

HSC's Morning Take: VNI likely to test the upper bound of the current range

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- Sentiment should stay constructive as regulatory reforms accelerate, with potential breakthroughs in the 'reciprocal' trade agreement and Land Law implementation offering the strongest near-term catalysts.
- Macro momentum is likely to strengthen into 2026-30 as the National Assembly signals its commitment to high-growth policies, elevated public investment (totaling c.VND1.6qn), and alignment with the Fed's easing cycle.
- Risks remain re. political transitions ahead of the 2026 National Party Congress (NPC), rising deposit rates, and external geopolitical frictions, but historical patterns suggest room for another leg up as the NPC approaches.

Market overview and our thoughts

The VN Index advanced 1.2% d/d to 1,654.4 points, with liquidity holding near its 20-day average at VND21.5tn/USD821.7mn. Breadth improved sharply as roughly 62% of stocks advanced versus just 24% declining. Foreign investors extended their persistent selling, recording an additional VND911.2bn/USD34.7mn of net outflows.

Technically, while the Index has reclaimed the MA20, indicating firmer momentum, muted liquidity still points to a cautious undertone behind the rebound. As the Index approaches the MA50 and with the futures settlement date on Thursday, volatility is likely to pick up. The Index is also nearing the upper bound of its recent trading range. In our view, a meaningful confirmation of a trend reversal would require a strong breakout candle with meaningful magnitude alongside robust liquidity. Absent that, the range-bound pattern will likely persist until more concrete catalysts emerge.

Regulatory reform is Vietnam's market biggest catalysts, other external developments are helping

A series of supportive developments are pulling out that continue to underpin sentiment. Vietnam and the US are converging toward the finalization of the 'reciprocal' trade agreement, reinforcing expectations that the most challenging phase is behind us and that the policy trajectory is now skewed toward positive outcomes. The real estate sector also remained buoyant, driven by optimistic expectations that the upcoming National Assembly session will address longstanding hurdles in the implementation of the Land Law. Additionally, the National Assembly's key economic targets – GDP growth above 10% in 2026, GDP per capita rising to USD5,500 (FY24: USD4,536) and public investment disbursement elevated to roughly VND1.6qn/USD63bn for the 2026-30 period – signal the government's strong commitment to ushering in a new phase of high-growth development.

External dynamics are similarly supportive. The Fed's ongoing pivot from tightening to easing continues to alleviate pressure on the VND, providing the SBV with greater room to maintain its pro-growth policy stance.

However, several risks remain on the horizon. Domestic political uncertainty ahead of the NPC in January 2026 and recent increases in deposit rates, which could eventually translate into higher lending rates warrant close attention. Globally, renewed geopolitical frictions, including the emerging tensions between the US and Venezuela, as well as uncertainty surrounding future trade war actions, pose risks.

Nonetheless, we see room for another leg higher as the NPC approaches. Historically, in each of the past three cycles, the market has set new highs following the NPC. We believe a similar pattern could be repeated this time.

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Focus figures of the day

Figure 1: Daily market insights and view updates

Date	Title	Our key message on the market
Friday 14 Nov 2025	HSC's Morning Take: Trading pattern has improved significantly	- VN Index stabilized as panic selling faded, with late-session accumulation hinting at a shift toward selective risk-taking despite low liquidity. - More attractive valuations supported by solid FY25F-26F EPS growth and improving macro visibility from SBV's sustained OMO support reduce the risk of a deeper pullback.
Thursday 13 Nov 2025	HSC's Morning Take: Recovery seen, but largely technical	- VN Index rebounded on slightly better liquidity and broad gains, but the move remains technical with weak institutional participation. - Policy momentum (Land Law amendments, Vietnam-US trade talks) lifted sentiment, supporting property names and export-linked sectors.
Wednesday 12 Nov 2025	HSC's Morning Take: Low volume clouds clarity on whether the rebound marks a bottom	- The VN Index rebounded 0.8% d/d on low liquidity, suggesting a short-lived technical recovery amid persistent "sell-on-strength" sentiment. - Progress in land law amendments and regulatory easing lifted property sentiment; KDH was upgraded to Buy (TP: VND44,100) on an improved project pipeline.
Tuesday 11 Nov 2025	HSC's Morning Take: Downward pressure greater than expected as Index falls below consolidation range	- VN Index fell 1.16% d/d on muted liquidity, breaking below its MA100 and consolidation range, signaling stronger downside pressure despite easing foreign selling and supportive macro news. - While the correction may not be over, attractive valuations offer a mid-term accumulation window ahead of a potential year-end recovery as political and liquidity conditions improve.
Wednesday 5 Nov 2025	HSC's Morning Take: Bouncing from the lower end of the trading range	- The VN Index rebounded strongly from the 1,600 level, confirming solid buying interest; the 1,580-1,600 range is likely the lower bound ahead of the 1Q26 Party Congress. - Clarification on Circular 102 and steady 200% margin limits lifted brokerage sentiment, while rising deposit rates reflect liquidity management amid strong +13.7% YTD credit growth, not policy tightening.
Friday 31 Oct 2025	HSC's Morning Take: A dull but necessary rangebound phase for the market	- The VN Index retreated after testing the 1,700 resistance, with cautious capital flows suggesting a continued range-bound trend. - Easing US-China tensions and the new so-called Vietnam-US Reciprocal Trade Framework help improve global and bilateral trade sentiment.
Thursday 30 Oct 2025	HSC's Morning Take: Inching up amidst uncertainty	- VN Index moved sideways as foreigners turned net sellers, though improving earnings and the new US-Vietnam trade framework spurred rotation into small- and mid-caps, notably materials, construction, and real estate. - Vietnam's 2026-30 public investment plan and the Fed's rate cuts are expected to boost infrastructure-led growth and regional liquidity, supporting the investment outlook.
Wednesday 29 Oct 2025	HSC's Morning Take: Signs of stabilization	- VN Index rebounded 1.7% as selling pressure eased, led by banks, brokerages, and select real estate names showing signs of stabilization. - Earnings resilience, policy support, and improving global sentiment continue to underpin market momentum despite temporary liquidity tightness.
Tuesday 28 Oct 2025	HSC's Morning Take: Residual selling expected, valuations starting to look attractive	- Valuations outside large caps have fallen well below historical norms, limiting downside risk and creating attractive entry opportunities for mid-term investors. - FX volatility, rate upticks, and property-loan rumors are short-term noise, while liquidity support and solid earnings momentum continue to underpin market fundamentals.
Friday 24 Oct 2025	HSC's Morning Take: Modest liquidity and consolidation expected; sentiment may take time to recover	- VN Index stayed resilient but breadth weak; market likely range-bound near 1,630 amid thin liquidity. - View current dip as accumulation chance in banks and real estate ahead of 3Q25 results and policy catalysts.

