

PHS MONTHLY STRATEGIC REPORT FEBRUARY - 2026

USHERING IN GOOD FORTUNE



GLOBAL ECONOMIC OVERVIEW



THE NEW "CAPTAIN" FOR THE FED WITH A DIFFERENT PHILOSOPHY KEVIN WARSH - THE PERFECT INTERSECTION OF MARKET THINKING & POLITICAL FACTORS

The White House has announced the nomination of Kevin Warsh, a former Fed governor, to replace Jerome Powell as Fed chairman when Powell's term ends in May 2026. Warsh is considered a "perfect intersection" of a market-minded economist and a political ally. Furthermore, he has close ties to the elite through the Estée Lauder family.



Kevin Warsh Profile:

- **Experience at the Fed and Wall Street:** He served as a member of the Federal Reserve Board of Governors during the 2008 financial crisis. He also worked at Morgan Stanley and spent over a decade collaborating with legendary investor Stanley Druckenmiller.
- **Core Philosophy:** A proponent of free markets, he supports growth but is skeptical of excessive Fed intervention in the economy and opposes quantitative easing (QE) policies.
- **Interest Rate Views:** Warsh advocates for aggressive interest rate cuts to support economic growth, aligning with President Trump's preferences. Warsh believes that increased labor productivity driven by AI, coupled with balance sheet reduction, will help control inflation even with lower interest rates.
- **Erosion of Fed Independence:** Warsh has called for a "new deal" between the Fed and the U.S. Treasury, raising concerns that closer coordination could blur monetary independence, reshape bond issuance, increase inflation risks, and, more importantly, further erode the attractiveness of the U.S. dollar.

Source: PHS compiled

THE NEW "CAPTAIN" OF THE FED WITH A DIFFERENT PHILOSOPHY

A COMPLETELY DIFFERENT PERSPECTIVE FROM THE PREDECESSOR

Warsh can be understood to represent an era of "expensive money" in terms of quantity (scarce liquidity) but "cheap money" in terms of short-term borrowing costs.

Jerome Powell (Current)



- **Approach:** Cautious, data-driven
- **Tool:** Maintain a substantial balance sheet to ensure liquidity.

Kevin Warsh (Future)



- **Approach:** decisive, financially disciplined.
- **Tool:** Tool: Supports short-term interest rate cuts BUT opposes QE.
- **Objective:** To shrink the balance sheet, believing AI will sustainably reduce inflation in the long term.

Transition roadmap



Source: PHS compiled

Another noteworthy development was the US and India announcing that they had reached a trade agreement, moving toward the removal of the current punitive tariffs Washington is imposing on India.

Key Tariff Changes	
Abolish the 25% "Punitive" Tax	The United States has officially lifted the 25% tariff that had previously been imposed in response to India's purchase of crude oil from Russia. This is an important step toward normalizing energy relations.
General "Reciprocal" Tax Reduction	The United States has agreed to lower the general reciprocal tariff rate on most of India's exports from 25% to 18%, helping boost the competitiveness of Indian goods in the U.S. market.
Reduce the Total Tax Burden	This agreement helps reduce the actual effective tax rate on many exported goods from a peak of 50% to just 18%, delivering a major financial boost for exporting businesses.
Relief Aid for Specialized Sectors	Eliminate tariffs on aircraft and aviation parts. India also received preferential quotas for auto parts and favorable negotiation outcomes for generic pharmaceuticals.

Source: PHS compiled

- The United States and India announced that they had reached a major trade agreement, moving toward the removal of punitive tariffs that Washington had previously imposed on India. The deal includes a range of key tariff changes aimed at normalizing trade and energy relations between the two countries. Under the agreement, the United States formally eliminates the earlier 25% "punitive" tariff that had been applied in response to India's purchase of Russian oil, and lowers the general "reciprocal" tariff on most Indian exports from 25% to around 18%.
- In return, India commits to ending its purchases of Russian oil and shifting toward buying energy from the United States (and possibly Venezuela) to ensure allied energy security. The South Asian country is also expected to purchase about USD 500 billion worth of U.S. goods over the next five years, focusing on energy, high technology, aircraft, and strategic agricultural products.
- The agreement clearly reflects Washington's "carrot" approach—using tariff incentives and market access to draw India into reorienting its energy supply chain and increasing orders from the United States—thereby tightening bilateral strategic ties and attracting more allies in Asia as Russia and China expand their influence.

U.S – India Reach a Trade Agreement Efforts to Rebalance Relations with Major Power Countries

In return, India also offered a series of reciprocal commitments—mainly aimed at stopping purchases of Russian oil—as a condition for reaching an agreement with Trump.

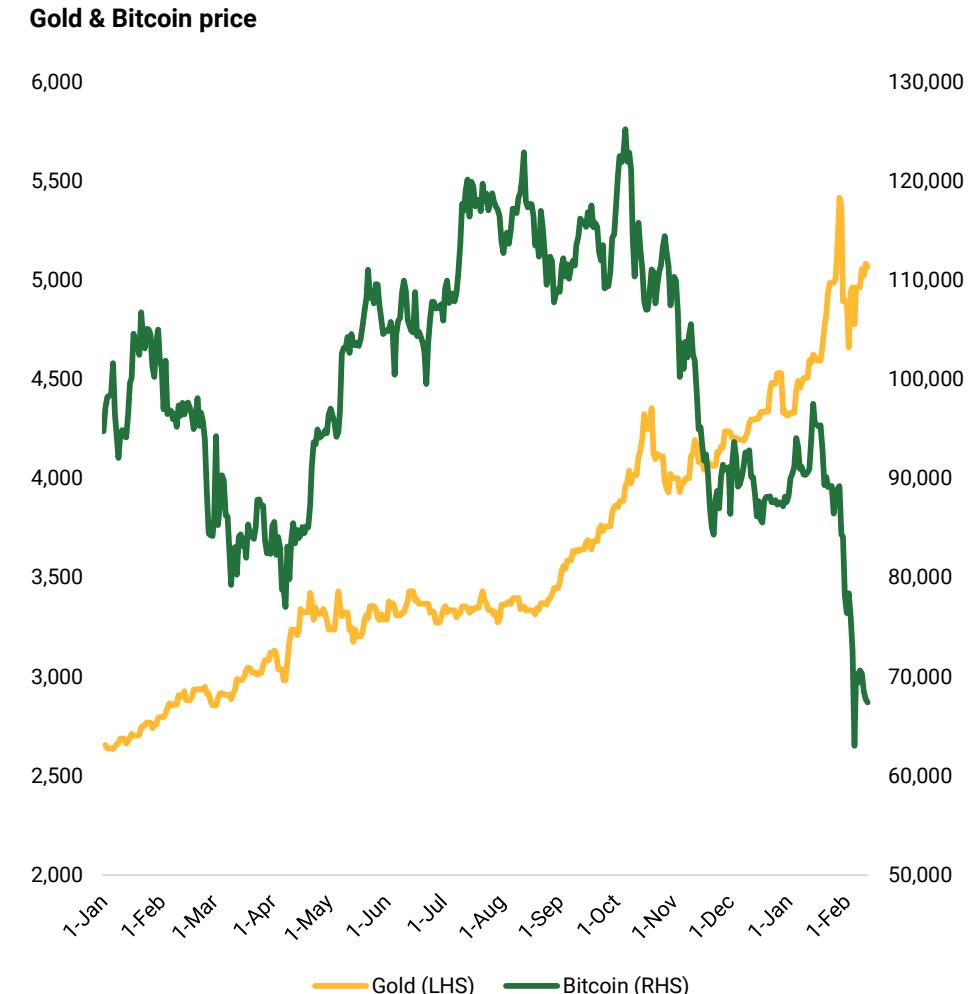
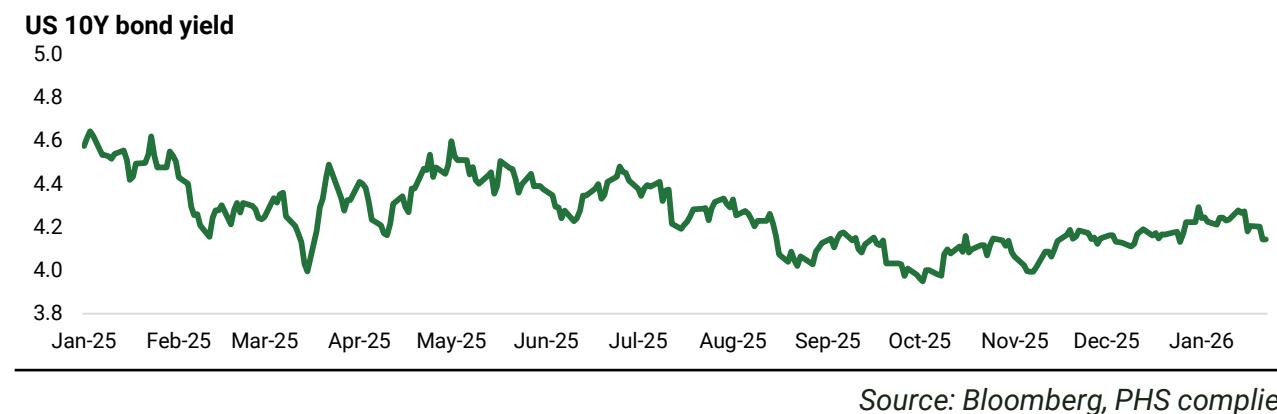
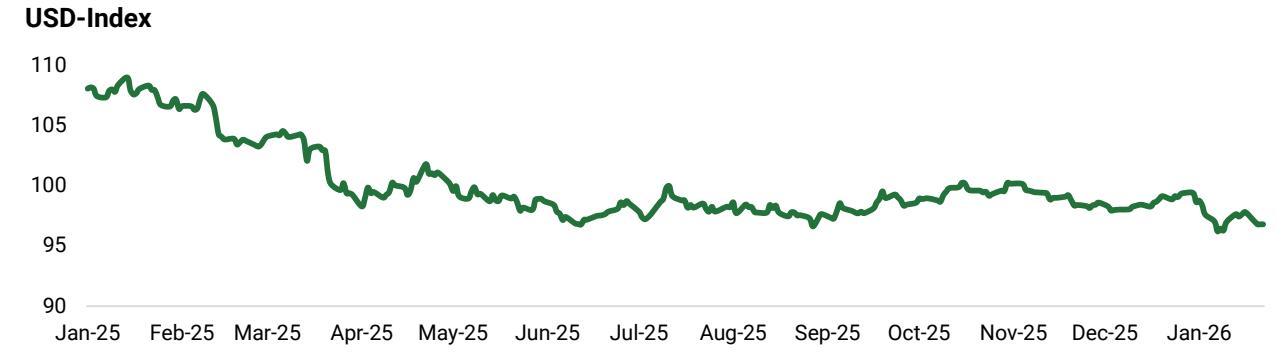
Reciprocal Commitments from India	
Stop buying oil from Russia	India has pledged to stop importing oil from Russia and shift to buying energy products from the United States and possibly Venezuela to ensure allied energy security.
A \$500 billion purchasing package	India is expected to buy USD 500 billion worth of U.S. goods over the next five years, including energy, high technology, aircraft, and strategic agricultural products.
Lower Domestic Tariff Barriers	Eliminate or reduce tariffs on U.S. industrial and agricultural goods such as tree nuts, fresh fruit, and soybean oil, opening the market to American farmers.
Digital Commerce	India will abolish the digital services tax and coordinate efforts to develop new bilateral digital trade rules to promote a transparent digital economy.

