

VIETNAM WEEKLY

[Market Commentary]

The VN-Index fell 73.55 points (-4.02%) over the past week on higher trading liquidity

[Macro/Strategy]

Circular 08/2026/TT-BTC; Interbank market

[Technical Analysis]

Despite the positive intermediate-term trend, the VN-Index is likely to face continued correction pressure before a potential recovery can materialize at the next key support level

February 2 – 6, 2026

	Index	Chg (%, bp)
Ho Chi Minh	1,755.49	-4.02
VN30	1,943.60	-4.25
VN30 futures	1,951.3	-4.11
Hanoi	256.28	-2.57
HNX30	557.3	-3.29
UPCoM	125.51	-2.4
USD/VND	25,966	-1.17
10-yr govt bond (%)	4.06	+0
Overnight rate (%)	5.58	+88
Oil (WTI, \$)	64.68	+5.91
Gold (LME, \$)	4,847.56	+1.41



Market commentary

Index, sector performance, foreign trading, and derivatives

Top 5 best/worst performers

Insurance	10.9%
Marine transportation	3.3%
Electric utilities	2.3%
Infrastructure & transportation	2.0%
Oil, gas, & consumable fuels	1.7%
Technology	-6.5%
Real estate development	-6.8%
Electrical equipment	-8.4%
Hotels, restaurants, & leisure	-10.2%
Textiles, apparel, & luxury goods	-13.1%

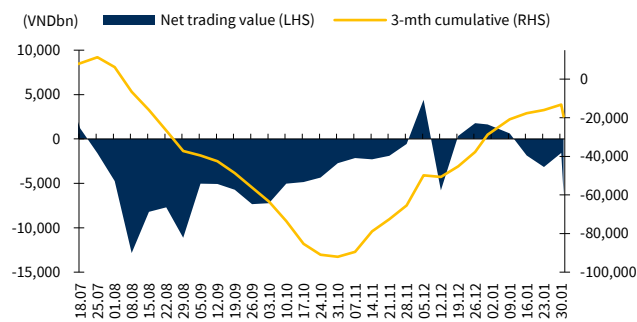
Source: Bloomberg, KB Securities Vietnam

The VN-Index fell 73.55 points (-4.02%) over the past week on higher trading liquidity. Textiles, apparel, & luxury goods, Hotels, restaurants, & leisure, and Electrical equipment were the worst-performing sectors. Foreign investors net sold VND6,230 billion, primarily in VIC, FPT, and VHM, while proprietary trading registered net selling of VND449 billion.

In the derivatives market, foreign investors net sold 1,546 VN30F1M contracts but have maintained a cumulative net long position of 2,742 contracts. Proprietary traders net bought 135 contracts but have held a cumulative net short position of 11,899 contracts.

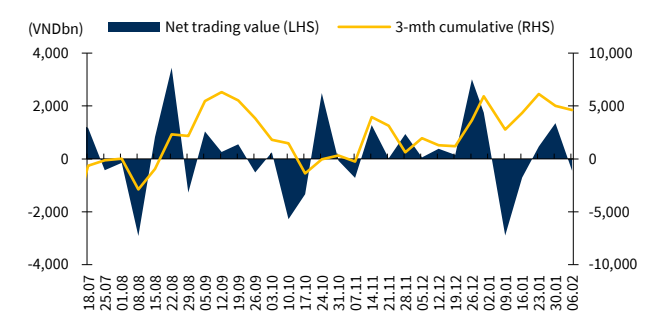
The market posted its steepest weekly decline since the start of 2026, driven by both domestic and global headwinds. On the domestic front, a sharp spike in interbank rates—at times reaching around 17% for overnight tenors, the highest in over a decade—heightened concerns that tightening system liquidity could spill over into higher deposit and lending rates. Globally, equity markets weakened as the AI-led rally lost momentum, prompting heavy sell-offs in big Tech stocks, while alternative investment assets such as gold, silver, and Bitcoin also retreated. Meanwhile, profit-taking in state-owned enterprise stocks, following their strong early-year gains linked to Resolution 79, further weighed on sentiment. Against this backdrop, FTSE Russell's visit to Vietnam to engage on the market upgrade roadmap emerged as a rare positive highlight.