Source: HSC Research

Selected discussion points of the day

- 1) Steady tailwinds for Vietnam's fisheries industry.
- 2) Budget revenue exceeds target by more than 10% while public investment continues to lag.
- 3) E10 biofuel to be mandated nationwide from June 2026.
- 4) National Assembly moves to ease land-law bottlenecks.

Steady tailwinds for Vietnam's fisheries industry

We note that US President Trump signed an Executive Order on 14 Nov. revising the 'reciprocal' tariff framework first announced on 2 Apr. The update removes certain agricultural products from Annex III of the Potential Tariff Adjustments for Aligned Partners PTAAP), effectively eliminating the 20% 'reciprocal' tariffs on roughly 49% of Vietnam's agricultural exports to the US, an undeniably positive development for the sector.

Meanwhile, although Vietnam's fisheries industry was not included in the new exemption, we expect the sector to maintain strong momentum into FY26, supported by favorable structural drivers and improving market conditions. As mentioned by our analyst Truong Hong Kim mentioned in her ['Fisheries: Opportunities amidst the tariffs'](#) report, China remains Vietnam's primary competitor in the whitefish category, including pangasius and tilapia.

Recent updates indicate that total US tariffs on Chinese goods, including seafood, will be reduced from 34% previously to around 20% (comprising a 10% 'reciprocal' tariff and a 10% 'fentanyl-related' tariff). Consequently, the effective tariff rate on Chinese tilapia could decline to around 45% (25% existing + 20% new tariffs), compared to 59% under the initial 2 April proposal (25% existing + 34% additional tariffs). This implies that the tariff gap between Chinese and Vietnamese products will remain roughly 25%, similar to 2024 rather than widening to the initially expected 35%.

Despite the narrower gap, this adjustment is unlikely to disrupt US importers' ongoing strategy of diversifying away from Chinese tilapia suppliers to mitigate potential future trade risks. As such, Vietnamese exporters like ANV (Buy, TP VND36,100) are expected to continue benefiting from this structural shift.

Moreover, a potential reduction in China's tilapia supply may further redirect part of US demand toward Vietnam's pangasius, a similar whitefish variety positioned at a more affordable price point. Pangasius continues to be the cheapest whitefish available in the US market, even after the application of 'reciprocal' tariffs, and import prices remain near a two-year low. With trade and tariff conditions likely to become clearer under the Trump administration, import demand is expected to recover in 2026 from the trough in 2025. Accordingly, we have a positive outlook for VHC (Buy, TP VND71,000) going forward.

Budget revenue exceeds target by more than 10% while public investment continues to lag

Vietnam's state budget performance in the first ten months of 2025 shows a robust revenue surplus but ongoing weakness in public investment disbursement, underscoring a structural constraint as the year-end approaches.

According to the State Treasury, total budget revenue reached VND2.18qn as of 31 October, equivalent to 110.97% of the full-year target and exceeding the plan by more than VND215tn. Domestic revenue remained the main driver, rising to VND1.88qn, or 112.4% of target, reflecting improving business activity and the effectiveness of stronger tax-administration measures. Revenue from import and export activities also delivered solid results, reaching VND264.6tn, or 112.6% of plan, supported by a clear rebound in international trade during 3Q and the early weeks of 4Q. By contrast, crude oil revenue reached only VND40.3tn, equivalent to 75.7% of target, due to lower global oil prices and declining production. Nevertheless, the strong performance of other revenue sources helped offset this shortfall.

