Vietnam Monthly Martket Commentary

January 2026

MARKET MOVEMENT

- The VN-Index demonstrated resilient performance in the first month of the year, rising 2.5% in January to 1,829 points. Market activity strengthened notably, with average daily trading value climbing to approximately USD 1.3 billion (+47.8% MoM), reflecting improved participation and risk appetite.
- However, foreign investor sentiment reverted, with net foreign outflows resuming at USD 239 million for the month, offsetting the positive momentum in domestic flows.
- Market leadership has been firmly anchored by state-owned enterprises (SOEs), with Energy, Utilities, and Materials emerging as the key engines of VN-Index.

  In contrast, Vin-family stocks, after an outsized rally through 2025, have entered a pronounced correction phase in early 2026, creating noticeable drag on the index.

SECTOR PERFORMANCE

Market gains were well dispersed across most sectors, highlighting diverse improvement.

Energy (+41.8% MoM)

Strong rallies in PLX and BSR, supported by improved SOE sentiment and solid 4Q25 earnings exceeding market expectations.

Utilities (+36.9% MoM)

Driven by GAS, which benefited from strong sentiment toward state-owned enterprises following the issuance of Resolution 79.

Materials (+14.0% MoM)

Led by GVR, supported by the SOE re-rating theme and improving sentiment around FDI-related policy drafts which bolstered expectations for industrial parks demand.

Real Estate (-14.0% MoM)

Saw a sharp correction amid a rising interest-rate environment, with VIC and VHM facing profit-taking pressure following their strong rallies in 2025.

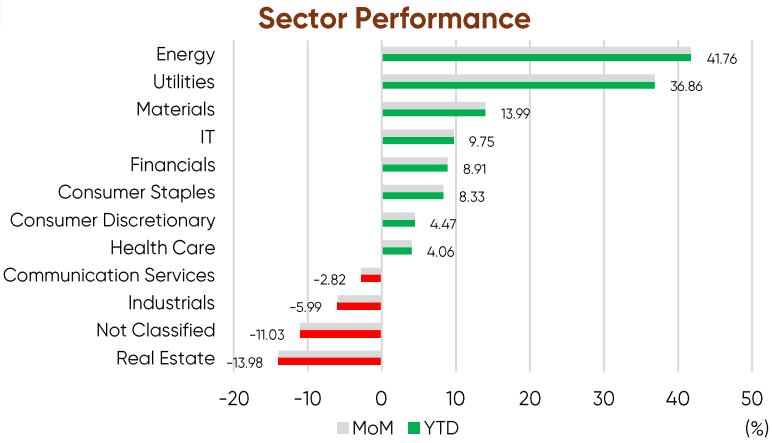
Not Classified (-11.0% MoM)

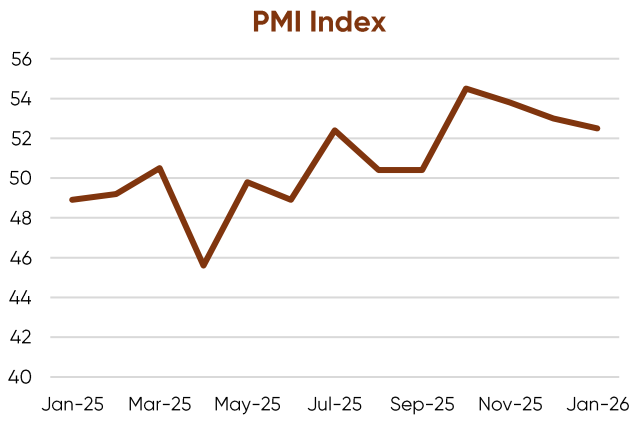
MCH (-0.3% MoM) came under selling pressure following its transition from UPCOM to HSX, reflecting short-term profit realization.

Industrials (-6.0% MoM)

Also retreated, as VJC and GEE experienced profit-taking after outsized gains last year.

