

VN-Index enters a decline toward 1,715-1,725 in the short term

The VN-Index's short-term correction may take the index to around 1,715–1,725. We maintain our recommendation to open short positions on VN30 index futures. The Fed held its policy rate in October but is likely to raise it again at the December meeting. The State capital restructuring plan is unlikely to have a significant impact on stock valuations in the short term.

VN-Index corrects under pressure from the Oil & Gas and Vingroup

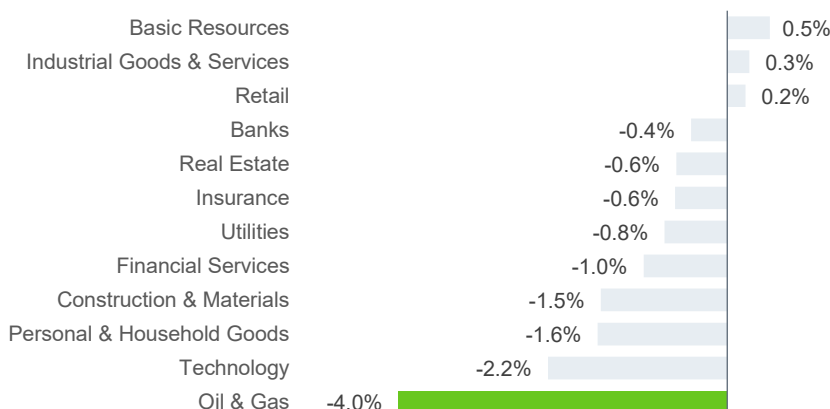
The VN-Index corrected, in line with the forecast in our previous report. In the coming sessions, **we maintain our view that the market may continue to decline toward around 1,715-1,725**, driven by the Vingroup group. Most stocks in this group are weakening: VIC (+0%) has stopped rising, while VHM has continued to correct (-2.2%) after touching the strong resistance at the daily MA200. Buying interest emerged at the end of the session but was fairly weak and concentrated on supporting VIC only, so it did not spread to the broader market. In addition, the shortage of capital in the market, with liquidity declining and falling below the daily MA20 (-7.5%) limits the VN-Index's ability to recover.

Technically, the VN-Index fell back after failing to hold above the daily MA50 around 1,770 with the RSI(14) showing bearish divergence. On the weekly chart, the index also corrected after touching the intersection of the MA20 and MA50. These developments support the likelihood that the VN-Index will continue to correct in the short term, with a near-term target in the 1,715-1,725 range.

VN30 index futures: We believe the downtrend will remain the dominant trend. Although the index has fallen and has not reached the short-entry level in our previous report, we believe a new position can still be opened with a small volume around 1,890-1,892, when the index retests this zone. The stop-loss is around 1,900-1,904, and the take-profit target is around 1,835-1,840.

Figure 1: Oil & Gas sector decreased most and contributed significantly to the VN-Index correction

Major sectors change in 29/10/2026, %



Source: FiinX, Pinetree Research.

Analyst

Anh Duc Nguyen

anhnd1@pinetree.vn

Quang Phan Thanh Tieu

quangtpt@pinetree.vn

Supervisor

Tam Chi Vuong, CFA, FRM

tamvc@pinetree.vn

Fed holds rates in October but is likely to hike again in December

At its October 2026 meeting, the FOMC kept the policy rate unchanged at 3.75–4.00% by a 10–2 vote, with two members in favor of a further 25 bps hike. The Fed Chair said the economy continues to grow solidly and pointed to the positive Q3 GDP data. Even so, the Fed's main priority remains bringing inflation back to its 2% target, and it reaffirmed its commitment to price stability. At the post-meeting press conference, the Chair gave no guidance on the future path of rates. He said the Fed has not reached a firm conclusion on its policy stance, and that it is assessing whether the earlier rate hikes have started to take effect.

