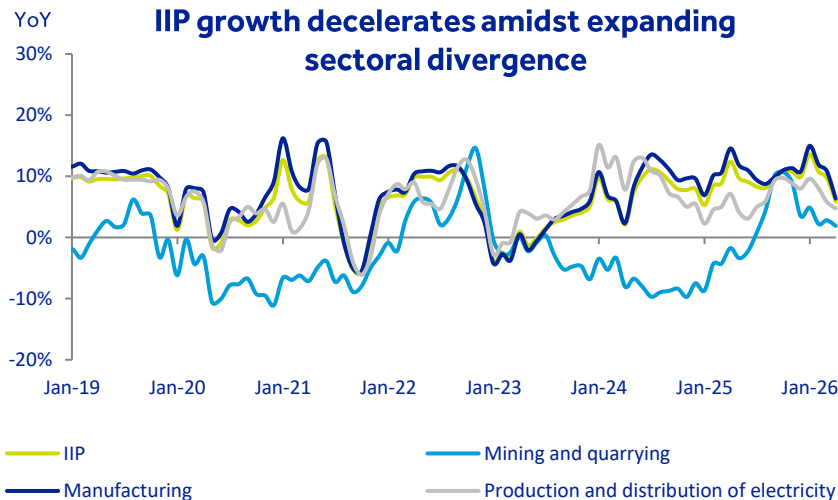
Source: GSO

MANUFACTURING OUTPUT EXHIBITS SECTORAL DIVERGENCE AMIDST GROWING 2Q26 HEADWINDS

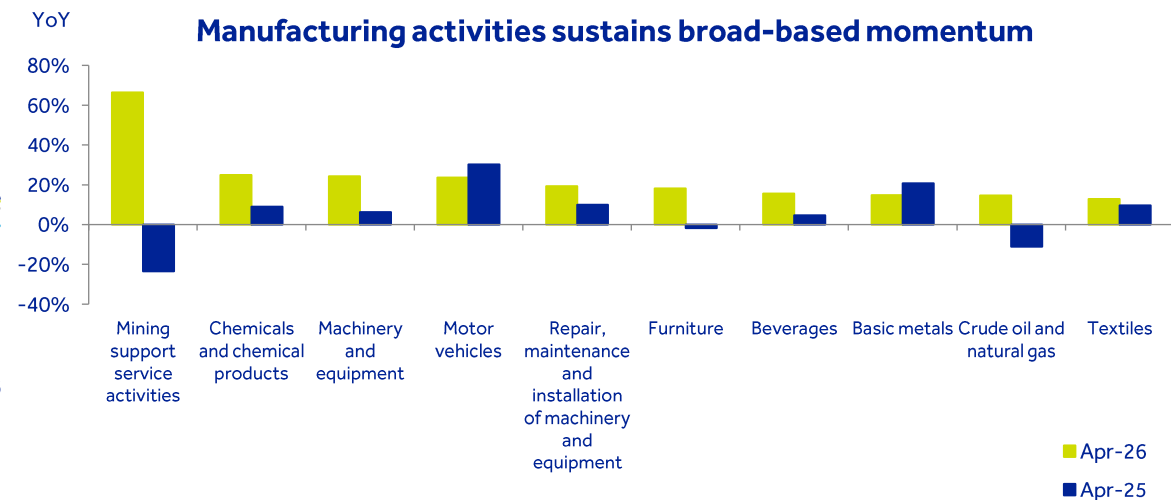


Industrial production faces a potential moderation in the second quarter, as deteriorating leading indicators and protracted geopolitical frictions involving Iran threaten to derail near-term order volumes and compress corporate margins.

- **Industrial production continues to exhibit widening sectoral divergence.** Heavy industry drove top-line expansion, highlighted by outperformance in machinery repair (+20.7%), chemicals (+20.6%), base metals (+18.7%), and motor vehicles (+17.0%). While electronics maintained an 8.4% expansion, momentum decelerated below the broader industry average. Conversely, clean coal, televisions, and fertilizers registered outright contractions. Providing a near-term counterbalance, industrial employment optics remain structurally sound. Aggregate industrial headcount expanded by 1.1% MoM (+3.6% YoY) as of April 1, signaling resilient near-term capacity utilization.
- **Key catalysts to monitor:** Despite these robust coincident metrics, forward-looking indicators present a cautionary outlook. The May S&P Global Vietnam Manufacturing PMI retreated to 50.5, with output growth decelerating to its weakest pace since June 2025. Crucially, underlying demand dynamics are deteriorating: new orders contracted for the first time in eight months, compounding a consecutive two-month slump in export orders. This demand destruction precipitated workforce reductions and the most severe supply chain degradation recorded in 4.5 years.
 - Both input and output price inflation spiked to their highest levels since April 2011. This dynamic suggests current Industrial Production Index (IIP) prints largely capture lagging recovery inertia. The rapid deterioration in underlying PMI components exposes acute downside risks, telegraphing severe order book erosion and micro-level margin compression heading into 2Q26, particularly if exogenous geopolitical shocks stemming from Iran persist.

