

MARKET MOVEMENT

MAY 2026

LEVERAGING DOMESTIC RESILIENCE AGAINST EXTERNAL HEADWINDS

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| MARKET MOVEMENT - MAY 2026 |

The logo for ACBS, featuring the letters 'ACBS' in a bold, dark blue sans-serif font. The letter 'C' is stylized with a yellow circle inside it.

STRATEGY FOR MAY 2026

- The Iran conflict has entered its third month amidst protracted ceasefire negotiations. Meanwhile, elevated oil prices are increasingly transmitting to production costs and consumer prices, accelerating global inflationary pressures.
- Market consensus regarding near-term monetary accommodation by major central banks, including the US Federal Reserve and the ECB, has shifted toward potential rate hikes by year-end to anchor inflation. However, policymakers must balance this hawkish trajectory against deteriorating consumer sentiment, AI-driven structural labor displacement, and tariff-induced pressure on manufacturing output.
- On the other hand, structural tailwinds in artificial intelligence continue to drive capital concentration into technology equities and AI infrastructure ecosystems. This thematic rotation has propelled equity indices in the US, Japan, South Korea, and Taiwan to record highs, diverging from broader inflation-driven market anxieties.
- Domestically, the Middle East conflict has manifested in Vietnam's macroeconomic data over the past two months. Manufacturing output moderated amid rising input costs, while domestic consumption exhibited a gradual recovery supported by international tourism inflows.
- To secure the minimum 10% GDP growth target for FY2026, the government implemented regulatory easing, cutting administrative procedures and business conditions to incentivize market entry and capital investment, alongside streamlining frameworks for the science and technology sector. Combined with remaining public investment disbursement capacity and export dynamics for the remainder of FY2026, these policy measures position the economy to achieve a 10%–11% GDP expansion in subsequent quarters.
- VN-Index reached a new high, closing at 1,925 points on May 14. This performance was underpinned by market-wide 1Q26 profit after tax (PAT) growth of nearly +40% YoY. Valuation metrics for large-cap equities remain aligned with their five-year historical average, whereas mid-cap and small-cap multiples have compressed to a -1 standard deviation level. This valuation dispersion improves forward return expectations, despite cautious trading sentiment regarding global macroeconomic uncertainties.
- Current valuations however face potential downward pressure. Vietnam government bond yields are sustaining at elevated levels comparable to 2022, while the interest rate environment show no immediate signs of moderation.
- The recommended portfolio strategy maintains an adequate cash allocation to hedge against geopolitical and inflationary risks. Capital deployment should remain selective, targeting sectors with definitive structural catalysts: **Banks:** Focus on cyclical drivers, with a preference for state-owned institutions; **Oil & Gas, Fertilizers and Seaports:** Direct beneficiaries of elevated energy prices and rising freight rates linked to the Middle East conflict; **Basic Resources:** Leveraged to accelerated public investment disbursement.

Highlights

Global snapshot

- Iran war enters third month
- Global inflationary pressures persist
- Equities reach record highs amid macroeconomic uncertainty

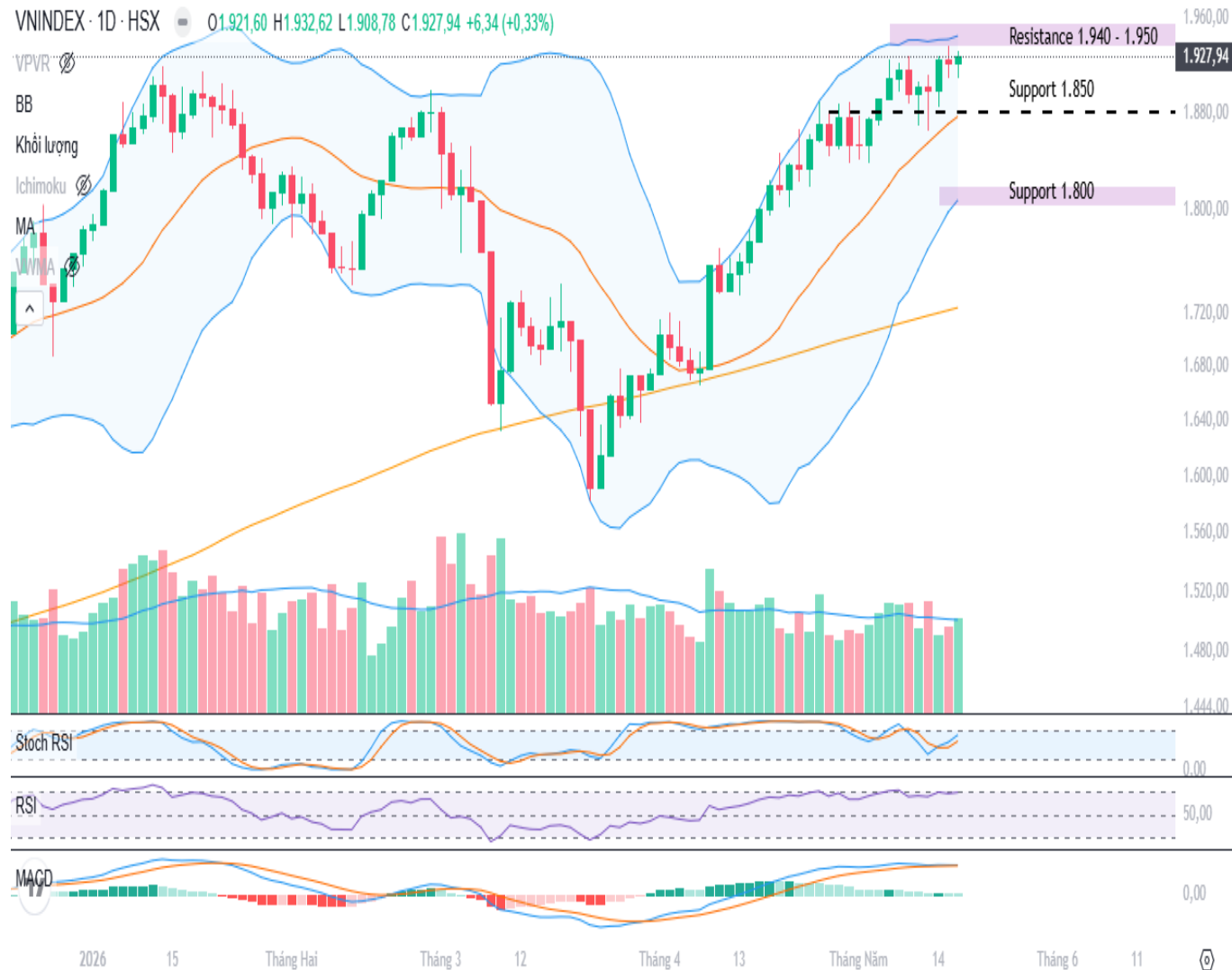
Vietnam economy

- Manufacturing output projected to moderate in 2Q26
- Administrative streamlining to stimulate corporate activity
- Accelerating public investment disbursement to sustain growth trajectory

Vietnam equity market

- 1Q26 Earnings
- The medium- and long-term market outlook will depend on Q2 earnings, as these results will show how the Middle East conflict is affecting business performance

VN-INDEX: OUTLOOK FOR MAY 2026



Technical Factors:

- Short-term trend: Uptrend
- Medium-term trend: Sideways
- Resistance: 1,940–1,950 points
- Support 1: 1,880 points
- Support 2: 1,800 points
- Short-term indicators: Declining rapidly from the overbought zone.
- Medium-term indicators: Fluctuating and showing signs of a bearish reversal from the overbought zone.