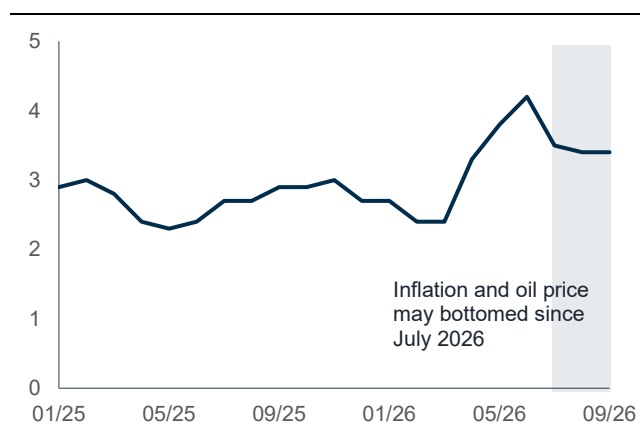
In our view, these remarks reflect the Fed's caution in the face of diverging signals on its two mandates: controlling inflation and pursuing full employment. US inflation rose sharply to above 3% by the end of September 2026, well above the Fed's 2% long-term target. The main driver has been WTI crude, which has climbed to nearly USD 105 per barrel since the end of July 2026. We think oil prices will be hard to bring down in the coming months, given the complicated conflict in the Middle East.

The US labor market, by contrast, has been improving. The unemployment rate has fallen to around 4% in 2026, while the labor force participation rate has picked up again to 59.2%. Non-farm payroll growth has held steady at around +0.3–0.5% per month, and average earnings continue to improve.

We suggest that Fed may raise rates by another 25 bps at its December 2026 meeting, as it maintains a tightening bias to contain inflation. Inflation is climbing for two main reasons: (1) oil prices remain elevated, with no sign of turning lower in Q4/2026, and (2) consumer spending is improving on the back of a strong labor market, just as the year-end shopping season begins. In addition, support for further hikes has become more common within the Fed, with the number of votes in favor rising from zero in September to two at this meeting.

Figure 2: The US inflation may rise in line with oil price in Q4 2026

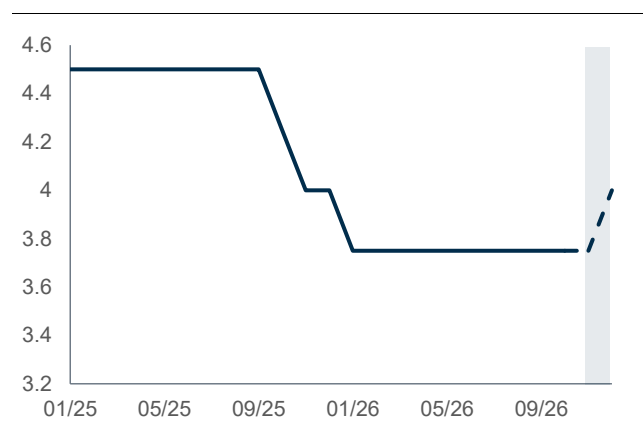
The US CPI change YoY, %



Source: FRED, Pinetree Research

Figure 3: Fed would rise base rate to 4.00–4.25% at the end of 2026

FED fund rate, %



Source: FRED, Pinetree Research

State ownership restructuring unlikely to drive a broad-based re-rating

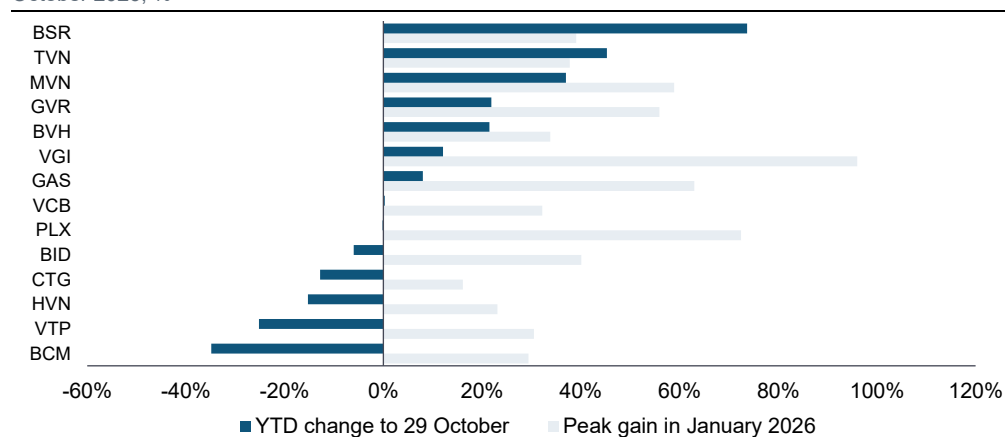
On 27 October, the Deputy Prime Minister signed Decision No. 2054/QD-TTg, approving the state ownership restructuring plan for 2026–2030. The plan calls for the state's stake in GVR to fall from 96.77% to 75% and in MVN from 99.47% to 65%. State ownership in BID and VCB may also be reduced to a minimum of 65%, while CTG is required to raise its state ownership from 64.46% to 65%. The decision follows Resolution 79-NQ/TW earlier this year and SCIC's August announcement of plans to