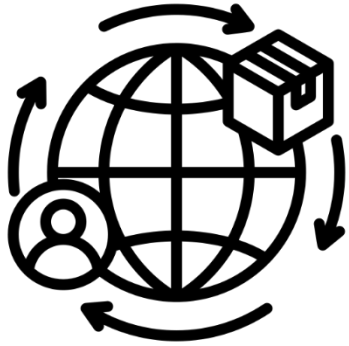


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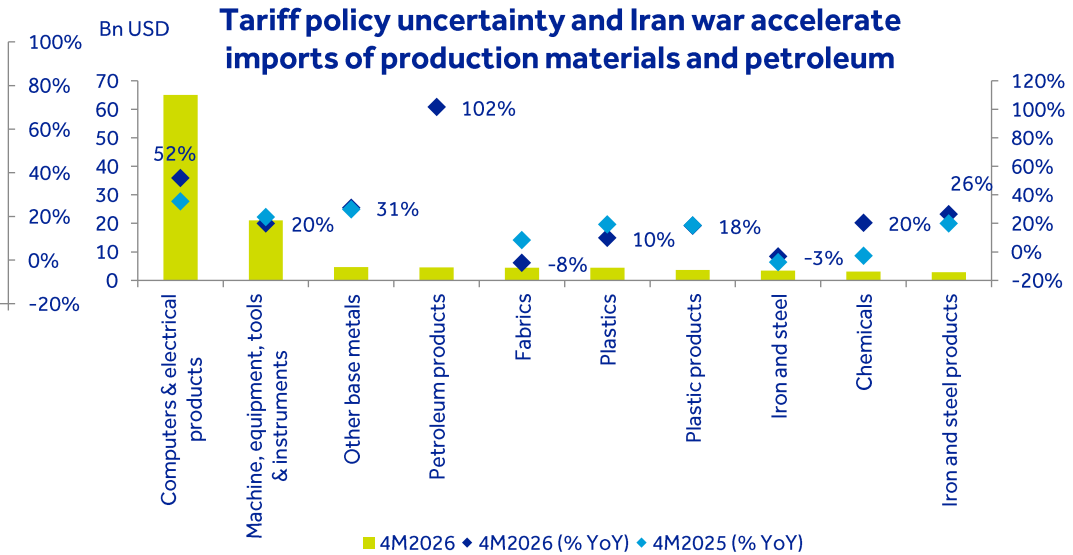
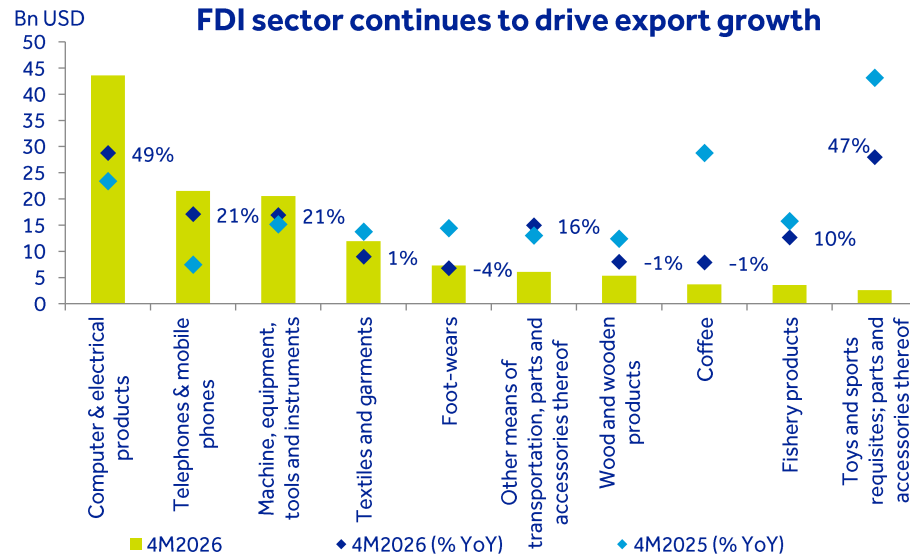
Source: GSO

DOMESTIC FIRMS FRONT-LOAD IMPORTS AHEAD OF NEW PRODUCTION CYCLE



Expanding bilateral trade imbalances and shifting import dynamics warrant close scrutiny, particularly as escalating US trade policy risks—highlighted by dual Section 301 investigations—threaten to disrupt Vietnam's structural manufacturing surplus.