CHART OF THE MONTH





(Compiled by KIM Vietnam)

KEY EVENTS IN JANUARY 2026

- **Vietnam PMI**: According to S&P Global, Vietnam's PMI stood at a robust 52.5 in January 2026, easing marginally from December but remaining firmly in expansionary territory. The seventh consecutive month above the 50 threshold underscores strengthening manufacturing momentum and reinforces confidence.
- **General Secretary To Lam issued Resolution 79**, laying the framework for Vietnam's State economic sector to serve as an engine of national development. The resolution sets ambitious targets, including for 50 SOEs to rank among Southeast Asia's Top 500 and 1-3 among the global Top 500 by 2030, rising to 5 globally ranked SOEs by 2045. Resolution 79 signals a fundamental shift in State economic management philosophy, from administrative control toward a development-enabling approach, introducing market-competitive compensation and professional CEO hiring at SOEs.
- **Fitch upgraded Vietnam's long-term senior secured debt instruments** to BBB- (Investment Grade), removing the Under Criteria Observation (UCO) designation, while the sovereign Issuer Default Rating (IDR) remains unchanged at BB+. The upgrade reflects Fitch's revised criteria incorporating recovery assumptions and US Treasury guarantees, and signals progress toward an eventual sovereign rating upgrade. Historical precedents suggest that once the Country Ceiling or Outlook improves, a sovereign IDR upgrade to BBB- could follow within ~2 years, with meaningful implications for capital inflows, borrowing costs and equity markets.
- **Mr. To Lam is re-elected as Vietnam's General Secretary for the next 5-year term**. Under the same leadership, it is generally expected that the current pro-growth direction continues. Settlement of the new government, therefore, alleviates political uncertainty and is a positive development for the local market.

Looking ahead into 2026, we see January's market dynamics as broadly positive rather than cautionary. Leadership rotation toward SOEs, improving liquidity conditions, sustained manufacturing expansion and a clearer policy framework point to a more durable cycle. Policy momentum also strengthened with Resolution 79, marking a structural shift toward SOEs and positioning the state sector as a long-term growth engine, coupled with rising SOEs' efficiency. While near-term volatility may persist amid global and rate-related headwinds, the underlying setup favors selective upside, with the VN-Index increasingly supported by earnings visibility, reform momentum and domestic capital depth.

Vietnam Monthly Martket Commentary

January 2026

MACRO COMMENTARY – JAN 2026

Vietnam entered 2026 on a firm footing, supported by strong IIP and solid external trade momentum, accelerating public investment disbursement. January data broadly exceeded expectations, even after accounting for seasonal factors, reinforcing a constructive macro outlook despite lingering global uncertainties.

- **Industrial production:** Industrial output accelerated sharply, with the Industrial Production Index (IIP) rising 21.5% YoY in January, driven primarily by manufacturing, notably motor vehicles, electronics and machinery, reflecting improving order flows and export demand.
- **PMI:** The S&P Global Vietnam Manufacturing PMI eased modestly to 52.5 in January from 53.0 in December but remained firmly above the 50-point expansion threshold. This marked the seventh consecutive month of improving business conditions, supported by stronger new orders.
- **Trade balance:** External trade remained robust, with exports up 29.7% YoY and imports surging 49.2% YoY in January, reflecting strong external demand and deepening supply-chain linkages. On a monthly basis, a USD 1.8bn trade deficit was recorded for the second consecutive month, the largest since May 2022, largely driven by import strength.
- **FDI:** Disbursed FDI maintained strong momentum, increasing 11.3% YoY in January, underscoring sustained investor confidence. In contrast, FDI commitments declined 40.6% YoY, due mainly to weaker adjusted capital and equity transactions.
- **Retail sales:** Retail sales showed a modest recovery ahead of the Tet holiday, rising 9.3% YoY in January, supported by strengthening tourism activity. Services-related consumption continued to outperform, with accommodation and food services posting solid growth.
- **Public investment:** Public investment disbursement accelerated meaningfully, rising 22.3% YoY in January, providing additional support for growth momentum in 2026.
- **CPI:** Inflation pressures eased further, with headline CPI moderating to 2.53% YoY in January, driven mainly by declining transportation and fuel costs. Core inflation remained stable at 3.19% YoY, preserving macro stability and policy flexibility.
- **FX:** The VND appreciated 1.4% MoM in January, supported by a weaker USD and active FX management, despite the ongoing trade deficit. DXY sliding sharply and touching 95.56 on 28 January – its lowest level since 2022 and recovering back to 96.99 at the end of January.