Weekly net foreign trading value



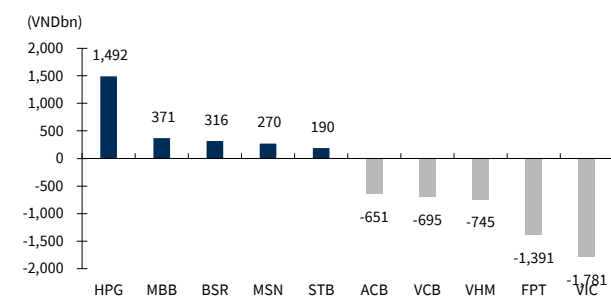
Source: FiinPro, KB Securities Vietnam

Weekly net proprietary trading value



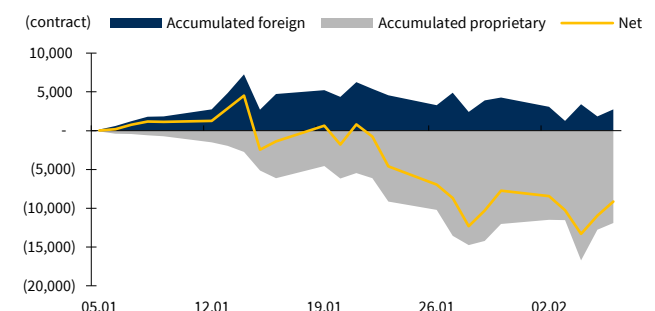
Source: FiinPro, KB Securities Vietnam

Top net foreign buys/sells



Source: FiinPro, KB Securities Vietnam

Futures contract volume – Proprietary & foreign trading



Source: HNX, KB Securities Vietnam

February 4, 2026

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Circular 08/2026/TT-BTC

Brief summary and commentary

Summary of the key contents of the circular

Circular 08/2026/TT-BTC, issued on February 3, 2026, serves as a crucial legal document to finalize the technical conditions for market upgrade, focusing on three main pillars:

- *New global brokerage mechanism*: The circular is a breakthrough in administrative procedures, allowing foreign investors to place orders through international brokerage institutions. Accordingly, foreign investors will not have to open a direct account in Vietnam, simplifying the entry process for large capital flows.
- *Optimization of non-prefunded (NPF) transactions*: The circular completely removes the limit on the list of stocks eligible for NPF, creating equality for all listed stocks. In addition, the transaction error handling mechanism has been refined to prioritize the security of information regarding violations, preventing market disruption, while maintaining strict suspension penalties for violating organizations.
- *Transparency and asset segregation*: New regulations allow foreign fund management companies to separate proprietary trading accounts and managed accounts for clients. Furthermore, loosening technical cross-ownership in NPF transactions helps resolve bottlenecks for large financial institutions when trading blue chips related to securities companies placing orders.

Impact on the market and the upgrade roadmap according to FTSE Russell

Circular 08/2026/TT-BTC is considered the final piece in the legal framework, directly addressing technical recommendations from FTSE Russell:

- *Meeting FTSE's qualitative criteria*: The two biggest barriers frequently mentioned by FTSE Russell are "Payment cycle" and "Account opening procedures." The widespread application of NPF and the new global brokerage mechanism has directly addressed these concerns. This helps Vietnam approach Secondary Emerging Market standards in terms of both operational efficiency and market openness.
- *Strengthening confidence in the March 2026 review*: This is an important review period for FTSE Russell to acknowledge practical reforms before making the final decision. Circular 08 provides a solid legal basis for international organizations to conduct trials and evaluate the actual operating system.
- *Consolidating the September 2026 roadmap*: With the legal framework finalized in early 2026, the market should have enough time to prove the stability of the new system. It is highly likely that Vietnam will be officially upgraded by FTSE Russell in September 2026, leading to a significant increase in both passive and active capital flows.

February 4, 2026

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Interbank market

Assessment of the overnight rate spike and liquidity outlook

Overnight interbank rates surged in early February

- Overnight interbank rates rose sharply over the last three days, peaking at 17.25% on 3 February 2026, before easing back to around 9.5% currently.
- The SBV has aggressively injected liquidity through forward purchases of valuable papers, with a total value of ~VND161,000 billion over 2–3 February 2026, alongside forward USD/VND swap operations, to alleviate market pressure.

