Elevated term funding costs could push VN-Index towards 1,600–1,650

We see a further 5-8% decline in VN-Index to 1,600–1,650 in November 2026. One-year CD yields at 8.28% and three-month interbank rates at 7.56% have yet to respond to Official Letter 9608, while we forecast earnings growth outside Vingroup to slow from 22.8% YoY in Q3 to 4.5% in Q4. Our view would improve if lower posted deposit rates began to feed through to CD yields.

Term funding costs remain the key driver of November market performance

The market excluding Vingroup fell 3.4% in October, more than twice the VN-Index decline. VN-Index lost 1.5% to close at 1,741, as a 3.0% gain across Vingroup names (VIC +5.7%) added 15.5 index points. The rest of the market subtracted 42.1 points, led by banks.

Foreign investors recorded their largest monthly net outflow of 2026, at over VND 24,000 bn. Excluding c.VND 9,900 bn in MCH block trades, October net selling still exceeded the 2026 monthly average by around 40%. We attribute much of the selling to profit-taking after the first FTSE upgrade phase. Average daily market turnover fell 5% MoM to VND 15,644 bn, the lowest level in 10M/2026.

Low multiples alone offer limited rerating potential while CD yields remain high. The VN-Index P/E fell from 12.05x at end-September to 11.2x, largely reflecting the Q3 earnings increase. The corresponding earnings yield rose to 8.9%, just 0.6pp above the one-year CD yield. Excluding Vingroup, the spread widens to 2.0pp. Although Official Letter 9608 prompted a 50bp reduction in posted deposit rates, CD and interbank rates have not followed.

We forecast a decline towards the 1,600–1,650 support zone in November 2026. With ex-Vingroup earnings growth likely to reach only 4.5% YoY in Q4/2026, the next reporting season may provide little index support. The index closed below its 50-, 100- and 200-day moving averages on thin turnover, consistent with an ongoing medium-term downtrend.

Research analyst

Anh Duc Nguyen
anhnd1@pinetree.vn

Report reviewer

Tam Chi Vuong, CFA, FRM
tamvc@pinetree.vn

Ex-Vingroup stocks fall 3.4% in October, more than twice the VN-Index decline

The VN-Index decline understated broader market weakness in October. VN-Index fell 1.5% to 1,741 as the correction from its early-September 2026 peak of 1,874 extended, while the ex-Vingroup index declined 3.4% (Figure 1). Vingroup stocks advanced 3.0%, adding 15.5 index points, with VIC alone (+5.7%) contributing 20.9 points.

VIC dominated index movements throughout October. VN-Index fell to 1,689 on 19 October, rebounded to 1,774 on 23 October and finished the month at 1,741, broadly tracking VIC's price path.

Banks contributed the largest negative index impact, subtracting 16 points. Oil and gas names removed a further 4.4 points, while FPT (-16.3%) and PNJ (-41.7%) reduced the index by 4.0 and 1.1 points, respectively.

Figure 1: Ex-Vingroup market performance reaches -9.4% YTD

VN-Index, Vingroup and ex-Vingroup returns by period, %

Return (%)	October	Three months	YTD	12 months
HOSE	-1.5	0.8	-0.1	10.3
Ex-Vingroup	-3.4	-1.3	-9.4	-8.8
Vingroup	3.0	5.5	26.9	93