fully divest its holdings in 66 companies. The ownership changes are scheduled for completion by 2030.

Policy expectations surrounding state-linked companies have already been partly priced into the market. Across our sample of 14 stocks, the median gain at their respective January closing-price peaks reached 38.5% from end-2025 levels. By 29 October, the median YTD return had fallen to just 4.2%. January's rally reflected several factors, including expectations of policy reform, earnings prospects and sector-specific developments. Share-price performance has since diverged considerably as investors reassess company fundamentals and earnings outlooks.

Figure 4: 12 of 14 state-linked stocks have retreated from its January peaks

Share-price performance relative to end-2025, measured at January 2026 closing-price peaks and on 29 October 2026, %



Source: Pinetree Research. Prices are adjusted for corporate actions where applicable. January peak gains are calculated using each stock's highest closing price during January 2026 relative to end-2025

We see limited scope for the latest restructuring plan to materially lift share prices over the coming months. For BID and VCB, sales of existing state-held shares would leave bank capital and earnings unchanged. CTG presents a different case: the state's holding must rise from 64.46% to 65%, equivalent to around 42 million shares. Although the State Bank of Vietnam was tasked with developing an implementation plan in August, the buyer, funding source and transaction procedures remain unspecified. We believe these outstanding issues could delay execution despite the small ownership adjustment required. GVR and MVN face larger reductions in state ownership, of 21.77 and 34.47%, respectively. At GVR, this equates to around 871 million shares if carried out entirely through sales of existing shares. The state would retain control, leaving incoming investors with limited influence over corporate decisions and potentially weakening demand from strategic buyers. Execution remains a practical challenge: 58 of the 66 companies on SCIC's latest divestment list were included in earlier plans. Pricing is another hurdle, as seen in the failed sale of a 34.71% stake in DMC, where the reserve price stood 63% above market. Given the scale of potential offerings and delays in previous divestment programmes, we do not expect Decision 2054/QD-TTg to trigger a sustained rally across state-linked stocks.

Appendix: Event calendar and notable figures

Figure 5: Vietnam stock market and money market

Data updated at the end of 29 Oct 2026

Indices	Last	1D	1W	YTD
VN-Index	1,756	-0.6%	-0.3%	-1.8%
VN30	1,877	-0.7%	-0.8%	-7.5%
VN100	1,783	-0.8%	-0.8%	-6.8%
HNX-Index	256.61	-1.3%	-1.7%	4.0%
GTGD, VND bn	14,529	-5.1%	-5.0%	-43.1%
Trading value	15,662	-0.3%	0.3%	-30.9%
Foreign investors	-456	-267	-221	-
Money market				
O/N, % (26/10)	4.90	0.63	1.19	-
USD/VND	26,864	0.0%	0.0%	0.0%

Figure 6: Global stock and commodity market

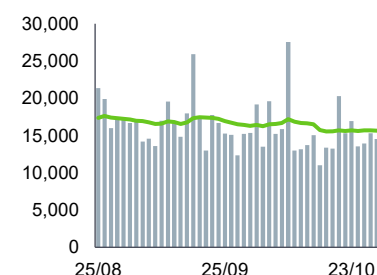
Data updated at the end of 29 Oct 2026

Indices	Last	1D	1W	YTD
S&P 500 (27/10)	7,743	0.3%	1.0%	13.1%
Nasdaq (27/10)	29,651	0.5%	2.4%	17.4%
Shanghai	3,651	-0.8%	-0.2%	-8.0%
KOSPI	5,937	-1.2%	7.3%	40.9%
Bond yield, %				
US 10Y	5.0	0.0%	-0.1%	0.8%
Japan 10Y	2.84	0.1%	0.0%	0.8%
Commodity				
Brent, USD/bbl	115.1	-1.0%	1.1%	87.4%
Gold, USD/ounce	4,033	-0.3%	0.2%	-6.6%
Silver, USD/ounce	53.8	-2.3%	-1.4%	-24.9%

