MARKET MOVEMENT

JULY 2026

NAVIGATING THE CROSSCURRENTS

Research & Market Strategy Department
acbs_phantich@acbs.com.vn

www.acbs.com.vn

ACBS

STRATEGY FOR 2H2026

- **The Iran war have entered a critical new phase, shifting toward an active contest for operational control and freedom of navigation through the Strait of Hormuz.** While oil flows persist via northern maritime lanes, bypass pipelines, and "shadow fleet" tankers disabling Automatic Identification System (AIS) transponders, aggregate maritime transport volumes remain materially suppressed compared to pre-conflict baselines.
- **Meanwhile, inflationary pressures are broadening from energy commodities into agricultural supply chains.** The projected extension of the El Niño phenomenon into early 2027—compounded by sustained high costs for crude oil, fertilizers, irrigation, and freight—is elevating second-round inflation risks across global food prices, wage demands, and services where central banks face severe constraints against near-term monetary easing while market inflation expectations remain unanchored.
- **Vietnam's 1H2026 GDP expanded by 8.18% YoY (with 2Q2026 accelerating to 8.39% YoY), driven primarily by outperformance in manufacturing and processing.** However, the durability of this momentum faces underlying headwinds, including sluggish real retail consumption, trade balance pressures, and slow disbursement in public investment. Specifically, cumulative public investment disbursement reached VND360tn by June 30 (representing just 35.8% of the Prime Minister's full-year mandate). To achieve the government's full-year GDP growth target of above 10%, 2H2026 growth must approach 11.9%—effectively designating accelerated public capital disbursement as the nation's single most critical growth catalyst.
- **Domestic interest rates face limited headroom for near-term relief.** As of July 10, credit growth reached 7.91% YTD, significantly outpacing deposit growth at 6.07% YTD and widening the system-wide funding deficit to approximately VND2,700tn. While Circular 25 has relieved certain capital safety constraints, and modest VND depreciation (~0.4% YTD) affords the State Bank of Vietnam operational flexibility for targeted liquidity support, central bank authorities will likely prioritize systemic stability while navigating foreign exchange risks and domestic economic requirements.
- **Turning to equities, recent corrections have derated valuations to compelling levels for medium-to-long-term positioning.** However, attractive valuation alone is not a sufficient catalyst to trigger a broader re-rating or ignite aggressive bargain-hunting capital. As of July 22, the VN-Index has retreated nearly 14% from its all-time high, closing below the key 1,700-point threshold alongside a decline in average daily liquidity to VND13tn per session. Nevertheless, we maintain a cautious stance in terms of new capital deployment, recommending defensive cash buffers while selectively accumulating quality equities in sectors leveraged to the economic recovery cycle and public infrastructure deployment.

Highlights

Global snapshot

- Re-escalation of hostilities in Iran
- Dual inflationary pressures: El Niño and crude oil
- Global economic growth outlook for 2H2026

Vietnam economy

- Funding bottlenecks threaten high growth targets
- Public investment expected to accelerate in 2H2026

Vietnam equity market

- Capital allocation strategy for 2H2026

ACBS PORTFOLIO

- The ACBS portfolio for 2026 has delivered an average return of -22,6% (including cash dividends from CTG and VCB), compared to the VN-Index's performance of -9,4%.
- During July 2026, the portfolio underwent one rebalancing transaction as follows:

  July 02, 2026: Buy 10,000 POW at VND 14,900.

  The portfolio is currently allocated 93.7% to equities and 6.3% to cash.

NO	Ticker	Target Price	2026 Strategy Report Release Date	Average Price	Current Price 24/07/2026	Buy Volume	Weight	Profit/Loss
1	MBB	29,000	6/1/2026	26,700	21,900	4,000	6.80%	-18.9%
2	VCB	69,300	6/1/2026	59,600	54,100	4,000	16.97%	-9.4%
3	CTG	43,972	6/1/2026	37,450	29,000	4,000	9.03%	-23.2%
4	VPB	30,000	6/1/2026	29,250	24,950	4,000	7.71%	-16.1%
5	FPT	118,000	6/1/2026	97,500	62,900	1,000	4.89%	-36.2%
6	MWG	107,000	6/1/2026	89,800	68,000	1,300	6.46%	-29.5%
7	HPG	35,700	6/1/2026	26,600	20,800	6,400	10.23%	-23.5%
8	GAS	66,600	6/1/2026	119,700	67,200	1,200	6.31%	-44.1%
9	SSI	31,000	6/1/2026	27,500	22,800	2,300	3.97%	-20.0%
10	MSN		6/1/2026	77,600	63,900	1,400	7.03%	-17.7%
11	DCM	52,380	6/1/2026	40,700	29,550	1,700	3.87%	-28.7%
12	POW			14,900	13,350	10,000	10.37%	-11.4%

GLOBAL SNAPSHOT

GEOPOLITICS

- The ceasefire between the US and Iran effectively collapsed on July 8 as both sides traded accusations of violations regarding maritime security and military operations in Lebanon, triggering a fresh surge in hostilities.
- On-the-ground developments suggest that these clashes are deliberate engagements intended to maintain strategic leverage during a normalized state of warfare, alongside competing efforts to assert operational control over trade flows traversing the Strait of Hormuz.

INFLATION

- FAO projects the 2026 El Niño phenomenon to persist into early 2027, inducing severe drought conditions across parts of Far East Asia, Sub-Saharan Africa, and Central America. Meanwhile, maritime disruptions in the Strait of Hormuz are inflating fertilizer and logistics expenditures along the agricultural supply chain.
- However, the prevailing high and sticky inflation environment is fundamentally supply-side driven, anchored by oil-induced production cost pressures where interest rate hikes at this juncture will yield limited efficacy in curbing top-line inflation, as monetary tightening primarily depresses aggregate consumer demand and capital expenditure, thereby eroding GDP growth headroom.

OIL

- Since early July, crude oil prices have surged nearly 30% off their recent troughs, reigniting investor anxieties over near-term inflationary pressure.
- Although crude oil transit had gradually normalized toward late June following the US rollback of sanctions against Iran, the sudden re-escalation of hostilities has severely curtailed crude volumes navigating the Strait of Hormuz.

RE-ESCALATION OF HOSTILITIES IN IRAN

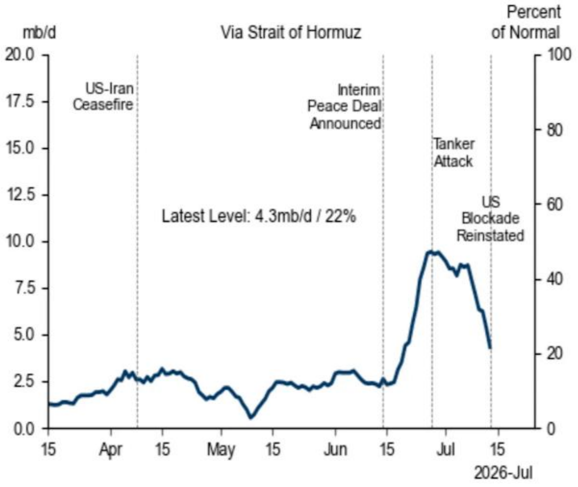
- **The ceasefire between the US and Iran effectively collapsed on July 8, as both sides traded accusations of violations regarding maritime security and military actions in Lebanon, triggering a fresh surge in hostilities**.
- On-the-ground developments suggest that attacks are deliberate engagements intended to maintain strategic leverage during a normalized state of warfare, alongside competing efforts to assert control over trade flows through the Strait of Hormuz.
- Concurrently, Houthi forces have opened fire in the Bab el-Mandeb Strait in the Red Sea—a critical transit corridor for 7% of global crude oil, particularly Saudi exports bound for Asia—targeting commercial shipping in alignment with Iran's blockade of the Strait of Hormuz. If fully realized, this coordinated action would effectively choke off two of the Middle East's primary maritime trade routes.
- **Key catalysts to monitor:**
  - Vessel traffic through the Strait of Hormuz has dropped precipitously amid heightened security concerns. Strategically, the core confrontation remains centered on establishing operational control over the strait. Intelligence indicates that Iran is currently targeting only those vessels navigating routes under explicit US protection, particularly south of Oman.
  - On July 20, key mediators—including Qatar, Pakistan, and Egypt—proposed a 10-day temporary ceasefire to allow the US and Iran to enter discussions on managing the Strait of Hormuz. Nevertheless, prospects for a durable resolution remain fragile, as Middle Eastern nations increasingly recognize the diplomatic weight and strategic leverage that controlling these maritime chokepoints affords them in negotiations with the US.