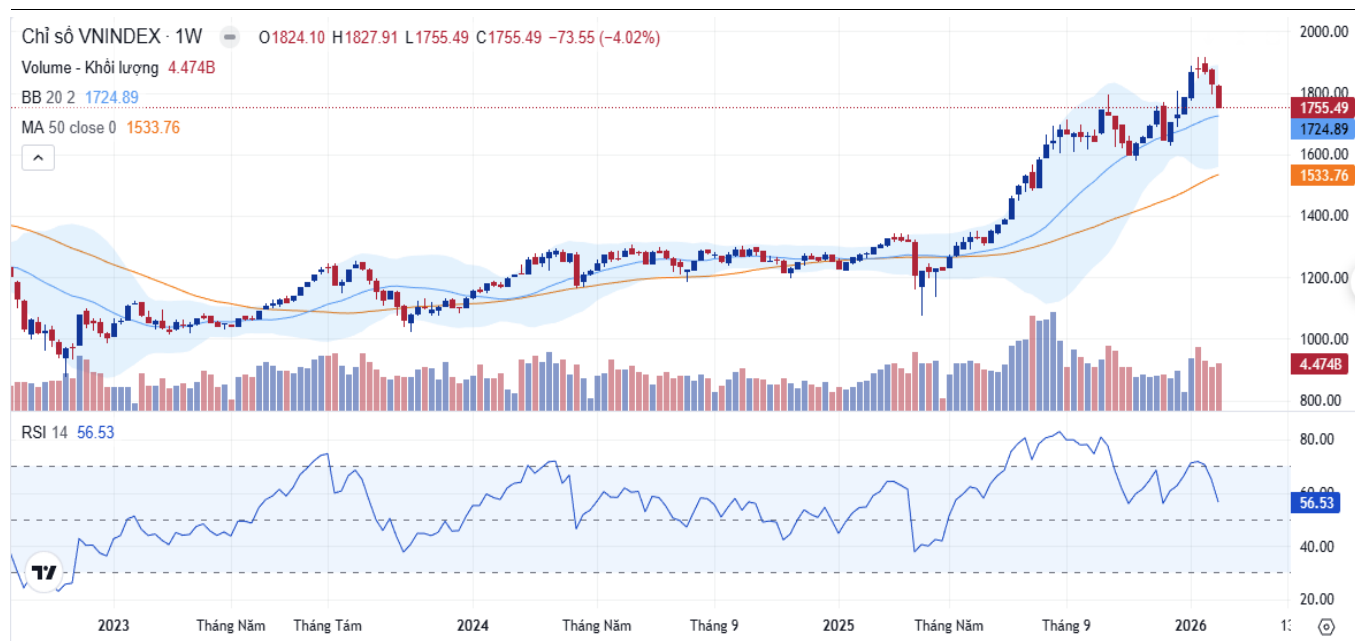
Overnight interbank rates have risen on funding tightness, cash hoarding, and seasonal liquidity pressures, but are expected to ease after 1Q

- **Funding tightness underpinned by the credit and customer deposit growth gap.** Persistent low interest rates throughout 2025 suppressed customer deposit growth (15.1% YTD), which lagged behind robust credit expansion (19.6% YTD). Consequently, the loan-to-customer deposit ratio among the 15 largest banks under KBSV's coverage rose to 115%, up from 110% at the start of the year, prompting banks to raise deposit rates to safeguard liquidity.
 - **Commentary:** In recent years, credit growth has averaged around 13–15%, a pace broadly consistent with the economy's capacity to absorb capital and unlikely to create systemic liquidity stress. In 2025, however, credit expansion exceeded historical norms by roughly 5.5 percentage points. Under unchanged conditions, deposit growth would typically take around six months to absorb the resulting liquidity shortfall. That said, banks have recently raised deposit rates, and despite an inherent lag, we expect the gap between credit and deposit growth to be largely closed after 1Q, alleviating funding pressures.
- **Rising cash hoarding due to changes in household business taxation (including rental activities).** From 2026, the revised tax policy raises the non-taxable revenue threshold to VND500 million per year and allows this amount to be deducted before turnover-based tax rates are applied. As a result, household businesses with revenue above the threshold have greater incentives to limit reported income. In practice, many have shifted toward cash-only transactions and avoided bank transfers, leading to an increase in cash holdings outside the banking system and a modest drag on system liquidity.
 - **Commentary:** According to the General Department of Taxation, ~240,000 household businesses report annual revenue above VND500 million. KBSV estimates that roughly VND24 trillion could be retained outside the banking system per quarter, equivalent to around 0.15% of total deposits. While this impact is not material at the system level, cash hoarding may temporarily exceed this estimate during the initial phase of policy implementation amid heightened uncertainty. We expect this effect to be transitory, with a lag of approximately one quarter before a portion of the cash gradually returns to the banking system.

