



NDTC Consulting

Macro-Highlight

► VIETNAM MACROECONOMIC
PERFORMANCE

October 2021 Edition



NDTC. Consulting

NDTC Consulting places direct importance on empirical researches in order to afford you with the strategies that meet your objectives most effectively in often-challenging circumstances.

We work closely with our clients to create precise strategy tailored to your specific issues in order to achieve optimal returns.



Nguyen Do Tung Cuong
Chairman

Our Core Areas of Expertise

FOREIGN DIRECT INVESTMENT (FDI)

The ever-increasing demand for attracting foreign investment projects with traditional approach is no longer enough. Moreover, the key to success begins with accurately defining your positioning and unique strengths, and requires a sophisticated and highly targeted approach. NDTC Consulting offers you with personalized services, tailored to your needs and budget.

MERGERS AND ACQUISITIONS (M&A)

Our team of M&A advisory experts with our experience and expertise in M&A strategy, helps customers across industries and geographies. Whether a given deal is intended to expand scale, acquire new capabilities, pursue promising adjacencies, or facilitate a transformation, we will help our customers to optimize the opportunities.

BUSINESS CONSULTING

Our specialist consultancy team offers unparalleled consulting services and methodologies. We consult clients on all aspects of a business demand. This specialist professional consultancy service, coupled with our profound knowledge and expertise in our local business environment, makes NDTC Consulting the ideal trustee for both foreign and domestic investors.

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“Precise Strategy - Optimal Returns,,

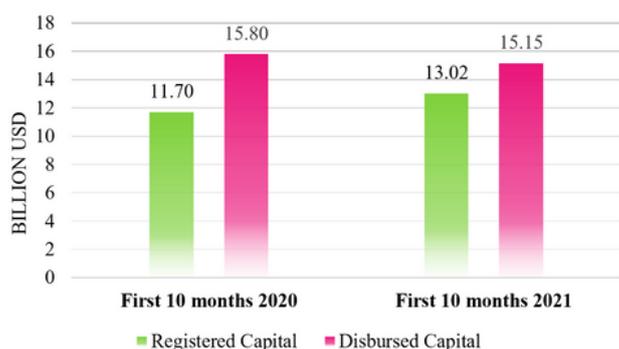
Vietnam Macroeconomic Performance

Although production and business activities have not yet recovered, the economic picture gradually brightened with the number of newly established enterprises reaching more than 8,000, an increase of 111.2% in quantity compared to September; trade surplus of 1.1 billion USD; FDI attraction reached 23.74 billion USD...

In following section, **NDTC Consulting** would briefly describe herewith some highlights regarding most significant variations of **macroeconomic indicators** during **October and first 10 months of 2021**.



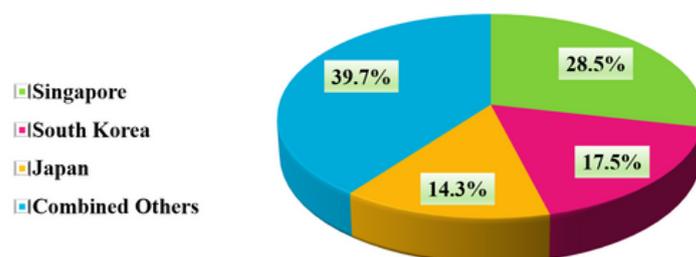
FDI FLOW DURING FIRST 10 MONTHS OF 2021



Source: Foreign Investment Agency, MPI

Accumulative registered FDI inflow during the first 10 months of this year recorded an increase of 1.1 % y-o-y, whereas accumulated disbursed capital also witnessed a plummet of 4.1% increase y-o-y.

WEIGHT OF TOTAL ACCUMULATED FDI INFLOW FIRST 10 MONTHS OF 2021 BY COUNTRIES



Source: Government Statistics Office, MPI

Unlike the previous period, Singapore and Korea stay at leading positions of accumulated FDI inflow during the first 10 months of this year of combined weight of 46% total **accumulated FDI inflow**, combining and leveling at an accumulative value of around 10.92 billion USD.

Manufacturing and electricity production and distribution keep being the most interested sectors for foreign investors during the first 10 months of the year, accounting for almost 77% of total accumulated FDI inflow, leveling at 12.74 billion USD and 5.54 billion USD, respectively.