Source: Reuters, CNA.

Period	US	Iran	Target
02/28 – 04/07	Broad strategic air campaign against Iran's military, missile, naval and command infrastructure	Rapid horizontal and vertical escalation across the Gulf, Israel and neighbouring states	**Shock and destruction**
04/08 – 06/17	Naval blockade, convoy protection and increasingly incident-specific self-defence strikes	Selective attacks on ships, Gulf bases, radars and maritime traffic	**Coercive bargaining under fire**
06/18 – 07/06	Partial blockade removal and military-assisted reopening of Hormuz	Conditional safe passage through routes Iran regarded as subject to its authority	**Conditional normalization**
07/07 – 07/21	Sustained nightly strikes on Iran's maritime-denial architecture and renewed blockade pressure	Repeated missile and drone attacks on U.S. regional infrastructure, host states and commercial shipping	**Enforcement war over Hormuz governance**

CRUDE OIL OUTLOOK FOR 2H2026

Resurgent geopolitical hostilities drive up the risk premium on crude oil transit.



Nguồn: Goldman Sachs.

- **Since early July, crude oil prices have surged nearly 30% off their recent lows, reigniting investor concerns over near-term inflationary pressure.** Although oil transit had gradually normalized toward late June following the US rollback of crude oil sanctions against Iran, the sudden re-escalation of hostilities has severely curtailed crude volumes passing through the Strait of Hormuz.
- Concurrently, global crude supply has tightened as the US halted further sanctions relief on Russian crude, while US Strategic Petroleum Reserve (SPR) inventories have plummeted to their lowest levels since 1983 following aggressive drawdowns aimed at dampening market volatility.
- **Key catalysts to monitor:**

- Despite renewed hostilities in the Strait of Hormuz, tanker operators retain operational workarounds: vessels can reroute along northern maritime lanes (routes designated by Iran) to mitigate the threat of Iranian airstrikes, or simply disable Automatic Identification System (AIS) transponders—operating via "shadow fleet" tactics—to covertly traverse the conflict zone.
- Under our base-case scenario, crude transit—while constrained relative to the peak flow week of June 17–24—is expected to persist rather than suffer a complete shutdown. Consequently, the immediate risk of a structural supply chain disruption in Asia remains relatively low, as the price surge over the past three weeks primarily reflects short-term risk premiums rather than a lasting deficit.

Period	Commercial traffic or oil flow	Relative to pre-war conditions
Pre-war	Approximately 130 commercial vessels/day	100%
June 15–21	223 vessels; approximately 32/day	**24.6%** of pre-war traffic
June 22–28	343 vessels; approximately 49/day	**37.7%** of pre-war traffic
June 24 peak	76 commercial crossings	**58.5%** of pre-war traffic
June 24 oil volume	Approximately 20mn barrels exited in 24 hours	Near pre-war daily oil volume
First half of July	12.0 mb/d according to Kpler; 13.06 mb/d according to Vortexa	Approximately **32% below** February's 17.6 mb/d peak
Week to July 20	Approximately 2 supertankers/day	Down from 8/day in late June and early July
July 20	Only 4 visible commodity vessels; no visible VLCC or LNG tanker	Severe renewed disruption

ACCELERATING INFLATION & THE GLOBAL RATE-HIKING WAVE

Near-term interest rate hikes will offer limited efficacy in reining in supply-driven inflation.

- **The FAO projects the 2026 El Niño phenomenon to persist into early 2027, inducing severe drought conditions across parts of Far East Asia, Sub-Saharan Africa, and Central America.** Elevated crude oil prices are compounding agricultural overhead—inflating irrigation, harvesting, processing, packaging, and freight costs. Concurrently, operational disruptions in the Strait of Hormuz are driving up fertilizer and logistics expenditures before produce reaches end consumers.
- ECB analysis indicates that a severe El Niño episode can boost global food commodity prices by up to 9%. The peak impact typically manifests approximately 16 months post-onset, with soybeans, corn, and rice exhibiting the highest sensitivity. This transmission lag implies that the food inflation cycle will extend well into 2027. Consequently, even if crude oil prices stabilize, a transient energy shock risks mutating into persistent cost-of-living pressures.
- However, the prevailing high and sticky inflation environment is fundamentally supply-side driven, anchored by oil-induced production cost inflation. As a result, central bank rate hikes at this juncture will yield limited traction in reining in top-line inflation, as monetary tightening primarily dampens aggregate demand—suppressing consumer spending and capital expenditure while eroding GDP growth headroom.
- Fundamentally, elevated policy rates cannot induce rainfall, clear the Strait of Hormuz, or expand oil reserves; monetary tightening is intrinsically ineffective against first-round supply shocks. Nevertheless, a tight stance remains imperative to anchor inflation expectations and prevent second-round effects—such as wage-price spirals, currency depreciation, and excess demand—particularly in emerging markets like Vietnam, where food and energy carry substantial CPI weights and inflation expectations are less anchored. Consequently, central banks are unlikely to pursue prolonged overtightening that crushes aggregate demand to offset a supply shock, yet they remain constrained from easing while second-round effects persist.
- **Key catalysts to monitor:**
  - FAO updates on global crop conditions and food commodity price indices.
  - Fertilizer benchmarks and agricultural input costs.
  - Stockpile levels for sugar, rice, corn, soybeans, and edible oils.
  - Wage growth metrics, services inflation, and household inflation expectations.
  - Domestic fuel and food price stabilization measures across emerging markets.

ANTICIPATED GLOBAL IMPACT OF THE SUPER EL NIÑO

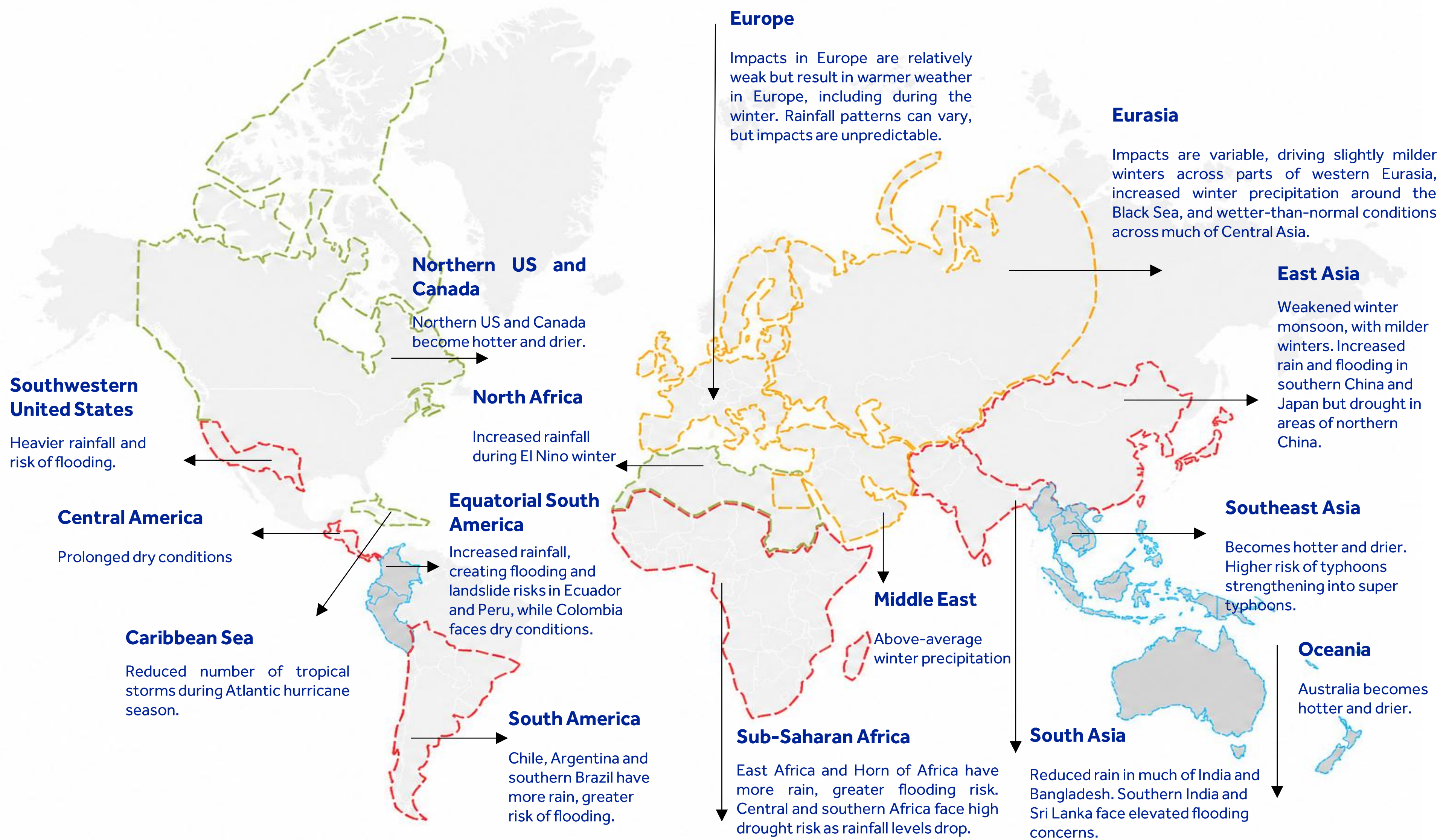
While regional exposure to El Niño remains asymmetric, its inflationary pressure on global food prices is unequivocally material.