Technical analysis

Market trend & recommendation

VNINDEX



Source: Trading View, KB Securities Vietnam

Indicator	Market trend	Recommendation
Dark green	High confidence of uptrend	Strong buy
Light green	Moderate confidence of uptrend	Buy in parts
Yellow	Neutral	Trade
Orange	Moderate confidence of downtrend	Sell in parts
Red	High confidence of downtrend	Strong sell

Technical threshold

Far resistance:	1850 (+-15)
Near resistance:	1800 (+-10)
Near support:	1700 (+-10)
Far support:	1650 (+-15)

The VN-Index experienced a significant downturn last week, characterized by a strong bearish candlestick paired with rising trading volume—a clear signal of distribution pressure. On the daily chart, the early-week rebound from the near-term support zone proved insufficient to maintain equilibrium in the face of intensified selling pressure towards the week's close. Despite the positive intermediate-term trend, the VN-Index is likely to face continued correction pressure before a potential recovery can materialize at the next key support level.

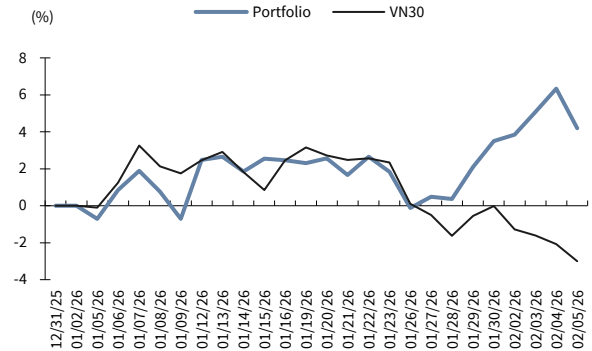
(Notes: Investors can refer to the market trend comments and recommendations above to take corresponding action)

KBSV model portfolio

Investment approach:

- Identify the most attractive stocks within our coverage universe (reviewed and reallocated in every first week of each month);
- The default holding period is 3-6 months with the target is to deliver superior performance compared to VN30;
- Employ a risk-managed exit strategy that sets a stop loss of -15% for each ticker;
- Use an equal-active-weight (with monthly rebalancing method) approach that allocates 100% of the portfolio to stocks that can also include VN30 index ETFs.