Source: PHS compiled

Financial Markets React Strongly

Concerns About a More Hawkish Fed Drive a Sharp Pullback in Risk Assets

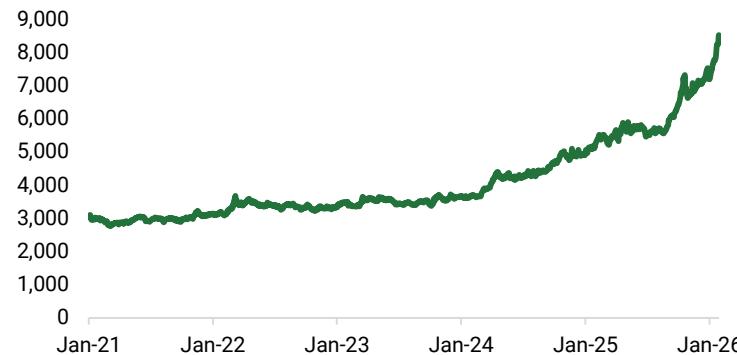
Financial markets—especially high-risk asset markets such as cryptocurrencies—saw extreme volatility in the final days of January and early February, shortly after former President Trump announced his nomination of Kevin Warsh for Fed Chair. Bitcoin fell more than 32% over the past few days, dropping to its lowest level since October 2024 and down more than 50% from the peak set in September 2025. Similarly, gold and silver also recorded a sharp correction after their earlier rally, declining by 14% and 32%, respectively, in just the two sessions on 30/01 and 02/02.



Data as of 27/01/2026

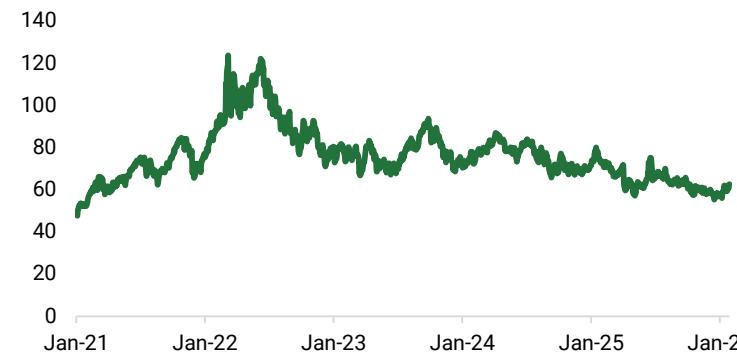
COMMODITY MARKET

Gold Price



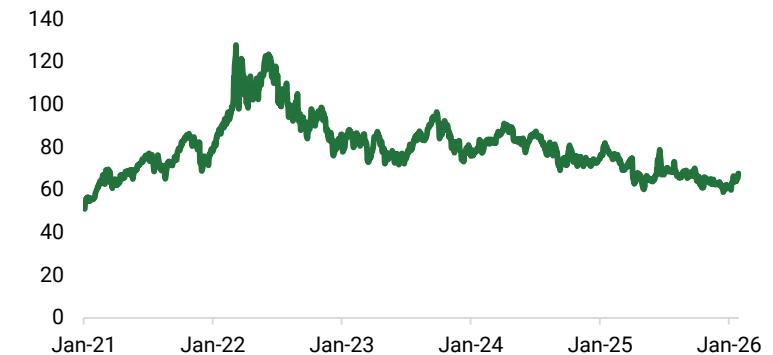
Source: Bloomberg, PHS complied

WTI



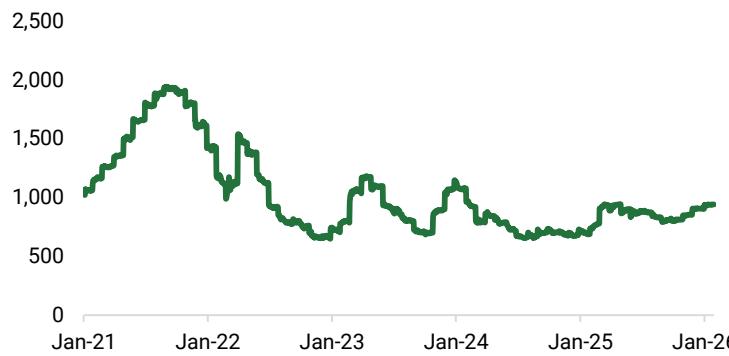
Source: Bloomberg, PHS complied

Brent



Source: Bloomberg, PHS complied

Steel



Source: Bloomberg, PHS complied

Rubber



Source: Bloomberg, PHS complied

Sugar



Source: Bloomberg, PHS complied

Economic Calendar – February 2026

Date	Event	Forecast	Impact
02/02/2026	US - ISM Manufacturing Jan/2026.	48.2 (+0.63% MoM)	☆☆☆
04/02/2026	EU – Inflation rate	2.0% (+10 bps)	☆☆☆
	US – ISM Services PMI	54.3 (-0.37% MoM)	☆☆
05/02/2026	EU – ECB Press Conference		☆☆☆
	EU – ECB Interest Rate Decision	2.15% (Unchanged)	☆☆☆
	EU – Deposit Facility Rate	2% (Unchanged)	
06/02/2026	US – Unemployment Rate	4.5% (+10 bps)	☆☆☆
11/02/2026	CN – Inflation rate		☆☆☆
	US - Inflation rate		☆☆☆
	US – CPI		☆☆
	US – MBA 30-year Mortgage Rate		☆☆
19/02/2026	US – FOMC Minutes		☆☆☆
20/02/2026	US – GDP Growth Rate		☆☆☆

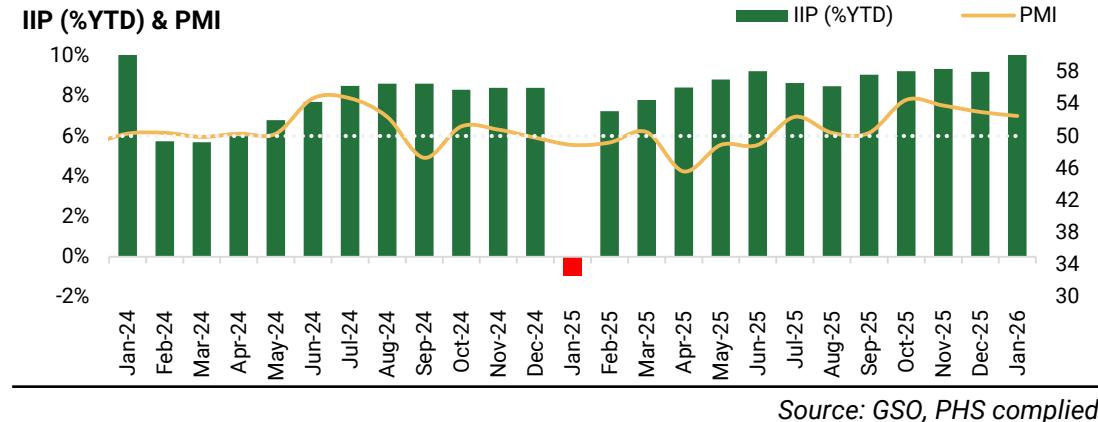
Source: PHS compiled

- President Trump's pick for the Fed "hot seat," while not particularly surprising to the financial elite, is seen as a strategic move to balance market expectations with domestic political calculations. Warsh's policy views are expected to differ markedly from those of current Chair Jerome Powell, as reflected in his repeated criticism of the Fed in recent years for being slow to cut interest rates. This means that once he formally leads the FOMC, Warsh is likely to steer the Fed back into a rate-cutting cycle after the pause, with the first cut potentially coming at the June meeting. However, Warsh also holds a relatively hardline stance on intervention tools such as Quantitative Easing (QE), which he argues distort market signals and the structure of the economy. This stance implies a scenario in which global liquidity becomes relatively tighter as the Fed's "money spigot" is more likely to be turned down, pushing long-term funding costs higher while keeping short-term rates low. The combination of low interest rates and a scarcer liquidity environment would deliver a shock to assets that depend on abundant capital flows and inflation expectations.
- Alongside domestic turbulence, the U.S. administration's foreign-policy moves are also sending ripples through global markets. The implementation of a "stick and carrot" approach is clearly reflected in two opposing executive orders: on the one hand, imposing additional tariffs on any country that trades with Iran to increase diplomatic pressure; on the other hand, lifting trade sanctions on India. Coupled with steps to expand influence in strategic areas such as Greenland, this suggests the United States is proactively reshaping the geopolitical order and curbing the growing influence of Russia and China.
- These strategies also appear intended to reinforce the U.S. dollar's dominant position, as the rapidly accelerating trend of de-dollarization is challenging Washington's traditional tools of influence. As a result, in the short term, the dollar may continue its appreciation until the Fed officially enters an interest-rate cutting cycle. A relative tightening of global U.S. dollar liquidity, guided by the incoming Fed Chair, amid economic uncertainty and sharp volatility in risk assets, is likely to further strengthen the status of the greenback and gold as leading safe-haven assets.

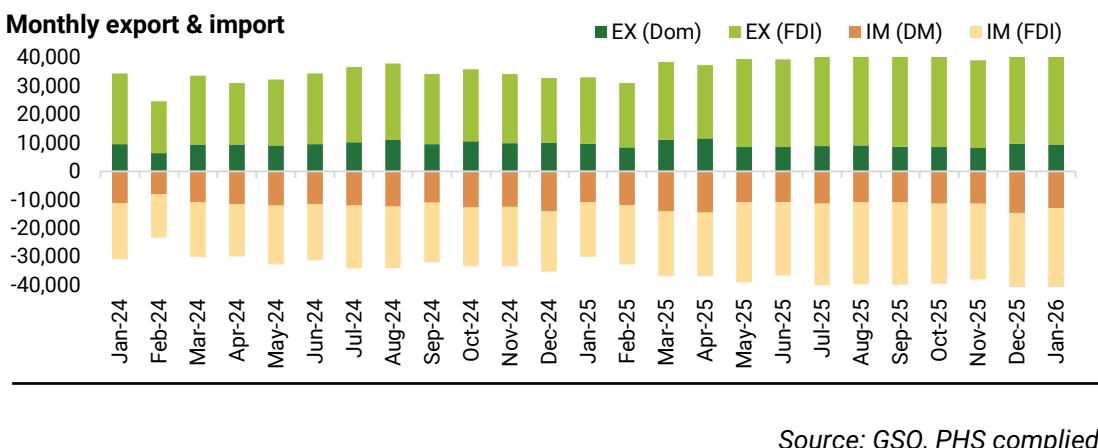
VIETNAM ECONOMIC OVERVIEW



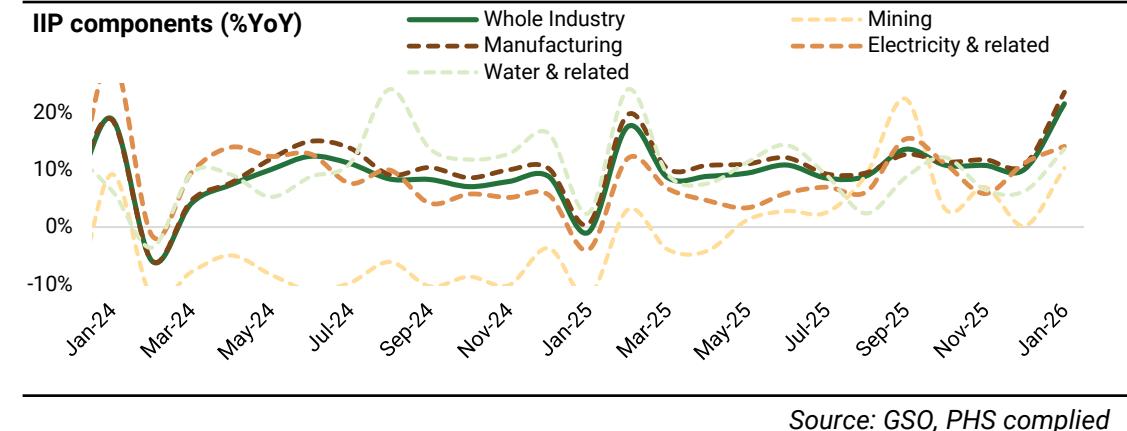
Manufacturing activity in January continued to show positive signals as the PMI reached 52.5 points. Although this was slightly lower than the 53.0 points recorded in December 2025, the index remained firmly above the 50-point threshold, indicating a clear improvement in business conditions and marking the seventh consecutive month of growth in the manufacturing sector.