Assessment and Recommendation:

- In the short term, although VN-Index continues to maintain its upward trend, several technical indicators have started to weaken and show negative divergence signals, implying that short-term correction risks are increasing. In this context, the 1,940 – 1,950 point range is likely to become a key resistance zone, where profit-taking pressure and selling activity may intensify significantly.
- From a medium-term perspective, a short-term correction is considered necessary to rebuild a solid price base and strengthen buying demand, thereby allowing the market to accumulate additional momentum for a more sustainable upward trend in the next phase. To confirm the potential entry into a new long-term growth cycle, VN-Index needs to successfully break above the 1,950-point resistance zone with strong confirmation from high trading liquidity.

ACBS PORTFOLIO

- The ACBS portfolio for 2026 has delivered an average return of -10,4%, compared to the VN-Index's performance of 2,9%.
- Between April 10 and May 8, 2026, the portfolio underwent one rebalancing transaction as follows:
 - April 14, 2026: Buy 1,600 MSN at 77,600 (closing price on April 14).



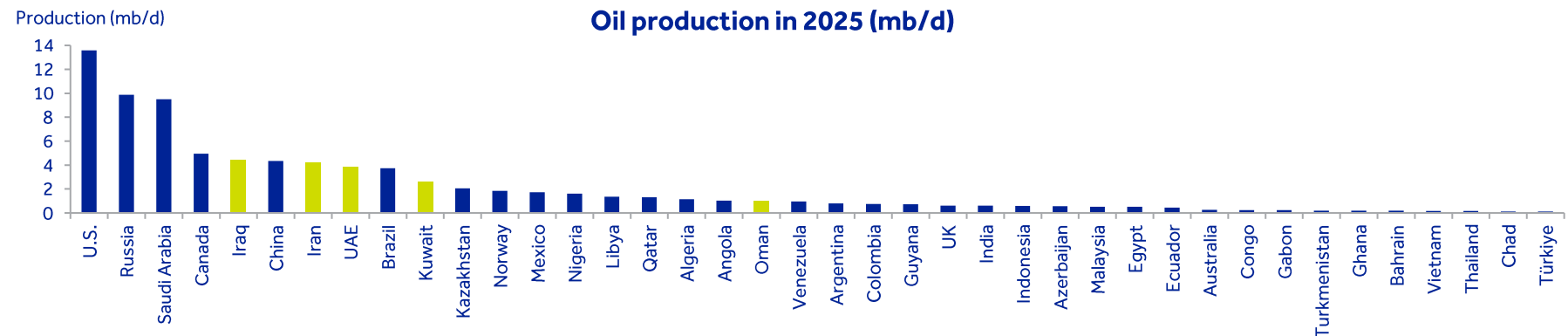
NO	Ticker	Target Price	2026 Strategy Report Release Date	Buy price Jan 07, 2026	Current Price May 08, 2026	Buy Volume	Weight	Profit/Loss
1	MBB	29,000	6/1/2026	26,700	26,150	4,000	7.0%	-2.1%
2	VCB	69,300	6/1/2026	59,600	60,700	4,000	16.2%	1.8%
3	CTG	43,972	6/1/2026	37,450	36,200	4,000	9.7%	-3.3%
4	VPB	30,000	6/1/2026	29,250	27,950	4,000	7.5%	-4.4%
5	FRT	171,700	6/1/2026	152,600	145,000	1,000	9.7%	-5.0%
6	FPT	118,000	6/1/2026	97,500	71,900	2,000	9.6%	-26.3%
7	MWG	107,000	6/1/2026	89,800	84,600	1,500	8.5%	-5.8%
8	HPG	35,700	6/1/2026	26,600	27,850	6,000	11.2%	4.7%
9	GAS	66,600	6/1/2026	119,700	74,700	1,400	7.0%	-37.6%
10	SSI	31,000	6/1/2026	27,500	28,300	2,700	5.1%	2.9%

IRAN WAR ENTERS THIRD MONTH



While forward curves suggest an end-of-year moderation in crude prices, current futures valuations do not reflect the supply-side risks of broader regional escalation in the Middle East.

- **The Iran war has transitioned into a protracted phase of concurrent engagements and negotiations, as involved parties attempt to maintain tactical leverage.** Despite this relative stabilization, ceasefire dialogues remain stalled where tactical indicators suggest a potential widening of the conflict perimeter toward the UAE and Kuwait.
- Forward markets currently reflect expectations for supply normalization. Futures contracts price WTI at US\$81/bbl and Brent at \$87/bbl by year-end 2026, with backwardation extending into subsequent years. This pricing structure suggests the market views immediate price pressures as transient. However, current valuations fail to capture the tail risk of another major Middle Eastern producer entering full-scale hostilities, an event that would precipitate a material contraction in global crude output. For context, Kuwait controls 7% of global proven oil reserves with a production capacity of 3.15 million barrels per day (bpd), while the UAE accounts for 6.4% of reserves and produces 4.1 million bpd.
- **Key catalysts to monitor:**
 - The May 14–15 US-China Summit, initially viewed as a potential catalyst for Middle Eastern de-escalation, concluded with joint declarative messaging but lacked actionable policy frameworks. This outcome indicates Beijing will likely abstain from direct mediation in the Iranian negotiation process.
 - In the downside scenario, the global macroeconomic environment will be forced to internalize prolonged multi-front hostilities—encompassing Iran, Ukraine, and Gaza—as a structural baseline. Should crude prices sustain elevated levels through the remainder of 2026, headline CPI will face renewed upward pressure from both consumer demand and structurally higher production costs, potentially stalling the broader disinflationary impulse.



ENHANCING THE BUSINESS ENVIRONMENT TO SUSTAIN GROWTH



VIETNAM ECONOMY

Strengthening domestic resilience via compliance cost reductions to underpin sustainable economic expansion.

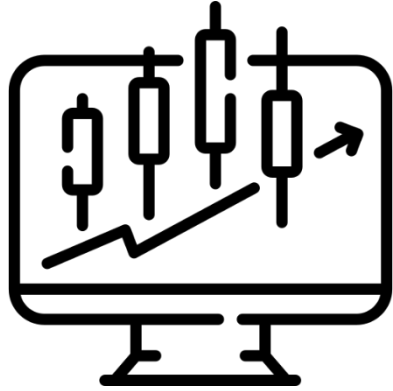
- In April, the macroeconomic effects of the Middle Eastern conflict began to materialize in Vietnam's manufacturing sector. The headline PMI moderated to 50.5 from 51.2, driven by the first contraction in new orders in eight months. Concurrently, payrolls declined for a second consecutive month, and input costs accelerated at their fastest pace since April 2011.
- Domestically, real consumption growth remains subdued when adjusting for inflation and isolating the value-add from record international tourist arrivals over the first four months of 2026. Should these dynamics persist, 2Q26 GDP faces downside risks.
- On the other hand, policy recalibrations centered on institutional streamlining, coupled with an anticipated acceleration in public investment in 2H26, are necessary to achieve the FY2026 growth target of at least 10%.
 - YTD public investment disbursement reached 14.2% of the Prime Minister's full-year target, translating to VND144,283bn as of April 30. While site clearance bottlenecks and administrative friction drove this sluggish execution, the unallocated capital provides substantial fiscal headroom. This allows authorities to front-load disbursements in 2H26, offsetting structural headwinds in other growth engines.
 - **Key policy developments in April and the first half of May focus on regulatory easing:**
 - On April 29, the Government issued eight directives (Resolutions 17–24/2026/NQ-CP) mandating the reduction and decentralization of administrative requirements. The framework abolishes 184 administrative protocols and 890 business conditions, decentralizes 134 procedures, and simplifies an additional 349. Effective implementation is projected to halve compliance costs and processing times for the private sector. This structural reform initiates a broader effort to compress compliance burdens and lower barriers to entry for new enterprises.
 - Concurrently, authorities deployed supplementary initiatives to optimize capital allocation. Resolution 29/2026/QH16 establishes a legal mechanism to advance backlogged projects. Furthermore, the Government directed a 30% reduction in the total number of public investment projects while expanding the capital scale per project, effectively concentrating fiscal resources on critical national infrastructure.

