VN-Index may extend its correction under selling pressure from Banks

Selling pressure in Banks was the main drag on VN-Index. We maintain a cautious short-term view on the index. Domestic energy prices were cut from 1 November, which may ease inflationary pressure in Q4/2026. US equities corrected as Alphabet and Intel fell sharply, and the pressure to reprice technology valuations may spill over into Vietnam.

Banks were the main driver of VN-Index's sharp decline

VN-Index fell sharply and reached the short-term target set in our previous report. In the coming sessions, **we maintain a cautious view on VN-Index and believe the market needs more time to absorb selling pressure from Banks**, which drove this decline. The Big4 stocks VCB, BID and CTG have all lost key support at the weekly MA200 and MA100, reinforcing the medium-term corrective trend. The Vingroup stocks also leaned toward correction, as VHM's decline fully offset the positive contribution from VIC. Technically, VN-Index touched the medium-term trendline that has held since March 2026 and rebounded slightly from it. However, we believe a meaningful rebound is unlikely because bottom-fishing demand for the hardest-hit sectors is lacking. RSI(14) remains in the bearish zone (30-50 point range), which reinforces the downtrend.

VN30 index futures: The F1M contract reached the target set in our previous report. In the coming sessions, we recommend that investors avoid opening new positions, as the risk/reward ratio is no longer attractive. Investors holding short positions may consider gradually closing them as the contract approaches the 1,775-1,785 support zone. Technical indicators show that the contract is still in a downtrend, but downside room is limited. RSI(14) is approaching oversold territory, and F1M has touched the lower Bollinger Band.

Figure 1: We believe the decline may pull VN-Index toward 1,670-1,680 in the short term

Movement of the 1-month VN30 index futures contract, points



Source: Pinetree Research.

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Energy price cuts to ease Q4/2026 inflation, with the impact likely to be short-lived

Average retail electricity tariffs were cut by 2% on 1 November, alongside a reduction in petrol excise duty to zero, which lowered pump prices by approximately 6-7%. Average CPI inflation reached 4.52% YoY in the first nine months of 2026, leaving Q4 inflation needing to average 4.44% for the full year to meet the 4.5% target. We expect the latest measures to reduce November inflation, although their late implementation limits the impact on the annual average. The National Statistics Office estimates that the electricity tariff cut alone will lower CPI by 0.08 percentage points, equivalent to roughly 0.01 percentage points off full-year inflation when applied over the final two months. Lower petrol prices should have a greater impact on transport inflation, although freight operators will see little immediate relief as diesel prices remain unchanged.

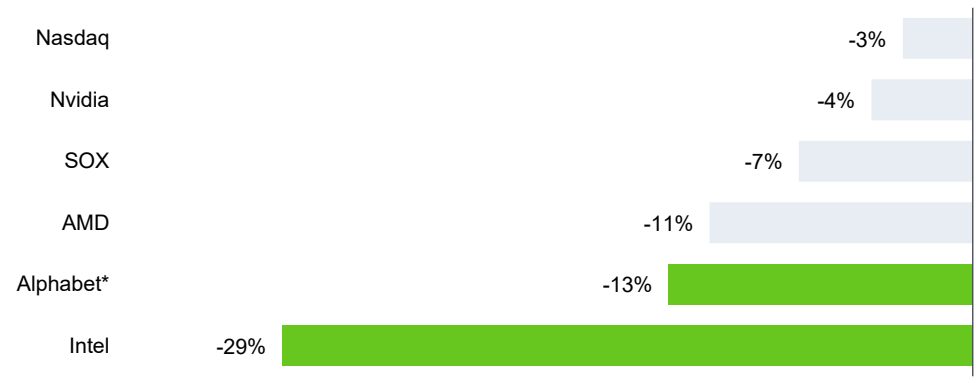
The more important consideration is that the latest reductions are largely tax-driven rather than the result of lower global oil prices. Under the current provisions, environmental protection tax and VAT relief on fuel are due to expire on 31 December 2026, while the zero-exercise duty on petrol remains in place until the end of March 2027. Pump prices could therefore rise as these measures expire, with the extent of any increase also determined by global oil prices. In our view, the cuts should help moderate inflation towards the end of 2026, although the scheduled withdrawal of tax relief could introduce renewed volatility in early 2027. The improvement is therefore likely to be temporary, with any lasting effect on 2027 inflation contingent on an extension of the current tax measures.