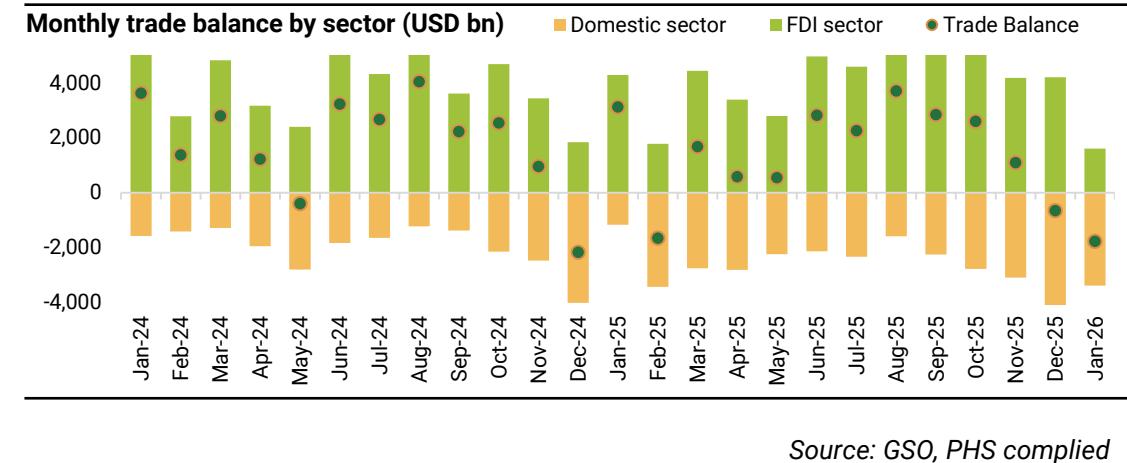
Total merchandise import-export turnover in January 2026 is estimated at around USD 88.16 billion, up sharply by 39% YoY. Of this, export turnover reached USD 43.19 billion, an increase of 29.7% YoY, while import turnover stood at USD 44.17 billion, posting a higher rise of 49.2% YoY.



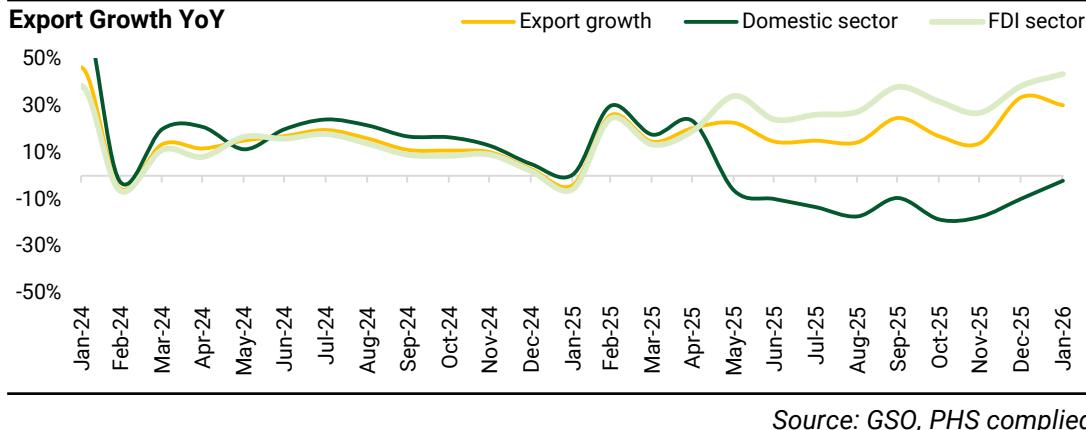
Industrial production growth in January tended to edge down slightly compared to the previous month, but surged by 21.5% YoY, mainly because the Lunar New Year in 2025 fell in January, creating a low base of comparison. The growth momentum still comes primarily from the industrial manufacturing sector.



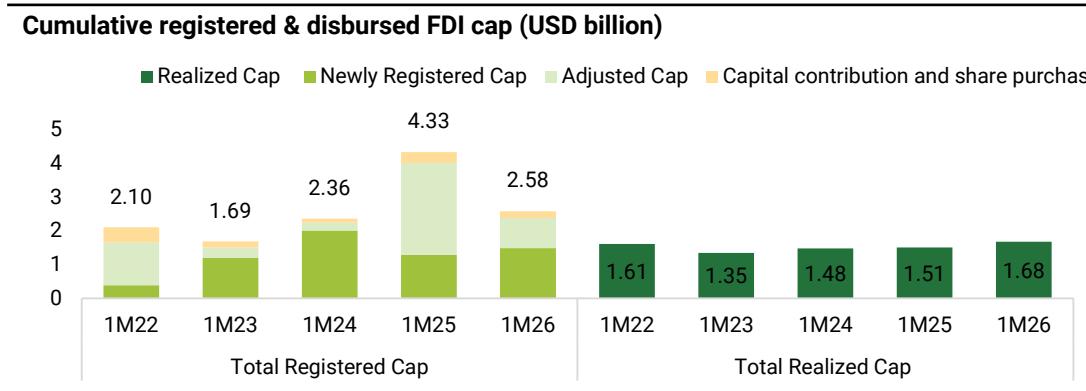
The sharp increase in imports also partly reflects a clear recovery in both input demand for production and domestic consumption; however, it simultaneously puts pressure on the trade balance right from the beginning of the year, causing the merchandise balance in January 2026 to move into deficit.



Exports continued to be strongly supported by the FDI sector, which accounts for a large share of total export turnover. This reflects the increasingly evident competitiveness of the integrated industrial production chain, particularly in high-tech industries and manufacturing.

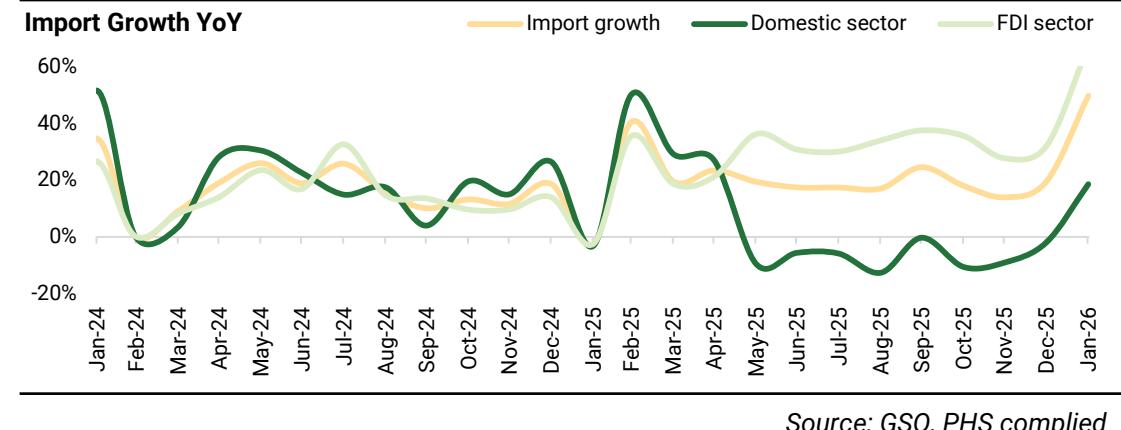


Total registered foreign investment capital reached USD 2.58 billion, down 40.6% YoY. The main reason was a sharp decline in the value of adjusted capital and capital contributions for share purchases, while newly registered capital still increased slightly.

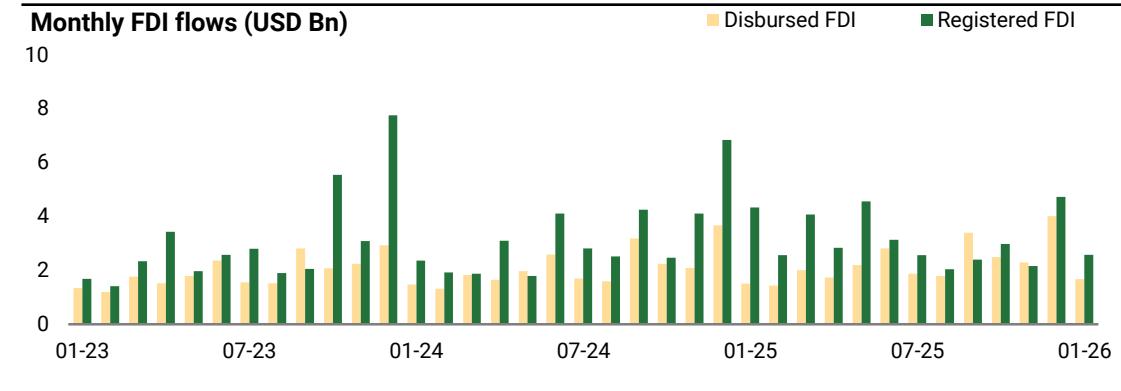


VIETNAM ECONOMIC OVERVIEW

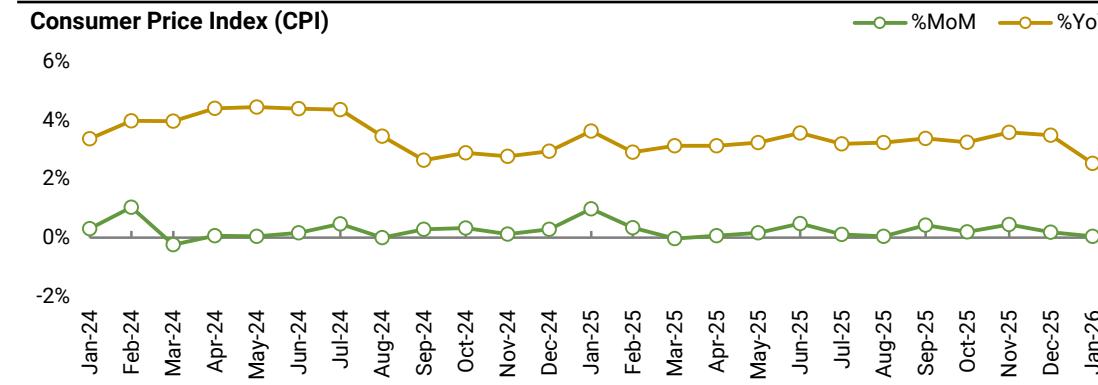
Most of the increase in imports came from demand for capital goods, which accounted for around 94% of total import turnover. Imports were mainly concentrated in machinery, equipment, spare parts, and input materials, partly reflecting an expansion in production scale along with rising demand during the Lunar New Year peak season and the early part of the year.



Disbursed FDI is estimated at USD 1.68 billion in January 2026. This is the highest January disbursement level in the past five years and represents an increase of 11.3% YoY. This indicates that the actual capital inflows into production and services in Vietnam are still maintaining a solid growth pace.