On the expenditure side, recurrent spending totaled VND1.27qn, or 81.1% of the annual plan, ensuring timely disbursement for education, healthcare, social security, national defense and security, and administrative operations. However, public investment continues to lag significantly. As of end-October, only VND447.2tn had been disbursed, equivalent to 51.9% of the 2025 plan approved by the National Assembly and the Prime Minister. Compared with the total public investment allocation of VND1.02qn, the disbursement rate stands at just 43.7%. Delays in project preparation, adjustments to investment approvals, land clearance issues, and fragmented coordination across planning and implementation stages remain the primary obstacles.

Toward year-end, the State Treasury is focusing on tightening budget execution, accelerating project procedures, and supporting localities in year-end accounting under the new State Budget Law. Government bond issuance reached VND283.4tn, or 56.7% of the annual plan, with an average maturity of nearly 10 years and yields around 3.07%, reflecting continued investor confidence in Vietnam's public finance management.

E10 biofuel to be mandated nationwide from June 2026

Under Circular 50/2025 issued by the Ministry of Industry and Trade, E10 gasoline will become mandatory nationwide from 1 June 2026. From this date, all unleaded gasoline meeting current national technical standards must be blended and supplied as E10 for use in gasoline engines across the country. E5 RON92 will continue to be permitted until 31 December 2030.

The circular notes that, during implementation, the Minister may adjust blending ratios or add appropriate petroleum products based on economic, technical, technological, supply-demand, and price conditions, ensuring energy security, environmental protection, and consumer interests.

Although biodiesel B5 and B10 are not yet subject to mandatory blending requirements, the ministry encourages organizations and individuals to produce, blend, trade, and use these fuels.

According to Petrolimex's retail price list, RON95-III currently sells for VND20,570/litre in Region 1, while E10 RON95-III is priced at VND20,150/litre, a discount of VND420/litre. However, industry assessments suggest biofuels need to be VND1,000–1,500/litre cheaper than mineral gasoline to truly shift consumer behaviour.

Data from PVOIL shows limited uptake during the E10 pilot phase. After more than three months of trial sales, four stations in Hanoi sold only around 20 cbm per day. In the central region, five participating stations each sold just 120–150 cbm over three months, indicating that consumption remains modest with little improvement to date.

National Assembly moves to ease land-law bottlenecks

The National Assembly is set to review a draft resolution introducing targeted mechanisms and policies to address obstacles in implementing the revised Land Law. The Government will present the proposal on 18 November, with group discussions scheduled for the morning of 19 November.

According to the draft submission, the Government proposes adding three new cases in which the State may reclaim land for socio-economic development serving national and public interests. The proposal also clarifies conditions for land recovery related to national defense, security, and socio-economic development, as well as the legal basis for land recovery tied to project timelines, compensation, resettlement, and land clearance progress.

One notable proposal concerns the pricing framework for compensation and resettlement. Compensation and resettlement land prices would be determined based on the land-price table and the land-price adjustment coefficient. Land users would be allowed to choose between one-off or annual rental payments, except for public service units.

The Government also recommends calculating land-use fees, land rent, and compensation based on the land-price table, adjustment coefficients, and specific fee-collection ratios for each land type and user category.

Beyond land-law implementation, the National Assembly will deliberate multiple draft laws this week, including amendments to the Law on National Reserves, revisions to 10 security-related laws, amendments to laws governing the defense industry and mobilization, anti-corruption legislation, the Artificial Intelligence Law, the Law on Technology Transfer, the Law on Bankruptcy, and amendments to the High Technology Law.

Several finance-related laws are also on the agenda: amendments to the Law on Public Debt Management, the Law on Insurance Business, the revised Law on Tax Administration, and updated legislation for personal income tax and statistics.

On 20 November, the Assembly will devote a full day to discussing amendments to the Laws on Education, Higher Education, and Vocational Education. Additionally, lawmakers will review special mechanisms to implement two new Politburo resolutions on education reform and healthcare, along with the investment policy for the proposed Gia Binh International Airport.

Other focus charts

Figure 2: Notable indicators

Ticker	Last	% d/d	Change	Commodity	Price (USD)	% d/d	FX pairs	% d/d
VN Index	1,654.42	1.16	18.96	Gold	4,084.50	0.01	USDVND	(0.02)
DJI	47,147.48	(1.18)	(557.24)	Silver	51.07	0.97	DXV	0.08
S&P500	6,734.11	(0.92)	(61.70)	WTI crude	59.56	(0.88)	USDTHB	(0.11)
Hang Seng	26,384.28	(0.71)	(188.18)	Brent crude	63.88	(0.79)	USDIDR	(0.15)
SET	1,279.19	0.78	9.93	Urea	382.50	(1.80)	USDPHP	0.21
IDX	8,416.88	0.55	46.45	Steel rebar	3,076.00	0.95	USDMYR	(0.44)

