# VN-Index may extend its correction through the remainder of the week

**VIC replaced the banking sector as the main drag on the VN-Index. Most other sectors rebounded after Vietnam's October 2026 macroeconomic data were released. Vietnam's trade deficit narrowed significantly in October, easing pressure on the exchange rate heading into year-end. Meanwhile, VCB is pursuing a private placement at a P/B valuation significantly below that of previous stake-sale transactions.**

## A sharp decline in VIC pushed the VN-Index below 1,700 points

We believe today's session was highly divergent, with the market splitting into two distinct directions. On the downside, VIC fell 3.3% and alone accounted for more than 12 points of the index's decline. Most of the market rebounded after the previous session's losses, led by the steel sector and particularly HPG (+4.2%). The recovery also extended to other mid- and small-cap groups, including Brokerage (+0.69 points) and Industrials and Transportation (+0.72 points combined). The banking sector also stopped falling, contributing +0.6 points to the index. Market breadth improved to 152 advancers against 135 decliners, up sharply from only 35 advancers in the previous session.

The VN-Index's performance during the session was consistent with the correction outlined in our previous report. We believe correction pressure on the Vingroup group will persist following the release of its 3Q results. Vietnam's October macroeconomic data had only a modestly positive impact on the market. We also note that the corrective trend in global equity markets could weigh on Vietnamese equities in the coming period.

**VN30F1M futures:** We maintain a neutral position and do not recommend opening new positions in VN30F1M futures in the upcoming sessions.

**Figure 1: VIC's decline fully offset gains from the rest of the market**

Sector contributions to the VN-Index (points)




Source: Pinetree Research.

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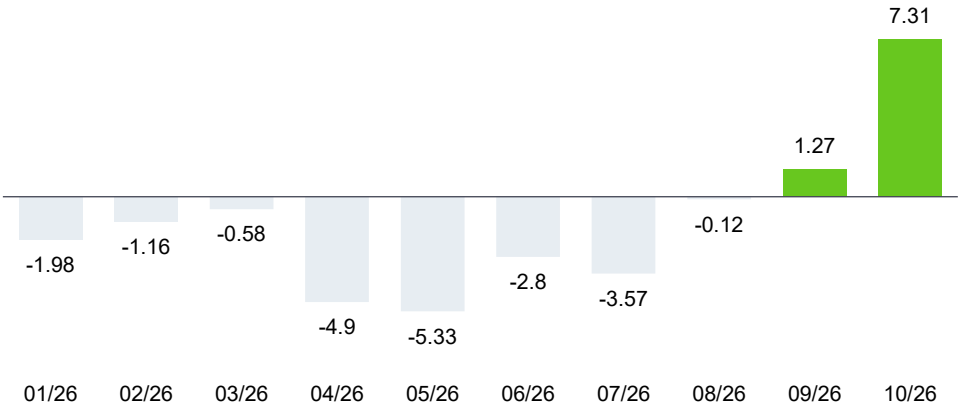
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## October's record trade surplus eases FX pressure heading into year-end

Vietnam posted a record trade surplus of USD 7.31 bn in October 2026, up sharply from USD 1.27 bn in September. Exports climbed 8.7% MoM to USD 64.67 bn, while imports fell 1.4% to USD 57.36 bn. This brought the cumulative trade deficit for 10M/2026 down to USD 12.07 bn, nearly 38% below the end-September level. Computers, electronics and components accounted for USD 3.98 bn, or 66%, of the monthly improvement, as exports rose by USD 3.12 bn and imports declined by USD 0.86 bn.

### Figure 2: 2 consecutive monthly surpluses narrow the YTD trade deficit to USD 12.07 bn

Vietnam's monthly merchandise trade balance, USD bn




Source: National Statistics Office, Vietnam Customs, Pinetree Research

Electronics have been the main source of Vietnam's trade deficit this year. The sector recorded a deficit of USD 65.84 bn in 10M/2026, nearly USD 30 bn wider YoY and equivalent to roughly 94% of the increase in the country's overall trade deficit. The picture elsewhere is considerably more stable. Excluding electronics, Vietnam ran a trade surplus of USD 53.77 bn, just USD 1.8 bn lower YoY. Much of the deterioration in the headline trade balance therefore reflects the electronics manufacturing cycle rather than a broad-based weakening across export sectors. Imports of components and production equipment expanded earlier in the year, and the recent acceleration in electronics exports has started to close that gap.