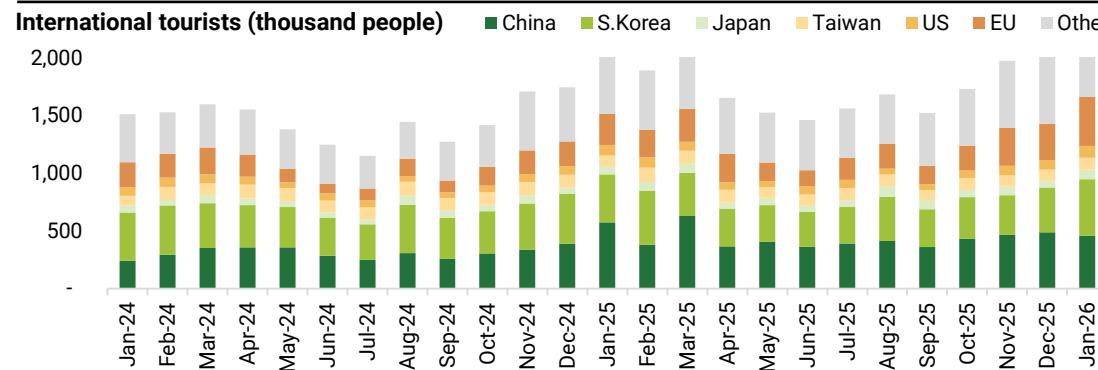


CPI in January 2026 inched up by only 0.05% compared to the previous month. Year-on-year, CPI increased by 2.53%, indicating that inflation continues to be well controlled and remains at a stable level.



Source: GSO, PHS complied

Vietnam welcomed nearly 2.5 million international visitors in January 2026, up about 21.4% MoM and 18.5% YoY. This is the highest monthly number of international visitors ever recorded since monthly data began in 2009.

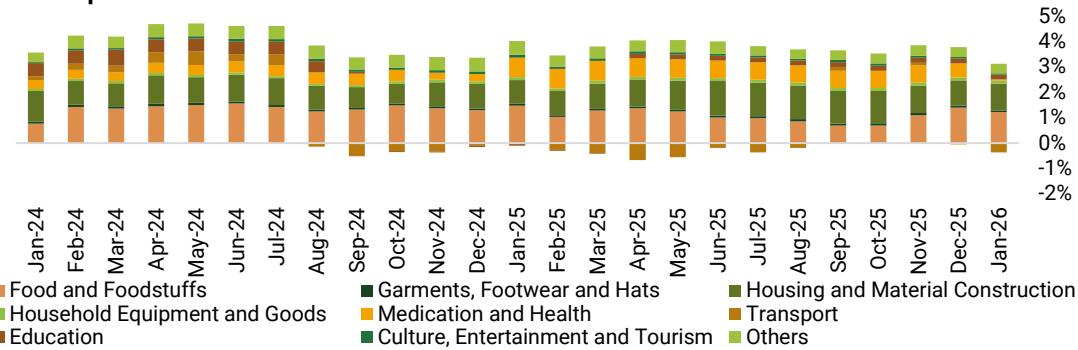


Source: GSO, PHS complied

VIETNAM ECONOMIC OVERVIEW

Overall, the CPI increase this month was mainly driven by pre-Lunar New Year seasonality and stronger consumer demand, pushing up pork, catering, and other service prices, as well as housing, electricity, water and related costs due to higher repair demand and rising gas prices. Conversely, continued declines in fuel prices helped curb the overall CPI rise.

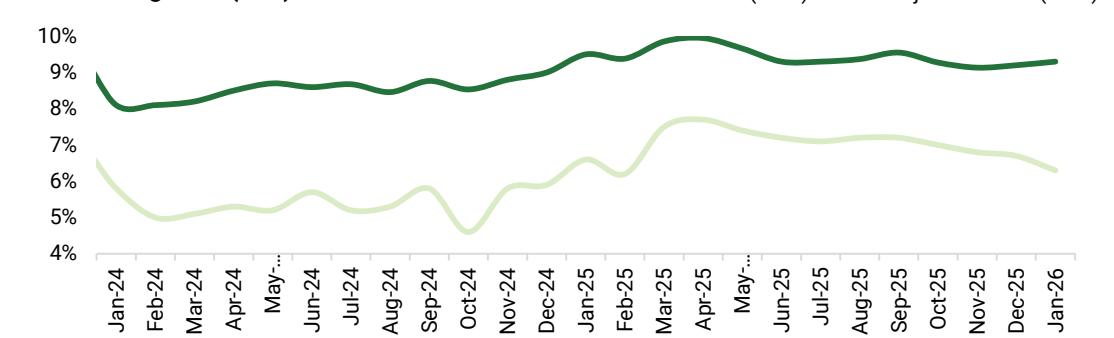
CPI components



Source: GSO, PHS complied

Retail sales continued to grow 9.3% YoY, reflecting domestic consumer demand and a strong recovery in service activities, especially tourism. However, real retail growth after adjusting for inflation has tended to slow, indicating that consumers' real purchasing power remains weak as core inflation continues to erode disposable income.

Retail sales growth (YTD)



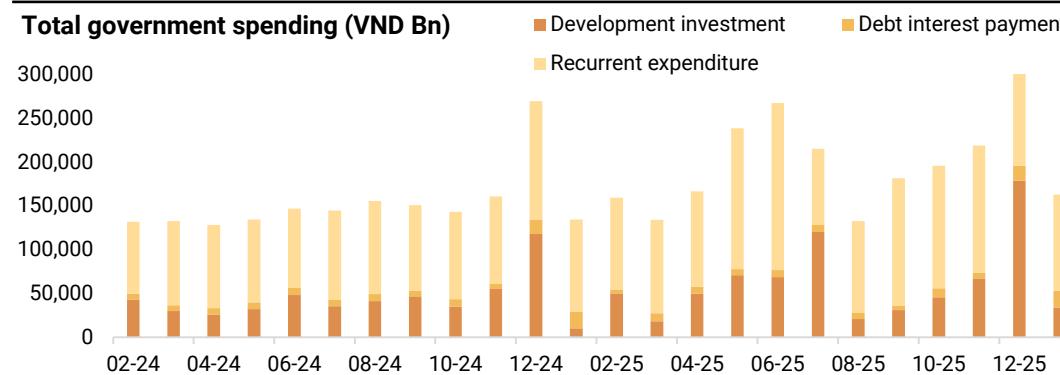
Source: GSO, PHS complied

As revenue grew much faster than expenditure, the State budget recorded a sizable fiscal surplus in Jan. Total budget expenditure was estimated at around VND 163 trillion, equivalent to about 5.2% of the full-year plan, of which public investment spending reached only roughly 3% of the target, indicating that disbursement progress remains slow and has yet to become active from the very beginning of the year.

	1M2026	%Plan	%YoY	2026 Plan
State budget revenue	370,700	14.66%	34.36%	2,529,467
- Taxes and fees	341,700	15.53%	33.79%	2,199,967
- From crude oil	3,500	8.14%	-12.50%	43,000
- From export-import	25,500	9.17%	54.55%	278,000
State budget expenditure	163,000	5.16%	21.28%	3,159,106
- Investment and development expenditure	34,100	3.04%	227.88%	1,120,227
- Interest payments	18,900	15.60%	-0.53%	121,131
- Recurrent expenditure	110,000	6.08%	4.76%	1,808,996
Budget balance	207,700			-629,639

Source: GSO, PHS complied

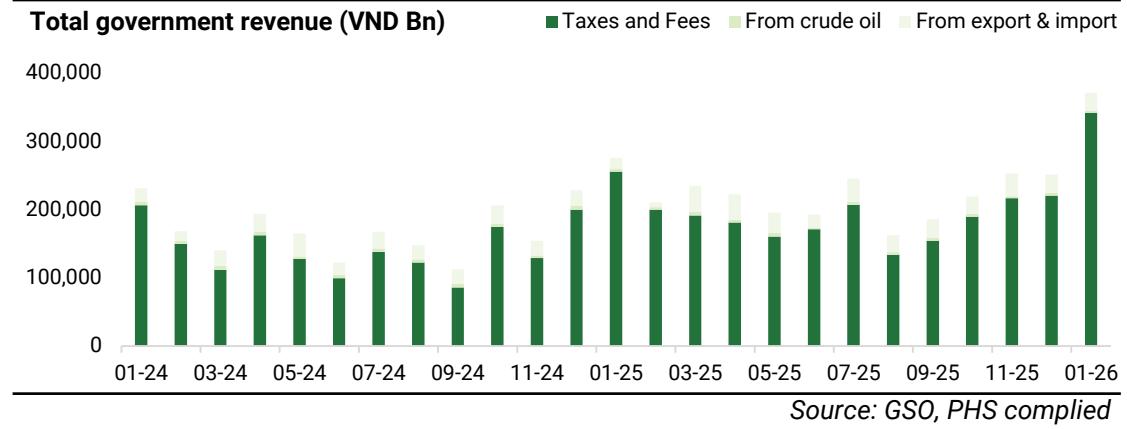
State budget spending in January remained low and public investment disbursement was still slow, despite many infrastructure projects being inaugurated in December 2025. Besides seasonality, preparations for Party congresses and the restructuring of state agencies likely prompted a more cautious rollout of public investment, delaying disbursement in the short term.



Source: GSO, PHS complied

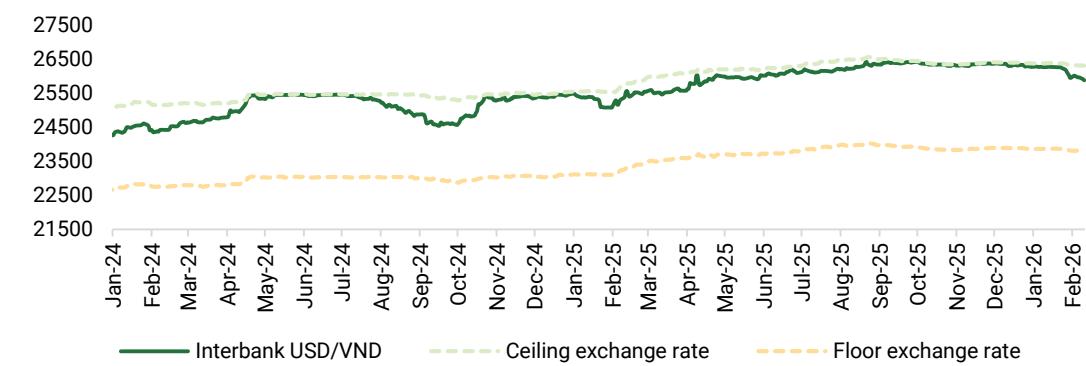
VIETNAM ECONOMIC OVERVIEW

State budget revenue in January rose sharply mainly due to 2025 tax finalization and seasonal revenue items such as corporate income tax, personal income tax, dividends, and distributed profits. As these revenue sources are typically concentrated at the beginning of the year, the high January revenue primarily reflects seasonal factors.



Source: GSO, PHS complied

Entering 2026, the USD/VND exchange rate showed a positive trend in the early part of the year, falling about 1% YTD and standing nearly 2% below the peak of 26,450. This decline was mainly supported by seasonal factors such as increased remittances, higher FDI inflows, a cooling in the black exchange rate, and a sharp rise in swap interest rates due to a sudden surge in VND liquidity demand in the period ahead of Tet.