Source: HSC Research

Figure 3: Vietnam macro indicators

Indicators	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Exports (USDbn)	33.1	31.1	38.5	37.5	39.6	39.5	42.3	43.4	42.7	42.1
Trade balance (USDmn)	310	(155)	163	580	560	283	2,270	3,700	2,850	2,600
Disbursed FDI (USDbn)	1.5	1.4	2.1	2.5	2.2	3.0	1.9	1.8	3.4	2.5
Public investment (VNDtn)	31.8	13.0	33.9	49.8	70.8	68.8	120.2	20.9	30.9	24.8
PMI	48.9	49.2	50.5	45.6	49.8	48.9	52.4	50.4	50.4	54.5
IIP (% y/y)	0.6	17.2	8.6	8.9	9.6	10.8	8.5	8.9	13.6	10.8
Retail sales growth (nominal terms, %)	9.5	9.4	10.8	11.1	10.2	8.3	9.2	10.6	11.3	7.2
Nominal retail sales (VNDtn)	573.3	561.7	570.9	582.0	574.9	570.2	576.4	588.2	598.7	598.4
Int' tourist arrivals (million)	2.1	1.9	2.0	1.7	1.5	1.5	1.6	1.7	1.5	1.7
Tourist growth (Growth y/y)	37	24	28	6.3	11	17	36	17.6	19.5	22.1
Credit growth (YTD, %)	0.6	0.02	0.8	5.2	6.5	8.3	9.6	11.4	13.4	13.7*
Inflation (CPI, Growth y/y)	3.6	2.9	3.1	3.1	3.2	3.6	3.2	3.2	3.4	3.3

Notes: Vietnam has different sources of public investment disbursement including NSO, CEIC and MOF, which are different in timing of recognition; Green / Red indicates Higher / Lower value versus the same period last year; *credit growth as of 14 Oct. Source: HSC Research

Figure 4: Key events in November

M	T	W	T	F	S	S			
					1	2			
3	4	5	6	7	8	9			
10	11	12	13	14	15	16			
17	18	19	20	21	22	23			
24	25	26	27	28	29	30	Low impact	Medium impact	High impact
DATE		EVENT							
3 Nov		China Caixin Manufacturing PMI (Oct)							
		US PMI (Oct)							
		Vietnam PMI (Oct)							
		Diamond & Fin Select Indices - Effective							
5 Nov		MSCI Semi – Annual Index Review							
		China Caixin Services PMI (Oct)							
		US ADP Nonfarm Employment Change (Oct)							
6 Nov		Vietnam Macro Data (Oct)							
9 Nov		China CPI & PPI (Oct)							
12 Nov		OPEC Monthly Report							
13 Nov		US CPI (Oct)							
14 Nov		China Industrial Production & Unemployment Rate (Oct)							
		Euro GDP (Q3)							
20 Nov		Nov VN30 Futures Contracts Expiry Date							
25 Nov		MSCI Semi – Annual Effective							

Source: HSC Research, Investing.com

Figure 5: VN Index performance

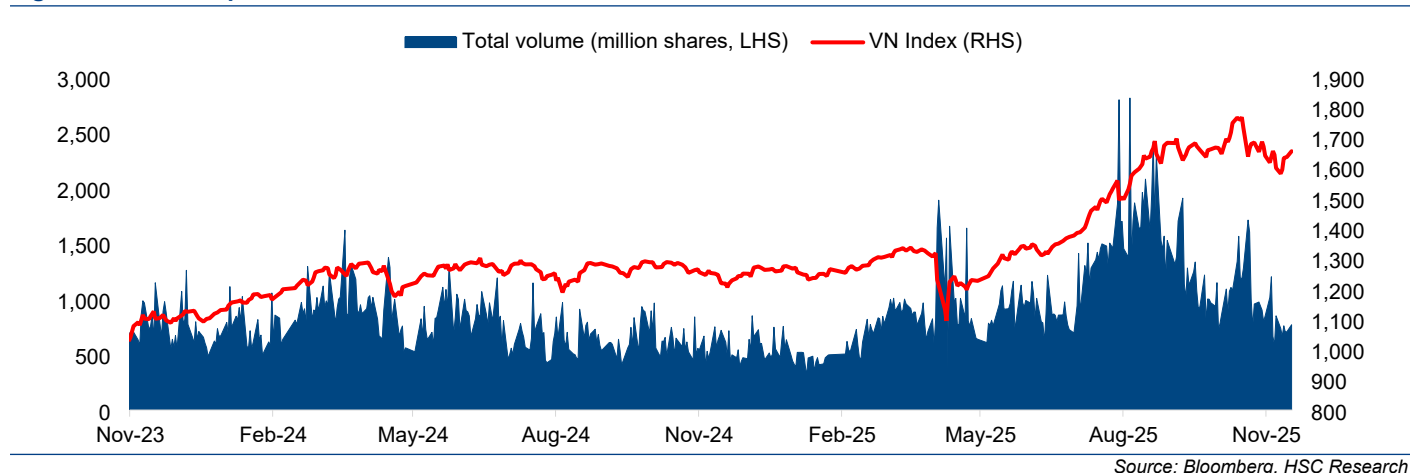


Figure 6: Sector performance (change d/d)