Direct Impact Zone

Strong Teleconnections Region

Moderate Teleconnections Region

High Variability Region



Source: World Food Program, NOAA, RANE analysis.

ACBS

VIETNAM ECONOMY

INTEREST RATE

- Prolonged conflict involving Iran, combined with the compounding threat of Super El Niño, is expected to keep inflation elevated, constraining room for cost-of-capital relief across developed markets, particularly the US. Indirectly, this narrows the window for monetary policy easing in Vietnam, as domestic authorities must continuously balance foreign exchange pressures against local economic realities.
- Domestically, credit demand continues to outpace deposit growth. Consequently, bringing down deposit rates alongside retail and corporate lending yields remains challenging, as commercial banks struggle to preserve capital adequacy ratios and liquidity buffers.
- A key bright spot stems from favorable foreign exchange dynamics in 1H2026, with the dong depreciating by a modest ~0.4% YTD as of July 17. This stability creates strategic leeway to absorb fresh VND liquidity injected into the financial system via various open-market operations while keeping full-year currency depreciation well within the controlled target threshold of under 3%.

2H2026 GROWTH OUTLOOK

- **Vietnam's 1H2026 GDP accelerated to 8.18% YoY, anchored by an 8.39% YoY surge in 2Q2026 (up from 7.63% in 2Q2025), marking the strongest first-half economic expansion in recent years.** Outperforming manufacturing activity served as the primary catalyst for overall GDP growth, effectively offsetting moderating momentum across other economic drivers.
- Public investment is positioned to serve as the critical growth engine for 2H2026, given that cumulative capital disbursement stood at VND360tn as of June 30 (representing just 35.8% of the Prime Minister's full-year target). With the vast majority of allocated capital still awaiting deployment and the government targeting full-year GDP growth above 10% (implying a required 2H2026 expansion approaching 11.9%), we expect accelerated project execution in the second half to act as the primary anchor for meeting full-year macroeconomic objectives.

TIMELINE FOR INTEREST RATE RELIEF

MONEY MARKET

Both deposit and lending interest rates remained persistently elevated throughout 7M2026.

- **Globally, the prolonged conflict in the Middle East, coupled with the compounding threat of Super El Niño, is set to keep inflation sticky.** This severely restricts room to ease the cost of capital (policy rates and sovereign bond yields), compressing valuation multiples for risk assets and eroding investor sentiment—even tempering enthusiasm surrounding the artificial intelligence boom that has anchored GDP expansion across the US, Japan, South Korea, and Taiwan. Indeed, a broader rate-hiking trend has re-emerged, encompassing the European Central Bank (ECB), key Asian central banks (Japan, Indonesia, Philippines), and the Reserve Bank of New Zealand (RBNZ) over the past two months. Concurrently, both the US Federal Reserve (Fed) and the Bank of England (BoE) maintain a distinctly hawkish stance amid persistent inflationary pressures. Indirectly, this narrows the State Bank of Vietnam's (SBV) leeway for monetary easing as domestic policymakers navigate foreign exchange pressures alongside local economic realities.
- Domestically, cumulative credit growth reached 7.91% YTD as of July 10, outstripping deposit growth of 6.07% YTD. This persistent imbalance has widened the net funding gap between total loans and deposits to VND2,700tn. This deficit has heightened the banking system's dependence on interbank market liquidity, particularly State Treasury (STV) deposit auctions at state-owned commercial banks, where balances consistently exceed VND700tn—approaching statutory caps. As a result, lowering deposit rates and retail/investment lending yields remains challenging as commercial lenders struggle to meet capital adequacy and liquidity coverage metrics. Although Circular 25/2026/TT-NHNN raised the maximum ratio of short-term funds used for medium-and-long-term loans from 30% to 40% and permitted 20% of State Treasury term deposits to be included in loan-to-deposit ratio (LDR) calculations, a key regulatory piece remains missing: formal documentation raising the ceiling on Treasury deposits at commercial banks pursuant to Resolution 168/NQ-CP (currently capped at 50% through July and August).
- **A key silver lining is the favorable performance of the USD/VND exchange rate through 1H2026, with the dong depreciating by a modest ~0.4% YTD as of July 17.** This currency stability provides strategic headroom to absorb fresh VND liquidity injected via various open-market mechanisms while keeping full-year depreciation strictly within the controlled target threshold of under 3%. Key liquidity support mechanisms include: FX swaps between commercial banks and the SBV utilizing offshore borrowing proceeds; expanding State Treasury deposits at state-owned lenders to shore up system-wide short-term liquidity; and accelerating corporate bond market reforms to diminish over-reliance on bank credit.
- **Key Factors to Watch in 2H2026:** Exchange rate stability has been partially sustained by the Federal Reserve's decision to keep policy rates on hold. Under our base-case scenario, the Fed will refrain from rate adjustments; while monetary policy remains sufficiently restrictive—evidenced by elevated long-end treasury yields—rate cuts remain unlikely due to sticky inflation risks and persistent US labor market resilience. Nevertheless, this uncertainty continues to weigh on the attractiveness of risk assets. Under a downside scenario, the Fed could execute a final 25 bps rate hike in the September–October window.

JUNE 2026 MACRO REVIEW: GRADUAL POLICY EASING SETS THE STAGE FOR ACCELERATION IN 2H2026

➢ **Key catalysts to monitor:**

- **Vietnam's 1H2026 GDP accelerated to 8.18% YoY, anchored by an 8.39% YoY expansion in 2Q2026 (up from 7.63% in 2Q2025), marking the strongest first-half economic performance in recent years.** A surge in manufacturing activity served as the primary growth catalyst, contributing 47.2% to total gross value added (GVA) growth (compared to 42.0% in 1H2025). This outperformance was particularly critical as other traditional growth drivers showed signs of moderation: real retail sales stagnated after adjusting for inflation, the trade balance recorded a historic deficit, and public investment disbursement faced ongoing operational headwinds.
- Nevertheless, we maintain a constructive outlook on public investment as the pivotal growth catalyst for 2H2026, given that cumulative public capital disbursement reached only VND360tn as of June 30 (representing 35.8% of the Prime Minister's full-year mandate). With the vast majority of allocated capital still awaiting deployment and the government targeting full-year GDP growth above 10%—which implies a required 2H2026 expansion approaching 11.9%—we expect accelerated project execution in the second half to act as the primary anchor for achieving full-year macroeconomic targets.