Source: Refinitiv, PHS complied

- Economic activity in January recorded strong growth, reflected across the manufacturing, retail, and services sectors. With the Lunar New Year approaching, businesses tended to ramp up production to meet rising consumer demand, while household spending also increased sharply on shopping and services. At the same time, the number of international visitors to Vietnam rose markedly, setting a new all-time record and contributing to the expansion of related service industries such as accommodation, food and beverage, and transportation. The Manufacturing PMI in January reached 52.5 points, indicating that the manufacturing sector continued to expand for the seventh consecutive month. Notably, key components such as output, new orders, and employment all recorded faster growth compared to previous months, reflecting improving demand conditions and a more positive production outlook. Business confidence also climbed to its highest level in 22 months, signaling increasingly optimistic expectations for the economic outlook ahead. The strong growth observed in January this year was also partly driven by a low base effect, as economic activity in the same period last year was significantly affected by the Lunar New Year holiday. This factor led many economic indicators to post outstanding year-on-year growth rates (in double digits).

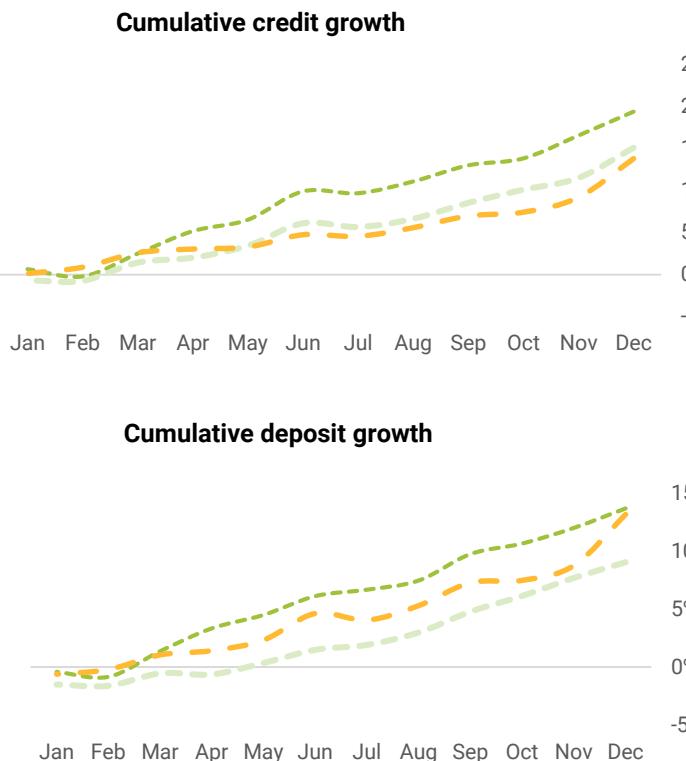
- However, despite these bright spots, the economy continues to face underlying challenges. Although several major infrastructure projects were announced as completed in mid-December, the disbursement of public investment capital in January 2026 remained relatively modest. We believe that public investment disbursement is likely to continue at a slow pace throughout most of Q1 2026, until the process of consolidating and restructuring senior leadership is completed, thereby exerting some drag on short-term growth momentum. In the import-export sector, bottlenecks related to congestion at border gates, driven by the impact of Decree 46, are expected to significantly affect a volume of imported goods and domestic consumption in late January and early February. This, in turn, may weigh on the financial health of many businesses and households.

=> We assess that the Ministry of Finance's targeted GDP growth of 9-10% for Q1 will face considerable challenges under the current domestic economic conditions. Accordingly, PHS adopts a more cautious view, expecting Q1 growth to hover around 8%. Growth momentum is expected to improve more clearly in the second half of the year, as policy space is utilized more effectively and the macroeconomic environment becomes more supportive.

VIETNAM ECONOMIC OVERVIEW

Indicator	Government plan for 2026	1M2026	PHS 2026F
GDP (%YoY)*	>10%		8.5%
Average CPI (%YoY)	4.5%	2.5%	3.9%
Urban unemployment rate	<4%		3.0%
Credit growth		+0.57%	15%
Disbursement rate compared to plan	>95%	3.04%	80%
Import growth (YTD YoY)		49.2%	8.7%
Export growth (YTD YoY)		29.7%	8.2%
IIP growth		21.5%	8% - 10%
Retail sales growth		9.30%	8% - 10%
FDI disbursement (% YoY)		11.2%	6 - 8%

As of 09/02/2026	
Average 12-Month Deposit Interest Rate	5.77%
SJC (million VND/tael)	178 - 181
USDVND exchange rate	25,914 (-1.50% YTD)
VNT 10yrs bond yield	4.11% (+7 bps YTD)



Stepping into 2026, the USDVND exchange rate has been strongly supported in the early part of the year, falling about 1% compared with the beginning of the year and nearly 2% from the peak of 26,450, mainly thanks to the following key factors:

- Sharp decline of the DXY:** The DXY index has dropped steeply to around 96 points – its lowest level in the past four years.
- Boost from foreign-currency supply (Seasonal Inflow):** Q1 has seen inflows from the main pillars of exports, FDI, and remittances. In particular, remittances continue to play the role of a solid “backstop”; according to the SBV’s Ho Chi Minh City Branch, remittances in 2025 exceeded USD 10.34 billion (up 8.3% YoY), creating a very large actual FX supply right at the start of 2026. In addition, realized FDI in January reached nearly USD 1.7 billion, up 11.3% YoY, higher than the growth rate in 2025 (around 9%).
- Cooling effect from the black market:** The black-market exchange rate has retreated sharply to around 26,500, down more than 5% from the peak of 28,000. The narrowing gap between the two markets has curtailed speculative and arbitrage activities, helping to ease pressure on the interbank exchange rate.
- Another important factor is the spike in funding costs:** A sudden surge in VND liquidity demand in the pre-Tet period drove funding costs sharply higher. At one point, VND interest rates spiked to 20% in the session on 03/02, the highest level in more than a decade. This pushed swap rates up strongly and dragged the exchange rate down.
- Short-term reversal in hedging strategy:** High hedging costs during this period have prompted customers to sell USD instead of hedging in the short term, which has also created temporary inflows from USD loans.

However, we believe these factors are currently only seasonal in nature in Q1. The exchange rate may hit a short-term bottom during this period, fluctuating around the 25,800–26,100 range.

3. VIETNAM STOCK MARKET



Early-year breakout toward the new 1900 point milestone, but momentum slowed thereafter



Significant events in January 2026

- 02/01: Vietnam PMI for December at 53, slightly lower m/m.
- 05/01: Vietnam's 2025 GDP growth estimated at 8.02%
- 06/01: Politburo issued Resolution No. 79-NQ/TW.
- 12 – 28/01: Live hog prices surged ahead of Tet, then eased.
- 22/01: Fitch upgraded Vietnam's senior secured long-term debt rating.
- 28/01: The U.S. dollar fell sharply, while the domestic exchange rate cooled.
- Late Jan: Interbank rates rebounded, extending a three-week uptrend.
- 04/01: OPEC+ kept output unchanged amid geopolitical risks.
- 07/01: Trump signed an executive order withdrawing the U.S. from 66 international organizations.
- 11/01: Fed Chair Jerome Powell faced a criminal investigation
- 14/01: The U.S. threatened a 25% tariff on Iran's trading partners.
- 20/01: Japanese government bonds sold off sharply, yields hit 4%.
- 21/01: Trump reiterated his demand to take control of Greenland.
- 29/01: The Fed kept rates unchanged at 3.5%–3.75%.

Global equities diverged amid profit-taking pressure while commodities saw sharp volatility

Market Performance in January 2026

Country	Index	% MoM
USA	Dow Jones Index	1.7%
Japan	NKY Index	5.9%
China	SHCOMP Index	3.8%
Taiwan	TWSE Index	10.7%
Korea	KOSPI Index	24.0%
Germany	DAX Index	0.2%
Singapore	STI Index	5.6%
Thailand	SET Index	5.2%
Malaysia	FBMS Index	1.5%
Indonesia	JCI Index	-3.7%
Philippines	PCOMP Index	4.6%
India	NIFTY Index	-3.1%
Vietnam	VNINDEX	2.5%
<hr/>		
Intermarket		
	Dollar Index	-1.4%
	Gold	13.3%
	Bitcoin	-4.0%
	Crude oil WTI	13.6%
<hr/>		
Interbank interest rates		
	5.2% overnight 7.3% 1M tenor	

Source: Bloomberg, as of 30/01/2026

Global equities were mixed. Markets were simultaneously influenced by persistent uncertainty over monetary policy, heightened geopolitical tensions (Venezuela, Greenland), and an ongoing asset repricing process. We expect capital flows to remain selective across regions and sectors, reflecting a cautious stance amid still-misaligned macro signals.

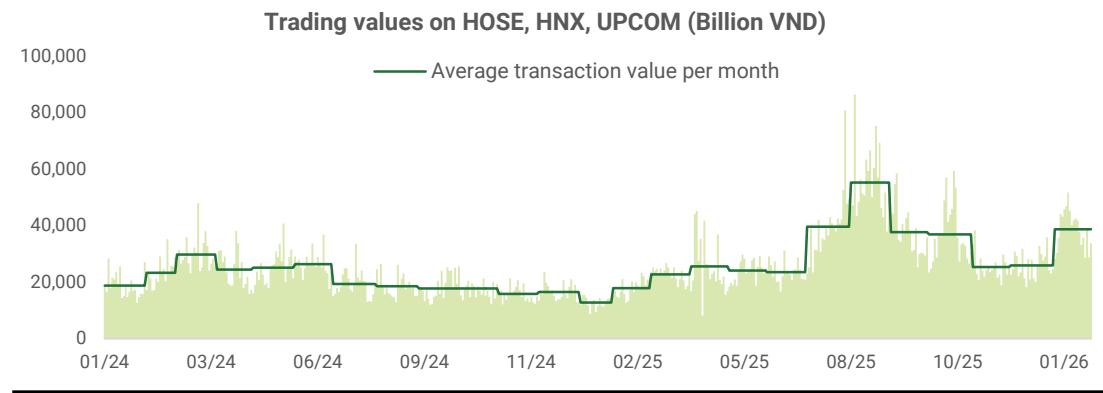
Gold and silver saw sharp volatility. Both metals surged at times to new record highs, with gold breaking above USD 5,000/oz and silver surpassing USD 100/oz, supported by safe-haven demand and expectations of monetary easing. However, the trend later reversed as profit-taking intensified and rate expectations shifted following news that President Donald Trump nominated Kevin Warsh as Fed Chair. Meanwhile, the U.S. dollar showed signs of recovery toward month-end, alongside a renewed rise in bond yields.

Crude oil rebounded from its lows, supported by U.S.-Iran geopolitical tensions and OPEC+'s pause in output increases in Q1. Concerns over potential supply disruptions in the Middle East, particularly around the Strait of Hormuz, briefly pushed prices above USD 65/bbl. As tensions eased and the prospect of renewed dialogue emerged, prices cooled but remained higher in the month.



Source: TVC; PHS compilation as of 02/02/2026

Average trading value across the three exchanges in January reached nearly VND 38.7 trillion, up more than 49% m/m.



Source: FiinProX, PHS compiled

The P/E ratio surged rapidly but failed to sustain momentum, easing back below the 10-year average. Current valuations remain well below the recent peak seen during 2021–2022.