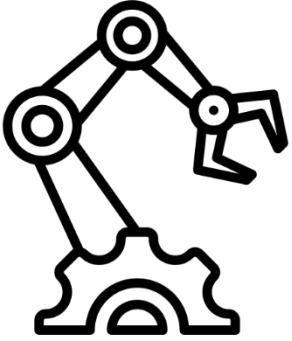
- **April exports reached US\$45.52bn (+21.0% YoY, -2.0% MoM), while imports expanded to US\$48.80bn (+32.5% YoY, +3.6% MoM).** This generated an April trade deficit of US\$3.28bn, pushing the cumulative 4M2026 deficit to US\$7.11bn and marking a shift from the US\$4.3bn surplus recorded in 4M2025.
- **FDI sector continues to drive aggregate trade flows.** FDI exports accounted for 80% of total outward shipments (+25.8% YoY), alongside a 32.3% YoY expansion in inbound shipments. Conversely, domestic sector exports remained flat (+0.4% YoY) despite a 20.4% YoY increase in imports. Bilateral trade balances widened across geopolitically sensitive corridors. The trade surplus with the US expanded 24.4% YoY to US\$46.9bn, tracking against a 33.4% YoY widening of the trade deficit with China to US\$46.4bn.
- **Key catalysts to monitor:** Against this backdrop, trade policy introduces near-term risk. The USTR initiated a Section 301 investigation into structural excess capacity on March 11, with hearings scheduled to begin May 5. This follows a separate Section 301 investigation into intellectual property violations initiated on April 30. These concurrent proceedings introduce policy friction to the Vietnamese manufacturing sector's ongoing trade surplus with the US.



Source: GSO

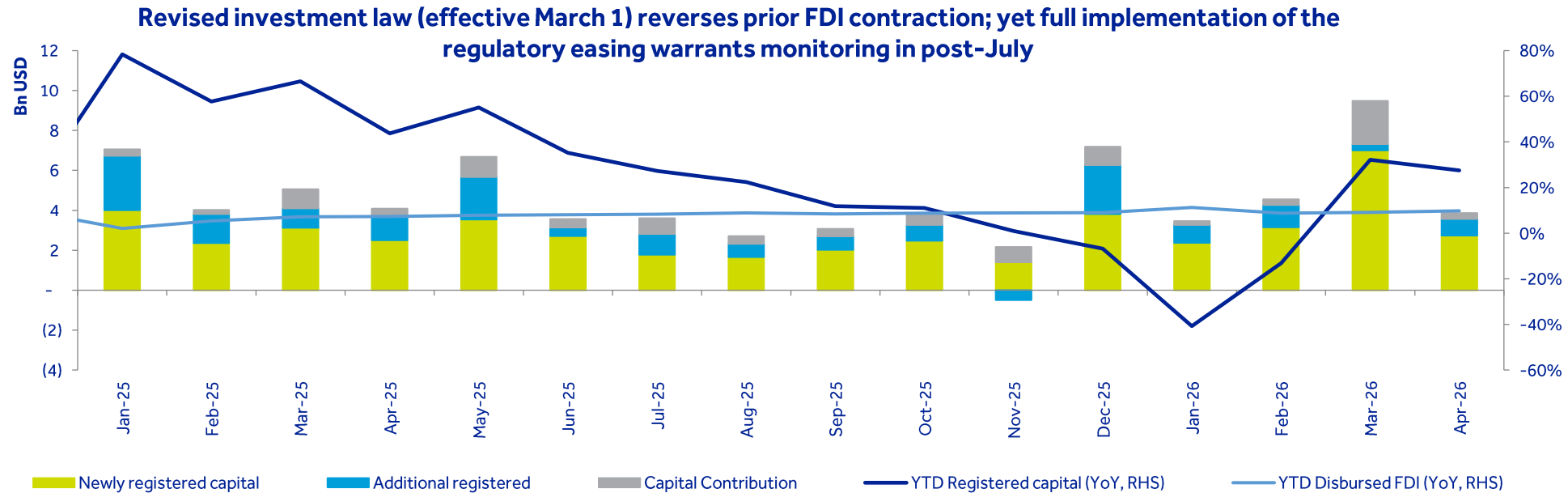
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DIVERGENCE BETWEEN NEWLY REGISTERED AND ADJUSTED FDI CAPITAL