Monthly data	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Industrial Production (YoY)	7.98%	7.43%	8.90%	12.74%	10.80%	9.13%	10.10%	21.54%	0.60%	7.20%	9.88%	8.79%	12.71%
Purchasing Managers Index	48.90	52.40	50.40	50.40	54.50	53.80	53.00	52.50	54.30	51.20	50.50	52.80	51.80
Retail Sales (YoY)	8.28%	9.16%	10.59%	11.27%	7.23%	7.15%	9.81%	9.32%	8.48%	12.05%	12.06%	11.83%	14.80%
Consumer Price Index (YoY)	3.57%	3.19%	3.24%	3.38%	3.25%	3.58%	3.48%	2.53%	3.35%	4.65%	5.46%	5.60%	4.69%
Core Consumer Price Index (YoY)	3.33%	3.33%	3.19%	3.18%	3.30%	3.28%	3.21%	3.19%	3.74%	3.96%	4.66%	4.67%	4.50%
Export Value (% YoY)	-1.62%	-4.65%	-11.48%	-0.21%	-10.23%	-8.36%	4.10%	30.13%	6.26%	20.58%	21.56%	17.98%	28.09%
Import Value (% YoY)	32.75%	30.25%	33.92%	38.85%	34.13%	31.29%	43.36%	49.61%	4.42%	27.76%	32.36%	33.79%	45.19%
Trade Balance (BnUSD)	2.86	2.29	3.72	2.85	2.60	1.09	-0.66	-1.78	-1.05	-0.68	-3.28	-5.21	-2.64
Disbursed FDI (BnUSD)	2.82	1.88	1.80	3.40	2.50	2.30	4.02	1.68	1.53	2.20	1.99	2.35	3.28
Registered FDI exl Cap. Cont.(BnUSD)	2.71	1.78	1.66	2.02	2.48	1.40	3.82	2.38	3.16	7.00	2.74	5.34	7.81
Disbursed investment from State budget (Tn VND, YTD)	301.81	378.29	463.21	549.13	640.16	735.15	850.69	44.64	84.48	133.23	187.13	268.19	335.56

VIETNAM EQUITY MARKET

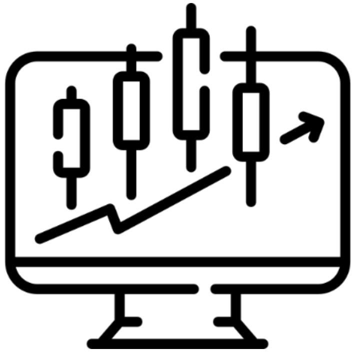
TRADING ACTIVITIES

- The VN-Index experienced heightened volatility throughout June before entering a sustained corrective phase across the first three weeks of July. As of July 22, the index has retreated nearly 14% from its newly established all-time high, closing below the key 1,700-point psychological threshold.
- Broad-based selling pressure blanketed virtually all sectors, compounded by a persistent contraction in order-matching liquidity since May. Average daily trading value (ADTV) hovered around VND13tn over the past two months, representing a ~30% decline relative to May 2026 levels.

OUTLOOK

- We maintain a constructive view on the medium-to-long-term growth trajectory of both the Vietnamese economy and its equity market, as the transmission of recent structural policy reforms has yet to be fully priced into broader economic expansion or equity valuations across key beneficiary sectors.
- Nevertheless, the prerequisite conditions for a sustained market turnaround have not fully converged. Consequently, we advocate a disciplined, cautious capital deployment strategy at present, even though sector valuations have derated to highly compelling levels relative to their 5-year historical averages. A durable market recovery will require stronger fundamental growth catalysts alongside greater macroeconomic stability—specifically regarding Middle Eastern geopolitical risks, domestic interest rates, inflation metrics, and exchange rate dynamics.
- Timing of disbursement remains critical to optimizing risk-adjusted returns amid a system-wide liquidity contraction that extends beyond equities into alternative asset classes, including gold and real estate.
- Against this backdrop, we expect capital flows to selectively concentrate in these strategic themes:
  1. Cyclical Growth Drivers: Banking;
  2. Emerging Market Upgrade Beneficiaries: VN30 constituents, Banking, Securities;
  3. Geopolitical Tailwind Plays: Oil & Gas, Fertilizers, Seaport Logistics;
  4. Policy-Driven & Infrastructure Beneficiaries: Construction Materials, Infrastructure Development.

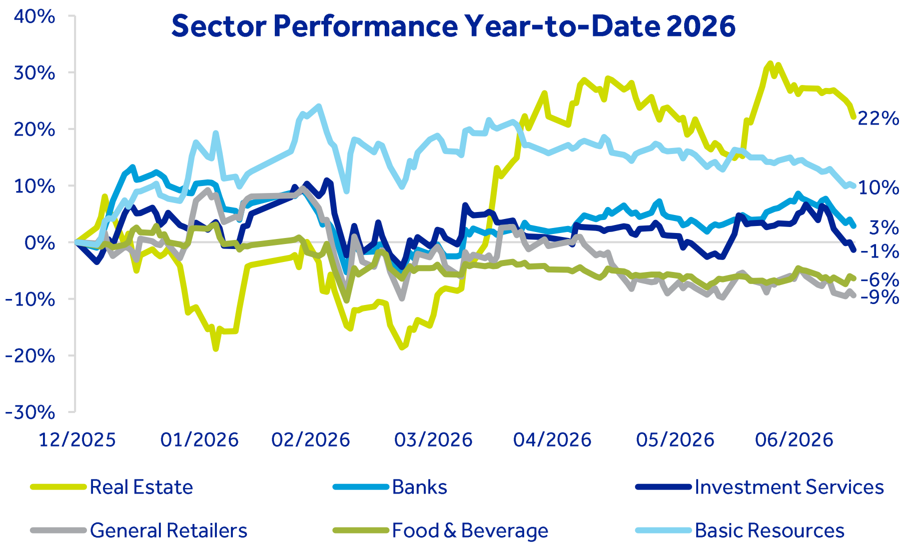
BROAD-BASED SELLOFF AS MARKET LACKS NEAR-TERM CATALYSTS

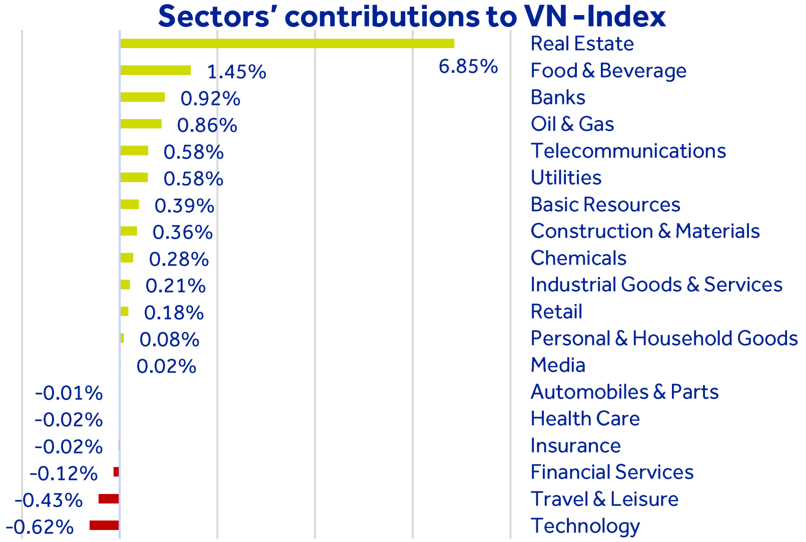


MARKET DYNAMICS

The VN-Index has retreated sharply from its all-time peak as a lack of fresh growth narratives failed to offset dual pressures from geopolitical friction and an elevated interest rate environment.