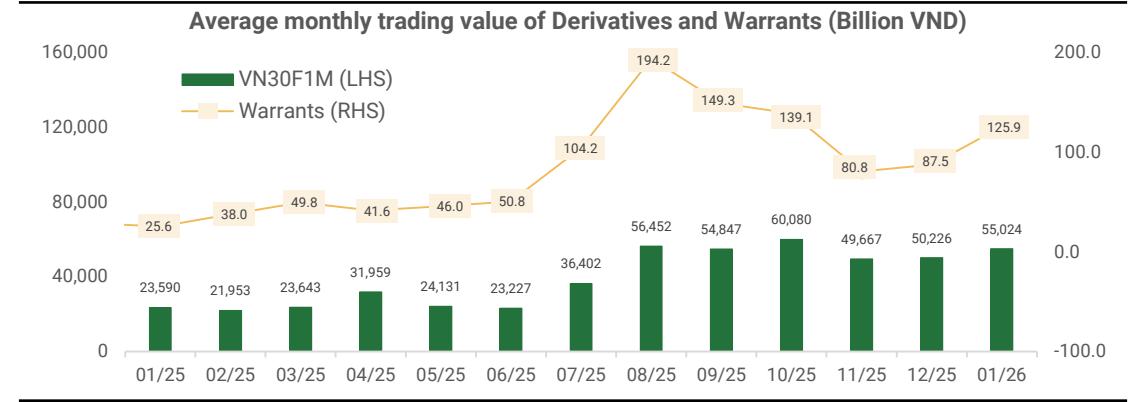


Source: FiinProX, PHS compiled

VIETNAM STOCK MARKET

Liquidity recovered after the late-year lull

Warrant trading value rebounded sharply in line with the underlying market, while derivatives trading remained stable.

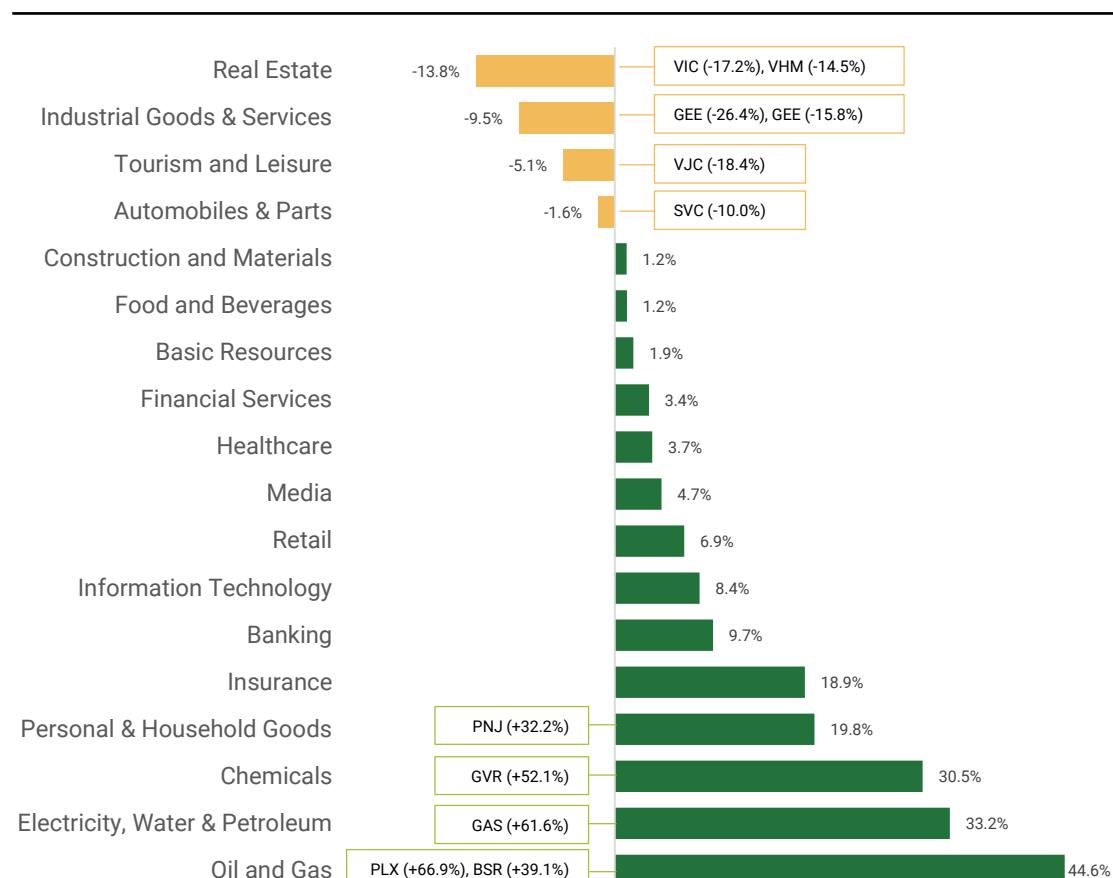


Source: FiinProX, PHS compiled

- **Average liquidity across the three exchanges in January 2026 rebounded strongly after the year-end lull.** The earnings season was active, with many companies maintaining growth and delivering results above expectations, providing additional support to market sentiment. In addition, the issuance of Resolution 79 acted as an important catalyst, driving gains among leading state-owned enterprises and creating a positive spillover effect across the broader market.
- The warrant market also recovered in line with the underlying equity market, with average trading value exceeding VND 125 billion per session, up more than 40% m/m. Trading value in the derivatives market improved as well, albeit more steadily, averaging around VND 55 trillion per session, up nearly 9%.
- **As of 30/01/2026, the market was trading at a P/E of 15.22, below the 10-year average of 15.34 and above the 5-year average of 14.35.** Nevertheless, compared with the recent peak during 2021–2022, when the P/E traded around 18–19, current market valuations remain relatively attractive.

Leadership has shifted with state-owned enterprises as the main driver

Sector Performance on HOSE in January (MoM)



Source: FiinProX, PHS compiled

Percentage of impact on VN-Index by stock code in January 2026

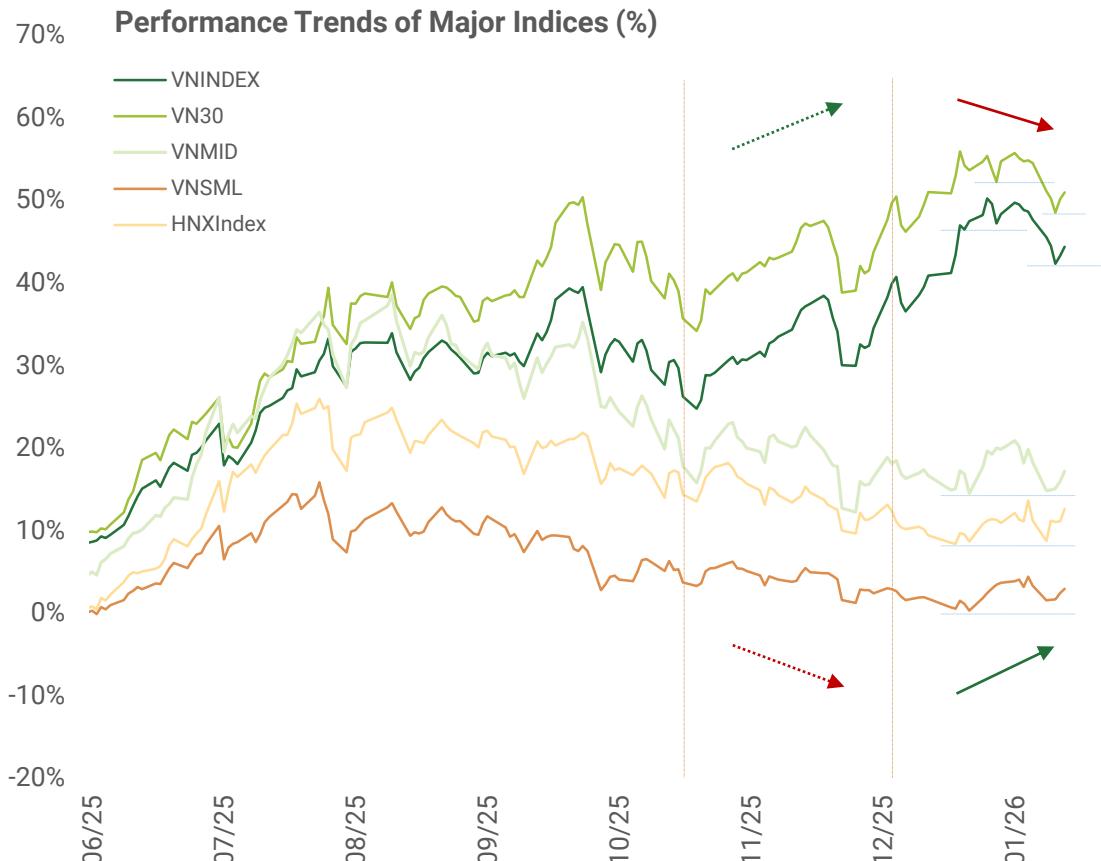
SOE Group	% Impact VN-Index	Vin Group	% Impact VN-Index	Other	% Impact VN-Index	Vn-index
VCB	1.30%	VIC	-2.70%	MCH	-0.33%	
GAS	1.29%	VHM	-0.90%	GEE	-0.28%	
BID	1.26%	VRE	-0.09%	VJC	-0.27%	
GVR	0.66%	VPL	-0.04%			
BSR	0.38%					
PLX	0.36%					
CTG	0.28%					
	5.53%		-3.7%		-0.9%	2.5%

Trading highlights in January 2026

- Resolution 79 acted as a key catalyst, triggering a strong rally in SOE stocks during the month. The market responded positively to expectations of faster restructuring, divestment, improved governance, and the re-unlocking of asset value, particularly among large-cap, industry-leading enterprises. **We view this as a pivotal reaction; upcoming macro policy developments are likely to carry high sensitivity and play a guiding role for capital flows, warranting close monitoring.**
- The shift in market leadership has become more evident, in line with our expectations. The role of former pillars (led by Vingroup, Vietjet, and Gelex) has weakened, while **leading SOE stocks have emerged as the primary drivers of index gains**. Notably, state-owned banks (VCB, BID, CTG) stood out, contributing more than 2.8 percentage points to the overall index increase.
- With a firmer market anchor in place, capital flows have broadened more constructively, creating a more positive market backdrop.** Most sectors outperformed the benchmark, particularly within the mid-cap segment. Energy, Utilities, Chemicals, and Insurance were among the top-performing sectors during the month.

Capital flows shifted from large caps to mid and small-cap stocks

VN30 performance weakened, forming lower lows, while mid- and small-cap stocks rebounded with higher lows



The share of stocks trading above their MA20 and MA50 recovered well in early January, then pulled back toward month-end, but still maintained higher lows.



- VN30 performance weakened, marked by a declining peak structure and lower lows. In contrast, mid- and small-cap stocks showed more constructive dynamics: despite a pullback in performance, they continued to trade with higher lows. **After a period in which capital flows were polarized and concentrated in large caps, a rotation toward mid- and small-cap segments has emerged.**
- Market breadth improved as the share of stocks trading above their MA20 and MA50 temporarily exceeded the 50% average threshold. Nevertheless, breadth weakened again toward month-end amid adjustment pressure from the broader index. That said, **we view the persistence of a higher-low pattern in market breadth as a positive signal, indicating a strengthening underlying foundation.** Should additional supportive catalysts emerge, a recovery in market breadth is expected.