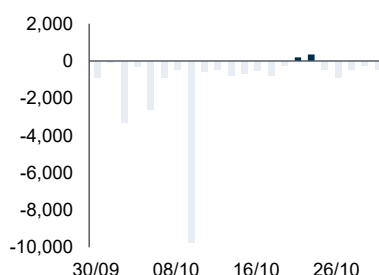
Figure 7: VN-Index's technical indicators

Data updated at the end of 29 Oct 2026

VN-Index trading volume and 20-day MA, VND bn



Foreign investors net trading value, VND bn



HOSE top buy/sell, VND bn

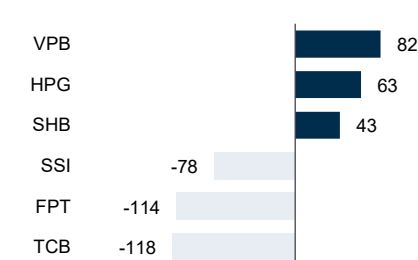
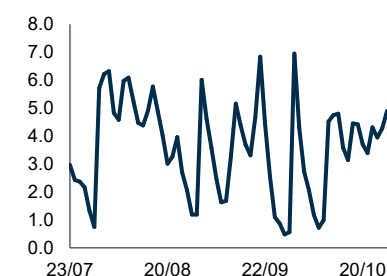


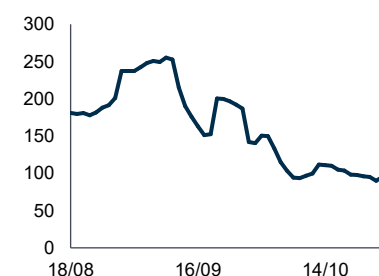
Figure 8: Vietnam money market numbers

Data updated at the end of 29 Oct 2026

Interbank ON, %, upto 27/10



OMO outstanding, VND tn, up to 29/10



USD/VND change, %Ytd

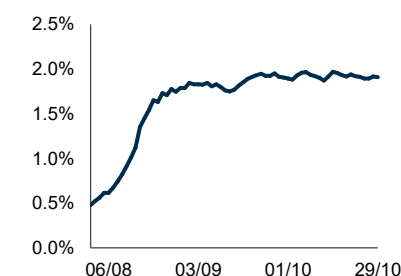


Figure 9: Macro events in the next 2 weeks

Data updated at the end of 29 Oct 2026

Date	Event	What we watch
Wed 28/10	US Fed decision	A hawkish hold keeps dollar firm
Fri 30/10	HNX30 basket takes effect	HNX only, no VN-Index effect
Mon 02/11	VNDiamond review results	ETFS trade the change, mostly banks
Mon 02/11	Vietnam Manufacturing PMI	Above 50 supports today's industrial leaders
Tue 03/11	Vietnam's Oct macro data result	Investment disburse and export support gov's GDP target
Thu 05/11	US Mid-term election	Result will take effect on President Trump actions in 2H of term

Figure 10: Corporate events in the next 2 weeks

Data updated at the end of 29 Oct 2026

Date	Ticker	Event	Weight
28/10	BAF	Ex-dividend	0.14%
30/10	ANV	Ex-dividend	0.06%
30/10	TCB	Record date	2.89%
05/11	SGN	Record date	0.02%
09/11	NKG	EGM	0.08%

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HOLD	Expected 12-month total return between -10% and +15%
SELL	Expected 12-month total return below -10%
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Contact

Tam Chi Vuong, CFA, FRM

Head of Research

tamvc@pinetree.vn

Phong Tan Nguyen

Senior Equity Analyst

phongnt@pinetree.vn

Quang Phan Thanh Tieu

Senior Equity Analyst

quangtpt@pinetree.vn

Anh Duc Nguyen

Senior Market Analyst

anhnd1@pinetree.vn

Duc Doan Nguyen

Videographer

ducnd@pinetree.vn

Anh Tuan Dao

Videographer

anhdt@pinetree.vn