Sources: FiinX, Pinetree Research

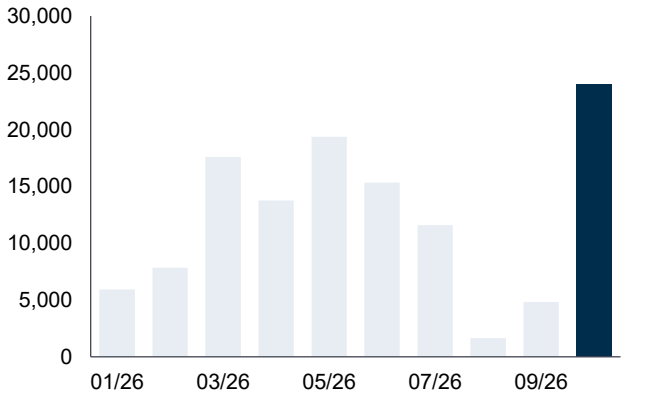
We attribute most of October's foreign selling to profit-taking after the FTSE upgrade phase. Foreign investors sold more than VND 24,000 bn net, the highest monthly outflow in 2026 (Figure 2). Excluding c.VND 9,900 bn of MCH block trades, net selling still reached around VND 14,000 bn, 40% above the year's monthly average.

The first FTSE upgrade phase, representing a 10% allocation, took effect on 21 September 2026, followed immediately by a wave of selling. The remaining three phases begin on 22 March 2027. We therefore expect upgrade-related profit-taking to ease ahead of the second phase.

A second factor was renewed global demand for US Treasuries. The US 10-year Treasury yield declined 35.6bp in October (Figure 3).

Figure 2: October foreign net selling reaches its highest level of 2026

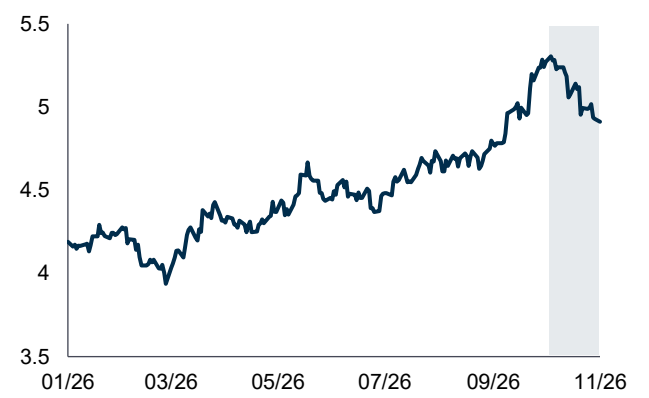
Foreign investor net trading value on HOSE, VND bn



Sources: FiinX, Pinetree Research

Figure 3: US 10Y Treasury yield falls 35.6bp in October

US 10Y Treasury yield, %



Sources: Bloomberg, Pinetree Research

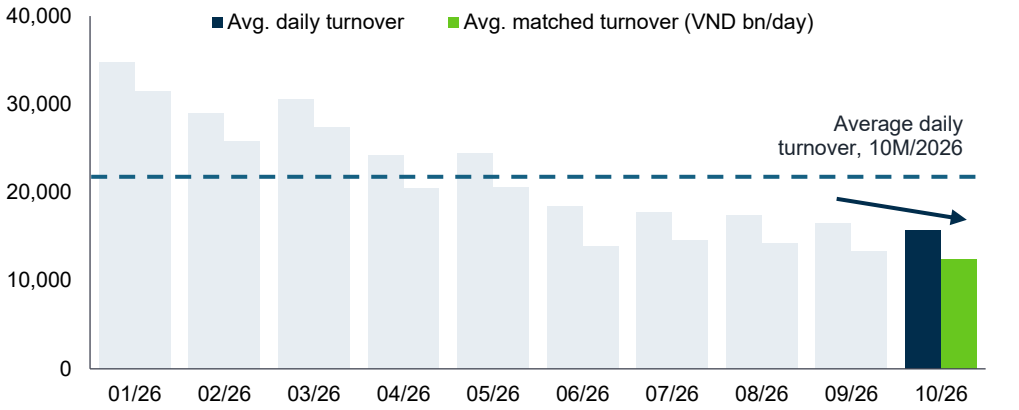
Lowest turnover in 10 months remains a headwind for securities firms

We expect market turnover to remain subdued in November with one-year CD yields at 8.28%. Average daily trading value reached VND 15,644 bn in October, while HOSE matched-order turnover stood at VND 12,355 bn per session, down 5% and 7% MoM, respectively. Trading value on 16 October reached just VND 9,918 bn, a level seen only twice in the last 250 sessions.