Earnings performance remained constructive, but capital flows were highly selective

Many sectors continued to post positive earnings in Q4 as well as for full-year 2025. However, capital flows remained highly selective, as not all sectors with solid results attracted inflows. Trading activity was concentrated in Chemicals, Insurance, Energy, Personal and Household Goods, Telecommunications, and Utilities. **We expect this capital rotation and divergence to persist, driven by a repricing of future growth expectations amid ongoing macroeconomic uncertainties.**

Average monthly trading value by sector across the market (VND bn)

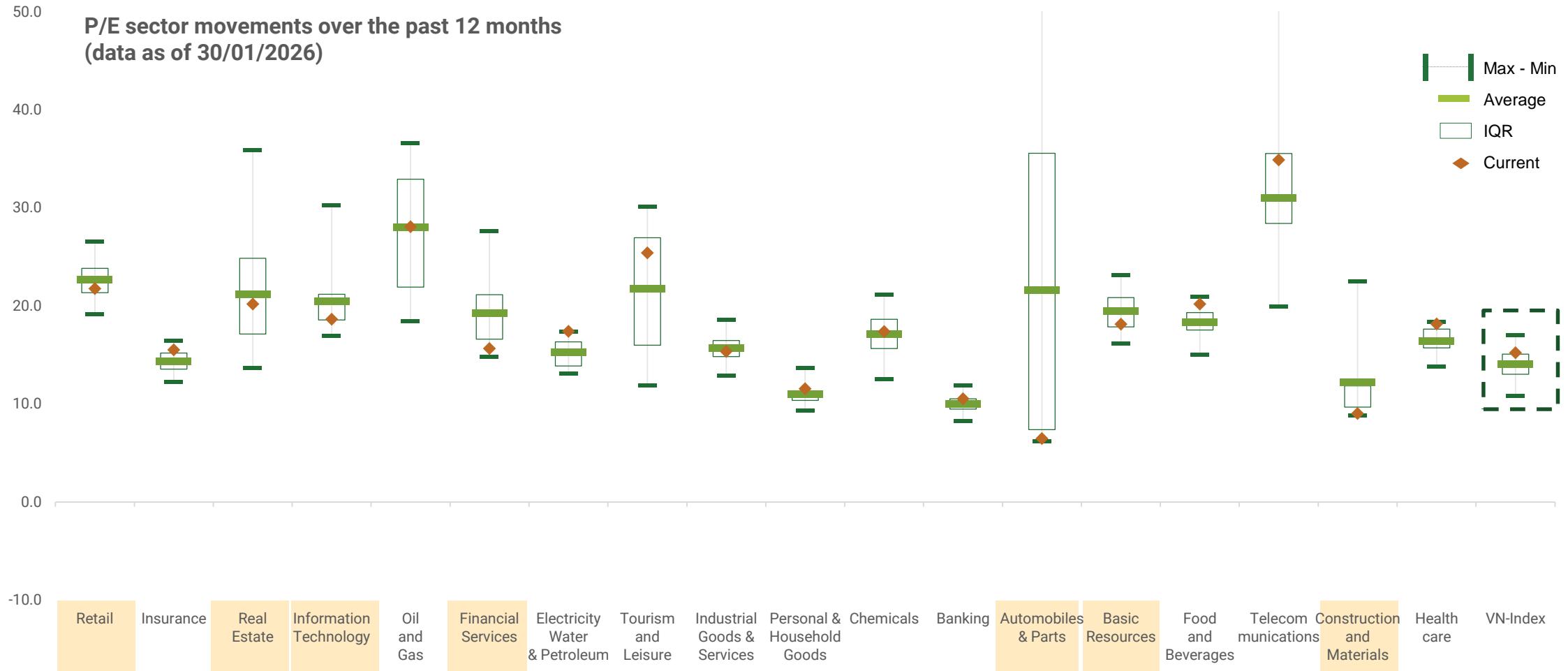
	06/2025	07/2025	08/2025	09/2025	10/2025	11/2025	12/2025	01/2026
Automobiles & Parts	224	346	433	580	290	190	126	145
Banking	5,472	9,436	15,550	9,666	9,112	5,756	6,504	10,841
Basic Resources	1,163	2,201	3,305	3,247	1,900	1,205	1,151	1,566
Chemicals	1,030	1,371	1,471	663	630	708	786	1,349
Construction and Materials	1,288	2,214	3,253	2,276	2,030	1,294	1,141	1,513
Financial Services	2,986	7,392	9,847	6,464	6,256	4,115	3,545	5,106
Food and Beverages	1,955	2,619	3,299	2,235	2,380	1,845	2,085	2,561
Healthcare	91	87	105	89	69	82	107	72
Industrial Goods & Services	1,410	2,518	2,793	1,685	2,311	1,811	1,462	1,915
Insurance	36	51	121	58	41	130	63	163
Media	86	80	114	54	31	20	35	32
Oil & Gas	763	698	1,274	700	553	817	609	2,190
Personal & Household Goods	238	334	330	194	186	167	160	385
Real Estate	4,210	6,775	8,656	6,357	7,688	4,797	5,093	5,924
Retail	824	1,105	1,324	992	1,020	741	928	1,126
Information Technology	846	1,139	1,380	1,413	1,225	997	631	1,228
Telecommunications	61	89	102	31	56	117	40	326
Tourism and Leisure	302	493	559	432	710	618	1,019	582
Utilities	477	552	631	451	325	318	372	943
Whole market	23,463	39,501	54,547	37,588	36,815	25,728	25,857	37,967

Net sales/TOI (yoY)		NPAT (yoY)	
Q4	12M	Q4	12M
12%	16%	53%	418%
15%	13%	21%	19%
1%	-1%	34%	41%
-2%	13%	-28%	26%
21%	17%	36%	57%
74%	52%	89%	77%
-1%	0%	32%	14%
7%	6%	40%	5%
6%	9%	3%	12%
7%	7%	-4%	26%
0%	-1%	-30%	-9%
22%	15%	267%	98%
7%	1%	54%	34%
130%	63%	184%	86%
28%	17%	134%	84%
17%	14%	16%	23%
19%	20%	5%	51%
38%	13%	43%	-9%
25%	12%	52%	41%
27%	15%	50%	34%

Source: FiinProX, PHS compiled

Repricing phase as stock prices have undergone a solid recovery

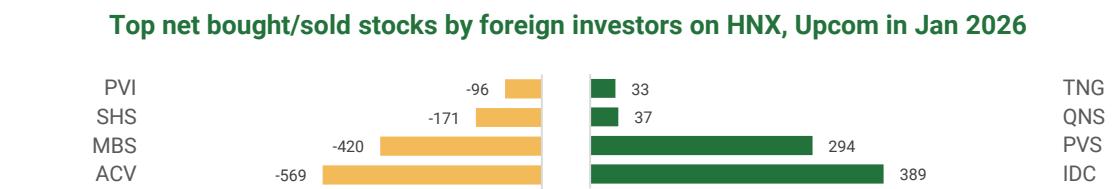
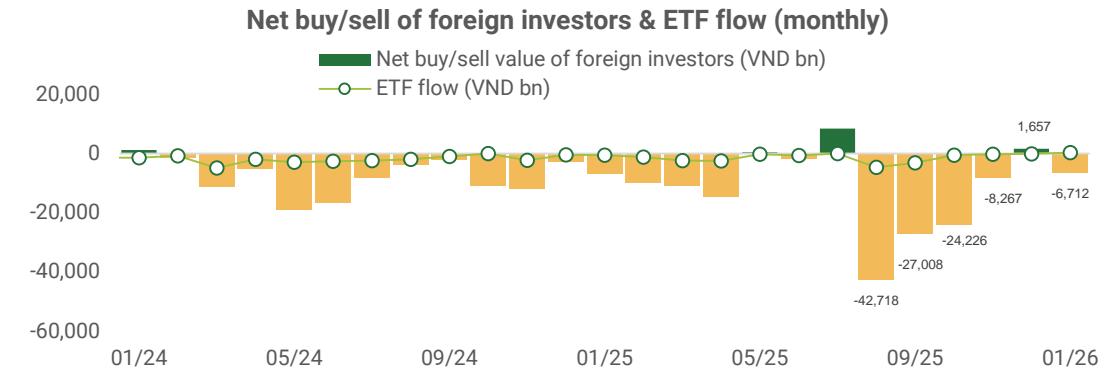
Following the strong early-year rally, several sectors are now trading above their 12-month average P/E levels. Some sectors have moved close to the upper end of their valuation ranges, notably Utilities, Food & Beverages, and Insurance. In contrast, Technology, Financial Services, Automobiles & Parts, and Construction & Materials continue to trade at relatively lower P/E levels. **Against the backdrop of persistently high interest rates, we expect capital to favor sectors with solid fundamentals, the ability to sustain profit margins, and lower reliance on financial leverage, while capital-intensive and rate-sensitive businesses may face greater challenges.**



Source: FiinProX, PHS compiled

Foreign investors returned to net selling, while ETF flows improved across Asia

After recording net buying in the final month of 2025, foreign investors reverted to net selling in the first month of the new year. We expect this to reflect short-term portfolio rebalancing, with net buying and selling likely to alternate going forward.



Source: Bloomberg, FinProX, PHS compiled

Regarding **ETF flows**, Vietnam recorded a return to net inflows in January after a prolonged period of outflows. At the regional level, Southeast Asia also saw positive inflows, with Indonesia being the only market showing signs of deterioration.

Market	07/25	08/25	09/25	10/25	11/25	12/25	01/26
Hong Kong	9,019	11,752	8,233	6,229	7,928	4,142	7,409
India	403	110	273	2805	625	700	363
Japan	-2,549	-2,811	3,063	4,882	-4,047	1,829	1,501
S. Korea	4,764	1,648	3,927	3,242	6,363	2,054	8,960
Taiwan	-2,744	-1,035	-1,489	1,256	5,207	429	-1,005
Vietnam	-2	-174	-66	-21	-8	-52	13
Thailand	51	-36	-19	8	-27	7	34
Indonesia	4	71	-8	26	-26	83	13
Malaysia	9	2	13	28	2	17	56
Philippines	-5	3	1	2	9	7	55
Singapore	171	129	212	1	7	-12	174

Source: Bloomberg, PHS compiled

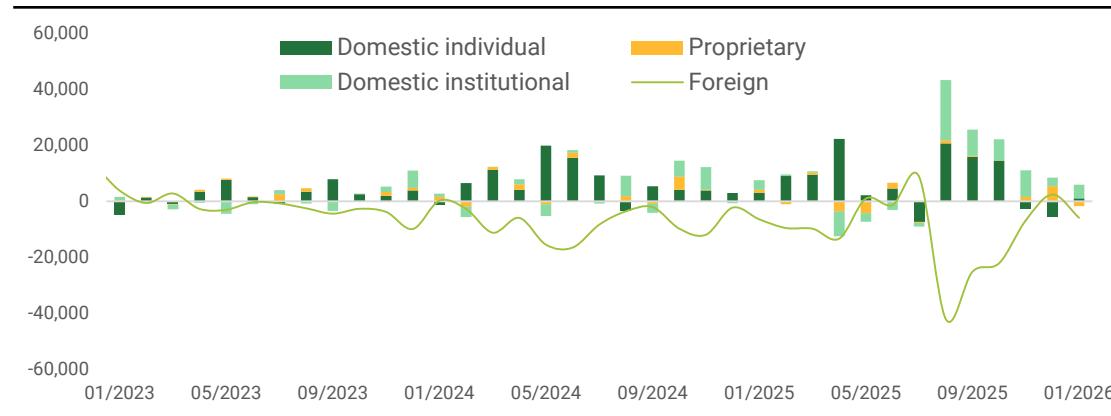
Margin to equity ratio cooled while overall lending scale remained elevated

The scale of outstanding margin loans across the market continued to expand, reaching a record high in Q4 2025 (data as of 31/12/2025)