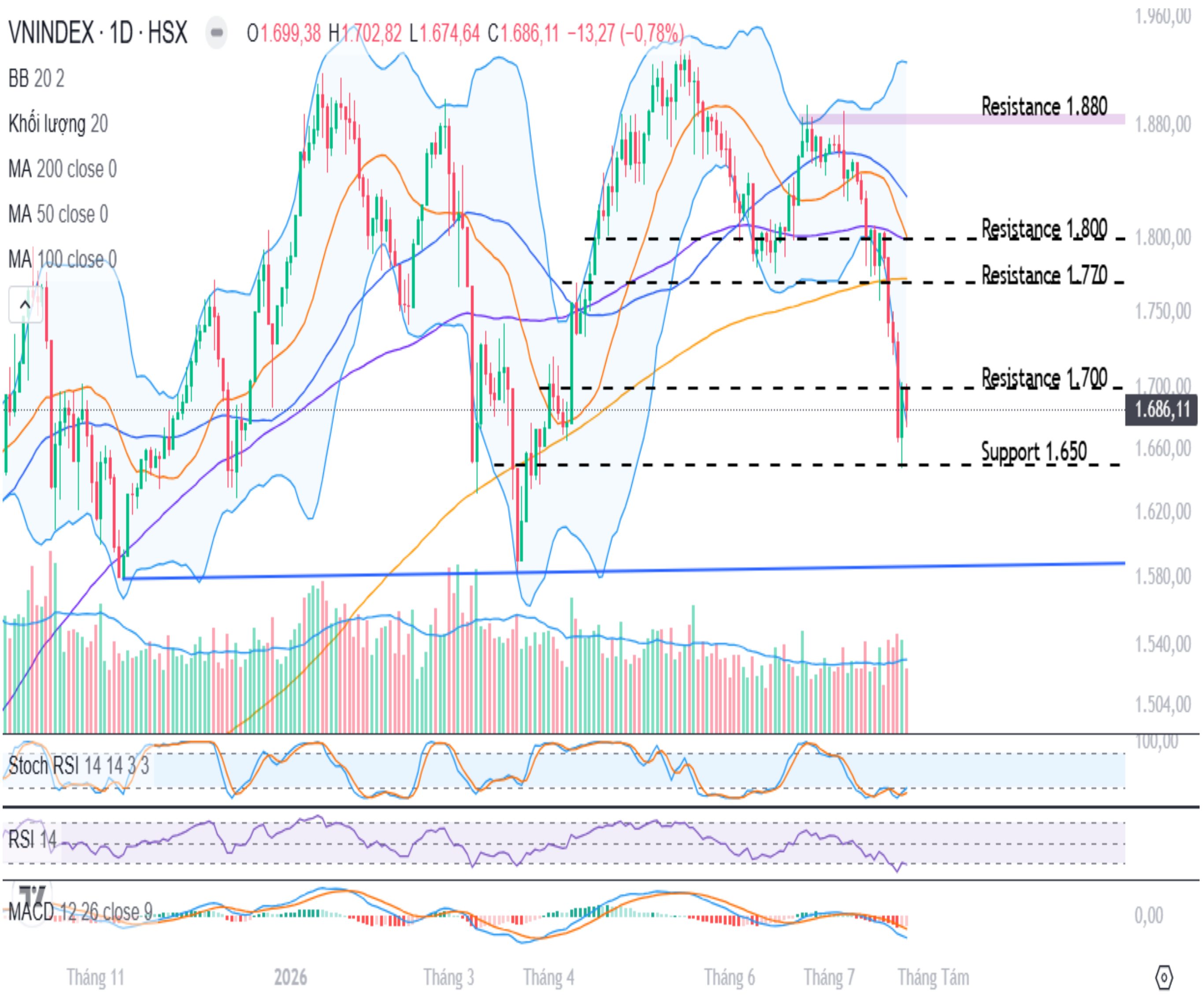
- **VN-Index experienced heightened volatility throughout June before entering a sustained corrective phase across the first three weeks of July.** As of July 22, the index has retreated nearly 14% from its newly established all-time peak, closing below the critical 1,700-point psychological threshold. Broad-based selling pressure blanketed virtually all sectors, compounded by a persistent contraction in order-matching liquidity since May. Average daily trading value (ADTV) hovered around VND13tn over the past two months, representing a ~30% decline relative to May 2026.
- An unfavorable external macroeconomic backdrop, coupled with domestic growth headwinds, continues to weigh on investor sentiment. This has prevented a sustained recovery even as sector valuations have derated to 5-year historical averages or sub-median levels. Furthermore, 12-month deposit rates holding firm at 8.0–11.0% across multiple private joint-stock commercial banks have raised the hurdle rate for equities, dampening risk appetite amid broader macro uncertainty.
- Nevertheless, recent market weakness primarily reflects short-term repricing dynamics following a run-up to record highs, alongside the structural lag required for structural policy reforms to translate into tangible corporate and consumer behavioral shifts. In fact, broader market consensus regarding 2Q2026 corporate earnings remains constructive, as policy buffers have largely cushioned the immediate economic impact of elevated crude oil prices.





Source: FiinPro. Data as of July 15, 2026.

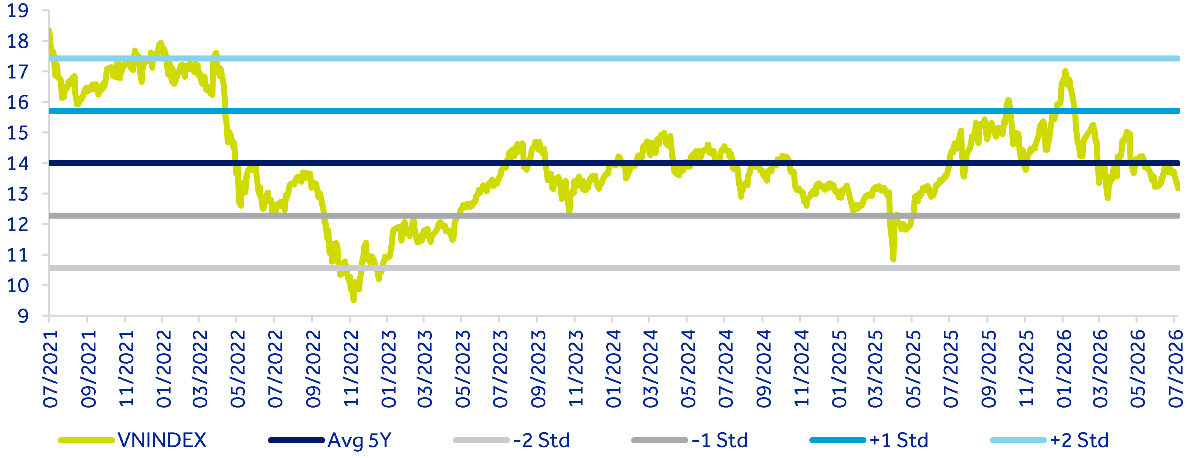
VN-INDEX: NEAR-TERM DOWNSIDE PRESSURE PERSISTS WHILE MEDIUM-TERM OUTLOOK LEANS TOWARD CONSOLIDATION