US technology sell-off raises valuation risks for Vietnamese stocks

US technology shares fell sharply across two consecutive sessions following Q3/2026 earnings releases from Alphabet and Intel. Alphabet lost 12.6% on 29 October, followed by a 28.6% decline in Intel on 30 October, alongside AMD (-10.9%), Nvidia (-4.2%) and the Philadelphia Semiconductor Index (-7.2%). The Nasdaq fell 2.9% on Friday, leaving it 7.8% below its 6 October peak. After a prolonged rally driven by AI expectations, the latest earnings releases have shifted investor attention towards profitability, cash generation and the returns on increasingly substantial capital expenditure.

Figure 2: Intel fell 28.6% as the semiconductor sector declined 7.2%

Share-price and index performance on 30 October 2026, except Alphabet on 29 October, %

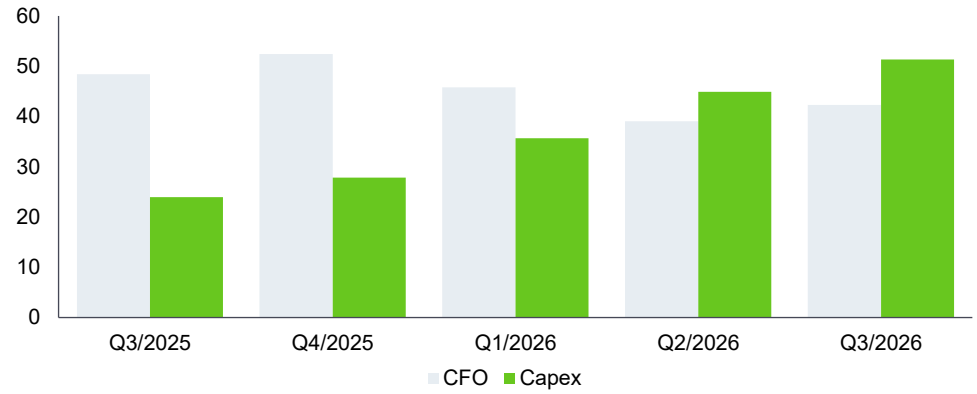


Source: Reuters, Pinetree Research

Intel and Alphabet illustrate two distinct concerns. Intel reported 21% YoY revenue growth in Q3 and adjusted earnings per share ahead of expectations, yet its Q4/2026 revenue guidance of USD 15.0-16.0 billion was approximately 9% below market forecasts. Weakening PC demand and production disruptions were the principal factors, in contrast to 78% YoY growth in its server business. Alphabet, meanwhile, continued to deliver strong operating performance, with revenue up 25%, operating profit up 30% and Google Cloud revenue up 103% YoY. Investors' concern centres instead on the scale of AI investment. Capital expenditure reached USD 51.4 billion in Q3, exceeding operating cash flow of USD 42.3 billion and resulting in negative free cash flow of USD 9.1 billion. Intel's sell-off therefore reflects weaker-than-expected Q4 revenue and earnings prospects, while Alphabet's valuation increasingly rests on whether its expanding AI investment programme can deliver sufficient returns.

Figure 3: Alphabet's capex exceeded CFO for two consecutive quarters

Operating cash flow and capital expenditure, Q3/2025–Q3/2026, USD bn



Source: Alphabet, SEC, Pinetree Research

We believe the sell-off reflects a reassessment of technology valuations rather than a broad deterioration in AI demand. **Revenue growth remains strong, but rising capital requirements and uneven earnings prospects are reducing investors' willingness to pay premium P/E multiples**. This repricing could extend to Vietnamese technology stocks, particularly where earnings growth is already moderating. FPT's overseas IT services revenue grew just 8% YoY in Q3/2026, down from 16% in Q2, while new contract signings increased by 4%, compared with 32% in H1/2026. We believe FPT faces downside risks both to its valuation multiple and to expectations for growth in 2027. At DGW, laptop and tablet revenue rose 32% YoY, partly supported by higher selling prices, while gross margin fell from 13.0% in Q2 to 8.4% in Q3 as the benefit of lower-cost inventory diminished. Conversely, server revenue surged 156% YoY, indicating continued strength in enterprise IT infrastructure demand. We remain cautious on FPT's valuation, while DGW's earnings outlook is more closely linked to the changing mix between PCs and enterprise hardware.