APRIL 2026 MACRO REVIEW: INFLATION ACCELERATES AS MANUFACTURING MODERATES

➤ Key catalysts to monitor:

- **Headline CPI accelerated to +5.46% YoY, marking the highest print since 2020.** This upward trajectory reflects the direct pass-through of elevated retail fuel prices into broader consumer living costs. Concurrently, S&P Global survey data indicates that producer input costs expanded at their fastest rate since April 2011.
- **Manufacturing activity is projected to face continued headwinds through the remainder of 2Q26.** While overall output expanded, S&P Global metrics show it did so at the slowest pace since June 2025. This moderation is underpinned by the first contraction in new orders in eight months, compounded by a second consecutive monthly decline in export mandates. Adjusting to these demand constraints, firms reduced payrolls for a second consecutive month. Supply chain efficiency also deteriorated to a 4.5-year low.
- **Trade deficit pressures remain structurally intact heading into May and June.** During 4M26, Vietnam imported US\$8.7bn in total petroleum products. Within this aggregate, refined petroleum reached US\$4.2bn (+92% YoY), while crude oil printed at US\$2.4bn (-16% YoY), with the latter constrained by global supply shortages. Assuming protracted hostilities involving Iran, the strategic imperative to stockpile energy reserves will persist. Parallel to these energy flows, domestic enterprises are sustaining elevated intake of manufacturing inputs, specifically computers and electronic components, which recorded a +52% YoY expansion in 4M26.

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



TRADING ACTIVITIES

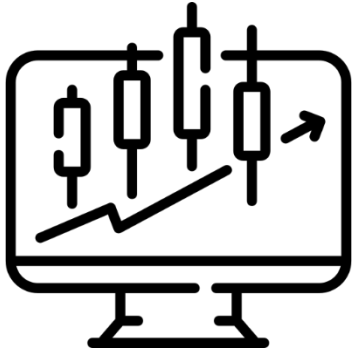
- VN-Index reached a historical high of 1,925 points on May 14. While Vingroup-related stocks (VIC, VHM, VRE) bolstered the rally, market liquidity improved with broader sectoral participation emerging in the first half of May.
- Underpinning this rally, total net profit after tax (NPAT) expanded +39% YoY in 1Q26. Excluding Vingroup, the benchmark currently trades at a P/E multiple of 12.8x.



OUTLOOK

- Earnings in 2Q26 and 3Q26 will reflect the actual macroeconomic effects of the Middle East conflict, following the inflationary acceleration recorded from March and the moderation in manufacturing output since April.
- A de-escalation in this geopolitical tension would act as a catalyst for improved trading sentiment. Such a development would compress the equity risk premium, positioning the VN-Index to test the 2,000-point threshold.
- Capital flows are expected to target three primary themes:
 - Cyclical drivers: Banks.
 - Geopolitical beneficiaries: Oil & Gas, Fertilizers and Seaports.
 - Public investment and policy accommodation: Materials, and Infrastructure.

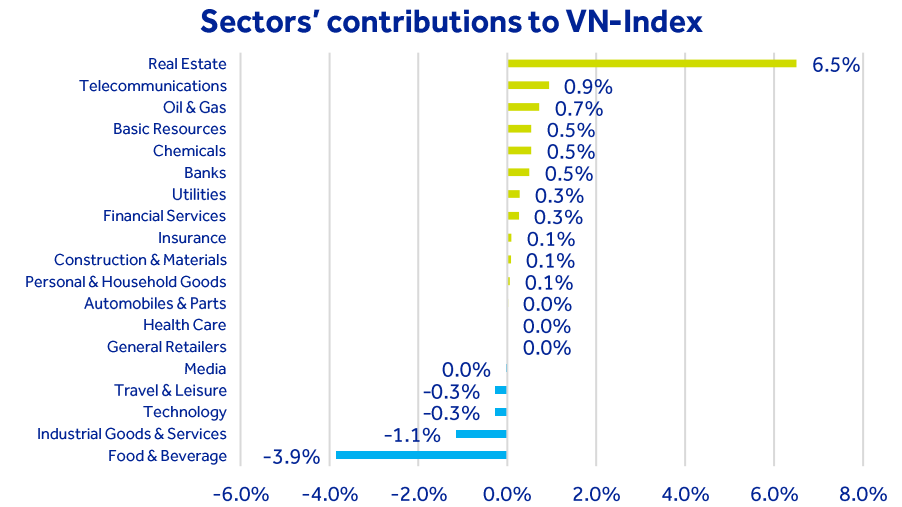
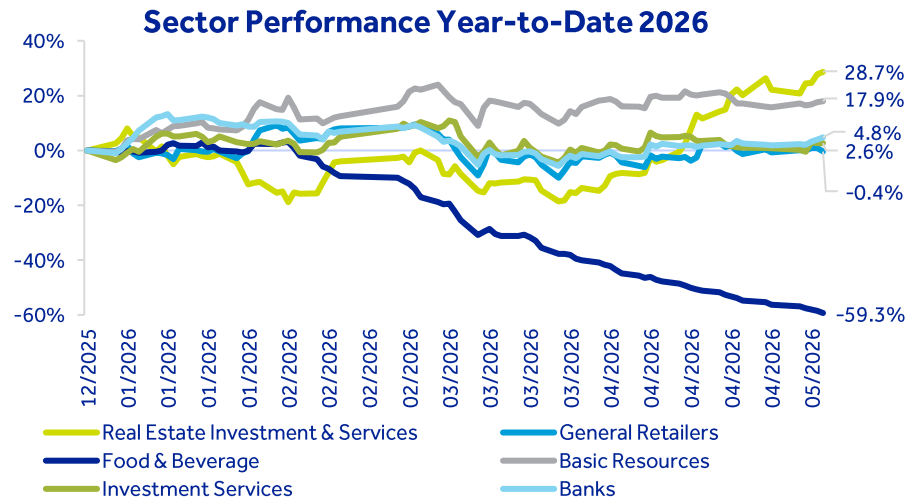
VIETNAM EQUITY MARKET: VN-INDEX REACHED HISTORICAL HIGH AMID ROBUST 1Q26 EARNINGS



MARKET DYNAMICS

VN-Index achieved record levels, supported by expanding market breadth and a favorable 1Q26.