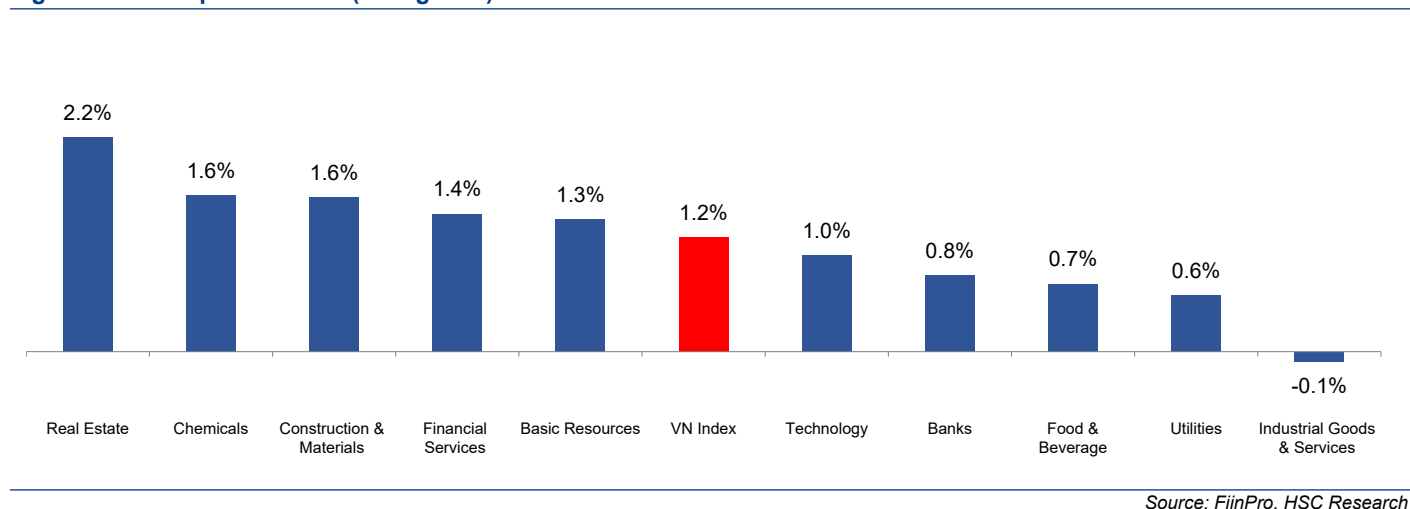


Figure 7: Daily participants' flow (VNDbn)