ABOUT KIM VIETNAM

KIM Vietnam Fund Management Co., Ltd

KIM Vietnam first entered the Vietnamese market in 2006 as a representative office of its parent company, Korea Investment Management (KIM). On October 1, 2020, KIM Vietnam Fund Management Co., Ltd (KIM Vietnam) was established. The company is fully licensed under operating license no. 59/UBCK-GP by the Vietnam State Securities Commission to provide advisory and asset management services in Vietnam. To date, KIM Vietnam has nearly 20 years of presence in the Vietnamese market, with total assets under management reaching USD 1.3 billion as of 31 December 2025. KIM Vietnam is proud to be part of the KIM, which currently manages over USD 55 billion in global assets. We currently manages a range of investment funds and discretionary portfolios, all of which are fully invested in the Vietnamese equity market, reflecting KIM Vietnam's strong conviction and long-term commitment to the growth potential of Vietnam's economy.

Contact Us

Address: Unit 6.02, 6F, The Mett Building, 15 Tran Bach Dang Street, An Khanh, Ho Chi Minh City

Phone: +84 28 3824 2220 (Ext. 888)

Website: koreainvestment.com.vn

Email: cs@koreainvestment.com.vn

LinkedIn: linkedin.com/company/kimvnfmc

Facebook: facebook.com/kimvietnamfund

Experience seamless open-ended fund trading with KIM Impact:

GET IT ON Google Play

Download on the App Store

Disclaimer:

The above materials were prepared by KIM Vietnam Fund Management Co., Ltd., and include information from various external sources. While all information from external sources has been obtained from sources deemed to be reliable, please be aware that KIM does not guarantee the accuracy, timeliness or completeness of any such information, and makes no representation or warranty expressed or implied, as to the accuracy or completeness of such information. These materials were designed for use by the specific recipient and are being furnished and should be considered only in connection with other information, oral or written, being provided by us in connection herewith. These materials do not constitute an offer to sell, or a solicitation of an offer to buy or sell, any securities to or from the recipient; nor do they constitute an offer to participate in any investment strategy. These materials do not purport to contain all details about KIM or any investment vehicle or investment strategy, and do not contain all of the provisions that would be set forth in any offering memorandum. These materials are not intended to provide the sole basis for evaluating any investment vehicle or strategy, and should not be considered to be investment advice or a recommendation with respect to any investment, investment strategy or other matter. The investment vehicles described herein may be construed as high risk and may experience substantial or sudden loss, including total loss of investment. Past performance results are no guarantee or indication of future results. All results shown herein are net of all fees and expenses.

The above materials should not be construed as legal, business or tax advice. KIM is not acting as your legal, financial, tax or accounting adviser or in any other fiduciary capacity with respect to any investment vehicle or strategy described herein. Prospective investors in any such investment vehicles must understand and are strongly encouraged to discuss with their professional tax, legal, accounting and other advisors the risks and effects of any transaction they may enter into.

KIM assumes no obligation to update or otherwise revise these materials. These materials have not been prepared with a view toward public disclosure under applicable securities laws or otherwise, are intended for the benefit and use of the specific recipient, and may not be reproduced, disseminated, quoted or referred to, in whole or in part, without KIM's prior written consent.