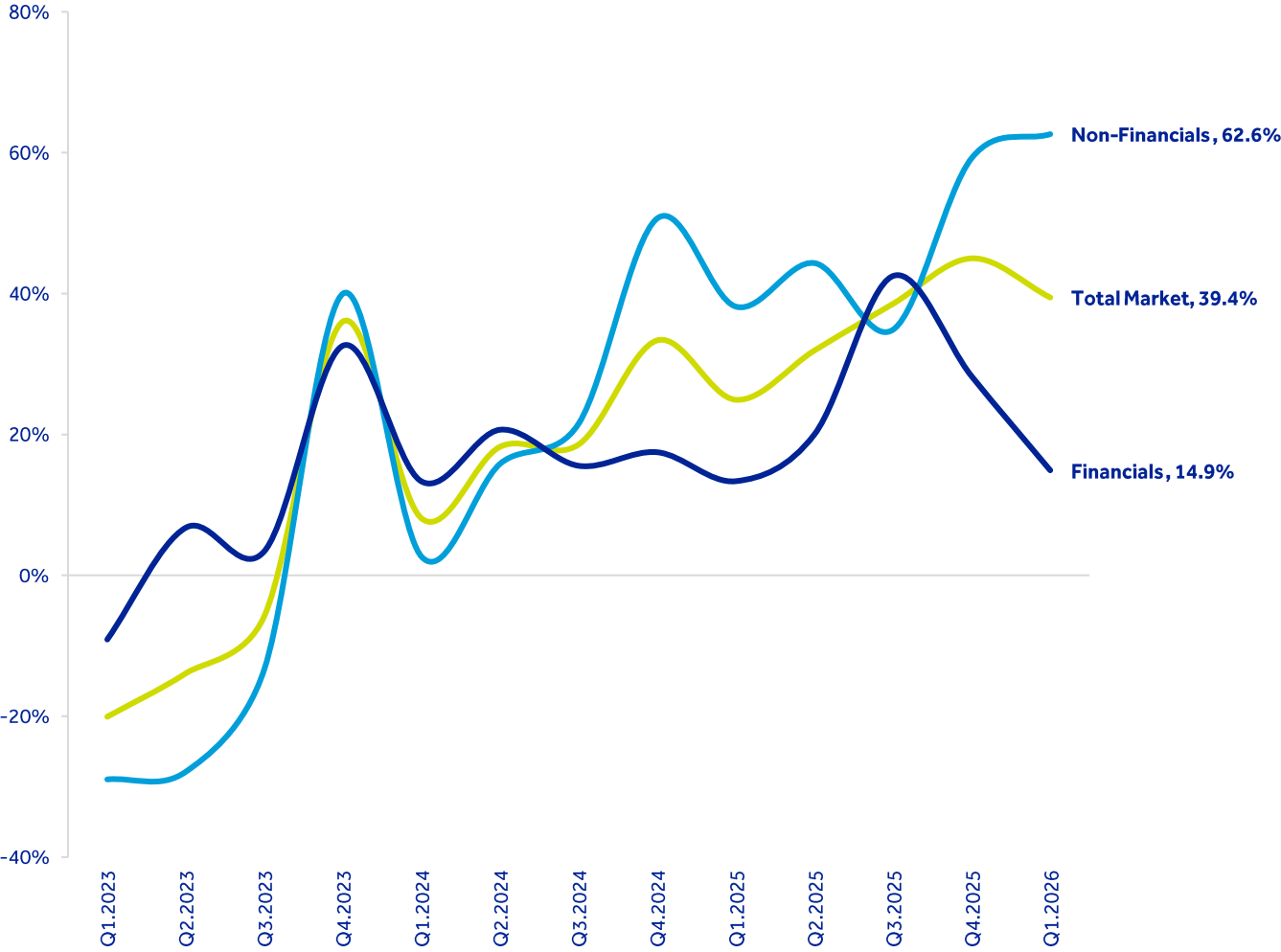
- **The VN-Index reached a historical high of 1,925 points on May 14.** While Vingroup-related stocks (VIC, VHM, VRE) generated the primary upward momentum, market liquidity improved with broader sectoral participation emerging throughout the first half of May.
- **Total net profit after tax (NPAT) expanded +39% YoY in 1Q26.** This earnings growth was catalyzed primarily by the non-financial sector, specifically Energy, Materials, and Industrial Services. Large-cap valuations remain aligned with their five-year historical averages, while the P/E multiples for the mid-cap and small-cap segments have compressed to more attractive long-term levels.
- **Key catalysts to monitor in the second half of May and June:**
 - **Despite the valuation support provided by the 1Q26 earnings cycle, accelerating global inflation warrants monitoring through the remainder of May and June.** The macroeconomic effects of the Middle East conflict will more fully materialize in 2Q26 and 3Q26 corporate earnings, tracking the inflationary acceleration recorded since March and the moderation in manufacturing output observed since April. Furthermore, crude oil prices are projected to sustain elevated levels through the remainder of FY2026.
 - **A de-escalation in the Iran war remains the primary prerequisite for a sustained positive scenario.** Such a development would compress the equity risk premium and improve overall trading sentiment, allowing the market to capitalize on its current structural valuation support.



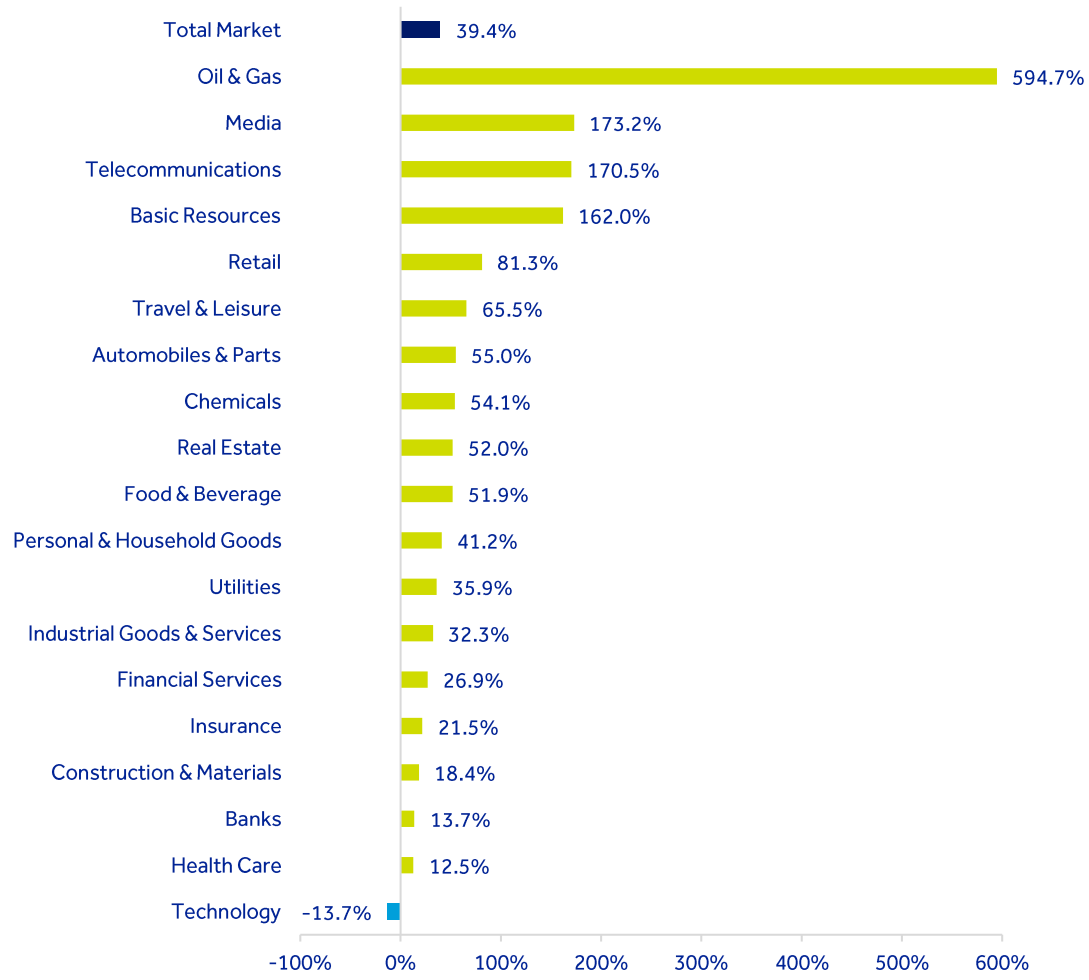
Source: FiinPro. Data as of May 8, 2026.