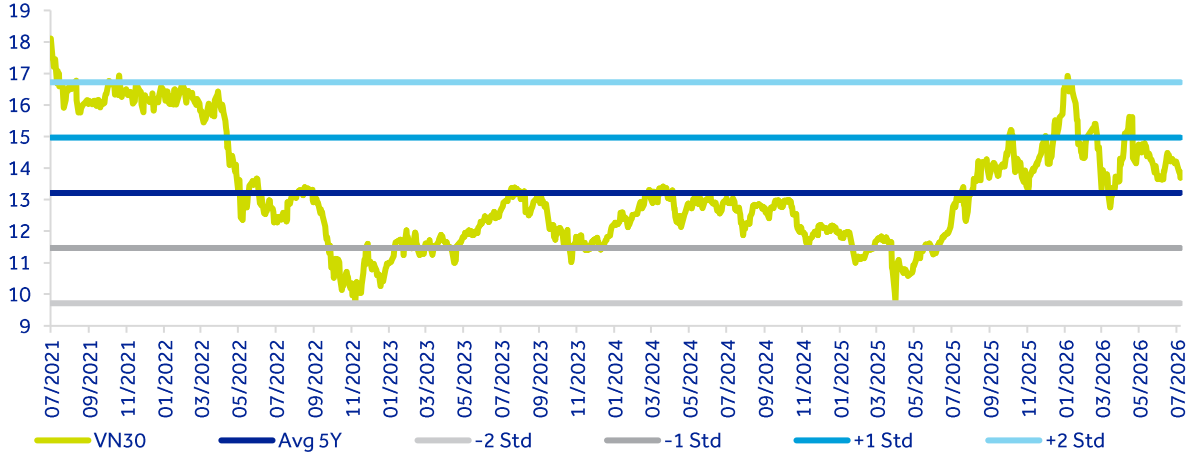
- **Technical Factors:**
  - Short-term trend (1 month): Bearish
  - Medium-term trend (3 months): Bearish
  - Resistance 1: 1,770 (MA200)
  - Resistance 2: 1,800 (MA20, MA100)
  - Support 1: 1,650 (March 10, 2026 low)
  - Support 2: 1,590–1,600 (March 23, 2026 low)
  - Momentum indicator (RSI14): Oversold.
  - Trend indicator (ADX): Indicates that the short-term downtrend remains strong.
- **Assessment and Recommendation:**
  - VN-Index maintains bearish across both the short-term and medium-term timeframes, suggesting that the overall technical outlook remains tilted toward a less optimistic scenario. The continued rise in ADX, together with improving trading volume, indicates that the current downtrend is being reinforced by increasing market participation, implying that the corrective phase is gaining strength rather than losing momentum. Although RSI14 has entered oversold territory, this signal primarily points to the possibility of short-term technical rebounds and is not yet sufficient to alter the prevailing downward trend.
  - Looking ahead, VN-Index is likely to continue testing the 1,650 support zone, with the potential to extend toward the 1,590 level if selling pressure persists.

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

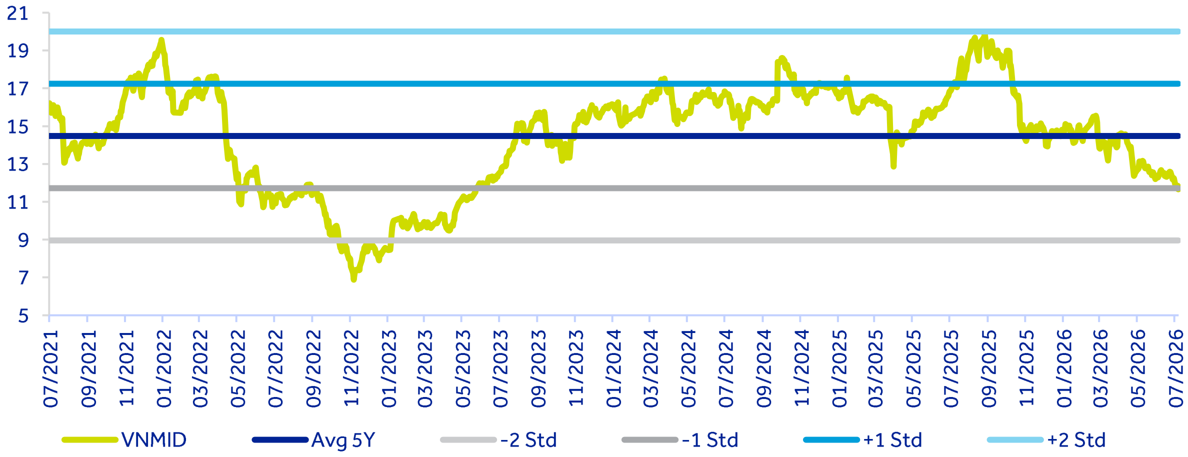
P/E VN-Index



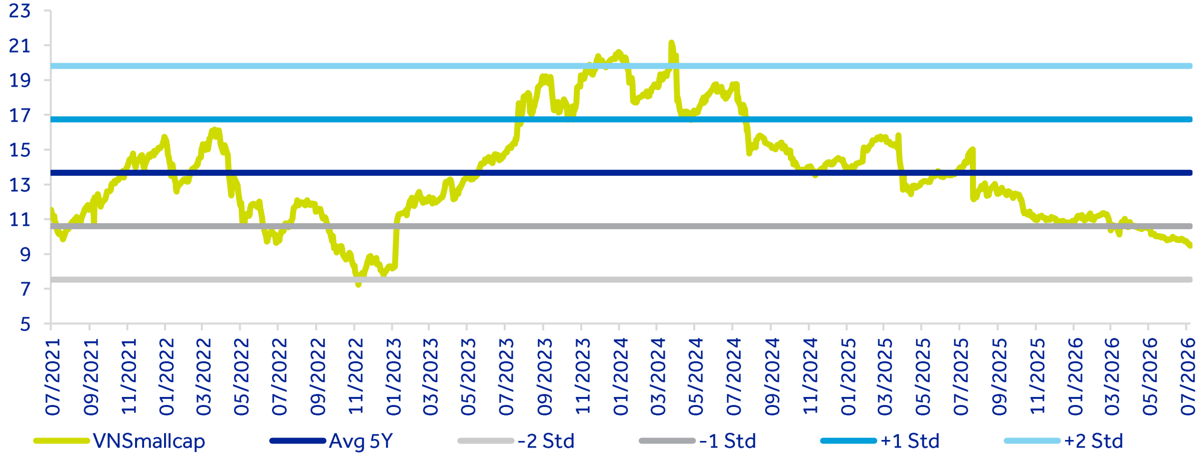
P/E VN30



P/E VN Mid-caps



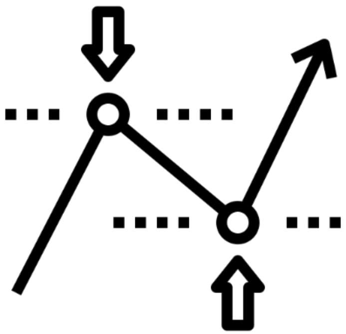
P/E VN Small-caps



Source: FiinPro

Source: FiinPro

SHORT-TERM HEADWINDS PRESENT LONG-TERM OPPORTUNITIES



OPPORTUNITIES & CHALLENGES

While the 12-month growth outlook remains intact, timing of disbursement will serve as the primary determinant of investment returns.

➢ **Market Outlook:**

❖ We maintain a constructive view on Vietnam's medium-to-long-term trajectory and equity market prospects, as prior policy reforms have not been fully priced into economic fundamentals or equity valuations across key beneficiary sectors: Banking (Easing regulations on STV deposit and capital adequacy constraints); Securities (Completion of the Central Counterparty clearing mechanism in pursuit of a market upgrade); Materials (Anticipated acceleration in public capital expenditure).

❖ Meanwhile, recent pullbacks have derated multiple sectors to historically attractive valuation multiples, while 2H2026 corporate earnings prospects present bright spots—creating an environment for long-term equity accumulation.

❖ Nevertheless, we maintain a disciplined and cautious deployment stance for the second half of the year amid an unsupportive macroeconomic backdrop:

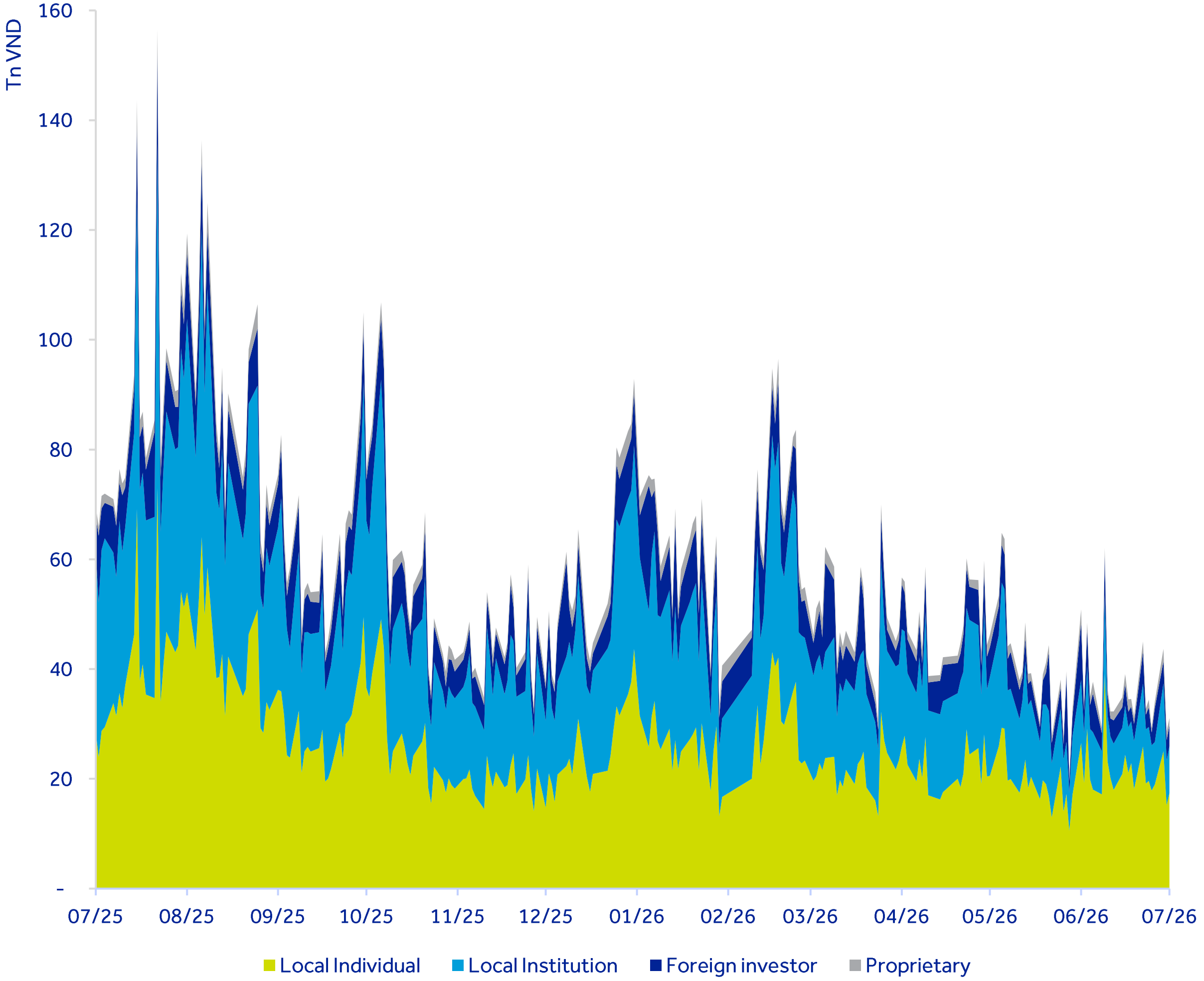
- Complex geopolitical landscape (Iran Conflict, Tariffs, El Niño): Second-round inflationary pressures remain an active threat.
- Elevated interest rate environment: The structural funding gap between credit demand and deposit growth continues to widen.
- Sluggish domestic consumption: Retail sales growth remains muted after adjusting for price inflation.
- Headwinds from tariffs: Export-oriented industries (textiles, footwear, wood products) have yet to show a decisive turnaround.
- Public investment friction from high input costs: 1H2026 disbursement reached 36% of the Prime Minister's full-year mandate.

❖ The primary silver lining for 2H2026 stems from favorable foreign exchange dynamics, as resilient foreign capital inflows have helped counterbalance trade deficit pressures and net foreign equity outflows. Under our base-case scenario, VND liquidity constraints will gradually ease, cushioned by an influx of State Treasury deposits alongside offshore syndicated borrowing facilities secured by commercial banks. Consequently, VND depreciation is expected to edge higher but remain strictly contained within a 3% YTD band. This added liquidity buffer will help stabilize deposit and lending rates in 2H2026. Coupled with anticipated foreign capital inflows ahead of the official reclassification to Secondary Emerging Market status effective September 2026, market stability should strengthen, underpinning long-term growth prospects.

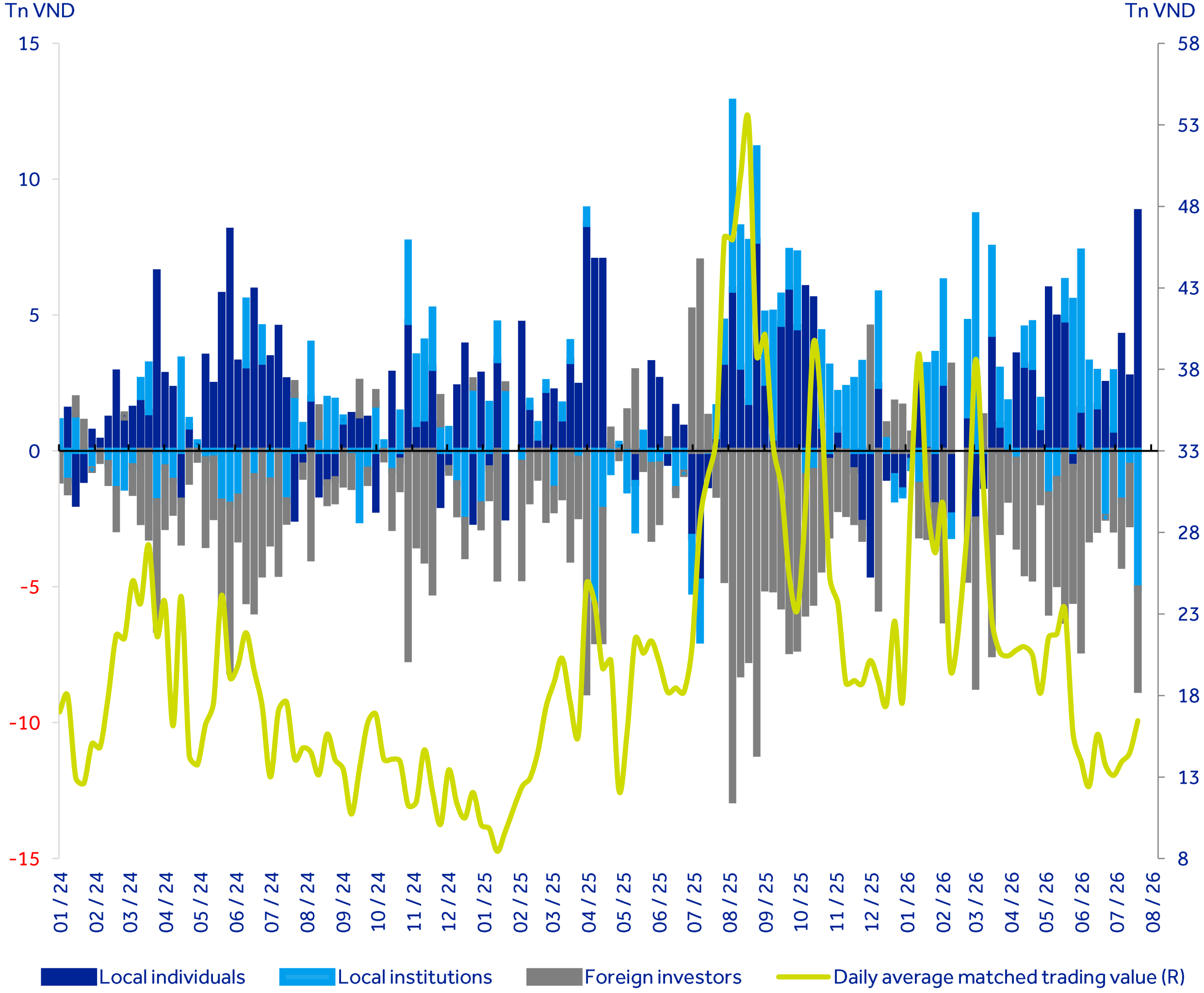
➢ **Key watchpoints for 2H2026:** Bargain-hunting capital is expected to re-enter as geopolitical volatility settles and market participants normalize the conflict involving Iran as a "new normal," akin to the Russia-Ukraine theater. Ultimately, the essential catalyst for a sustained equity market turnaround will be abundant VND liquidity, which will cool interest rates and facilitate smooth public investment execution toward year-end.