### Figure 3: Electronics account for 66% of the improvement in October's trade balance

Merchandise trade balance by product group, USD bn

| Product | Sep 2026 | Oct 2026 | Change |
|---|---|---|---|
| Computers, electronics and components | -4.58 | -0.60 | +3.98 |
| All other products | +5.85 | +7.91 | +2.06 |
| **Total** | **+1.27** | **+7.31** | **+6.04** |

Source: National Statistics Office, Vietnam Customs, Pinetree Research

The improvement over the past two months has meaningfully reduced FX risks for Q4/2026. Importantly, October's surplus was driven by export growth rather than a sharp contraction in imports. Exports increased by USD 5.19 bn MoM, against a relatively modest USD 0.85 bn decline in imports. Electronics alone contributed two-thirds of the improvement, consistent with export shipments catching up with the earlier build-up in imported inputs. We expect monthly trade surpluses to continue through year-end, bringing the full-year deficit down to around USD 9–12 bn. This should ease pressure on the SBV to defend the VND and give it greater scope to hold policy rates steady for the remainder of 2026. For equities, the most immediate benefit would be

lower currency risk and less volatile capital flows. Elevated medium-term funding costs, however, still limit the case for a broad market re-rating.

## Vietcombank (HOSE: VCB): Private placement approval comes with the stock trading well below historical transaction multiples

**HOLD, TP: VND 57,600/share, upside 7.5%, 2027 P/B 1.41x**

On 3 November, VCB announced that the State Bank of Vietnam (SBV) had approved its proposed private placement of up to 543.1 mn new shares, equivalent to 6.5% of existing shares outstanding. The approval follows Decision 2054/QD-TTg, which we discussed in our 29 October Daily Commentary. Under the decision, state ownership in VCB may decline from 74.8% to a minimum of 65% during 2026–2030. A full placement without additional subscription by the State would reduce its stake to approximately 70.2%. Unlike a secondary sale of state-owned shares, the proposed issuance would bring fresh equity directly into the bank.

VCB has completed two major private placements, both at substantially higher valuations than today's. In 2011, Mizuho acquired a 15% stake at VND 34,000/share, equivalent to approximately 2.43x P/B and a 24.5% premium to the market price at the time. GIC and Mizuho subsequently subscribed for 111.1 mn shares at VND 55,510/share in early 2019, valuing VCB at around 3.21x P/B. At the current 1.77x P/B, the stock trades at discounts of 27% and 45% to those transaction multiples, respectively. Part of the gap reflects the decline in profitability, with ROE falling from 25.5% in 2018 to around 18% today. The 2011 deal also carried strategic value for Mizuho, which secured a 15% holding and board representation. The upcoming placement, by comparison, could involve a wider pool of investors with different investment objectives.

The SBV's approval is a positive development for VCB's capital-raising plans, particularly following the relaxation of state ownership requirements. Execution remains the key challenge. In 2019, VCB managed to place just 30.9% of the shares initially offered, highlighting the difficulty of securing agreement on transaction terms. With VCB now trading at a much lower P/B than in previous deals, negotiations could again prove lengthy, especially given the State's controlling position and the need to protect existing shareholders. We expect VCB to retain flexibility over the size and timing of the placement, prioritising the terms of the capital raise over completing the full 6.5% issuance quickly. Additional Tier 1 capital would strengthen regulatory capital ratios and support further lending growth. Ultimately, VCB's ability to sustain its ROE and valuation multiple will depend on how effectively the additional capital translates into earnings growth.

### Figure 4: VCB enters its next capital raise trading well below historical placement multiples

VCB's historical placement terms and current market valuation, VND/share, x, %

| Metric | Mizuho 2011 | GIC-Mizuho 2019 | VCB currently |
|---|---|---|---|
| Share price (VND) | 34,000 | 55,510 | 53,600 |
| P/B (x) | 2.43 | 3.21 | 1.77 |
| Placement size | 15% of post-issue capital | 3% of post-issue capital | Up to 6.5% of existing shares |

Source: VCB, Pinetree Research

# Appendix: Event calendar and notable figures

## Figure 5: Vietnam stock market and money market

Data updated at the end of 03 Nov 2026

| Indices | Last | 1D | 1W | YTD |
|---|---|---|---|---|
| VN-Index | 1,700 | -0.6% | -3.5% | -8.4% |
| VN30 | 1,816 | 0.1% | -3.9% | -12.5% |
| VN100 | 1,725 | -0.1% | -3.7% | -11.9% |
| HNX-Index | 251 | 0.3% | -3.1% | 0.9% |
| **Trading value, VND bn** | 13,063 | -30.0% | -6.3% | -67.5% |
| Trading value | 15,404 | -2.1% | -1.4% | -32.0% |
| Foreign investors | -520 | -635 | 342 | - |
| **Money market** | | | | |
| O/N, % (30/10) | 3.74 | -0.36 | -0.57 | - |
| USD/VND | 26,861 | 0% | 0% | 0.0% |