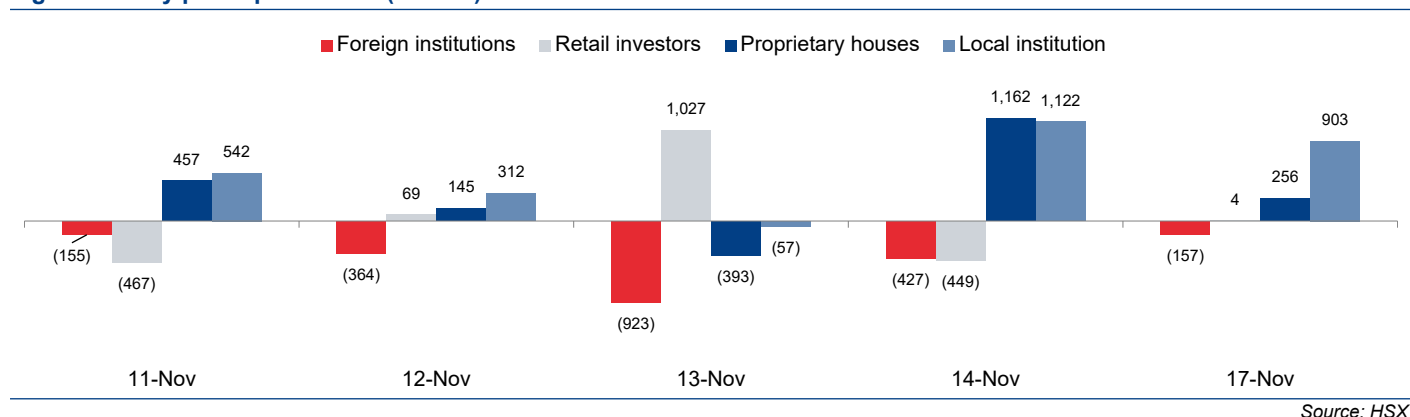
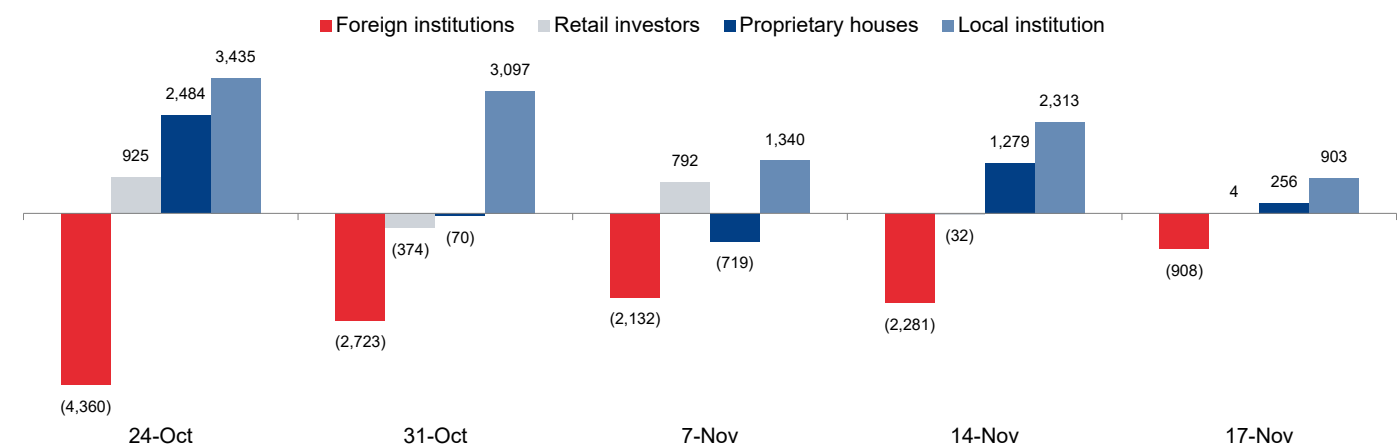
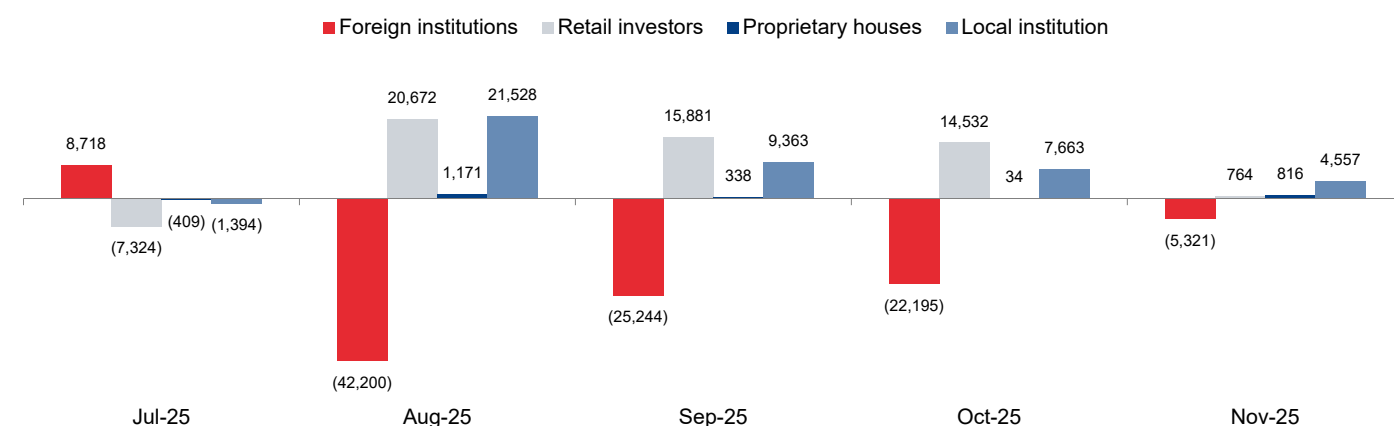


Figure 8: Weekly participants' flow (VNDbn)



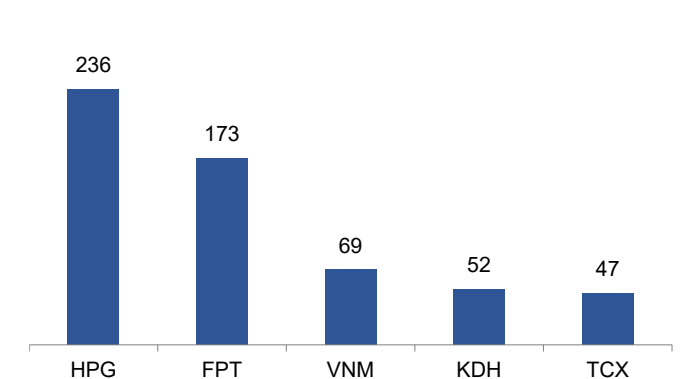
Source: HSX

Figure 9: Monthly participants' flow (VNDbn)



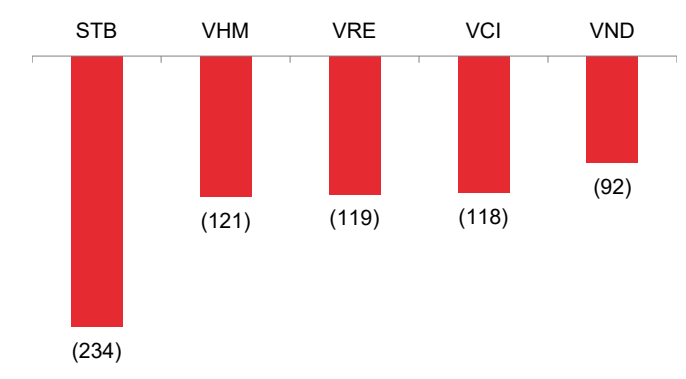
Source: HSX

Figure 10: Top foreign buy (VNDbn)