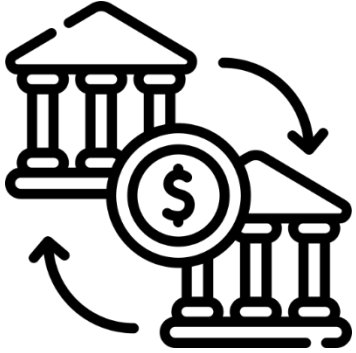
- **Cumulative registered FDI reached US\$18.24bn (+32.0% YoY) in 4M2026, driven by a structural divergence in capital flows.** Newly registered projects generated US\$12.15bn (a 2.2x YoY expansion), while M&A activity contributed US\$2.96bn (+61.9% YoY). Conversely, adjusted capital injections contracted 51.0% YoY to US\$3.13bn.
- FDI disbursement rose 9.8% YoY to US\$7.40bn, representing the highest four-month realization in five years.
- **Key catalysts to monitor: The divergence between new and adjusted capital indicates a measured approach from existing investors.** While greenfield projects and M&A transactions underpin headline registered capital, the contraction in adjusted capital suggests operating enterprises remain selective regarding capacity expansion. The revised Investment Law, enacted March 1 to reduce licensing requirements across 38 business sectors, facilitates market entry. The trajectory of adjusted capital post-July, aligning with the comprehensive implementation of these regulatory adjustments, warrants monitoring.

The revised Investment Law (effective March 1) mitigated the near-term contraction in FDI inflows, though the regulatory impact merits attention post-July.



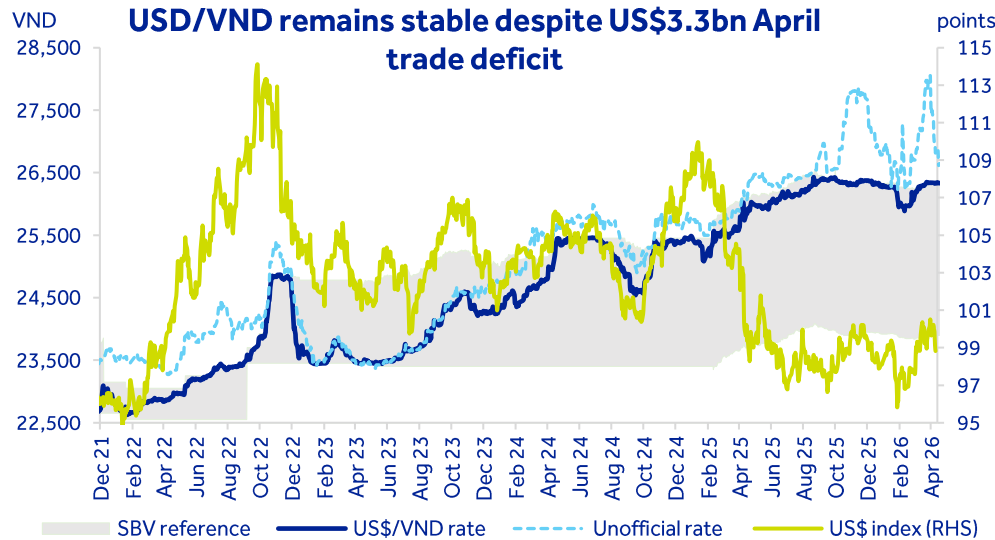
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INTEREST RATES TO REMAIN ELEVATED AMID WIDENING DEPOSIT-CREDIT GAP