LOCAL INDIVIDUAL INVESTORS SUPPORTED MARKET LIQUIDITY WHILE LOCAL INSTITUTIONS REDUCED TRADING ACTIVITY IN JUNE

Trading value (buy + sell) by investors



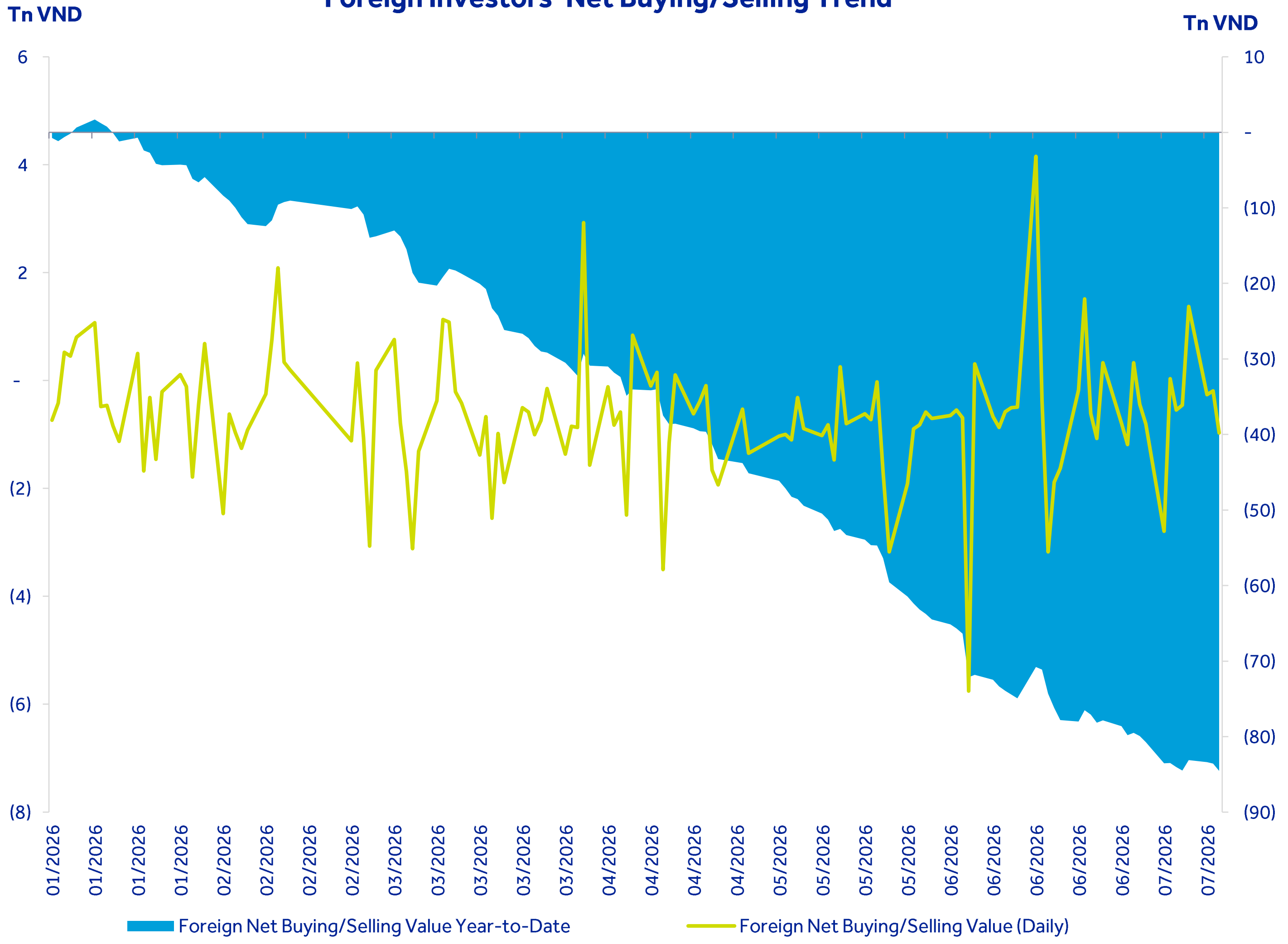
Source: FiinPro



Source: FiinPro

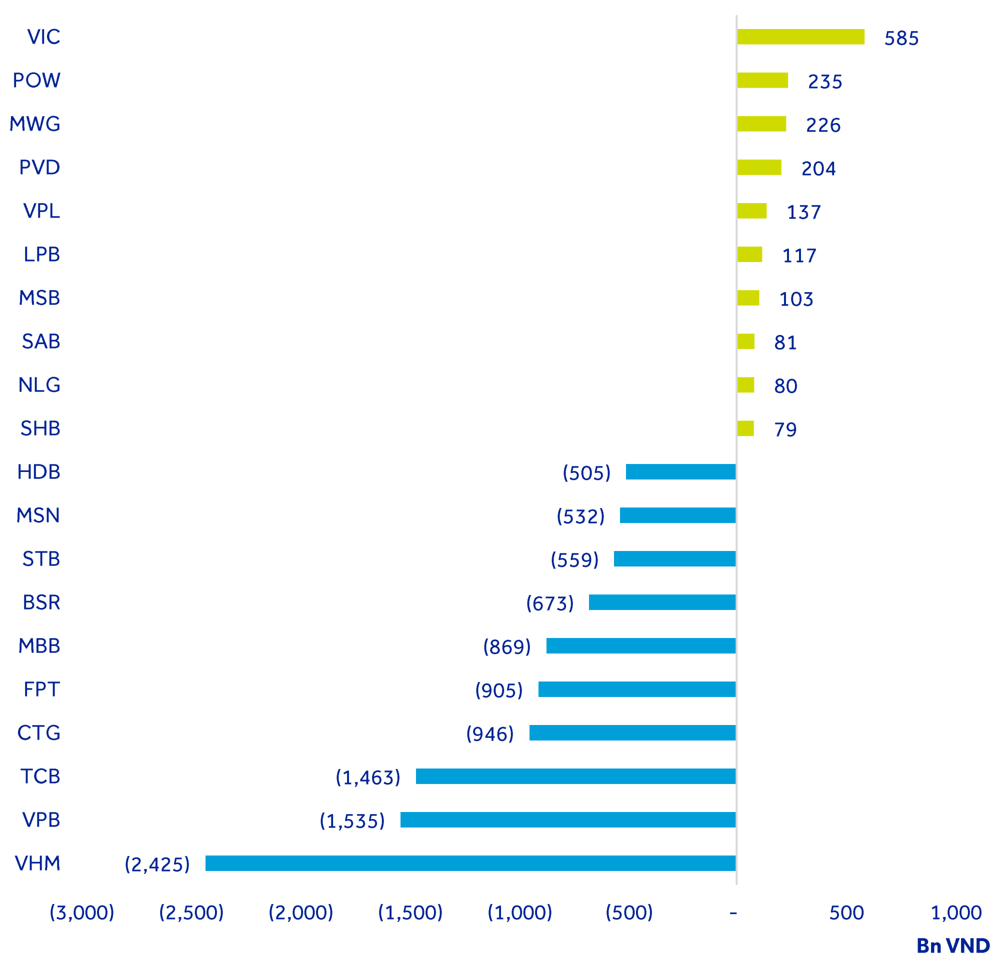
FOREIGN INVESTORS CONTINUE NET SELLING OF VND 15.3 TRILLION IN JUNE

Foreign Investors' Net Buying/Selling Trend



Source: FiinPro

Top Stocks by Net Buying/Selling in June



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ACBS

CONTACT

Ho Chi Minh City Head Office
3rd Floor, 117 Nguyen Dinh Chieu, Xuan Hoa Ward, Ho Chi Minh City
Tel: (+84 28) 7300 7000
Fax: (+84 28) 7300 3751

Hanoi Office
10 Phan Chu Trinh, Cua Nam Ward, Ha Noi
Tel: (+84 24) 3942 9396

RESEARCH & MARKET STRATEGY DEPARTMENT

Email: research.gr@acbs.com.vn
trangdm@acbs.com.vn
tuandt@acbs.com.vn

INSTITUTIONAL CLIENT DIVISION

Director
Huong Chu
(+84 28) 7300 7000 (x1083)
huongctk@acbs.com.vn
groupis@acbs.com.vn

Manager
Huynh Nguyen
(+84 28) 7300 6879 (x1088)
huynhntn@acbs.com.vn

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