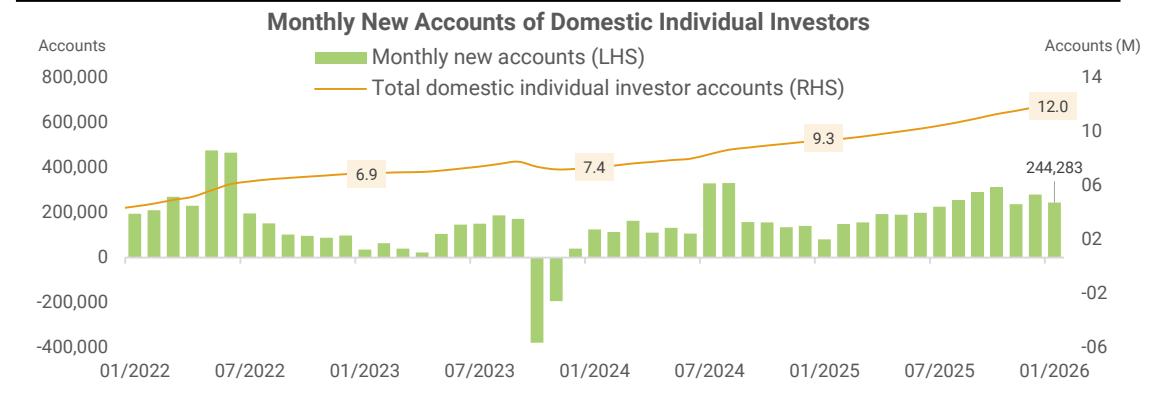
Source: FiinProX, PHS compiled

Monthly net trading on HOSE by investor type (VND bn)



Source: FiinProX, PHS compiled

The number of new investors entering the market declined in January 2026



Source: VSD, PHS compiled

- Outstanding margin loans across the market continued to rise, reaching over VND 396 trillion by the end of Q4 2025. However, the pace of growth slowed compared to the previous quarter, increasing by only around 7.5%. A positive development is that the margin loan to equity ratio eased to around 100%, as securities firms completed their capital increases. That said, this ratio remains elevated relative to historical levels, and **we note that forced selling risk remains a factor to monitor during periods of heightened market volatility.**
- In terms of investor type activity, domestic individual investors returned to net buying, albeit at a modest level, while the main buying momentum came from domestic institutional investors excluding proprietary trading. Institutional flows were concentrated in VIC (over VND 3tn), VHM (over VND 950bn), and STB (over VND 760bn). **The rotation among domestic institutional investor types further reinforces the role of local capital.**
- The number of new individual domestic investors entering the market cooled in January, following a rebound in December 2025. Newly opened accounts declined from 279 thousand to just over 244 thousand, though this remains above the one-year average of around 200 thousand accounts. Cumulatively, the total number of individual domestic accounts now stands at nearly 12.05 million.

Adjustment pressure remained dominant, with the 1700–1750 zone acting as key support



Technical Analysis:

- ✓ Prices fell below the MA20 and MA50. Additionally, lower liquidity indicates capital remains cautious.
- ✓ MACD crossed below the signal line, while RSI slipped below its average, signaling weakening upside momentum.
- ✓ Market breadth deteriorated amid a lack of consensus among leading sectors..
- ➔ In early month, the index is likely to remain under adjustment pressure; however, the 1700–1750 support zone is expected to provide a solid cushion and may attract returning buying interest. On this basis, we expect the index to rebound and move toward a retest of the 1800 - 1850 level toward month-end.

Scenario:

- ✓ Positive (35%): 1850 - 1900
- ✓ Basic (40%): 1720 - 1820
- ✓ Negative (25%): 1650 – 1700

Priority sectors

- ✓ Oil and Gas, Utilities, Consumer Goods, Chemicals

4. Stock Recommendation



SECTOR AND STOCK INVESTMENT THEMES

Recommended Portfolio Performance – Jan 2026

Ticker	Sector	Stock price 12/01/2025	Recommendation	Target Price	Closing Price / Performance	Stock price 12/02/2026	Price Movement – Jan 2026
HPG	Steel	27,500	Overweight	30,200		26,900	-2.2%
MWG	Retail	87,500	Hold	92,500	93,500 / 11.3%	92,900	
VNM	Consumer Goods	62,700	Overweight	70,000	73,000 / 16.4%	69,000	
PHR	Rubber	62,800	Overweight	70,000	69,500 / 13.0%	59,000	
BVH	Insurance	66,000	Overweight	76,000	80,000 / 21.2%	76,600	
ACB	Banking	25,500	Overweight	28,000		23,850	-6.5%
BVB	Banking	13,200	Overweight	15,400		13,500	2.3%
						VN-Index	-6.5%

Ticker	Sector	Recommendation	Stock price 12/02/2026	Target Price	Upside	Note
HPG	Steel	OW	26,900	30,200	12%	
MSN	Consumer Goods	OW	77,900	88,000	13%	
DDV	Chemicals	BUY	28,700	35,900	25%	
CTD	Construction	OW	81,500	90,000	10%	
BVB	Banking	OW	13,500	15,400	14%	
ACB	Banking	BUY	23,850	31,200	31%	
SSI	Financial Service	BUY	31,250	39,200	25%	
HCM	Financial Service	BUY	23,300	28,500	22%	


Technical Analysis:

- ✓ Price pulled back into the 77–80 consolidation range, which also serves as a strong support zone.
- ✓ MACD cooled but remained in positive territory, while RSI eased toward its average, suggesting upside momentum could recover if buying interest improves.
- ✓ Lower liquidity indicates selling pressure remains limited.
- ➔ The current pullback is viewed as a consolidation phase to rebuild momentum before resuming the upward trend.
- ➔ **Recommended entry zone: 78 – 78.5 | Target: 88 | Stop-loss: 74**

	STOCK	STRATEGY
Ticker	MSN	OW
Exchange	HOSE	
Sector	Food Products	

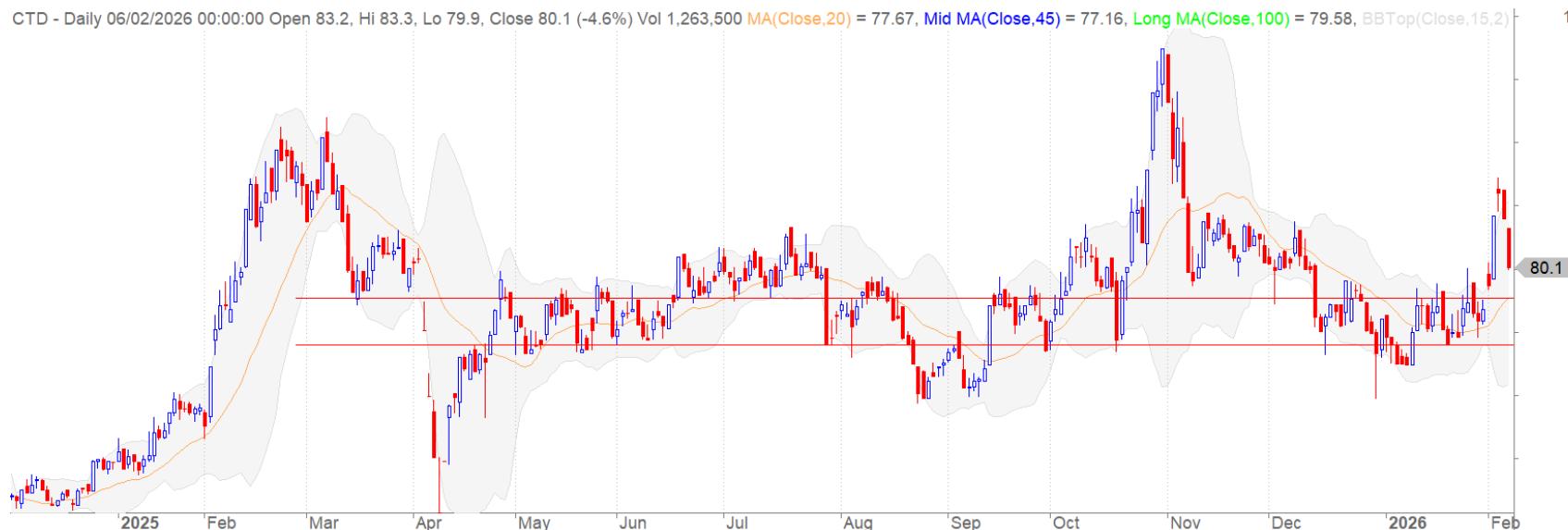
Financial Ratio	
P/E (x)	28.9
P/B (x)	3.20
EPS	2709.7
ROE	12.5%
Stock Rating	BB
Scale Market Cap	Large


Technical Analysis:

- ✓ Price eased back toward the support zone, forming a higher low.
- ✓ MACD cooled but remained in positive territory, while RSI slipped toward its average, indicating that upside momentum could recover if buying demand improves.
- ✓ Lower liquidity during the pullback suggests limited selling pressure.
- ➔ The current pullback is viewed as a consolidation phase to rebuild momentum before resuming the upward trend.
- ➔ **Recommended entry zone: 28 – 28.5 | Target 1: 32.5 - Target 2: 35.9 | Stop-loss: 26.4**

STOCK	STRATEGY
DDV	BUY
Exchange	UPCoM
Sector	Specialty Chemicals

Financial Ratio	
P/E (x)	6.7
P/B (x)	1.87
EPS	4336.1
ROE	31.4%
Stock Rating	A
Scale Market Cap	Medium



Technical Analysis:

- ✓ Price broke out of the 75–78 consolidation range.
- ✓ MACD crossed above the signal line and remained in positive territory, while RSI also improved above the 50 level, signaling a recovery in upside momentum.
- ✓ Rising liquidity indicates a return of money flow.
- ➔ The current pullback is viewed as a consolidation phase to rebuild momentum before resuming the upward trend.
- ➔ **Recommended entry zone: 79 – 80 | Target: 90 | Stop-loss: 75**

STOCK	STRATEGY
Ticker	CTD
Exchange	HOSE
Sector	Heavy Construction

Financial Ratio	
P/E (x)	10.8
P/B (x)	0.91
EPS	7387.6
ROE	8.7%
Stock Rating	BB
Scale Market Cap	Medium

Classification definition

Buy Recommendation: Stocks with potential price increase of over 20%.

Overweight Recommendation: Stocks with potential price increase between 10% and 20%.

Hold Recommendation: Stocks showing limited growth potential under 10%.

Underweight Recommendation: Stocks that may decline slightly, from 0% to -10%.

Sell Recommendation: Stocks likely to drop more than -10%.

Not Rated: Stocks not rated within PHS's coverage or not yet listed.

Performance is defined as the total return over 12 months (including dividends)

Disclaimer

This research report is prepared by Phu Hung Securities Joint Stock Company (PHS) for informational purposes only. The information presented in this report is collected from sources believed to be reliable; however, PHS does not guarantee the accuracy or completeness of such information. The views, estimates, and forecasts expressed herein reflect the analysts' current assessment at the time of the report's publication and may be subject to change without prior notice. This report does not constitute an offer to sell or a solicitation to buy any securities. It is not intended to provide individual investment advice and does not take into account any specific investment objectives, financial situation, or needs of any individual. PHS, its affiliates, and/or their officers, directors, or employees may have interests or positions in, and may engage in transactions involving, the securities or derivatives mentioned in this report. PHS may also provide or seek to provide investment banking or other services to the companies referenced herein. Neither PHS, its affiliates, nor their officers, directors, or employees accept any legal responsibility for any direct or consequential losses arising from the use of this report or its content.

© Phu Hung Securities Joint Stock Company

21st Floor, Phu My Hung Tower,
8 Hoang Van Thai Street, Tan My Ward, Ho Chi Minh City, Vietnam

Phone : (84-28) 5 413 5479

Customer Service: 1900 25 23 58

E-mail: info@phs.vn / support@phs.vn

Fax: (84-28) 5 413 5472

Call Center: (84-28) 5 413 5488

Web: www.phs.vn