TOTAL MARKET NPAT: +39.4% YoY IN 1Q26

Quarterly NPAT Growth YoY



Q1 2026 NPAT Growth

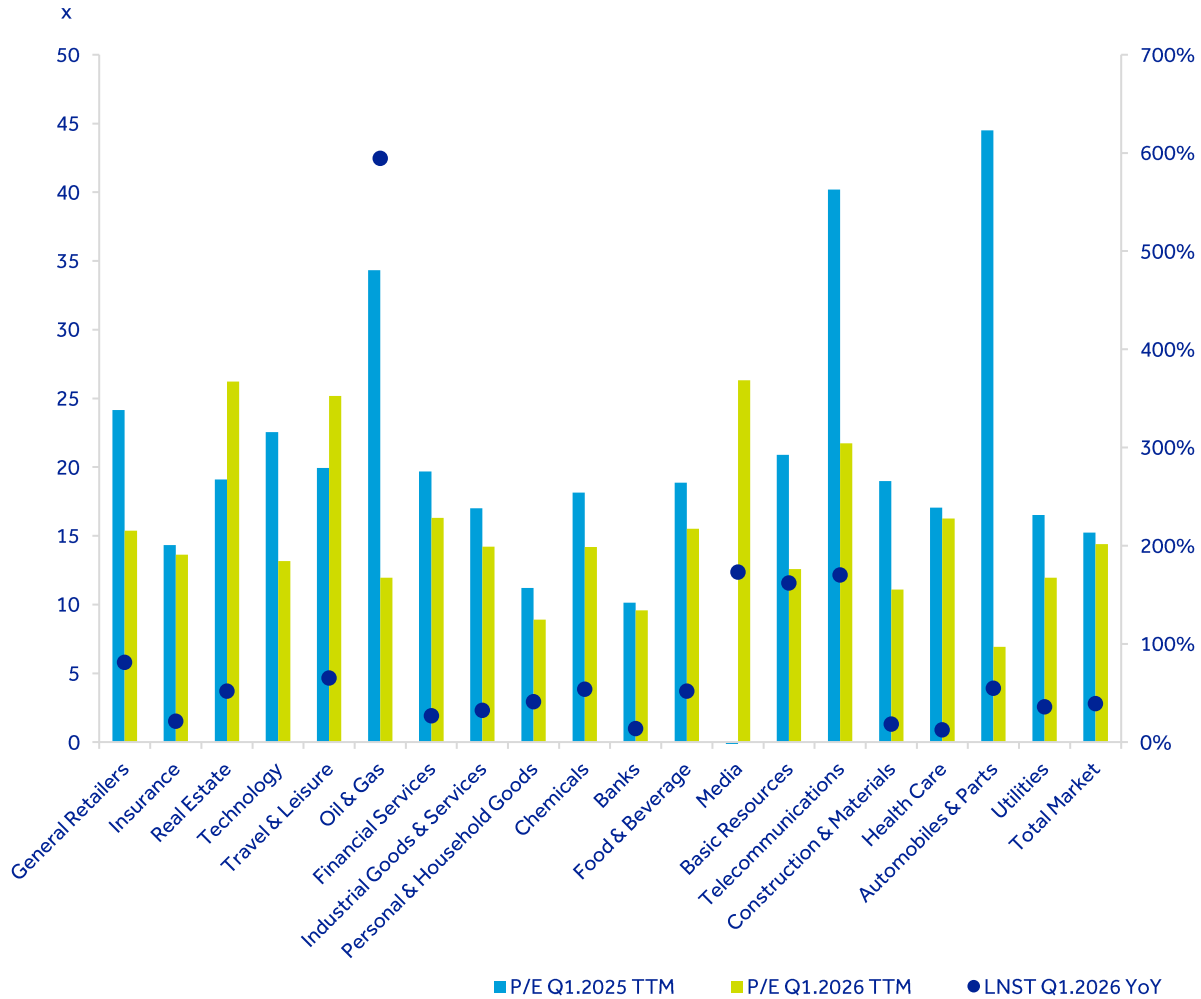


Source: FiinPro

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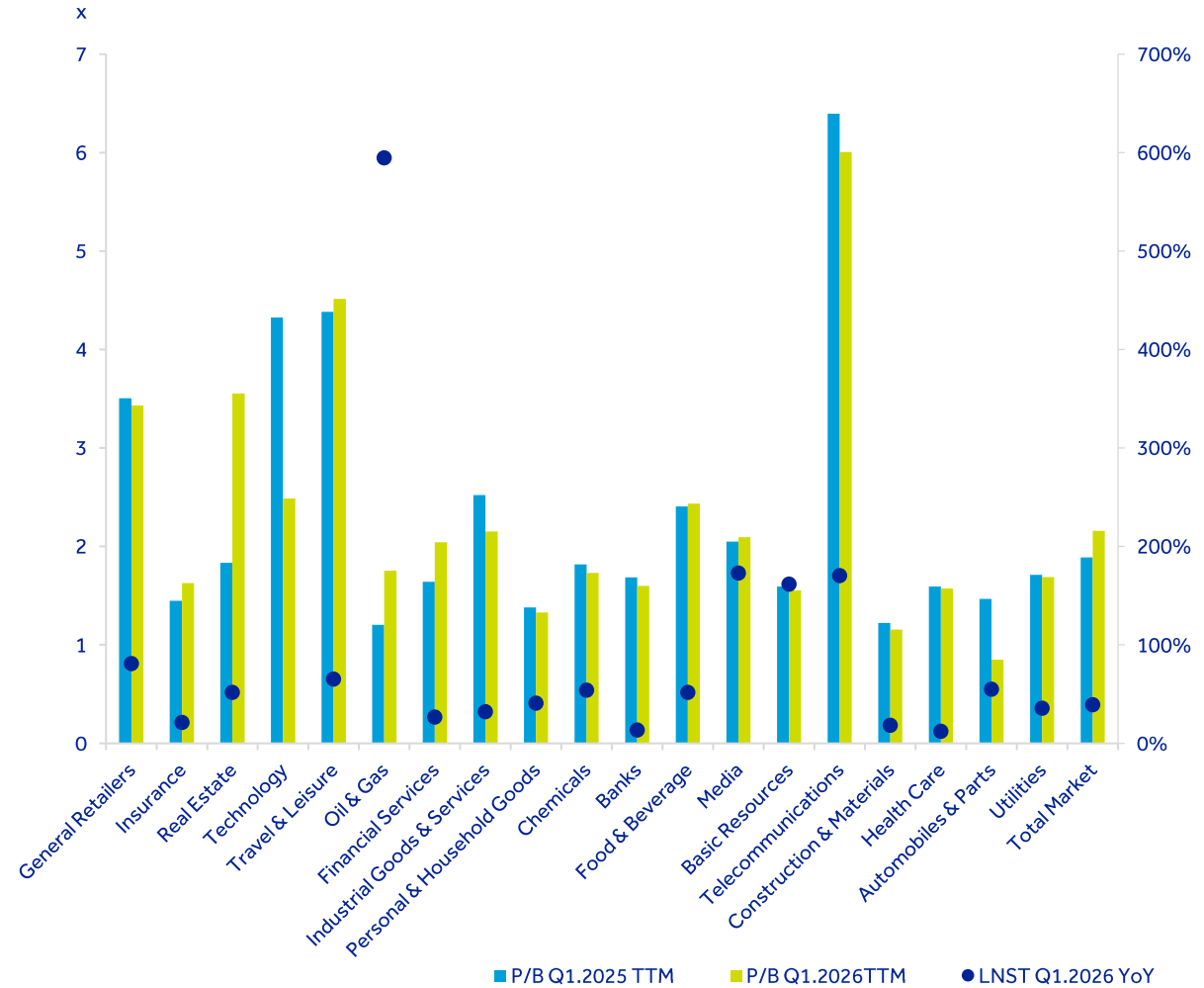
ROBUST EARNINGS SUPPORT VALUATIONS OF NON-FINANCIAL SECTORS