INDUSTRIAL PRODUCTION INDEX FIRST 10 MONTHS OF 2021 (% Y-O-Y TO 2020'S)

Coal & lignite	3%	Rubber & plastic products	(2.4) %
Crude oil & natural gas	(13.3) %	Non-metal mineral products	0.5%
Food products	1 %	Metals	25.1 %
Beverages	(5.8)%	Prefabricated metal products	2.9 %
Tobacco	(2.8) %	Electronic, computing & optical products	6.4 %
Textile	7.8 %	Electric equipment	2.3 %
Clothes	5.1 %	Motor vehicles	12.5%
Leather & related products	4.3 %	Furniture	2.6 %
Paper & paper products	2.4 %	Power generation & supply	4.1 %
Chemical & chemical products	(1.6) %	Water extraction, treatment & supply	3.2%
Medicine, pharmaceutical chemistry	(19.2) %	Waste collection, treatment & destruct; waste cycling	5.1 %

Source: Source: Government Statistics Office, MPI

Industrial Production Index (IPI) recorded a growth of 3.3 % y-o-y during the first 10 months of 2021, with manufacturing sector in general still being the main growth driver, albeit confronting deceleration trend, following by power generation and distribution sector.

In brief, macroeconomic growth has been still majorly driven by the FDI groups while domestic counterparts remained unenergetic.

EXPORT-IMPORT AND TRADE BALANCE, OCTOBER 2021

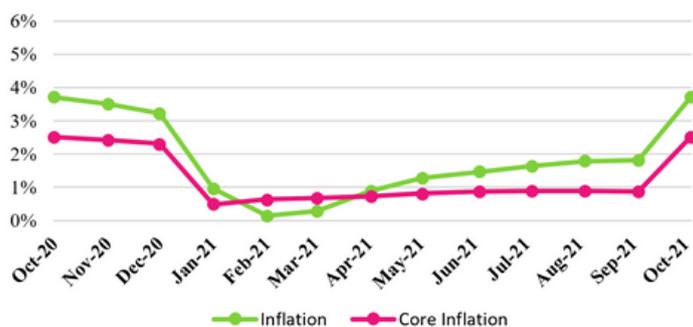


Source: Government Statistics Office, MPI

Trade balance of each month has been fluctuating since last May, reaching a trough in last December and this February and peak last August and last October.

Aggregate Export turnover for the first 10 months of 2021 is estimated at USD 229.27 billion (+4.7% y-o-y to 2020's) whilst aggregate import turnover leveled at USD 210.55 billion (+0.4% y-o-y to 2020's). The slight trade surplus during the period mainly came from export acceleration of FDI corporates at a lower rate than import acceleration of domestic businesses.

WEIGHTED AGGREGATE INFLATION AND CORE INFLATION BY OCTOBER 2021, % Y-O-Y CHANGE TO 2020'S



Source: NFSC

Weighted aggregate Inflation rate has continuously decelerated since 2020's June (at 4.19% CPI) until last Feb (at 0.14% CPI – the lowest point since 2016), then slightly accelerated in the next five months.

Core inflation has remained under 2% since January, aggregately reached 2.52% in this October (% y-o-y change to 2020's).

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VN-INDEX MOVEMENTS BY OCTOBER 2021



Source: trade.vndirect.com.vn

The exciting and positive movement last week was marked by the successful event that **VN-Index** surpassed the historical peak. This has created considerable excitement in the view of market assessment.

Commenting on the unexpected growth momentum last week, experts said that there is a positive reaction in the market about the information that the economic stimulus package can be deployed. Cash flow waiting outside - fear of "missing the ship" poured into the market, creating a very liquid week.

With a pivotal move, experts expect the market to continue to grow higher, although there will still be alternating corrections in the uptrend line. The short-term milestones are expected to be 1470-1480 points and the final destination of 1,500 points is of interest.

However, experts also pointed out that the market needs to have a better consensus on blue-chips, especially stocks like banks, instead of just relying on a few large stocks. In addition, cash flow must also remain high - about 28 trillion Vietnamese dong/session - and focus more on blue-chips. Currently, capital flows are still mainly interested in speculative stocks, small and medium stocks.

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