Appendix: Event calendar and notable figures

Figure 4: Vietnam stock market and money market

Data updated at the end of 02 Nov 2026

Indices	Last	1D	1W	YTD
VN-Index	1,711	-1.8%	-3.0%	-8.1%
VN30	1,813	-2.2%	-4.0%	-13.5%
VN100	1,726	-2.0%	-3.9%	-12.6%
HNX-Index	251	-0.9%	-3.4%	0.5%
GTGD, VND bn	18,662	26.9%	37.7%	-43.4%
Trading value	15,733	1.7%	0.8%	-30.6%
Foreign investors	-520	-635	342	-
Money market				
O/N, % (29/10)	3.74	-0.36	-0.57	-
USD/VND	26,862	0%	0%	0.0%

Figure 5: Global stock and commodity market

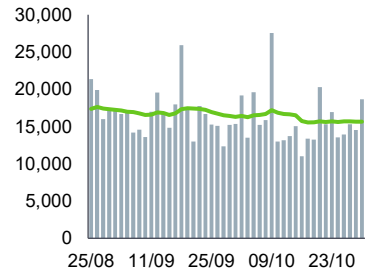
Data updated at the end of 02 Nov 2026

Indices	Last	1D	1W	YTD
S&P 500 (30/10)	7,580	0.0%	-1.3%	10.5%
Nasdaq (30/10)	25,437	0.0%	-2.8%	9.5%
Shanghai	3,638	1.1%	-1.6%	-8.3%
KOSPI	5,859	2.2%	7.1%	36.0%
Bond yield, %				
US 10Y	4.9	-0.02	-0.08	0.01
Japan 10Y	2.82	0.00	0.00	0.01
Commodity				
Brent, USD/bbl	108	-7.8%	-6.4%	78.5%
Gold, USD/ounce	3,897	0.6%	-3.0%	-10.0%
Silver, USD/ounce	50	2.5%	-6.7%	-30.9%

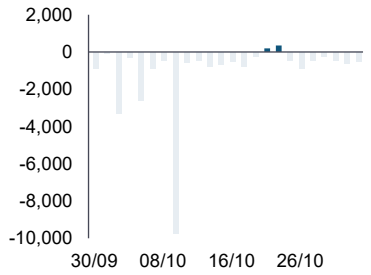
Figure 6: VN-Index's technical indicators

Data updated at the end of 02 Nov 2026

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



Foreign investors net trading value, VND bn



HOSE top buy/sell, VND bn

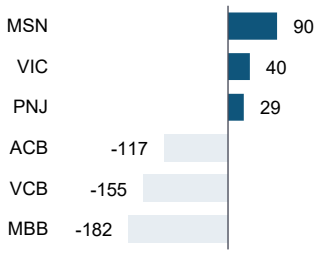
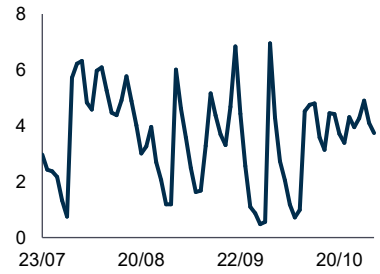


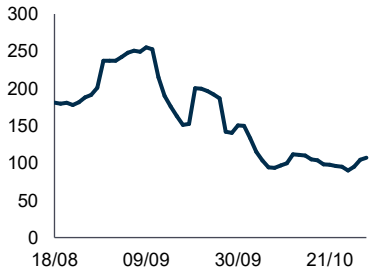
Figure 7: Vietnam money market numbers

Data updated at the end of 02 Nov 2026

Interbank ON, %, upto 29/10



OMO outstanding, VND tn, up to 02/11



USD/VND change, %Ytd

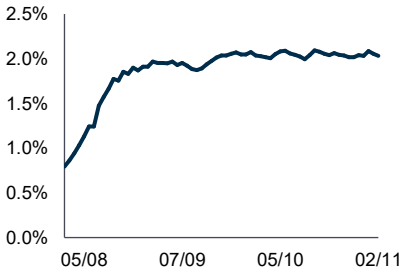


Figure 8: Macro events in the next 2 weeks

Data updated at the end of 02 Nov 2026

Date	Event	What we watch
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 9: Corporate events in the next 2 weeks

Data updated at the end of 02 Nov 2026

Date	Ticker	Event	Weight
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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