Real estate and financial services lost trading share, declining from a combined 30.6% to 26.8% in October. Higher weights for food and beverage and personal goods primarily reflected MCH block trades and the PNJ event, rather than fresh inflows into those sectors. Persistently thin liquidity remains negative for securities firms, reinforcing our underweight preference for financial services in November.

Figure 4: HOSE daily turnover falls to its lowest level of 2026 in October

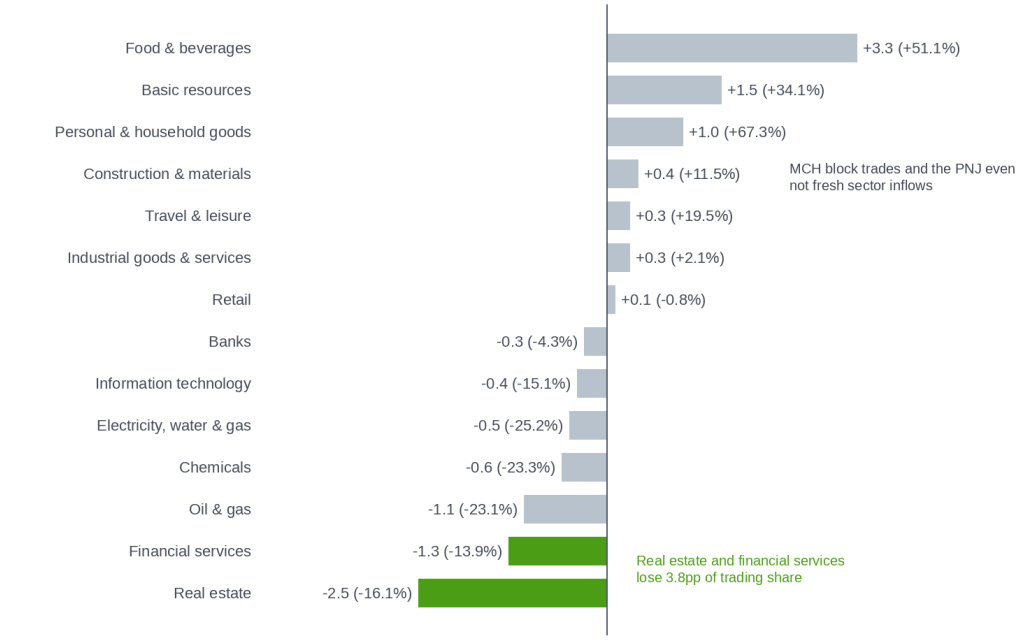
HOSE average daily turnover and matched-order value, VND bn



Sources: FiinX, Pinetree Research

Figure 5: Real estate and financial services lose 3.8pp of HOSE trading share

Change in sector share of HOSE turnover, October vs September, pp (brackets: change in average trading value, %)



Sources: FiinX, Pinetree Research

Note: We exclude automobiles and parts, insurance, healthcare, media and telecommunications, each of which accounted for less than 1% of HOSE turnover on a six-month average basis.