P/E by sectors



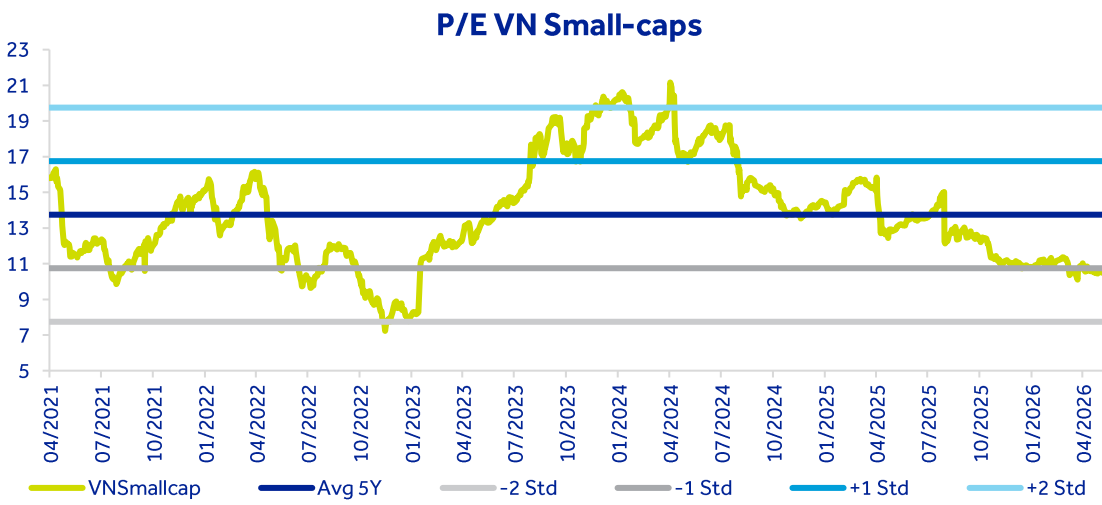
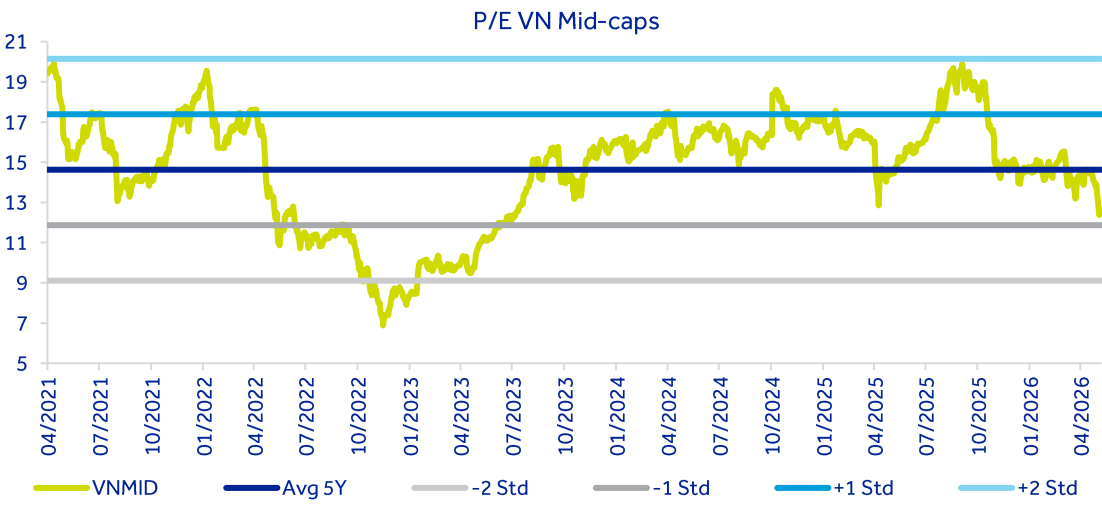
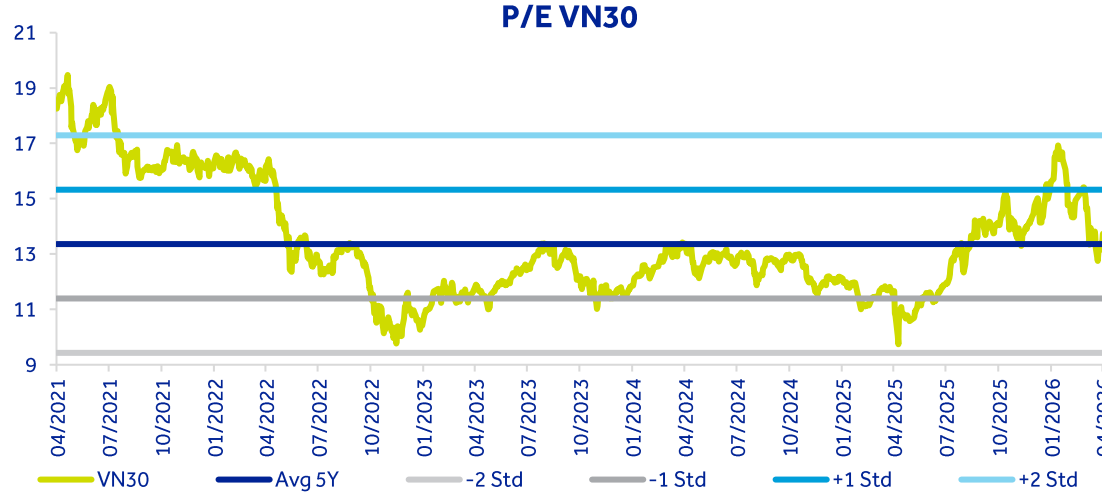
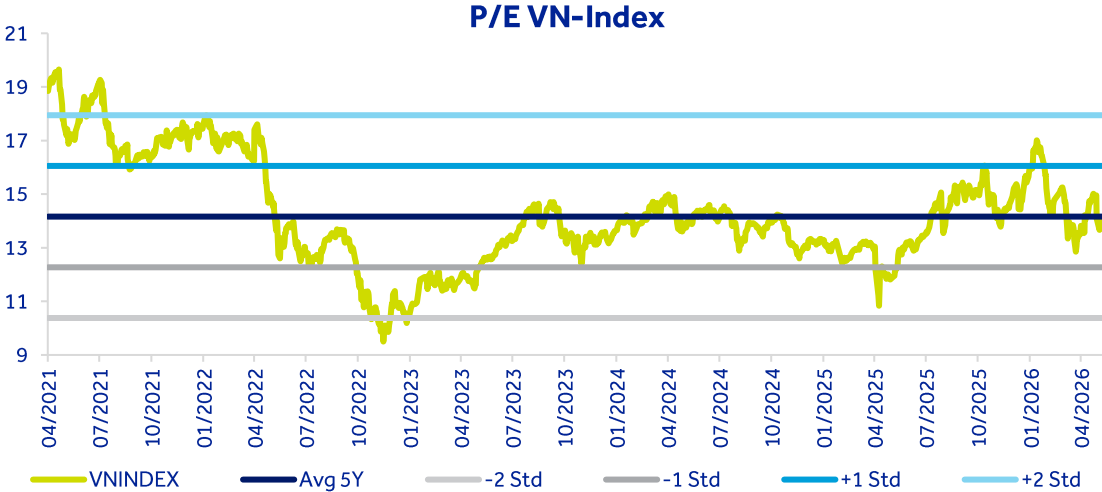
Source: FiinPro, ACBS