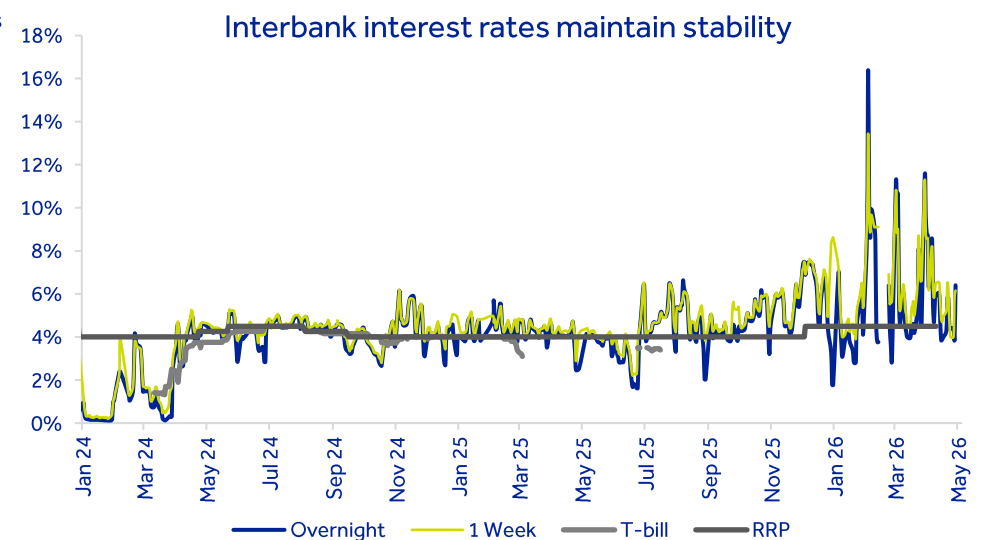


Elevated interest rates and sustained FDI inflows offset foreign exchange pressures stemming from recent trade deficits.

- **Interbank rates stabilized in April**, supported by the State Bank of Vietnam's (SBV) open market operations (OMO). The central bank maintained outstanding reverse repo (RRP) balances near VND300tn.
- State Treasury deposits provided additional liquidity support, with outstanding balances anchoring at approximately VND670tn throughout the month via regular bidding and maturity cycles.
- A positive interest rate differential against the USD (positive swap curves), combined with robust FDI disbursements, neutralized the foreign currency shortfall generated by the US\$3.3bn April trade deficit. Consequently, the USD/VND exchange rate maintained stability, trading largely flat relative to year-end 2025.
- **Key catalysts to monitor:** The widening deposit-credit gap observed in April reduces the probability of rate moderation through the remainder of FY2026. The SBV may introduce targeted macroprudential adjustments, such as easing liquidity coverage requirements or providing preferential lending conditions for designated strategic projects. This approach allows the central bank to support specific sectors while maintaining nominal rates at levels sufficient to anchor exchange rate and inflation expectations.



Source: SBV, FiinPro, ACBS



Source: SBV, FiinPro, ACBS

VIETNAM-KEY MACRO INDICATORS

Monthly data	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
Industrial Production (YoY)	9.64%	9.56%	7.98%	7.43%	8.90%	12.74%	10.80%	9.13%	10.10%	21.54%	0.60%	7.20%	9.88%
Purchasing Managers Index	45.60	49.80	48.90	52.40	50.40	50.40	54.50	53.80	53.00	52.50	54.30	51.20	50.50
Retail Sales (YoY)	11.15%	10.22%	8.28%	9.16%	10.59%	11.27%	7.23%	7.15%	9.81%	9.32%	8.48%	12.05%	12.06%
Consumer Price Index (YoY)	3.12%	3.24%	3.57%	3.19%	3.24%	3.38%	3.25%	3.58%	3.48%	2.53%	3.35%	4.65%	5.46%
Core Consumer Price Index (YoY)	3.14%	3.33%	3.33%	3.33%	3.19%	3.18%	3.30%	3.28%	3.21%	3.19%	3.74%	3.96%	4.66%
Export Value (% YoY)	25.71%	-9.69%	-1.62%	-4.65%	-11.48%	-0.21%	-10.23%	-8.36%	4.10%	30.13%	6.26%	20.58%	21.56%
Import Value (% YoY)	21.23%	36.17%	32.75%	30.25%	33.92%	38.85%	34.13%	31.29%	43.36%	49.61%	4.42%	27.76%	32.36%
Trade Balance (Bn USD)	0.58	0.55	2.86	2.29	3.72	2.85	2.60	1.09	-0.66	-1.78	-1.05	-0.68	-3.28
Disbursed FDI (Bn USD)	1.78	2.16	2.82	1.88	1.80	3.40	2.50	2.30	4.02	1.68	1.53	2.20	1.99
Registered FDI exl Capital Contribution (Bn USD)	2.50	3.54	2.71	1.78	1.66	2.02	2.48	1.40	3.82	2.38	3.16	7.00	2.74
Disbursed investment from State budget (Tn VND, YTD)	165.57	221.82	301.81	378.29	463.21	549.13	640.16	735.15	850.69	44.64	84.48	133.23	187.13

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