Term funding costs have yet to decline under Official Letter 9608

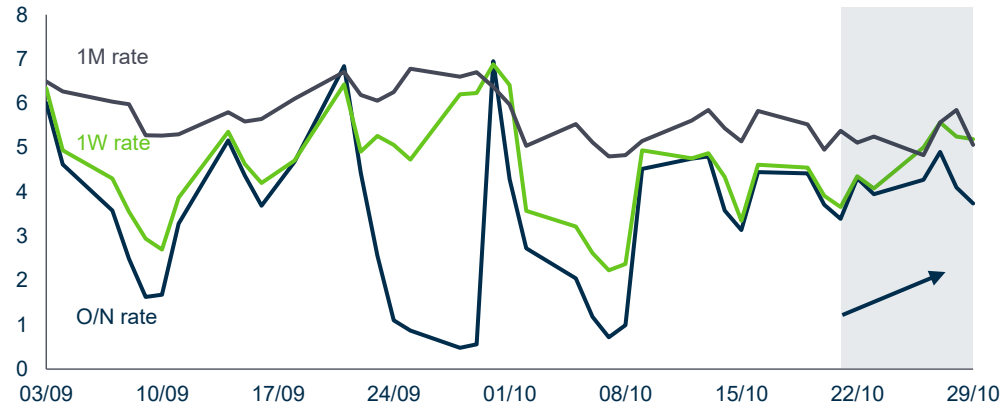
We believe posted deposit rates have passed their near-term peak. Official Letter 9608/NHNN-CSTT, dated 18 October 2026, directs commercial banks to cut posted deposit rates by at least 50bp for tenors of six months or more and reduce lending rates by 150–200bp for production, business and priority sectors, including existing loans. On 28 October, BIDV, MB, Techcombank and VPBank each cut six- and 12-month deposit rates by 50bp, bringing the four banks' average 12-month rate from 6.31% to 5.81% (10M/2026 Macro Update).

Wholesale funding costs remain elevated, limiting the equity market's response to lower posted rates. Short-tenor interbank rates rose 20–70bp following the directive (Figure 6), with three-month rates reaching 7.56% and one-year CD yields holding at 8.28%. Banks have started lowering selected lending rates, primarily through promotional schemes.

We expect banks to absorb most of the cost of lower lending rates, compressing sector NIM from Q4/2026. Lending-rate reductions are three to four times as large as the deposit-rate cuts, which apply only to new deposits. System-wide deposit supply does not appear to be the binding constraint: customer deposits rose 4.9% QoQ in Q3, ahead of 3.3% loan growth (Q3/2026 Earnings Review). Instead, expensive term funding will slow the transmission of rate cuts to borrowers.

Figure 6: Short-tenor interbank rates rise modestly after Official Letter 9608

Overnight, one-week and one-month interbank rates, %



Sources: FiinX, Pinetree Research

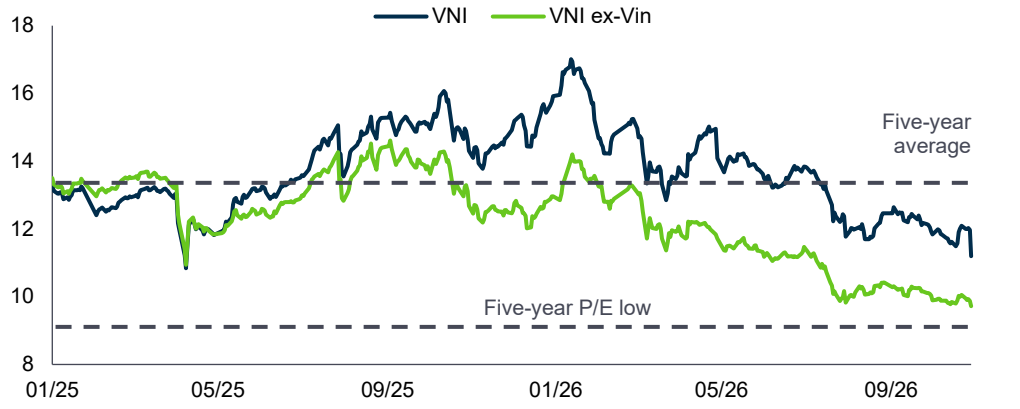
Ex-Vingroup P/E at 9.72x offers insufficient rerating support

The fall in P/E largely reflects an exceptional Q3 earnings increase rather than a market rerating. VN-Index P/E dropped to 11.2x on 30 October 2026 from 12.05x at end-September, despite a modest 1.5% index decline. Vingroup generated 53.4% of the market's absolute Q3 earnings increase (Q3/2026 Earnings Review). The headline multiple stands 3.2 turns below the 2021–2025 average of 14.4x (Figure 7). Ex-Vingroup P/E declined to 9.72x, close to its November 2022 trough.