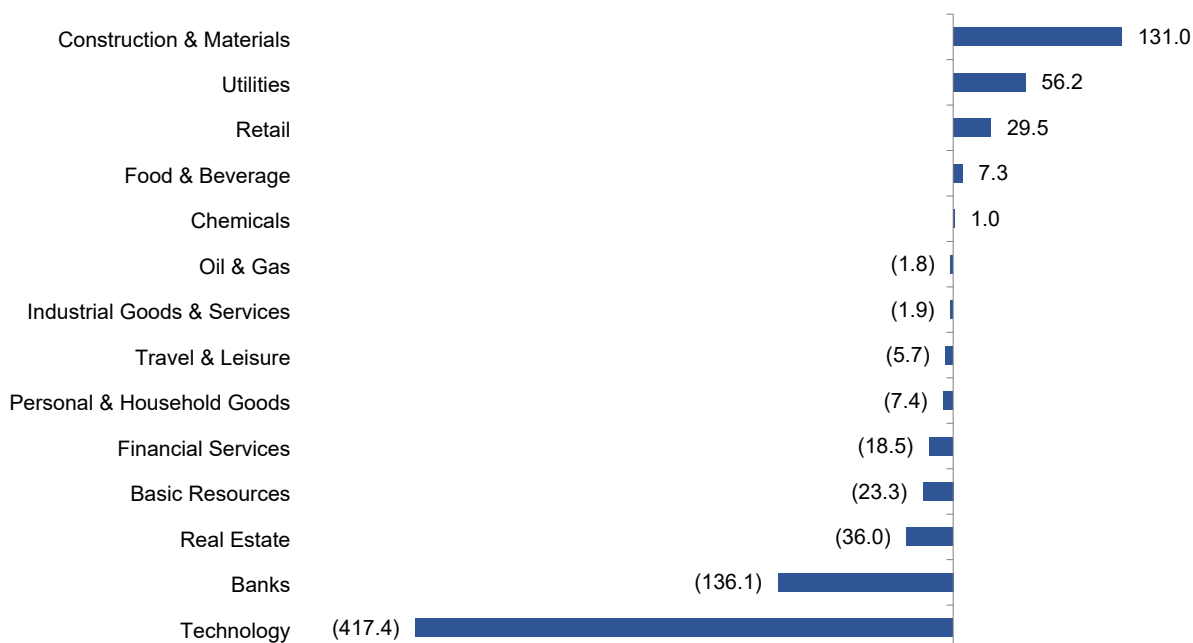
Source: HSX

Figure 11: Top foreign sell (VNDbn)



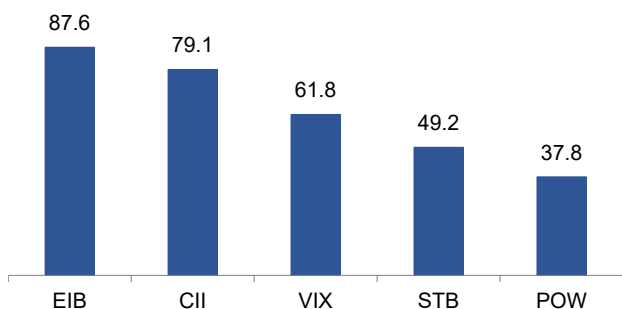
Source: HSX

Figure 12: Foreign funds' net flows to certain sectors in the day (VNDbn)



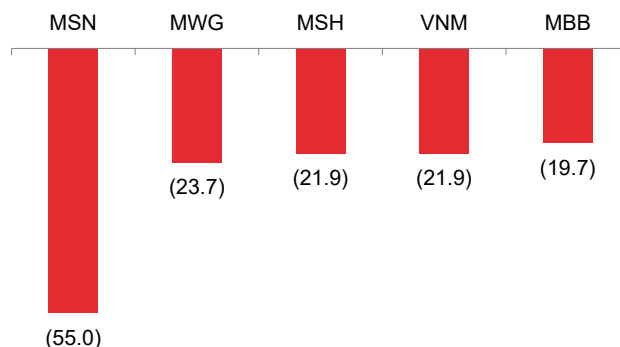
Source: HSX

Figure 13: Top proprietary buy (VNDbn)