## Figure 6: Global stock and commodity market

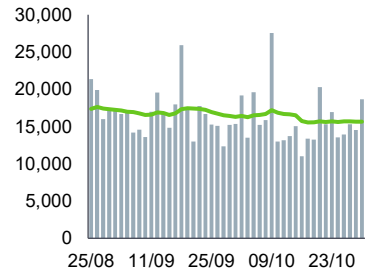
Data updated at the end of 03 Nov 2026

| Indices | Last | 1D | 1W | YTD |
|---|---|---|---|---|
| S&P 500 (02/11) | 7,541 | 0.0% | -2.3% | 9.3% |
| Nasdaq (02/11) | 25,164 | 0.0% | -5.0% | 7.6% |
| Shanghai | 3,608 | -0.8% | -1.1% | -10.3% |
| KOSPI | 5,649 | -3.6% | 0.2% | 26.7% |
| **Bond yield, %** | | | | |
| US 10Y | 4.9 | 0.00 | -0.09 | 0.01 |
| Japan 10Y | 2.82 | 0.00 | 0.00 | 0.01 |
| **Commodity** | | | | |
| Brent, USD/bbl | 106 | 0.9% | -7.2% | 71.1% |
| Gold, USD/ounce | 3,908 | -1.0% | -3.8% | -12.2% |
| Silver, USD/ounce | 49 | -3.3% | -10.0% | -36.1% |

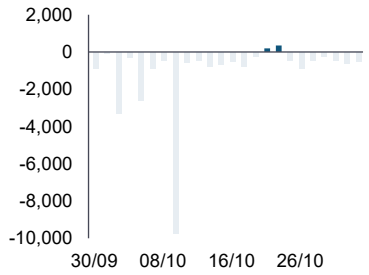
## Figure 6: VN-Index's technical indicators

Data updated at the end of 03 Nov 2026

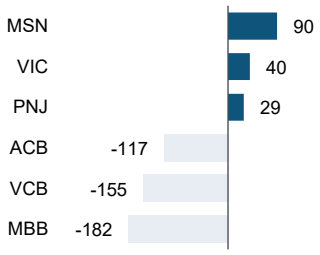
**VN-Index trading volume and 20-day MA, VND bn**




**Foreign investors net trading value, VND bn**



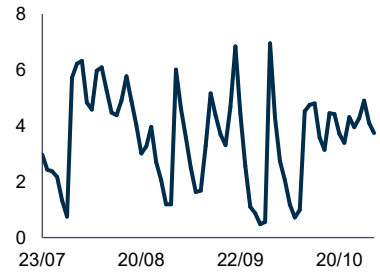

**HOSE top buy/sell, VND bn**



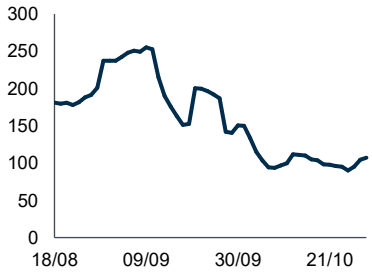

## Figure 7: Vietnam money market numbers

Data updated at the end of 03 Nov 2026

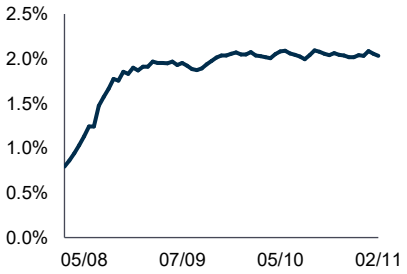
**Interbank ON, %, upto 30/10**




**OMO outstanding, VND tn, up to 03/11**




**USD/VND change, %Ytd**




## Figure 8: Macro events in the next 2 weeks

Data updated at the end of 03 Nov 2026

| Date | Event | What we watch |
|---|---|---|
| **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 |
| **Thu 19/11** | **VN30 review results** | We expect this event would take a minor effect to VN-Index |

## Figure 9: Corporate events in the next 2 weeks

Data updated at the end of 03 Nov 2026

| Date | Ticker | Event | Weight |
|---|---|---|---|
| **05/11** | SGN | Record date | 0.02% |
| **09/11** | NKG | EGM | 0.08% |

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| Rating | Definition |
|---|---|
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| HOLD | Expected 12-month total return between -10% and +15% |
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