Relative to term deposit yields, equities do not yet look unequivocally cheap. The ex-Vingroup earnings yield of 10.3% exceeds the one-year bank CD yield of 8.28% by 2.0pp. The equivalent spread for the headline index is only 0.6pp, based on an 8.9% earnings yield. With CD yields still elevated, we see limited scope for market-wide multiple expansion in November.

Figure 7: Vingroup's Q3 earnings lift drives the October decline in VN-Index P/E

Trailing P/E of VN-Index and ex-Vingroup index, x



Sources: FiinX, Pinetree Research

October macro data have limited near-term implications for equities

We see bank NIM and term funding costs as the main channels through which macro data affect the index, with a greater immediate impact on listed earnings than headline growth. Most October macro indicators were constructive (Figure 8). Vietnam recorded a USD 7.31 bn trade surplus, its highest-ever monthly reading, while 10M/2026 state-budget investment reached VND 783.9 tn (+19.8% YoY). Headline CPI inflation held at 5.09% YoY versus 5.08% in September, and core CPI eased to 4.04%.

These releases have not lowered term funding rates, which have weighed on equities since Q2/2026. Without a decline in CD and interbank yields, we expect little index response to stronger macro data in November.

Figure 8: October trade surplus hits a record USD 7.3 bn

Vietnam macro indicators: September–October 2026 actuals and Pinetree 2026 forecasts

Indicator	09/2026	10/2026	Change	2026E
CPI, % YoY	5.08	5.09	0.01	4.5 (annual average)
Core CPI, % YoY	4.45	4.04	-0.41	-
Industrial production, % YoY	16.65	14.98	-1.67	-
Exports, USD bn	59.48	64.67	5.19	-
Trade balance, USD bn	1.27	7.31	6.04	-9.1 (full year)
Cumulative public investment, VND tn	661.8	783.9	122.1	1,042
Vietcombank USD selling rate, VND	26,160	26,020 (24/10)	-0.54%	26,300 (year-end)

Source: National Statistics Office, Ministry of Finance, Pinetree Research (10M/2026 Macro Update)

VN-Index could retest 1,600–1,650 support in November 2026

We believe the correction that began in September 2026 has further to run, with three headwinds still in place:

- Posted six- to 12-month deposit rates have fallen 50bp and may have peaked, but one-year CD yields (8.28%) and three-month interbank rates (7.56%) remain high. Banks have reduced lending rates selectively through promotional products, leaving little scope for a liquidity recovery before CD yields decline

- Foreign investors could remain net sellers. Profit-taking after the FTSE upgrade phase may be nearing an end, although post-midterm geopolitical uncertainty in the US and the global technology-stock correction could sustain selling pressure
- We forecast ex-Vingroup earnings growth of just 4.5% YoY in Q4/2026, down from 22.8% in Q3 (Q3/2026 Earnings Review), limiting the next earnings season's ability to support the index

Risks to our view: A decline in one-year CD yields in line with posted deposit rates, or a return to sustained weekly foreign net buying in November, could widen the equity earnings-yield premium from current valuations. Conversely, VN-Index could fall below 1,600 if the Fed raises rates at its 8–9 December meeting and USD/VND rises sharply.

Technical view: The medium-term downtrend remains intact. VN-Index ended October below its 50-, 100- and 200-day moving averages and twice tested the medium-term trendline, forming lower highs. On the weekly chart, the index reversed after failing to clear its 50-week moving average, while falling turnover indicates limited new buying interest. We identify initial support at 1,600–1,650, near the 100-week moving average (Figure 9).