P/B by sectors



Source: FiinPro, ACBS

MARKET VALUATION: MID-CAP AND SMALL-CAP MULTIPLES CONSOLIDATE NEAR HISTORICAL LOWS

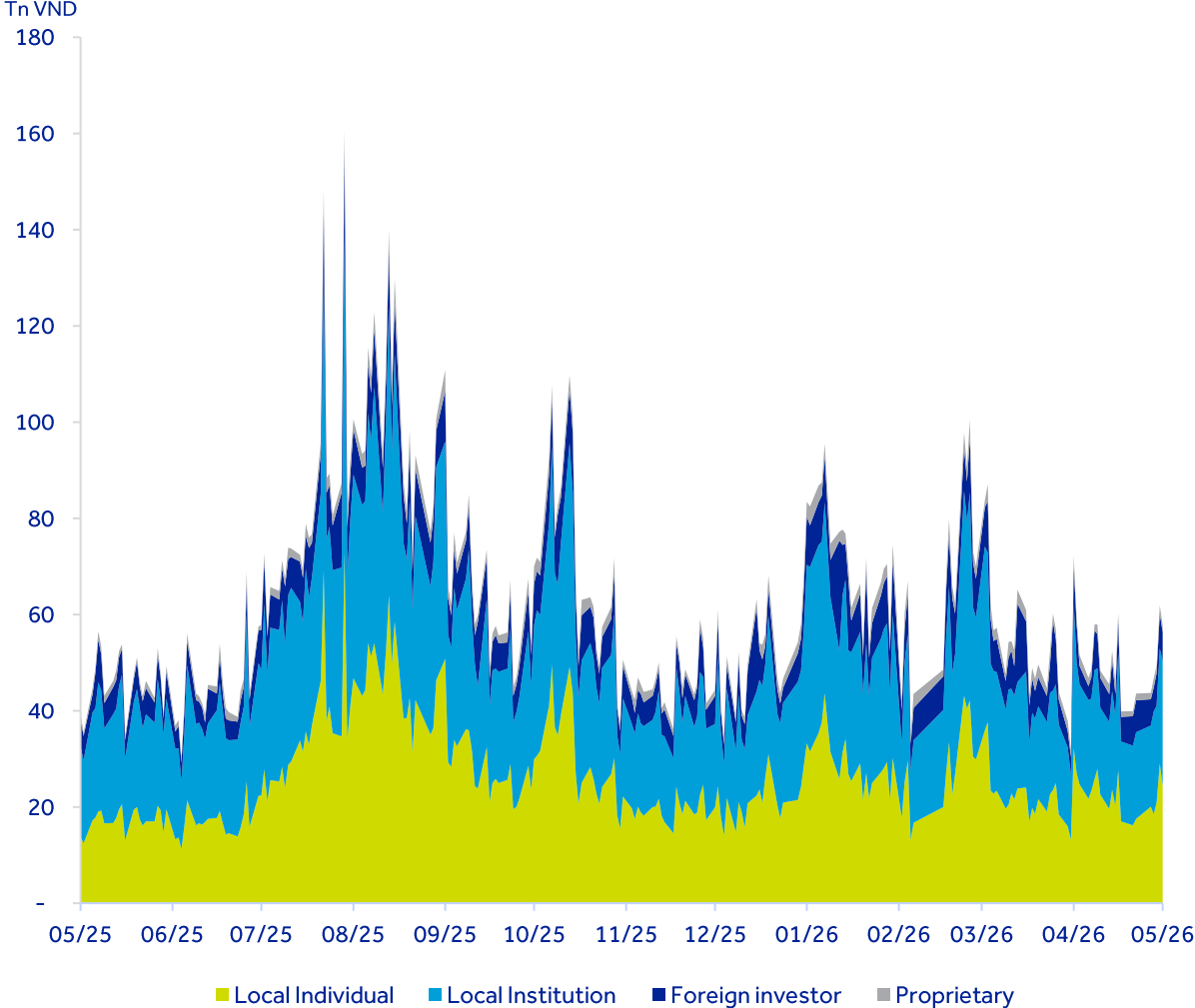


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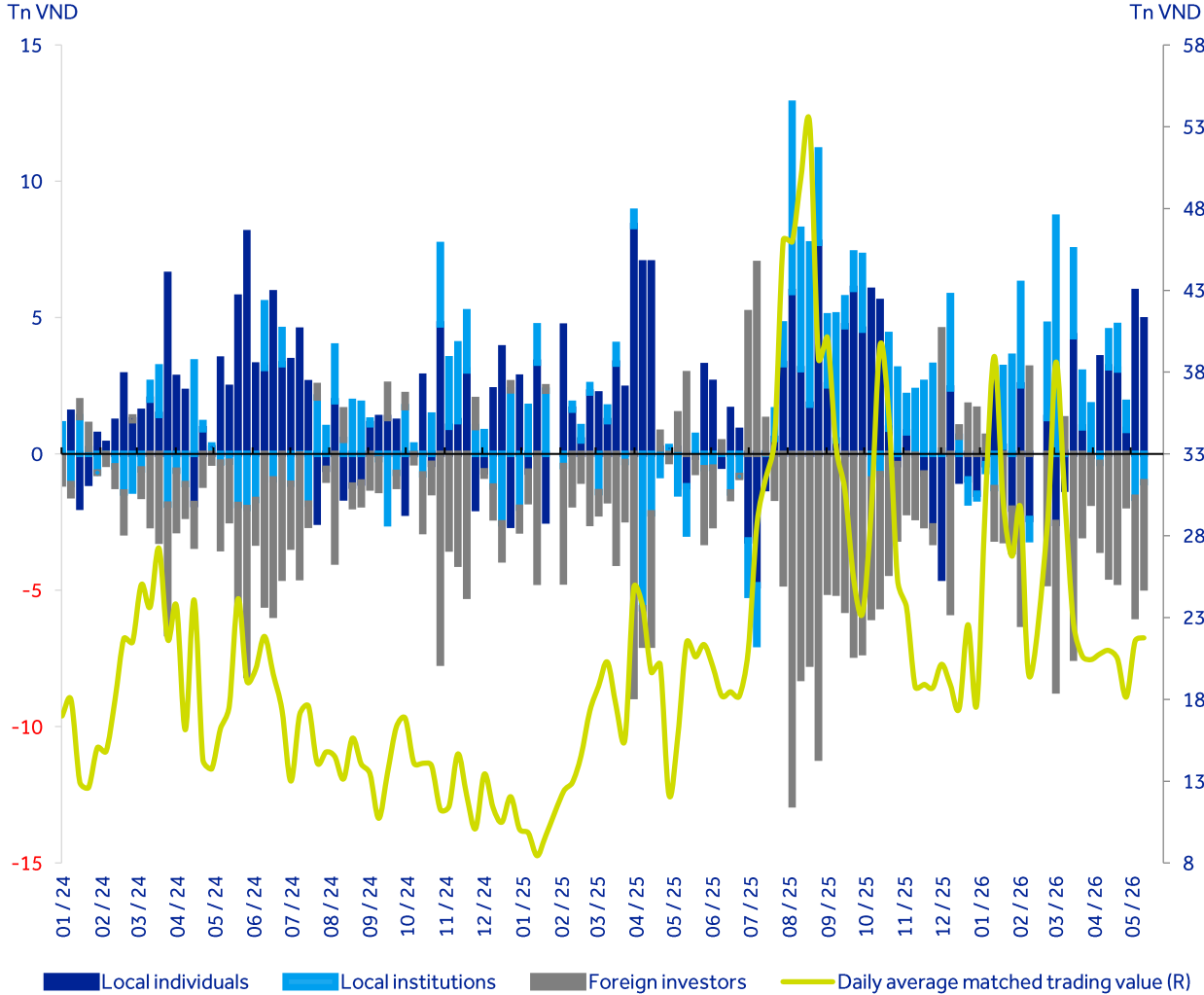
Source: FiinPro