Performance vs VN30 Index



KBSV domestic model portfolio

Ticker	Target price	Closing price (Feb 6, 2026)	Month-to-date return	2026 forward P/E	2026F NPAT growth	Investment catalysts	Link to report
HPG	35,900	26,800	0%	8.7	41.0%	<ul style="list-style-type: none"> - Sales volumes are projected to increase by 23%/5% in 2026/2027 on a recovery in the real estate market and strong public investment - Steel prices should rise 4%/3% YoY, given stronger domestic demand and higher iron ore and coking coal costs. - HPG stands to benefit from domestic anti-dumping measures on HRC, a 0% anti-dumping duty on HRC exports to the EU and India, and the VND15,000bn railway steel manufacturing plant. 	HPG
MWG	106,100	92,900	-4.8%	14.0	27.7%	<ul style="list-style-type: none"> - TGDD + DMX are highly likely to deliver around 12% YoY growth in 2026, supported by favorable macro conditions and an improving business environment. - BHX may open 1,000 new stores (+25% YoY), underpinned by a scalable and well-suited operating model. - Operating leverage and increased contributions from financial income will support further margin expansion. 	MWG
MBB	33,900	27,200	1.1%	5.3	31.1%	<ul style="list-style-type: none"> - Credit growth should remain strong on a higher credit quota and broad-based expansion across segments. - NIM is projected to remain more resilient than peers thanks to superior funding cost management. - Asset quality should improve alongside the economic rebound and the codification of Resolution 42. 	MBB
CTD	99,000	76,800	4.3%	18.2	72.9%	<ul style="list-style-type: none"> - Backlog at end-1QFY26 is estimated at VND45,000-50,000bn, driven by public investment projects, translating into revenue growth of 20%/9% in FY26/FY27. - Gross margin is projected to improve to 3.4%/3.6% in FY26/FY27, supported by supply chain optimization, Unicons restructuring, and stronger demand, which should enhance pricing power in contract negotiations. 	CTD
PC1	27,800	24,200	2%	13.0	8.6%	<ul style="list-style-type: none"> - EPC revenue is projected to grow by 16%/10% YoY in 2026/2027, supported by a backlog of over VND8,000bn as of end-9M25, with additional upside from future project awards. - Gia Lam Golden Tower is scheduled for handovers from late 2025, contributing VND102bn/VND62bn in profit to PC1 in 2025/2026. - Despite tariff-related headwinds, the IP segment remains PC's long-term driver given its sizable land bank. 	PC1
FPT	39,900	104,500	-6.6%	35.0	26.6%	<ul style="list-style-type: none"> - Global IT revenue is expected to reach VND40,064/46,760 billion (14%/16.7% YoY) in 2026F/2027F, driven by a recovery in technology spending amid the easing of global trade uncertainty. - The telecom ecosystem should deliver stable revenue, with broadband remaining a steady contributor, while Data Center and PayTV serve as long-term growth drivers. - Diversifying training programs will take time to prove effectiveness, while the short-term impact on revenue is minimal, estimated at VND6,481/6,498 billion (3%/0% YoY) in 2026/2027. 	FPT
FMC	76,500	37,650	0.4%	15.3	10.7%	<ul style="list-style-type: none"> - FMC is expected to benefit from a lower anti-dumping duty ($\leq 5\%$) versus the preliminary rate of 35%. - Sales volume should rise 5% on strong demand in key markets and market share gains from domestic peers facing higher US tariffs. - With India holding about 30% of the US frozen shrimp market, its elevated 50% US tariff is expected to create room for competitors, including FMC, to gain market share. 	FMC
VCI	42,100	36,650	-6.5%	n/a	n/a	<ul style="list-style-type: none"> - VCI's strong institutional franchise positions it to capture returning foreign inflows post market reclassification. - A more constructive equity market outlook in 2026 should provide tailwinds to brokerage, margin lending, and proprietary trading. - Margin lending retains ample headroom, with the 3Q25 margin loan-to-equity ratio at 100% vs. the 200% cap. 	VCI

Source: KB Securities Vietnam

Cash flow monitoring

Foreign cash flows (USDmn)

T	Country	Date	Daily	WTD	MTD	QTD	YTD	12M	YoY Lvl
Equity									
▼ Asia (11)									
	China	31DEC2025			+31,524.0	+24,291.8	+120,517.0	+120,517.0	
	India	04FEB2026	+120.7	+834.8	+834.8	-2,425.6	-2,425.6	-12,383.0	-5,764.0
	Indonesia	05FEB2026	-27.9	-124.0	-124.0	-712.7	-712.7	-1,518.0	-1,716.3
	Japan	30JAN2026		+3,195.5	+18,855.6	+18,855.6	+18,855.6	+60,661.3	+74,375.7
	Malaysia	05FEB2026	-16.4	-29.8	-29.8	+229.3	+229.3	-4,193.9	-6,039.8
	Philippines	05FEB2026	-.4	+13.3	+13.3	+239.0	+239.0	-542.4	+50.2
	S. Korea	05FEB2026	-2,217.9	-5,279.6	-5,279.6	-4,836.6	-4,836.6	-7,966.5	-4,444.8
	Sri Lanka	05FEB2026	-3.3	-8.7	-8.7	-30.7	-30.7	-136.1	-87.6
	Taiwan	05FEB2026	-2,268.2	-2,868.8	-2,868.8	-1,059.8	-1,059.8	-4,979.1	+18,555.9
	Thailand	05FEB2026	+130.7	+238.4	+238.4	+379.0	+379.0	-2,511.8	+1,261.3
	Vietnam	05FEB2026	-48.2	-199.1	-199.1	-410.5	-410.5	-4,814.5	-1,225.7
▼ Americas (5)									
	Brazil	03FEB2026	+98.4	+401.4	+401.4	+5,363.0	+5,363.0	+8,821.7	+12,357.0
	Canada	30NOV2025			-5,337.9	+3,672.8	-21,253.0	-20,892.4	-14,978.9
	Chile	30SEP2025				-1,264.7	-2,057.3	-1,999.1	-885.1
	Colombia	30SEP2025				+595.3	+1,193.8	+1,422.0	+1,172.7
	United States	30NOV2025			+92,171.0	+152,481.0	+628,101.0	+688,786.0	+445,543.0
▼ EMEA (21)									
	Bulgaria	30NOV2025			+2.3	-18.1	-38.1	-38.2	-50.5
	Czech Republic	30NOV2025			+861.8	+960.7	+2,200.6	+2,329.2	+334.1
	Dubai	05FEB2026	+27.4	+122.3	+122.3	+493.8	+493.8	+1,798.1	+1,335.5
	Euro Area	30NOV2025			+34,559.2	+85,212.4	+388,454.7	+453,980.9	-5,162.9
	France	30NOV2025			+3,090.0	+5,488.0	+4,114.0	+14,369.0	-12,468.0