Figure 9: VN-Index could approach its 100-week moving average support in November

VN-Index weekly technical chart and trading value, index pts and VND bn



Source: Pinetree Research

Event calendar

Figure 10: November–December 2026 events and implications for Vietnamese equities

Economic event calendar and Pinetree Research market assessment

Date	Release or event	Reference period	Market implications
Every Thursday	Petrol price adjustment	-	Should ease inflation over the coming months
11 November (effective after 30 November close)	MSCI announces November index review	-	Month-end rebalancing could temporarily increase trading volatility in Vietnamese constituents of the MSCI Frontier Markets Index
Mid-November	SBV releases credit and deposit data	10/2026	Slower deposit growth would signal tight system liquidity and limited room for lower rates
19 November and 17 December	VN30 futures expiry	-	Expiry-related flows could increase VN30-stock volatility over subsequent sessions
1 December	Circular 50 takes effect; the 85% cap remains binding	-	The cap constrains credit expansion and weighs on expectations for bank earnings growth
3 December	National Statistics Office releases CPI, industrial production and export data	11/2026	The release will shape expectations for GDP delivery and policy easing
8–9 December	FOMC meeting, Summary of Economic Projections and dot plot	-	A hawkish Fed message could lift US yields and the dollar, prolong foreign net selling and pressure USD/VND
December	2027 credit growth quotas	-	Credit quotas will shape interest-rate conditions in 2027

Source: Pinetree Research

Disclaimer

This report is prepared and issued by Pinetree Securities Corporation (Pinetree) for distribution free of charge in Vietnam. The analyst responsible for the content of this report certifies that (i) the views expressed accurately reflect that analyst's personal views about the securities and issuers discussed, and (ii) no part of the analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.

This report is built on information gathered from public sources the author believes to be reliable at the time of issue; Pinetree, however, accepts no responsibility for the accuracy, completeness or timeliness of that information, assessment or recommendation. The source of every figure quoted is printed directly beneath the table or exhibit that uses it. Assessments, forecasts and target prices are the analyst's views at the time of issue, do not represent a house view of Pinetree, and may change without notice. Pinetree is under no obligation to update this report or to notify recipients of any change.

This report is provided for the information of Pinetree's clients only and is not a commitment as to future results. It is not an offer to buy or sell any security mentioned, is not an investment recommendation, is not a report produced in the course of the licensed securities investment advisory service, and is not legal, tax or accounting advice. It has been prepared without regard to the investment objectives, financial situation or particular needs of any specific recipient. A recipient's receipt and use of this report does not constitute or establish the use of a securities investment advisory service.

Investing in securities carries risk, including the possible loss of principal. Recipients decide for themselves and bear all responsibility and risk in using this report, and should seek independent financial, legal and tax advice where needed. Pinetree, together with its affiliates, its parent company, and Pinetree's officers and employees, accepts no liability for any direct or indirect loss arising from the use of this report.

Personal data — Recipients' personal data is processed for the purpose of distributing research and related information, in line with Pinetree's privacy notice and Vietnamese personal data protection law. Recipients may unsubscribe at any time by writing to research@pinetree.vn.

Governing law and language — This statement is governed by the laws of Vietnam. It is issued in Vietnamese and English; in the event of any discrepancy between the two, the Vietnamese version prevails.

Copyright — This report is the property of Pinetree and may not be reproduced, altered, redistributed or transmitted, in whole or in part and in any form, without Pinetree's prior written consent. © Pinetree Securities Corporation. All rights reserved.

Complaints — A recipient with a complaint about this report or about the conduct of the analyst may write to Pinetree's compliance function at research@pinetree.vn.

Rating System

Stock ratings are based on the expected 12-month total return. This is the difference between the target price and the market price at the time of publication, plus the expected dividend yield. Ratings are classified as follows:

Rating	Definition
BUY	Expected 12-month total return above 15%
HOLD	Expected 12-month total return between -10% and +15%
SELL	Expected 12-month total return below -10%
UNDER REVIEW	A new event has made the forecasts no longer appropriate, so the previous rating and target price are withdrawn. This status is updated within 30 days or changed to NOT RATED.
NO RATING	The stock is mentioned for information purposes only. It carries no investment rating and may have no target price.

Contact

Tam Chi Vuong, CFA, FRM

Head of Research

tamvc@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