LOCAL RETAIL INVESTORS RECORD NET PURCHASES OF VND9.2TN IN APRIL

Trading value (buy + sell) by investors

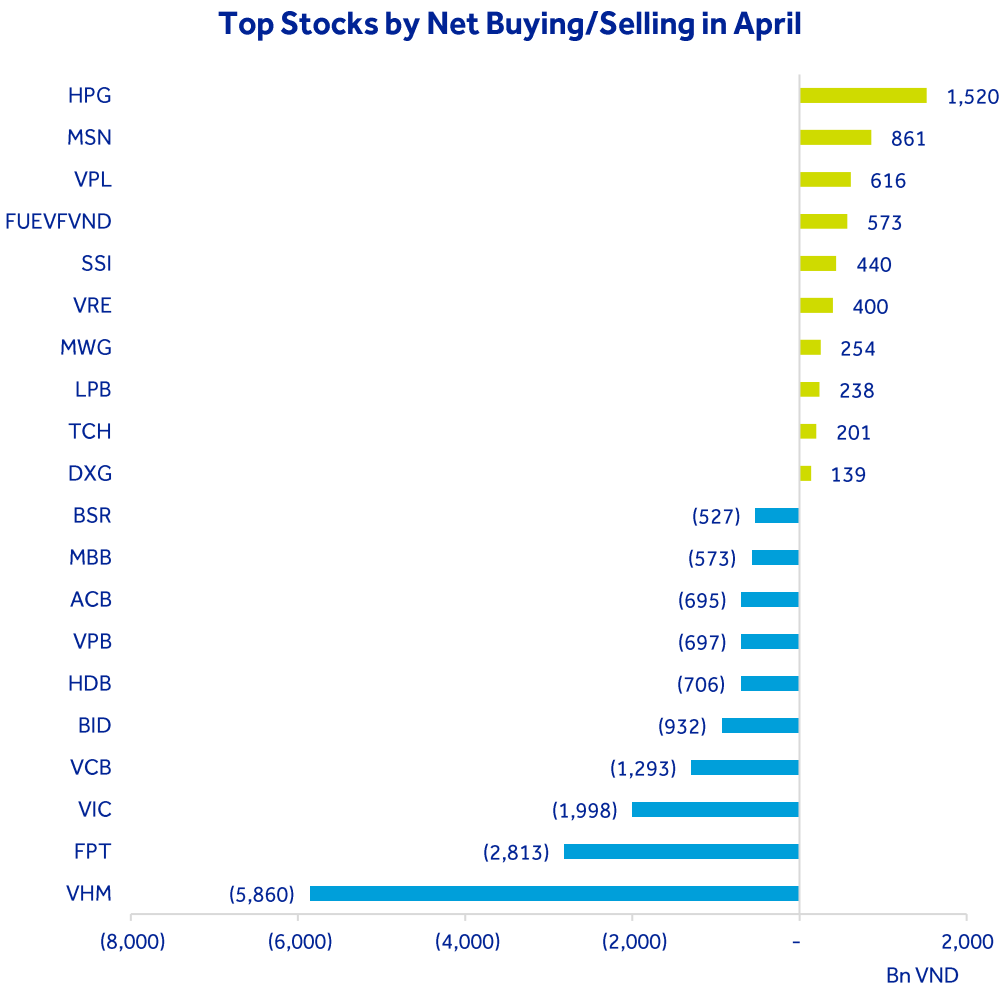
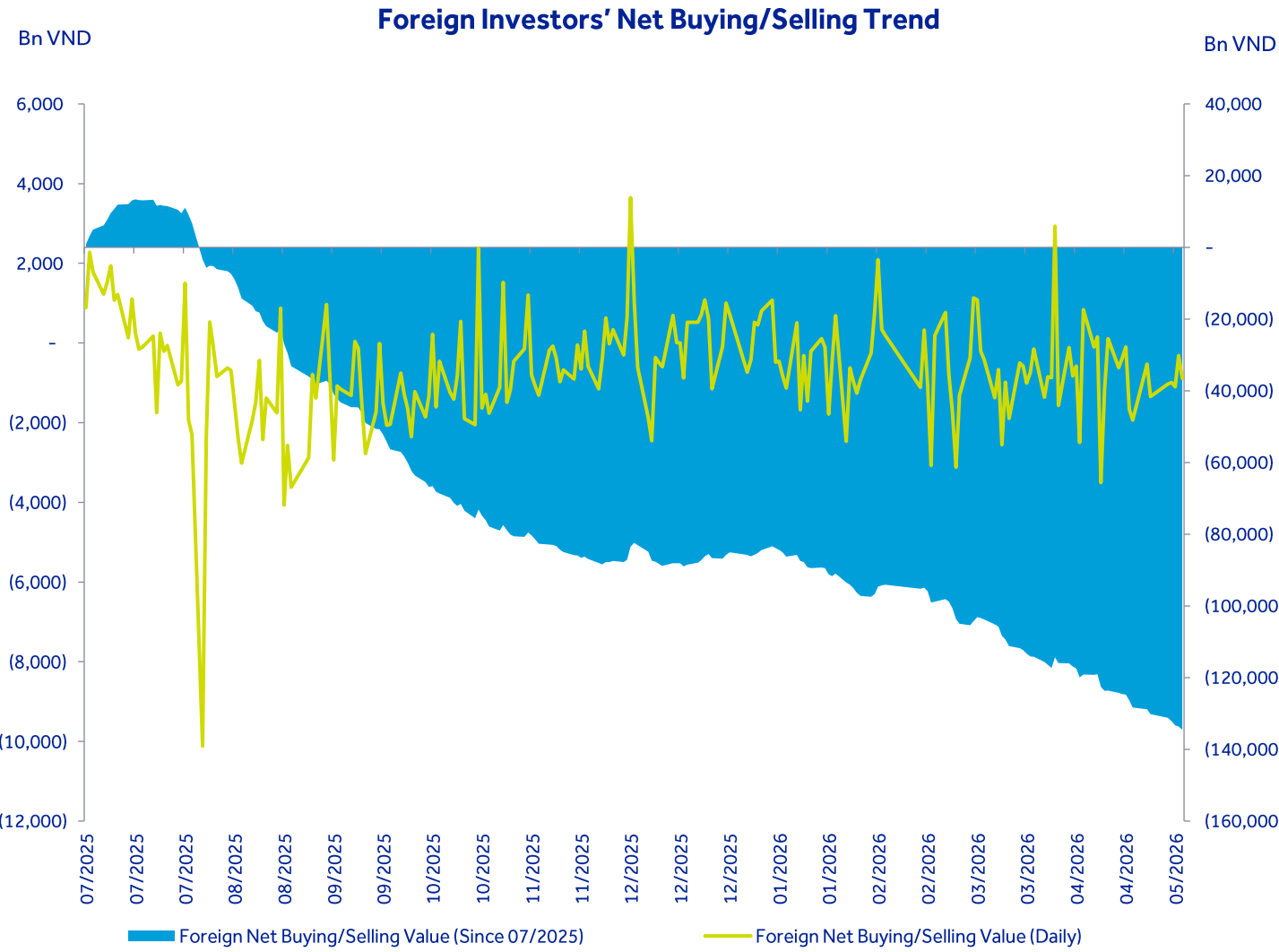


Source: FiinPro



Source: FiinPro

FOREIGN INVESTORS RECORD NET OUTFLOWS OF VND13.7TN IN APRIL, TOTALING VND45TN IN 4M2026



Source: FiinPro

Source: FiinPro

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