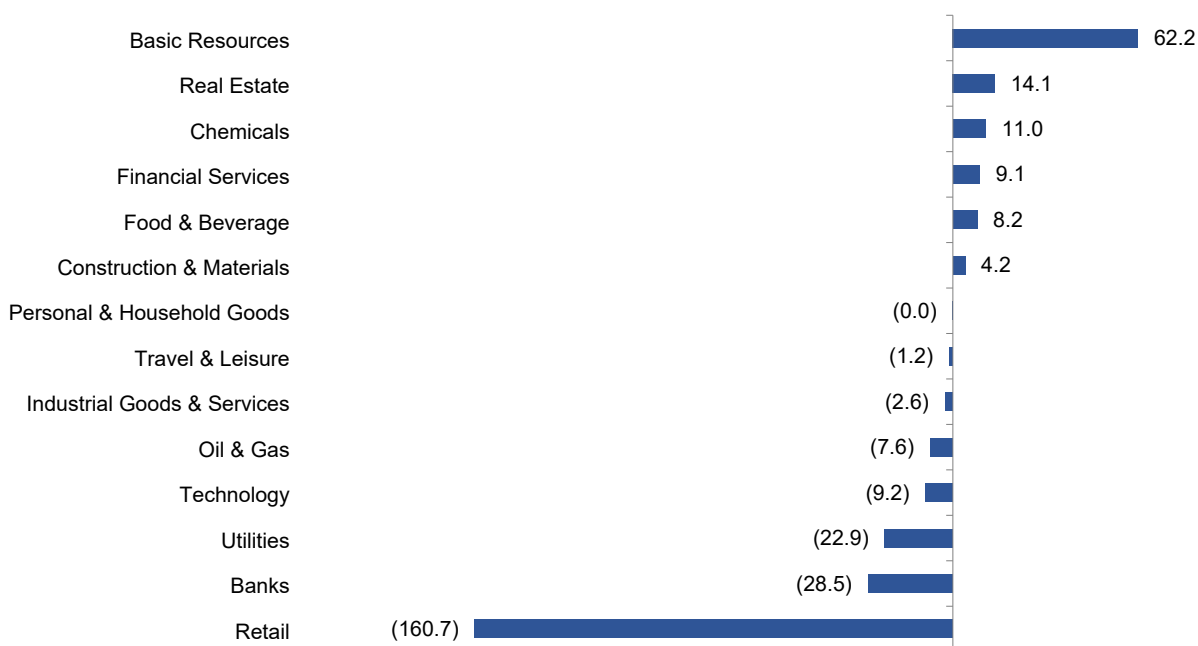


Source: HSX

Figure 14: Top proprietary sell (VNDbn)



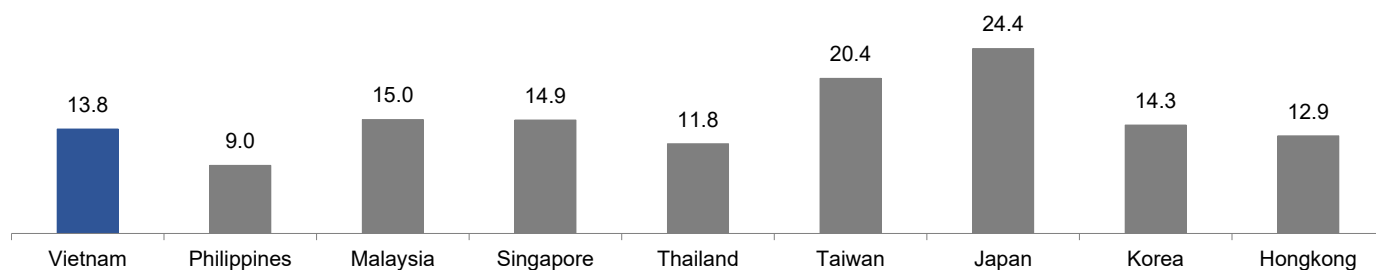
Source: HSX

Figure 15: Proprietary houses' net flows to certain sectors in the day (VNDbn)

Source: HSX

Figure 16: VN Index forward P/E vs. peers (x)

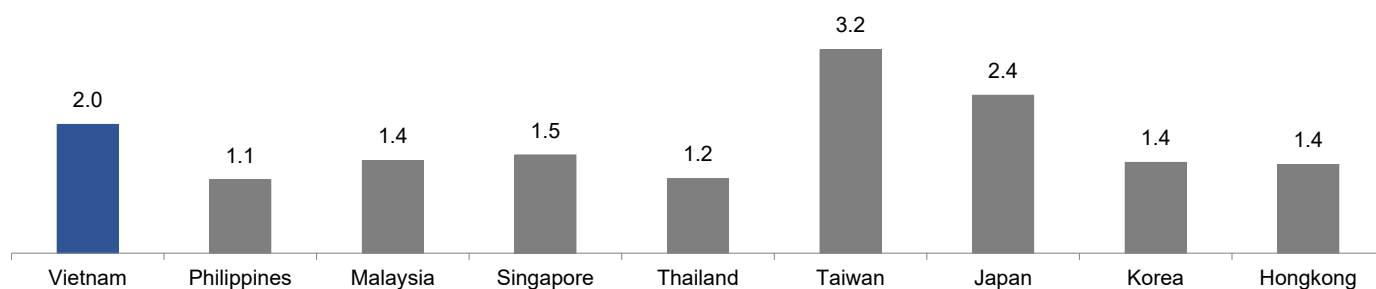
In terms of P/E valuation, VN Index remains attractive vs. peers



Source: HSC Research, Bloomberg

Figure 17: VN Index forward P/B vs. peers (x)

In terms of P/B valuation, the VN Index looks slightly less attractive



Source: HSC Research, Bloomberg

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Add: Expected to rise by between 5% and 20% on an absolute basis in the next 12 months
Hold: Expected to rise or decline by less than 5% on an absolute basis in the next 12 months
Reduce: Expected to decline by between 5% and 20% on an absolute basis in the next 12 months
Sell: Expected to decline by more than 20% on an absolute basis in the next 12 months



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