Source: Bloomberg, KB Securities Vietnam

ETF trading (USDmn)

Name	1D Flow (M USD)	1w Flow (M USD)	1M Flow (M USD)	3M Flow (M USD)	YTD Flow (M USD)	1Y Flow I (M USD)	3Y Flow (M USD)
Minimum	.00	.00	-24.69	-60.36	-26.43	-379.43	-558.89
Maximum	+.56	+1.73	+39.71	+48.09	+39.71	+27.22	+42.88
Average	+.03	+.18	+.82	-2.27	+.74	-28.12	-81.43
Median	.00	.00	.00	+.19	.00	-3.80	-1.33
Sum	+.70	+3.52	+16.47	-45.46	+14.73	-562.36	-1,628.68
1) VanEck Vietnam ETF	.00	.00	+39.71	+48.09	+39.71	+27.22	-72.64
2) Global X HSCI Vietnam ETF	.00	+1.73	+5.02	+6.41	+5.02	+13.35	+21.40
3) KraneShares Dragon Capit...	.00	.00	+1.26	+8.62	+1.26	+8.62	+8.62
4) CSOP FTSE Vietnam 30 ETF	.00	.00	+.39	+.39	+.39	+.74	+.68
5) SSIAM VN30 ETF	.00	.00	-.20	+.17	-.20	-.77	+2.25
6) SSIAM VN50 ETF	.00	.00	-.11	+.21	-.11	-1.02	-2.97
7) KIM Growth VN DIAMOND E...	.00	.00	.00	.00	.00	-1.61	+.13
8) SSIAM VNFIN LEAD ETF	.00	.00	+.35	+1.81	+.35	-2.32	-179.32
9) DCVFMVN Mid Cap ETF	.00	.00	+.32	+.32	+.32	-2.70	+6.61
10) MAFM VNDIAMOND ETF	.00	.00	.00	-1.30	.00	-3.54	+4.39
11) KIM Growth VN30 ETF	.00	.00	.00	-1.04	.00	-4.06	+42.88
12) KIM Growth VNFINSELECT E...	.00	.00	.00	-.33	.00	-4.89	+2.17
13) MAFM VN30 ETF	.00	.00	-.48	-1.02	-.48	-9.11	+2.96
14) Premia Vietnam ETF	.00	.00	.00	-.66	.00	-9.13	-14.77
15) KIM KINDEX Vietnam VN3000	.00	-2.23	-58.19	-2.23	-12.19	-2.78
16) CGS Fullgoal Vietnam 30 S...	+1.13	+1.13	+.42	+.42	+.42	-13.51	-18.83
17) Xtrackers Vietnam Swap U...	.00	+1.39	+9.44	+6.21	+9.44	-23.87	-58.35
18) DCVFMVN Diamond ETF	.00	.00	-.10	+6.95	-.10	-31.41	-558.89
19) DCVFMVN30 ETF Fund	.00	.00	-12.62	-2.16	-12.62	-112.71	-273.42
20) Fubon FTSE Vietnam ETF	+.56	+.28	-24.69	-60.36	-26.43	-379.43	-538.77

Source: Bloomberg, KB Securities Vietnam

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Investment ratings & definitions

Investment Ratings for Stocks

(Based on the expectation of price gains over the next 6 months)

Buy:	Neutral:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(Based on the assessment of sector prospects over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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